



*Financial Statements of the*

**CORPORATION OF THE  
TOWNSHIP OF ST. CLAIR  
TRUST FUNDS**

*December 31, 2012*

## INDEPENDENT AUDITORS' REPORT

### To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of St. Clair

We have audited financial statements of the **Trust Funds of the Corporation of the Township of St. Clair**, which comprise the statement of financial position as at December 31, 2012, which is comprised of the Bradshaw Cemetery, Waterwell Contamination Deposits and St. Clair River Trail, and the statement of financial activities 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 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements 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 statements are free from material misstatement.

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

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

Except as explained in the following paragraph, 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

*Basis for Qualified Opinion*

The Trust funds derive a portion of their revenues from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Trust funds and we were not able to determine whether any adjustments might be necessary to donation revenue.

*Qualified Opinion*

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to verify donations satisfactorily as explained in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of St. Clair as at December 31, 2012 and the results of the financial activities for the year then ended in accordance with Canadian public sector accounting standards.

*Collins Barrow KMD LLP*

CHARTERED ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

London, Canada  
August 12, 2013

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**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**TRUST FUNDS**  
**Statement of Financial Position**  
**December 31, 2012**

	<b>Bradshaw Cemetery</b>	<b>Waterwell Contamination Deposits</b>	<b>St. Clair River Trail</b>	<b>2012 Total</b>	<b>2011 Total</b>
<b>FINANCIAL ASSETS</b>					
Cash and term deposits		35,375	\$ 89,864	\$ 125,239	\$ 114,112
Accounts Receivable		404	62,442	62,846	25,479
Due from the Township of St. Clair	20,430			20,430	25,459
	<b>\$ 20,430</b>	<b>\$ 35,779</b>	<b>\$ 152,306</b>	<b>\$ 208,515</b>	<b>\$ 165,050</b>
Accounts Payable				\$ -	\$ 43,343
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 20,430</b>	<b>\$ 35,779</b>	<b>\$ 152,306</b>	<b>\$ 208,515</b>	<b>\$ 121,707</b>
	<b>\$ 20,430</b>	<b>\$ 35,779</b>	<b>\$ 152,306</b>	<b>\$ 208,515</b>	<b>\$ 165,050</b>

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR  
TRUST FUNDS**

**Statement of Financial Activities**

Year ended December 31, 2012

	Bradshaw Cemetery	Waterwell Contamination Deposits	St. Clair River Trail	2012 Total	2011 Total
<b>FUND BALANCES AT THE BEGINNING OF YEAR</b>	\$ 25,459	\$ 35,437	\$ 60,811	\$ 121,707	\$ 420,732
<b>REVENUE</b>					
Donations			4,846	4,846	2,630
Municipal Contribution			62,034	62,034	47,515
Fundraising & Fees	1,000		22,467	23,467	55,725
Interest earned	230	342	2,821	3,393	2,501
	1,230	342	92,168	93,740	108,371
<b>EXPENDITURE</b>					
Payment to trust settlors				-	567
Administration fees				-	63
Fundraising			673	673	28,040
Other Expenses	6,259			6,259	2,178
Engineering & Construction				-	378,548
	6,259	-	673	6,932	407,356
<b>CHANGE IN NET FINANCIAL POSITION</b>	(5,029)	342	91,495	86,808	(299,025)
<b>FUND BALANCES AT END OF YEAR</b>	\$ 20,430	\$ 35,779	\$ 152,306	\$ 208,515	\$ 121,707

The accompanying notes are an integral part of these financial statements

**CORPORATION OF THE TOWNSHIP OF ST. CLAIR**  
**TRUST FUNDS**  
**Notes to the Financial Statements**  
Year ended December 31, 2012

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**1. ACCOUNTING POLICY**

The financial statements of the trust funds are the representation of the management of the Corporation of the Township of St. Clair prepared in accordance with accounting principles prescribed for municipal governments established by the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

*Accrual 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.

**2. NATURE OF TRUSTS**

- Water Well Contamination Deposits

A trust established to provide immediate financial support in the event of water well contamination within a designated area of the Township. Interest earned on the capital is distributed to the municipality and the settlers.

- St. Clair River Trail

A trust established to hold funds on behalf of the community to be employed in the development of a trail system following the St. Clair River, the length of the Township.

**3. FINANCIAL INSTRUMENTS**

Financial instruments consist of cash, accounts receivable, investments and accounts payable. All financial instruments are considered current in nature and accordingly their value approximates fair value. Management has determined that the corporation is not exposed to interest rate and credit risks.