

**The Corporation of the
Township of Perth East
- Trust Funds
Financial Statements
For the year ended December 31, 2015**

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Independent Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Township of Perth East

We have audited the accompanying financial statements of The Corporation of the Township of Perth East - Trust Funds, which comprise the statement of financial position as at December 31, 2015, the statements of financial activities and accumulated surplus and cash flows for the year then ended, a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Corporation of the Township of Perth East - Trust Funds as at December 31, 2015 and the results of its financial activities and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

**Stratford, Ontario
July 5, 2016**

**The Corporation of the Township of Perth East
Statement of Financial Position - Trust Funds**

December 31	2015	2014
Assets		
Current		
Cash	\$ 187,838	\$ 185,607
Short-term investments (Note 1)	332,430	167,046
Accrued interest receivable	11,099	8,058
	<u>531,367</u>	360,711
Long-term investments (Note 2)	<u>344,200</u>	503,474
	<u>\$ 875,567</u>	<u>\$ 864,185</u>
Liabilities and Accumulated Surplus		
Current		
Due to Township of Perth East	\$ 152,791	\$ 9,814
Accumulated surplus	<u>722,776</u>	854,371
	<u>\$ 875,567</u>	<u>\$ 864,185</u>

**The Corporation of the Township of Perth East
Statement of Financial Activities and Accumulated Surplus -
Trust Funds**

For the year ended December 31	2015	2014
Revenue		
Portion of plot sales and monument income	\$ 5,472	\$ 25,609
Interest earned	10,498	9,981
Donations	6,540	-
	<u>22,510</u>	<u>35,590</u>
Expenditures		
Capital purchases	21,345	-
Interest	8,993	8,500
Surplus to Greenwood operations	-	568
Funds paid out to beneficiaries	1,326	1,220
	<u>31,664</u>	<u>10,288</u>
Net revenues for the year	(9,154)	25,302
Accumulated surplus, beginning of year	854,371	829,069
Transfer of Quinlan trust to Township of Perth East	<u>(122,441)</u>	<u>-</u>
Accumulated surplus, end of year	\$ 722,776	\$ 854,371

The Corporation of the Township of Perth East Statement of Cash Flows - Trust Funds

For the year ended December 31	2015	2014
Cash flows from operating activities		
Net revenues for the year	\$ (9,154)	\$ 25,302
Change in non-cash working capital balances		
Increase in accrued interest receivable	(3,041)	(3,080)
	<u>(12,195)</u>	<u>22,222</u>
Investing activities		
Increase in investments	(6,110)	(5,146)
Transfer of Quinlan trust to Township of Perth East	(122,441)	-
	<u>(128,551)</u>	<u>(5,146)</u>
Financing activities		
Increase (decrease) in amount due to Township of Perth East	142,977	(3,570)
Net change in cash and cash equivalents	2,231	13,506
Cash and cash equivalents, beginning of year	185,607	172,101
Cash and cash equivalents, end of year	\$ 187,838	\$ 185,607

The Corporation of the Township of Perth East Summary of Significant Accounting Policies - Trust Funds

December 31, 2015

Basis of Accounting

The financial statements of the Corporation of the Township of Perth East - Trust Funds are the representation of management. They have been prepared in accordance with Canadian public sector accounting standards.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The Corporation of the Township of Perth East Notes to Financial Statements - Trust Funds

December 31, 2015

1. Short-Term Investments

	2015	2014
Cash	\$ 56	\$ 46
Short-term bonds	167,000	167,000
G.I.C.	165,374	-
	\$ 332,430	\$ 167,046
Fair market value	\$ 340,551	\$ 167,046

The bond has an effective interest rate of 1.90% (2014 - 1.61%). The G.I.C. carries an effective interest rate of 1.00% (2014 - 1.00%).

2. Long-Term Investments

	2015	2014
Bond	\$ 344,200	\$ 338,100
G.I.C.	-	165,374
	\$ 344,200	\$ 503,474
Fair market value	\$ 344,200	\$ 508,284

The bonds have an effective interest rate ranging between 2.00% and 2.06% (2014 - between 1.61% and 2.00%).

**The Corporation of the Township of Perth East
Schedule of Financial Activities by Trust Fund**

For the year ended December 31	Greenwood Cemetery Seelhoff Bequest	Greenwood Cemetery Care and Maintenance	Other Cemetery Care and Maintenance	Ellice Quinlan Athletic Association	Ellice Quinlan Rostock Hall	Security, Site Deposits and Building Betterment	2015	2014
Receipts								
Portion of plot sales and monument income	\$ -	\$ 5,372	\$ 100	\$ -	\$ -	\$ -	\$ 5,472	\$ 25,609
Interest earned	5,446	2,188	1,359	750	755	-	10,498	9,981
Donations	-	-	6,540	-	-	-	6,540	-
	5,446	7,560	7,999	750	755	-	22,510	35,590
Expenditures								
Capital purchases	21,345	-	-	-	-	-	21,345	-
Interest	5,446	2,188	1,359	-	-	-	8,993	8,500
Surplus to Greenwood operations	-	-	-	-	-	-	-	568
Funds paid out to beneficiaries	-	-	-	-	1,326	-	1,326	1,220
	26,791	2,188	1,359	-	1,326	-	31,664	10,288
Net revenues (expenditures)	(21,345)	5,372	6,640	750	(571)	-	(9,154)	25,302
Accumulated surplus, beginning of year	437,084	175,283	108,195	61,324	60,938	11,547	854,371	829,069
Transfer of Quinlan Trust to to Township of Perth East	-	-	-	(62,074)	(60,367)	-	(122,441)	-
Accumulated surplus, end of year	\$ 415,739	\$ 180,655	\$ 114,835	\$ -	\$ -	\$ 11,547	\$ 722,776	\$ 854,371