



Financial Statements of the

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

December 31, 2018

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

Financial Statements

December 31, 2018

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Independent Auditor's Report

To the Members of Council, Inhabitants and Taxpayers of the Corporation of the Township of St. Clair River Trail Trust Fund:

We have audited the financial statements of Corporation of the Township of St. Clair River Trail Trust Fund (the "Trust Fund"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Fund as at December 31, 2018, 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 River Trail Trust Fund derives revenue from donations and fundraising events, 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 year ended December 31, 2018 and December 31, 2017, 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 Fund 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 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 Fund's 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 Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund'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 Fund'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 Fund'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 Fund 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, 2019

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP


CORPORATION OF THE TOWNSHIP OF ST. CLAIR
ST. CLAIR RIVER TRAIL TRUST FUND
Statement of Financial Position
As at December 31, 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
FINANCIAL ASSETS		
Cash	223,993	200,826
Accounts receivable	7,546	5,265
TOTAL FINANCIAL ASSETS	231,539	206,091
FUND BALANCE AT END OF YEAR	231,539	206,091

Approved on behalf of Council:



 Mayor



 Treasurer



 CAO

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

**Statement of Operations
Year ended December 31, 2018**

	2018	2017
	\$	\$
REVENUES		
Fundraising	52,161	32,723
Municipal Contribution	40,754	58,529
Donation	23,256	26,479
Interest	2,716	2,158
	118,887	119,889
EXPENDITURES		
Engineering & construction	67,268	29,286
Fundraising	26,121	36,225
Other expenses	50	-
	93,439	65,511
ANNUAL SURPLUS	25,448	54,378
FUND BALANCE AT BEGINNING OF YEAR	206,091	151,713
FUND BALANCE AT END OF YEAR	231,539	206,091

CORPORATION OF THE TOWNSHIP OF ST. CLAIR
ST. CLAIR RIVER TRAIL TRUST FUND
Statement of Changes in Net Financial Assets
Year ended December 31, 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
ANNUAL SURPLUS	25,448	54,378
INCREASE IN NET FINANCIAL ASSETS	25,448	54,378
NET FINANCIAL ASSETS, BEGINNING OF YEAR	206,091	151,713
NET FINANCIAL ASSETS, END OF YEAR	231,539	206,091

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

**Statement of Cash Flows
Year ended December 31, 2018**

	<u>2018</u>	<u>2017</u>
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING ACTIVITIES		
Annual Surplus	25,448	54,378
(Increase) decrease in Accounts receivable	(2,281)	964
Cash provided by operating transactions:	23,167	55,342
CASH, BEGINNING OF YEAR	200,826	145,484
CASH, END OF YEAR	223,993	200,826

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

ST. CLAIR RIVER TRAIL TRUST FUND

Notes to the Financial Statements

Year ended December 31, 2018

1. NATURE OF THE TRUST

The Corporation of the Township of St. Clair, St. Clair River Trail Trust Fund ("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.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trust 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

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.

Revenue Recognition

Donations are recognized as revenues in the period in which they are received or receivable. Municipal contribution and fundraising revenues are recognized as revenues 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.

CORPORATION OF THE TOWNSHIP OF ST. CLAIR

ST. CLAIR RIVER TRAIL TRUST FUND

Notes to the Financial Statements

Year ended December 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 or liquidity risk.