

**THE CORPORATION OF THE TOWN OF TILLSONBURG - TRUST FUNDS**

**FINANCIAL STATEMENTS**

**For the year ended December 31, 2023**



# THE CORPORATION OF THE TOWN OF TILLSONBURG - TRUST FUNDS

For the year ended December 31, 2023

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## INDEPENDENT AUDITORS' REPORT

**To the Members of Council, Inhabitants, and Ratepayers of The Corporation of the Town of Tillsonburg**

### **Qualified Opinion**

We have audited the financial statements of the Trust Funds of the Corporation of the Town of Tillsonburg (the 'Entity'), which comprise the statement of financial position as at December 31, 2023, 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 of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### **Basis for Qualified Opinion**

The Entity derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue and net receipts for the year ended December 31, 2023, current assets and trust fund balance as at December 31, 2023. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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

### **Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

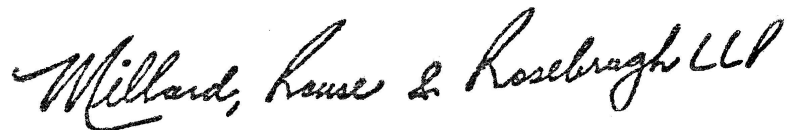
Those charged with governance are responsible for overseeing the Entity's financial reporting process.

## **Auditors' 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 auditors' 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.



September 4, 2024  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

# THE CORPORATION OF THE TOWN OF TILLSONBURG - TRUST FUNDS

## STATEMENT OF FINANCIAL POSITION - TRUST FUNDS

As at December 31	Annandale House	Cemetery Maintenance	Cemetery Perpetual Care	Cemetery Prepaid Cost	Community	JL Scott McLean	Lake Lisgar Revitalization	Parkland	Scholarship	Total 2023	Total 2022
<b>NET ASSETS</b>											
Cash	55,241	4,747	135,827	3,930	8,975	15,102	13,037	338,595	3,744	579,198	285,540
Investments (Note 3)	106,000	34,000	925,000	26,500	62,600	64,000	26,000	28,900	32,000	1,305,000	1,305,000
Interest Receivable	471	80	2,181	64	158	181	110	855	73	4,173	7,675
Due from (to) the Town of Tillsonburg	6,807	1,887	(4,910)	625	3,981	3,552	1,543	(109,056)	2,776	(92,795)	(35,623)
<b>TOTAL NET ASSETS</b>	<b>168,519</b>	<b>40,714</b>	<b>1,058,098</b>	<b>31,119</b>	<b>75,714</b>	<b>82,835</b>	<b>40,690</b>	<b>259,294</b>	<b>38,593</b>	<b>1,795,576</b>	<b>1,562,592</b>
<b>TRUST FUND BALANCE</b>	<b>168,519</b>	<b>40,714</b>	<b>1,058,098</b>	<b>31,119</b>	<b>75,714</b>	<b>82,835</b>	<b>40,690</b>	<b>259,294</b>	<b>38,593</b>	<b>1,795,576</b>	<b>1,562,592</b>

# THE CORPORATION OF THE TOWN OF TILLSONBURG - TRUST FUNDS

## STATEMENT OF CONTINUITY - TRUST FUNDS

As at December 31	Annandale House	Cemetery Maintenance	Cemetery Perpetual Care	Cemetery Prepaid Cost	Community	JL Scott McLean	Lake Lisgar Revitalization	Parkland	Scholarship	Total 2023	Total 2022
<b>RECEIPTS</b>											
Donations and fees	2,424	-	-	3	-	2,000	7,100	270,000	-	281,527	5,603
Investment income	8,593	2,131	59,041	1,672	4,216	4,308	2,048	5,352	2,035	89,396	45,756
Other revenue	-	-	40,758	-	-	-	-	2,130	-	42,888	34,865
	11,017	2,131	99,799	1,675	4,216	6,308	9,148	277,482	2,035	413,811	86,224
<b>DISBURSEMENTS</b>											
Donations	-	-	-	-	4,000	-	-	-	500	4,500	6,200
Expenditures for trust fund obligations	-	-	59,041	846	-	1,993	2,204	112,243	-	176,327	34,778
	-	-	59,041	846	4,000	1,993	2,204	112,243	500	180,827	40,978
<b>NET RECEIPTS FOR THE YEAR</b>	11,017	2,131	40,758	829	216	4,315	6,944	165,239	1,535	232,984	45,246
<b>TRUST FUND BALANCE - BEGINNING OF YEAR</b>	157,502	38,583	1,017,340	30,290	75,498	78,520	33,746	94,055	37,058	1,562,592	1,517,346
<b>TRUST FUND BALANCE - END OF YEAR</b>	168,519	40,714	1,058,098	31,119	75,714	82,835	40,690	259,294	38,593	1,795,576	1,562,592

See accompanying notes



# THE CORPORATION OF THE TOWN OF TILLSONBURG - TRUST FUNDS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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#### **Basis of Presentation**

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

#### **Accrual Basis of Accounting**

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable. Expenses 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.

#### **Financial instruments**

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method (or effective interest rate method).

All financial assets are assessed for impairment on an annual basis at the end of the fiscal year. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The Standards require an organization to classify the fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in active markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets and liabilities.

#### **Measurement uncertainty**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period.

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

# THE CORPORATION OF THE TOWN OF TILLSONBURG - TRUST FUNDS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023

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### 2. CHANGES IN ACCOUNTING POLICIES

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#### **PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation**

On January 1, 2023, the Trust adopted Canadian Public Sector Accounting Standards PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments are included in the statement of financial position and are measured at fair value or amortized cost based on the characteristics of the instrument and the Trust's accounting policy choices (See Note 1).

There was no impact upon adoption of the Trust on January 1, 2023.

### 3. INVESTMENTS

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Investments of the Trust Funds of \$1,305,000 (2022 - \$1,305,000) reported on the Statement of Financial Position consist of guaranteed investment certificates and are recorded at cost which approximates market value.

### 4. STATEMENT OF CASH FLOW

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A statement of cash flow has not been presented because it would not provide any additional meaningful information that is not readily determinable from information presented in the other financial statements.

### 5. COVID-19 PANDEMIC

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During the year and subsequent to year end, the outbreak of a novel strain of coronavirus has resulted in the global declaration of a pandemic. The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national, and global economies.

As at the date of issuance of financial statements, the Entity is aware of changes in its operations as a result of the COVID-19 crisis.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact of the Entity's operations as at the date of these financial statements.