

THE CORPORATION OF THE CITY OF WINDSOR

Auditors' Report

Consolidated Financial Statements

December 31, 1992

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the City of Windsor

We have audited the consolidated balance sheet of **The Corporation of the City of Windsor** as at December 31, 1992 and the consolidated statement of operations 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 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 City as at December 31, 1992 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the consolidated financial statements.

The comparative figures for the preceding year were audited by other auditors who expressed an opinion without reservation on those statements in their report dated April 3, 1992.

Windsor, Ontario
April 8, 1993.



Chartered Accountants

THE CORPORATION OF THE CITY OF WINDSOR

Consolidated Balance Sheet

December 31, 1992
with comparative figures for 1991
(stated in thousands of dollars)

Assets

| | 1992 | 1991 |
|---|----------------|----------------|
| | \$ | \$ |
| Unrestricted: | | |
| Taxes receivable, net of allowance of \$615 (1991, \$365) | 26,267 | 20,712 |
| Accounts receivable | 20,485 | 33,037 |
| Other current assets | 3,959 | 3,685 |
| | <u>50,711</u> | <u>57,434</u> |
| Restricted: | | |
| Investments (note 5) | 12 | 12 |
| Accounts receivable | 536 | 469 |
| Due from own funds | 25,000 | 20,514 |
| Long term receivables, net of allowance of \$2,205 (1991, \$1,860) | 333 | 611 |
| Investment in own debentures (note 5) | 1,804 | 2,919 |
| | <u>27,685</u> | <u>24,525</u> |
| Capital outlay financed by long term liabilities and to be recovered in future years (note 1(b)) | 44,508 | 49,842 |
| Add foreign exchange translation adjustment | 2,905 | 1,938 |
| | <u>47,413</u> | <u>51,780</u> |
| Total assets | <u>125,809</u> | <u>133,739</u> |

Liabilities and Fund Balances

Liabilities:

| | | |
|--|----------------|----------------|
| Temporary loans | 19,631 | 24,320 |
| Accounts payable and accrued liabilities | 19,756 | 24,808 |
| Due to own funds | 25,000 | 20,514 |
| Net long term liabilities (note 8) | 47,413 | 51,780 |
| Total liabilities | <u>111,800</u> | <u>121,422</u> |

Fund balances at the end of year (notes 10 and 11):

| | | |
|---|----------------|----------------|
| To be recovered from taxation or user charges in 1993 (1991, to be used to offset taxation or user charges in 1992) | (305) | 205 |
| Capital operations not yet permanently financed | (17,280) | (15,155) |
| Reserves | 3,950 | 3,541 |
| Reserve funds | 27,644 | 23,726 |
| Total fund balances | <u>14,009</u> | <u>12,317</u> |
| Total liabilities and fund balances | <u>125,809</u> | <u>133,739</u> |

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

THE CORPORATION OF THE CITY OF WINDSOR

Consolidated Statement of Operations

Year ended December 31, 1992
with comparative figures for 1991
(stated in thousands of dollars)

| | Actual 1992 \$ | Actual 1991 \$ |
|--|----------------------|----------------------|
| SOURCES OF FINANCING: | | |
| Taxation and user charges: | | |
| Residential and farm taxation | 142,068 | 133,112 |
| Commercial, industrial and business taxation | 111,532 | 110,221 |
| Taxation from other governments | 8,443 | 7,793 |
| User charges | 53,906 | 53,442 |
| Grants: | | |
| Government of Canada | 545 | 2,906 |
| Province of Ontario | 109,321 | 105,300 |
| Other: | | |
| Contributions from developers | 2,814 | 2,236 |
| Investment income | 6,223 | 7,622 |
| Sale of land | 1,749 | 1,770 |
| Penalties and interest on taxes | 3,952 | 3,147 |
| Fines | 1,474 | 1,631 |
| Other | 41 | 449 |
| | | |
| Deduct: Amounts received or receivable for school boards (note 2) | (121,982) | (115,891) |
| | | |
| Proceeds from the Issue of long term liabilities | 6,500 | 6,500 |
| MUNICIPAL FUND BALANCES | | |
| AT THE BEGINNING OF THE YEAR (note 10) | | |
| | | |
| To be used to offset or (to be recovered from) taxation or user charges | 205 | (1,791) |
| | | |
| Capital operations not yet permanently financed | (15,155) | (8,174) |
| | | |
| Total financing available during the year | <u>311,636</u> | <u>310,273</u> |

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

| | Actual 1992 \$ | Actual 1991 \$ |
|--|----------------------|----------------------|
| APPLIED TO: | | |
| Current operations (notes 3, 9, 14) | | |
| General government | 27,543 | 26,226 |
| Protection to persons and property | 59,932 | 56,957 |
| Transportation services | 39,000 | 39,102 |
| Environmental services | 29,259 | 30,125 |
| Health services | 1,047 | 1,001 |
| Social and family services | 78,420 | 70,261 |
| Recreation and cultural services | 32,162 | 30,417 |
| Planning and development | 6,112 | 4,696 |
| | 273,475 | 258,785 |
| Capital | | |
| General government | 1,122 | 965 |
| Protection to persons and property | 605 | 717 |
| Transportation services | 18,288 | 21,116 |
| Environmental services | 20,179 | 9,361 |
| Health services | 1,003 | 500 |
| Social and family services | 337 | 161 |
| Recreation and cultural services | 5,201 | 25,766 |
| Planning and development | 4,684 | 4,530 |
| | 51,419 | 63,116 |
| Net appropriations to reserves and reserve funds | 4,327 | 3,322 |
| MUNICIPAL FUND BALANCES AT THE END OF THE YEAR (note 10) | | |
| To be used to offset or (to be recovered from) taxation or user charges | (305) | 205 |
| Capital operations not yet permanently financed | (17,280) | (15,155) |
| Total applications during the year | 311,636 | 310,273 |

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements

December 31, 1992
(stated in thousands of dollars)

1. Accounting Policies

The consolidated financial statements of the Corporation are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) (i) Basis of Consolidation

These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

- Roseland Golf and Curling Club Limited
- Transit Windsor
- The Corporation Of The City Of Windsor Public Library Board
- Windsor Tunnel Commission
- Downtown Business Association
- Drouillard Road Business Improvement Area
- Erie Street East Improvement Area
- Ottawa Street Business Improvement Area
- Riverside Business Improvement Area
- Wyandotte Street East Improvement Area
- Wyandotte Street East (Old Midtown) Business Improvement Area
- Sandwich Community Improvement Area
- Pillette Village Business Improvement Area

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the municipality and the resulting interest income and expenditures.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992

(stated in thousands of dollars)

(ii) Non-Consolidated Entities

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

- City of Windsor Housing Company Limited
- City of Windsor Non-Profit Housing Corporation
- Windsor-Essex County Health Unit
- Windsor Utilities Commission (Hydro and Water Divisions)

The non-consolidation of the entities listed above is in accordance with the accounting principles prescribed by the Ministry of Municipal Affairs.

(iii) Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, are not reflected in the municipal fund balances of these financial statements. Amounts due to/from school boards are reported on the consolidated balance sheet as accounts payable/accounts receivable.

(iv) Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the trust funds statements of continuity and balance sheet.

(b) Basis of Accounting

(i) In accordance with practices common to Ontario municipalities, the Corporation follows the fund basis of accounting. The capital fund is used principally to account for assets acquired or obligations incurred which are to be financed from the future revenue of the Corporation and it is the annual cost of this financing that is charged against current (revenue fund) operations. Reserve funds are generally created, pursuant to applicable statutes, by appropriations from current (revenue fund) operations. The use of these funds is restricted to the purposes for which the reserve funds were created.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992

(stated in thousands of dollars)

(ii) Within the framework of the fund basis of accounting, the Corporation maintains its accounts on an accrual basis except where modification of such basis is consistent with practices employed by Ontario municipalities whose revenue is raised only to meet their current expenditure. Modifications of the accrual basis employed by the Corporation are as follows:

- (i) Principal and interest charges on long term liabilities are charged against current operations in the consolidated statement of operations in the periods in which they mature. Principal and interest charges are not accrued for the period from the date of the latest installment payment to the end of the financial year.
- (ii) Cost of sick leave is charged against operations on a cash basis except any amount against which a reserve is provided.

(iii) 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.

(iv) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the consolidated statement of operations in the year of acquisition. The proceeds from debt issues for those fixed assets financed by long term indebtedness is reported on the consolidated statement of operations.

(v) Capital Outlay to be Recovered in Future Years

Capital outlay financed by long term liabilities and to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the consolidated balance sheet.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992
(stated in thousands of dollars)

2. Operations of School Boards

Further to note 1(a)(iii), the taxation, other revenues, and expenditures of the school boards are comprised of the following:

| | School Boards | |
|------------------------------------|---------------|------------|
| | 1992 \$ | 1991 \$ |
| Taxation | 121,982 | 115,891 |
| Grants | 112,031 | 109,010 |
| Other revenue | 18,152 | 20,987 |
| Amounts received or receivable | 252,165 | 245,888 |
| Requisitions | 252,022 | 246,378 |
| Amount due (to) from school boards | (143) | 490 |

Only taxation revenues flow through the City's accounting records.

3. Contribution to Unconsolidated Joint Board

Further to note 1(a)(ii) the following contribution was made by the municipality to this board:

| | 1992 \$ | 1991 \$ |
|----------------------------------|------------|------------|
| Windsor-Essex County Health Unit | 1,047 | 1,007 |

The Municipality is also contingently liable for its share, which is approximately 61% of any deficits which may arise. The municipality's share of the accumulated surpluses of this joint board is as follows:

| | 1992 \$ | 1991 \$ |
|----------------------------------|------------|------------|
| Windsor-Essex County Health Unit | 28 | 27 |

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992

(stated in thousands of dollars)

The City is also contingently liable for its share of the costs pertaining to a lease agreement of the Windsor-Essex County Health Unit which expires on May 31, 2003. In addition to future rental payments totalling \$3,818 lease costs include insurance, taxes and utilities related to the leased premises. It is considered unlikely that the City will ever be called upon to take over lease payments. The city's share of the Health Unit's annual gross costs is presently approximately 13%.

4. Trust Funds

Trust funds administered by the municipality amounting to \$3,527 (1991, \$3,251) have not been included in the consolidated balance sheet nor have their operations been included in the consolidated statement of operations.

5. Investments

The total of investments of \$1,816 (1991, \$2,931), including investment in own debentures, reported on the consolidated balance sheet at cost, have a market value of \$1,891 (1991, \$3,240) at the end of the year.

6. Pension Agreements

The Municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer plan, on behalf of 2250 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 1992 was \$6,132 (1991, \$5,624) for current service and is included as an expenditure on the consolidated statement of operations.

Under the past service, optional and extended service provisions of the OMERS agreements, the municipality is obligated at December 31, 1992 for an amount of approximately \$1,764 (1991, \$2,549) as established for the plans. No provision has been made for this liability. The balance of this liability will be funded by annual charges of approximately \$955 to 1994 and \$282 to 1998. An amount of \$1,237 (1991, \$1,193) in addition to the amount for current service has been provided for in the current year and is reported as an expenditure on the consolidated statement of operations. Contributions are based on an actuarial valuation made in 1987. This valuation was due to be updated in 1990. No update has been done at this time and O.M.E.R.S. has advised that no updated valuation will be done.

Effective January 1, 1992, OMERS made changes to the Pension Plan which increased basic contribution rates and ceased contributions for certain supplementary OMERS agreements

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992

(stated in thousands of dollars)

and identified an overcontribution for these past contributions. The magnitude and ownership of the overcontribution is not known at this time.

7. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to \$17,000 (1991, \$16,500) at the end of the year. No provision has been made for this liability. An amount of \$799 (1991, \$594) has been provided for the current year and is reported on the consolidated statement of operations.

Anticipated payments over the next five years to employees who are eligible to retire and entitled to a pay out are as follows:

| | |
|-------|----------------|
| 1993 | \$ 500 |
| 1994 | 200 |
| 1995 | 400 |
| 1996 | 400 |
| 1997 | 500 |
| Total | <u>\$2,000</u> |

8. Net Long Term Liabilities

- (a) The balance of the net long term liabilities reported on the consolidated balance sheet is made up of the following:

Total long term liabilities incurred by the municipality including those incurred on behalf of other municipalities and municipal enterprises and outstanding at the end of the year amount to

| 1992 | 1991 |
|--------|--------|
| \$ | \$ |
| 80,372 | 66,392 |

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992
(stated in thousands of dollars)

| | 1992 \$ | 1991 \$ |
|--|---------------|---------------|
| Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated local boards, municipal enterprises and utilities, and other municipalities. At the end of the year, the outstanding principal amount of this liability is | (31,320) | (12,960) |
| Of the long term liabilities shown above, the responsibility for payment of principal and interest charges for tile drainage and shoreline property assistance loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is | (10) | (11) |
| The total value of sinking funds which have been accumulated to the end of the year to retire the outstanding long term liabilities included above, amount to | (1,629) | (1,641) |
| Net long term liabilities at the end of the year | <u>47,413</u> | <u>51,780</u> |

Of this amount, \$1,804 (1991, \$2,919) are held by reserve funds as investments.

- (b) Of the net long term liabilities reported in (a) of this note, \$38,481 in principal payments are payable from 1993 to 1997, \$6,791 from 1998 to 2002, and \$2,141 thereafter. These amounts will require funding in those periods and are summarized as follows:

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992

(stated in thousands of dollars)

| | 1993 to 1997 \$ | 1998 to 2002 \$ | 2003 and thereafter \$ |
|---------------------------------|--------------------------|--------------------------|---------------------------------|
| from general municipal revenues | 38,151 | 6,357 | 2,141 |
| from benefitting landowners | 330 | 434 | - |
| | <u>38,481</u> | <u>6,791</u> | <u>2,141</u> |

- (c) Included in the net long term liabilities on the consolidated balance sheet is an amount of \$10,761 (1991, \$12,504) payable in United States currency, which was converted into Canadian dollars at the rate of exchange prevailing at December 31, 1992. When the liability is converted into Canadian dollars at the rate of exchange prevailing when the liability was incurred, the foreign exchange translation adjustment is \$973 (1991, \$1,088).
- (d) Approval of the Ontario Municipal Board has been obtained for the long term liabilities in (a) issued in the name of the Municipality.
- (e) The Municipality is contingently liable for long term liabilities with respect to tile drainage and shoreline property assistance loans, and for those for which the responsibility for the payment of principal and interest has been assumed by other municipalities, unconsolidated local boards, municipal enterprises, and utilities. The total amount outstanding as at December 31, 1992 is \$31,330 (1991, \$12,971) and is not recorded on the consolidated balance sheet.

9. Charges for Net Long Term Liabilities

Total charges for the year for net long term liabilities which are reported on the consolidated statement of operations are as follows:

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992
(stated in thousands of dollars)

| | 1992 \$ | 1991 \$ |
|---|---------------|---------------|
| Principal payments including contributions to sinking funds | 12,391 | 12,361 |
| Interest | 4,274 | 5,919 |
| | <u>16,665</u> | <u>18,280</u> |

The charges for long term liabilities assumed by the non-consolidated entities or by individuals in the case of tile drainage and shoreline property assistance loans are not reflected in these statements.

10. Municipal fund balances at the end of the year

- (a) The balances on the consolidated statement of operations of municipal (deficit) equity of \$(305) (1991, \$205) at the end of the year increases (1991, decreases) general taxation in the following year and is comprised of the following:

| | 1992 \$ | 1991 \$ |
|---|--------------|------------|
| For general (increase) reduction of taxation | (117) | 296 |
| For benefitting landowners related to special charges and special areas | (188) | (91) |
| | <u>(305)</u> | <u>205</u> |

Ontario municipalities raise revenue and receive financing in accordance with statutory requirements. The recognition of certain costs in their accounts and, as a result, the need to raise revenue and receive financing, does not necessarily conform to full accrual accounting. The exceptions to full accrual accounting are described in note 1(b) to the financial statements. The costs which relate to those exceptions and which will require future funding are estimated to be:

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992

(stated in thousands of dollars)

| | 1992 \$ | 1991 \$ |
|---|---------------|---------------|
| Accrued interest on long term liabilities | 2,143 | 1,417 |
| Vested sick leave | 17,000 | 16,500 |
| | <u>19,143</u> | <u>17,917</u> |

(b) The balances of unfinanced capital outlay at the end of the year are estimated as follows:

| | 1992 \$ | 1991 \$ |
|---|-----------------|-----------------|
| Acquisition of fixed assets to be recovered through taxation or user charges | (6,245) | (8,342) |
| Acquisition of fixed assets to be financed from the proceeds of long term liabilities | (18,702) | (12,301) |
| Acquisition of fixed assets to be recovered through reserves and reserve funds | (2,108) | (4,050) |
| Funds available for the acquisition of fixed assets | 9,775 | 9,538 |
| | <u>(17,280)</u> | <u>(15,155)</u> |

(c) The corporation has contracted for various other capital construction projects, at a cost approximating \$7,820 (1991, \$12,654) in the aggregate, to be financed generally by unapplied capital receipts, senior government subsidies and the issue of debentures.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992

(stated in thousands of dollars)

- (d) In addition to these costs the Corporation has contracted for certain services over periods not exceeding five years at an aggregate cost approximating \$310 (1991, \$420). These arrangements have been approved by the Ontario Municipal Board.

11. Reserves and Reserve Funds

The total balances of reserves and reserve funds of \$3,950 (1991, \$3,541) and \$27,644 (1991, \$23,726) respectively are made up of the following:

| | 1992 \$ | 1991 \$ |
|--|---------------|---------------|
| Reserves set aside for specific purpose by Council: | | |
| Working funds | 927 | 927 |
| Encumbrances | 1,646 | 1,258 |
| Future planning | 143 | 135 |
| Future pension costs | 726 | 608 |
| Recreation | 22 | 19 |
| Police equipment | 486 | 594 |
| Total reserves | <u>3,950</u> | <u>3,541</u> |
| Reserve funds set aside for specific purpose by Council: | | |
| Replacement of equipment | 10,724 | 10,092 |
| Capital expenditures | 5,768 | 5,623 |
| Tunnel improvements | 6,661 | 3,586 |
| DNN Galvanizing indemnification | 3,000 | 3,000 |
| Mill rate stabilization | 140 | 410 |
| Insurance | 404 | 502 |
| Transit workers compensation | 303 | 318 |
| Health benefits rate stabilization | 184 | 62 |
| Future planning | 77 | 53 |
| | <u>27,261</u> | <u>23,646</u> |
| Reserve funds set aside for specific purpose by legislation, regulation or agreement: | | |
| Park purposes | - | 80 |
| Development charges | 383 | - |
| Total reserve funds | <u>27,644</u> | <u>23,726</u> |

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992

(stated in thousands of dollars)

12. Other Commitments

The Corporation has also committed to purchase replacement equipment at a net cost approximating \$327 (1991, \$155) to be financed by various reserve funds.

The Corporation is also committed to make grants of \$600 annually over 1 year to the University of Windsor for building construction and \$500 annually over 2 years to the Windsor Western Hospital Centre for a chronic care facility.

13. Contingent Liabilities

During the normal course of operations, the Corporation is subject to various legal actions. The settlement of these actions is not expected to have a material effect on the financial statements of the Corporation.

14. Budget Figures (not provided)

Budgets established for capital funds, reserves and reserve funds are prepared based on a project-oriented basis, the costs of which may be carried out over one or more years. As such, they are not directly comparable with current year actual amounts and budgets have therefore not been reflected on the consolidated statement of operations.

15. Public Liability Insurance

The municipality is self insured for public liability claims up to \$10 for any individual claim and \$150 in aggregate for the one year policy term. Outside coverage is in place for claims in excess of these limits.

The municipality has made provision for a reserve fund for self insurance which as at December 31, 1992 amounted to \$404 (1991, \$502) and is reported on the consolidated balance sheet under reserve funds. The municipality budgets each year for premiums and claims. Any budget excess is credited to the reserve fund and any budget deficit is charged to the reserve fund. The budget excess for the year of \$185 (1991, \$103) has been reported as an expenditure on the consolidated statement of operations. \$300 (1991, \$300) has been transferred from the reserve fund to current operations to offset premiums and deductibles. Claims settled during the year amounted to \$150 (1991, \$150) and are accordingly charged as an expenditure on the consolidated statement of operations.

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Consolidated Financial Statements, continued

December 31, 1992
(stated in thousands of dollars)

16. Comparative Figures

Certain comparative figures have been restated to conform with the current year's presentation.

17. Subsequent Events

The municipality issued debentures for itself (\$13,500) and on behalf of the Windsor Board of Education (\$3,200) and the Windsor Utilities Commission-Water Division (\$1,500) for a total of \$18,200 on March 31, 1993. Payments of principal and interest for this liability will be made from City taxes, School Board taxes and future water revenues respectively. The municipality has obtained the approval of the Ontario Municipal Board for this issue.

THE CORPORATION OF THE CITY OF WINDSOR

Auditors' Report
Trust Funds Financial Statements
December 31, 1992

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the City of Windsor

We have audited the balance sheet of the trust funds of the **Corporation of the City of Windsor** as at December 31, 1992 and the statement of continuity of 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 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, 1992 and the continuity of trust funds for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

The fund balances as at the beginning of the year were audited by other auditors who expressed an opinion without reservation on those statements in their report dated April 3, 1992.

Windsor, Ontario
April 8, 1993.



Chartered Accountants

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds

Balance Sheet

December 31, 1992
(stated in thousands of dollars)

| | Huron Lodge Residents Maintenance | Huron Lodge Residents Comfort | Willistead Restoration |
|---|--|--|---------------------------|
| Assets: | | | |
| Cash | 1,737 | 373 | 3 |
| Investments at cost (Note 3): | | | |
| Municipal-own | 108 | | |
| Other | | | |
| Receivables: | | | |
| Repayable | | | |
| Forgivable | | | |
| Other | 209 | | 1 |
| | <u>2,054</u> | <u>373</u> | <u>4</u> |
| Due from capital fund of City of Windsor | | | |
| Due from Huron Lodge residents maintenance trust fund | | 116 | |
| Long term receivables: | | | |
| Repayable | | | |
| Forgivable | | | |
| Total assets | <u>2,054</u> | <u>489</u> | <u>4</u> |
| Liabilities: | | | |
| Due to Huron Lodge residents comfort trust fund | 116 | | |
| Due to current fund of City of Windsor | 888 | | |
| Accounts payable | 36 | 37 | 3 |
| OHRP loans approved | | | |
| Total liabilities | <u>1,040</u> | <u>37</u> | <u>3</u> |
| Fund balance | <u>1,014</u> | <u>452</u> | <u>1</u> |
| Total liabilities and fund balance | <u>2,054</u> | <u>489</u> | <u>4</u> |

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

| (Note 2) O.H.R.P. Regular | (Note 2) O.H.R.P. Rental | Municipal Candidates Trust | W.N.P.H.C Mortgage Trust | Various- Library Board | Total |
|---------------------------------|--------------------------------|----------------------------------|--------------------------------|------------------------------|--------------|
| 266 | 2 | 1 | | 103 | 2,485 |
| | | | | | 108 |
| | | | | 329 | 329 |
| 114 | 2 | | | | 116 |
| 90 | 2 | | | | 92 |
| 24 | | | | 10 | 244 |
| <u>494</u> | <u>6</u> | <u>1</u> | | <u>442</u> | <u>3,374</u> |
| | | | 261 | | 261 |
| | | | | | 116 |
| 627 | 10 | | | | 637 |
| 250 | 3 | | | | 253 |
| <u>1,371</u> | <u>19</u> | <u>1</u> | <u>261</u> | <u>442</u> | <u>4,641</u> |
| | | | | | 116 |
| | | | | 8 | 896 |
| 7 | | | | | 83 |
| 19 | | | | | 19 |
| <u>26</u> | | | | <u>8</u> | <u>1,114</u> |
| 1,345 | 19 | 1 | 261 | 434 | 3,527 |
| <u>1,371</u> | <u>19</u> | <u>1</u> | <u>261</u> | <u>442</u> | <u>4,641</u> |

THE CORPORATION OF THE CITY OF WINDSOR

Trust Funds

Statement of Continuity

Year ended December 31, 1992
(stated in thousands of dollars)

| | Huron Lodge Residents Maintenance | Huron Lodge Residents Comfort | Willistead Restoration |
|--|--|--|---------------------------|
| Balance at beginning of year | <u>962</u> | <u>464</u> | <u>1</u> |
| Revenue: | | | |
| Residents comfort | | 417 | |
| Residents capital | 3,574 | | |
| Interest earned | 64 | 23 | |
| Donations | | | |
| Contribution | | | 12 |
| Advance from mortgagor | | | |
| | <u>3,638</u> | <u>440</u> | <u>12</u> |
| Expenditures: | | | |
| Residents maintenance | 2,981 | | |
| Payments to residents or estates | 605 | 452 | |
| Purchase of furnishings and capital improvements | | | 12 |
| Forgiveness of loans | | | |
| Payments to mortgagee | | | |
| | <u>3,586</u> | <u>452</u> | <u>12</u> |
| Balance at end of year | <u><u>1,014</u></u> | <u><u>452</u></u> | <u><u>1</u></u> |

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

| <u>(Note 2) O.H.R.P. Regular</u> | <u>(Note 2) O.H.R.P. Rental</u> | <u>Municipal Candidates Trust</u> | <u>W.N.P.H.C Mortgage Trust</u> | <u>Various- Library Board</u> | <u>Total</u> |
|--|---|---|---|---------------------------------------|--------------|
| <u>1,409</u> | <u>20</u> | | | <u>395</u> | <u>3,251</u> |
| | | | | | 417 |
| 58 | 1 | | 29 | 29 | 3,574 |
| | | 1 | | 16 | 204 |
| | | | | | 16 |
| | | | | | 13 |
| | | | <u>818</u> | | <u>818</u> |
| <u>58</u> | <u>1</u> | <u>1</u> | <u>847</u> | <u>45</u> | <u>5,042</u> |
| | | | | | 2,981 |
| | | | | | 1,057 |
| 122 | 2 | | | 6 | 18 |
| | | | | | 124 |
| | | | <u>586</u> | | <u>586</u> |
| <u>122</u> | <u>2</u> | | <u>586</u> | <u>6</u> | <u>4,766</u> |
| <u>1,345</u> | <u>19</u> | <u>1</u> | <u>261</u> | <u>434</u> | <u>3,527</u> |

THE CORPORATION OF THE CITY OF WINDSOR

Notes to Trust Funds Statements

December 31, 1992

(stated in thousands of dollars)

1. Accounting Policies

Basis of Accounting

Revenue and expenditures are reported on the accrual basis of accounting.

2. Ontario Home Renewal Program (O.H.R.P.)

The Ontario Home Renewal Program 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 are limited to \$7,500 of which the maximum forgivable portion is \$4,000. Ontario Home Renewal Program (O.H.R.P.) loans receivable at December 31, 1992 comprise repayable loans of \$753 (1991 \$882) and forgivable loans of \$345 (1991 \$436). Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

3. Investments

The total for investments by the trust funds of \$437 (1991, \$230) reported on the balance sheet at cost, have a market value of \$477 (1991, \$272) at the end of the year.

4. Contingent Asset

The City of Windsor is the beneficiary of an estate of a former Windsor resident in the approximate amount of \$1,000. It is expected that this matter will be finalized in 1993. These funds must be expended for the construction of a museum according to the terms of the will.