

**THE CORPORATION OF THE
TOWN OF HUNTSVILLE
TRUST FUNDS FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019**

THE CORPORATION OF THE TOWN OF HUNTSVILLE
TRUST FUNDS
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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Huntsville

Opinion

We have audited the accompanying financial statements of the trust funds of the Corporation of the Town of Huntsville which comprise of the statement of financial position as at December 31, 2019 and results of financial activities 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 present fairly, in all material respects, the financial position of the trust funds of the Corporation of the Town of Huntsville as at December 31, 2019, and its results of financial activities for the year then ended in accordance with Canadian public sector accounting standards.

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 Municipality 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility 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.
- 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Huntsville, Ontario
May 27, 2020

Pahapill and Associates Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
The Chartered Professional Accountants of Ontario

THE CORPORATION OF THE TOWN OF HUNTSVILLE TRUST FUNDS
STATEMENT OF FINANCIAL ACTIVITIES AND CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Hutcheson Cemetery	Stephenson Cemetery	Locks Cemetery	Madill Cemetery	Ilfracombe Cemetery	Total 2019	Total 2018
Revenue							
Interest earned	\$ 7,359	\$ 1,006	\$ 811	\$ 644	\$ 471	\$ 10,291	\$ 9,291
Monument care collected	2,700	450	450	250	100	3,950	3,450
Care and maintenance collected	18,514	3,360	176	1,408	-	23,458	18,431
Total Revenue	28,573	4,816	1,437	2,302	571	37,699	31,172
Expenditures							
Transfer to Cemetery operations	7,359	1,006	811	644	471	10,291	9,291
Total Expenditures	7,359	1,006	811	644	471	10,291	9,291
Net Surplus	21,214	3,810	626	1,658	100	27,408	21,881
Opening Accumulated Surplus	502,390	61,491	51,658	43,537	31,085	690,161	668,280
Closing Accumulated Surplus	\$ 523,604	\$ 65,301	\$ 52,284	\$ 45,195	\$ 31,185	\$ 717,569	\$ 690,161

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	Hutcheson Cemetery	Stephenson Cemetery	Locks Cemetery	Madill Cemetery	Ilfracombe Cemetery	Total 2019	Total 2018
Financial Assets							
Cash and cash equivalents	23,111	3,520	2,991	932	226	30,780	53,124
Investments (Note 2)	501,349	59,933	49,993	44,504	32,538	688,317	638,233
Due from Cemetery Board	-	1,848	-	-	-	1,848	1,850
	\$ 524,460	\$ 65,301	\$ 52,984	\$ 45,436	\$ 32,764	\$ 720,945	\$ 693,207
Liabilities and Accumulated Surplus							
Due to Cemetery Board	856	-	700	241	1,579	3,376	\$ 3,046
Accumulated surplus	523,604	65,301	52,284	45,195	31,185	717,569	690,161
	\$ 524,460	\$ 65,301	\$ 52,984	\$ 45,436	\$ 32,764	\$ 720,945	\$ 693,207

THE CORPORATION OF THE TOWN OF HUNTSVILLE TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2019

1. ACCOUNTING POLICIES

The financial statements of the Corporation of the Town of Huntsville Trust Funds are prepared by management in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

(a) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available 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.

(b) Short term Investments

Investments are reported at cost plus accrued interest.

(c) Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards 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. Actual results could differ from management's best estimates as additional information becomes available in the future. The estimates are reviewed periodically and any resulting adjustments are reported in earnings in the year in which they become known.

2. INVESTMENTS

The Municipality manages its investments with a view to optimizing interest income.

Interest earned on these investments is transferred from the Municipality's Cemetery Trust Funds to the Municipality's operating funds for the purpose of care and maintenance of the cemetery plots and monuments.

Perpetual Care investments, recorded at cost, consist of the following:

	Market Value	2019	2018
The ONE Investment program bond funds	\$ 81,471	\$ 85,018	\$ 83,184
The ONE Investment program universal corporate bond	171,388	171,294	167,306
The ONE Investment program equity fund	272,295	191,000	191,000
Guaranteed Investment Certificates bearing interest at rates from 1.43% to 2.25% and maturing between February 2020 and July 2021	241,005	241,005	196,743
	\$ 766,159	\$ 688,317	\$ 638,233

THE CORPORATION OF THE TOWN OF HUNTSVILLE TRUST FUNDS

NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2019

3. CARE AND MAINTENANCE FUND

The Care and Maintenance Fund administered by the Town is funded by the sale of cemetery interment rights and markers. These funds are invested and earnings derived therefrom are used to perform maintenance to the Town's cemeteries. The operations and investments of the fund are undertaken by the Town in accordance with the regulations of the Funeral, Burial and Cremation Services Act, 2002.