

Financial Statements of

**COUNTY OF MIDDLESEX TRUST
FUNDS**

Year ended December 31, 2011



KPMG LLP
Chartered Accountants
140 Fullarton Street Suite 1400
PO Box 2305
London ON N6A 5P2
Canada

Telephone (519) 672-4880
Fax (519) 672-5684
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Members of Council of the Corporation of the County of Middlesex

We have audited the accompanying financial statements of the Corporation of the County of Middlesex Trust Funds ("the Entity"), which comprise the statement of financial position as at December 31, 2011 and the statement of earnings and fund balances, and the statement of cash flows for the year then ended, and notes comprising 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 consolidated 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 an audit to obtain reasonable assurance about whether the consolidated 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 auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the County of Middlesex Trust Funds as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles

Chartered Accountants, Licensed Public Accountants

June 26, 2012

London, Canada

COUNTY OF MIDDLESEX TRUST FUNDS

Statement of Financial Position

December 31, 2011, with comparative figures for 2010

	Strathmere Lodge Trust Fund	Strathroy Library Trust Fund	2011 Total	2010 Total
Assets				
Cash	\$ 39,705	\$ -	\$ 39,705	\$ 53,639
Due from County of Middlesex (note 3)	-	11,800	11,800	11,800
	\$ 39,705	\$ 11,800	\$ 51,505	\$ 65,439
Liabilities				
Accounts payable and accrued liabilities	\$ 1,258	\$ -	\$ 1,258	\$ 1,055
Fund Balances				
Fund balances	\$ 38,447	\$ 11,800	\$ 50,247	\$ 64,384

See accompanying notes to financial statements.

COUNTY OF MIDDLESEX TRUST FUNDS

Statement of Earnings and Fund Balances

Year ended December 31, 2011, with comparative figures for 2010

	Strathmere Lodge Trust Fund	Strathroy Library Trust Fund	2011 Total	2010 Total
Revenue:				
Capital	\$ 197,642	\$ -	\$ 197,642	\$ 228,086
Interest	-	153	153	497
	197,642	153	197,795	228,583
Expenditures:				
Resident withdrawals	211,779	-	211,779	271,299
Investment administration	-	-	-	283
Transfer to County of Middlesex Library Board	-	153	153	144
	211,779	153	211,932	271,726
Excess of expenditures over revenue	(14,137)	-	(14,137)	(43,143)
Fund balance, beginning of year	52,584	11,800	64,384	107,527
Fund balance, end of year	\$ 38,447	\$ 11,800	\$ 50,247	\$ 64,384

See accompanying notes to financial statements.

COUNTY OF MIDDLESEX TRUST FUNDS

Statement of Cash Flows

Year ended December 31, 2011, with comparative figures for 2010

	2011	2010
Cash provided by:		
Operating activities:		
Net loss	\$ (14,137)	\$ (43,143)
Accounts Payable	203	1,055
Net decrease in cash	(13,934)	(42,088)
Cash, beginning of year	53,639	95,727
Cash, end of year	\$ 39,705	\$ 53,639

See accompanying notes to financial statements.

COUNTY OF MIDDLESEX TRUST FUNDS

Notes to Financial Statements
Year ended December 31, 2011

1. Significant accounting policies:

(a) Trust funds financial statements:

The Strathmere Lodge Trust Fund reflects the assets, liabilities, receipts and expenditures of funds belonging to the residents of the County's home for the aged. The Strathroy Library Trust Fund relates to cash which is required to be spent on the Strathroy library.

(b) Accrual basis of accounting:

The financial statements have been prepared using the accrual basis of accounting.

2. Strathroy Public Library Board:

On January 1, 1999, the Strathroy Public Library Board became a branch of the Middlesex County Library Board. The former trust fund of the Strathroy Public Library Board has been transferred to the County of Middlesex trust fund and the interest on that trust fund will be used towards expenditures of the Strathroy branch.

3. Due from the County of Middlesex:

The County of Middlesex holds cash on behalf of the Library Trust.