

Town of Whitchurch-Stouffville Consolidated Financial Report December 31, 1989

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Town of Whitchurch-Stouffville

We have examined the consolidated balance sheet of the Corporation of the Town of Whitchurch-Stouffville as at December 31, 1989 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the Town of Whitchurch-Stouffville as at December 31, 1989 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 applied on a basis consistent with that of the preceding year.

Markham, Canada
February 29, 1990

Pamell Ken Macellary
Chartered Accountants
Licence Number 1251

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1989

| | 1989 | 1988 |
|---|------------------|------------------|
| ASSETS | | |
| UNRESTRICTED | | |
| Cash, term deposits and Canada Treasury Bills | \$ 5,657,872 | \$ 5,109,896 |
| Taxes receivable | 1,086,316 | 703,687 |
| User charges receivable | 990,517 | 11,280 |
| Accounts receivable | 14,191 | 622,200 |
| Other current assets | 7,748,896 | 10,426 |
| | | 6,457,489 |
| RESTRICTED | | |
| Cash, term deposits and Canada Treasury Bills | 1,924,383 | 1,197,293 |
| | | |
| CAPITAL OUTLAY FINANCED BY LONG-TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS (Note 1(b)) | <u>1,542,000</u> | <u>1,705,000</u> |
| | \$11,215,281 | \$9,359,782 |
| LIABILITIES AND MUNICIPAL EQUITY | | |
| ACCOUNTS PAYABLE AND ACCRUED LIABILITIES | \$ 2,916,743 | \$ 2,191,761 |
| OTHER LIABILITIES | 721,570 | 579,757 |
| NET LONG-TERM LIABILITIES (Note 5) | 1,542,000 | 1,705,000 |
| FUND BALANCES | 291,632 | 253,104 |
| To be used to offset taxation or user charges (Note 6) | 55,629 | 946,215 |
| Unexpended capital financing (Note 6) | 5,687,707 | 3,683,945 |
| Reserves and reserve funds (Note 7) | \$11,215,281 | \$9,359,782 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1989

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

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

(a) Basis of Consolidation
(i) Consolidated Balance Sheet
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 local boards and municipal enterprises which are under the control of the Council:
Town of Whitchurch-Stouffville Library Board
Town of Whitchurch-Stouffville Cemetery Board
Town of Whitchurch-Stouffville Waterworks
Town of Whitchurch-Stouffville Business Improvement Area Board
Town of Whitchurch-Stouffville Museum Board
Town of Whitchurch-Stouffville Community Recreation Centre Boards
All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between the reserve funds and any other fund of the Municipality and the resulting interest income and expenditures.
(ii) Non-consolidated Entity
The Town of Whitchurch-Stouffville Hydro Electric Commission is not consolidated.
(iii) Accounting for Region and School Board Transactions
The taxation, other revenues, expenditures, assets and liabilities, with respect to the operations of the school boards, and the Region of York are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies) are reported on the Consolidated Balance Sheet as "other current liabilities" (other current assets).
(iv) Trust Funds
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.

(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 of 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) Fixed Assets
The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.
(iv) Capital Outlay to be Recovered in Future Years
Capital outlay to be recovered in future years, which represents the outstanding principal portion of unamortized long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on

| | 1988 | 1989 |
|--|------------------|----------------|
| General reduction of taxation | \$ 98,950 | \$ 112,250 |
| General reduction of user charges | 12,907 | 9,770 |
| Benefiting landowners relating to special charges and special areas | 141,247 | 169,612 |
| | <u>253,104</u> | <u>291,632</u> |
| Acquisition of fixed assets to be financed by developer contributions | (47,751) | (47,751) |
| Acquisition of fixed assets to be recovered from provincial grants | (297,475) | (297,475) |
| Acquisition of fixed assets to be recovered through taxation or user charges | (207,097) | (25,000) |
| Acquisition of fixed assets to be recovered from proceeds of long-term liabilities | (75,500) | (75,500) |
| Funds available for the acquisition of fixed assets | 1,450,787 | 203,880 |
| | <u>3,946,215</u> | <u>55,629</u> |
| | \$1,199,319 | \$347,261 |

(b) Approval of the Ontario Municipal Board has been obtained for the pending issues of long-term liabilities and for those commitments to be financed from revenues beyond the term of Council.

7. RESERVES AND RESERVE FUNDS
The balance of reserves and reserve funds of \$5,687,707 (1988: \$3,683,945) is made up of the following:
1989
Reserves, set aside for specific purposes by Council \$ 447,564
Replacement of equipment 2,662,334
Capital expenditures 644,000
Working capital 9,462
Contingencies 1,981,176
3,763,324
1988
Reserve funds, set aside for specific purposes by Council 72,100
Debt service repayments, upper tier purposes 21,576
Parking facilities 10,000
Library materials 103,676
207,352
1988
Reserve funds, set aside for specific purposes by legislation, regulation or agreement 716,436
Lot levies and subdivision contributions 620,539
Recreational land (The Planning Act) 1,104,269
1,089,681
1988
Total charges for the year for net long-term liabilities which are reported on the Consolidated Statement of Operations are as follows:
Principal payments \$163,000
Interest 180,523
\$343,523
1988
The charges for long-term liabilities assumed by individuals in the case of fire drainage are not reflected in these financial statements.
1988
\$148,000
195,490
\$343,490

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:
1989
Principal payments \$163,000
Interest 180,523
\$343,523
1988
The charges for long-term liabilities assumed by individuals in the case of fire drainage are not reflected in these financial statements.
1988
\$148,000
195,490
\$343,490

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. The amount of interest that was not accrued is not significant in relation to the total municipal fund balance at the end of the year.

AUDITORS' REPORT

2. OPERATIONS OF SCHOOL BOARDS AND REGION OF YORK

CONSOLIDATED STATEMENT OF OPERATIONS