
THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

FINANCIAL STATEMENTS

DECEMBER 31, 2018

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
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Independent auditor's report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Village of Sundridge

Opinion

We have audited the financial statements of The Corporation of the Village of Sundridge Trust Funds ("the Trust Funds"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, change in net finance assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Corporation of the Village of Sundridge Trust Funds as at December 31, 2018, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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 Trust Funds 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 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 Trust Funds's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Funds or to cease operations, or has no realistic alternative but to do so.

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

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 Trust Fund'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 Trust Fund'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 Trust Funds 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

North Bay, Canada
June 12, 2019

Chartered Professional Accountants
Licensed Public Accountants

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
Financial Assets		
Cash and cash equivalents	\$ 10,960	\$ 7,643
Accounts receivable - Township of Joly	-	400
Net Financial Assets	10,960	8,043
Non-financial Assets		
Tangible capital assets <i>(Note 3)</i>	22,604	23,159
Accumulated Surplus <i>(Note 4)</i>	\$ 33,564	\$ 31,202

APPROVED ON BEHALF OF COUNCIL:

_____ Mayor

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget 2018 <i>(see Note 5)</i>	Actual 2018	Actual 2017
Revenue			
Municipal Contributions - Township of Joly	\$ 800	\$ 800	\$ 400
- Township of Strong	4,000	4,000	2,000
- Village of Sundridge	3,200	3,200	1,600
Interest	-	90	-
	8,000	8,090	4,000
Expenses			
Caretaker	4,000	4,379	4,499
Administration and secretary - Village of Sundridge	625	550	550
Amortization	555	555	555
Other	640	244	3,164
	5,820	5,728	8,768
Annual Surplus (Deficit) (Note 4)	2,180	2,362	(4,768)
Accumulated Surplus, beginning of year	31,202	31,202	35,970
Accumulated Surplus, end of year	\$ 33,382	\$ 33,564	\$ 31,202

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Budget 2018 <i>(see Note 5)</i>	Actual 2018	Actual 2017
Annual surplus (deficit)	\$ 2,180	\$ 2,362	\$ (4,768)
Acquisition of tangible capital assets	(2,735)	-	-
Amortization of tangible capital assets	555	555	555
Increase (decrease) in net financial assets	-	2,917	(4,213)
Net financial assets, beginning of year	8,043	8,043	12,256
Net financial assets, end of year	\$ 8,043	\$ 10,960	\$ 8,043

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
Operating transactions		
Annual surplus (deficit)	\$ 2,362	\$ (4,768)
Non-cash charges to operations:		
Amortization	555	555
Changes in non-cash items:		
Accounts receivable	400	-
Accounts payable and accrued liabilities	-	(75)
Cash provided by (applied to) operating transactions	3,317	(4,288)
Net change in cash and cash equivalents	3,317	(4,288)
Cash and cash equivalents, beginning of year	7,643	11,931
Cash and cash equivalents, end of year	\$ 10,960	\$ 7,643

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

Management Responsibility

The financial statements of the trust funds of the Corporation of the Village of Sundridge (the "Village") are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of significant accounting policies is provided in Note 1. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Significant aspects of the accounting policies adopted by the Village are as follows:

- (i) Reporting Entity
The financial statements reflect the assets, liabilities, revenue and expenses of the Village's trust funds. The Village's assets, liabilities, revenue and expenses are reported separately in the Village's consolidated financial statements.
- (ii) Basis of accounting
Sources of financing and expenses are reported on the accrual basis of accounting. Revenue is recognized in the year in which it is earned 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.
- (iii) Revenue Recognition
Capital receipts are recognized when received. Interest is recognized when earned.
- (iv) Cash and cash equivalents
Cash and cash equivalents include balances held at financial institutions and short-term deposits with original maturities of three months or less.
- (v) Non-financial assets
Non-financial assets are not available to discharge existing liabilities but 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.
 - (a) Tangible capital assets
Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Borrowing costs related to the acquisition of tangible capital assets are expensed in the year incurred. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:
Buildings - 25 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

(vi) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Village may undertake in the future. Significant accounting estimates include estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

2. HIGH ROCK LOOK-OUT FUND

In 1967 Mary S. Edgar bequeathed to the Village of Sundridge and the Township of Strong lands to be used as a picnic area and for community gatherings for the citizens of the Sundridge area. A related endowment was provided, to be held in perpetuity, and any interest earnings derived therefrom are to be used to maintain the park.

The land is jointly owned by the Township of Strong, the Township of Joly and the Village of Sundridge. The municipalities each contribute funds annually to the trust, which are used towards maintenance and capital expenditures at the park.

3. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the trust fund by major asset class are outlined below.

2018			
	Land	Buildings	TOTAL
COST			
BALANCE, BEGINNING AND END OF YEAR	\$ 19,000	\$ 13,863	\$ 32,863
ACCUMULATED AMORTIZATION			
Balance, beginning of year	-	9,704	9,704
Annual amortization	-	555	555
BALANCE, END OF YEAR	-	10,259	10,259
TANGIBLE CAPITAL ASSETS-NET	\$ 19,000	\$ 3,604	\$ 22,604

2017			
	Land	Buildings	TOTAL
COST			
BALANCE, BEGINNING AND END OF YEAR	19,000	13,863	32,863
ACCUMULATED AMORTIZATION			
Balance, beginning of year	-	9,149	9,149
Annual amortization	-	555	555
BALANCE, END OF YEAR	-	9,704	9,704
TANGIBLE CAPITAL ASSETS-NET	\$ 19,000	\$ 4,159	\$ 23,159

THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

4. ACCUMULATED SURPLUS

The 2018 continuity of accumulated surplus reported on the Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
Tangible capital assets	\$ 23,159	\$ (555)	\$ 22,604
General surplus	8,043	2,917	10,960
	\$ 31,202	\$ 2,362	\$ 33,564

5. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
ADOPTED BUDGET:	
Decrease in general operating surplus	\$ -
ADJUSTMENTS:	
Acquisition of tangible capital	(2,735)
Amortization of tangible capital assets	555
ANNUAL DEFICIT	\$ (2,180)

6. COMPARATIVE FIGURES

Certain prior year figures presented for comparative purposes have been reclassified to conform with the basis of presentation adopted for the current year.