

The Corporation of the Township of Perth East
- Trust Funds
Financial Statements
For the year ended December 31, 2021

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Independent Auditors' Report

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

Opinion

We have audited the financial statements of The Corporation of the Township of Perth East - Trust Funds ("the Trust Funds"), which comprise the statement of financial position as at December 31, 2021, the statements of financial activities and accumulated surplus and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2021, and the results of their operations and 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 the audit of 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 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 related 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Stratford, Ontario
May 17, 2022

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

December 31	2021	2020
Assets		
Current		
Cash	\$ 55,524	\$ 43,229
Short-term investments (Note 1)	568,010	215,022
Accrued interest receivable	5,183	2,923
	<u>628,717</u>	261,174
Long-term investments (Note 2)	<u>181,115</u>	533,016
	<u>\$ 809,832</u>	<u>\$ 794,190</u>
Accumulated Surplus		
Due to Township of Perth East	<u>\$ 8,459</u>	<u>\$ 9,458</u>
Accumulated surplus	<u>801,373</u>	<u>784,732</u>
	<u>\$ 809,832</u>	<u>\$ 794,190</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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

For the year ended December 31	2021	2020
Revenue		
Investment income	\$ 7,603	\$ 16,168
Donations	-	12,599
Perpetual care	5,835	8,116
Contribution from Township of Perth East	<u>10,806</u>	<u>-</u>
	<u>24,244</u>	<u>36,883</u>
Expenditures		
Transfer to Township of Perth East	<u>7,603</u>	<u>22,460</u>
Net revenues for the year	16,641	14,423
Accumulated surplus, beginning of year	<u>784,732</u>	<u>770,309</u>
Accumulated surplus, end of year	<u>\$ 801,373</u>	<u>\$ 784,732</u>

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

For the year ended December 31	2021	2020
Cash flows from operating activities		
Net revenues for the year	\$ 16,641	\$ 14,423
Change in non-cash working capital balances		
Accrued interest receivable	(2,260)	(611)
	<u>14,381</u>	<u>13,812</u>
Investing activities		
Increase in investments	(1,087)	(11,308)
Financing activities		
Increase (decrease) in amount due to Township of Perth East	(999)	9,458
Decrease in amount due from Township of Perth East	-	5,461
	<u>(999)</u>	<u>14,919</u>
Net change in cash and cash equivalents	12,295	17,423
Cash and cash equivalents, beginning of year	<u>43,229</u>	<u>25,806</u>
Cash and cash equivalents, end of year	\$ 55,524	\$ 43,229

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

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

December 31, 2021

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, 2021

1. Short-Term Investments

	2021	2020
Cash	\$ 216,109	\$ 215,022
G.I.C.	351,901	-
	\$ 568,010	\$ 215,022
Fair market value	\$ 570,538	\$ 215,022

The G.I.C. have an interest rate of between 1.10% and 2.24%.

2. Long-Term Investments

	2021	2020
Equity Funds	\$ 181,115	\$ 181,115
G.I.C.	-	351,901
	\$ 181,115	\$ 533,016
Fair market value	\$ 184,193	\$ 539,241

The Equity Funds represent certain investments in principal protected notes indexed to the performance of common shares of major commercial banks with their ultimate value determined on maturity.

**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	North Mornington Cemetery	Linglebach Cemetery	Other Cemetery Care and Maintenance	Security, Site Deposits and Building Betterment	2021	2020
Receipts								
Portion of plot sales and monument income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	4,407	2,045	588	277	286	-	7,603	16,168
Donations	-	-	-	-	-	-	-	12,599
Perpetual care	-	5,076	-	759	-	-	5,835	8,116
Contribution from Township of Perth East	10,806	-	-	-	-	-	10,806	-
	15,213	7,121	588	1,036	286	-	24,244	36,883
Expenditures								
Transfer to Township of Perth East	4,407	2,045	588	277	286	-	7,603	22,460
Net revenues	10,806	5,076	-	759	-	-	16,641	14,423
Accumulated surplus, beginning of year	447,721	207,818	59,789	28,172	29,027	12,205	784,732	770,309
Accumulated surplus, end of year	\$ 458,527	\$ 212,894	\$ 59,789	\$ 28,931	\$ 29,027	\$ 12,205	\$ 801,373	\$ 784,732