



KIRKLAND LAKE

T H E R I G H T E N V I R O N M E N T

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

TRUST FUNDS

BALANCE SHEET & STATEMENT OF CONTINUITY

YEARS ENDED DECEMBER 31, 2013 & 2012



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INDEPENDENT AUDITOR'S 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, 2013 and the statement of continuity of the Trust Funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this financial information in accordance with the accounting principles disclosed in Note 2 to the financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, 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 information 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, if any, as well as evaluating the overall presentation of the financial information.

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 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, 2013 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 LLP

Kirkland Lake, Ontario
June 17, 2014

ROSS POPE 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

	2013	2012
FINANCIAL ASSETS		
Cash	\$1,249,411	\$1,177,158
Accounts receivable	606	1,357
Investments - May Ball Trust (Note 4)	311,659	279,757
Applicant loans (Note 3)	-	177
Due from Town of Kirkland Lake	3,018	7,038
TOTAL FINANCIAL ASSETS	\$1,564,694	\$1,465,487
FUND BALANCE		
TRUST FUND BALANCE (Statement 2)	\$1,564,694	\$1,465,487

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, 2013

	Library Bequest Fund	Cemetery Perpetual Care Fund	Ontario Home Renewal Fund	Teck Pioneer Residence Trust	Great West Life Benefits Trust	2013
BALANCE, beginning of year	\$ 279,757	\$ 839,168	\$ 4,948	\$ 39,341	\$ 302,273	\$1,465,487
Add:						
Deposits	-	-	-	84,963	647,840	732,803
Interest/Dividends earned	7,954	11,922	-	126	2,661	22,663
Monument maintenance fees	-	2,550	-	-	-	2,550
Plots and graves sold	-	8,147	-	-	-	8,147
Fair value gain on investments	33,357	-	-	-	-	33,357
	41,311	22,619	-	85,089	650,501	799,520
Less:						
Drawings of residents	-	-	-	90,710	-	90,710
Transfers to Great West Life	-	-	-	-	595,246	595,246
Transfers to Library Board/Municipality	3,600	-	4,948	-	-	8,548
Broker's fees	5,809	-	-	-	-	5,809
	9,409	-	4,948	90,710	595,246	700,313
BALANCE, end of year	\$ 311,659	\$ 861,787	\$ -	\$ 33,720	\$ 357,528	\$1,564,694

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, 2013 & 2012

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. ONTARIO HOME RENEWAL PROGRAM (OHRP)

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.

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.

In August 2012, the Municipality remitted \$838 to the Province to close out the Municipality's OHRP file. The Municipality collected the remaining loan receivable in the amount of \$177 in 2013.

As the Program is now complete and all required amounts have been remitted to the Province, the balance of \$4,948 remaining in the OHRP Fund as at December 31, 2013 was transferred to the Municipal Corporation of the Town of Kirkland Lake.

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

TRUST FUNDS

NOTES TO FINANCIAL INFORMATION (CONT'D)

YEARS ENDED DECEMBER 31, 2013 & 2012

4. 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, 2013 was \$311,659 (2012 - \$279,757).

5. 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.

6. 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.

7. GREAT WEST LIFE BENEFITS TRUST FUND

The Great West Life Benefits Trust Fund represents funds held in trust by the Municipality for its self-insured benefit plan, covering Health, Dental and Vision benefits.

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

TRUST FUNDS

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2012

	Library Bequest Fund	Cemetery Perpetual Care Fund	Ontario Home Renewal Fund	Teck Pioneer Residence Trust	Great West Life Benefits Trust	2012
BALANCE, beginning of year	\$ 266,502	\$ 818,058	\$ 7,606	\$ 42,196	\$ 256,702	\$1,391,064
Add:						
Deposits	1,100	-	-	84,823	665,963	751,886
Interest/Dividends earned	7,366	11,905	60	177	1,233	20,741
Monument maintenance fees	-	3,600	-	-	-	3,600
Plots and graves sold	-	5,605	-	-	-	5,605
Fair value gain on investments	10,291	-	-	-	-	10,291
	18,757	21,110	60	85,000	667,196	792,123
Less:						
Administration fees	-	-	44	-	-	44
Drawings of residents	-	-	-	87,855	-	87,855
Loans forgiven	-	-	1,836	-	-	1,836
Transfers to Great West Life	-	-	-	-	621,625	621,625
Transfers to Boards/Province	-	-	838	-	-	838
Broker's fees	5,502	-	-	-	-	5,502
	5,502	-	2,718	87,855	621,625	717,700
BALANCE, end of year	\$ 279,757	\$ 839,168	\$ 4,948	\$ 39,341	\$ 302,273	\$1,465,487