The Corporation of Norfolk County

Trust Funds - Financial Statements

December 31, 2021

Norfolk
COUNTY

INDEPENDENT AUDITORS' 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, 2021, and the statement of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the financial statements).

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, 2021, 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, 2020, 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.

(continues)

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.

Millard, Rouse & Rosebrugh LLP

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

September 13, 2022
Simcoe, Ontario

The Corporation of Norfolk County

Balance Sheet - Trust Funds

As at December 31, 2021

	Combined Cemetery Perpetual Care	Audrey Hellyer Trust	Mable Cattle Trust	External Cemetery Board Pepetual Care	W.P. Innes Trust	Arthur Mather Trust	Norview Residents Trust	Museum Trust	Courtland Firefighter Trust	Total 2021	Total 2020
	$	$	$	$	$	$	$	$	$	$	$
											Restated-Note 4
NET ASSETS											
Cash	682,236	15,325	-	54,984	179	124	22,159	-	-	**775,007**	687,273
Investments (Note 2)	579,667	-	-	20,806	38,940	52,262	-	-	-	**691,675**	737,829
Due from (to) Norfolk County	21,303	(10)	844	2,911	(1,119)	(1,386)	16,185	10,000	162,747	**211,475**	211,664
Accounts payable	(734)	-	-	(946)	-	-	-	-	-	**(1,680)**	(2,086)
TOTAL NET ASSETS	1,282,472	15,315	844	77,755	38,000	51,000	38,344	10,000	162,747	**1,676,477**	1,634,680
TRUST FUND BALANCE	1,282,472	15,315	844	77,755	38,000	51,000	38,344	10,000	162,747	**1,676,477**	1,634,680

See accompanying notes

The Corporation of Norfolk County

Statement of Continuity - Trust Funds

Year ended December 31, 2021

	Combined Cemetery Perpetual Care	Audrey Hellyer Trust	Mable Cattle Trust	External Cemetery Board Perpetual Care	W.P. Innes Trust	Arthur Mather Trust	Norview Residents Trust	Museum Trust	Courtland Firefighter Trust	Total 2021	Total 2020
	$	$	$	$	$	$	$	$	$	$	$
											Restated-Note 4
RECEIPTS											
Sale of plots and markers	43,198	-	-	2,300	-	-	-	-	-	**45,498**	30,023
Donations	300	-	-		-	-	-	-	-	**300**	450
Investment income	28,701	93	-	946	1,009	1,361	-	-	1,425	**33,535**	33,502
Resident contributions	-	-	-		-	-	171,125	-	-	**171,125**	176,330
	72,199	93	-	3,246	1,009	1,361	171,125	-	1,425	**250,458**	240,305
Disbursements											
Bank charges	247	-	-	-	-	-	-	-	-	**247**	414
Transfer to Norfolk County	33,357	-	-	-	-	-	-	-	-	**33,357**	33,513
Transfer to cemetery boards	734	-	-	946	-	-	-	-	-	**1,680**	762
Resident withdraws	-	-	-	-	-	-	171,007	-	-	**171,007**	192,099
Transfer to others	-	-	-	-	1,009	1,361	-	-	-	**2,370**	2,501
	34,338	-	-	946	1,009	1,361	171,007	-	-	**208,661**	229,289
NET RECEIPTS FOR THE YEAR	37,861	93	-	2,300	-	-	118	-	1,425	**41,797**	11,016
Trust fund balance - beginning of year	1,244,611	15,222	844	75,455	38,000	51,000	38,226	10,000	161,322	**1,634,680**	1,623,664
TRUST FUND BALANCE - END OF YEAR	1,282,472	15,315	844	77,755	38,000	51,000	38,344	10,000	162,747	**1,676,477**	1,634,680

See accompanying notes

Norfolk COUNTY

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.

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:

	2021	2020 Restated - Note 4
Internal debentures	$ **-**	$ 42,779
Government bonds	**691,675**	695,050
	$ **691,675**	$ 737,829

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.

4. PRIOR PERIOD ADJUSTMENT

During the year, Norfolk County held the Perpetual Care and Maintenance Trust Funds for two cemeteries that were operated by external boards. In 2021, Norfolk County added a third external cemtery board's Perpetual Care and Maintenance Trust Fund. It was determined during 2021 that these trust funds should be reported with all trust funds. A retroactive adjustment, totallying $75,455 was made to report these additions. To reflect this prior period adjustment, the comparative financial statement figures have been restated as follows:

	As previously reported	As restated	Change
Balance Sheet:			
Cash	$ 631,783	$ 687,273	$ 55,490
Investments	716,509	737,829	$ 21,320
Due from(to) Norfolk County	211,694	211,664	$ (30)
Accounts receivable(payable)	(761)	(2,086)	$ (1,325)
Total net assets	1,559,225	1,634,680	$ 75,455
Trust fund balance	1,559,225	1,634,680	$ 75,455
Statement of Continuity:			
Trust fund balance - beginning of year	1,548,209	1,623,664	$ 75,455
Trust fund balance - end of year	1,559,225	1,634,680	$ 75,455

5. COMPARATIVE FIGURES

Certain prior year figures have been adjusted to conform with the 2021 financial statement presentation.