



Financial Statements of the

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

December 31, 2023

CORPORATION OF THE TOWNSHIP OF ST. CLAIR TRUST FUNDS

Notes to the Financial Statements Year Ended December 31, 2023

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To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of St. Clair Trust Funds:

Qualified Opinion

We have audited the financial statements of the Corporation of the Township of St. Clair Trust Funds (the "Trust Funds"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in fund balances, accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2023, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Qualified Opinion

The Corporation of the Township of St. Clair Trust Funds derives revenue from donations and fundraising, 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 and fundraising revenues, change in net financial position and cash flows for the years ended December 31, 2023 and 2022, financial assets and net financial position for the years then ended.

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

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

London, Ontario

July 15, 2024

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
TRUST FUNDS
Statement of Financial Position
As at December 31, 2023

	Bradshaw Cemetery	Zion Cemetery	Waterwell Contamination Deposits	St. Clair River Trail	2023 Total	2022 Total
					\$	\$
FINANCIAL ASSETS						
Cash	-	-	-	368,504	368,504	358,664
Guaranteed investment certificate (note 4)	39,995	-	11,409	-	51,404	50,870
Accounts receivable	787	-	226	1,692	2,705	1,826
Due from the Township - perpetual care (note 5)	-	7,534	-	-	7,534	-
Due from the Township - operations (note 5)	-	16,699	30,690	-	47,389	29,281
Due (to) from the Township (note 6)	(2,346)	-	241	-	(2,105)	(1,215)
TOTAL FINANCIAL ASSETS	38,436	24,233	42,566	370,196	475,431	439,426
FUND BALANCE AT END OF YEAR	38,436	24,233	42,566	370,196	475,431	439,426

Approved on behalf of Council:

 Mayor

 Treasurer

 CAO

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
TRUST FUNDS
Statement of Operations and Changes in Fund Balances
Year ended December 31, 2023

	Bradshaw Cemetery	Zion Cemtery	Waterwell Contamination Deposits	St. Clair River Trail	2023 Total	2022 Total
					\$	\$
REVENUES						
Fundraising	-	-	-	17,102	17,102	16,750
Municipal contribution (note 7)	1,644	-	-	-	1,644	68,918
Donations	-	-	-	2,069	2,069	4,722
Interest (note 7)	891	773	1,665	10,364	13,693	7,981
Sales	1,350	1,450	-	-	2,800	-
	3,885	2,223	1,665	29,535	37,308	98,371
EXPENDITURES						
Engineering & construction	-	-	-	13,148	13,148	14,330
Fundraising	-	-	-	5,676	5,676	2,020
Other expenses	3,885	6,052	-	604	10,541	3,079
	3,885	6,052	-	19,428	29,365	19,429
ANNUAL SURPLUS (DEFICIT)	-	(3,829)	1,665	10,107	7,943	78,942
ACQUISITION OF ZION CEMETERY (NOTE 8)	-	28,062	-	-	28,062	-
FUND BALANCE AT BEGINNING OF YEAR						
	38,436	-	40,901	360,089	439,426	360,484
FUND BALANCE AT END OF YEAR	38,436	24,233	42,566	370,196	475,431	439,426

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
TRUST FUNDS
Statement of Changes in Net Financial Assets
Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
ANNUAL SURPLUS	7,943	78,942
ACQUISITION OF ZION CEMETERY (NOTE 8)	28,062	-
INCREASE IN NET FINANCIAL ASSETS	36,005	78,942
NET FINANCIAL ASSETS, BEGINNING OF YEAR	439,426	360,484
NET FINANCIAL ASSETS, END OF YEAR	475,431	439,426

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
TRUST FUNDS
Statement of Cash Flows
Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING ACTIVITIES		
Annual surplus	7,943	78,942
(Increase) decrease in accounts receivable	(879)	3,759
INVESTING ACTIVITIES		
Increase in guaranteed investment certificates	(534)	-
Increase in notes receivable	(18,108)	(878)
Increase in notes receivable for perpetual care	(7,534)	-
Acquisition of Zion Cemetery	28,062	-
	1,886	(878)
FINANCING ACTIVITIES		
Increase in due from the Township of St. Clair	890	277
Net change in cash	9,840	82,100
CASH, BEGINNING OF YEAR	358,664	276,564
CASH, END OF YEAR	368,504	358,664

CORPORATION OF THE TOWNSHIP OF ST. CLAIR TRUST FUNDS

Notes to the Financial Statements Year Ended December 31, 2023

1. NATURE OF TRUSTS

The Corporation of the Township of St. Clair Trust Funds (the “Trust Funds”) are comprised of the following trusts:

Bradshaw Cemetery

A trust established prior to the amalgamation of the Township of St. Clair in 2001 for the care and maintenance of this cemetery.

Zion Cemetery

A trust formed in 2023 for the care and maintenance of this cemetery due to the closure of the Zion United Church.

Water Well Contamination Deposits

A trust established prior to the amalgamation of the Township of St. Clair in 2001 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 reinvested.

St. Clair River Trail

A trust established prior to the amalgamation of the Township of St. Clair in 2001 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.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trust Funds are the representation of the management of the Corporation of the Township of St. Clair (the “Township”) prepared in accordance with Canadian Public Sector Accounting Standards (“PSAS”). 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.

Basis of Consolidation

These trust funds have not been consolidated with the financial statements of the Township.

Accrual accounting

Sources of revenues 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.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR TRUST FUNDS

Notes to the Financial Statements Year Ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Donations are recognized as revenues in the period in which they are received or receivable. Municipal contribution, fundraising fees, and sales are recognized as revenue when related goods or services are provided and collectability is reasonably assumed. Interest earned on surplus funds is recognized as revenue when earned.

Financial instruments

i. Measurement of financial instruments

The Trust initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Trust subsequently measures its financial assets at amortized cost. Financial assets measured at amortized cost include cash and guaranteed investment certificates, accounts receivable and amounts due from the Township of St. Clair.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations. As the Trust has no financial instruments recognized at fair value, the Trust does not have a Statement of Remeasurement Gains and Losses.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financial costs, which are amortized using the straight-line method.

ii. Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations. The write down reflects the difference between the carrying amount and the higher of:

- a) the present value of the cash flows expected to be generated by the asset or group of assets;
- b) the amount that could be realized by selling the assets or group of assets;
- c) the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the event occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in the statement of operations up to the amount of the previously recognized impairment.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR TRUST FUNDS

Notes to the Financial Statements Year Ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates and Measurement Uncertainty

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from the estimates. Estimates are used with accounting for items such as accrued receivables.

3. FINANCIAL INSTRUMENTS AND RISKS

All financial instruments are considered current in nature and accordingly their value approximates fair value. Management has determined that the Trust is not exposed to interest rate risk, credit risk and liquidity risk.

4. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are valued at cost and have the following terms:

GIC 3.25% due November 25, 2024	39,995	-
GIC 3.25% due November 25, 2024	11,409	-
GIC .70% due November 16, 2023	-	39,579
GIC .70% due November 16, 2023	-	11,291
	<u>51,404</u>	<u>50,870</u>

5. DUE FROM THE TOWNSHIP OF ST. CLAIR – INTEREST BEARING

The Township received a deposit on the maturity of a Waterwell Contamination GIC in the amount of \$28,058 in 2021. The balance of this amount receivable by the Trust earns interest at the current average interest rate of 5.5%. The balance at year end is \$30,690 (2022 - \$29,281) and includes \$1,410 (2022 - \$878) of accrued interest.

On acquisition of the Zion Cemetery, the Trust transferred funds of \$20,528 for their operations and \$7,534 for their perpetual care. The balance of this amount receivable by the Trust earns interest at the current average interest rate of 5.5%. The balance at year end is \$16,699 for the operations and \$7,534 for the perpetual care. Included in these balances is \$773 of accrued interest.

Related party transactions are recorded at the exchange amount and are due on demand.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR TRUST FUNDS

Notes to the Financial Statements Year Ended December 31, 2023

6. DUE (TO) FROM THE TOWNSHIP OF ST. CLAIR

Funds due (to) from the Township of St. Clair are comprised of the following:

	<u>2023</u>	<u>2022</u>
	\$	\$
Bradshaw Cemetery	(2,346)	(1,455)
Waterwell Contamination Deposits	241	240
	<u>(2,105)</u>	<u>(1,215)</u>

Related party transactions are recorded at the exchange amount and are due on demand.

7. RELATED PARTY TRANSACTIONS

During the year, the following related party transactions occurred:

The Waterwell Contamination Deposits Trust earned \$1,410 (2022 - \$878) of interest from the Township.

The Zion Cemetery Trust earned \$773 (2022 - \$Nil) of interest from the Township.

The Bradshaw Cemetery Trust received a municipal contribution of \$1,644 (2022 - \$2,802) from the Township.

The St. Clair River Trail Trust received a municipal contribution of \$Nil (2022 - \$66,116) from the Township.

8. ACQUISITION OF ZION CEMETERY TRUST

During the year, the Zion United Church Cemetery ceased operations and transferred ownership of the Zion Cemetery to the Township of St. Clair. This resulted in a fund transfer of \$28,062 to the Township. This was recognized as a note receivable and an increase in net financial assets for the year.