

**Corporation of the City of
Brockville
Trust Funds
Financial Statements
For the year ended December 31, 2014**

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Independent Auditors' Report

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To the Members of Council, Inhabitants, and Ratepayers Corporation of the City of Brockville

We have audited the accompanying financial statements of the Corporation of the City of Brockville - Trust Funds which comprise the statements of financial position as at December 31, 2014 and December 31, 2013 and the statements of operations and changes in net assets and cash flows for the years ended December 31, 2014 and December 31, 2013 and 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.

Auditor's Responsibility

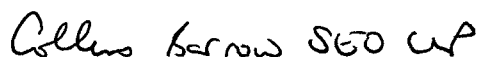
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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, the financial statements present fairly, in all material respects, the financial position of the Corporation of the City of Brockville - Trust Funds as at December 31, 2014 and December 31, 2013 and its financial performance for the years ended December 31, 2014 and December 31, 2013 in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants
Licensed Public AccountantsKingston, Ontario
September 22, 2015

**Corporation of the City of Brockville
Trust Funds
Statement of Financial Position**

December 31 2014 2013

	Perpetual Care	C. Babcock	Deferred Interments	St. Lawrence Lodge Partners' Trust	Total	Total
Financial Assets						
Cash (Note 1)	\$ 996,973	\$ 1,953	\$ 77,458	\$ 211,797	\$ 1,288,181	\$ 455,275
Accounts Receivable	789	-	-	-	789	1,784
Investments (Note 2)	45,495	-	-	303,500	348,995	945,272
Receivable from City of Brockville	-	-	-	-	-	6,828
	<u>1,043,257</u>	<u>1,953</u>	<u>77,458</u>	<u>515,297</u>	<u>1,637,965</u>	<u>1,409,159</u>
Financial Liabilities						
Payable to City of Brockville	24,861	-	-	340,669	365,530	169,843
HST Payable	-	-	-	-	-	134
Due to reserve fund	1,250	-	-	-	1,250	-
	<u>26,111</u>	<u>-</u>	<u>-</u>	<u>340,669</u>	<u>366,780</u>	<u>169,977</u>
Net Financial Assets	<u>\$ 1,017,146</u>	<u>\$ 1,953</u>	<u>\$ 77,458</u>	<u>\$ 174,628</u>	<u>\$ 1,271,185</u>	<u>\$ 1,239,182</u>

Trust Balances						
Capital	\$ 923,787	\$ 500	\$ 77,458	\$ 174,628	\$ 1,176,373	\$ 1,140,140
Accumulated income	93,359	1,453	-	-	94,812	99,042
	<u>\$ 1,017,146</u>	<u>\$ 1,953</u>	<u>\$ 77,458</u>	<u>\$ 174,628</u>	<u>\$ 1,271,185</u>	<u>\$ 1,239,182</u>

On behalf of the Board: _____ Director _____ Director

**Corporation of the City of Brockville
Trust Funds
Statement of Operations and Changes in Net Assets**

December 31	2014		2013		
	Perpetual Care	C. Babcock	Deferred Interments	St. Lawrence Lodge Partners' Trust	Total
Revenues					
Capital receipts	\$ 32,936	\$ -	\$ 6,000	\$ -	\$ 38,936
Partner contributions	-	-	-	336,277	336,277
Investment income	12,268	24	917	5,633	18,842
	45,204	24	6,917	341,910	394,055
Expenses					
	-	-	1,383	340,669	342,052
Change in net financial assets	45,204	24	5,534	1,241	52,003
Net assets, beginning of year	991,942	1,929	71,924	173,387	1,239,182
Transfer to operating	(20,000)	-	-	-	(20,000)
Net assets, end of year	\$ 1,017,146	\$ 1,953	\$ 77,458	\$ 174,628	\$ 1,271,185
					\$ 1,239,182

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

**Corporation of the City of Brockville
Trust Funds
Statement of Cash Flows**

For the year ended December 31	2014	2013
Cash flows from operating activities		
Change in net financial assets	<u>\$ 52,003</u>	<u>\$ 48,147</u>
Changes in non-cash working capital balances		
Net increase in amounts payable to the City of Brockville	182,515	50,369
Decrease in receivables	995	(1,784)
Decrease in HST payable	(134)	134
Due to reserve fund	<u>1,250</u>	<u>-</u>
	<u>184,626</u>	<u>48,719</u>
	236,629	96,866
Cash flows from investing activities		
Net purchases of investments	<u>596,277</u>	<u>(2,609)</u>
Net increase in cash and cash equivalents during the year	832,906	94,257
Cash and cash equivalents, beginning of year	<u>455,275</u>	<u>361,018</u>
Cash and cash equivalents, end of year	<u>\$ 1,288,181</u>	<u>\$ 455,275</u>
Represented by:		
Cash	<u>\$ 1,288,181</u>	<u>\$ 455,275</u>

**Corporation of the City of Brockville
Trust Funds
Summary of Significant Accounting Policies**

December 31, 2014

Basis of Accounting	These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.
Cash and Cash Equivalents	Cash and cash equivalents consist of deposits at Canadian chartered banks.
Fund Accounting	<p>The Trust Funds follow the restricted fund method of accounting for contributions.</p> <p>The <i>Perpetual Care Fund</i> has been set up to set aside funds for the care and maintenance of the cemetery in perpetuity. This is required by the Cemetery Act.</p> <p>The <i>C. Babcock Fund</i> is a restricted trust fund donated through Babcock estate to be used to maintain a specific grave site.</p> <p>The <i>Deferred Interments Fund</i> represents interment services which are purchased in advance. The amounts are held on deposit and recognized when the funds are withdrawn at the time of burial.</p> <p>The <i>St. Lawrence Lodge Partners' Trust</i> represents the group of municipalities who have agreed to fund a combined 39.74% of the outstanding debentures (principle and interest) related to the 2006 St. Lawrence Lodge redevelopment.</p>
Investments	Investments are in Perpetual Care and Maintenance Fund. Investments are made up of mutual funds and a GIC and are recorded at fair market value.

**Corporation of the City of Brockville
Trust Funds
Summary of Significant Accounting Policies**

December 31, 2014

Revenue Recognition

Capital receipts are recognized as revenue in the Perpetual Care and Maintenance Fund when received. These capital receipts are made up of burial plots, columbariums and markers.

St. Lawrence Lodge partners' contributions of 39.74% are towards the repayment of the debentures and interest due on the obligation of the St. Lawrence Lodge's 2006 redevelopment. St. Lawrence Lodge is a joint municipal board operating a long-term care facility.

Investment income is recorded at the time the investment matures and the funds are redeposited.

Financial Instruments

The Trust Funds' financial instruments consist of cash accounts receivable, investments and receivable from/payable to the City of Brockville. Unless otherwise noted, it is management's opinion that the carrying value of these financial instruments approximates their fair values and the Trust Funds do not have any significant concentration of interest, currency, or credit risk.

**Corporation of the City of Brockville
Trust Funds
Notes to Financial Statements**

December 31, 2014

1. Cash

The Trust Funds' bank accounts are held at one chartered bank. The bank accounts earn nominal interest.

2. Investments

	<u>2014</u>		<u>2013</u>
GIC	\$ 303,500	\$	903,254
Equity securities	<u>45,495</u>		<u>42,018</u>
	<u>\$ 348,995</u>	\$	<u>945,272</u>