

Trust Funds Financial Statements

**The Corporation of the City of
Sault Ste. Marie**

For the year ended December 31, 2008



KPMG LLP
Chartered Accountants
111 Elgin Street at Queen
Suite 200
PO Box 578
Sault Ste Marie ON P6A 5M6

Telephone (705) 949-5811
Fax (705) 949-0911
Internet www.kpmg.ca

Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the City of Sault Ste. Marie

We have audited the statement of financial position of the trust funds of The Corporation of the City of Sault Ste. Marie as at December 31, 2008 and the statement of continuity of the trust funds for the year then ended. These financial statements are the responsibility of the City's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the trust funds of The Corporation of the City of Sault Ste. Marie as at December 31, 2008 and the continuity of the trust funds for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada
June 19, 2009

The Corporation of the City of Sault Ste. Marie

Trust Funds

Statement of Financial Position

December 31, 2008, with comparative figures for 2007

										2008	2007
	Care and Maintenance	Pre-need Assurance	Ontario Home Renewal Plan	Ontario Home Renewal Plan (Rental)	Historic Sites	Heritage SSM	Transit Employees Pension	Cultural Endowment	Total	Total	
Assets											
Cash and investments	\$ 4,274,898	\$ 1,330,994	\$ 32,296	\$ 4,193	\$ 36,012	\$ 57,148	\$ 87,977	\$ -	\$ 5,823,516	\$ 6,117,242	
Receivable from other funds	-	240,565	-	-	-	-	-	10,000	250,565	163,074	
Loans receivable (note 2)	-	-	51,215	2,228	-	-	-	-	53,442	68,854	
	\$ 4,274,898	\$ 1,571,559	\$ 83,510	\$ 6,420	\$ 36,012	\$ 57,148	\$ 87,977	\$ 10,000	\$ 6,127,523	\$ 6,349,170	
Liabilities											
Payable to other funds	\$ 120,586	\$ -	\$ 34,022	\$ 367	\$ 8,668	\$ -	\$ -	\$ -	\$ 163,642	\$ 145,753	
Fund Balance	4,154,312	1,571,559	49,488	6,054	27,344	57,148	87,977	10,000	5,963,882	6,203,417	
	\$ 4,274,898	\$ 1,571,559	\$ 83,510	\$ 6,420	\$ 36,012	\$ 57,148	\$ 87,977	\$ 10,000	\$ 6,127,525	\$ 6,349,170	

The Corporation of the City of Sault Ste. Marie

Trust Funds
Statement of Continuity

December 31, 2008, with comparative figures for 2007

	2008									2007
	Care and Maintenance	Pre-need Assurance	Ontario Home Renewal Plan	Ontario Home Renewal Plan (Rental)	Historic Sites	Heritage SSM	Transit Employees Pension	Cultural Endowment	Total	Total
Balance, beginning of the year	\$ 4,045,905	\$ 1,453,635	\$ 56,849	\$ 5,914	\$ 10,556	\$ 55,413	\$ 575,145	\$ -	\$ 6,203,417	\$ 5,883,806
Revenue:										
Capital receipts	184,272	164,256	-	-	909	-	-	-	349,437	255,666
Contributions from revenue fund	-	-	-	-	16,988	-	-	10,000	26,988	-
Interest earned	125,513	40,407	913	370	1,158	1,735	10,655	-	180,750	249,870
	309,785	204,663	913	370	19,055	1,735	10,655	10,000	557,176	505,536
Expenditures:										
Contributions to revenue fund	201,378	86,739	714	55	-	-	-	-	288,886	167,817
Transfer to Province of Ontario	-	-	6,938	-	-	-	-	-	6,938	10,620
Transfer to capital project	-	-	-	-	2,267	-	-	-	2,267	1,450
Administration charges	-	-	621	175	-	-	22,354	-	23,150	6,038
Distributions	-	-	-	-	-	-	475,470	-	475,470	-
	201,378	86,739	8,274	230	2,267	-	497,823	-	796,711	185,925
Balance, end of year	\$ 4,154,312	\$ 1,571,559	\$ 49,488	\$ 6,054	\$ 27,344	\$ 57,148	\$ 87,977	\$ 10,000	\$ 5,963,882	\$ 6,203,417

The Corporation of the City of Sault Ste. Marie

Trust Funds

Notes to Financial Statements

December 31, 2008

1. Summary of Significant Accounting Policies:

Basis of accounting:

The financial statements are prepared by management and 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.

2. Ontario Home Renewal Program:

The Ontario Home Renewal Program ("OHRP") was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans were limited to \$7,500, of which the maximum deferred portion was \$4,000.

Ontario Home Renewal Program loans receivable at December 31, 2008 comprise repayable loans of \$15,160 (2007 - \$22,170) and deferred loans of \$37,481 (2007 - \$46,684). Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continuous ownership and occupancy. The deferred portion of the loan is deferred for a five year period. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balance of the loans immediately become due and payable by the homeowner.

The Province of Ontario legislated an end to the OHRP program in 1993. As of July 16, 1993, no new loans were issued. All funds collected on outstanding OHRP loans will be remitted to the Province by March 1 of the following year. However, municipalities will be provided an administration fee of five per cent of the balances collected after December 31, 1993 and are permitted to retain the interest earned on unremitted OHRP trust account balances.

3. Investments:

Total investments by the trust funds of \$3,585,072 (2007 - \$3,499,921) included in cash and investments on the Statement of Financial Position at cost, have a market value of \$3,660,937.