



## STAFF REPORT ACTION REQUIRED

### 2007 Audited Trust Funds Consolidated Financial Statements

<b>Date:</b>	June 25, 2008
<b>To:</b>	Audit Committee
<b>From:</b>	Treasurer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2008\Internal Services\acc\ac08014acc (AFS# 6433)

#### SUMMARY

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The purpose of this report is to present the City of Toronto's Consolidated Trust Funds Financial Statements for the year ended December 31, 2007 (Attachment A) to the Audit Committee for information.

#### RECOMMENDATIONS

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**The Treasurer recommends that:**

1. the 2007 Audited Trust Funds Consolidated Financial Statements as attached in Appendix A be approved.

**Financial Impact**

There are no financial impacts resulting from this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

**DECISION HISTORY**

On an annual basis, as required, the City presents the Audited Consolidated Trust Funds Financial Statements which includes the City trust fund accounts and those of its Agencies, Boards and Commission to the Audit Committee for information.

## **ISSUE BACKGROUND**

The City administers the trust funds included in these financial statements. As part of its fiduciary responsibilities the City ensures that funds received are to be used only for the specific purposes as specified by each trust agreement.

## **COMMENTS**

### **Balance Sheet**

Trust fund assets comprise investments, cash and amounts due from the City. Total assets as at December 31, 2007 amounted to \$48.2 million (2006 - \$49.3 million) of which \$35.2 million (2006 - \$38.8 million) was in the form of investments.

### **Change in Accounting Policy**

Effective January 1, 2007, new Canadian Institute of Chartered Accounts (CICA) rules came into effect with the respect to the carrying value of investments on the Balance Sheet. Previously, investments were recorded on the Balance Sheet at their original cost. The new rules require that investments be carried at their fair (market) value at year end. The Trust Funds recognized an additional market value gain of just under \$1.6 million in 2007 as a result of this change in accounting policy. More details of the change are included in note 2 to the financial statements.

Trust fund balances at December 31, 2007 amounted to \$47.8 million (2006 - \$47.4 million). One additional trust fund, the Green Lane Small Claims Trust, was set up in 2007 with an initial contribution of \$0.1 million to provide for future minor claims relating to the new Green Lane landfill site.

### **Revenues**

The reduction in revenues is due primarily to change in accounting policy as reflected above. As a result of the change in policy \$1.6 million which is the unrealized market value gain from 2006 and prior years has been recognized, and is recorded as an adjustment to the opening fund balance rather than being reflected as revenue for 2007.

## **Expenditures**

Trust fund expenditures decreased by \$1.7 million in 2007 compared with 2006. Expenditures reflect decreased expenses in Toronto Atmospheric Fund for operating expenses and grants to \$2.1 million in 2007 (2006 - \$2.9 million) and expenditures in the Police Trust Fund decreased to \$0.4 million (2006 - \$0.9 million). Expenditures for repayments to the City from the Municipal Elections Candidates' Surplus amounted to \$0.1 million in 2007 compared to expenditures for payments to municipal election candidates of \$0.6 million in 2006.

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## **SIGNATURE**

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Cam Weldon  
Treasurer

## **ATTACHMENTS**

Attachment A: 2007 Trust Funds Consolidated Financial Statements  
Attachment B: 2007 Audit Results – Consolidated Trust Funds