

The Corporation of Norfolk County

Trust Funds - Financial Statements

December 31, 2018



INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of Norfolk County:

Qualified Opinion

We have audited the financial statements of the Trust Funds of The Corporation of Norfolk County (the Corporation), which comprise of the balance sheet as at December 31, 2018, and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the balance sheet of the The Corporation of Norfolk County's Trust Funds as at December 31, 2018, and statement of continuity for the year then ended, in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Corporation of Norfolk County's Trust Funds derives revenue from selling cemetery plots and markers, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Corporation of Norfolk County's trust funds. Our audit opinion on the financial statements for the year ended December 31, 2017, was modified because of the effects of this departure from Canadian public sector accounting standards.

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 Corporation 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to 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.

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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. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

June 21, 2019
Simcoe, Ontario

Millard, Rouse & Rosebrugh LLP

Millard, Rouse & Rosebrugh LLP
Chartered Professional Accountants
Licensed Public Accountants

The Corporation of Norfolk County

Balance Sheet - Trust Funds

As at December 31, 2018

	Combined Cemetery Perpetual Care \$	Audrey Hellyer Trust \$	Mable Cattle Trust \$	W.P. Innes Trust \$	Arthur Mather Trust \$	Norview Residents Trust \$	Museum Trust \$	Courtland Firefighter Trust \$	Total 2018 \$	Total 2017 \$
NET ASSETS										
Cash	487,898	14,823	-	40,034	1,315	50,595	-	-	594,665	292,273
Investments (Note 2)	684,668	-	-	-	51,000	-	-	-	735,668	821,281
Due from (to) Norfolk County	(27,196)	(19)	844	(2,031)	(1,315)	19,798	10,000	155,774	155,855	336,797
Accounts payable	(640)	-	-	-	-	-	-	-	(640)	(623)
TOTAL NET ASSETS	1,144,730	14,804	844	38,003	51,000	70,393	10,000	155,774	1,485,548	1,449,728
TRUST FUND BALANCE	1,144,730	14,804	844	38,003	51,000	70,393	10,000	155,774	1,485,548	1,449,728

See accompanying notes

The Corporation of Norfolk County
Statement of Continuity - Trust Funds
Year ended December 31, 2018

	Combined Cemetery Perpetual Care	Audrey Hellyer Trust	Mable Cattle Trust	W.P. Innes Trust	Arthur Mather Trust	Norview Residents Trust	Museum Trust	Courtland Firefighter Trust	Total 2018	Total 2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RECEIPTS										
Sale of plots and markers	31,362	-	-	-	-	-	-	-	31,362	38,743
Donations	300	-	-	-	-	-	-	-	300	200
Investment income	32,783	236	-	2,035	1,311	-	-	2,909	39,274	35,321
Resident contributions	-	-	-	-	-	258,625	-	-	258,625	247,408
	64,445	236	-	2,035	1,311	258,625	-	2,909	329,561	321,672
Disbursements										
Transfer to Norfolk County	32,144	-	-	-	-	-	-	-	32,144	27,488
Transfer to cemetery boards	640	-	-	-	-	-	-	-	640	623
Resident withdraws	-	-	-	-	-	257,677	-	-	257,677	258,991
Transfer to others	-	-	-	1,971	1,309	-	-	-	3,280	2,077
	32,784	-	-	1,971	1,309	257,677	-	-	293,741	289,179
NET RECEIPTS FOR THE YEAR	31,661	236	-	64	2	948	-	2,909	35,820	32,493
Trust fund balance - beginning of year	1,113,069	14,568	844	37,939	50,998	69,445	10,000	152,865	1,449,728	1,417,235
TRUST FUND BALANCE - END OF YEAR	1,144,730	14,804	844	38,003	51,000	70,393	10,000	155,774	1,485,548	1,449,728

See accompanying notes

The Corporation of Norfolk County
Notes to the Trust Funds Financial Statements
Year ended December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements of the Trust Funds of the Corporation of Norfolk County are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. All financial instruments in these financial statements are carried at amortized cost.

Revenue recognition

Sale of plots and markers and resident contributions are recognized as income when earned under the respective contracts, provided the amount is measurable and collection is reasonably assured. Investment income is recognized as it is earned.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Actual results could differ from management's best estimates as additional information becomes available in the future.

2. INVESTMENTS

Investments are recorded at amortized cost, less any amounts written off to reflect a permanent decline in value. Investments are comprised of:

	2018	2017
Internal debentures	\$ 125,100	\$ 164,696
Government bonds	559,568	567,585
Term deposits	51,000	89,000
	\$ 735,668	\$ 821,281

3. STATEMENT OF CASH FLOW

A statement of cash flow has not been provided as the information is readily available in the financial statements provided.

The Corporation of Norfolk County
Notes to the Trust Funds Financial Statements
Year ended December 31, 2018

4. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Corporation's risk exposure and concentration as of December 31, 2018.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument may be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant other financial risks arising from these financial instruments.

5. COMPARATIVE FIGURES

Certain prior year figures have been adjusted to conform with the 2018 financial statement presentation.