

---

Financial statements of  
Town of Newmarket  
Trust Fund

December 31, 2018

---

---

Independent Auditor's Report	1-2
Statement of financial activities and fund balance	3
Statement of financial position	4
Statement of cash flows	5
Notes to the financial statements	6-7

---

## Independent Auditor's Report

To the Members of Council of  
The Corporation of the Town of Newmarket

### Opinion

We have audited the financial statements of the Town of Newmarket Trust Fund (the "Trust Fund"), which comprise the statement of financial position as at December 31, 2018, and the statements of financial activities and fund balance, and of cash flows for the year then ended, and a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2018, and the results of its financial activities, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Fund 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Fund 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 GAAS 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 GAAS, 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 Fund 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.

(To be signed Deloitte LLP)

Chartered Professional Accountants  
Licensed Public Accountants  
\_\_\_\_\_, 2019

# THE CORPORATION OF THE TOWN OF NEWMARKET TRUST FUND

## Statement of Financial Activities and Fund Balance

Year ended December 31, 2018

	2018	2017
<b>REVENUES</b>		
Interest	\$ 3,558	\$ 1,686
Investment Income	\$ 2,106	\$ 3,340
Total revenues	\$ 5,664	\$ 5,026
<b>EXPENSES</b>		
Transfer to the Town of Newmarket	\$ -	\$ 70,895
Total expenses	\$ -	\$ 70,895
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 5,664	\$ (65,869)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	\$ 263,464	\$ 329,333
<b>FUND BALANCE, END OF YEAR</b>	\$ 269,128	\$ 263,464

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

# THE CORPORATION OF THE TOWN OF NEWMARKET TRUST FUND

## Statement of Financial Position

As at December 31, 2018

	<u>\$</u>	<u>2,018</u>	<u>\$</u>	<u>2,017</u>
<b>ASSETS</b>				
Cash	\$	208,654	\$	142,517
Investment interest receivable	\$	474	\$	947
Investments (Note 3)	\$	60,000	\$	120,000
<b>Fund Balance (Note 2)</b>	\$	269,128	\$	263,464

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

# THE CORPORATION OF THE TOWN OF NEWMARKET TRUST FUND

## Statement of Cash Flows

Year ended December 31, 2017

	2018	2017
<b>Cash received from</b>		
Interest	\$ 3,558	\$ 1,686
Investment Income	\$ 2,579	\$ 3,870
	<b>\$ 6,137</b>	<b>\$ 5,556</b>
<b>Cash paid for</b>		
Transfer to the Town of Newmarket	\$ -	\$ 70,895
	<b>\$ -</b>	<b>\$ 70,895</b>
<b>Net change in cash from operating activities</b>	<b>\$ 6,137</b>	<b>\$ (65,339)</b>
<b>Financing Activity</b>		
Proceeds on maturity of investment	\$ 60,000	\$ 60,000
<b>Net change in cash from financing activity</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>
<b>Net Change In Cash</b>	<b>\$ 66,137</b>	<b>\$ (5,339)</b>
<b>Cash, Beginning of Year</b>	<b>\$ 142,517</b>	<b>\$ 147,856</b>
<b>Cash, End of Year</b>	<b>\$ 208,654</b>	<b>\$ 142,517</b>

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

# THE CORPORATION OF THE TOWN OF NEWMARKET TRUST FUND

## Notes to the Financial Statements

December 31, 2018

---

### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trust Fund are the representation of management prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following policies:

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

### 2. ELMAN W. CAMPBELL MUSEUM TRUST

The Elman W. Campbell Museum Trust, being the only trust administered by the Town of Newmarket, was established as a result of the last Will and Testament of Elman W. Campbell in 1988. Operating expenses of the Museum are paid for by the Town of Newmarket and the Town receives no remuneration for administering the Fund. Eighty percent (80%) of the interest earned by the trust can be used to offset certain maintenance costs of the Museum after the capital requirements for the year have been met.

### 3. INVESTMENTS

Investments are recorded at the lower of cost and market value.

	2018	2017
Guaranteed investment certificate	\$ 60,000	\$120,000

Non-redeemable guaranteed investment certificate, interest at 2.15%, matures August, 2019, \$60,000 of principal amount maturing annually on each anniversary date.

### 4. USE OF ESTIMATES

The preparation of financial statements in conforming with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

# THE CORPORATION OF THE TOWN OF NEWMARKET TRUST FUND

## Notes to the Financial Statements

December 31, 2018

---

### 5. SUBSEQUENT EVENT

Effective March 15, 2019, cash in the Museum bank account was transferred to the Town's reserve fund bank account and the Museum bank account was closed. A reserve fund was created and includes the cash and the guaranteed investment certificate.

DRAFT