

Town of Whitchurch-Stouffville Consolidated Financial Report December 31, 1994

AUDITORS' REPORT

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

We have audited the consolidated balance sheet of the Corporation of the Town of Whitchurch-Stouffville as at December 31, 1994, 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 Corporation of the Town of Whitchurch-Stouffville as at December 31, 1994, 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.

Markham Canada
March 17, 1995
Licence Number: 1251
Chartered Accountants

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1994

	1994	1993
ASSETS		
UNRESTRICTED		
Cash, term deposits and Canada Treasury Bills	\$ 3,996,884	\$ 2,912,647
Taxes receivable	4,657,952	4,791,792
Accounts receivable	634,519	821,658
Other current assets	5,392	126,017
	<u>9,294,747</u>	<u>8,552,114</u>
RESTRICTED		
Cash, term deposits and Canada Treasury Bills	3,123,214	2,611,996
Capital outlay financed by long-term liabilities and to be recovered in future years (Note 1(b))	842,000	1,721,000
	<u>\$13,259,661</u>	<u>\$11,885,110</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 2,174,474	\$ 2,468,092
Other liabilities	510,610	505,312
Net long-term liabilities (note 5)	842,000	721,000
FUND BALANCES		
To be used to offset (to be recovered from)	305,314	315,110
Unexpended capital financing (capital operations not yet permanently financed) (Note 6)	234,903	553,360
Reserves and reserve funds (Note 7)	<u>8,592,360</u>	<u>7,321,936</u>
	<u>\$13,259,661</u>	<u>\$11,885,110</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1994

1. ACCOUNTING POLICIES
The consolidated financial statements of the Municipality are the representation for 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 judgement.

(a) Basis of Consolidation
(i) Consolidated Entities
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 Public Library Board, Town of Whitchurch-Stouffville Cemetery Board, Town of Whitchurch-Stouffville Business Improvement Area Board.

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. Overviews (under-reviews) 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 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) Capital Assets
The historical cost and accumulated depreciation for capital assets are not recorded for municipal purposes. Capital 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 for capital funds transferred to other organizations is reported on the Consolidated Balance Sheet.

2. OPERATIONS OF SCHOOL BOARDS AND THE REGION OF YORK
Further to Note 1(a)(iii) the taxation, other revenues, expenditures and over-reviews (under-reviews) of the school boards and the Region of York are comprised of the following:

	School Boards	Region	Total
Taxation and user charges	\$18,174,131	\$3,892,393	\$22,066,524
			\$21,224,841

RESERVES AND RESERVE FUNDS

The balance of reserves and reserve funds of \$8,592,360 (1993: \$7,321,936) is made up of the following:

	1994	1993
Reserves set aside for specific purposes by Council	\$ 448,415	\$ 392,021
Replacement of equipment	4,088,754	3,478,720
Capital expenditures	921,600	838,220
Working capital	379	378
Contingencies	<u>5,469,148</u>	<u>4,709,340</u>
Reserve funds set aside for specific purposes by Council		
Debt service repayments - upper tier purposes	17,600	17,600
Parking facilities	36,632	36,144
Library materials	10,000	10,000
	<u>46,632</u>	<u>64,344</u>
Reserve funds set aside for specific purposes by legislation, regulation or agreement		
Lot levies and subdivision contributions	943,059	853,243
Parkland	1,117,844	1,338,643
Development Charges Act	1,015,577	236,388
	<u>3,076,580</u>	<u>2,428,274</u>
	<u>\$8,592,360</u>	<u>\$7,321,936</u>

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:

	1994	1993
Principal payments	\$244,000	\$220,000
Interest	77,607	100,825
	<u>\$321,607</u>	<u>\$320,825</u>

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.

BUDGET FIGURES

Budgets established for Capital Funds, Reserves and Reserve Funds are based on a project-oriented basis, the costs of which may be carried out over one or more years. Although they are not directly comparable with current year actual amounts, they have been reflected on the Consolidated Statement of Operations.

AUDITORS' REPORT

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

We have audited the balance sheet of the Trust Funds of the Corporation of the Town of Whitchurch-Stouffville as at December 31, 1994 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