

SECTION 3

Financial Statements of

CITY OF GREATER SADBURY TRUST FUNDS

Year ended December 31, 2002

AUDITORS' REPORT

Members of Council, Inhabitants and Ratepayers of the
City of Greater Sudbury

We have audited the statement of financial position of the Trust Funds of the **City of Greater Sudbury** as at December 31, 2002 and statement of continuity for the year then ended. These financial statements are the responsibility of the Region'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.

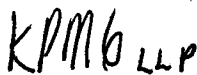
In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the City as at December 31, 2002 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



COLLINS BARROW-MAHEU NOISEUX LLP
Chartered Accountants



FREELANDT CALDWELL REILLY LLP
Chartered Accountants



KPMG LLP
Chartered Accountants

Sudbury, Canada
May 5, 2003

CITY OF GREATER SUBBURY

TRUST FUNDS

Statement of Financial Position

(in thousands of dollars)

As at December 31, 2002, with comparative figures for 2001

	Former District of Sudbury	Home for The Aged Residents' Fund	Subdividers' Deposits	Pension Benefits for Retired Employees (note 6)	Ontario Home Renewal Program (note 3)	Fednor Project - Business Planning Initiative (note 4)	Cemetery Care and Maintenance	Airport	2001 Total	2002 Total
Assets										
Cash and short-term investments	\$ 475	287	1,310	77	10	35	-	-	2,194	1,709
Due from other funds	-	-	675	-	-	-	42	2,370	7,003	8,923
Accrued interest	-	-	-	-	-	-	-	-	-	87
Loans receivable	-	-	-	-	123	87	-	-	210	132
Allowance for doubtful loans	-	-	-	-	(118)	-	-	-	(118)	(118)
	\$ 475	287	1,985	77	15	122	42	2,370	9,289	10,733

Liabilities and Fund Balances

Due to other funds	\$ -	54	-	-	1	-	-	-	55	60
Due to Province of Ontario	-	-	-	-	9	-	-	-	9	10
Fund balance, end of year	475	233	1,985	77	5	122	42	2,370	9,225	10,663
	\$ 475	287	1,985	77	15	122	42	2,370	9,289	10,733

The accompanying notes are an integral part of this financial statement.

CITY OF GREATER SUBBURY

TRUST FUNDS

Statement of Continuity

(in thousands of dollars)

Year ended December 31, 2002, with comparative figures for 2001

	Former District of Subbury	Home for The Aged Residents' Fund	Subdividers' Deposits	Pension Benefits for Retired Employees (note 6)	Ontario Home Renewal Program (note 3)	Fednor Project - Business Planning Initiative (note 4)	Cemetery Pre-Need Maintenance	Cemetery Care and Maintenance	Airport	2002 Total	2001 Total
Balance, beginning of year	\$ 475	274	2,113	92	14	122	16	3,640	3,917	10,663	9,735
Receipts:											
Plot sales	-	-	-	-	-	-	27	278	-	305	517
Receipts from or on behalf of others	-	785	-	-	-	-	-	-	223	1,008	1,532
Interest earned	12	7	32	2	1	-	1	119	116	290	207
Subdividers' deposits	-	-	283	-	-	-	-	-	-	283	243
	12	792	315	2	1	-	28	397	339	1,886	2,499
Expenditure:											
Disbursements	-	-	-	-	-	-	-	-	-	-	24
Disbursements to or on behalf of residents	-	833	-	-	-	-	-	-	-	833	920
Refunds	-	-	392	-	-	-	-	2	-	394	122
Payments to Retiree's	-	-	-	17	-	-	-	-	-	17	17
Transfer to reserve fund, capital and current	-	-	51	-	-	-	2	119	1,886	2,058	456
Administration and registration fees	12	-	-	-	1	-	-	-	-	13	22
Returned to Province of Ontario	-	-	-	-	9	-	-	-	-	9	10
	12	833	443	17	10	-	2	121	1,886	3,324	1,571
Balance, end of year	\$ 475	233	1,985	77	5	122	42	3,916	2,370	9,225	10,663

The accompanying notes are an integral part of this financial statement.

CITY OF GREATER SUDBURY

STATEMENT OF TRUST FUNDS

Notes to Financial Statements

Year ended December 31, 2002

1. Significant accounting policies:

(a) Basis of accounting:

The Trust Funds financial statements are the representations of 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.

(b) Allowance for doubtful loans:

Bad debts losses are provided as they occur by recording an allowance for doubtful loans in trust accounts. The actual loans are written-off once approval has been obtained from the Province.

2. Investments:

The investments have an approximate market value equal to their original cost.

3. Ontario Home Renewal Program:

The Ontario Home Renewal Program has been discontinued. Any loan receivable collected in each of the subsequent calendar years must be remitted to the Ontario Ministry of Housing by March 1 of the following year.

4. Fednor Project Business Planning Initiative:

Fednor has advanced \$110,110 to be used by the Regional Business Centre to aid small businesses. An advance for up to 90% of the small businesses consulting costs may be made. At the end of two years, the client may be asked to repay this advance if feasible or the advance may be forgiven. Any interest earned will be available for further advances.

5. Former District of Sudbury Social Services Administration Board:

This Trust Fund has been established to provide any potential contingencies relative to the former Social Services Administration Board. The Trust Fund will be maintained until January 12, 2006 after which its distribution will be in accordance with the main severance formula used in the distribution of assets of the former Board. The City of Greater Sudbury is entitled to an administrative fee for the management of the Fund and that fee is equal to the amount of interest earned on the Fund.

6. Pension Benefits for Retired Employees:

This fund consists of payments to be made to retired employees in future years as part of an incentive package.