

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

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	Page
<b>THE CORPORATION OF THE TOWNSHIP OF MULMUR</b>	
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations	5
Consolidated Statement of Change in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 14
Schedule of Segmented Disclosure	15
Consolidated Schedule of Tangible Capital Assets	16
Schedule of Accumulated Surplus	17
Schedule of Honeywood Cemetery Board	18
Schedule of NDCC Committee	19
<b>TRUST FUNDS</b>	
INDEPENDENT AUDITOR'S REPORT	20
FINANCIAL STATEMENTS	
Statement of Continuity and Statement of Financial Position	21
Notes to the Financial Statements	22



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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, 2016 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, 2016 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  
June 7, 2017

Chartered Professional Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 1,731,309	\$ 1,301,460
Taxes receivable	607,446	676,494
Accounts receivable	163,816	212,822
Long term receivable (note 2)	<u>0</u>	<u>20,455</u>
	<u>2,502,571</u>	<u>2,211,231</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	268,963	430,656
Landfill site closure and post closure liability (note 13)	581,262	581,262
Post employment retirement benefit (note 12)	84,465	95,386
Long term debt (note 4)	612,853	684,169
Deferred revenue (note 6)	<u>538,184</u>	<u>402,153</u>
	<u>2,085,727</u>	<u>2,193,626</u>
<b>NET FINANCIAL ASSETS</b>	<u>416,844</u>	<u>17,605</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 10)	15,512,889	15,536,120
Inventory	208,309	212,895
Prepaid expenses	<u>69,355</u>	<u>63,351</u>
	<u>15,790,553</u>	<u>15,812,366</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 16,207,397</u>	<u>\$ 15,829,971</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>2016 Budget (note 3)</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>REVENUES</b>			
Taxation	\$ 3,579,280	\$ 3,578,477	\$ 3,248,239
User charges	346,707	479,020	455,933
Grants (note 11)	325,766	311,454	353,529
Other income (note 5)	142,380	291,022	145,434
Gain on disposal of tangible capital assets	35,000	37,201	4,503
Obligatory reserve fund revenue recognized (note 6)	<u>129,307</u>	<u>107,045</u>	<u>162,150</u>
	<u>4,558,440</u>	<u>4,804,219</u>	<u>4,369,788</u>
<b>EXPENSES (schedule 1)</b>			
General government	802,768	746,564	709,402
Protection to persons and property	1,016,113	934,696	917,393
Transportation services	1,647,583	1,485,333	1,447,122
Environmental services	142,618	159,367	120,577
Health services	7,325	12,997	8,708
Recreation and cultural services	259,457	261,815	239,958
Planning and development	99,485	78,940	65,287
Amortization	<u>722,867</u>	<u>770,780</u>	<u>769,468</u>
	<u>4,698,216</u>	<u>4,450,492</u>	<u>4,277,915</u>
<b>CONSOLIDATED BOARDS OPENING CHANGE IN SURPLUS</b>	<u>0</u>	<u>23,699</u>	<u>18,974</u>
<b>ANNUAL (DEFICIT) SURPLUS</b>	\$ <u>(139,776)</u>	\$ <u>377,426</u>	\$ <u>110,847</u>
<b>ACCUMULATED SURPLUS at beginning of year</b>		\$ 15,829,971	\$ 15,719,124
<b>Annual surplus</b>		<u>377,426</u>	<u>110,847</u>
<b>ACCUMULATED SURPLUS at end of year</b>		\$ <u>16,207,397</u>	\$ <u>15,829,971</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>ANNUAL SURPLUS</b>	\$ <u>377,426</u>	\$ <u>110,847</u>
Acquisition of tangible capital assets	(754,073)	(824,196)
Amortization of tangible capital assets	770,780	769,468
Gain on disposal of tangible capital assets	(37,201)	(4,503)
Proceeds on sale of tangible capital assets	39,000	8,876
Consolidated boards opening changes	<u>4,725</u>	<u>(891)</u>
	<u>23,231</u>	<u>(51,246)</u>
Use of inventory	4,586	5,353
Increase of prepaid expenses	<u>(6,004)</u>	<u>(3,621)</u>
	<u>(1,418)</u>	<u>1,732</u>
<b>INCREASE IN NET FINANCIAL ASSETS</b>	399,239	61,333
<b>NET FINANCIAL ASSETS at beginning of year</b>	<u>17,605</u>	<u>(43,728)</u>
<b>NET FINANCIAL ASSETS at end of year</b>	\$ <u><u>416,844</u></u>	\$ <u><u>17,605</u></u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Annual surplus	\$ <u>377,426</u>	\$ <u>110,847</u>
Items not requiring an outlay of cash		
Amortization	770,780	769,468
Gain on disposal of tangible capital assets	(37,201)	(4,503)
Post employment retirement benefit	<u>(10,921)</u>	<u>(26,442)</u>
	<u>722,658</u>	<u>738,523</u>
Net changes in non-cash working capital		
Taxes receivable	69,048	122,917
Accounts receivable	49,006	(61,086)
Accounts payable and accrued liabilities	(161,693)	226,980
Prepaid expenses	(6,004)	(3,621)
Inventory	4,586	5,353
Deferred revenue	<u>136,031</u>	<u>55,855</u>
	<u>90,974</u>	<u>346,398</u>
	<u>1,191,058</u>	<u>1,195,768</u>
<b>CASH PROVIDED BY (USED IN) CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(754,073)	(824,196)
Consolidated boards opening change in amortization (page 16)	4,725	(891)
Proceeds on disposal of tangible capital assets	<u>39,000</u>	<u>8,876</u>
	<u>(710,348)</u>	<u>(816,211)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Repayment of long term debt	(71,316)	(143,521)
Repayment of long term receivables	<u>20,455</u>	<u>17,540</u>
	<u>(50,861)</u>	<u>(125,981)</u>
<b>NET INCREASE IN CASH</b>	429,849	253,576
<b>CASH, beginning of year</b>	<u>1,301,460</u>	<u>1,047,884</u>
<b>CASH, end of year</b>	<u>\$ 1,731,309</u>	<u>\$ 1,301,460</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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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) 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 - 79.14% (operating), 50% (capital), 2015 - 79.02% (operating), 50% (capital))

Rosemont District Fire Department (proportionate basis - 51.76% (operating), 33.33% (capital); 2015 - 51.33% (operating), 33.33% (capital))

Shelburne and District Fire Department (proportionate basis - 10.22%; 2015 - 10.61%)

(b) 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.
- (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.



**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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

(c) 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.

(d) 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.

(e) INVENTORY

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

(f) 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.

(g) 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.

(h) 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.

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

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

(i) 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.

**2. LONG TERM RECEIVABLE**

	<b>2016</b>	<b>2015</b>
Loans receivable from ratepayers for capital upgrades to subdivision waterworks, 4.93%, repaid during the year.	\$ <u>0</u>	\$ <u>20,455</u>

**3. 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.

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**4. LONG TERM DEBT**

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

	<b>2016</b>	<b>2015</b>
Debenture payable, 4.93%, payable in semi-annual instalments of \$28,700 principal and interest, repaid during the year	\$ 0	\$ 28,009
Debenture payable, 4.36%, payable in semi-annual instalments of \$8,333 principal plus interest, due October 2024	133,333	150,000
Debenture payable, 4.91%, payable in semi-annual instalments of \$13,320 principal plus interest, due October 2034	<u>479,520</u>	<u>506,160</u>
	<u>\$ 612,853</u>	<u>\$ 684,169</u>

Principal payments are summarized as follows:

2017	\$ 43,307
2018	43,307
2019	43,307
2020	43,307
2021	43,307
Thereafter	<u>396,318</u>
	<u>\$ 612,853</u>

Interest expense in the amount of \$31,659 (2015 - \$37,071) 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 (2015 - \$0) of the operating loan was in use.

**5. OTHER INCOME**

	<b>2016 Budget (note 3)</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
Penalties and interest on taxation	\$ 115,000	\$ 116,285	\$ 120,620
Investment income	9,000	7,500	9,094
Rents, concessions and franchises	3,880	1,677	8,296
Donations	0	145,638	7,424
Barbeque revenue	<u>14,500</u>	<u>19,922</u>	<u>0</u>
	<u>\$ 142,380</u>	<u>\$ 291,022</u>	<u>\$ 145,434</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**6. DEFERRED REVENUE**

	2016 Opening	Contributions Received	Investment Income	Revenue Recognized	2016 Ending
<b>Obligatory Reserve Funds</b>					
Development charges	\$ 294,922	\$ 134,996	\$ 2,955	\$ (4,307)	\$ 428,566
Park dedication	1,637	700	12	0	2,349
Federal gas tax	<u>105,594</u>	<u>103,097</u>	<u>1,316</u>	<u>(102,738)</u>	<u>107,269</u>
	<u>\$ 402,153</u>	<u>\$ 238,793</u>	<u>\$ 4,283</u>	<u>\$ (107,045)</u>	<u>\$ 538,184</u>

**7. 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:

	2016	2015
School Boards	\$ 1,422,826	\$ 1,425,635
County of Dufferin	<u>2,864,233</u>	<u>2,751,021</u>
	<u>\$ 4,287,059</u>	<u>\$ 4,176,656</u>

**8. TRUST FUNDS**

The trust funds administered by the municipality amounting to \$42,253 (2015 - \$40,693) have not been included in the Consolidated Statement of Financial Position, nor have the operations been included in the Consolidated Statement of Operations.

**9. 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 2016 was \$57,881 (2015 - \$56,135). The contribution rate for 2016 was 9.0% to 14.6% depending on income level (2015 - 9.0% to 14.6%).

**10. TANGIBLE CAPITAL ASSETS**

	Net 2016	Net 2015
<b>General</b>		
Land	\$ 59,698	\$ 59,698
Land improvements	195,660	209,187
Buildings	1,651,003	1,647,884
Vehicles	796,543	898,177
Equipment	1,158,003	684,630
<b>Infrastructure</b>		
Transportation	6,399,486	6,685,045
Environmental	<u>5,252,496</u>	<u>5,351,499</u>
	<u>\$ 15,512,889</u>	<u>\$ 15,536,120</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**10. TANGIBLE CAPITAL ASSETS (continued)**

The net book values of tangible capital assets includes a proportionate share of the Rosemont, Shelburne and Mulmur-Melancthon Fire Boards capital assets. Mulmur Township's share of the Rosemont Fire Board tangible capital assets total \$657,002 and accumulated amortization totals \$302,757; Shelburne Fire Board tangible capital assets total \$206,511 and accumulated amortization totals \$106,822; and Mulmur-Melancthon Fire Board tangible capital assets total \$451,101 and accumulated amortization totals \$224,809.

**11. GRANTS**

	<b>2016 Budget (note 3)</b>	<b>2016 Actual</b>	<b>2015 Actual</b>
<b>Operating</b>			
Province of Ontario			
Ontario Municipal Partnership Fund (OMPF)	\$ 246,000	\$ 246,000	\$ 276,600
Conditional			
- Water	17,260	6,950	15,000
- Other	<u>45,006</u>	<u>41,004</u>	<u>45,829</u>
	308,266	293,954	337,429
Other Municipalities - Recreation	<u>17,500</u>	<u>17,500</u>	<u>16,100</u>
	<u>\$ 325,766</u>	<u>\$ 311,454</u>	<u>\$ 353,529</u>

**12. POST EMPLOYMENT RETIREMENT BENEFIT**

The Corporation of the Township of Mulmur has estimated the retirement benefit liability to be \$84,465 (2015 - \$95,386).

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%

**13. 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 (2015 - \$581,262) for the landfill site. The liability is based on an anticipated closure in 2016 with closure costs of \$146,935. Current engineering studies suggest that monitoring would be required for another 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.

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**14. SEGMENTED INFORMATION**

The Corporation of the Township of Mulmur is a diversified municipal government institution that provides a wide range of services to its citizens 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 citizens 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 citizens.

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 citizens. Recreational and cultural programs are provided at the arena. Also, the Municipality receives library services from surrounding municipalities to assist with its citizen's 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.

**15. 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, 2016

Schedule 1

	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Recreation Services	Planning and Development	2016	2015
<b>EXPENSES</b>									
Salaries and benefits	\$ 584,824	\$ 169,748	\$ 660,430	\$ 0	\$ 0	\$ 58,615	\$ 2,122	\$1,475,739	\$1,418,152
Materials	109,627	181,265	558,447	42,982	12,968	166,563	40,169	1,112,021	1,006,363
Contracted services	42,617	544,889	241,863	115,695	0	36,637	36,649	1,018,350	913,892
Rents and financial expenses	2,185	70	0	0	29	0	0	2,284	95,054
Interest on long term debt	6,376	0	24,593	690	0	0	0	31,659	37,071
Amortization	21,422	70,349	539,662	99,505	0	39,842	0	770,780	769,468
Other	<u>935</u>	<u>38,724</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,659</u>	<u>37,915</u>
	<u>\$ 767,986</u>	<u>\$1,005,045</u>	<u>\$2,024,995</u>	<u>\$ 258,872</u>	<u>\$ 12,997</u>	<u>\$ 301,657</u>	<u>\$ 78,940</u>	<u>\$4,450,492</u>	<u>\$4,277,915</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, 2016**

*Schedule 2*

	Land	Land Improvements	Buildings	Vehicles	Equipment	Infrastructure: Transportation	Infrastructure: Environmental	2016	2015
<b>COST</b>									
Balance, beginning of year	\$ 59,698	\$ 418,909	\$ 2,552,051	\$ 1,578,483	\$ 2,365,150	\$11,878,244	\$ 6,395,862	\$25,248,397	\$24,656,361
Additions during the year	0	0	59,440	7,826	594,197	91,586	1,024	754,073	611,447
Consolidated board opening changes	0	0	0	(6,070)	(2,152)	0	0	(8,222)	1,852
Disposals during the year	0	0	(3,281)	0	(244,813)	(10,383)	0	(258,477)	(234,012)
Assets under construction	0	0	0	0	0	0	0	0	212,749
Balance, end of year	<u>59,698</u>	<u>418,909</u>	<u>2,608,210</u>	<u>1,580,239</u>	<u>2,712,382</u>	<u>11,959,447</u>	<u>6,396,886</u>	<u>25,735,771</u>	<u>25,248,397</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance, beginning of year	0	209,722	904,167	680,306	1,679,998	5,193,199	1,044,885	9,712,277	9,171,487
Amortization	0	13,527	56,321	103,390	121,730	376,307	99,505	770,780	769,468
Consolidated board opening changes	0	0	0	0	(3,497)	0	0	(3,497)	961
Accumulated amortization on disposals	0	0	(3,281)	0	(243,852)	(9,545)	0	(256,678)	(229,639)
Balance, end of year	<u>0</u>	<u>223,249</u>	<u>957,207</u>	<u>783,696</u>	<u>1,554,379</u>	<u>5,559,961</u>	<u>1,144,390</u>	<u>10,222,882</u>	<u>9,712,277</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 59,698</u>	<u>\$ 195,660</u>	<u>\$ 1,651,003</u>	<u>\$ 796,543</u>	<u>\$ 1,158,003</u>	<u>\$ 6,399,486</u>	<u>\$ 5,252,496</u>	<u>\$15,512,889</u>	<u>\$15,536,120</u>

See notes to the consolidated financial statements



**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**SCHEDULE OF ACCUMULATED SURPLUS**  
**AS AT DECEMBER 31, 2016**

*Schedule 3*

	<b>2016</b>	<b>2015</b>
<b>SURPLUSES</b>		
Invested in tangible capital assets (note 10)	\$ 14,900,036	\$ 14,851,951
General fund	(224,095)	(223,106)
Unfunded landfill site closure and post closure liability	(581,262)	(581,262)
Employee future benefit obligation	(84,465)	(95,386)
Gravel pit investment	208,309	212,895
Mulmur-Melancthon Volunteer Fire Department	24,231	8,070
Shelburne & District Fire Department	5,565	7,987
Rosemont & District Fire Department	25,706	18,832
Honeywood Cemetery Board	124,471	2,513
NDCC Committee	<u>(32,554)</u>	<u>(53,422)</u>
	<u>14,365,942</u>	<u>14,149,072</u>
<b>RESERVE FUNDS</b>		
Gravel pit rehabilitation	146,945	143,920
Mulmur-Melancthon Volunteer Fire Department	56,249	27,259
Rosemont & District Fire Department	79,765	64,113
Shelburne & District Fire Department	41,508	46,486
Capital purposes - water	294,305	272,927
Current purposes - water	<u>18,981</u>	<u>18,779</u>
	<u>637,753</u>	<u>573,484</u>
<b>RESERVES</b>		
Tax rate stabilization	457,100	486,499
Current purposes	169,562	125,512
Capital purposes	<u>577,040</u>	<u>495,404</u>
	<u>1,203,702</u>	<u>1,107,415</u>
	<u>\$ 16,207,397</u>	<u>\$ 15,829,971</u>

THE CORPORATION OF THE TOWNSHIP OF MULMUR  
 SCHEDULE OF HONEYWOOD CEMETERY BOARD  
 FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 4

	2016	2015
<b>STATEMENT OF FINANCIAL POSITION</b>		
<b>ASSETS</b>		
Cash	\$ <u>124,821</u>	\$ <u>2,863</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 350	\$ 350
<b>MUNICIPAL POSITION</b>		
Operating Fund	<u>124,471</u>	<u>2,513</u>
	<u>\$ 124,821</u>	<u>\$ 2,863</u>

<b>STATEMENT OF OPERATIONS</b>		
<b>REVENUE</b>		
Interest earned	\$ 564	\$ 165
Donations	128,438	1,032
Burial charges, plot sales and levies	<u>0</u>	<u>390</u>
	<u>129,002</u>	<u>1,587</u>
<b>EXPENSES</b>		
Burial expenses	478	238
Maintenance and care of building and grounds	6,127	1,300
General and administrative	<u>439</u>	<u>30</u>
	<u>7,044</u>	<u>1,568</u>
<b>ANNUAL SURPLUS</b>	<u>121,958</u>	<u>19</u>
<b>OPERATING FUND, beginning of the year</b>	<u>2,513</u>	<u>2,494</u>
<b>OPERATING FUND, end of the year</b>	<u>\$ 124,471</u>	<u>\$ 2,513</u>

**THE CORPORATION OF THE TOWNSHIP OF MULMUR**  
**SCHEDULE OF NDCC COMMITTEE**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

*Schedule 5*

	<b>2016</b>	<b>2015</b>
<b>REVENUE</b>		
Grant - Township of Mulmur	\$ 32,000	\$ 25,000
Grant - Township of Melancthon	17,500	16,100
Donations	7,200	0
Ice rental	101,759	129,463
Hall rental	2,628	3,801
Booth receipts	4,331	5,084
Barbecue	19,922	14,696
Miscellaneous	<u>8,401</u>	<u>7,283</u>
	<u>193,741</u>	<u>201,427</u>
<b>EXPENSES</b>		
Contracted labour	57,120	51,610
Hydro	78,970	52,267
Fuel	10,009	12,320
Telephone	2,422	1,650
Booth supplies	1,048	1,510
Barbecue supplies	10,395	7,649
Repairs and maintenance	31,895	41,097
Insurance	20,605	25,325
Miscellaneous	3,587	4,211
Professional	1,120	1,075
Water testing	<u>300</u>	<u>300</u>
	<u>217,471</u>	<u>199,014</u>
<b>NET (LOSS) REVENUE for the year</b>	(23,730)	2,413
<b>DEFICIT, beginning of the year</b>	(53,422)	(82,581)
Net Transfers	<u>44,598</u>	<u>26,746</u>
<b>(DEFICIT, end of the year)</b>	<u>\$ (32,554)</u>	<u>\$ (53,422)</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, 2016 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, 2016 and the continuity of the trust funds for the year then ended in accordance with Canadian public sector accounting standards.



Guelph, Ontario  
June 7, 2017

Chartered Professional Accountants  
Licensed Public Accountants

THE CORPORATION OF THE TOWNSHIP OF MULMUR  
 TRUST FUNDS  
 STATEMENT OF CONTINUITY  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	HONEYWOOD CEMETERY TRUST FUND	MANSFIELD CEMETERY TRUST FUND
<b>BALANCE at the beginning of the year</b>	\$ <u>20,588</u>	\$ <u>20,105</u>
<b>RECEIPTS</b>		
Interest income	221	215
Plot sales	<u>200</u>	<u>1,360</u>
	<u>421</u>	<u>1,575</u>
<b>TRANSFERS FROM TRUST</b>	<u>221</u>	<u>215</u>
<b>BALANCE at end of the year</b>	\$ <u><u>20,788</u></u>	\$ <u><u>21,465</u></u>

STATEMENT OF FINANCIAL POSITION  
 AS AT DECEMBER 31, 2016

	HONEYWOOD CEMETERY TRUST FUND	MANSFIELD CEMETERY TRUST FUND
<b>ASSETS</b>		
Cash and cash equivalents	\$ <u><u>20,788</u></u>	\$ <u><u>21,465</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Fund balance	\$ <u><u>20,788</u></u>	\$ <u><u>21,465</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, 2016**

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**1. ACCOUNTING POLICIES**

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