

Consolidated Financial Statements

TOWN OF PORT HOPE

Year ended December 31, 1999

Consolidated Financial Statements

TOWN OF PORT HOPE

Year ended December 31, 1999

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, 1999 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 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, 1999 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.

KPMGLLP

Chartered Accountants
Kingston, Canada
March 10, 2000



TOWN OF PORT HOPE

Consolidated Balance Sheet

as at December 31, 1999, with comparative figures for 1998

	1999	1998
Assets		
Unrestricted: <i>increased 1.1</i>		
Cash and investments	\$ 1,820,997	\$ 754,581
Taxes receivable - <i>keep at a reasonable level</i>	1,112,821	1,393,993
Accounts receivable - <i>61% down 40,000/Employee Computer</i>	615,818	730,684
Other current assets - <i>Inventory - Prepared</i>	18,270	16,529
<i>- reduced taxes rec</i>	<i>- increase revenue 200,000</i>	
<i>- Capping payable: 500,000</i>	3,567,906	2,895,787
Restricted:		
Cash and investments - <i>Res. Funds. + C + M</i>	931,550	1,014,736
Due from operating fund - <i>5% rev sink bonds</i>	4,447	9,447
	935,997	1,024,183
Capital outlay financed by long-term liabilities and to be recovered in future years (note 1(b)(iv))	2,025,000	2,466,424
<i>1994-Burton St 1993-Stockton St/Hwy 28+401 interchange</i>		
<i>1997-Barker Free/Complex road/Avd St Linc Vn/</i>	\$ 6,528,903	\$ 6,386,394
<i>Town Clock/Rose Glen Rd.</i>		
Liabilities		
Temporary loans - <i>5% sink bonds</i>	\$ 4,447	\$ 9,447
Accounts payable and accrued liabilities - <i>County Capping, tax appeals</i>	1,138,248	689,051
Deferred revenue (note 10) <i>Clinton Respon principal + interest</i>	502,551	505,353
Other current liabilities	-	10,699
	1,645,246	1,214,550
Net long-term liabilities (note 5)	2,025,000	2,466,424
Fund Balances at the End of the Year		
To be used to offset taxation or user charges (note 6)	302,351	267,775
Unexpended capital financing (or capital operations not yet permanently financed) (note 6)	(159,854)	(156,465)
<i>See Series 447,000/5% loan/truck purchas 8,000/structure 100,000</i>		
Reserves (note 7)	1,780,163	1,569,917
Reserve funds (note 7)	935,997	1,024,193
	\$ 6,528,903	\$ 6,386,394

Commitments (note 10)
Subsequent event (note 11)
Future operations (note 12)

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

TOWN OF PORT HOPE

Consolidated Statement of Operations

Year ended December 31, 1999, with comparative figures for 1998

	1999	1998
SOURCES OF FINANCING		
Taxation and user charges (note 2):		
Residential and farm taxation	\$ 4,412,289	\$ 4,495,041
Commercial and industrial taxation	2,091,268	2,117,252
Taxation from other governments	340,156	348,015
User charges	2,238,424	1,931,543
Grants:		
Government of Canada	2,791	12,430
Province of Ontario	214,707	175,283
Other:		
Penalties and interest on taxes	169,008	180,980
Contributions from developers	167,631	78,743
Investment income	107,295	150,906
Transfer from trust funds	19,399	27,058
Other	27,232	30,932
Municipal fund balances at the beginning 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)
	111,310	60,497
Reserves (note 7)	1,569,917	1,508,381
Reserve funds (note 7)	1,024,193	1,013,493
Total financing available during the year	\$ 12,495,620	\$ 12,130,554

	1999	1998
FINANCING APPLIED TO		
Current operations (notes 4, 8, 9 and 12):		
General government	\$ 1,085,889	\$ 979,402
Protection to persons and property	492,321	481,304
Policing	1,926,047	1,858,960
Transportation services	2,039,881	1,900,662
Environmental services	1,166,658	1,543,858
Health services	97,592	67,113
Recreation and cultural services	1,262,192	1,304,798
Library	275,730	266,949
Planning and development	341,022	314,988
	<u>8,687,332</u>	<u>8,718,034</u>
Capital:		
General government	86,396	15,072
Policing	41,864	73,102
Transportation services	628,776	382,118
Environmental services	57,364	88,936
Health services	-	33,300
Recreation and cultural services	97,247	85,077
Planning and development	23,771	11,066
	<u>935,418</u>	<u>688,671</u>
Other:		
Reserve fund transfers to non-consolidated municipal enterprises	14,213	18,429
Municipal fund balances at the end of the year:		
To be used to offset taxation or user charges (note 6)	302,351	267,775
Unexpended capital financing (or capital operations not yet permanently financed) (note 6)	(159,854)	(156,465)
	<u>142,497</u>	<u>111,310</u>
Reserves (note 7)	1,780,163	1,569,917
Reserve funds (note 7)	935,997	1,024,193
	<u>\$ 12,495,620</u>	<u>\$ 12,130,554</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, 1999

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 (continued)

Year ended December 31, 1999

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
	1999	1998	1999	1998
Taxation and user charges	\$ 4,959,860	\$ 5,191,568	\$ 2,477,816	\$ 2,803,630
Grants	20,855	21,479	62,350	70,672
Amounts received or receivable	4,980,715	5,213,047	2,540,166	2,874,302
Requisitions	4,980,753	5,213,047	2,550,827	2,876,221
Overlevies (underlevies) for the year	(38)	—	(10,661)	(1,919)
Overlevies at the beginning of the year	38	38	10,661	12,580
Overlevies at the end of the year	\$ Nil	\$ 38	\$ Nil	\$ 10,661

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 1999

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 \$437,862 (1998 - \$427,315) 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.

Due to a contribution holiday, the amount contributed to OMERS for 1999 was \$Nil (1998 - \$83,105) for current service.

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:

	1999	1998
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	\$ 2,025,000	\$ 2,466,424

(b) Of the net long-term liabilities reported in (a) of this note, \$1,543,000 in principal payments are payable from 2000 to 2004, and \$482,000 from 2005 to 2007, and are recoverable from the consolidated revenue fund.

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 1999

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 \$142,497 (1998 - \$111,310) at the end of the year are comprised of the following:

	1999	1998
For general reduction of taxation	\$ 278,374	\$ 254,866
To be applied to operations of the Heritage Business Improvement Area	7,237	1,389
To be applied to operations of the Public Library Board	17,369	16,967
To be applied to (recovered from) operations of the Cemetery Board	(629)	(5,447)
	302,351	267,775
Acquisition of fixed assets to be financed from proceeds of long-term liabilities	(46,871)	(20,328)
Acquisition of fixed assets to be recovered through taxation or user charges	(112,983)	(136,137)
	(159,854)	(156,465)
	\$ 142,497	\$ 111,310

- (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, 1999 has been reduced by an amount of \$193,884 (1998 - \$45,569) transferred to reserves. Had this reduction not been made the balance would have shown a surplus of \$496,235 (1998 - \$313,344).

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 1999

7. Reserves and reserve funds:

The total balances of reserves and reserve funds of \$1,780,163 (1998 - \$1,569,917) and \$935,997 (1998 - \$1,024,193) respectively are made up of the following:

	1999	1998
Reserves set aside for a specific purpose by Council:		
- for acquisition of fixed assets	\$ 866,493	\$ 614,536
- for working capital	906,585	906,585
- for contingencies	7,085	48,796
Total reserves	\$ 1,780,163	\$ 1,569,917
Reserve funds set aside for specific purposes by legislation, regulation or agreement:		
- for park purposes	\$ 57,546	\$ 124,075
- for parking lots	141,889	146,111
- for development charges	224,767	130,262
- for youth purposes	16,062	5,109
- for youth purposes - Sunshine Heights	56,899	54,473
- for recreation purposes	29,050	-
- for road purposes (connecting link)	409,784	564,163
Total reserve funds	\$ 935,997	\$ 1,024,193

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:

	1999	1998
Principal payments	\$ 441,424	\$ 417,421
Interest	154,589	222,238
	\$ 596,013	\$ 639,659

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 (continued)

Year ended December 31, 1999

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, 1999 would have been decreased by \$47,335 (1998 decreased by \$55,238).

10. 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'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. These contributions will be financed from reserve funds.

Subsequent to year end, design and architectural services in respect of the project were approved and commenced.

- (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.
- (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.

There have been no amounts expended in the current year and reported in these financial statements in respect of the above commitments.

- (d) Prior to 1999, 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, 1999 in the amount of \$36,402, 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. 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. Proceeds of the sale will be transferred to reserve funds.

TOWN OF PORT HOPE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 1999

12. Future operations:

Effective December 31, 2000, 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.

13. 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".

14. 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. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been 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
March 10, 2000



TOWN OF PORT HOPE

Heritage Business Improvement Area

Statement of Revenue and Expenditure and Surplus

Year ended December 31, 1999, with comparative figures for 1998

	1999	1998
Revenue:		
Net levy	\$ 26,250	\$ 25,000
Promotions revenue	2,000	1,050
Contribution from Town	10,700	5,200
	<u>38,950</u>	<u>31,250</u>
Expenditures:		
Stationery, supplies and office	1,537	8,050
Improvements	19,004	18,410
Advertising	12,561	11,393
	<u>33,102</u>	<u>37,853</u>
Surplus (deficit) for the year	5,848	(6,603)
Surplus, beginning of year	1,389	7,992
Surplus, end of year	<u>\$ 7,237</u>	<u>\$ 1,389</u>

TOWN OF PORT HOPE

Six-Year Financial Review (Unaudited)

(All dollar amounts are in thousands of dollars)

	1999
1. Assessment (note below)	
Taxable assessment upon which the year's rates of taxation were set	
Residential and farm	\$ 418,350
Commercial and industrial	106,176
Business	-
Total	\$ 524,526
2. Tax rates - Public School Supporters (note below)	
Residential	
School	\$.00414
County	.003789
General	.009905
Total	\$.017834
Tax rates - Separate School Supporters (note below)	
Residential	
School	\$.00414
County	.003789
General	.009905
Total	\$.017834
3. Revenues - General Purposes Actual	
Taxation	\$ 6,504
Payments in lieu of taxes	340
Ontario grants	215
User charges	2,239
Other	492
Total	\$ 9,790
4. Tax Arrears	
Principal	\$ 1,014
Penalty and interest	99
Total	\$ 1,113
Percentage of current levy	8.0%
5. Schools and County Transfers	
County	\$ 2,551
Public	4,112
Separate	869
Total	\$ 7,532
6. Capital Expenditures	\$ 935
7. Capital Financing	
Own funds	\$ 929
Long-term debt	-
Grants	-
Other	3
Total	\$ 932
8. Unfinanced Capital at Year End	\$ 160
9 Net Revenue Year End General	\$ 278

Note: 1998 and 1999 assessment and tax rate information is not comparable to prior years due to the impact of significant legislative changes in the Provincial Assessment and property taxation system.

	1998		1997		1996		1995		1994
\$	416,700	\$	13,883	\$	13,992	\$	13,909	\$	13,904
	107,039		5,936		5,661		5,639		5,660
	-		2,904		2,756		2,746		2,762
\$	523,739	\$	22,723	\$	22,409	\$	22,294	\$	22,326
\$	.004600	\$	325.01	\$	316.74	\$	313.34	\$	311.58
	.004302		46.33		46.89		47.93		49.78
	.010107		238.57		235.45		235.45		235.45
\$	.019009	\$	609.91	\$	599.08	\$	596.72	\$	596.81
\$	.004600	\$	280.67	\$	274.98	\$	275.27	\$	275.47
	.004302		46.33		46.89		47.93		49.78
	.010107		238.57		235.45		235.45		235.45
\$	.019009	\$	565.57	\$	557.32	\$	558.65	\$	560.70
\$	6,612	\$	5,929	\$	5,806	\$	5,741	\$	5,736
	348		294		288		287		294
	175		1,424		1,169		1,927		1,822
	1,932		1,796		1,681		1,728		1,595
	481		1,936		689		997		688
\$	9,548	\$	11,379	\$	9,633	\$	10,680	\$	10,135
\$	1,295	\$	1,108	\$	1,114	\$	1,402	\$	1,112
	99		100		93		113		87
\$	1,394	\$	1,208	\$	1,207	\$	1,515	\$	1,199
	9.5%		8.2%		8.3%		10.5%		8.3%
\$	2,876	\$	1,142	\$	1,166	\$	1,167	\$	1,211
	4,320		7,021		6,823		6,723		6,691
	893		927		866		822		783
\$	8,089	\$	9,090	\$	8,855	\$	8,712	\$	8,685
\$	689	\$	1,563	\$	1,724	\$	2,491	\$	2,261
\$	636	\$	963	\$	1,171	\$	1,056	\$	685
	-		1,322		-		-		-
	-		126		332		1,265		981
	16		70		108		-		14
\$	652	\$	2,481	\$	1,611	\$	2,321	\$	1,680
\$	156	\$	120	\$	1,039	\$	870	\$	431
\$	255	\$	156	\$	210	\$	239	\$	566



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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, 1999 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, 1999 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.

KPMGLLP

Chartered Accountants

Kingston, Canada
March 10, 2000



TOWN OF PORT HOPE

Trust Funds

Balance Sheet

Year ended December 31, 1999

	Total	Cemetery Care and Maintenance Fund	Library Bequest	Developers Deposits
Assets				
Cash	\$ 77,435	\$ 5,534	\$ 13,286	\$ 58,615
Investments, at cost (market value \$425,017)	355,731	308,984	46,747	-
Due from operating fund	7,713	-	7,713	-
	\$ 440,879	\$ 314,518	\$ 67,746	\$ 58,615
Liabilities and Fund Balances				
Due to operating fund	\$ 3,017	\$ 3,017	\$ -	\$ -
Trust fund:				
Balances - capital	362,618	249,196	54,807	58,615
- income	75,244	62,305	12,939	-
	437,862	311,501	67,746	58,615
	\$ 440,879	\$ 314,518	\$ 67,746	\$ 58,615

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

TOWN OF PORT HOPE

Trust Funds

Statement of Continuity

Year ended December 31, 1999

	Total	Cemetery Care and Maintenance Fund	Library Bequest	Developer Deposits
Funds balance at the beginning of the year	\$ 427,315	\$ 299,809	\$ 66,210	\$ 61,296
Revenue:				
Cemetery care and maintenance	10,934	10,934	-	-
Developer deposits	15,000	-	-	15,000
Interest and dividends earned	21,733	17,157	4,536	40
	<u>47,667</u>	<u>28,091</u>	<u>4,536</u>	<u>15,040</u>
Expenditures:				
Contributions to operating fund	19,399	16,399	3,000	-
Refunds to developers	17,721	-	-	17,721
	<u>37,120</u>	<u>16,399</u>	<u>3,000</u>	<u>17,721</u>
Funds balance at the end of the year	\$ 437,862	\$ 311,501	\$ 67,746	\$ 58,615

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, 1999

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, 1999 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 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 Public Library Board as at December 31, 1999 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

March 10, 2000



PORT HOPE PUBLIC LIBRARY BOARD

Balance Sheet

December 31, 1999, with comparative figures for 1998

	1999	1998
Assets		
Current assets:		
Cash	\$ 9,194	\$ 541
GST receivable	2,029	2,623
Due from Town of Port Hope	20,863	17,043
Prepaid expenses	3,224	3,957
	<hr/>	<hr/>
	\$ 35,310	\$ 24,164
Liabilities and Fund Balance		
Current liabilities:		
Accounts payable, trade	\$ 10,228	\$ 1,484
Due to trust fund	7,713	5,713
	<hr/>	<hr/>
	17,941	7,197
Fund balance:		
To be used to offset taxation and user charges	17,369	16,967
Subsequent event (note 4)		
	<hr/>	<hr/>
	\$ 35,310	\$ 24,164

See accompanying notes to financial statements.

PORT HOPE PUBLIC LIBRARY BOARD

Statement of Operations

Year ended December 31, 1999, with comparative figures for 1998

	1999 (budget) (unaudited)	1999 (actual)	1998 (actual)
Revenue:			
Municipal contributions	\$ 226,428	\$ 226,428	\$ 226,428
Province of Ontario grant	21,269	23,098	21,269
Other government funding	6,178	4,388	6,984
Transfer from trust fund	—	3,000	5,604
Fines and fees	12,000	11,792	12,894
Interest and miscellaneous	9,600	7,291	11,097
Grant from Friends of the Library	—	1,201	—
	<u>275,475</u>	<u>277,198</u>	<u>284,276</u>
Fund balance at beginning of year:			
To be used to offset taxation or user charges	—	16,967	8,588
	<u>\$ 275,475</u>	<u>\$ 294,165</u>	<u>\$ 292,864</u>
Expenditure:			
Salaries and benefits	\$ 199,294	\$ 190,584	\$ 192,785
Books	27,646	27,855	32,617
Periodicals and newspapers	3,000	2,729	2,461
Special events and programs	500	—	723
Utilities	6,000	5,281	5,146
Maintenance and cleaning	11,500	10,922	10,877
Miscellaneous	10,600	11,838	8,062
Insurance	1,900	1,871	1,829
Conferences and professional development	1,100	1,112	854
Office expense	6,150	5,832	5,891
Computer maintenance and training	6,200	14,117	6,772
Local services realignment	—	—	3,263
Capital purchases	1,585	4,655	4,617
	<u>275,475</u>	<u>276,796</u>	<u>275,897</u>
Fund balance at end of year:			
To be used to offset taxation or user charges	—	17,369	16,967
	<u>\$ 275,475</u>	<u>\$ 294,165</u>	<u>\$ 292,864</u>

See accompanying notes to financial statements.

PORT HOPE PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 1999

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 \$67,747 (1998 - \$66,210) 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.

Due to a contribution holiday, the amount contributed to OMERS for 1999 was \$Nil (1998 - \$2,482) for current service.

PORT HOPE PUBLIC LIBRARY BOARD

Notes to Financial Statements, page 2

Year ended December 31, 1999

4. 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.

Subsequent to year end, design and architectural services in respect of the project were approved and commenced.

5. 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. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been 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, 1999 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 Town of Port Hope Public Library Board as at December 31, 1999 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

March 10, 2000



PORT HOPE PUBLIC LIBRARY BOARD

Trust Fund Balance Sheet

December 31, 1999, with comparative figures for 1998

	1999	1998
Assets		
Current assets:		
Cash	\$ 13,287	\$ 8,751
Investments, at cost (note 2)	46,747	51,746
Due from Operating Fund	7,713	5,713
	\$ 67,747	\$ 66,210

Fund Balance

Fund balance:		
Capital	\$ 54,807	\$ 54,807
Unexpended income	12,940	11,403
	\$ 67,747	\$ 66,210

Trust Fund Statement of Continuity

Year ended December 31, 1999, with comparative figures for 1998

	1999	1998
Balance at beginning of year	\$ 66,210	\$ 63,780
Income:		
Interest and dividends earned	4,537	5,721
Donation	-	2,313
	4,537	8,034
Expenditure:		
Transfer to Operating Fund	3,000	5,604
Balance at end of year	\$ 67,747	\$ 66,210

See accompanying notes to financial statements.

PORT HOPE PUBLIC LIBRARY BOARD

Notes to Trust Fund Financial Statements

Year ended December 31, 1999

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 \$46,747 (1998 - \$51,746) reported on the Balance Sheet at cost have a market value of \$107,839 (1998 - \$116,439) 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, 1999 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 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, 1999 and the results of its operations for the year then ended in accordance with accounting policies disclosed in note 1 to the financial statements.

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Chartered Accountants

Kingston, Canada
March 10, 2000



TOWN OF PORT HOPE CEMETERY BOARD

Balance Sheet

December 31, 1999, with comparative figures for 1998

	1999	1998
Assets		
Current assets:		
Due from Care and Maintenance Trust Fund	\$ 3,017	\$ 43,792
GST receivable	-	112
	<u>\$ 3,017</u>	<u>\$ 43,904</u>
Liabilities and Fund Balance		
Current liabilities:		
Accounts payable and accrued liabilities	\$ -	\$ 407
Due to Town of Port Hope	3,646	48,944
	<u>3,646</u>	<u>49,351</u>
Municipal fund balance at end of year:		
To be used to offset taxation or user charges	(629)	(5,447)
	<u>\$ 3,017</u>	<u>\$ 43,904</u>

See accompanying notes to financial statements.

TOWN OF PORT HOPE CEMETERY BOARD

Statement of Operations

Year ended December 31, 1999, with comparative figures for 1998

	1999	1998
Revenue:		
Provided by municipality from tax levy	\$ 18,500	\$ 18,500
Sale of plots	16,165	14,378
Sale of columbariums	16,800	7,350
Vault charges	935	85
Interment charges	26,058	21,904
Rental income	6,000	-
Transfer from Care and Maintenance Trust Fund income account	16,399	21,454
Miscellaneous	5,993	4,328
	<u>106,850</u>	<u>87,999</u>
Municipal fund balance at beginning of year:		
To be used to offset (recovered from) taxation or user charges	(5,447)	7,775
	<u>\$ 101,403</u>	<u>\$ 95,774</u>
Expenditure:		
Wages and employee benefits	\$ 42,764	\$ 38,034
Local service realignment	-	1,234
Office expense	1,503	821
Supplies, utilities and maintenance	34,695	16,895
Interment costs	4,666	3,275
Contribution to municipal reserves	5,090	-
Columbarium construction	2,380	33,300
Transfer to Care and Maintenance Trust Fund capital account	10,934	7,662
	<u>102,032</u>	<u>101,221</u>
Municipal fund balance at end of year:		
To be used to offset (recovered from) taxation or user charges	(629)	(5,447)
	<u>\$ 101,403</u>	<u>\$ 95,774</u>

See accompanying notes to financial statements.

TOWN OF PORT HOPE CEMETERY BOARD

Notes to Financial Statements

Year ended December 31, 1999

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 \$311,501 (1998 - \$299,809) 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. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been 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, 1999 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 held by the Town of Port Hope Cemetery Board as at December 31, 1999 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 10, 2000



TOWN OF PORT HOPE CEMETERY BOARD

Care and Maintenance Trust Fund Balance Sheet

December 31, 1999, with comparative figures for 1998

	1999	1998
Assets		
Current assets:		
Cash	\$ 5,534	\$ 4,492
Investments, at cost (note 2)	301,596	329,057
Accrued interest	7,388	10,052
	<u>\$ 314,518</u>	<u>\$ 343,601</u>

Liabilities and Fund Balance

Current liabilities:		
Due to Operating Fund	\$ 3,017	\$ 43,792
Fund balance:		
Capital	249,196	238,262
Income	62,305	61,547
	<u>311,501</u>	<u>299,809</u>
	<u>\$ 314,518</u>	<u>\$ 343,601</u>

Care and Maintenance Trust Fund Statement of Continuity

Year ended December 31, 1999, with comparative figures for 1998

	1999	1998
Balance at beginning of year	\$ 299,809	\$ 291,027
Revenue:		
Capital receipts, care and maintenance	10,934	7,662
Interest earned	17,157	22,574
	<u>28,091</u>	<u>30,236</u>
Expenditure:		
Transfer to Operating Fund	16,399	21,454
Balance at end of year	<u>\$ 311,501</u>	<u>\$ 299,809</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, 1999

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 \$301,596 (1998 - \$329,057) reported on the balance sheet at cost, have a market value of \$309,790 (1998 - \$352,821) at the end of the year.