

# **Norfolk County Agricultural Society**

Financial Statements

**November 30, 2025**

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# Norfolk County Agricultural Society

## Index to Financial Statements

November 30, 2025

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	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flow	7
Notes to Financial Statements	8 - 12

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Norfolk County Agricultural Society:

### *Qualified Opinion*

We have audited the financial statements of Norfolk County Agricultural Society, which comprise the statement of financial position as at November 30, 2025, and the statements of changes in net assets, operations and cash flow 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* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at November 30, 2025, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Society derives revenue from donations, admissions, special events, and other cash sources; the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses, and cash flows from operations for the year ended November 30, 2025, current assets and net assets as at November 30, 2025. Our audit opinion on the financial statements for the year ended November 30, 2024 was modified accordingly because of the possible effects of this limitation of scope.

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 Society in accordance with 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 audit opinion.

### *Emphasis of Matter*

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the members of the Society to comply with the financial reporting policy adopted by the Society. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

We draw attention to Note 10 of the financial statements, which describes that the budgeted figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

(continues)

### **Millard, Rouse & Rosebrugh LLP**

85 Robinson Street, Simcoe, ON N3Y 1W7 T: 519.426.1606

SIMCOE BRANTFORD HAGERSVILLE

*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 ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

Independent Auditor's Report To the Members of Norfolk County Agricultural Society: *(continued)*

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.

January 29, 2026  
Simcoe, Ontario

*Millard, Rouse & Rosebrugh LLP*

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

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# Norfolk County Agricultural Society

## Statement of Financial Position

As at November 30, 2025

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	2025	2024
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 701,193	\$ 469,386
Accounts receivable	188,213	167,972
Grants receivable	9,376	47,400
HST receivable	-	104,926
Prepaid expenses	46,857	4,651
	945,639	794,335
<b>Property and equipment (Note 3)</b>	<b>1,798,335</b>	<b>1,823,973</b>
	<b>\$ 2,743,974</b>	<b>\$ 2,618,308</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable	\$ 267,636	\$ 132,322
Deferred revenue (Note 4)	40,278	40,552
HST payable	149,250	-
Current portion of long-term debt (Note 5)	15,750	15,750
	472,914	188,624
<b>Long-term debt (Note 5)</b>	<b>280,875</b>	<b>296,625</b>
	753,789	485,249
<b>Net assets</b>	<b>1,990,185</b>	<b>2,133,059</b>
	<b>\$ 2,743,974</b>	<b>\$ 2,618,308</b>

See accompanying notes to financial statements

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## Norfolk County Agricultural Society

### Statement of Changes in Net Assets

Year ended November 30, 2025

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	2025	2024
<b>Net assets - beginning of year</b>	<b>\$ 2,133,059</b>	<b>\$ 2,176,207</b>
Excess (deficiency) of revenue over expenses	<b>(28,186)</b>	(43,148)
Prior period adjustment <i>(Note 7)</i>	<b>(114,688)</b>	-
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,990,185</b>	<b>\$ 2,133,059</b>

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See accompanying notes to financial statements

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# Norfolk County Agricultural Society

## Statement of Operations

Year ended November 30, 2025

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	2025	2024
<b>REVENUE</b>		
Donations and partnerships	\$ 178,578	\$ 83,831
Rentals	139,966	144,702
Grants	140,598	200,749
Spring event - Eat & Drink Norfolk	215,671	228,125
Summer event - Norfolk Night Market	122,081	435,992
Fall event - Norfolk County Fair	2,371,024	2,508,651
Winter event - Norfolk Night Market	121,292	63,172
Other events	80,665	-
Other revenue	12,665	15,277
	<b>3,382,540</b>	<b>3,680,499</b>
<b>Expenses</b>		
Administrative	1,040,372	1,076,481
Facilities	428,658	343,889
Spring event - Eat & Drink Norfolk	160,787	175,956
Summer event - Norfolk Night Market	194,511	573,690
Fall event - Norfolk County Fair (Note 8)	1,261,694	1,317,268
Winter event - Norfolk Night Market	113,619	61,677
Other events	65,608	-
Asset strategy	14,405	32,245
	<b>3,279,654</b>	<b>3,581,206</b>
<b>Excess of revenue over expenses from operations before amortization</b>	<b>102,886</b>	<b>99,293</b>
Amortization	131,072	142,441
<b>DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ (28,186)</b>	<b>\$ (43,148)</b>

See accompanying notes to financial statements

# Norfolk County Agricultural Society

## Statement of Cash Flow

Year ended November 30, 2025

	2025	2024
<b>OPERATING ACTIVITIES</b>		
Deficiency of revenue over expenses for the year	\$ (28,186)	\$ (43,148)
Item not affecting cash		
Amortization	131,072	142,441
Prior period adjustment	(114,688)	-
	(11,802)	99,293
Changes in non-cash working capital		
Accounts receivable	(20,241)	(110,709)
Grants receivable	38,024	50,892
HST payable (recoverable)	254,176	(27,897)
Prepaid expenses	(42,206)	40,720
Accounts payable	135,315	(46,046)
Deferred revenue	(274)	(9,870)
	364,794	(102,910)
Cash flow from (used by) operating activities	352,992	(3,617)
<b>INVESTING ACTIVITY</b>		
Purchase of property and equipment	(105,435)	(57,144)
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	-	315,000
Repayment of long-term debt	(15,750)	(370,052)
Cash flow used by financing activities	(15,750)	(55,052)
<b>INCREASE (DECREASE) IN CASH</b>	<b>231,807</b>	<b>(115,813)</b>
Cash - beginning of year	469,386	585,199
<b>CASH - END OF YEAR</b>	<b>\$ 701,193</b>	<b>\$ 469,386</b>

See accompanying notes to financial statements

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# Norfolk County Agricultural Society

## Notes to Financial Statements

Year ended November 30, 2025

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### 1. PURPOSE OF THE ORGANIZATION

The Norfolk County Agricultural Society ('Society') is incorporated under the Ontario Corporations Act as a non-profit organization without share capital and is a registered charity under the Income Tax Act of Canada. The purpose of the Society is to encourage an awareness of agriculture and to promote improvements in the quality of life of persons living in an agricultural community.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

#### Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

#### Property and equipment

Property and equipment are stated at historical cost less accumulated amortization. Amortization, which is based on the estimated useful life, is recorded on the declining balance method as follows, except that one-half of these rates are used in the year of acquisition:

Buildings	5%
Improvements to grounds	10%
Equipment, furniture & fixtures	20%
Motor vehicles	30%
Computer equipment	55%
Computer software	100%
Website	30%

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use. Property and equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

#### Revenue recognition

The Society follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Other revenue is recognized when cash is received.

Donations and partnerships, rentals, grants, and event revenues (which consists of admissions, sponsorship, raffle, food and bar, program and vendor, concert, exhibitor, grandstand events, midway, and fair market) are recognized when the service is performed.

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# Norfolk County Agricultural Society

## Notes to Financial Statements

Year ended November 30, 2025

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Government assistance

Assistance related to current year expenses is included in revenue for the period. Assistance related to expenses of future periods is deferred and recognized to income as the related expenditures are incurred, subject to approval by the funder.

#### Government grants

Government grants are recorded when there is a reasonable assurance that the Society had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

#### Contributed services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. Donated materials and services, whose fair value cannot be reasonably determined, are not reflected in these financial statements.

#### Financial instruments

Financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument.

#### Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Society may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as useful lives of property and equipment, recognition of deferred revenue, allowance for doubtful debts, and accrued liabilities. Actual results could differ from these estimates.

# Norfolk County Agricultural Society

## Notes to Financial Statements

Year ended November 30, 2025

### 3. PROPERTY AND EQUIPMENT

	2025		2024	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Land	\$ 128,097	\$ -	\$ 128,097	\$ -
Buildings	3,667,842	2,413,059	3,562,407	2,349,792
Improvements to grounds	1,236,801	954,337	1,236,801	922,952
Equipment	1,214,556	1,098,785	1,214,556	1,069,842
Motor vehicles	12,995	7,583	12,995	5,263
Computer equipment	34,172	32,011	34,172	29,371
Computer software	31,094	31,094	31,094	31,094
Furniture and fixtures	187,593	178,542	187,593	176,280
Website	22,500	21,904	22,500	21,648
	<b>\$ 6,535,650</b>	<b>\$ 4,737,315</b>	<b>\$ 6,430,215</b>	<b>\$ 4,606,242</b>
Net book value	<b>\$ 1,798,335</b>	<b>\$ 1,823,973</b>		

### 4. DEFERRED REVENUE

Deferred revenue consists of funds received in the current year relating to expenses to be incurred in a subsequent year. A continuity of the account for the year is as follows:

	2025	2024
Balances - beginning of the year	\$ 40,552	\$ 50,422
Amounts recognized as revenue for the year	(34,202)	(44,422)
Amounts received for the subsequent year	33,928	34,552
Balances - end of the year	<b>\$ 40,278</b>	<b>\$ 40,552</b>

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# Norfolk County Agricultural Society

## Notes to Financial Statements

Year ended November 30, 2025

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### 5. LONG-TERM DEBT

	2025	2024
TD agricultural term loan, bearing interest at a rate of prime plus 1% per annum, repayable in monthly payments of \$1,312.50 plus interest. The loan matures in August 2044 and is secured by a general security agreement, a continuing collateral mortgage in the principal amount of \$1,300,000 at 172 South Drive, Simcoe, ON, and assignment of fire insurance.	\$ 296,625	\$ 312,375
Less amount to be paid within one year	<u>(15,750)</u>	(15,750)
	<u>\$ 280,875</u>	<u>\$ 296,625</u>

Principal repayment terms are approximately:

2026	\$ 15,750
2027	15,750
2028	15,750
2029	15,750
2030	15,750
Thereafter	<u>217,875</u>
	<u>\$ 296,625</u>

### 6. BANK INDEBTEDNESS

The Society has unused facility limits available for a \$400,000 operating loan at prime plus 1% per annum, a \$500,000 demand loan at prime plus 1%, a \$500,000 agriculture term loan to refinance the demand loan at prime plus 1%, and a \$50,000 corporate MasterCard. The entity also has obtained facility of settlement risk product to facilitate the utilization of hedge, wire or electronic funds transfer products. These facilities have no set expiry date and are secured by a general security agreement, a continuing collateral mortgage in the principal amount of \$1,300,000 at 172 South Drive, Simcoe, ON, and assignment of fire insurance.

### 7. PRIOR PERIOD ADJUSTMENT

Due to the result of an HST audit by the Canada Revenue Agency during the current fiscal year, it was determined that prior period HST for certain events were not collected by the Society. As a result, revenue from grandstand events, midway as well as, food and bar sales were overstated for the fiscal years 2021, 2022 and 2023 by a total of \$114,687. The effect of this has been reported as an adjustment to the Society's net assets.

### 8. PRIZE MONEY AWARDED

Included in Fall event - Norfolk County Fair expense is \$95,358 (2024 - \$89,896) of prize money awarded.

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# Norfolk County Agricultural Society

## Notes to Financial Statements

Year ended November 30, 2025

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### 9. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate, and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of November 30, 2025:

#### *(a) Credit risk*

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Society is exposed to credit risk from its partnerships and midway and exhibitors. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends, and other information.

#### *(b) Interest risk*

The Society's long-term debt has a variable interest rate. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The Society does not use derivative financial instruments to alter the effects of this risk.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other financial risks arising from these financial instruments. These risks have not changed from the prior year.

### 10. BUDGETED FIGURES

The budgeted figures as presented in the schedules to these financial statements are not audited. The amounts are based on the Society's internal budget approved by the board of directors.

### 11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.