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Financial statements of

**The Corporation of the  
Municipality of Clarington  
Trust Funds**

December 31, 2019

# The Corporation of the Municipality of Clarington Trust Funds

December 31, 2019

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# Independent auditor's report

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To the Board Members, Members of Council,  
Inhabitants and Ratepayers of the Municipality of Clarington

## Opinion

We have audited the financial statements of the Corporation of the Municipality of Clarington Trust Funds (the "Trust"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, change in net debt and cash flow 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 Corporation of the Municipality of Clarington Trust Funds as at December 31, 2019, and its results of operations, its changes in its net debt, and its cash flows 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 Trust 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.

## 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 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust'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.
- 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'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 Trust'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 Trust 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.

*Grant Thornton LLP*

Markham, Canada  
September 10, 2020

Chartered Professional Accountants  
Licensed Public Accountants

# The Corporation of the Municipality of Clarington Trust Funds

## Statement of financial position

### as at December 31, 2019

	Cash	Investments (Note 3)	Interest revenue receivable	Due (to) from Municipality of Clarington	Net Financial Assets and Accumulated Surplus
Advent Cemetery	78	918	22	(99)	919
Bondhead Cemetery	39,977	143,283	787	7,607	191,654
Bowmanville Cemetery	68,785	1,133,009	19,977	(36,610)	1,185,161
Hampton Cemetery	47,599	-	133	(3,416)	44,316
Lovekin Cemetery	934	10,000	46	(771)	10,209
Orono Cemetery	69,542	200,886	7,625	(5,488)	272,565
St. George's Cemetery	10,321	45,341	213	(9,895)	45,980
Trulls Cemetery	140	1,774	43	(155)	1,802
Vanderveer Legacy Trust	117	1,000	5	(121)	1,001
	237,493	1,536,211	28,851	(48,948)	1,753,607
Estate of Irene Rinch/Newcastle Community Hall	-	133,537	6,144	9,698	149,379
Montague Trust	-	5,228	563	6,551	12,342
<b>Total - 2019</b>	237,493	1,674,976	35,558	(32,699)	1,915,328
Total - 2018	112,131	1,748,875	33,866	(62,023)	1,832,849

Subsequent event (Note 5)

The accompanying notes are an integral part of these financial statements.

# The Corporation of the Municipality of Clarington Trust Funds

## Statement of operations and accumulated surplus

### as at December 31, 2019

	Balance beginning of year	Revenues			Less: Contribution to cemeteries	Investments in Capital	Excess (shortfall) of revenues over expenses	Accumulated surplus, end of year
		Care and maintenance receipts (Note 4)	Interest earned	Total				
Advent Cemetery	913	-	24	24	24	-	-	913
Bondhead Cemetery	177,013	13,320	3,532	16,852	2,509	-	14,343	191,356
Bowmanville Cemetery	1,124,980	40,878	22,613	63,491	6,393	-	57,098	1,182,078
Hampton Cemetery	45,660	50	970	1,020	1,885	-	(865)	44,795
Lovekin Cemetery	9,651	-	216	216	24	-	192	9,843
Orono Cemetery	268,570	8,120	1,702	9,822	2,809	-	7,013	275,583
St. George's Cemetery	44,117	920	1,110	2,030	(101)	-	2,131	46,248
Trulls Cemetery	1,758	-	46	46	(23)	-	69	1,827
Vanderveer Legacy Trust	963	-	22	22	22	-	-	963
	1,673,625	63,288	30,235	93,523	13,542	-	79,981	1,753,606
Estate of Irene Rinch	147,910	-	2,404	2,404	-	-	2,404	150,314
Montague Trust	11,314	-	94	94	-	-	94	11,408
<b>Total - 2019</b>	<b>1,832,849</b>	<b>63,288</b>	<b>32,733</b>	<b>96,021</b>	<b>13,542</b>	<b>-</b>	<b>82,479</b>	<b>1,915,328</b>
Total - 2018	1,762,374	53,330	31,969	85,299	23,829	(9,005)	70,475	1,832,849

The accompanying notes are an integral part of these financial statements.

# The Corporation of the Municipality of Clarington Trust Funds

Notes to the financial statements  
December 31, 2019

## 1. Significant accounting policies

The financial statements of the Corporation of Municipality of Clarington Trust Funds (the "Trust") are the representations of management prepared in accordance with Canadian public sector accounting standards ("PSAS") and reflect the following policies:

### *Basis of accounting*

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenue.

Expenditures are recorded in the period the goods and services are acquired and a liability is incurred. Refunds are reported in the period issued.

### *Investments*

Investments are recorded at cost which approximates fair value.

### *Use of estimates*

The preparation of the financial statements in conformity 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 amount of revenues and expenditures during the year. Actual results could differ from these estimates.

## 2. Statement of cash flows

A statement of cash flows has not been included in these financial statements as the information is readily determinable from the financial statements presented.

## 3. Investments

The total investments held by the trust funds of \$1,674,976 (2018 – \$1,748,875) reported on the statement of financial position at cost have a fair value of \$1,710,860 (2018 - \$1,783,478) at the end of the year. The investments consist of holdings pursuant to the provisions of the Municipality's investment policy and comprise government bonds and guaranteed investment certificates (GICs) issued by various financial institutions. It is the Municipality's intention to hold these investments until maturity.

# The Corporation of the Municipality of Clarington Trust Funds

Notes to the financial statements

December 31, 2019

## 4. Care and maintenance funds

The care and maintenance funds administered by the Municipality are funded by the sale of cemetery plots. These funds are invested, and the interest earned is used to perform care and maintenance to the Municipality's cemeteries. The operations and investments of the Funds are undertaken by the Municipality in accordance with the regulations of the Cemeteries Act.

## 5. Subsequent event

Since January 1, 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, organizations and businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to organizations worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Trust has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended December 31, 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Trust for future periods.