

**The Corporation of the  
Township of Perth East  
- Trust Funds  
Financial Statements  
For the year ended December 31, 2013**

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**Financial Statements**  
For the year ended December 31, 2013

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## Independent Auditors' Report

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### 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, 2013, 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, 2013 and the results of its financial activities and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

**Chartered Accountants, Licensed Public Accountants**

**Stratford, Ontario  
July 16, 2014**

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

December 31	2013	2012
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 172,101	\$ 145,726
Short-term investment (Note 1)	166,000	154,705
Accrued interest receivable	4,978	3,585
	<u>343,079</u>	304,016
Long-term investments (Note 2)	<u>499,374</u>	501,095
	<u>\$ 842,453</u>	<u>\$ 805,111</u>
<b>Liabilities and Accumulated Surplus</b>		
<b>Current</b>		
Due to Township of Perth East	\$ 13,384	\$ 21,883
Accumulated surplus	<u>829,069</u>	783,228
	<u>\$ 842,453</u>	<u>\$ 805,111</u>

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

<b>For the year ended December 31</b>	<b>2013</b>	<b>2012</b>
<b>Revenue</b>		
Portion of plot sales and monument income	\$ -	\$ 8,071
Interest earned	13,589	24,979
Donations	62,648	109,654
Surplus from Greenwood operations	-	6,849
Contribution from revenue fund	-	3,685
	<u>76,237</u>	<u>153,238</u>
<b>Expenditures</b>		
Contribution to revenue fund	11,496	37,156
Surplus to Greenwood operations	1,886	-
Funds paid out to beneficiaries	16,552	83,365
Administration and legal fees	462	-
Payment of Sebringville Athletic loan receivable - revenue fund	-	1,167
	<u>30,396</u>	<u>121,688</u>
<b>Net revenues for the year</b>	<b>45,841</b>	<b>31,550</b>
<b>Accumulated surplus, beginning of year</b>	<b>783,228</b>	<b>751,678</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 829,069</b>	<b>\$ 783,228</b>

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

<b>For the year ended December 31</b>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Net revenues for the year	\$ 45,841	\$ 31,550
Change in non-cash working capital balances		
Decrease (increase) in accrued interest receivable	(1,393)	16,150
	<u>44,448</u>	<u>47,700</u>
<b>Investing activities</b>		
Decrease (increase) in investments	(9,574)	115,838
<b>Financing activities</b>		
Decrease in amount due to Township of Perth East	(8,499)	(77,688)
<b>Net change in cash and cash equivalents</b>	<b>26,375</b>	<b>85,850</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>145,726</b>	<b>59,876</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 172,101</b>	<b>\$ 145,726</b>

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

**December 31, 2013**

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**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.

**Financial Instruments**                      Financial instruments consist of cash, accrued interest receivable, short-term and long-term investments and amounts due to the Township of Perth East. All financial instruments are recorded at fair value upon inception. In subsequent periods, financial instruments are recorded at cost or amortized cost less impairment, if applicable.

**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.

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

**December 31, 2013**

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### 1. Short-Term Investment

	<u>2013</u>	<u>2012</u>
Short-term bonds	\$ 166,000	\$ -
G.I.C.	-	154,705
	<hr/>	<hr/>
Fair market value	\$ 166,000	\$ 154,705
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The bond has an effective interest rate of 1.48% (2012 - 2.95%).

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### 2. Long-Term Investments

	<u>2013</u>	<u>2012</u>
Bond	\$ 334,000	\$ 501,095
G.I.C. and debenture	165,374	-
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	\$ 499,374	\$ 501,095
	<hr/>	<hr/>
Fair market value	\$ 501,079	\$ 499,314
	<hr/>	<hr/>

The bonds have an effective interest rate ranging between 1.61% and 1.90% (2012 - 2.95%).  
The G.I.C. carries an effective interest rate of 1.48% (2012 - 1.50%).

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### 3. Financial Instrument Risk

It is management's opinion that the trust funds are not exposed to significant interest rate, currency or credit risks arising from its financial instruments.

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

<b>For the year ended December 31</b>	Greenwood Cemetery Seelhoff Bequest	Greenwood Cemetery Care and Maintenance	Other Cemetery Care and Maintenance	Ellice Quinlan Athletic Association	Ellice Quinlan Rostock Hall	Hampstead Motor Vehicle Accident	Security, Site Deposits and Building Betterment	<b>2013</b>	2012
<b>Receipts</b>									
Portion of plot sales and monument income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,071
Interest earned	7,481	2,865	1,150	1,066	1,007	20	-	<b>13,589</b>	24,979
Donations	-	1,934	60,714	-	-	-	-	<b>62,648</b>	109,654
Surplus from Greenwood operations	-	-	-	-	-	-	-	-	6,849
Contribution from revenue fund	-	-	-	-	-	-	-	-	3,685
	<b>7,481</b>	<b>4,799</b>	<b>61,864</b>	<b>1,066</b>	<b>1,007</b>	<b>20</b>	<b>-</b>	<b>76,237</b>	<b>153,238</b>
<b>Expenditures</b>									
Contribution to revenue fund	7,481	2,865	1,150	-	-	-	-	<b>11,496</b>	37,156
Surplus to Greenwood operations	1,886	-	-	-	-	-	-	<b>1,886</b>	-
Funds paid out to beneficiaries	-	-	-	2,658	-	13,894	-	<b>16,552</b>	83,365
Administration and legal fees	-	-	-	-	-	462	-	<b>462</b>	-
Payment of Sebringville Athletic Loan receivable - revenue fund	-	-	-	-	-	-	-	-	1,167
	<b>9,367</b>	<b>2,865</b>	<b>1,150</b>	<b>2,658</b>	<b>-</b>	<b>14,356</b>	<b>-</b>	<b>30,396</b>	<b>121,688</b>
<b>Net revenues (expenditures)</b>	<b>(1,886)</b>	<b>1,934</b>	<b>60,714</b>	<b>(1,592)</b>	<b>1,007</b>	<b>(14,336)</b>	<b>-</b>	<b>45,841</b>	<b>31,550</b>
<b>Accumulated surplus, beginning of year</b>	<b>439,538</b>	<b>168,298</b>	<b>27,667</b>	<b>62,657</b>	<b>59,185</b>	<b>14,336</b>	<b>11,547</b>	<b>783,228</b>	<b>751,678</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 437,652</b>	<b>\$ 170,232</b>	<b>\$ 88,381</b>	<b>\$ 61,065</b>	<b>\$ 60,192</b>	<b>\$ -</b>	<b>\$ 11,547</b>	<b>\$ 829,069</b>	<b>\$ 783,228</b>