

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Mulmur

### **Opinion**

We have audited the accompanying consolidated financial statements of The Corporation of the Township of Mulmur, which comprise the consolidated statement of financial position as at December 31, 2018 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Mulmur as at December 31, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis of Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the The Corporation of the Township of Mulmur in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the corporation's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at RLB LLP's website at: [www.rlb.ca/additional-auditor-responsibilities](http://www.rlb.ca/additional-auditor-responsibilities). This description forms part of our auditor's report.

The image shows a handwritten signature in black ink that reads "RLB LLP". The letters are stylized and cursive.

Guelph, Ontario  
July 3, 2019

Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 3,692,266	\$ 2,678,188
Taxes receivable	434,599	471,011
Accounts receivable	<u>203,948</u>	<u>321,056</u>
	<u>4,330,813</u>	<u>3,470,255</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	393,109	491,467
Landfill site closure and post closure liability (note 4)	581,262	581,262
Post employment retirement benefit (note 5)	73,918	78,401
Long term debt (note 6)	526,240	569,547
Deferred revenue (note 7)	<u>951,079</u>	<u>737,452</u>
	<u>2,525,608</u>	<u>2,458,129</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,805,205</u>	<u>1,012,126</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 2)	15,685,845	15,982,023
Inventory	198,775	203,697
Prepaid expenses	<u>102,316</u>	<u>53,058</u>
	<u>15,986,936</u>	<u>16,238,778</u>
<b>ACCUMULATED SURPLUS</b> (schedule 3)	<u>\$ 17,792,141</u>	<u>\$ 17,250,904</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018 Budget (note 2)</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
<b>REVENUES</b>			
Taxation	\$ 3,916,869	\$ 3,943,053	\$ 3,740,028
User charges	317,242	482,627	496,839
Grants (note 8)	318,107	357,135	910,852
Other income (note 9)	107,100	137,871	144,718
Gain on disposal of tangible capital assets	15,500	16,253	34,093
Obligatory reserve fund revenue recognized (note 7)	<u>100,000</u>	<u>120,000</u>	<u>107,809</u>
	<u>4,774,818</u>	<u>5,056,939</u>	<u>5,434,339</u>
<b>EXPENSES (schedule 1)</b>			
General government	799,278	799,532	693,511
Protection to persons and property	1,035,263	863,853	952,899
Transportation services	1,641,292	1,610,636	1,539,684
Environmental services	144,865	136,681	141,984
Health services	7,500	14,754	3,699
Recreation and cultural services	123,248	182,805	256,528
Planning and development	92,450	44,804	57,589
Amortization	<u>770,780</u>	<u>867,739</u>	<u>753,338</u>
	<u>4,614,676</u>	<u>4,520,804</u>	<u>4,399,232</u>
<b>CONSOLIDATED BOARDS OPENING CHANGE IN SURPLUS</b>	<u>0</u>	<u>5,102</u>	<u>8,400</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 160,142</u>	<u>\$ 541,237</u>	<u>\$ 1,043,507</u>
<b>ACCUMULATED SURPLUS at beginning of year</b>		\$ 17,250,904	\$ 16,207,397
<b>Annual surplus</b>		<u>541,237</u>	<u>1,043,507</u>
<b>ACCUMULATED SURPLUS at end of year</b>		<u>\$ 17,792,141</u>	<u>\$ 17,250,904</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018 Actual</b>	<b>2017 Actual</b>
<b>ANNUAL SURPLUS</b>	\$ <u>541,237</u>	\$ <u>1,043,507</u>
Acquisition of tangible capital assets	(575,224)	(1,247,201)
Amortization of tangible capital assets	867,739	753,338
Gain on disposal of tangible capital assets	(16,253)	(34,093)
Proceeds on sale of tangible capital assets	21,611	41,776
Consolidated boards opening changes	<u>(1,695)</u>	<u>17,046</u>
	<u>296,178</u>	<u>(469,134)</u>
Use of inventory	4,922	4,612
(Decrease) increase of prepaid expenses	<u>(49,258)</u>	<u>16,297</u>
	<u>(44,336)</u>	<u>20,909</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	793,079	595,282
<b>NET FINANCIAL ASSETS at beginning of year</b>	<u>1,012,126</u>	<u>416,844</u>
<b>NET FINANCIAL ASSETS at end of year</b>	\$ <u><u>1,805,205</u></u>	\$ <u><u>1,012,126</u></u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>2018</b>	<b>2017</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual surplus	\$ <u>541,237</u>	\$ <u>1,043,507</u>
Items not requiring an outlay of cash		
Amortization	867,739	753,338
Gain on disposal of tangible capital assets	(16,253)	(34,093)
Post employment retirement benefit	<u>(4,483)</u>	<u>(6,064)</u>
	<u>847,003</u>	<u>713,181</u>
Net changes in non-cash working capital		
Taxes receivable	36,412	136,435
Accounts receivable	117,108	(157,240)
Accounts payable and accrued liabilities	(98,358)	222,504
Prepaid expenses	(49,258)	16,297
Inventory	4,922	4,612
Deferred revenue	<u>213,627</u>	<u>199,268</u>
	<u>224,453</u>	<u>421,876</u>
	<u>1,612,693</u>	<u>2,178,564</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(575,224)	(1,247,201)
Consolidated boards opening change in amortization (page 16)	(1,695)	17,046
Proceeds on disposal of tangible capital assets	<u>21,611</u>	<u>41,776</u>
	<u>(555,308)</u>	<u>(1,188,379)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Repayment of long term debt	<u>(43,307)</u>	<u>(43,306)</u>
<b>NET INCREASE IN CASH</b>	1,014,078	946,879
<b>CASH, beginning of year</b>	<u>2,678,188</u>	<u>1,731,309</u>
<b>CASH, end of year</b>	<u>\$ 3,692,266</u>	<u>\$ 2,678,188</u>



**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of The Corporation of the Township of Mulmur are the representation of management prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board of CPA Canada. Significant accounting policies adopted by The Corporation of the Township of Mulmur are as follows:

(a) **ACKNOWLEDGEMENT OF RESPONSIBILITY**

The management of the The Corporation of the Township of Mulmur acknowledges its responsibility for the creation and compilation of the following significant accounting policy decisions and the related policy notes.

(b) **BASIS OF CONSOLIDATION**

- (i) These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures for the revenue fund, reserve funds and reserves and include the activities of all committees of Council and the boards and municipal enterprises, which are under the control of Council.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenditures.

- (ii) The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the County of Dufferin are not reflected in the municipal fund balances of these financial statements.
- (iii) Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the trust funds statement of continuity and statement of financial position.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

Township of Mulmur Recreation Committee (proportionate basis - 50.00%; 2017 - 100.00%)

Honeywood Cemetery Board

Mulmur-Melancthon Volunteer Fire Department (proportionate basis - 76.68% (operating), 50% (capital), 2017 - 76.69% (operating), 50% (capital))

Rosemont District Fire Department (proportionate basis - 51.51% (operating), 33.33% (capital); 2017 - 51.58% (operating), 33.33% (capital))

Shelburne and District Fire Department (proportionate basis - 8.99%; 2017 - 8.80%)

(c) **BASIS OF ACCOUNTING**

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting. The interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(c) BASIS OF ACCOUNTING (continued)

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures transferred to other organizations, is reported on the Consolidated Statement of Financial Position.

(d) DEFERRED REVENUE

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the Consolidated Statement of Financial Position. The revenue is reported on the Consolidated Statement of Operations in the year in which it is used for the specified purpose.

(e) CREDIT RISK MANAGEMENT

The municipality is exposed to credit risk on the taxes receivable from its ratepayers.

The municipality does not have a significant exposure to any individual customer or counterpart.

(f) INVENTORY

Inventory held for consumption is recorded at the lower of cost and net replacement value.

(g) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant estimates made by management include the useful lives of tangible capital assets. Actual results could differ from those estimates.

(h) REVENUE RECOGNITION

Taxation revenue is recognized in the period in which the tax is levied.

Fees and user charges are recognized when the related service is provided.

Obligatory reserve fund revenues and grant revenues are recognized based on the terms of the grant or in the year that the related expenses are incurred.

Other income is recognized when receivable.

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(i) **TAXATION AND RELATED REVENUES**

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Township Council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Township determines the taxes applicable and renders supplementary tax billings. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(j) **NON-FINANCIAL ASSETS**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 - 25 years
Buildings	5 - 100 years
Vehicles	8 - 20 years
Equipment	5 - 25 years
Water systems	5 - 100 years
Roads and bridges	4 - 75 years

Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**2. BUDGET AMOUNTS**

The budgeted figures are presented for comparison purposes as prepared and approved by council, reclassified to conform to the current financial statement presentation. The budgeted figures have been restated to conform to the accrual basis of accounting on which the actual figures have been presented.

**3. TRUST FUNDS**

The trust funds administered by the municipality amounting to \$44,233 (2017 - \$42,703) have not been included in the Consolidated Statement of Financial Position, nor have the operations been included in the Consolidated Statement of Operations.

**4. LANDFILL SITE CLOSURE AND POST CLOSURE LIABILITY**

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, removal of leachates, and ongoing environmental monitoring, site inspections and maintenance.

Effective January 1, 2013, the County of Dufferin assumed waste management from the municipality and the landfill site ceased active operations and stopped accepting solid waste from ratepayers. No estimate of the existing liability based on the landfill capacity used up until the assumption date is available. Therefore, the estimates from the most recent report will be used until an updated report is available. The Corporation of the Township of Mulmur has estimated the closure and post closure liability of \$581,262 (2017 - \$581,262) for the landfill site. The liability is based on an anticipated closure in 2018 with closure costs of \$146,935. Current engineering studies suggest that monitoring would be required for 38 years with annual costs of \$13,250. The liability was based on an annual interest rate of 1.0% with consideration for the cost of inflation.

The liability is expected to be funded through budgeted allocations over the remaining life of the landfill.

**5. POST EMPLOYMENT RETIREMENT BENEFIT**

The Corporation of the Township of Mulmur has estimated the retirement benefit liability to be \$73,918 (2017 - \$78,401).

The Municipality provides extended health care, dental, life and disability insurance benefits to all employees. The significant assumptions, adopted by management in estimating the accrued benefit obligation are as follows:

Discount rate	4%
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**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**6. LONG TERM DEBT**

The balance reported on the Consolidated Statement of Financial Position is comprised of the following:

	<b>2018</b>	<b>2017</b>
Debenture payable, 4.36%, payable in semi-annual instalments of \$8,333 principal plus interest, due October 2024	\$ 100,000	\$ 116,667
Debenture payable, 4.91%, payable in semi-annual instalments of \$13,320 principal plus interest, due October 2034	<u>426,240</u>	<u>452,880</u>
	<u>\$ 526,240</u>	<u>\$ 569,547</u>

Principal payments are summarized as follows:

2019	\$ 43,307
2020	43,307
2021	43,307
2022	43,307
2023	43,307
Thereafter	<u>309,705</u>
	<u>\$ 526,240</u>

Interest expense in the amount of \$26,814 (2017 - \$28,848) has been recognized on the Consolidated Statement of Operations.

The Township has an operating loan with \$725,000 of credit capacity with interest charged at prime minus 0.75%. As of year end, \$0 (2017 - \$0) of the operating loan was in use.

**7. DEFERRED REVENUE**

	<b>2018 Opening</b>	<b>Contributions Received</b>	<b>Investment Income</b>	<b>Revenue Recognized</b>	<b>2018 Ending</b>
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 619,495	\$ 209,919	\$ 13,256	\$ (20,000)	\$ 822,670
Park dedication	12,413	0	225	0	12,638
Federal gas tax	<u>105,544</u>	<u>108,007</u>	<u>2,220</u>	<u>(100,000)</u>	<u>115,771</u>
	<u>\$ 737,452</u>	<u>\$ 317,926</u>	<u>\$ 15,701</u>	<u>\$ (120,000)</u>	<u>\$ 951,079</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**8. GRANTS**

	<b>2018 Budget (note 2)</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
<b>Operating</b>			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 241,200	\$ 241,200	\$ 240,600
Conditional - Other	<u>76,907</u>	<u>115,935</u>	<u>652,752</u>
	318,107	357,135	893,352
Other Municipalities - Recreation	<u>0</u>	<u>0</u>	<u>17,500</u>
	<u>\$ 318,107</u>	<u>\$ 357,135</u>	<u>\$ 910,852</u>

**9. OTHER INCOME**

	<b>2018 Budget (note 2)</b>	<b>2018 Actual</b>	<b>2017 Actual</b>
Penalties and interest on taxation	\$ 99,000	\$ 85,002	\$ 103,081
Investment income	8,000	37,616	15,266
Rents, concessions and franchises	100	1,615	8,447
Donations	0	1,199	542
Barbeque revenue	<u>0</u>	<u>12,439</u>	<u>17,382</u>
	<u>\$ 107,100</u>	<u>\$ 137,871</u>	<u>\$ 144,718</u>

**10. OPERATIONS OF THE SCHOOL BOARDS AND THE COUNTY OF DUFFERIN**

Further to note 1(a)(ii), the taxation, other revenues, expenditures and underlevies of the school boards and the County of Dufferin are comprised of the following:

	<b>2018</b>	<b>2017</b>
School Boards	\$ 1,407,739	\$ 1,398,949
County of Dufferin	<u>2,954,418</u>	<u>2,868,376</u>
	<u>\$ 4,362,157</u>	<u>\$ 4,267,325</u>

**11. PENSION AGREEMENTS**

The municipality made contributions to the Ontario Municipal Employees Retirement Systems (OMERS), which is a multi-employer plan, on behalf of nine members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS for 2018 was \$76,221 (2017 - \$62,104). The contribution rate for 2018 was 9.0% to 14.6% depending on income level (2017 - 9.0% to 14.6%).

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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**12. SEGMENTED INFORMATION**

The Corporation of the Township of Mulmur is a diversified municipal government institution that provides a wide range of services to its ratepayers such as fire, water, recreation, planning and roadway services. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of each segment and the activities they encompass are as follows:

General Government

These items relate to the revenues and expenses that relate to the operations of the Municipality itself and cannot be directly attributed to a specific segment.

Protection Services

Protection is comprised of police services and fire protection. The police services, which are provided by the OPP, work to ensure the safety and protection of the ratepayers and their property. The fire department is responsible for providing fire suppression services, fire prevention programs, training and education. The members of the fire department consist of volunteers.

Transportation Services

Transportation is responsible for maintaining the Municipality's transportation infrastructure.

Environmental Services

This service provides the Municipality's drinking water to the residents of the Mansfield subdivision, as well as waste disposal to ratepayers.

Health Services

Health services includes the operations of local cemeteries.

Recreation Services

This service area provides services meant to improve the health and development of the Municipality's ratepayers. Recreational and cultural programs are provided at the arena. Also, the Municipality receives library services from surrounding municipalities to assist with its ratepayers' informational needs.

Planning and Development

This department provides a number of services including planning and review of all property development plans through its application process.

THE CORPORATION OF THE TOWNSHIP OF MULMUR  
 CONSOLIDATED SCHEDULE OF SEGMENTED DISCLOSURE  
 FOR THE YEAR ENDED DECEMBER 31, 2018

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation Services	Planning and Development	2018	2017
<b>EXPENSES</b>									
Salaries and benefits	\$ 611,283	\$ 182,698	\$ 686,895	\$ 0	\$ 0	\$ 32,660	\$ 775	\$1,514,311	\$1,446,555
Materials	128,746	101,795	679,405	23,788	14,733	108,023	19,884	1,076,374	1,154,809
Contracted services	52,495	536,490	222,427	112,893	0	42,122	24,145	990,572	971,522
Rents and financial expenses	1,818	61	0	0	21	0	0	1,900	1,697
Interest on long term debt	4,905	0	21,909	0	0	0	0	26,814	28,848
Amortization	22,483	74,930	614,856	114,435	0	41,035	0	867,739	753,338
Other	<u>285</u>	<u>42,809</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,094</u>	<u>42,463</u>
	<u>\$ 822,015</u>	<u>\$ 938,783</u>	<u>\$2,225,492</u>	<u>\$ 251,116</u>	<u>\$ 14,754</u>	<u>\$ 223,840</u>	<u>\$ 44,804</u>	<u>\$4,520,804</u>	<u>\$4,399,232</u>

See notes to the consolidated financial statements



**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

*Schedule 2*

	Land	Land Improvements	Buildings	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2018	2017
<b>COST</b>									
Balance, beginning of year	\$ 59,698	\$ 419,559	\$ 2,642,094	\$ 1,584,739	\$ 2,795,611	\$12,820,234	\$ 6,391,798	\$26,713,733	\$25,732,303
Additions during the year	0	0	21,197	93,505	207,955	237,648	14,919	575,224	1,247,201
Consolidated board opening changes	0	0	0	2,958	956	0	0	3,914	(28,692)
Disposals during the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,958)</u>	<u>(112,212)</u>	<u>(54,511)</u>	<u>0</u>	<u>(194,681)</u>	<u>(237,079)</u>
Balance, end of year	<u>59,698</u>	<u>419,559</u>	<u>2,663,291</u>	<u>1,653,244</u>	<u>2,892,310</u>	<u>13,003,371</u>	<u>6,406,717</u>	<u>27,098,190</u>	<u>26,713,733</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	0	236,739	1,014,368	858,232	1,568,373	5,810,093	1,243,905	10,731,710	10,219,414
Amortization	0	13,491	59,456	98,526	147,921	433,910	114,435	867,739	753,338
Consolidated board opening changes	0	0	0	1,775	444	0	0	2,219	(11,646)
Accumulated amortization on disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>(22,600)</u>	<u>(112,212)</u>	<u>(54,511)</u>	<u>0</u>	<u>(189,323)</u>	<u>(229,396)</u>
Balance, end of year	<u>0</u>	<u>250,230</u>	<u>1,073,824</u>	<u>935,933</u>	<u>1,604,526</u>	<u>6,189,492</u>	<u>1,358,340</u>	<u>11,412,345</u>	<u>10,731,710</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 59,698</u>	<u>\$ 169,329</u>	<u>\$ 1,589,467</u>	<u>\$ 717,311</u>	<u>\$ 1,287,784</u>	<u>\$ 6,813,879</u>	<u>\$ 5,048,377</u>	<u>\$15,685,845</u>	<u>\$15,982,023</u>

See notes to the consolidated financial statements

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS**  
**AS AT DECEMBER 31, 2018**

*Schedule 3*

	<b>2018</b>	<b>2017</b>
<b>SURPLUSES</b>		
Invested in tangible capital assets	\$ 15,159,605	\$ 15,412,476
General fund	(162,873)	(194,325)
Unfunded landfill site closure and post closure liability	(581,262)	(581,262)
Employee future benefit obligation	(73,918)	(78,401)
Gravel pit investment	198,775	203,697
Mulmur-Melancthon Volunteer Fire Department	24,041	25,712
Shelburne & District Fire Department	5,868	7,435
Rosemont & District Fire Department	173,657	53,886
Honeywood Cemetery Board	125,013	124,344
NDCC Board	(14,791)	(21,006)
	<u>14,854,115</u>	<u>14,952,556</u>
<b>RESERVE FUNDS</b>		
Gravel pit rehabilitation	153,520	150,477
Mulmur-Melancthon Volunteer Fire Department	129,011	76,511
Rosemont & District Fire Department	93,396	117,491
Shelburne & District Fire Department	19,315	46,844
NDCC Committee	22,253	0
Capital purposes - water	373,652	328,029
Current purposes - water	19,497	19,170
	<u>810,644</u>	<u>738,522</u>
<b>RESERVES</b>		
Tax rate stabilization	683,526	560,089
Current purposes	205,736	220,278
Capital purposes	1,238,120	779,459
	<u>2,127,382</u>	<u>1,559,826</u>
	<u>\$ 17,792,141</u>	<u>\$ 17,250,904</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
SCHEDULE OF HONEYWOOD CEMETERY BOARD  
FOR THE YEAR ENDED DECEMBER 31, 2018**

*Schedule 4*

	2018	2017
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Cash	\$ <u>125,263</u>	\$ <u>124,594</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 250	\$ 250
<b>MUNICIPAL POSITION</b>		
Operating Fund	<u>125,013</u>	<u>124,344</u>
	\$ <u>125,263</u>	\$ <u>124,594</u>

<b>STATEMENT OF OPERATIONS</b>		
<b>REVENUE</b>		
Interest earned	\$ 2,249	\$ 1,067
Donations	<u>1,199</u>	<u>542</u>
	<u>3,448</u>	<u>1,609</u>
<b>EXPENSES</b>		
Maintenance and care of building and grounds	2,525	1,569
General and administrative	<u>254</u>	<u>167</u>
	<u>2,779</u>	<u>1,736</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>669</u>	<u>(127)</u>
<b>OPERATING FUND, beginning of the year</b>	<u>124,344</u>	<u>124,471</u>
<b>OPERATING FUND, end of the year</b>	\$ <u>125,013</u>	\$ <u>124,344</u>



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Mulmur

### Opinion

We have audited the statement of financial position of the trust funds of The Corporation of the Township of Mulmur as at December 31, 2018 and the statement of continuity of the trust funds for the year then ended.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the Township of Mulmur as at December 31, 2018 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the The Corporation of the Township of Mulmur in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the trust funds' ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the trust funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the trust funds' financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at RLB LLP's website at: [www.rlb.ca/additional-auditor-responsibilities](http://www.rlb.ca/additional-auditor-responsibilities). This description forms part of our auditor's report.

Handwritten signature of RLB LLP in black ink.

Guelph, Ontario  
July 3, 2019

Chartered Professional Accountants  
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MULMUR  
TRUST FUNDS  
STATEMENT OF CONTINUITY  
FOR THE YEAR ENDED DECEMBER 31, 2018

	HONEYWOOD CEMETERY TRUST FUND	MANSFIELD CEMETERY TRUST FUND
<b>BALANCE at the beginning of the year</b>	\$ <u>20,938</u>	\$ <u>21,765</u>
<b>RECEIPTS</b>		
Interest income	365	379
Plot sales	<u>0</u>	<u>1,530</u>
	<u>365</u>	<u>1,909</u>
<b>TRANSFERS FROM TRUST</b>	<u>365</u>	<u>379</u>
<b>BALANCE at end of the year</b>	\$ <u><u>20,938</u></u>	\$ <u><u>23,295</u></u>

STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2018

	HONEYWOOD CEMETERY TRUST FUND	MANSFIELD CEMETERY TRUST FUND
<b>ASSETS</b>		
Cash and cash equivalents	\$ <u><u>20,938</u></u>	\$ <u><u>23,295</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Fund balance	\$ <u><u>20,938</u></u>	\$ <u><u>23,295</u></u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
TRUST FUNDS  
NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**1. ACCOUNTING POLICIES**

These statements have been prepared using the accrual basis of accounting for expenditures and revenues.