

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**

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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

**Report on the Financial Statements**

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, 2017 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

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, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads 'RLB LLP'.

Guelph, Ontario  
May 2, 2018

Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 2,678,188	\$ 1,731,309
Taxes receivable	471,011	607,446
Accounts receivable	<u>321,056</u>	<u>163,816</u>
	<u>3,470,255</u>	<u>2,502,571</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	491,467	268,963
Landfill site closure and post closure liability (note 4)	581,262	581,262
Post employment retirement benefit (note 5)	78,401	84,465
Long term debt (note 6)	569,547	612,853
Deferred revenue (note 7)	<u>737,452</u>	<u>538,184</u>
	<u>2,458,129</u>	<u>2,085,727</u>
<b>NET FINANCIAL ASSETS</b>	<u>1,012,126</u>	<u>416,844</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 2)	15,982,023	15,512,889
Inventory	203,697	208,309
Prepaid expenses	<u>53,058</u>	<u>69,355</u>
	<u>16,238,778</u>	<u>15,790,553</u>
<b>ACCUMULATED SURPLUS</b> (schedule 3)	<u>\$ 17,250,904</u>	<u>\$ 16,207,397</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>2017 Budget (note 2)</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
<b>REVENUES</b>			
Taxation	\$ 3,762,539	\$ 3,740,028	\$ 3,578,477
User charges	373,880	496,839	479,020
Grants (note 8)	303,841	910,852	311,454
Other income (note 9)	141,480	144,718	291,022
Gain on disposal of tangible capital assets	28,500	34,093	37,201
Obligatory reserve fund revenue recognized (note 7)	<u>125,500</u>	<u>107,809</u>	<u>107,045</u>
	<u>4,735,740</u>	<u>5,434,339</u>	<u>4,804,219</u>
<b>EXPENSES (schedule 1)</b>			
General government	769,773	693,511	746,564
Protection to persons and property	1,051,460	952,899	934,696
Transportation services	1,354,384	1,539,684	1,485,333
Environmental services	113,394	141,984	159,367
Health services	7,750	3,699	12,997
Recreation and cultural services	248,780	256,528	261,815
Planning and development	89,780	57,589	78,940
Amortization	<u>770,780</u>	<u>753,338</u>	<u>770,780</u>
	<u>4,406,101</u>	<u>4,399,232</u>	<u>4,450,492</u>
<b>CONSOLIDATED BOARDS OPENING CHANGE IN SURPLUS</b>	<u>0</u>	<u>8,400</u>	<u>23,699</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 329,639</u>	<u>\$ 1,043,507</u>	<u>\$ 377,426</u>
<b>ACCUMULATED SURPLUS at beginning of year</b>		\$ 16,207,397	\$ 15,829,971
<b>Annual surplus</b>		<u>1,043,507</u>	<u>377,426</u>
<b>ACCUMULATED SURPLUS at end of year</b>		<u>\$ 17,250,904</u>	<u>\$ 16,207,397</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>2017 Actual</b>	<b>2016 Actual</b>
<b>ANNUAL SURPLUS</b>	\$ <u>1,043,507</u>	\$ <u>377,426</u>
Acquisition of tangible capital assets	(1,247,201)	(754,073)
Amortization of tangible capital assets	753,338	770,780
Gain on disposal of tangible capital assets	(34,093)	(37,201)
Proceeds on sale of tangible capital assets	41,776	39,000
Consolidated boards opening changes	<u>17,046</u>	<u>4,725</u>
	<u>(469,134)</u>	<u>23,231</u>
Use of inventory	4,612	4,586
Decrease (increase) of prepaid expenses	<u>16,297</u>	<u>(6,004)</u>
	<u>20,909</u>	<u>(1,418)</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	595,282	399,239
<b>NET FINANCIAL ASSETS at beginning of year</b>	<u>416,844</u>	<u>17,605</u>
<b>NET FINANCIAL ASSETS at end of year</b>	\$ <u><u>1,012,126</u></u>	\$ <u><u>416,844</u></u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>2017</b>	<b>2016</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual surplus	\$ <u>1,043,507</u>	\$ <u>377,426</u>
Items not requiring an outlay of cash		
Amortization	753,338	770,780
Gain on disposal of tangible capital assets	(34,093)	(37,201)
Post employment retirement benefit	<u>(6,064)</u>	<u>(10,921)</u>
	<u>713,181</u>	<u>722,658</u>
Net changes in non-cash working capital		
Taxes receivable	136,435	69,048
Accounts receivable	(157,240)	49,006
Accounts payable and accrued liabilities	222,504	(161,693)
Prepaid expenses	16,297	(6,004)
Inventory	4,612	4,586
Deferred revenue	<u>199,268</u>	<u>136,031</u>
	<u>421,876</u>	<u>90,974</u>
	<u>2,178,564</u>	<u>1,191,058</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(1,247,201)	(754,073)
Consolidated boards opening change in amortization (page 16)	17,046	4,725
Proceeds on disposal of tangible capital assets	<u>41,776</u>	<u>39,000</u>
	<u>(1,188,379)</u>	<u>(710,348)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Repayment of long term debt	(43,306)	(71,316)
Repayment of long term receivables	<u>0</u>	<u>20,455</u>
	<u>(43,306)</u>	<u>(50,861)</u>
<b>NET INCREASE IN CASH</b>	946,879	429,849
<b>CASH, beginning of year</b>	<u>1,731,309</u>	<u>1,301,460</u>
<b>CASH, end of year</b>	<u>\$ 2,678,188</u>	<u>\$ 1,731,309</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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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

Honeywood Cemetery Board

Mulmur-Melancthon Volunteer Fire Department (proportionate basis - 76.69% (operating), 50% (capital), 2016 - 79.14% (operating), 50% (capital))

Rosemont District Fire Department (proportionate basis - 51.58% (operating), 33.33% (capital); 2016 - 51.76% (operating), 33.33% (capital))

Shelburne and District Fire Department (proportionate basis - 8.80%; 2016 - 10.22%)

(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, 2017**

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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 are recognized based on the terms of the grant or in the year that the related expenses occur.

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, 2017**

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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, 2017**

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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 \$42,703 (2016 - \$42,253) 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 (2016 - \$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 another 37 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 \$78,401 (2016 - \$84,465).

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, 2017**

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**6. LONG TERM DEBT**

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

	<b>2017</b>	<b>2016</b>
Debenture payable, 4.36%, payable in semi-annual instalments of \$8,333 principal plus interest, due October 2024	\$ 116,667	\$ 133,333
Debenture payable, 4.91%, payable in semi-annual instalments of \$13,320 principal plus interest, due October 2034	<u>452,880</u>	<u>479,520</u>
	<u>\$ 569,547</u>	<u>\$ 612,853</u>

Principal payments are summarized as follows:

2018	\$ 43,307
2019	43,307
2020	43,307
2021	43,307
2022	43,307
Thereafter	<u>353,012</u>
	<u>\$ 569,547</u>

Interest expense in the amount of \$28,848 (2016 - \$31,659) 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 (2016 - \$0) of the operating loan was in use.

**7. DEFERRED REVENUE**

	<b>2017 Opening</b>	<b>Contributions Received</b>	<b>Investment Income</b>	<b>Revenue Recognized</b>	<b>2017 Ending</b>
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 428,566	\$ 185,544	\$ 5,385	\$ 0	\$ 619,495
Park dedication	2,349	10,000	64	0	12,413
Federal gas tax	<u>107,269</u>	<u>104,922</u>	<u>1,162</u>	<u>(107,809)</u>	<u>105,544</u>
	<u>\$ 538,184</u>	<u>\$ 300,466</u>	<u>\$ 6,611</u>	<u>\$ (107,809)</u>	<u>\$ 737,452</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

**8. GRANTS**

	<b>2017 Budget (note 2)</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
<b>Operating</b>			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 243,300	\$ 240,600	\$ 246,000
Conditional			
- Water	17,260	0	6,950
- Other	25,781	652,752	41,004
	<u>286,341</u>	<u>893,352</u>	<u>293,954</u>
Other Municipalities - Recreation	17,500	17,500	17,500
	<u>\$ 303,841</u>	<u>\$ 910,852</u>	<u>\$ 311,454</u>

**9. OTHER INCOME**

	<b>2017 Budget (note 2)</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
Penalties and interest on taxation	\$ 115,000	\$ 103,081	\$ 116,285
Investment income	7,000	15,266	7,500
Rents, concessions and franchises	100	8,447	1,677
Donations	0	542	145,638
Barbeque revenue	19,380	17,382	19,922
	<u>\$ 141,480</u>	<u>\$ 144,718</u>	<u>\$ 291,022</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>2017</b>	<b>2016</b>
School Boards	\$ 1,398,949	\$ 1,422,826
County of Dufferin	<u>2,868,376</u>	<u>2,864,233</u>
	<u>\$ 4,267,325</u>	<u>\$ 4,287,059</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 2017 was \$64,104 (2016 - \$57,881). The contribution rate for 2017 was 9.0% to 14.6% depending on income level (2016 - 9.0% to 14.6%).

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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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.

**13. COMPARATIVE FIGURES**

Certain of the prior year comparative figures have been reclassified to conform to the current year presentation.

THE CORPORATION OF THE TOWNSHIP OF MULMUR  
SCHEDULE OF SEGMENTED DISCLOSURE  
FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation Services	Planning and Development	2017	2016
<b>EXPENSES</b>									
Salaries and benefits	\$ 544,027	\$ 180,295	\$ 665,275	\$ 0	\$ 0	\$ 56,049	\$ 909	\$1,446,555	\$1,475,739
Materials	107,543	192,851	621,642	38,739	3,685	166,901	23,448	1,154,809	1,112,021
Contracted services	34,200	537,717	229,550	103,245	0	33,578	33,232	971,522	1,018,350
Rents and financial expenses	1,625	58	0	0	14	0	0	1,697	2,284
Interest on long term debt	5,631	0	23,217	0	0	0	0	28,848	31,659
Amortization	21,093	70,560	521,397	99,515	0	40,773	0	753,338	770,780
Other	<u>485</u>	<u>41,978</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>42,463</u>	<u>39,659</u>
	<u>\$ 714,604</u>	<u>\$1,023,459</u>	<u>\$2,061,081</u>	<u>\$ 241,499</u>	<u>\$ 3,699</u>	<u>\$ 297,301</u>	<u>\$ 57,589</u>	<u>\$4,399,232</u>	<u>\$4,450,492</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, 2017**

*Schedule 2*

	Land	Land Improvements	Buildings	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2017	2016
<b>COST</b>									
Balance, beginning of year	\$ 59,698	\$ 418,909	\$ 2,608,210	\$ 1,576,771	\$ 2,712,382	\$11,964,535	\$ 6,391,798	\$25,732,303	\$25,244,929
Additions during the year	0	650	33,884	58,759	209,209	944,699	0	1,247,201	754,073
Consolidated board opening changes	0	0	0	(22,107)	(6,585)	0	0	(28,692)	(8,222)
Disposals during the year	0	0	0	(28,684)	(119,395)	(89,000)	0	(237,079)	(258,477)
Assets under construction	0	0	0	0	0	0	0	0	0
Balance, end of year	<u>59,698</u>	<u>419,559</u>	<u>2,642,094</u>	<u>1,584,739</u>	<u>2,795,611</u>	<u>12,820,234</u>	<u>6,391,798</u>	<u>26,713,733</u>	<u>25,732,303</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	0	223,249	957,207	780,228	1,554,379	5,559,961	1,144,390	10,219,414	9,708,809
Amortization	0	13,490	57,161	107,847	136,193	339,132	99,515	753,338	770,780
Consolidated board opening changes	0	0	0	(8,842)	(2,804)	0	0	(11,646)	(3,497)
Accumulated amortization on disposals	0	0	0	(21,001)	(119,395)	(89,000)	0	(229,396)	(256,678)
Balance, end of year	<u>0</u>	<u>236,739</u>	<u>1,014,368</u>	<u>858,232</u>	<u>1,568,373</u>	<u>5,810,093</u>	<u>1,243,905</u>	<u>10,731,710</u>	<u>10,219,414</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 59,698</u>	<u>\$ 182,820</u>	<u>\$ 1,627,726</u>	<u>\$ 726,507</u>	<u>\$ 1,227,238</u>	<u>\$ 7,010,141</u>	<u>\$ 5,147,893</u>	<u>\$15,982,023</u>	<u>\$15,512,889</u>

See notes to the consolidated financial statements



**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**SCHEDULE OF ACCUMULATED SURPLUS**  
**AS AT DECEMBER 31, 2017**

*Schedule 3*

	<b>2017</b>	<b>2016</b>
<b>SURPLUSES</b>		
Invested in tangible capital assets	\$ 15,412,476	\$ 14,900,036
General fund	(194,325)	(224,095)
Unfunded landfill site closure and post closure liability	(581,262)	(581,262)
Employee future benefit obligation	(78,401)	(84,465)
Gravel pit investment	203,697	208,309
Mulmur-Melancthon Volunteer Fire Department	25,712	24,231
Shelburne & District Fire Department	7,435	5,565
Rosemont & District Fire Department	53,886	25,706
Honeywood Cemetery Board	124,344	124,471
NDCC Committee	(21,006)	(32,554)
	<u>14,952,556</u>	<u>14,365,942</u>
<b>RESERVE FUNDS</b>		
Gravel pit rehabilitation	150,477	146,945
Mulmur-Melancthon Volunteer Fire Department	76,511	56,249
Rosemont & District Fire Department	117,491	79,765
Shelburne & District Fire Department	46,844	41,508
Capital purposes - water	328,029	294,305
Current purposes - water	19,170	18,981
	<u>738,522</u>	<u>637,753</u>
<b>RESERVES</b>		
Tax rate stabilization	560,089	457,100
Current purposes	220,278	165,574
Capital purposes	779,459	581,028
	<u>1,559,826</u>	<u>1,203,702</u>
	<u>\$ 17,250,904</u>	<u>\$ 16,207,397</u>

THE CORPORATION OF THE TOWNSHIP OF MULMUR  
 SCHEDULE OF HONEYWOOD CEMETERY BOARD  
 FOR THE YEAR ENDED DECEMBER 31, 2017

Schedule 4

	2017	2016
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Cash	\$ <u>124,594</u>	\$ <u>124,821</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 250	\$ 350
<b>MUNICIPAL POSITION</b>		
Operating Fund	<u>124,344</u>	<u>124,471</u>
	\$ <u>124,594</u>	\$ <u>124,821</u>

<b>STATEMENT OF OPERATIONS</b>		
<b>REVENUE</b>		
Interest earned	\$ 1,067	\$ 564
Donations	<u>542</u>	<u>128,438</u>
	<u>1,609</u>	<u>129,002</u>
<b>EXPENSES</b>		
Burial expenses	0	478
Maintenance and care of building and grounds	1,569	6,127
General and administrative	<u>167</u>	<u>439</u>
	<u>1,736</u>	<u>7,044</u>
<b>ANNUAL (DEFICIT) SURPLUS</b>	<u>(127)</u>	<u>121,958</u>
<b>OPERATING FUND, beginning of the year</b>	<u>124,471</u>	<u>2,513</u>
<b>OPERATING FUND, end of the year</b>	\$ <u>124,344</u>	\$ <u>124,471</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**SCHEDULE OF NORTH DUFFERIN COMMUNITY CENTRE COMMITTEE**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

*Schedule 5*

	<b>2017</b>	<b>2016</b>
<b>REVENUE</b>		
Grant - Township of Mulmur	\$ 47,240	\$ 32,000
Grant - Township of Melancthon	17,500	17,500
Donations	0	7,200
Ice rental	99,255	101,759
Hall rental	2,850	2,628
Booth receipts	5,328	4,331
Barbecue	17,382	19,922
Miscellaneous	<u>8,334</u>	<u>8,401</u>
	<u>197,889</u>	<u>193,741</u>
<b>EXPENSES</b>		
Contracted labour	52,779	57,120
Hydro	58,050	78,970
Fuel	11,282	10,009
Telephone	3,075	2,422
Booth supplies	1,280	1,048
Barbecue supplies	7,324	10,395
Repairs and maintenance	24,445	31,895
Insurance	16,445	20,605
Miscellaneous	4,181	3,587
Professional	1,075	1,120
Water testing	<u>300</u>	<u>300</u>
	<u>180,236</u>	<u>217,471</u>
<b>NET REVENUE (LOSS) for the year</b>	17,653	(23,730)
<b>DEFICIT, beginning of the year</b>	(32,554)	(53,422)
Net Transfers	<u>(6,105)</u>	<u>44,598</u>
<b>DEFICIT, end of the year</b>	<u>\$ (21,006)</u>	<u>\$ (32,554)</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

We have audited the statement of financial position of the trust funds of The Corporation of the Township of Mulmur as at December 31, 2017 and the statement of continuity of the trust funds for the year then ended.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

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, 2017 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.

Guelph, Ontario  
May 2, 2018

Chartered Professional Accountants  
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MULMUR  
 TRUST FUNDS  
 STATEMENT OF CONTINUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	HONEYWOOD CEMETERY TRUST FUND	MANSFIELD CEMETERY TRUST FUND
<b>BALANCE at the beginning of the year</b>	\$ <u>20,788</u>	\$ <u>21,465</u>
<b>RECEIPTS</b>		
Interest income	202	206
Plot sales	<u>150</u>	<u>300</u>
	<u>352</u>	<u>506</u>
<b>TRANSFERS FROM TRUST</b>	<u>202</u>	<u>206</u>
<b>BALANCE at end of the year</b>	\$ <u><u>20,938</u></u>	\$ <u><u>21,765</u></u>

STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2017

	HONEYWOOD CEMETERY TRUST FUND	MANSFIELD CEMETERY TRUST FUND
<b>ASSETS</b>		
Cash and cash equivalents	\$ <u><u>20,938</u></u>	\$ <u><u>21,765</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Fund balance	\$ <u><u>20,938</u></u>	\$ <u><u>21,765</u></u>

The accompanying notes are an integral part of these financial statements.

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
TRUST FUNDS  
NOTE TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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**1. ACCOUNTING POLICIES**

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