

TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

**TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Township of South-West Oxford

Qualified Opinion

We have audited the accompanying financial statements of the Township of South-West Oxford Trust Funds (the "Trust Funds"), which comprise the Statement of Financial Position as at December 31, 2018, and Statements of Operations and Accumulated Surplus and Cash Flows 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 paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Township of South-West Oxford Trust Funds as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Trust Funds derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of the revenue was limited to the amounts recorded in the records of the Trust Funds. Therefore, we were not able to determine whether any adjustments might be necessary to the revenue, assets and net assets for the year ended December 31, 2018 and December 31, 2017.

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' 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 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 Funds' 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 Funds' 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 Funds' 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.

August 13, 2019
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

**TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018**

	2018		2017
FINANCIAL ASSETS			
Cash	\$ 101,314	\$	87,809
Investments (note 2)	329,559		295,516
Due from Township of South-West Oxford	192		34,919
	431,065		418,244
LIABILITIES			
Due to Cemetery Operations	18,807		10,880
NET FINANCIAL ASSETS	412,258		407,364
ACCUMULATED SURPLUS (note 3)	\$ 412,258	\$	407,364

The accompanying notes are an integral part of these financial statements.

**TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017
REVENUE		
Care and maintenance portion of plot sales	\$ 4,722	\$ 24,010
Transfer of care and maintenance funds	2,594	27,855
Interest	3,651	2,320
	10,967	54,185
EXPENDITURES		
Cemetery maintenance	5,118	6,235
Trustee fees	955	637
	6,073	6,872
Excess of revenue over expenditures for the year	4,894	47,313
ACCUMULATED SURPLUS, BEGINNING OF YEAR	407,364	360,051
ACCUMULATED SURPLUS, END OF YEAR	\$ 412,258	\$ 407,364

The accompanying notes are an integral part of these financial statements.

**TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess of revenue over expenditures (page 4)	\$ 4,894	\$ 47,313
Change in non-cash operating balances		
Accounts receivable	34,727	(34,919)
Investments	(34,043)	19,429
Accounts payable	7,927	(27,869)
Cash provided by operating transactions	13,505	3,954
Increase (decrease) in cash	13,505	3,954
CASH, BEGINNING OF YEAR	87,809	83,855
CASH, END OF YEAR	\$ 101,314	\$ 87,809

The accompanying notes are an integral part of these financial statements.

**TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

1. Accounting policies

The financial statements of the Township of South-West Oxford Trust Funds (the Trust Funds) are prepared by management in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board of the CPA Canada.

a. Basis of accounting

Interest revenue is recorded on the cash basis. Interest revenue is transferred to operations when it is received. Other revenue and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue 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.

b. Financial instruments

The financial instruments of the trust funds consist of cash, short-term investments and accounts receivable. The carrying values of these financial assets approximate their fair values unless otherwise disclosed.

c. 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

d. Tangible capital assets

The Trust Funds do not own any capital assets.

2. Short-term investments

Short-term investments of \$329,559 (2017 - \$295,516) consist of guaranteed income certificates with varying interest rates and maturity dates. The investments are recorded at cost which approximates market value.

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FOR THE YEAR ENDED DECEMBER 31, 2018**

3. Accumulated surplus

The accumulated surplus of the Trust Funds is comprised of the following:

	2018		2017
Mount Elgin Cemetery	\$ 28,989	\$	27,696
Sweaburg Union Cemetery	12,278		10,511
West Oxford Cemetery	264,473		266,287
Beachville Cemetery	28,518		24,870
Delmer Cemetery	78,000		78,000
	\$ 412,258	\$	407,364
