

**The Corporation of the Township of St.
Joseph
Consolidated Financial Statements
For the year ended December 31, 2011**

**The Corporation of the Township of St. Joseph
 Consolidated Financial Statements
 For the year ended December 31, 2011**

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of St. Joseph

We have audited the accompanying consolidated financial statements of The Corporation of the Township of St. Joseph, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations, change in net financial assets and cash flows 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 consolidated 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 consolidated 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 the 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Township of St. Joseph as at December 31, 2011 and the consolidated results of its operations, change in its net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants
Sault Ste. Marie, Ontario
April 30, 2012

**The Corporation of the Township of St. Joseph
Consolidated Statement of Financial Position**

December 31	2011	2010
Financial assets		
Cash and short term investments	\$ 2,133,264	\$ 1,684,423
Taxes receivable	206,306	270,755
Accounts receivable	83,488	172,780
Inventories held for sale	9,085	6,915
	2,432,143	2,134,873
Liabilities		
Accounts payable and accrued liabilities	108,287	141,805
Obligatory park reserve fund	17,331	17,190
Net long term debt (Note 3)	23,500	33,500
Accrued landfill closure and post closure costs (Note 4)	95,875	84,770
Post employment and retirement benefits (Note 5)	18,403	14,969
	263,396	292,234
Net financial assets	2,168,747	1,842,639
Non-financial assets		
Tangible capital assets (Schedule 1)	8,844,298	9,029,603
	8,844,298	9,029,603
Accumulated surplus (Note 2)	\$ 11,013,045	\$ 10,872,242

On behalf of the Council:

_____ Mayor

_____ Treasurer

**The Corporation of the Township of St. Joseph
Consolidated Statement of Operations**

For the year ended December 31	Budget	2011	2010
Revenue			
Taxation (Note 1)	\$ 1,443,379	\$ 1,467,713	\$ 1,414,047
Government grants - Provincial	990,193	985,942	1,156,769
Government grants - Federal	109,390	106,370	120,822
Other municipalities	16,849	25,659	20,855
User fees and service charges	280,258	296,417	290,096
Licences, permits and rents	11,200	15,499	16,529
Interest fines and penalties	35,500	37,825	44,127
Investment income	1,000	15,169	2,585
Other	25,600	35,702	34,085
	2,913,369	2,986,296	3,099,915
Expenses			
General government	437,948	436,703	413,691
Protection services	192,065	170,843	189,158
Transportation services	708,981	596,351	566,399
Environmental services	246,134	398,169	360,485
Health services	318,820	319,099	301,501
Social and family services	630,494	632,020	732,816
Recreation and cultural services	303,146	277,290	281,446
Planning and development	22,455	15,018	20,966
	2,860,043	2,845,493	2,866,462
Annual surplus	53,326	140,803	233,453
Accumulated surplus, beginning of year	10,872,242	10,872,242	10,638,789
Accumulated surplus, end of year	\$ 10,925,568	\$ 11,013,045	\$ 10,872,242

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**The Corporation of the Township of St. Joseph
Consolidated Statement of Change in Net Financial Assets**

For the year ended December 31	Budget	2011	2010
Annual surplus	\$ 53,326	\$ 140,803	\$ 233,453
Acquisition of tangible capital assets	(219,000)	(182,325)	(246,231)
Amortization of tangible capital assets	224,276	367,630	360,966
Gain (loss) on disposal of tangible capital assets	-	-	(622)
Proceeds on sale of tangible capital assets	-	-	10,490
Net change in net financial assets	58,602	326,108	358,056
Net financial assets, beginning of year	1,842,639	1,842,639	1,484,583
Net financial assets, end of year	\$ 1,901,241	\$ 2,168,747	\$ 1,842,639

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of St. Joseph
Consolidated Statement of Cash Flows

For the year ended December 31

2011

2010

Operating transactions		
Annual surplus	\$ 140,803	\$ 233,453
Amortization	367,630	360,966
Gain on disposal of tangible capital assets	-	(622)
	<u>508,433</u>	<u>593,797</u>
Changes in non-cash working capital balances		
Taxes receivable	64,449	(42,684)
Accounts receivable	89,292	(44,214)
Inventories held for sale	(2,170)	(6,565)
Accounts payable and accrued liabilities	(33,518)	62,667
Obligatory park reserve fund and deferred revenue	141	(4,752)
Accrued landfill costs	11,105	11,290
Accrued sick leave and retirement benefits	3,434	(23,118)
	<u>641,166</u>	<u>546,421</u>
Capital transactions		
Acquisition of tangible capital assets	(182,325)	(246,231)
Proceeds on sale of tangible capital assets	-	10,490
	<u>(182,325)</u>	<u>(235,741)</u>
Financing activities		
Repayment of long term debt	(10,000)	(10,000)
	<u>(10,000)</u>	<u>(10,000)</u>
Net change in cash and cash equivalents	448,841	300,680
Cash and cash equivalents, beginning of year	1,684,423	1,383,743
Cash and cash equivalents, end of year	\$ 2,133,264	\$ 1,684,423

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Township of St. Joseph

Consolidated Summary of Significant Accounting Policies

December 31, 2011

Management Responsibility for Financial Statements	The consolidated financial statements of the municipality are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.																
Basis of Consolidation	These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of all municipal organizations, committees and boards which are owned or controlled by the municipality.																
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.																
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tr><td>Land improvements</td><td>25 to 50 years</td></tr><tr><td>Buildings</td><td>25 to 50 years</td></tr><tr><td>Machinery and equipment</td><td>5 to 30 years</td></tr><tr><td>Vehicles</td><td>10 to 25 years</td></tr><tr><td>Furnishings and fixtures</td><td>5 to 20 years</td></tr><tr><td>Infrastructure - roads, bridges, culverts & streetlights</td><td>25 to 50 years</td></tr><tr><td>Water treatment and distribution infrastructure</td><td>50 years</td></tr><tr><td>Wastewater collection and disposal infrastructure</td><td>25 to 50 years</td></tr></table>	Land improvements	25 to 50 years	Buildings	25 to 50 years	Machinery and equipment	5 to 30 years	Vehicles	10 to 25 years	Furnishings and fixtures	5 to 20 years	Infrastructure - roads, bridges, culverts & streetlights	25 to 50 years	Water treatment and distribution infrastructure	50 years	Wastewater collection and disposal infrastructure	25 to 50 years
Land improvements	25 to 50 years																
Buildings	25 to 50 years																
Machinery and equipment	5 to 30 years																
Vehicles	10 to 25 years																
Furnishings and fixtures	5 to 20 years																
Infrastructure - roads, bridges, culverts & streetlights	25 to 50 years																
Water treatment and distribution infrastructure	50 years																
Wastewater collection and disposal infrastructure	25 to 50 years																
Collection of Taxes on Behalf of Other Taxation Authorities	The municipality collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these consolidated financial statements.																
Trust Funds	Funds held in trust by the municipality and their related operations are not included in these consolidated financial statements. The financial activity and financial position of the trust funds are reported separately.																
Retirement Benefits and Other Employee Benefit Plans	The municipality provides pension benefits to specified employees through the Ontario Municipal Employees Retirement Fund (OMERS), a multi-employer plan. The municipality's contributions due during the period are expensed as incurred. The municipality provides other post-employment benefits. These costs accumulate over the period of service provided by employees and are determined using management's best estimates.																

The Corporation of the Township of St. Joseph

Consolidated Summary of Significant Accounting Policies

December 31, 2011

Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
Revenue Recognition	<p>Taxes are recognized as revenue in the year they are levied.</p> <p>Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.</p> <p>Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p>
Solid Waste Landfills	The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses in current dollars, discounted, adjusted for estimated inflation, and are charged to expense as the landfill site's capacity is used.
Use of Estimates	The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The Corporation of the Township of St. Joseph
Notes to Consolidated Financial Statements

December 31, 2011

1. Taxation

	2011	2010
Residential and multi-residential	\$ 1,765,086	\$ 1,695,192
Commercial and industrial	67,814	70,073
Taxation from other governments	13,864	14,027
	1,846,764	1,779,292
Deduct: amounts received or receivable for school boards	(379,051)	(365,245)
	\$ 1,467,713	\$ 1,414,047

2. Accumulated surplus

	2011	2010
Reserves set aside for specific purposes by Council		
Working funds	\$ 331,695	\$ 699,946
Administration building & office equipment	47,949	12,422
Election costs	10,500	10,500
Emergency planning	1,000	-
Fire	198,802	154,144
Road building and equipment	75,000	-
Road improvements	106,260	93,097
Sewage treatment operations	60,425	64,052
Waterworks operations	43,746	50,278
Future landfill closure and post-closure costs	145,308	45,000
SAH Hospital	2,812	37,582
CARHS committee	6,394	8,981
Cemetery	500	500
Heritage committee	494	-
Recreation	52,877	17,388
Recreation events	24,100	-
Library capital	36,905	35,541
Museum operations	437	638
Museum capital	56,567	55,739
Special projects	303,002	464,730
Planning	13,430	7,976
Business park	-	22,551
	1,518,203	1,781,065
Total reserves		
Reserve funds set aside for specific purposes by Council		
Seniors amenity centre capital	33,730	33,027
Tangible capital asset replacement	588,309	-
Parking revenue	4,027	3,996
	626,066	37,023
Total reserve funds		
Total reserves	2,144,269	1,818,088
Equity in tangible capital assets	8,844,298	9,029,603
Boards surplus/deficit	24,478	24,551
	\$ 11,013,045	\$ 10,872,242

The Corporation of the Township of St. Joseph
Notes to Consolidated Financial Statements

December 31, 2011

3. Net long term debt

Net long term debt reported on the statement of financial position is comprised of the following:

	2011	2010
Northern Ontario Heritage Fund Corporation, interest free, marina loan	\$ 23,500	\$ 33,500

Principal payments due in the next five years are as follows:

2012		\$	10,000
2013			10,000
2014			3,500
		\$	23,500

4. Solid waste closure and post-closure liabilities

Effective January 1, 2001, Ontario municipalities were required to adopt for the first time, rules for accounting for solid waste landfill closure and post-closure costs as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The estimated liability for these expenditures is recognized as the landfill site's capacity is used and the reported liability represents the portion of the estimated total expenditures recognized as at December 31, 2011, based on the cumulative capacity used at that date, compared to the total estimated landfill capacity. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post closure care activities discounted at the Township's average long term borrowing rate of 6.76%.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The estimated remaining capacity of the landfill site is 39.4% of its total estimated capacity and its estimated remaining life is 12 years, after which the period for post closure care is estimated to be 30 years.

The Corporation of the Township of St. Joseph

Notes Consolidated to Financial Statements

December 31, 2011

5. Post employment and retirement benefits

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of eligible members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The municipality's contributions to OMERS equal those made by the employees. During the year, the municipality contributed \$25,377 (2010 - \$22,434) to the plan. As this is a multi-employer pension plan, these contributions are the municipality's pension benefit expense. Contribution amounts are determined by OMERS which adjusts rates to reflect actuarial requirements. Any surplus or deficit of the pension plan is not included in the municipality's financial statements.

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment of 25% of their accumulated sick leave credits upon meeting specific retirement criteria. Employees forfeit their accrued sick leave credits upon termination of employment for any reason.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on retirement, amounted to \$18,403 (2010 - \$14,969) at the end of the year.

6. Trust funds

Trust funds administered by the Township amounting to \$37,373 (2010 - \$36,523) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

7. Contingencies and commitments

Legal claims

A claim has been made by a former lessee against the Township with respect to an alleged improper termination of a lease agreement.

No provision for the above claim has been recorded in these financial statements as the outcome is not determinable. Any loss resulting from the resolution of the aforementioned claim will be charged to operations in the year of resolution.

Commitments

The Township has pledged a donation of approximately \$175,000 based on assessment to the Sault Area Hospital Foundation of which \$125,000 has been paid as at December 31, 2011. The commitment is to be fulfilled over a 15 year period. A reserve of \$2,812 is available for this purpose.

The Corporation of the Township of St. Joseph has entered a contract totalling \$181,448 for the construction of new solar generator plants of which \$160,436 has been expended as at December 31, 2011.

8. Public Sector Salary Disclosure Act

For The Corporation of the Township of St. Joseph, no employees were paid salaries, as defined in the Public Sector Salary Disclosure Act, 1996 of \$100,000 or more.

The Corporation of the Township of St. Joseph

Notes Consolidated to Financial Statements

December 31, 2011

9. Segmented information

The municipality is a diversified local government institution that provides a wide range of services to its citizens. For management reporting purposes, municipal operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Municipal services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

The administration department oversees the delivery of all government services. The department is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial activities. In addition, this department includes the governance activities of council.

Protection

Protection is comprised of the police, fire/emergency, by-law enforcement and building inspections departments. The mandate of the police department is to ensure the safety of the lives and property of citizens; preserve peace and good order; prevent crimes from occurring; detect offenders; and enforce the law. The fire/emergency department is responsible to provide fire suppression service; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. The by-law enforcement and building inspection department ensures properties are in compliance with applicable legislation, by-laws, building standards and construction codes.

Transportation

The transportation department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, winter control and street lighting.

Environmental

The environmental department consist of three distinct utilities - water, wastewater and solid waste disposal. The department provides drinking water to ratepayers, collecting and treating wastewater, and providing garbage collection and waste minimization programs and facilities for solid waste disposal.

Health

Through the Algoma Health Unit, the municipality contributes to public health services and education and through the Algoma District Services Administration Board, to ambulance services. In addition, this department oversees the care and maintenance of municipal cemeteries

Social and family

Through the Algoma District Services Administration Board, the municipality contributes to social assistance payments, child care services and social housing. In addition, the municipality provides alternative residential services for seniors.

The Corporation of the Township of St. Joseph

Notes Consolidated to Financial Statements

December 31, 2011

9. Segmented information (continued)

Recreation and cultural

The recreation and cultural department provides public services that contribute to neighbourhood development and sustainability through the provision of recreation and leisure services such as parks, rink facilities, fitness and sports programs. It provides public services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. The department also contributes towards the information needs of the municipality's citizens through the provision of library services.

Planning

The planning department provides a diverse bundle of services. It manages development for business interests, environmental concerns, heritage matters and neighbourhoods through planning and community development activities. It facilitates economic development by providing services for the approval of all land development plans.

For each reported segment, revenues and expenses include both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in the summary of significant accounting policies. For additional information see Schedule 2 - Consolidated Schedule of Segment Disclosure.

The Corporation of the Township of St. Joseph
Schedule 1 - Consolidated Tangible Capital Assets

For the year ended December 31, 2011

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 612,306	\$ 1,233,136	\$ 4,117,098	\$ 333,592	\$ 268,025	\$ -	\$ 7,582,723	\$ -	\$ 14,146,880
Additions	-	-	3,194	-	-	20,617	-	158,515	182,326
Cost, end of year	612,306	1,233,136	4,120,292	333,592	268,025	20,617	7,582,723	158,515	14,329,206
Accumulated amortization, beginning of year	-	772,922	1,309,584	149,221	124,167	-	2,761,383	-	5,117,277
Amortization	-	49,324	83,338	14,415	12,457	4,124	203,973	-	367,631
Accumulated amortization, end of year	-	822,246	1,392,922	163,636	136,624	4,124	2,965,356	-	5,484,908
Net carrying amount, end of year	\$ 612,306	\$ 410,890	\$ 2,727,370	\$ 169,956	\$ 131,401	\$ 16,493	\$ 4,617,367	\$ 158,515	\$ 8,844,298

The net book value of tangible capital assets not being amortized because they are under construction/development or have been removed from service is \$158,515 (2010 - \$NIL).

The Municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

The Corporation of the Township of St. Joseph
Schedule 1 - Consolidated Tangible Capital Assets (Continued)

For the year ended December 31, 2010 (comparative figures)

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furnishings and Fixtures	Infrastructure	Construction in Progress	Total
Cost, beginning of year	\$ 612,306	\$ 1,166,425	\$ 4,052,804	\$ 260,660	\$ 268,025	\$ -	\$ 7,458,946	\$ 94,640	\$ 13,913,806
Additions	-	66,711	64,294	86,089	-	-	29,137	-	246,231
Disposals	-	-	-	(13,157)	-	-	-	-	(13,157)
Capitalized construction	-	-	-	-	-	-	94,640	(94,640)	-
Cost, end of year	612,306	1,233,136	4,117,098	333,592	268,025	-	7,582,723	-	14,146,880
Accumulated amortization, beginning of year	-	723,596	1,229,435	138,096	108,061	-	2,560,412	-	4,759,600
Amortization	-	49,326	80,149	14,414	16,106	-	200,971	-	360,966
Disposals	-	-	-	(3,289)	-	-	-	-	(3,289)
Accumulated amortization, end of year	-	772,922	1,309,584	149,221	124,167	-	2,761,383	-	5,117,277
Net carrying amount, end of year	\$ 612,306	\$ 460,214	\$ 2,807,514	\$ 184,371	\$ 143,858	\$ -	\$ 4,821,340	\$ -	\$ 9,029,603

The net book value of tangible capital assets not being amortized because they are under construction (or development or have been removed from service) is \$NIL (2009 - \$94,640).

The Municipality holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits association with such property cannot be made.

The Corporation of the Township of St. Joseph

Schedule 2 - Consolidated Segment Disclosure

For the year ended December 31, 2011

	General Government	Protection	Transportation	Environmental	Health	Social and Family	Recreation and Cultural	Planning	Other/Unallocated	Consolidated Total
Revenue										
Taxation	\$ 217,042	\$ 122,885	\$ 426,546	\$ 52,488	\$ 212,746	\$ 299,517	\$ 128,031	\$ 8,458	\$ -	\$ 1,467,713
Government grants - Provincial	119,190	67,483	235,788	53,415	116,830	309,537	79,054	4,645	-	985,942
Government grants - Federal	35,350	-	69,264	-	-	-	1,756	-	-	106,370
Other municipalities	-	12,688	-	-	-	-	6,160	-	-	25,659
User fees and service charges	895	226	1,594	152,266	325	26,056	109,814	6,811	-	296,417
Licences, permits and rents	15,499	-	-	-	-	-	-	5,241	-	15,499
Interest fines and penalties	37,825	-	-	-	-	-	-	-	-	37,825
Investment income	15,169	-	-	-	-	-	-	-	-	15,169
Other	35,702	-	-	-	-	-	-	-	-	35,702
	476,672	203,282	733,192	258,169	329,901	635,110	324,815	25,155	-	2,986,296
Expenses										
Salaries and benefits	237,728	25,705	147,145	60,303	3,560	114,888	73,112	1,450	-	663,891
Materials and supplies	114,396	38,995	114,380	104,127	3,514	55,979	141,638	6,921	-	579,950
Contracted services	78,913	94,738	191,097	77,768	331	13,003	6,718	6,426	-	468,994
Rents and financial expenses	-	-	-	8,337	-	-	1,371	221	-	9,929
External transfers and other	-	-	-	-	311,694	443,405	-	-	-	755,099
Amortization	5,666	11,405	143,729	147,634	-	4,745	54,451	-	-	367,630
	436,703	170,843	596,351	398,169	319,099	632,020	277,290	15,018	-	2,845,493
Net surplus (deficit)	\$ 39,969	\$ 32,439	\$ 136,841	\$ (140,000)	\$ 10,802	\$ 3,090	\$ 47,525	\$ 10,137	\$ -	\$ 140,803

The accompanying summary of significant accounting policy is an integral part of these financial statements.

The Corporation of the Township of St. Joseph

Schedule 2 - Consolidated Segment Disclosure (Continued)

For the year ended December 31, 2010 (comparative figures)

	General Government	Protection	Transportation	Environmental	Health	Social and Family and Cultural	Recreation and Cultural	Planning	Other/Unallocated	Consolidated Total
Revenue										
Taxation	\$ 191,044	\$ 105,126	\$ 347,548	\$ 117,597	\$ 176,309	\$ 341,705	\$ 126,996	\$ 7,722	\$ -	\$ 1,414,047
Government grants - Provincial	124,796	68,671	227,029	94,432	115,170	380,480	141,146	5,045	-	1,156,769
Government grants - Federal	-	-	69,264	-	-	-	51,558	-	-	120,822
Other municipalities	-	8,138	-	-	-	-	5,895	6,822	-	20,855
User fees and service charges	5,087	-	2,267	153,573	800	23,420	102,004	2,945	-	290,096
Licences, permits and rents	16,529	-	-	-	-	-	-	-	-	16,529
Interest fines and penalties	44,127	-	-	-	-	-	-	-	-	44,127
Investment income	2,585	-	-	-	-	-	-	-	-	2,585
Other	34,085	-	-	-	-	-	-	-	-	34,085
	418,253	181,935	646,108	365,602	292,279	745,605	427,599	22,534	-	3,099,915
Expenses										
Salaries and benefits	270,399	27,965	148,222	55,867	4,435	104,370	69,938	1,760	-	682,956
Materials and supplies	49,575	50,447	103,978	30,173	462	53,788	141,809	1,170	-	431,402
Contracted services	92,174	95,693	173,296	118,115	405	14,307	16,602	17,611	-	528,203
Rents and financial expenses	-	-	174	8,696	-	-	1,835	425	-	11,130
External transfers and other	-	-	-	-	296,199	555,606	-	-	-	851,805
Amortization	1,543	15,053	140,729	147,634	-	4,745	51,262	-	-	360,966
	413,691	189,158	566,399	360,485	301,501	732,816	281,446	20,966	-	2,866,462
Net surplus (deficit)	\$ 4,562	\$ (7,223)	\$ 79,709	\$ 5,117	\$ (9,222)	\$ 12,789	\$ 146,153	\$ 1,568	\$ -	\$ 233,453

The accompanying summary of significant accounting policy is an integral part of these financial statements.

**The Corporation of the
Township of St. Joseph
Trust Funds
Financial Statements
For the year ended December 31, 2011**



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the Township of St. Joseph

We have audited the accompanying financial statements of the Trust Funds of The Corporation of the Township of St. Joseph, which comprise the statement of financial position as at December 31, 2011 and the statement of continuity 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.

Auditor's 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 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 trust funds of The Corporation of the Township of St. Joseph as at December 31, 2011 and the continuity thereof for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
April 30, 2012

**The Corporation of the Township of St. Joseph
Trust Funds
Cemetery Care and Maintenance
Statement of Financial Position**

<u>December 31</u>	<u>2011</u>	<u>2010</u>
Assets		
Cash	\$ 37,373	\$ 36,523
Fund Balances		
Capital	\$ 37,373	\$ 36,523

Statement of Continuity

<u>For the year ended December 31</u>	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 36,523	\$ 34,323
Revenue		
Sale of plots	450	1,050
Monument charge and donations	400	1,150
	<u>850</u>	<u>2,200</u>
Balance, end of year	\$ 37,373	\$ 36,523

Summary of Significant Accounting Policies

December 31, 2011

Basis of Accounting Capital receipts and income are reported on the cash basis of accounting.

**St. Joseph Township
Public Library Board
Financial Statements
For the year ended December 31, 2011**



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Independent Auditor's Comments on Supplementary Financial Information

**To the Members of Council, Inhabitants and Ratepayers of
the Township of St. Joseph**

We have audited the consolidated financial statements of The Corporation of the Township of St. Joseph, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended and have issued our report thereon dated April 30, 2012 which contained an unmodified opinion on those consolidated financial statements. The audit was performed to form an opinion on the consolidated financial statements as a whole. The supplementary financial information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the consolidated financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
April 30, 2012

St. Joseph Township Public Library Board
Statement of Revenue and Expense

For the year ended December 31	2011 Budget	2011 (Unaudited)	2010 (Unaudited)
Revenue			
Grants - Ontario	\$ 5,433	\$ 4,469	\$ 5,473
- Municipal	21,995	21,995	23,741
Miscellaneous	835	415	345
Community Access Program (Schedule 1)	1,400	1,361	2,121
Literacy Grant (Schedule 2)	-	(1,955)	(494)
Interest	-	1,582	840
Donations	450	1,563	813
	<u>30,113</u>	<u>29,430</u>	<u>32,839</u>
Expense			
Administration and miscellaneous	2,650	1,602	1,520
Audio and video cassettes	710	692	681
Books	5,700	4,840	5,238
Building - utilities and telephone	6,550	4,336	4,063
- maintenance and supplies	3,135	1,288	2,808
Transfer to reserve	-	1,364	728
Wages and benefits	14,025	14,498	13,556
	<u>32,770</u>	<u>28,620</u>	<u>28,594</u>
Excess (deficiency) of revenue over expense	\$ (2,657)	\$ 810	\$ 4,245

Statement of Financial Position

December 31	2011 (Unaudited)	2010 (Unaudited)
Assets		
Current		
Cash	\$ 53,676	\$ 51,484
Accounts receivable	955	817
	<u>\$ 54,631</u>	<u>\$ 52,301</u>
Liabilities and Fund Balance		
Accounts payable	\$ 357	\$ 201
Reserve for building fund	36,905	35,541
	<u>37,262</u>	<u>35,742</u>
Fund Balance		
Balance, beginning of year	16,559	12,314
Excess of revenue over expense	810	4,245
	<u>17,369</u>	<u>16,559</u>
Balance, end of year	<u>\$ 54,631</u>	<u>\$ 52,301</u>

St. Joseph Township Public Library Board
Statement of Continuity - Reserve for Building Fund

For the year ended December 31	2011 (Unaudited)	2010 (Unaudited)
Balance, beginning of year	\$ 35,541	\$ 34,813
Transfers from operating fund		
Interest earned	<u>1,364</u>	<u>728</u>
Balance, end of year	<u>\$ 36,905</u>	<u>\$ 35,541</u>

St. Joseph Township Public Library Board
Schedule 1 - Community Access Program

For the year ended December 31

	2011 (Unaudited)	2010 (Unaudited)
Revenue		
Grants - Federal	\$ -	\$ 1,077
- Chapleau Regional	4,311	2,200
Miscellaneous income	2,857	2,893
	7,168	6,170
Expense		
Bank charges	19	16
Supplies	1,452	706
Wages and benefits	3,288	2,427
Utilities	1,048	900
	5,807	4,049
	1,361	2,121
Community Access Program fund balance, beginning of year	4,536	2,415
Community Access Program fund balance, end of year	\$ 5,897	\$ 4,536

St. Joseph Township Public Library Board
Schedule 2 - Literacy Grant

For the year ended December 31

2011 2010
(Unaudited) (Unaudited)

Revenue		
Miscellaneous income	\$ 715	\$ 423
Expense		
Books	503	608
Office and bank charges	16	6
Other expenses	2,151	303
	2,670	917
Deficiency of revenue over expense	(1,955)	(494)
Literacy Program fund balance, beginning of year	9,032	9,526
Literacy Program fund balance, end of year	\$ 7,077	\$ 9,032

St. Joseph Island Museum Board
Financial Statements
For the year ended December 31, 2011



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Independent Auditor's Comments on Supplementary Financial Information

**To the Board Members, Members of Council, Inhabitants and Ratepayers
of the Participating Municipalities as listed in the Note to Financial Statements**

We have audited the consolidated financial statements of The Corporation of the Township of St. Joseph, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended and have issued our report thereon dated April 30, 2012 which contained an unmodified opinion on those consolidated financial statements. The audit was performed to form an opinion on the consolidated financial statements as a whole. The supplementary financial information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the consolidated financial statements.

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Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
April 30, 2012

St. Joseph Island Museum Board
Statement of Revenue and Expense

For the year ended December 31	2011 Budget	2011 (Unaudited)	2010 (Unaudited)
Revenue			
Grants			
- Ontario	\$ 1,440	\$ 1,440	\$ 1,440
- Canada - Summer Career Placements	3,160	3,217	3,093
- Municipal - operating	23,050	23,048	21,952
Donations, admissions and miscellaneous	4,643	8,538	8,340
Memberships	3,000	2,350	4,040
Interest earned	-	1,597	341
	\$ 35,293	\$ 40,190	\$ 39,206
Expense			
Electricity	\$ 2,000	\$ 1,711	\$ 1,603
Insurance	2,000	1,683	1,741
Interest and bank charges	300	210	105
Professional fees	800	1,034	688
Repairs and maintenance	4,000	5,397	2,620
Supplies and office costs	3,300	3,645	3,926
Telephone	1,000	1,066	935
Training and workshops	1,300	82	700
Transfer to (from) reserves	(4,407)	1,204	2,763
Wages and benefits	25,000	24,158	24,125
	\$ 35,293	\$ 40,190	\$ 39,206

Statement of Financial Position

December 31	2011 (Unaudited)	2010 (Unaudited)
Assets		
Current		
Cash	\$ 104,562	\$ 104,344
Liabilities and Reserves		
Accounts payable	\$ 141	\$ 241
Deferred revenue	-	885
Reserve for building fund	103,621	102,049
Reserve for working funds	800	1,169
	\$ 104,562	\$ 104,344

St. Joseph Island Museum Board
Statement of Continuity - Reserves

For the year ended December 31

	Building Fund Reserve	Working Fund Reserve	2011 (Unaudited) Total	2010 (Unaudited) Total
Balance, beginning of year	\$ 102,049	\$ 1,169	\$ 103,218	\$ 100,455
Transfers from operating fund				
Operating fund surplus (deficit)	-	(368)	(368)	952
Interest	1,597	-	1,597	341
Donations	3,009	-	3,009	2,970
	4,606	(368)	4,238	4,263
Transfers to operating fund				
Building repairs	3,034	-	3,034	1,500
Balance, end of the year	\$ 103,621	\$ 801	\$ 104,422	\$ 103,218

**St. Joseph Township Cemetery
Board
Financial Statements
For the year ended December 31, 2011**



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**To the Board Members, Members of Council, Inhabitants and Ratepayers of
Township of St. Joseph**

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Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
April 30, 2012

**St. Joseph Township Cemetery Board
Statement of Revenue and Expense**

For the year ended December 31	Budget (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Revenue			
Sale of plots	\$ 500	\$ 300	\$ 800
Donation	-	25	-
Grant - municipality	6,500	6,500	6,500
Interest earned	-	397	-
	<u>7,000</u>	<u>7,222</u>	<u>7,300</u>
Expense			
Bank Charges	75	53	80
Maintenance and supplies	2,700	3,822	463
Professional Fees	350	331	325
Training	-	338	-
Wages	4,000	3,560	4,270
	<u>7,125</u>	<u>8,104</u>	<u>5,138</u>
Excess (deficiency) of revenue over expense	\$ (125)	\$ (882)	\$ 2,162

Statement of Financial Position

December 31	2011 (Unaudited)	2010 (Unaudited)
Assets		
Current		
Cash	\$ 7,609	\$ 8,567
Liabilities and Fund Balance		
Accounts payable	\$ -	\$ 76
Reserve for working funds	<u>500</u>	<u>500</u>
	<u>500</u>	<u>576</u>
Fund Balance		
Balance, beginning of year	7,991	5,829
Excess (deficiency) of revenue over expense	<u>(882)</u>	<u>2,162</u>
Balance, end of year	<u>7,109</u>	<u>7,991</u>
	<u>\$ 7,609</u>	<u>\$ 8,567</u>

St. Joseph Island Planning Board
Financial Statements
For the year ended December 31, 2011



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Independent Auditor's Comments on Supplementary Financial Information

**To the Board Members, Members of Council, Inhabitants and Ratepayers
of the Participating Municipalities as listed in the Note to Financial Statements**

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Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
April 30, 2012

**St. Joseph Island Planning Board
Statement of Revenue and Expense**

For the year ended December 31	Budget (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
Revenue			
Grants - municipal	\$ 15,000	\$ 15,000	\$ 15,000
Application fees	2,500	4,250	1,500
	<u>\$ 17,500</u>	<u>\$ 19,250</u>	<u>\$ 16,500</u>
Expense			
Administration services	\$ 6,100	\$ 6,107	\$ 9,027
Conferences and training	1,200	568	1,193
Honoraria	1,980	1,450	1,760
Insurance	2,500	2,354	1,263
Miscellaneous	2,650	2,672	790
Official plan	1,000	325	5,813
Professional fees	370	321	315
Transfer to (from) reserve	1,700	5,453	(3,661)
	<u>\$ 17,500</u>	<u>\$ 19,250</u>	<u>\$ 16,500</u>

Statement of Financial Position

December 31	2011 (Unaudited)	2010 (Unaudited)
Assets		
Cash	\$ 9,229	\$ 9,090
Accounts receivable	4,201	361
	<u>\$ 13,430</u>	<u>\$ 9,451</u>
Liabilities		
Accounts payable	\$ -	\$ 1,474
Reserve for working funds	13,430	7,977
	<u>\$ 13,430</u>	<u>\$ 9,451</u>

Statement of Continuity - Reserve For Working Funds

For the year ended December 31	2011 (Unaudited)	2010 (Unaudited)
Balance, beginning of year	\$ 7,977	\$ 11,638
Transfer (to) from operations	5,453	(3,661)
Balance, end of year	<u>\$ 13,430</u>	<u>\$ 7,977</u>

Participating Municipalities The municipalities participating in the Board are:

Township of St. Joseph
Township of Jocelyn
Township of Hilton
Village of Hilton Beach