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**THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2011**

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**THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS**  
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# Independent Auditor's Report

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To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the Village of Sundridge

We have audited the accompanying financial statements of The Corporation of the Village of Sundridge Trust Funds which comprise the statement of financial position as at December 31, 2011 and the statements of operations and accumulated surplus, change in net financial assets 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 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 Village of Sundridge Trust Funds as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

North Bay, Canada  
June 12, 2102

Chartered Accountants  
Licensed Public Accountants

**THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2011**

	2011	2010
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 14,073	\$ 13,413
<b>Total Financial Assets and Net Financial Assets</b>	<b>14,073</b>	<b>13,413</b>
<b>Non-financial Assets</b>		
Tangible capital assets <i>(Note 3)</i>	26,486	27,041
<b>Accumulated Surplus <i>(Note 4)</i></b>	<b>\$ 40,559</b>	<b>\$ 40,454</b>

APPROVED ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

**THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS**  
**STATEMENTS OF OPERATIONS AND ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budget 2011 <i>(Unaudited - see Note 5)</i>	Actual 2011	Actual 2010
<b>Revenue</b>			
Municipal Contributions	\$ 4,000	\$ 4,000	\$ 4,000
Interest	-	229	149
	4,000	4,229	4,149
<b>Expenses</b>			
Caretaker	2,200	2,200	2,000
Other	2,500	1,369	786
Amortization	555	555	554
	5,255	4,124	3,340
<b>Annual Surplus (deficit) (Note 4)</b>	<b>(1,255)</b>	<b>105</b>	<b>809</b>
<b>Accumulated Surplus, beginning of year</b>	<b>40,454</b>	<b>40,454</b>	<b>39,645</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 39,199</b>	<b>\$ 40,559</b>	<b>\$ 40,454</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budget 2011 <i>(Unaudited - see Note 5)</i>	Actual 2011	Actual 2010
Annual surplus (deficit)	\$ (1,255)	\$ 105	\$ 809
Amortization of tangible capital assets	555	555	554
<b>Increase (decrease) in net financial assets</b>	<b>(700)</b>	<b>660</b>	<b>1,363</b>
<b>Net financial assets, beginning of year</b>	<b>13,413</b>	<b>13,413</b>	<b>12,050</b>
<b>Net financial assets, end of year</b>	<b>\$ 12,713</b>	<b>\$ 14,073</b>	<b>\$ 13,413</b>

The accompanying notes are an integral part of these financial statements

**THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011	2010
<b>Operating transactions</b>		
Annual surplus	\$ 105	\$ 809
Non-cash charges to operations:		
Amortization	555	554
	660	1,363
Changes in non-cash items:		
Accounts receivable	-	3,632
Cash provided by operating transactions	660	4,995
<b>Net change in cash and cash equivalents</b>	<b>660</b>	<b>4,995</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>13,413</b>	<b>8,418</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 14,073</b>	<b>\$ 13,413</b>

The accompanying notes are an integral part of these financial statements



# THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

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### 1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the trust funds of the Corporation of the Village of Sundridge ("the Village") are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Village are as follows:

- (i) Reporting Entity  
The financial statements reflect the assets, liabilities, revenues and expenses of the Village's trust funds. The Village's assets, liabilities, revenues and expenses are reported separately in the Village's consolidated financial statements.
- (ii) Basis of accounting  
Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized in the year in which they are earned 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.
- (iii) Revenue Recognition  
Capital receipts are recognized when received. Interest is recognized when earned.
- (iv) Cash and cash equivalents  
Cash and cash equivalents include balances held at financial institutions and short-term deposits with original maturities of three months or less.
- (v) Non-financial assets  
Non-financial assets are not available to discharge existing liabilities but are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.
  - (a) Tangible capital assets  
Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Borrowing costs related to the acquisition of tangible capital assets are expensed in the year incurred. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Buildings - 25 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as donations are recorded at their fair value at the date of receipt.

# THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

(vi) Use of Estimates

The preparation of financial statements in accordance with Canadian 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 expenses during the reporting period. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Village may undertake in the future. Significant accounting estimates include estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

2. HIGH ROCK LOOK-OUT FUND

In 1967 Mary S. Edgar bequeathed to the Village of Sundridge and the Township of Strong lands to be used as a picnic area and for community gatherings for the citizens of the Sundridge area. A related endowment was provided, to be held in perpetuity, and any interest earnings derived therefrom are to be used to maintain the park.

The land is jointly owned by the Township of Strong, the Township of Joly and the Village of Sundridge. The municipalities each contribute funds annually to the trust, which is used towards maintenance and capital expenditures at the park.

3. TANGIBLE CAPITAL ASSETS

The tangible capital assets of the trust fund by major asset class are outlined below.

<b>2011</b>			
	Land	Buildings	TOTAL
<b>COST</b>			
BALANCE, BEGINNING AND END OF YEAR	\$ 19,000	\$ 13,863	\$ 32,863
<b>ACCUMULATED AMORTIZATION</b>			
Balance, beginning of year	-	5,822	5,822
Annual amortization	-	555	555
BALANCE, END OF YEAR	-	6,377	6,377
TANGIBLE CAPITAL ASSETS-NET	\$ 19,000	\$ 7,486	\$ 26,486

<b>2010</b>			
	Land	Buildings	TOTAL
<b>COST</b>			
BALANCE, BEGINNING AND END OF YEAR	19,000	13,863	32,863
<b>ACCUMULATED AMORTIZATION</b>			
Balance, beginning of year	-	5,268	5,268
Annual amortization	-	554	554
BALANCE, END OF YEAR	-	5,822	5,822
TANGIBLE CAPITAL ASSETS-NET	\$ 19,000	\$ 8,041	\$ 27,041

**THE CORPORATION OF THE VILLAGE OF SUNDRIDGE TRUST FUNDS**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

4. ACCUMULATED SURPLUS

The 2011 continuity of accumulated surplus reported on the Statement of Financial Position is as follows:

	Balance Beginning of Year	Annual Surplus (Deficit)	Balance End of Year
Tangible capital assets	\$ 27,041	\$ (555)	\$ 26,486
General surplus	13,413	660	14,073
	<b>\$ 40,454</b>	<b>\$ 105</b>	<b>\$ 40,559</b>

5. BUDGET FIGURES

The budget adopted for the current year was prepared on a modified accrual basis, and has been restated to conform with the accounting and reporting standards applicable to the actual results. A reconciliation of the adopted and reported budgets is presented below.

	Budget
<b>ADOPTED BUDGET:</b>	
Decrease in general operating surplus	\$ (700)
<b>ADJUSTMENTS:</b>	
Amortization of tangible capital assets	(555)
<b>ANNUAL DEFICIT</b>	<b>\$ (1,255)</b>