



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, 2021 & 2020

Independent Auditor's Report

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

Opinion

We have audited the financial statements of the Municipal Corporation of the Town of Kirkland Lake (and its affiliated Boards) Trust Funds ("the Trust Funds"), which comprise the balance sheet as at December 31, 2021, and the statements of continuity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Municipal Corporation of the Town of Kirkland Lake (and its affiliated Boards) Trust Funds for the year ended December 31, 2021 are prepared, in all material respects, in accordance with the disclosed basis of accounting in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Municipal Corporation of the Town of Kirkland Lake (and its affiliated Boards) Trust Funds for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion of those statements on August 10, 2021.

Independent Auditor's Report (continued)

Emphasis of Matter - Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Trust Funds in reporting to the Municipal Corporation of the Town of Kirkland Lake. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Municipal Corporation of the Town of Kirkland Lake and should not be distributed to or used by parties other than the Municipal Corporation of the Town of Kirkland Lake. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the disclosed basis of accounting in Note 2 to the financial statements, 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.

Those charged with governance are responsible for overseeing the Trust Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit 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 Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly SNT LLP

Sudbury, Ontario
August 16, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS,
LICENSED PUBLIC ACCOUNTANTS

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

TRUST FUNDS

BALANCE SHEET

AS AT DECEMBER 31

	2021	2020
FINANCIAL ASSETS		
Cash	\$ 221,298	\$ 330,544
Accounts Receivable	1,644	1,050
Investments - Perpetual Care (Note 4)	897,188	892,827
Investments - May Ball Trust (Note 3)	332,886	332,886
Columbarium loan to Town of Kirkland Lake (Note 4)	66,845	71,808
Due from Town of Kirkland Lake	1,980	2,574
TOTAL FINANCIAL ASSETS	\$1,521,841	\$1,631,689
FUND BALANCE		
TRUST FUND BALANCE (Statement 2)	\$1,521,841	\$1,631,689

See accompanying notes.

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

TRUST FUNDS

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2021

	Library Bequest Fund	Cemetery Perpetual Care Fund	Teck Pioneer Residence Trust	Canada Life Benefits Trust	2021
BALANCE, beginning of year	\$ 332,886	\$ 1,010,677	\$ 9,189	\$ 278,937	\$ 1,631,689
Add:					
Deposits	-	-	5,748	667,578	673,326
Interest/Dividends earned	9,154	4,636	-	1,007	14,797
Monument maintenance fees	-	2,350	-	-	2,350
Plots and graves sold	-	14,822	-	-	14,822
	9,154	21,808	5,748	668,585	705,295
Less:					
Drawings of residents	-	-	4,875	-	4,875
Transfers to Canada Life	-	-	-	788,036	788,036
Transfers to Library Board/Municipality	9,154	13,078	-	-	22,232
	9,154	13,078	4,875	788,036	815,143
BALANCE, end of year	\$ 332,886	\$ 1,019,407	\$ 10,062	\$ 159,486	\$ 1,521,841

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, 2021 & 2020

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 and Canada Life Benefits (formerly known as Great West Life).

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. LIBRARY BEQUEST FUND

In 1994, the Public Library Board of the Corporation of the Town of Kirkland Lake received \$332,886 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 December 3, 2014, the Trust Fund was transferred, at an amount of \$332,886, into a 10 year non-cashable Guaranteed Interest Contract with an interest rate of 2.75%. Interest will be paid out annually on the anniversary date and will be used by the Library to purchase books.

The fair value of the investment as at December 31, 2021 was \$332,886 (2020 - \$332,886).

4. 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.

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

TRUST FUNDS

NOTES TO FINANCIAL INFORMATION (CONT'D)

YEARS ENDED DECEMBER 31, 2021 & 2020

4. CEMETERY PERPETUAL CARE FUND (CONT'D)

In 2014, a loan of \$100,000 was made to the Town of Kirkland Lake from the Cemetery Perpetual Care Fund in order for the Municipality to build a columbarium at the Kirkland Lake Cemetery. This loan was approved by the Cemeteries Regulation Unit of the Ministry of Consumer Services. As each niche is sold in the columbarium, \$291.90 of the fee charged is applied as a repayment of this interest free loan. The balance of the loan as at December 31, 2021 was \$66,845 (2020 - \$71,808).

5. 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.

6. CANADA LIFE BENEFITS TRUST FUND (FORMERLY KNOWN AS GREAT WEST LIFE)

The Canada 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
(and its affiliated Boards)

SCHEDULE 1

TRUST FUNDS

STATEMENT OF CONTINUITY

YEAR ENDED DECEMBER 31, 2020

	Library Bequest Fund	Cemetery Perpetual Care Fund	Teck Pioneer Residence Trust	Canada Life Benefits Trust	2020
BALANCE, beginning of year	\$ 332,886	\$ 987,970	\$ 10,956	\$ 184,327	\$1,516,139
Add:					
Deposits	-	-	8,718	719,606	728,324
Interest/Dividends earned	9,154	11,253	-	1,820	22,227
Monument maintenance fees	-	1,750	-	-	1,750
Plots and graves sold	-	9,704	-	-	9,704
	9,154	22,707	8,718	721,426	762,005
Less:					
Drawings of residents	-	-	10,485	-	10,485
Transfers to Canada Life	-	-	-	626,816	626,816
Transfers to Library Board/Municipality	9,154	-	-	-	9,154
	9,154	-	10,485	626,816	646,455
BALANCE, end of year	\$ 332,886	\$1,010,677	\$ 9,189	\$ 278,937	\$1,631,689