

Financial Statements of

**COUNTY OF MIDDLESEX TRUST
FUNDS**

Year ended December 31, 2010



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INDEPENDENT AUDITORS' REPORT

To the Shareholders

We have audited the accompanying financial statements of County of Middlesex Trust Funds, which comprise the balance sheet as at December 31, 2010, the statements of earnings and financial position, and 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 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 (consolidated / non-consolidated / separate / combined) 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 our 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, we consider 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 County of Middlesex Trust Funds as at December 31, 2010, and its (consolidated / non-consolidated / separate / combined) results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

June 13, 2011

London, Canada

COUNTY OF MIDDLESEX TRUST FUNDS

Statement of Financial Position

December 31, 2010, with comparative figures for 2009

	Strathmere Lodge Trust Fund	Strathroy Library Trust Fund	2010 Total	2009 Total
Assets				
Cash	\$ 53,639	\$ -	\$ 53,639	\$ 95,727
Due from County of Middlesex (note 3)	-	11,800	11,800	11,800
	\$ 53,639	\$ 11,800	\$ 65,439	\$ 107,527
Liabilities				
Accounts payable and accrued liabilities	\$ 1,055	\$ -	\$ 1,055	\$ -
	\$ 1,055	\$ -	\$ 1,055	\$ -
Fund Balances				
Fund balances	\$ 52,584	\$ 11,800	\$ 64,384	\$ 107,527

See accompanying notes to financial statements.

COUNTY OF MIDDLESEX TRUST FUNDS

Statement of Earnings and Fund Balances

Year ended December 31, 2010, with comparative figures for 2009

	Strathmere Lodge Trust Fund	Strathroy Library Trust Fund	2010 Total	2009 Total
Revenue:				
Capital	\$ 228,086	\$ -	\$ 228,086	\$ 205,358
Interest	353	144	497	754
	228,439	144	228,583	206,112
Expenditures:				
Resident withdrawals	271,299	-	271,299	196,079
Investment administration	283	-	283	638
Transfer to County of Middlesex Library Board	-	144	144	65
	271,582	144	271,726	196,782
Excess of revenue over expenditures	(43,143)	-	(43,143)	9,330
Fund balance, beginning of year	95,727	11,800	107,527	98,197
Fund balance, end of year	\$ 52,584	\$ 11,800	\$ 64,384	\$ 107,527

See accompanying notes to financial statements.

COUNTY OF MIDDLESEX TRUST FUNDS

Statement of Cash Flows

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by:		
Operating activities:		
Net earnings (loss)	\$ (43,143)	\$ 9,330
Accounts Payable	1,055	-
Net decrease in cash	(42,088)	9,330
Cash, beginning of year	95,727	86,397
Cash, end of year	\$ 53,639	\$ 95,727

See accompanying notes to financial statements.

COUNTY OF MIDDLESEX TRUST FUNDS

Notes to Financial Statements
Year ended December 31, 2010

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.