
**MUNICIPAL CORPORATION OF THE
TOWN OF KIRKLAND LAKE
(and its affiliated Boards)**

TRUST FUNDS

BALANCE SHEET & STATEMENT OF CONTINUITY

YEARS ENDED DECEMBER 31, 2009 & 2008



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AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Municipal Corporation of the Town of Kirkland Lake

We have audited the balance sheet of the Trust Funds of the Municipal Corporation of the Town of Kirkland Lake as at December 31, 2009 and the statement of continuity of the Trust Funds for the year then ended. This financial information is the responsibility of the Town's management. Our responsibility is to express an opinion on this financial information based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In our opinion, this financial information presents fairly, in all material respects, the financial position of the Trust Funds of the Municipal Corporation of the Town of Kirkland Lake as at December 31, 2009 and the continuity of the Trust Funds for the year then ended in accordance with the accounting principles disclosed in Note 2 to the financial information.

Ross, Pope & Company LLP

Kirkland Lake, Ontario
August 17, 2010

ROSS, POPE & COMPANY LLP
CHARTERED ACCOUNTANTS
Licensed Public Accountants

**MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE
(and its affiliated Boards)**

TRUST FUNDS

BALANCE SHEET

AS AT DECEMBER 31

	2009	2008
FINANCIAL ASSETS		
Cash	\$ 283,504	\$ 398,902
Accounts receivable	19,880	3,624
Investments - Perpetual Care (Note 3)	700,000	430,000
Investments - May Ball Trust (Note 5)	275,258	227,146
Applicant loans (Note 4)	8,283	8,550
Due from Town of Kirkland Lake	1,563	130,591
TOTAL FINANCIAL ASSETS	\$1,288,488	\$1,198,813
FUND BALANCE		
TRUST FUND BALANCE (Statement 2)	\$1,288,488	\$1,198,813

Approved by:



Mayor



Member of Finance Committee

See accompanying notes.

**MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE
(and its affiliated Boards)**

TRUST FUNDS

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2009

	Library Bequest Fund	Cemetery Perpetual Care Fund	Ontario Home Renewal Fund	Teck Pioneer Residence	Great West Life Benefits Trust	2009
BALANCE, beginning of year	\$ 227,146	\$ 700,870	\$ 9,127	\$ 37,533	\$ 224,137	\$1,198,813
Add:						
Deposits	-	-	-	114,044	649,294	763,338
Interest/ Dividends earned	6,680	17,974	188	-	394	25,236
Monument maintenance fees	-	3,200	-	-	-	3,200
Plots and graves sold	-	13,564	-	-	-	13,564
	6,680	34,738	188	114,044	649,688	805,338
Less:						
Administration fees	-	-	52	-	-	52
Drawings of residents	-	-	-	119,547	-	119,547
Transfers to Great West Life	-	-	-	-	636,517	636,517
Transfers to Boards/Province	-	-	979	-	-	979
Fair Value (gain) loss on investments	(46,314)	-	-	-	-	(46,314)
Broker's fees	4,882	-	-	-	-	4,882
	(41,432)	-	1,031	119,547	636,517	715,663
BALANCE, end of year	\$ 275,258	\$ 735,608	\$ 8,284	\$ 32,030	\$ 237,308	\$1,288,488

See accompanying notes.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE (and its affiliated Boards)

TRUST FUNDS

NOTES TO FINANCIAL INFORMATION

YEARS ENDED DECEMBER 31, 2009 & 2008

1. NATURE OF OPERATIONS

This financial information reflects the financial activity and financial position of funds held in trust for perpetual care of the cemetery, residents of the Teck Pioneer Residence, the Public Library Board, Great West Life Benefits and the Ontario Home Renewal Program.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial information of the Trust Funds is the representation of management prepared in accordance with accounting principles considered appropriate for entities of this type. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial information necessarily involves the use of estimates and approximations. These have been made using careful judgment and in the light of information available. The financial information has, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policy summarized below:

(a) BASIS OF ACCOUNTING

Receipts and disbursements on the Statement of Continuity are reported on the accrual basis of accounting with the exception of Teck Pioneer Residence deposits and drawings which are reported on the cash basis of accounting.

(b) INVESTMENTS

All investments are recorded at fair market value.

3. PERPETUAL CARE INVESTMENTS

The total perpetual care investments of \$700,000 (2008 - \$430,000) reported on the Balance Sheet at cost, have a market value of \$700,000 (2008 - \$431,834) as at the end of the year.

4. ONTARIO HOME RENEWAL PROGRAM (O.H.R.P.)

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans were limited to \$7,500 of which the maximum forgivable portion is \$4,000.

Ontario Home Renewal Program loans receivable at December 31, 2009 comprise repayable loans of \$8,283 (2008 - \$8,550). In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balance of the repayable loan immediately becomes due and payable by the homeowner.

The Ontario Home Renewal Program was discontinued by the Ontario Ministry of Housing in July 1993. At that time, the Ministry requested the repayment of all trust funds held by the Municipality. The Municipality is required to remit to the Province, by March 1 of each year, the total loans collected (principal and interest) during the previous year less a 5% administration fee. For 2009, the Municipality is required to repay \$979 (2008 - \$1,629) by March 1, 2010. Homeowners who have O.H.R.P. loans are not affected by the cancellation of the program.

MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE (and its affiliated Boards)

TRUST FUNDS

NOTES TO FINANCIAL INFORMATION (CONT'D)

YEARS ENDED DECEMBER 31, 2009 & 2008

5. LIBRARY BEQUEST FUND

In 1994, the Public Library Board of the Corporation of the Town of Kirkland Lake received \$332,884 from the Estate of May Alexandra Ball. The funds advanced to the Library are to be kept invested and the interest earned on these funds used as the Board shall decide from time to time will best serve the needs of the Library, with special emphasis on the purchase of new books.

On April 7, 2008, the Trust Fund was transferred into an equity based financial instrument and no longer earns interest.

Periodically, funds are transferred from the investment account to the Library to purchase books.

The fair value of the investment as at December 31, 2009 was \$275,258 (2008 - \$227,146).

6. CEMETERY PERPETUAL CARE FUND

The Cemetery Perpetual Care Fund, administered by the Municipality, is funded by the sale of cemetery plots and graves and by the collection of monument maintenance fees. Earnings derived from these funds are used to perform perpetual care maintenance at the Municipality's cemetery. The operations and investments of the Cemetery Perpetual Care Fund are undertaken by the Municipality in accordance with the regulations of the Cemeteries Act.

7. TECK PIONEER RESIDENCE TRUST FUND

The Teck Pioneer Residence Trust Fund represents funds held in trust by the Municipality for residents of Teck Pioneer Residence in Kirkland Lake, Ontario.

**MUNICIPAL CORPORATION OF THE TOWN OF KIRKLAND LAKE
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SCHEDULE 1

TRUST FUNDS

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2008

	Library Bequest Fund	Cemetery Perpetual Care Fund	Ontario Home Renewal Fund	Teck Pioneer Residence	Great West Life Benefits Trust	2008
BALANCE, beginning of year	\$ 332,884	\$ 669,935	\$ 16,566	\$ 31,235	\$ 195,282	\$1,245,902
Add:						
Deposits	-	-	-	129,132	640,076	769,208
Interest earned	8,125	10,815	243	-	3,874	23,057
Monument maintenance fees	-	3,800	-	-	-	3,800
Plots and graves sold	-	16,320	-	-	-	16,320
Transfer of surplus	-	-	-	-	394	394
	8,125	30,935	243	129,132	644,344	812,779
Less:						
Administration fees	-	-	86	-	-	86
Drawings of residents	-	-	5,967	122,834	-	128,801
Transfers to Great West Life	-	-	-	-	615,489	615,489
Transfers to Boards/Province	5,916	-	1,629	-	-	7,545
Impairment loss on investment	90,095	-	-	-	-	90,095
Broker's fees	4,787	-	-	-	-	4,787
Loss on investment trading	13,065	-	-	-	-	13,065
	113,863	-	7,682	122,834	615,489	859,868
BALANCE, end of year	\$ 227,146	\$ 700,870	\$ 9,127	\$ 37,533	\$ 224,137	\$1,198,813