

Consolidated Financial Statements

# **TOWN OF PORT HOPE**

Year ended December 31, 2000

Consolidated Financial Statements

# TOWN OF PORT HOPE

Year ended December 31, 2000

## TOWN OF PORT HOPE

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Consolidated Financial Statements

# TOWN OF PORT HOPE

Year ended December 31, 2000

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## AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the  
Corporation of the Town of Port Hope

We have audited the consolidated statement of financial position of the Corporation of the Town of Port Hope as at December 31, 2000 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Town'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 Town as at December 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

Chartered Accountants

Kingston, Canada

March 16, 2001



# TOWN OF PORT HOPE

## Consolidated Statement of Financial Position

December 31, 2000, with comparative figures for 1999

	2000	1999
<b>Assets</b>		
Financial assets:		
Cash	\$ 1,882,199	\$ 2,752,547
Taxes receivable (note 3)	906,708	1,112,821
Accounts receivable	551,524	615,818
Investment in Port Hope Hydro (note 10)	7,024,898	7,886,833
	<u>10,365,329</u>	<u>12,368,019</u>
Liabilities:		
Accounts payable and accrued liabilities	1,073,773	1,138,248
Due to Municipality of Port Hope (note 15)	180,259	-
Deferred revenue – obligatory reserve funds (note 13)	769,641	481,101
Deferred revenue – other	502,525	502,551
Net long-term liabilities (note 6)	1,653,000	2,025,000
	<u>4,179,198</u>	<u>4,146,900</u>
Net financial assets	6,186,131	8,221,119
Other assets:		
Inventory	20,097	18,270
Total net assets	<u>\$ 6,206,228</u>	<u>\$ 8,239,389</u>
Municipal position:		
Current fund (note 7)	\$ 416,887	\$ 302,351
Capital fund (note 7)	(1,283,006)	(159,854)
Reserves	1,569,754	1,780,163
Reserve funds	130,695	454,896
Port Hope Hydro net equity (note 10)	7,024,898	7,886,833
Fund balances	<u>7,859,228</u>	<u>10,264,389</u>
Amounts to be recovered from future revenues	(1,653,000)	(2,025,000)
Total municipal position	<u>\$ 6,206,228</u>	<u>\$ 8,239,389</u>

The accompanying notes are an integral part of these financial statements.

# TOWN OF PORT HOPE

## Consolidated Statement of Financial Activities

Year ended December 31, 2000, with comparative figures for 1999

	2000	1999
<b>Revenues:</b>		
Property taxation	\$ 6,530,587	\$ 6,503,557
Taxation from other governments	393,622	340,156
User charges	2,341,493	2,224,422
Government grants	293,800	217,498
Grants from other municipalities	42,354	—
Investment income	142,433	86,103
Penalties and interest on taxes	176,234	169,008
Transfer from deferred obligatory reserve funds	168,146	149,900
Transfers from trust funds	58,112	19,399
Other	44,550	39,765
Port Hope Hydro net deficit (note 10)	(861,935)	(308,612)
<b>Total revenues</b>	<b>9,329,396</b>	<b>9,441,196</b>
<b>Expenditures:</b>		
<b>Current:</b>		
General government	1,139,222	1,067,592
Protection to persons and property	2,556,157	2,412,216
Transportation services	1,955,758	1,877,962
Environmental services	954,039	928,434
Cemetery	116,353	97,592
Library	290,099	275,730
Recreational and cultural services	1,299,143	1,245,361
Planning and development	335,706	341,022
<b>Total current expenditures</b>	<b>8,646,477</b>	<b>8,245,909</b>
<b>Capital:</b>		
General government	163,358	86,396
Protection to persons and property	55,675	41,864
Transportation services	987,890	628,776
Environmental services	899,420	57,364
Library	191,466	—
Recreation and cultural services	418,270	97,247
Planning and development	—	23,771
<b>Total capital expenditures</b>	<b>2,716,079</b>	<b>935,418</b>
<b>Total expenditures</b>	<b>11,362,556</b>	<b>9,181,327</b>
<b>Net revenues (expenditures)</b>	<b>(2,033,160)</b>	<b>259,869</b>
<b>Financing and transfers:</b>		
Debt principal repayments	(372,000)	(441,424)
<b>Decrease in fund balances</b>	<b>\$(2,405,160)</b>	<b>\$ (181,555)</b>

The accompanying notes are an integral part of these financial statements.

# TOWN OF PORT HOPE

## Consolidated Statement of Changes in Financial Position

Year ended December 31, 2000, with comparative figures for 1999

	2000	1999
Operations:		
Net revenues (expenditures)	\$ (2,033,160)	\$ 259,869
Sources (uses) of funds:		
Decrease in taxes receivable	206,113	281,172
Decrease in accounts receivable	64,293	114,866
Decrease in investment in Port Hope Hydro	861,935	308,612
Increase in accounts payable and accrued liabilities	115,784	438,498
Increase in deferred obligatory reserve funds	288,540	26,180
Decrease in deferred revenue - other	(26)	(2,802)
Increase in inventory	(1,827)	(1,741)
	1,534,812	1,164,785
Net change in cash from operations	(498,348)	852,556
Financing:		
Long-term debt repaid	(372,000)	(441,424)
Increase (decrease) in cash and cash equivalents	(870,348)	411,132
Cash and cash equivalents, beginning of year	2,752,547	1,769,317
Cash and cash equivalents, end of year	\$ 1,882,199	\$ 2,752,547

The Town considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

The accompanying notes are an integral part of these financial statements.

# TOWN OF PORT HOPE

## Notes to Consolidated Financial Statements

Year ended December 31, 2000

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### 1. Accounting policies:

The consolidated financial statements of the Corporation of the Town of Port Hope are the representation of management prepared in accordance with Canadian generally accepted accounting policies prescribed for local government as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

These consolidated statements reflect the assets, liabilities, revenues, expenditures and fund balances of the revenue fund, capital fund, reserves and reserve funds of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

These consolidated financial statements include:

Town of Port Hope Public Library Board  
Town of Port Hope Cemetery Board  
Heritage Business Improvement Area

(ii) Consolidated by modified equity basis:

1378124 Ontario Limited (operating as Port Hope Hydro) is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises. Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Town and inter-organizational transactions and balances are not eliminated.

(iii) Non-consolidated entities:

The following local board is not consolidated:

Port Hope Waterworks Commission

(iv) Accounting for County and School Board transactions:

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, and the County of Northumberland are not reflected in the municipal fund balances of these financial statements.

(v) Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Statements of Financial Position".



# TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2000

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## 1. Accounting policies (continued):

### (b) Capital assets:

The historical cost and accumulated depreciation of capital assets are not reported for municipal purposes. Capital assets are reported as an expenditure on the "Consolidated Statement of Financial Activities" in the year of acquisition.

### (c) Deferred revenue – obligatory reserve funds:

The Town receives parkland, parking lot revenue, lot levies and other restricted contributions under the authority of provincial legislation and Town by-laws. These funds by their nature are restricted in their use, and until applied to applicable expenditures, are recorded as deferred revenue. Amounts applied to qualifying costs are recorded as revenue in the fiscal period that they are expended.

### (d) Amounts to be recovered from future revenues:

Amounts to be recovered from future revenues are comprised of accrued interest on long-term debt and outstanding net long-term liabilities.

### (e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

## 2. Adoption of Public Sector Accounting recommendations:

Commencing in 2000, the Town has adopted the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The comparative figures included in this financial statement have been restated to conform with the accounting standards adopted for the current year. The adoption of these standards has resulted in the following changes to amounts previously reported:

- (a) The balances reported for cash in these financial statements include both funds for current purposes and balances held for reserve funds.
- (b) Amounts previously reported as reserve funds from parkland, parking operations and development charges and other restricted contributions amounting to \$769,641 (1999 - \$481,101) are included in deferred revenue – obligatory reserve fund.
- (c) The financial statements include the Town's equity interest in 1378124 Ontario Limited (operating as Port Hope Hydro) in the amount of \$7,024,898 (1999 - \$7,886,833).

# TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2000

### 3. Operations of school boards and the County of Northumberland:

Requisitions were made by the school boards and the County of Northumberland requesting the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized below:

	School Boards		County of Northumberland	
	2000	1999	2000	1999
Amounts requisitioned and collected	\$ 4,839,333	\$ 4,980,753	\$ 2,610,136	\$ 2,550,827

### 4. Trust funds:

Trust funds administered by the municipality amounting to \$399,599 (1999 - \$437,862) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Financial Activities".

### 5. Pension agreements:

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 74 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.

Due to a contribution holiday, the amount contributed to OMERS for 2000 was \$Nil (1999 - \$Nil) for current service.

### 6. Net long-term liabilities:

(a) The balance of net long-term liabilities reported on the "Consolidated Statement of Financial Position" is made up of the following:

	2000	1999
Total long-term liabilities incurred by the municipality including those incurred on behalf of municipal enterprises and outstanding at the end of the year amount to	\$ 1,653,000	\$ 2,025,000

# TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2000

## 6. Net long-term liabilities (continued):

- (b) Of the net long-term liabilities reported in (a) of this note, \$1,322,000 in principal payments are payable from 2001 to 2005, and \$331,000 from 2006 to 2007, and are recoverable from the consolidated revenue fund.
- (c) The long-term liabilities in (a) issued in the name of the municipality have received approval of the Ontario Municipal Board for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs & Housing.

## 7. Municipal fund balances at the end of the year:

- (a) The balances on the "Consolidated Statement of Financial Activities" for current and capital fund surplus (deficit) of (\$866,119) (1999 - \$142,497) at the end of the year are comprised of the following:

	2000	1999
For general reduction of taxation	\$ 378,751	\$ 278,374
To be applied to operations of the Heritage Business Improvement Area	18,239	7,237
To be applied to operations of the Public Library Board	2,202	17,369
To be applied to (recovered from) operations of the Cemetery Board	17,695	(629)
	416,887	302,351
Sale of assets	(318,312)	-
Acquisition of fixed assets to be financed from proceeds of long-term liabilities	(870,686)	(46,871)
Acquisition of fixed assets to be recovered through taxation or user charges	(94,008)	(112,983)
	(1,283,006)	(159,854)
	\$ (866,119)	\$ 142,497

- (b) Approval of the Ontario Municipal Board has been obtained for those pending issues of long-term liabilities and commitments to be financed by revenues beyond the term of council and approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The principal and interest payments required to service these pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs & Housing.

# TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2000

## 7. Municipal fund balances at the end of the year (continued):

(c) The balance available for the general reduction of taxation for the fiscal year ending December 31, 2000 has been reduced by an amount of \$60,036 (1999 - \$193,884) transferred to reserves.

## 8. Charges for net long-term liabilities:

Total charges for the year for net long-term liabilities which are reported on the "Consolidated Statement of Financial Activities" are as follows:

	2000	1999
Principal payments	\$ 372,000	\$ 441,424
Interest	147,756	154,589
	<u>\$ 519,756</u>	<u>\$ 596,013</u>

## 9. Deregulation in the utilities industry:

The Ontario Government enacted the Energy Competition Act, 1998 to introduce competition to the Ontario electricity market. Under the terms of this legislation, the Ontario Energy Board (the "OEB") will regulate industry participants by issuing licences for the right to generate, transmit, distribute or retail electricity. These licences will require compliance with established market rules and codes.

Pursuant to this legislation, the Corporation of the Town of Port Hope, as owners of the former Town of Port Hope Hydro Electric Commission, enacted a by-law to authorize the incorporation of a company created for the purpose of continuing the current distributing and retailing activities of the Commission. This by-law also authorized the transfer of all assets and liabilities of the former Commission to the appropriate, newly created corporation.

Effective November 1, 2000, the electricity distribution business, formerly conducted by the Town of Port Hope Hydro Electric Commission, was transferred to 1378124 Ontario Limited. The Town received consideration in the form of 99 common shares of 1378124 Ontario Limited in exchange at the time of the transfer. The transfers of assets and liabilities made on November 1, 2000 were recorded at net book value as determined in the accounts of the former Commission. Capital asset cost and accumulated amortization amounts were transferred at their respective cumulative book values at October 31, 2000. Effective October 31, 2000, the Town of Port Hope Hydro Electric Commission was dissolved.

# TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2000

## 9. Deregulation in the utilities industry (continued):

The assets and liabilities transferred on November 1, 2000 are summarized below:

Cash	\$ 1,738,003
Accounts receivable	358,436
Unbilled revenue	1,207,192
Inventory	219,202
	<hr/>
	3,522,833
Other assets	34,276
Capital assets – cost	11,968,158
Capital assets – accumulated amortization	(6,370,735)
	<hr/>
	9,154,532
Less liabilities assumed	2,019,046
	<hr/>
	\$ 7,135,486

Authorized and issued share capital at December 31, 2000:

Authorized:	
Unlimited common shares	
Issued:	
99 common shares	\$ 7,135,486

Capital assets with a net book value of \$753,872 were excluded from the assets transferred from the Commission to the Company. These assets were assumed directly by the Town of Port Hope.

## 10. Investment in Port Hope Hydro:

1378124 Ontario Limited (operating as Port Hope Hydro) is a government business enterprise of the Town and accounted for on a modified equity basis in these financial statements.

The principal business of 1378124 Ontario Limited is to distribute electric power to the residents of the Town of Port Hope and to manage the Town's electric power system.

# TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2000

## 10. Investment in Port Hope Hydro (continued):

The following table provides condensed supplementary financial information, reported separately by 1378124 Ontario Limited as of December 31, 2000 (1999 – former Hydro-Electric Commission):

	2000	1999
<b>Financial position:</b>		
Current assets	\$ 3,541,102	\$ 3,921,651
Capital assets	5,585,816	5,593,586
Other assets	27,911	68,035
<b>Total assets</b>	<b>9,154,829</b>	<b>9,583,272</b>
Current liabilities	1,696,947	1,539,064
Post-retirement benefit liability	290,068	–
Long-term customer deposits	142,916	157,375
<b>Total liabilities</b>	<b>2,129,931</b>	<b>1,696,439</b>
<b>Net assets</b>	<b>\$ 7,024,898</b>	<b>\$ 7,886,833</b>
Share capital – 99 common shares	\$ 7,135,486	\$ –
Utility equity (deficit)	(110,588)	7,886,833
<b>Investment in Port Hope Hydro</b>	<b>\$ 7,024,898</b>	<b>\$ 7,886,833</b>
	2000	1999
<b>Results of operations:</b>		
Utility revenues	\$ 13,498,998	\$ 14,083,953
Power purchased	(12,415,499)	(12,825,401)
Operating expenses	(1,655,306)	(1,561,661)
Interest expense	(5,754)	(5,503)
<b>Net deficit</b>	<b>(577,561)</b>	<b>(308,612)</b>
Investment in Port Hope Hydro, beginning of year	7,886,883	8,195,445
Adjustments for change in accounting policy for employee benefit plans	(284,374)	–
<b>Investment in Port Hope Hydro, end of year</b>	<b>\$ 7,024,948</b>	<b>\$ 7,886,833</b>

# TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2000

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## 11. Commitments:

- (a) The Port Hope Public Library Board has approved a building renovation and expansion project in the amount of approximately \$2 million to be financed by corporate and community fundraising, trust fund contributions, Trillium grants and Town contributions. The Town has approved their contribution in the amount of \$1.25 million which will be financed from reserve funds.

During the year, approximately \$175,000 was spent on the project to date. Subsequent to year end, a construction contract in the amount of \$1.9 million was approved.

- (b) The Town has committed \$1 million towards a pending partnership agreement supporting tourism and economic development efforts. These funds will be financed from reserve funds. During the year, a total amount of \$127,000 was spent on the project.
- (c) The Town has committed \$1 million to support significant development of the Town's Agricultural Park. These funds will be financed from reserve funds. During the year, a total amount of \$59,000 was spent on this project.
- (d) Prior to 2000, the Town received an amount of \$438,331 in respect of potential site rectification costs of property owned by the Municipality. Including accrued interest to December 31, 2000 in the amount of \$64,194, this settlement has been reported as a component of deferred revenue on the "Consolidated Statement of Financial Position". No provision has been made in the financial statements for costs related to any future remedial action.

## 12. Subsequent event:

Subsequent to year end, the Town approved, in principle, the sale of assets of Port Hope Hydro Electric Commission to Veridian Connections Inc. for \$9.6 million. This transaction has received Ontario Energy Board approval and closed April 30, 2001. Proceeds of the sale will be transferred to reserve funds.

# TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2000

## 13. Deferred revenue – obligatory reserve funds:

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial and municipal legislation restricts how these funds may be used. The balances in the obligatory reserve funds of the Town are summarized below:

	2000	1999
Balance, beginning of year	\$ 481,101	\$ 454,921
Development contributions	422,467	169,100
Investment income	39,860	21,192
Transfers to current fund	(8,369)	(45,658)
Transfers to capital fund	(159,777)	(104,242)
Transfers to non-consolidated entities	(5,641)	(14,212)
<b>Balance, end of year</b>	<b>\$ 769,641</b>	<b>\$ 481,101</b>
Analyzed as follows:		
Parkland	\$ 5,248	\$ 57,546
Parking authority	47,742	141,890
Development charges	604,915	224,767
Sunshine Heights	60,230	56,898
Developer contributions	51,506	-
	<b>\$ 769,641</b>	<b>\$ 481,101</b>

## 14. Supplementary information:

	2000
Current fund expenditure by object:	
Salaries, wages and employee benefits	\$ 4,964,180
Long-term debt interest expense	147,756
Materials, services, rents and financial expenses	3,466,465
Transfers to others	68,076
<b>Total</b>	<b>\$ 8,646,477</b>



# TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2000

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## 15. Future operations:

Effective January 1, 2001, the Corporation of the Town of Port Hope will cease to exist under the terms of a Provincial Order restructuring municipalities within the County of Northumberland. On January 1, 2001, the Town will amalgamate with the Corporation of the Township of Hope and continue its operations as part of the new municipality, The Corporation of the Town of Port Hope and Hope, subsequently renamed The Corporation of the Municipality of Port Hope.

During the year, the Town received \$294,613 as partial payment of a total approved restructuring grant of \$368,266. The Town spent \$114,354 in restructuring expenses during the year and remaining funds in the amount of \$180,259 have been recorded as a liability to the new municipality on the "Consolidated Statement of Financial Position".

## 16. Budget figures:

The Town reviews its operating and capital budgets annually. The approved operating budget for 2000 is reflected on the "Schedule of Current Fund Operations". These numbers have not been audited and are presented for information purposes.

# TOWN OF PORT HOPE

## Consolidated Schedule of Current Fund Operations

Year ended December 31, 2000, with comparative figures for 1999

	Budget 2000 (unaudited)	Actual 2000	Actual 1999
<b>Revenues:</b>			
Property taxation	\$ 6,918,348	\$ 6,530,587	\$ 6,503,557
Taxation from other governments	209,485	393,622	340,156
User charges	2,031,976	2,341,493	2,224,422
Government grants	107,504	258,036	217,498
Grants from other municipalities	—	42,354	—
Investment income	55,000	116,690	60,412
Penalties and interest on taxes	100,000	176,234	169,008
Transfer from deferred obligatory reserve funds	—	8,369	45,658
Transfer from trust funds	—	58,112	19,399
<b>Total revenues</b>	<b>9,422,313</b>	<b>9,925,497</b>	<b>9,580,110</b>
<b>Expenditures:</b>			
General government	1,187,077	1,139,222	1,067,592
Protection to persons and property	2,704,942	2,556,157	2,412,216
Transportation services	1,965,998	1,955,758	1,877,962
Environmental services	1,148,645	954,039	928,434
Cemetery	111,429	116,353	97,592
Library	290,641	290,099	275,730
Recreation and culture	1,316,782	1,299,143	1,245,361
Planning and development	276,950	335,706	341,022
<b>Total expenditures</b>	<b>9,002,464</b>	<b>8,646,477</b>	<b>8,245,909</b>
<b>Net revenues</b>	<b>419,849</b>	<b>1,279,020</b>	<b>1,334,201</b>
<b>Financing and transfers:</b>			
Debt principal repayments	—	(372,000)	(441,424)
Transfers to capital fund	(832,200)	(879,886)	(802,135)
Transfers from (to) reserves and reserve funds	110,000	87,402	(56,066)
<b>Net financing and transfers</b>	<b>(722,200)</b>	<b>(1,164,484)</b>	<b>(1,299,625)</b>
<b>Change in current fund balance</b>	<b>(302,351)</b>	<b>114,536</b>	<b>34,576</b>
<b>Opening current fund balance</b>	<b>302,351</b>	<b>302,351</b>	<b>267,775</b>
<b>Closing current fund balance</b>	<b>\$ —</b>	<b>\$ 416,887</b>	<b>\$ 302,351</b>

# TOWN OF PORT HOPE

## Consolidated Schedule of Capital Fund Operations

Year ended December 31, 2000, with comparative figures for 1999

	Actual 2000	Actual 1999
Revenues:		
Government grants	\$ 35,764	\$ -
Other	40,775	2,536
Transfers from deferred obligatory reserve funds	159,777	104,242
Total revenues	236,316	106,778
Expenditures:		
General government	163,358	86,396
Protection to persons and property	55,675	41,864
Transportation services	987,890	628,776
Environmental services	899,420	57,364
Library	191,466	-
Recreational and cultural services	418,270	97,247
Planning and development	-	23,771
Total expenditures	2,716,079	935,418
Net expenditures	(2,479,763)	(828,640)
Financing and transfers:		
Transfers from reserves and reserve funds	476,725	23,116
Transfers from current fund	879,886	802,135
Net financing and transfers	1,356,611	825,251
Change in capital fund balance	(1,123,152)	(3,389)
Opening capital fund balance	(159,854)	(156,465)
Closing capital fund balance	\$(1,283,006)	\$ (159,854)

# TOWN OF PORT HOPE

## Consolidated Schedule of Reserves and Reserve Funds

Year ended December 31, 2000, with comparative figures for 1999

	2000	1999
Revenues:		
Investment income	\$ 25,742	\$ 25,691
Other	3,775	37,229
Total revenues	29,517	62,920
Net transfers from (to) other funds:		
Transfers from (to) current fund	(87,402)	56,066
Transfers to capital fund	(476,725)	(23,116)
Total net transfers	(564,127)	32,950
Change in reserves and reserve fund balances	(534,610)	95,870
Opening reserves and reserve fund balance	2,235,059	2,139,189
Closing reserves and reserve fund balance	\$ 1,700,449	\$ 2,235,059
Analyzed as follows:		
Reserves set aside for specific purposes by Council:		
Working capital	\$ 906,585	\$ 906,585
Acquisition of fixed assets	659,834	866,493
Contingencies	3,335	7,085
Total reserves	1,569,754	1,780,163
Reserve funds set aside for specific purposes by Council:		
Roads	100,058	409,784
Recreational services	10,620	29,050
Youth purposes	20,017	16,062
Total reserve funds	130,695	454,896
Total reserves and reserve funds	\$ 1,700,449	\$ 2,235,059



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## AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Town of Port Hope  
Port Hope, Ontario

The audited financial statements of the municipality and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position or results of operations of the municipality. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*KPMG LLP*

Chartered Accountants

Kingston, Canada  
March 16, 2001



# TOWN OF PORT HOPE

Heritage Business Improvement Area

## Statement of Revenues and Expenditures and Surplus

Year ended December 31, 2000, with comparative figures for 1999

	2000	1999
Revenues:		
Net levy	\$ 27,563	\$ 26,250
Donations	25,000	2,000
Contribution from Town	7,200	10,700
	<u>59,763</u>	<u>38,950</u>
Expenditures:		
Stationery, supplies and office	1,315	1,537
Improvements	40,882	19,004
Advertising	6,564	12,561
	<u>48,761</u>	<u>33,102</u>
Net revenues	11,002	5,848
Surplus, beginning of year	7,237	1,389
Surplus, end of year	<u>\$ 18,239</u>	<u>\$ 7,237</u>

	1999	1998	1997	1996	1995
\$	418,350	\$ 416,700	\$ 13,883	\$ 13,992	\$ 13,909
	106,176	107,039	5,936	5,661	5,639
	-	-	2,904	2,756	2,746
\$	524,526	\$ 523,739	\$ 22,723	\$ 22,409	\$ 22,294
\$	.00414	\$ .004600	\$ 325.01	\$ 316.74	\$ 313.34
	.003789	.004302	46.33	46.89	47.93
	.009905	.010107	238.57	235.45	235.45
\$	.017834	\$ .019009	\$ 609.91	\$ 599.08	\$ 596.72
\$	.00414	\$ .004600	\$ 280.67	\$ 274.98	\$ 275.27
	.003789	.004302	46.33	46.89	47.93
	.009905	.010107	238.57	235.45	235.45
\$	.017834	\$ .019009	\$ 565.57	\$ 557.32	\$ 558.65
\$	6,504	\$ 6,612	\$ 5,929	\$ 5,806	\$ 5,741
	340	348	294	288	287
	215	175	1,424	1,169	1,927
	2,224	1,932	1,796	1,681	1,728
	297	481	1,936	689	997
\$	9,580	\$ 9,548	\$ 11,379	\$ 9,633	\$ 10,680
\$	1,014	\$ 1,295	\$ 1,108	\$ 1,114	\$ 1,402
	99	99	100	93	113
\$	1,113	\$ 1,394	\$ 1,208	\$ 1,207	\$ 1,515
	8.0%	9.5%	10.5%	8.2%	8.3%
\$	2,551	\$ 2,876	\$ 1,142	\$ 1,166	\$ 1,167
	4,112	4,320	7,021	6,823	6,723
	869	893	927	866	822
\$	7,532	\$ 8,089	\$ 9,090	\$ 8,855	\$ 8,712
\$	935	\$ 689	\$ 1,563	\$ 1,724	\$ 2,491
\$	825	\$ 636	\$ 963	\$ 1,171	\$ 1,056
	-	-	1,322	-	-
	107	16	126	332	1,265
	-	-	70	108	-
\$	932	\$ 652	\$ 2,481	\$ 1,611	\$ 2,321
\$	160	\$ 156	\$ 120	\$ 1,039	\$ 870
\$	278	\$ 255	\$ 156	\$ 210	\$ 239



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## AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Port Hope

We have audited the statement of financial position of the trust funds of the Corporation of the Town of Port Hope as at December 31, 2000 and the statement of continuity of trust funds for the year then ended. These financial statements are the responsibility of the Town'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 Town of Port Hope as at December 31, 2000 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.

*KPMG LLP*

Chartered Accountants

Kingston, Canada  
March 16, 2001





# TOWN OF PORT HOPE

## Trust Funds

### Statement of Financial Position

Year ended December 31, 2000

	Total	Cemetery Care and Maintenance Fund	Library Bequest	Developers Deposits
<b>Assets</b>				
Cash	\$ 45,581	\$ 3,105	\$ 1,414	\$ 41,062
Investments, at cost (market value \$429,571)	381,015	369,592	11,423	—
	<u>\$ 426,596</u>	<u>\$ 372,697</u>	<u>\$ 12,837</u>	<u>\$ 41,062</u>
<b>Liabilities and Fund Balances</b>				
Due to operating fund	\$ 26,997	\$ 26,997	\$ —	\$ —
Trust fund:				
Balances - capital	314,191	260,292	12,837	41,062
- income	85,408	85,408	—	—
	<u>399,599</u>	<u>345,700</u>	<u>12,837</u>	<u>41,062</u>
	<u>\$ 426,596</u>	<u>\$ 372,697</u>	<u>\$ 12,837</u>	<u>\$ 41,062</u>

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

# TOWN OF PORT HOPE

## Trust Funds

### Statement of Continuity

Year ended December 31, 2000

	Total	Cemetery Care and Maintenance Fund	Library Bequest	Developer Deposits
Funds balance at the beginning of the year	\$ 437,862	\$ 311,501	\$ 67,746	\$ 58,615
Revenues:				
Cemetery care and maintenance	11,096	11,096	-	-
Developer deposits	6,000	-	-	6,000
Interest and dividends earned	26,760	23,103	3,203	454
	43,856	34,199	3,203	6,454
Expenditures:				
Contributions to operating fund	58,112	-	58,112	-
Refunds to developers	24,007	-	-	24,007
	82,119	-	58,112	24,007
Funds balance at the end of the year	\$ 399,599	\$ 345,700	\$ 12,837	\$ 41,062

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

# TOWN OF PORT HOPE

Trust Funds

Note to Financial Statements

Year ended December 31, 2000

---

## 1. Significant accounting policies:

Basis of accounting:

- (i) Receipts and expenditures are reported on the accrual basis of accounting.
- (ii) 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.



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## AUDITORS' REPORT

To the Board Members of the Port Hope Public Library Board, Members of Council,  
Inhabitants and Ratepayers of the Corporation of the Town of Port Hope

We have audited the statement of financial position of the Port Hope Public Library Board as at December 31, 2000 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Library'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 Port Hope Public Library Board as at December 31, 2000 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*  
Chartered Accountants

Kingston, Canada

March 16, 2001



# PORT HOPE PUBLIC LIBRARY BOARD

## Statement of Financial Position

December 31, 2000, with comparative figures for 1999

	2000	1999
<b>Assets</b>		
Financial assets:		
Cash	\$ 3,652	\$ 9,194
GST receivable	3,677	2,029
Due from Town of Port Hope	3,569	20,863
	<u>10,898</u>	<u>32,086</u>
Liabilities:		
Accounts payable, trade	9,695	10,228
Due to trust fund	–	7,713
	<u>9,695</u>	<u>17,941</u>
Net financial assets	1,203	14,145
Other assets:		
Prepaid expenses	999	3,224
Total net assets	<u>\$ 2,202</u>	<u>\$ 17,369</u>
Municipal position:		
Current fund	\$ 2,202	\$ 17,369
Subsequent event (note 5)		
Total municipal position	<u>\$ 2,202</u>	<u>\$ 17,369</u>

The accompanying notes are an integral part of these financial statements.

# PORT HOPE PUBLIC LIBRARY BOARD

## Statement of Financial Activities

Year ended December 31, 2000, with comparative figures for 1999

	2000 (budget) (unaudited)	2000 (actual)	1999 (actual)
<b>Revenue:</b>			
Municipal contributions- operating	\$ 267,237	\$ 267,237	\$ 226,428
- capital	-	81,460	-
Province of Ontario grant	21,269	21,269	23,098
Other government funding	-	4,507	4,388
Transfer from trust fund	-	58,112	3,000
Fines and fees	12,000	12,911	11,792
Interest and miscellaneous	2,550	8,182	7,291
Donations	-	12,720	1,201
<b>Total revenues</b>	<b>303,056</b>	<b>466,398</b>	<b>277,198</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Salaries and benefits	211,056	210,047	190,584
Books	33,750	38,249	27,855
Periodicals and newspapers	3,000	2,550	2,729
Special events and programs	500	673	-
Utilities	6,000	5,825	5,281
Maintenance and cleaning	11,500	10,977	10,922
Miscellaneous	7,700	9,257	11,838
Insurance	1,900	1,871	1,871
Conferences and professional development	1,100	1,106	1,112
Office expense	6,150	6,396	5,832
Computer maintenance and training	6,200	3,148	14,117
<b>Total current expenditures</b>	<b>288,856</b>	<b>290,099</b>	<b>272,141</b>
<b>Capital:</b>			
Capital purchases	14,200	15,199	4,655
Library renovations - engineering	-	-	40,907
- construction	-	81,460	-
Fundraising expense	-	53,900	-
<b>Total capital expenditures</b>	<b>14,200</b>	<b>191,466</b>	<b>4,655</b>
<b>Total expenditures</b>	<b>303,056</b>	<b>481,565</b>	<b>276,796</b>
<b>Net revenue (expenditures)</b>	<b>-</b>	<b>(15,167)</b>	<b>402</b>
<b>Current fund balance, beginning of year</b>	<b>-</b>	<b>17,369</b>	<b>16,967</b>
<b>Current fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 2,202</b>	<b>\$ 17,369</b>

The accompanying notes are an integral part of these financial statements.

# PORT HOPE PUBLIC LIBRARY BOARD

## Statement of Changes in Financial Position

Year ended December 31, 2000, with comparative figures for 1999

	2000	1999
Cash provided by (used in):		
Operations:		
Net revenue (expenditures)	\$ (15,167)	\$ 402
Uses:		
GST receivable	(1,648)	594
Due from Town of Port Hope	17,294	(3,820)
Prepaid expenses	2,225	733
Due to trust fund	(7,713)	2,000
Accounts payable	(533)	8,744
	9,625	8,251
Increase (decrease) in cash and cash equivalents	(5,542)	8,653
Cash and cash equivalents, beginning of year	9,194	541
Cash and cash equivalents, end of year	\$ 3,652	\$ 9,194

The Library Board considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

The accompanying notes are an integral part of these financial statements.

# PORT HOPE PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2000

---

## 1. Significant accounting policies:

The financial statements of the Board are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

### (a) Reporting entity:

- (i) These statements reflect the assets, liabilities, sources of financing and expenditures of the Library Board and include both operating and capital activities.
- (ii) Trust Funds and their related operations administered by the Board are not consolidated, but are reported separately on the "Trust Fund Statement of Financial Position and Trust Fund Statement of Continuity".

### (b) Capital assets:

The historical cost and accumulated depreciation of capital assets are not reported for board purposes. Capital assets are reported as an expenditure on the "Statement of Financial Activities" in the year of acquisition.

### (c) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

## 2. Adoption of Public Sector Accounting Board recommendations:

Commencing in 2000, the Port Hope Public Library Board has adopted the local government accounting standards issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The comparative figures included in this financial statement have been restated to conform with the accounting standards adopted for the current year.

## 3. Trust funds:

Trust Funds administered by the Board amounting to \$12,837 (1999 - \$67,747) have not been included in the "Statement of Financial Position" nor have their operations been included in the "Statement of Financial Activities".



# PORT HOPE PUBLIC LIBRARY BOARD

Notes to Financial Statements (continued)

Year ended December 31, 2000

---

## 4. Pension agreements:

The Library Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS) which is a multi-employer plan, on behalf of 2 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.

Due to a contribution holiday, the amount contributed to OMERS for 2000 was \$Nil (1999 - \$ Nil) for current service.

## 5. Subsequent event:

The Port Hope Public Library Board has approved a building renovation and expansion project in the amount of approximately \$2 million to be financed by corporate and community fundraising, trust fund contributions, Trillium grants and Town contributions.

The Town's contribution of monetary support will be made by matching the Library Board's fundraising dollars. The Town has agreed to contribute \$2.00 for every \$1.00 raised to an upset contribution limit of \$1 million.

During the year, approximately \$175,000 was spent on the project to date. Subsequent to year end, a construction contract in the amount of \$1.9 million was approved.

## 6. Budget figures:

Budget figures are compiled from the 2000 fiscal year operating budget approved by the Board and are not subject to audit.



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## AUDITORS' REPORT

To the Board Members of the Port Hope Public Library Board, Members of Council,  
Inhabitants and Ratepayers of the Corporation of the Town of Port Hope

We have audited the statement of financial position of the trust fund of the Port Hope Public Library Board as at December 31, 2000 and the trust fund statement of continuity for the year then ended. These financial statements are the responsibility of the Library'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 fund held by the Port Hope Public Library Board as at December 31, 2000 and the continuity of the trust fund for the year then ended in accordance with the Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Kingston, Canada

March 16, 2001



# PORT HOPE PUBLIC LIBRARY BOARD

## Trust Fund Statement of Financial Position

December 31, 2000, with comparative figures for 1999

	2000	1999
<b>Assets</b>		
Current assets:		
Cash	\$ 1,414	\$ 13,287
Investments, at cost (note 2)	11,423	46,747
Due from Operating Fund	-	7,713
	<u>\$ 12,837</u>	<u>\$ 67,747</u>
<b>Liabilities and Fund Balance</b>		
Fund balance:		
Capital	\$ 12,837	\$ 54,807
Unexpended income	-	12,940
	<u>\$ 12,837</u>	<u>\$ 67,747</u>

## Trust Fund Statement of Continuity

Year ended December 31, 2000, with comparative figures for 1999

	2000	1999
Balance at beginning of year	\$ 67,747	\$ 66,210
Income:		
Interest and dividends earned	3,202	4,537
Expenditure:		
Transfer to Operating Fund	58,112	3,000
Balance at end of year	<u>\$ 12,837</u>	<u>\$ 67,747</u>

The accompanying notes are an integral part of these financial statements.

# PORT HOPE PUBLIC LIBRARY BOARD

## Notes to Trust Fund Financial Statements

Year ended December 31, 2000

---

### 1. Significant accounting policies:

#### Basis of accounting:

- (i) The financial statements are prepared on the accrual basis of accounting.
- (ii) 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. Investments:

The total investments held by the Trust Fund of \$11,423 (1999 - \$46,747) reported on the Trust Fund Statement of Financial Position at cost have a market value of \$59,979 (1999 - \$107,839) at the end of the year.



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## AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants  
and Ratepayers of the Town of Port Hope and Hope

We have audited the statement of financial position of the Town of Port Hope Cemetery Board as at December 31, 2000 and the statement of financial activities for the year then ended. These financial statements are the responsibility of the Board'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 Town of Port Hope Cemetery Board as at December 31, 2000 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

Chartered Accountants

Kingston, Canada  
March 6, 2001



# TOWN OF PORT HOPE CEMETERY BOARD

## Statement of Financial Position

December 31, 2000, with comparative figures for 1999

	2000	1999
<b>Assets</b>		
Financial assets:		
Due from Care and Maintenance Trust Fund	\$ 26,997	\$ 3,017
GST receivable	23	-
Total	27,020	3,017
<b>Liabilities</b>		
Accounts payable and accrued liabilities	428	-
Due to Town of Port Hope	8,897	3,646
Total	9,325	3,646
Net financial assets	\$ 17,695	\$ (629)
<b>Municipal position:</b>		
Net revenues for the year	\$ 18,324	\$ 4,818
Current fund, beginning of year	(629)	(5,447)
Current fund, end of year	\$ 17,695	\$ (629)

The accompanying notes are an integral part of these financial statements.

# TOWN OF PORT HOPE CEMETERY BOARD

## Statement of Financial Activities

Year ended December 31, 2000, with comparative figures for 1999

	Budget 2000	Actual 2000	Actual 1999
	(unaudited)		
<b>Revenue:</b>			
Provided by municipality from tax levy	\$ 18,500	\$ 18,500	\$ 18,500
Sale of plots	14,000	18,987	16,165
Sale of columbariums	10,000	13,467	16,800
Vault charges	500	150	935
Interment charges	20,000	28,347	26,058
Rental income	—	7,200	6,000
Transfer from Care and Maintenance Trust Fund income account	17,600	—	16,399
Contribution from municipal reserves	19,200	38,093	—
Miscellaneous	11,000	9,934	5,993
<b>Total revenues</b>	<b>110,800</b>	<b>134,678</b>	<b>106,850</b>
<b>Expenditures:</b>			
Wages and employee benefits	47,300	48,590	42,764
Office expense	1,500	931	1,503
Supplies, utilities and maintenance	48,500	49,504	34,695
Interment costs	5,000	5,100	4,666
Contribution to municipal reserves	—	—	5,090
Columbarium construction	2,500	1,133	2,380
Transfer to Care and Maintenance Trust Fund capital account	6,000	11,096	10,934
<b>Total expenditures</b>	<b>110,800</b>	<b>116,354</b>	<b>102,032</b>
<b>Net revenues</b>	<b>\$ —</b>	<b>\$ 18,324</b>	<b>\$ 4,818</b>

The accompanying notes are an integral part of these financial statements.

# TOWN OF PORT HOPE CEMETERY BOARD

## Notes to Financial Statements

Year ended December 31, 2000

---

### 1. Significant accounting policies:

The financial statements of the Town of Port Hope Cemetery Board are the representation of management prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Basis of accounting:

- (i) The historical cost and accumulated depreciation of capital assets are not reported for municipal purposes. Capital assets are reported as an expenditure on the "Statement of Financial Activities" in the year of acquisition.
- (ii) The Care and Maintenance Trust Fund and its related operations are not consolidated but are reported separately on the "Care and Maintenance Trust Fund Statement of Financial Position and Statement of Continuity".

(b) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

### 2. Trust funds:

The Care and Maintenance Trust Fund, administered by the board, amounting to \$345,700 (1999 - \$311,501) has not been included in the "Statement of Financial Position" nor has its operations been included in the "Statement of Financial Activities".

### 3. Statement of changes in financial position:

A statement of changes in financial position has not been included as it would not provide additional meaningful information.





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## AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Port Hope and Hope

We have audited the statement of financial position of the Care and Maintenance Trust Fund of the Town of Port Hope Cemetery Board as at December 31, 2000 and the statement of continuity of the Care and Maintenance Trust Fund for the year then ended. These financial statements are the responsibility of the Board'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 Care and Maintenance Trust Fund of the Town of Port Hope Cemetery Board as at December 31, 2000 and the continuity of the Care and Maintenance Trust Fund for the year then ended in accordance with the accounting policies disclosed in note 1 to the financial statements.

KPMG LLP

Chartered Accountants

Kingston, Canada  
March 6, 2001



# TOWN OF PORT HOPE CEMETERY BOARD

## Care and Maintenance Trust Fund Statement of Financial Position

December 31, 2000, with comparative figures for 1999

	2000	1999
<b>Assets</b>		
Current assets:		
Cash	\$ 3,105	\$ 5,534
Accrued interest	10,600	7,388
	<u>13,705</u>	<u>12,922</u>
Investments, at cost (note 2)	358,992	301,596
<b>Total assets</b>	<b>\$ 372,697</b>	<b>\$ 314,518</b>

## Liabilities and Fund Balance

Current liabilities:		
Due to Operating Fund	\$ 26,997	\$ 3,017
Fund balance:		
Capital	260,292	249,196
Income	85,408	62,305
	<u>345,700</u>	<u>311,501</u>
<b>Total liabilities and fund balance</b>	<b>\$ 372,697</b>	<b>\$ 314,518</b>

## Care and Maintenance Trust Fund Statement of Continuity

Year ended December 31, 2000, with comparative figures for 1999

	2000	1999
Balance at beginning of year	\$ 311,501	\$ 299,809
Revenue:		
Capital receipts, care and maintenance	11,096	10,934
Interest earned	23,103	17,157
	<u>34,199</u>	<u>28,091</u>
Expenditure:		
Transfer to Operating Fund	-	16,399
<b>Balance at end of year</b>	<b>\$ 345,700</b>	<b>\$ 311,501</b>

The accompanying notes are an integral part of these financial statements.

# TOWN OF PORT HOPE CEMETERY BOARD

Notes to Care and Maintenance Trust Fund Financial Statements

Year ended December 31, 2000

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## 1. Significant accounting policies:

Basis of accounting:

- (i) Receipts and expenditures are reported on the accrual basis of accounting.
- (ii) 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 or the creation of a legal obligation to pay.

## 2. Investments:

Total investments of \$358,992 (1999 - \$301,596) reported on the balance sheet at cost, have a market value of \$369,592 (1999 - \$309,790) at the end of the year.