

Consolidated Financial Statements

TOWN OF PORT HOPE

Year ended December 31, 1998

Consolidated Financial Statements

TOWN OF PORT HOPE

Year ended December 31, 1998

TOWN OF PORT HOPE

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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 balance sheet of the Corporation of the Town of Port Hope as at December 31, 1998 and the consolidated statement of operations 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 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, 1998 and the results of its operations 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
February 26, 1999



TOWN OF PORT HOPE

Consolidated Balance Sheet

as at December 31, 1998, with comparative figures for 1997

| | 1998 | 1997 |
|---|---------------------|---------------------|
| Assets | | |
| Unrestricted: | | |
| Cash and investments | \$ 754,581 | \$ 1,653,771 |
| Taxes receivable | 1,393,993 | 1,207,961 |
| Accounts receivable | 730,684 | 687,010 |
| Other current assets | 16,529 | 8,448 |
| | <u>2,895,787</u> | <u>3,557,190</u> |
| Restricted: | | |
| Cash and investments | 1,014,736 | 999,046 |
| Due from operating fund | 9,447 | 14,447 |
| | <u>1,024,183</u> | <u>1,013,493</u> |
| Capital outlay financed by long-term liabilities and to be recovered in future years (note 1(b)(iv)) | 2,466,424 | 2,883,845 |
| | <u>\$ 6,386,394</u> | <u>\$ 7,454,528</u> |

Liabilities

| | | |
|--|------------------|------------------|
| Temporary loans | \$ 9,447 | \$ 1,014,447 |
| Accounts payable and accrued liabilities | 689,051 | 522,916 |
| Deferred revenue (note 10) | 505,353 | 438,331 |
| Other current liabilities | 10,699 | 12,618 |
| | <u>1,214,550</u> | <u>1,988,312</u> |
| Net long-term liabilities (note 5) | 2,466,424 | 2,883,845 |

Fund Balances at the End of the Year

| | | |
|---|---------------------|---------------------|
| To be used to offset taxation or user charges (note 6) | 267,775 | 180,048 |
| Unexpended capital financing (or capital operations not yet permanently financed) (note 6) | (156,465) | (119,551) |
| Reserves (note 7) | 1,569,917 | 1,508,381 |
| Reserve funds (note 7) | 1,024,193 | 1,013,493 |
| | <u>\$ 6,386,394</u> | <u>\$ 7,454,528</u> |

Commitment (note 10)

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

| | 1998 | 1997 |
|--|----------------------|----------------------|
| FINANCING APPLIED TO | | |
| Current operations (notes 4, 8, 9 and 12): | | |
| General government | \$ 979,402 | \$ 1,044,174 |
| Protection to persons and property | 481,304 | 451,842 |
| Policing | 1,858,960 | 1,897,641 |
| Transportation services | 1,900,662 | 1,788,938 |
| Environmental services | 1,543,858 | 1,392,370 |
| Health services | 67,113 | 89,913 |
| Recreation and cultural services | 1,304,798 | 1,222,740 |
| Library | 266,949 | 248,601 |
| Planning and development | 314,988 | 228,607 |
| | <u>8,718,034</u> | <u>8,364,826</u> |
| Capital: | | |
| General government | 15,072 | 154,425 |
| Protection to persons and property | 73,102 | 58,542 |
| Transportation services | 382,118 | 991,506 |
| Environmental services | 88,936 | 189,167 |
| Health services | 33,300 | - |
| Recreation and cultural services | 85,077 | 115,169 |
| Planning and development | 11,066 | 53,963 |
| | <u>688,671</u> | <u>1,562,772</u> |
| Other: | | |
| Reserve fund transfers to non-consolidated municipal enterprises | 18,429 | 10,570 |
| Municipal fund balances at the end of the year: | | |
| To be used to offset taxation or user charges (note 6) | 267,775 | 180,048 |
| Unexpended capital financing (or capital operations not yet permanently financed) (note 6) | (156,465) | (119,551) |
| | <u>111,310</u> | <u>60,497</u> |
| Reserves (note 7) | 1,569,917 | 1,508,381 |
| Reserve funds (note 7) | 1,024,193 | 1,013,493 |
| Total applications during the year | <u>\$ 12,130,554</u> | <u>\$ 12,520,539</u> |

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

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements

Year ended December 31, 1998

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 accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs & Housing. 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 judgments.

(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:

Public Library Board
Cemetery Board
Heritage 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.

(ii) **Non-consolidated entities:**

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

Port Hope Waterworks Commission
Port Hope Hydro Electric Commission

(iii) **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. Net overlevies (underlevies) are reported on the "Consolidated Balance Sheet" as "other current liabilities" ("other current assets").

(iv) 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 Balance Sheet".

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements, page 2

Year ended December 31, 1998

1. Accounting policies (continued):

(b) Basis of accounting:

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities, which are charged against operations in the periods in which they are paid.

(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.

(iii) The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Fixed assets are reported as an expenditure on the "Consolidated Statement of Operations" in the year of acquisition.

(iv) "Capital outlay 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".

2. Operations of school boards and the County of Northumberland:

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

| | School Boards | | County | |
|---|---------------|--------------|--------------|--------------|
| | 1998 | 1997 | 1998 | 1997 |
| Taxation and user charges | \$ 5,191,568 | \$ 7,779,546 | \$ 2,803,630 | \$ 1,129,219 |
| Grants | 21,479 | 164,691 | 70,672 | 25,530 |
| Amounts received or receivable | 5,213,047 | 7,944,237 | 2,874,302 | 1,154,749 |
| Requisitions | 5,213,047 | 7,948,476 | 2,876,221 | 1,142,449 |
| Overlevies (underlevies) for the year | — | (4,239) | (1,919) | 12,300 |
| Overlevies at the beginning of the year | 38 | 4,277 | 12,580 | 280 |
| Overlevies at the end of the year | \$ 38 | \$ 38 | \$ 10,661 | \$ 12,580 |

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements, page 3

Year ended December 31, 1998

2. Operations of school boards and the County of Northumberland (continued):

These revenues and expenditures are not reflected in the "Statement of Operations". The net overlevies at the end of the year are reported as "other current liabilities" on the "Consolidated Balance Sheet".

3. Trust funds:

Trust funds administered by the municipality amounting to \$427,315 (1997 - \$408,665) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

4. 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.

The amount contributed to OMERS for 1998 was \$83,105 (1997 - \$199,704) for current service and is included as an expenditure on the "Consolidated Statement of Operations".

5. Net long-term liabilities:

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

| | 1998 | 1997 |
|---|--------------|--------------|
| 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 | \$ 2,466,424 | \$ 2,883,845 |

(b) Of the net long-term liabilities reported in (a) of this note, \$1,843,424 in principal payments are payable from 1999 to 2003, and \$623,000 from 2004 to 2007, and are recoverable from the consolidated revenue fund.

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements, page 4

Year ended December 31, 1998

5. Net long-term liabilities (continued):

- (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.

6. Municipal fund balances at the end of the year:

- (a) The balances on the "Consolidated Statement of Operations" of municipal surplus of \$111,310 (1997 - \$60,497) at the end of the year are comprised of the following:

| | 1998 | 1997 |
|---|-------------------|------------------|
| For general reduction of taxation | \$ 254,866 | \$ 155,693 |
| To be applied to operations of the Heritage Business Improvement Area | 1,389 | 7,992 |
| To be applied to operations of the Public Library Board | 16,967 | 8,588 |
| To be applied to (recovered from) operations of the Cemetery Board | (5,447) | 7,775 |
| | <u>267,775</u> | <u>180,048</u> |
| Acquisition of fixed assets to be financed from proceeds of long-term liabilities | (20,328) | - |
| Acquisition of fixed assets to be recovered through taxation or user charges | (136,137) | (159,517) |
| Unapplied capital receipts | - | 39,966 |
| | <u>(156,465)</u> | <u>(119,551)</u> |
| | <u>\$ 111,310</u> | <u>\$ 60,497</u> |

- (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.
- (c) The balance available for the general reduction of taxation for the fiscal year ending December 31, 1998 has been reduced by an amount of \$45,569 (1997 - \$96,618) transferred to reserves. Had this reduction not been made the balance would have shown a surplus of \$313,344 (1997 - \$276,666).

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements, page 5

Year ended December 31, 1998

7. Reserves and reserve funds:

The total balances of reserves and reserve funds of \$1,569,917 (1997 - \$1,508,331) and \$1,024,193 (1997 - \$1,013,493) respectively are made up of the following:

| | 1998 | 1997 |
|---|---------------------|---------------------|
| Reserves set aside for a specific purpose by Council: | | |
| - for acquisition of fixed assets | \$ 614,536 | \$ 530,926 |
| - for working capital | 906,585 | 906,585 |
| - for contingencies | 48,796 | 70,820 |
| Total reserves | \$ 1,569,917 | \$ 1,508,331 |

Reserve funds set aside for specific purposes
by legislation, regulation or agreement:

| | | |
|---------------------------------------|---------------------|---------------------|
| - for park purposes | \$ 124,075 | \$ 110,176 |
| - for parking lots | 146,111 | 183,836 |
| - for development charges | 130,262 | 104,313 |
| - for youth (Sunshine Heights) | 59,582 | 52,467 |
| - for road purposes (Connecting link) | 564,163 | 562,701 |
| Total reserve funds | \$ 1,024,193 | \$ 1,013,493 |

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 Operations" are as follows:

| | 1998 | 1997 |
|--------------------|-------------------|-------------------|
| Principal payments | \$ 417,421 | \$ 296,421 |
| Interest | 222,238 | 169,290 |
| | \$ 639,659 | \$ 465,711 |

The charges for long-term liabilities assumed by the non-consolidated entities are not reflected in these statements.

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements, page 6

Year ended December 31, 1998

9. Non-accrual of interest on long-term liabilities:

No provision has been made in these financial statements for the accrual of interest on the net long-term liabilities. Had this provision been made, the municipal fund balances as at December 31, 1998 would have been decreased by \$55,238 (1997 decreased by \$62,178).

10. Commitment:

Prior to 1998, the Town received an amount of \$438,331 as settlement in respect of potential site rectification costs of a property known as the Chemtron Lagoon. Including accrued interest to December 31, 1998 in the amount of \$16,197, this settlement has been reported as a component of deferred revenue on the "Consolidated Balance Sheet". No provision has been made in the financial statements for costs related to any future remedial action.

11. Property tax billings:

Property tax billings are prepared by the Town based on an assessment roll prepared by the Ontario Property Assessment Corporation ("OPAC"), an agency of the Ontario government. All assessed property values in the Town were reviewed and new values established based on a common valuation date which was used by the Town in computing the 1998 property tax bills. However, the property tax revenue and tax receivables of the Town are subject to measurement uncertainty as a significant number of appeals submitted by ratepayers have yet to be heard. The Town has recorded an estimate of assessment adjustments in the amount of \$97,516 in the current year based on minutes of settlement received to date. Any further billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the effect shared with county government and school boards as appropriate.

The Province enacted legislation, the Fairness for Property Taxpayers Act, 1998 (Bill 79) in December 1998. The effect of this legislation, together with regulations issued subsequent to its enactment, is to cause the adjustment of certain 1998 property tax bills issued by the Town to its commercial and industrial ratepayers. Any necessary adjustments will be reflected on the 1999 interim tax billings for the affected ratepayers. The adjustments caused by this legislation may also impact the amounts of rebates which the Town must issue to certain charitable organizations and the interest and penalties the Town can collect on arrears of taxes where it is subsequently determined that such amounts have been over stated. Based on calculations provided by OPAC, the Town has estimated that the impact of this legislation will result in approximately \$260,000 of additional tax billings. No provision for this adjustment has been made in the financial statements. Adjustments will be recognized in the fiscal year they are finalized and included on the interim tax billing. This adjustment will have the effect of increasing taxes receivable and increasing amounts payable to the County on the "Consolidated Balance Sheet".

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements, page 7

Year ended December 31, 1998

12. Budget figures:

Budgets established for capital funds, reserves and reserve funds are based on a project-oriented basis, the cost 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".

13. Uncertainty due to the Year 2000 Issue:

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.



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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
February 26, 1999



TOWN OF PORT HOPE

Heritage Business Improvement Area

Statement of Revenue and Expenditure and Surplus

Year ended December 31, 1998, with comparative figures for 1997

| | 1998 | 1997 |
|---------------------------------|-----------------|-----------------|
| Revenue: | | |
| Net levy | \$ 25,000 | \$ 23,585 |
| Promotions revenue | 1,050 | 2,325 |
| Contribution from reserve | — | — |
| | <u>26,050</u> | <u>25,910</u> |
| Expenditures: | | |
| Stationery, supplies and office | 8,050 | 7,492 |
| Improvements | 13,210 | 10,039 |
| Advertising | 11,393 | 7,597 |
| | <u>32,653</u> | <u>25,128</u> |
| Surplus (deficit) for the year | (6,603) | 782 |
| Surplus, beginning of year | 7,992 | 7,210 |
| Surplus, end of year | <u>\$ 1,389</u> | <u>\$ 7,992</u> |

| | 1997 | | 1996 | | 1995 | | 1994 | | 1993 |
|----|--------|----|--------|----|--------|----|--------|----|--------|
| \$ | 13,883 | \$ | 13,992 | \$ | 13,909 | \$ | 13,904 | \$ | 13,844 |
| | 5,936 | | 5,661 | | 5,639 | | 5,660 | | 5,600 |
| | 2,904 | | 2,756 | | 2,746 | | 2,762 | | 2,754 |
| \$ | 22,723 | \$ | 22,409 | \$ | 22,294 | \$ | 22,326 | \$ | 22,198 |
| \$ | 325.01 | \$ | 316.74 | \$ | 313.34 | \$ | 311.58 | \$ | 308.47 |
| | 46.33 | | 46.89 | | 47.93 | | 49.78 | | 51.17 |
| | 238.57 | | 235.45 | | 235.45 | | 235.45 | | 234.27 |
| \$ | 609.91 | \$ | 599.08 | \$ | 596.72 | \$ | 596.81 | \$ | 593.91 |
| \$ | 280.67 | \$ | 274.98 | \$ | 275.27 | \$ | 275.47 | \$ | 282.30 |
| | 46.33 | | 46.89 | | 47.93 | | 49.78 | | 51.17 |
| | 238.57 | | 235.45 | | 235.45 | | 235.45 | | 234.27 |
| \$ | 565.57 | \$ | 557.32 | \$ | 558.65 | \$ | 560.70 | \$ | 567.74 |
| \$ | 5,929 | \$ | 5,806 | \$ | 5,741 | \$ | 5,736 | \$ | 5,682 |
| | 294 | | 288 | | 287 | | 294 | | 296 |
| | 1,424 | | 1,169 | | 1,927 | | 1,822 | | 1,499 |
| | 1,796 | | 1,681 | | 1,728 | | 1,595 | | 1,485 |
| | 1,936 | | 689 | | 997 | | 688 | | 2,015 |
| \$ | 11,379 | \$ | 9,633 | \$ | 10,680 | \$ | 10,135 | \$ | 10,977 |
| \$ | 1,108 | \$ | 1,114 | \$ | 1,402 | \$ | 1,112 | \$ | 994 |
| | 100 | | 93 | | 113 | | 87 | | 65 |
| \$ | 1,208 | \$ | 1,207 | \$ | 1,515 | \$ | 1,199 | \$ | 1,059 |
| | 8.2% | | 8.3% | | 10.5% | | 8.3% | | 7.4% |
| \$ | 1,142 | \$ | 1,166 | \$ | 1,167 | \$ | 1,211 | \$ | 1,249 |
| | 7,021 | | 6,823 | | 6,723 | | 6,691 | | 6,672 |
| | 927 | | 866 | | 822 | | 783 | | 779 |
| \$ | 9,090 | \$ | 8,855 | \$ | 8,712 | \$ | 8,685 | \$ | 8,700 |
| \$ | 1,563 | \$ | 1,724 | \$ | 2,491 | \$ | 2,261 | \$ | 1,031 |
| \$ | 963 | \$ | 1,171 | \$ | 1,056 | \$ | 685 | \$ | 562 |
| | 1,322 | | - | | - | | - | | 1,386 |
| | 126 | | 332 | | 1,265 | | 981 | | 373 |
| | 70 | | 108 | | - | | 14 | | - |
| \$ | 2,481 | \$ | 1,611 | \$ | 2,321 | \$ | 1,680 | \$ | 2,321 |
| \$ | 120 | \$ | 1,039 | \$ | 870 | \$ | 431 | \$ | (149) |
| \$ | 156 | \$ | 210 | \$ | 239 | \$ | 566 | \$ | 591 |



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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 balance sheet of the trust funds of the Corporation of the Town of Port Hope as at December 31, 1998 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 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, 1998 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
February 26, 1999



TOWN OF PORT HOPE

Trust Funds

Balance Sheet

Year ended December 31, 1998

| | Total | Cemetery Care and Maintenance Fund | Library Bequest | Ontario Home Renewal Plan | Developers Deposits |
|---|-------------------|---|--------------------|------------------------------------|------------------------|
| Assets | | | | | |
| Cash | \$ 74,539 | \$ 4,492 | \$ 8,751 | \$ - | \$ 61,296 |
| Investments, at cost (market value \$479,312) | 390,855 | 339,109 | 51,746 | - | - |
| Due from operating fund | 5,713 | - | 5,713 | - | - |
| | \$ 471,107 | \$ 343,601 | \$ 66,210 | \$ - | \$ 61,296 |
| Liabilities and Fund Balances | | | | | |
| Due to operating fund | \$ 43,792 | \$ 43,792 | \$ - | \$ - | \$ - |
| Trust fund: | | | | | |
| Balances - capital | 354,365 | 238,262 | 54,807 | - | 61,296 |
| - income | 72,950 | 61,547 | 11,403 | - | - |
| | \$ 471,107 | \$ 343,601 | \$ 66,210 | \$ - | \$ 61,296 |

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

TOWN OF PORT HOPE

Trust Funds

Statement of Continuity

Year ended December 31, 1998

| | Total | Cemetery Care and Maintenance Fund | Library Bequest | Ontario Home Renewal Plan | Developer Deposits |
|--|------------|---|--------------------|------------------------------------|-----------------------|
| Funds balance at the beginning of the year | \$ 408,665 | \$ 291,027 | \$ 63,780 | \$ 743 | \$ 53,115 |
| Revenue: | | | | | |
| Cemetery care and maintenance | 7,662 | 7,662 | - | - | - |
| Developer deposits | 19,780 | - | - | - | 19,780 |
| Donations | 2,313 | - | 2,313 | - | - |
| Interest and dividends earned | 28,333 | 22,574 | 5,721 | 13 | 25 |
| | 58,088 | 30,236 | 8,034 | 13 | 19,805 |
| Expenditures: | | | | | |
| Administration fees | 63 | - | - | 63 | - |
| Contributions to operating fund | 27,058 | 21,454 | 5,604 | - | - |
| Payment to Province | 693 | - | - | 693 | - |
| Refunds to developers | 11,624 | - | - | - | 44,624 |
| | 39,438 | 21,454 | 5,604 | 756 | 11,624 |
| Funds balance at the end of the year | \$ 427,315 | \$ 299,809 | \$ 66,210 | \$ - | \$ 61,296 |

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

TOWN OF PORT HOPE

Trust Funds

Notes to Financial Statements

Year ended December 31, 1998

1. Accounting policies:

The financial statements of the Trust Funds of the Corporation of the Town of Port Hope are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs & Housing. 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 judgments.

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 balance sheet of the Town of Port Hope Public Library Board as at December 31, 1998 and the statement of operations 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 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 Public Library Board as at December 31, 1998 and the results of its operations 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

February 23, 1999



PORT HOPE PUBLIC LIBRARY BOARD

Balance Sheet

December 31, 1998, with comparative figures for 1997

| | 1998 | 1997 |
|----------------------------|-----------|-----------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 541 | \$ 10,729 |
| GST receivable | 2,623 | 1,494 |
| Due from Town of Port Hope | 17,043 | 3,555 |
| Prepaid expenses | 3,957 | 1,258 |
| | <hr/> | <hr/> |
| | \$ 24,164 | \$ 17,036 |

Liabilities and Fund Balance

| | | |
|--|-----------|-----------|
| Current liabilities: | | |
| Accounts payable, trade | \$ 1,484 | \$ 4,431 |
| Due to trust fund | 5,713 | 4,017 |
| | <hr/> | <hr/> |
| | 7,197 | 8,448 |
| Fund balance: | | |
| To be used to offset taxation and user charges | 16,967 | 8,588 |
| | <hr/> | <hr/> |
| | \$ 24,164 | \$ 17,036 |

See accompanying notes to financial statements.

PORT HOPE PUBLIC LIBRARY BOARD

Statement of Operations

Year ended December 31, 1998, with comparative figures for 1997

| | 1998 (budget) (unaudited) | 1998 (actual) | 1997 (actual) |
|---|---------------------------------|-------------------|-------------------|
| Revenue: | | | |
| Municipal contributions | \$ 226,428 | \$ 226,428 | \$ 197,567 |
| Province of Ontario grant | 21,269 | 21,269 | 19,756 |
| Other government funding | 3,148 | 6,984 | 4,170 |
| Transfer from trust fund | 2,300 | 5,604 | 3,463 |
| Fines and fees | 12,000 | 12,894 | 12,585 |
| Interest and miscellaneous | 4,832 | 11,097 | 11,252 |
| | <u>269,977</u> | <u>284,276</u> | <u>248,793</u> |
| Fund balance at beginning of year: | | | |
| To be used to offset taxation or user charges | 8,588 | 8,588 | 11,463 |
| | <u>\$ 278,565</u> | <u>\$ 292,864</u> | <u>\$ 260,256</u> |
| Expenditure: | | | |
| Salaries and benefits | \$ 192,508 | \$ 192,785 | \$ 189,861 |
| Books | 28,769 | 32,617 | 19,645 |
| Periodicals and newspapers | 2,500 | 2,461 | 2,267 |
| Special events and programs | 250 | 723 | 179 |
| Utilities | 7,200 | 5,146 | 6,159 |
| Maintenance and cleaning | 11,800 | 10,877 | 11,931 |
| Miscellaneous | 6,500 | 8,062 | 5,764 |
| Insurance | 1,800 | 1,829 | 599 |
| Conferences and professional development | 1,350 | 854 | 600 |
| Office expense | 6,100 | 5,891 | 5,463 |
| Computer maintenance and training | 6,200 | 6,772 | 6,133 |
| Local services realignment | – | 3,263 | – |
| Capital purchases | 5,000 | 4,617 | 3,067 |
| | <u>269,977</u> | <u>275,897</u> | <u>251,668</u> |
| Fund balance at end of year: | | | |
| To be used to offset taxation or user charges | 8,588 | 16,967 | 8,588 |
| | <u>\$ 278,565</u> | <u>\$ 292,864</u> | <u>\$ 260,256</u> |

See accompanying notes to financial statements.

PORT HOPE PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 1998

1. Significant accounting policies:

The financial statements of the Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs & Housing. 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 judgments.

(a) Basis of consolidation:

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

(b) Basis of accounting:

- (i) Sources of financing 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.
- (iii) The historical cost and accumulated depreciation of fixed assets are not reported for board purposes. Fixed assets are reported as an expenditure on the "Statement of Operations" in the year of acquisition.

2. Trust funds:

Trust Funds administered by the Board amounting to \$66,210 (1997 - \$63,780) have not been included in the "Balance Sheet" nor have their operations been included in the "Statement of Operations".

3. 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.

The amount contributed to OMERS for 1998 was \$2,482 (1997 - \$6,112) for current service and is included as an expenditure on the "Statement of Operations".

PORT HOPE PUBLIC LIBRARY BOARD

Notes to Financial Statements, page 2

Year ended December 31, 1998

4. Uncertainty due to the Year 2000 Issue:

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.



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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 balance sheet of the trust fund of the Town of Port Hope Public Library Board as at December 31, 1998 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 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 Town of Port Hope Public Library Board as at December 31, 1998 and the continuity of trust fund 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

February 23, 1999



PORT HOPE PUBLIC LIBRARY BOARD

Trust Fund Balance Sheet

December 31, 1998, with comparative figures for 1997

| | 1998 | 1997 |
|-------------------------------|-----------|-----------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 8,751 | \$ 8,017 |
| Investments, at cost (note 2) | 51,746 | 51,746 |
| Due from Operating Fund | 5,713 | 4,017 |
| | <hr/> | <hr/> |
| | \$ 66,210 | \$ 63,780 |
| Fund Balance | | |
| Fund balance: | | |
| Capital | \$ 54,807 | \$ 54,807 |
| Unexpended income | 11,403 | 8,973 |
| | <hr/> | <hr/> |
| | \$ 66,210 | \$ 63,780 |

Trust Fund Statement of Continuity

Year ended December 31, 1998, with comparative figures for 1997

| | 1998 | 1997 |
|-------------------------------|-----------|-----------|
| Balance at beginning of year | \$ 63,780 | \$ 62,605 |
| Income: | | |
| Interest and dividends earned | 5,721 | 3,463 |
| Donation | 2,313 | 1,175 |
| | <hr/> | <hr/> |
| | 8,034 | 4,638 |
| Expenditure: | | |
| Transfer to Operating Fund | 5,604 | 3,463 |
| Balance at end of year | <hr/> | <hr/> |
| | \$ 66,210 | \$ 63,780 |

See accompanying notes to financial statements.

PORT HOPE PUBLIC LIBRARY BOARD

Notes to Trust Fund Financial Statements

Year ended December 31, 1998

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 for investments by the Trust Fund of \$51,746 (1997 - \$51,746) reported on the Balance Sheet at cost have a market value of \$116,439 (1997 - \$129,566) 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

We have audited the balance sheet of the Town of Port Hope Cemetery Board as at December 31, 1998 and the statement of operations 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 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, 1998 and the results of its operations for the year then ended in accordance with accounting policies disclosed in note 1 to the financial statements.

KPMG LLP

Chartered Accountants

Kingston, Canada
March 25, 1999



TOWN OF PORT HOPE CEMETERY BOARD

Balance Sheet

December 31, 1998, with comparative figures for 1997

| | 1998 | 1997 |
|---|------------------|------------------|
| Assets | | |
| Current assets: | | |
| Due from Care and Maintenance Trust Fund | \$ 43,792 | \$ - |
| GST receivable | 112 | 46 |
| Due from Town of Port Hope | - | 32,600 |
| | <u>\$ 43,904</u> | <u>\$ 32,646</u> |
| Liabilities and Fund Balance | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 407 | \$ 480 |
| Due to Care and Maintenance Trust Fund | - | 24,391 |
| Due to Town of Port Hope | 48,944 | - |
| | <u>49,351</u> | <u>24,871</u> |
| Municipal fund balance at end of year: | | |
| To be used to offset taxation or user charges | (5,447) | 7,775 |
| | <u>\$ 43,904</u> | <u>\$ 32,646</u> |

See accompanying notes to financial statements.

TOWN OF PORT HOPE CEMETERY BOARD

Statement of Operations

Year ended December 31, 1998, with comparative figures for 1997

| | 1998 | 1997 |
|---|------------------|-------------------|
| Revenue: | | |
| Provided by municipality from tax levy | \$ 18,500 | \$ 21,030 |
| Sale of plots | 14,378 | 62,692 |
| Sale of columbariums | 7,350 | - |
| Vault charges | 85 | 165 |
| Interment charges | 21,904 | 23,349 |
| Transfer from Care and Maintenance Trust Fund income account | 21,454 | - |
| Miscellaneous | 4,328 | 5,804 |
| | <u>87,999</u> | <u>113,040</u> |
| Municipal fund balance at beginning of year: | | |
| To be used to offset taxation or user charges | 7,775 | 7,775 |
| | <u>\$ 95,774</u> | <u>\$ 120,815</u> |
| Expenditure: | | |
| Wages and employee benefits | \$ 38,034 | \$ 37,163 |
| Local service realignment | 1,234 | - |
| Office expense | 821 | 679 |
| Supplies, utilities and maintenance | 16,895 | 17,983 |
| Interment costs | 3,275 | 6,635 |
| Contribution to municipal reserves | - | 25,503 |
| Columbarium construction | 33,300 | - |
| Transfer to Care and Maintenance Trust Fund capital account | 7,662 | 25,077 |
| | <u>101,221</u> | <u>113,040</u> |
| Municipal fund balance at end of year: | | |
| To be used to offset (recovered from) taxation user charges | (5,447) | 7,775 |
| | <u>\$ 95,774</u> | <u>\$ 120,815</u> |

See accompanying notes to financial statements.

TOWN OF PORT HOPE CEMETERY BOARD

Notes to Financial Statements

Year ended December 31, 1998

1. Significant accounting policies:

The financial statements of the Town of Port Hope Cemetery Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs & Housing. 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 judgments.

Basis of accounting:

- (i) Sources of financing 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.
- (iii) The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Fixed assets are reported as an expenditure on the "Statement of Operations" in the year of acquisition.
- (iv) The Care and Maintenance Trust Fund and its related operations are not consolidated but are reported separately on the "Care and Maintenance Trust Fund Balance Sheet and Statement of Continuity".

2. Trust funds:

The Care and Maintenance Trust Fund, administered by the board, amounting to \$299,809 (1997 - \$291,027) has not been included in the "Balance Sheet" nor has its operations been included in the "Statement of Operations".

3. Uncertainty due to the Year 2000 Issue:

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.



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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

We have audited the balance sheet of the Care and Maintenance Trust Fund of the Town of Port Hope Cemetery Board as at December 31, 1998 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 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 held by the Town of Port Hope Cemetery Board as at December 31, 1998 and the continuity of the Care and Maintenance Trust Fund 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 25, 1999



TOWN OF PORT HOPE CEMETERY BOARD

Care and Maintenance Trust Fund Balance Sheet

December 31, 1998, with comparative figures for 1997

| | 1998 | 1997 |
|-------------------------------------|-------------------|-------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 4,492 | \$ 5,514 |
| Investments, at cost (note 2) | 329,057 | 253,820 |
| Accrued interest | 10,052 | 7,302 |
| Due from Operating Fund | - | 24,391 |
| | <u>\$ 343,601</u> | <u>\$ 291,027</u> |
| Liabilities and Fund Balance | | |
| Current liabilities: | | |
| Due to Operating Fund | \$ 43,792 | \$ - |
| Fund balance: | | |
| Capital | 238,262 | 230,600 |
| Income | 61,547 | 60,427 |
| | <u>299,809</u> | <u>291,027</u> |
| | <u>\$ 343,601</u> | <u>\$ 291,027</u> |

Care and Maintenance Trust Fund Statement of Continuity

Year ended December 31, 1998, with comparative figures for 1997

| | 1998 | 1997 |
|--|-------------------|-------------------|
| Balance at beginning of year | \$ 291,027 | \$ 247,329 |
| Revenue: | | |
| Capital receipts, care and maintenance | 7,662 | 25,077 |
| Interest earned | 22,574 | 18,621 |
| | <u>30,236</u> | <u>43,698</u> |
| Expenditure: | | |
| Transfer to Operating Fund | 21,454 | - |
| Balance at end of year | <u>\$ 299,809</u> | <u>\$ 291,027</u> |

See accompanying notes to financial statements.

TOWN OF PORT HOPE CEMETERY BOARD

Notes to Care and Maintenance Trust Fund Financial Statements

Year ended December 31, 1998

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 \$329,057 (1997 - \$253,820) reported on the balance sheet at cost, have a market value of \$352,821 (1997 - \$274,318) at the end of the year.