



Financial Statements of the

**CORPORATION OF THE
TOWNSHIP OF ST. CLAIR
ST. CLAIR RIVER TRAIL TRUST FUND**

December 31, 2011

INDEPENDENT AUDITORS' REPORT**To the Members of Council, Inhabitants and Taxpayers of
the Corporation of the Township of St. Clair**

We have audited the financial statements of the **St. Clair River Trail Trust Fund of the Corporation of the Township of St. Clair**, which comprise the statement of financial position as at December 31, 2011 and the statement of financial activities 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 generally accepted accounting principles, 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 presentations.

Basis for Qualified Opinion

The Trust fund derives a portion of its revenue 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 fund 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 St. Clair River Trail Trust Fund of the Corporation of the Township of St. Clair as at December 31, 2011 and the results of the financial activities for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the Corporations Act of Ontario, we report that, in our opinion, the accounting principles in Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Collins Barrow KMD LLP

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

London, Canada
July 24, 2012

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**CORPORATION OF THE TOWNSHIP OF ST. CLAIR
ST. CLAIR RIVER TRAIL TRUST FUND**

**Statement of Financial Position
December 31, 2011.**

	2011	2010
FINANCIAL ASSETS		
Cash	\$ 78,737	\$ 357,252
Accounts Receivable	25,417	980
	<u>\$ 104,154</u>	<u>\$ 358,232</u>
LIABILITIES		
Accounts Payable	\$ 43,343	\$ -
FUND BALANCE AT END OF YEAR	60,811	358,232
	<u>\$ 104,154</u>	<u>\$ 358,232</u>

The accompanying notes are an integral part of these financial statements

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**CORPORATION OF THE TOWNSHIP OF ST. CLAIR
ST. CLAIR RIVER TRAIL TRUST FUND**

Statement of Financial Activities

Year ended December 31, 2011

	2011	2010
FUND BALANCE AT BEGINNING OF YEAR	\$ 358,232	\$ 280,264
REVENUE		
Donations	2,630	4,049
Municipal Contribution	47,515	100,000
Fundraising	55,275	38,789
Interest earned	1,747	985
	107,167	143,823
EXPENDITURE		
Fundraising	28,040	19,389
Engineering & Construction	376,548	46,466
	404,588	65,855
CHANGE IN NET FINANCIAL POSITION	(297,421)	77,968
FUND BALANCE AT END OF YEAR	\$ 60,811	\$ 358,232

The accompanying notes are an integral part of these financial statements

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CORPORATION OF THE TOWNSHIP OF ST. CLAIR
ST. CLAIR RIVER TRAIL TRUST FUND
Notes to the Financial Statements
Year ended December 31, 2011

1. ACCOUNTING POLICY

The financial statements of the St. Clair River Trail Trust fund 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 THE TRUST

The trust is 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.