

TOWNSHIP OF SOUTH-WEST OXFORD

TRUST FUNDS

FINANCIAL STATEMENTS

DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the Township of South-West Oxford:

I have audited the accompanying financial statements of the Trust Funds of the Township of South-West Oxford, which comprise the statement of financial position as at December 31, 2013 and the statements of operations and accumulated surplus and cash flows for the year then ended, 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 generally accepted accounting principles, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

The Trust Funds of the Township of South-West Oxford derive receipts of capital from residents and donors, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these receipts was limited to the amounts recorded in the records of the Township and I was not able to determine whether any adjustments might be necessary to capital receipts, assets and capital balance.

Qualified Opinion

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Trust Funds of the Township of South-West Oxford as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

September 16, 2014
London, Canada

Scrimgeour Company
LICENSED PUBLIC ACCOUNTANT

TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2013

(with comparative balances as at December 31, 2012)

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Cash	\$ 67,483	\$ 69,454
Investments (note 2)	285,328	273,547
Accounts receivable	<u>6,930</u>	<u>1,141</u>
	<u>359,741</u>	<u>344,142</u>
LIABILITIES		
Accounts payable	<u>25,225</u>	<u>24,008</u>
NET FINANCIAL ASSETS	<u>334,516</u>	<u>320,134</u>
ACCUMULATED SURPLUS (note 3)	<u>\$ 334,516</u>	<u>\$ 320,134</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2013
(with comparative balances for the year ended December 31, 2012)

	<u>2013</u>	<u>2012</u>
REVENUES		
Care and maintenance portion of plot sales	\$ 2,850	\$ 6,860
Transfer of care and maintenance funds	100	49,600
Interest	<u>15,259</u>	<u>3,179</u>
	<u>18,209</u>	<u>59,639</u>
EXPENDITURES		
Cemetery maintenance	3,081	8,560
Trustee fees	<u>746</u>	<u>781</u>
	<u>3,827</u>	<u>9,341</u>
Excess revenues over expenditures for the year	14,382	50,298
Accumulated surplus, beginning of the year	<u>320,134</u>	<u>269,836</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 334,516</u>	<u>\$ 320,134</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013
(with comparative balances for the year ended December 31, 2012)

	<u>2013</u>	<u>2012</u>
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess revenues over expenditures - Statement 2	\$ 14,382	\$ 50,298
Change in non-cash operating balances		
Accounts receivable	(5,789)	5,004
Investments	(11,781)	(50,374)
Accounts payable	<u>1,217</u>	<u>(3,066)</u>
Cash provided by operating transactions	<u>(1,971)</u>	<u>1,862</u>
Increase in cash	(1,971)	1,862
Cash, beginning of year	<u>69,454</u>	<u>67,592</u>
CASH, END OF YEAR	<u>\$ 67,483</u>	<u>\$ 69,454</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

1. Accounting Policies

The financial statements of the Township of South-West Oxford - Trust Funds are prepared by management in accordance with accounting policies prescribed for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Basis of Accounting

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Financial Instruments

The financial instruments of the trust funds consist of cash, short-term investments and accounts receivable. The carrying values of these financial assets approximate their fair values unless otherwise disclosed.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates.

(d) Tangible Capital Assets

The trust funds do not own any capital assets.

TOWNSHIP OF SOUTH-WEST OXFORD
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013

2. Short-Term Investments

Short-term investments of \$ 285,328 (2012 - \$ 273,547) consist of guaranteed income certificates with varying interest rates and maturity dates. The investments are recorded at cost which approximates market value.

3. Accumulated Surplus

The accumulated surplus of the trust funds is comprised of the following:

	<u>2013</u>	<u>2012</u>
Mount Elgin Cemetery	\$ 18,951	\$ 18,951
Harris Street Cemetery	163,536	150,154
Sweaburg Union Cemetery	8,261	8,261
West Oxford Church Cemetery	11,650	11,650
Brink Family Trust	46,217	46,217
Beachville Cemetery	20,901	19,901
Delmer Cemetery	<u>65,000</u>	<u>65,000</u>
	<u>\$ 334,516</u>	<u>\$ 320,134</u>