

DRAFT - Trust Funds
City of Saskatoon, Saskatchewan, Canada
Year Ended December 31, 2012

Trust Funds-Balance Sheet

As at December 31, 2012 (in thousands of dollars)

	2012	2012	2012	2011
	Total	Cemetery Perpetual Care	Group Insurance Trust	Total
<i>Assets</i>				
Cash and Cash Equivalents	\$ 41	\$ 38	\$ 3	103
Accounts Receivable	8	8	-	110
Accrued Interest	23	19	4	25
Investments (Note 2)	4,623	3,604	1,019	3,953
	\$ 4,695	\$ 3,669	\$ 1,026	4,191
<i>Liabilities and Net Assets</i>				
Accounts Payable	\$ 109	\$ 106	\$ 3	174
Net Assets	4,586	3,563	1,023	4,017
	\$ 4,695	\$ 3,669	\$ 1,026	4,191

Trust Funds-Statement of Changes in Net Assets

For the Year Ended December 31, 2012 (in thousands of dollars)

	2012	2012	2012	2011
	Total	Cemetery Perpetual Care	Group Insurance Trust	Total
<i>Increase in Net Assets</i>				
Sale of Cemetery Plots	\$ 125	\$ 125	\$ -	119
Interest Earned	205	196	9	200
Transfer from Revenue Fund	435	76	359	37
	765	397	368	356
<i>Decrease in Assets</i>				
Transfer to Revenue Fund	187	187	-	427
Disbursements	9	9	-	11
	196	196	-	438
Increase (Decrease) in Net Assets	569	201	368	(82)
Net Assets, Beginning of Year	4,017	3,362	655	4,099
<i>Net Assets, End of Year</i>	\$ 4,586	\$ 3,563	\$ 1,023	4,017

Trust Funds - Notes to the Financial Statements

For the Year Ended December 31, 2012 (in thousands of dollars)

1. Accounting Policies

Basis of Accounting and Significant Policies

A) Trust Funds

The Trust Funds operate on the accrual basis of accounting. Any interest earned but not received as at December 31 has been recorded in Accrued Interest.

B) Cash Equivalents

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

C) Investments

All investments are recorded at amortized cost using the effective interest rate method. Premiums and discounts are amortized over the life of the investment. Investment transactions are accounted for at the settlement date. Investment income is recorded on the accrual basis. When there has been a loss in a value of an investment that is other than temporary decline, the investment is written down to recognize the loss and the loss is recognized in the statement of changes in net assets.

D) Revenues and Expenditures

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

2. Investments

A) Trust Funds

The total of investments of \$4,623 (2011 - \$3,953) recorded on the Balance Sheet at cost, have a market value of \$4,779 (2011 - \$4,660) at December 31. Investments consist of provincial promissory notes and federal, provincial, municipal government, and corporate bonds with effective interest rates ranging from 0.96 percent to 5.34 percent.

3. Fund Purpose

A) Group Insurance Trust Fund

Premiums are shared equally between the employer and the employee. Surpluses are generated when premiums exceed administration charges and claims payments by the carrier. A portion of the accumulated funds are used to reduce both the employer's and employee's premiums. In the event of a surplus, under the terms of the Underwriting Agreement, the claims Fluctuation Reserve held by the Group Insurance Trust Fund for 2012 must be at least 25 percent of premiums paid, or \$281.

B) Cemetery Perpetual Care Trust Fund

The Perpetual Care Fund is intended to provide the necessary annual funding for the maintenance services to the cemetery in perpetuity.