



STAFF REPORT INFORMATION ONLY

2008 Audited Sinking Fund Financial Statements

Date:	June 18, 2009
To:	Audit Committee
From:	Acting Treasurer
Wards:	All
Reference Number:	P:\2009\Internal Services\acc\ac09009acc (AFS# 8737)

SUMMARY

The purpose of this report is to present the City of Toronto's Sinking Fund Financial Statements for the year ended December 31, 2008 (Appendix A) to the Audit Committee for information.

Financial Impact

There are no financial implications 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 financial statements of the Sinking Fund to the Audit Committee.

ISSUE BACKGROUND

The City contributes to the sinking funds to invest and earn income for the purpose of accumulating sufficient funds to repay the sinking fund debenture debt on maturity.

COMMENTS

These statements have been presented to and approved by the Sinking Fund Committee at its meeting held on June 9, 2009.

Sinking fund assets as at December 31, 2008 amounted to \$880 million (2007 - \$760.9 million). These assets represent amounts held to discharge sinking fund debenture debt of \$2.7 billion (2007 - \$2.5 billion) issued by the City and maturing in various years

between 2009 and 2021. Additional contributions will be received during this period from the City for debentures issued for municipal purposes and the Toronto District School Board for debentures issued for education purposes.

Change in Accounting Policy

Effective January 1, 2008, the Sinking Funds adopted the recommendations of Canadian Institute of Chartered Accountants 1535, Capital Disclosures, which require the disclosure of qualitative and quantitative information that enables users of the financial statements to evaluate the organization's objectives, policies and processes for managing capital. The adoption of these recommendations only required additional disclosures, which are included in note 7 to the financial statements.

Unrestricted Surplus

Unrestricted Surplus increased during the year by \$20.7 million, of which \$15.2 million was the result of unrealized gains on investments.

Revenues and Expenses

Revenues for 2008 increased by \$49.1 million due to the increased contributions required to match the higher actuarial provisions needed to fund increased debt levels and due to the unrealized gains on investments mentioned above.

CONTACT

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SIGNATURE

Giuliana Carbone
Acting Treasurer

ATTACHMENTS

Appendix A: Financial Statements City of Toronto Sinking Funds December 31, 2008
Appendix B: City of Toronto Sinking Funds Audit Results – Year Ended December 31, 2008