



TOWN OF WHITCHURCH-STOUFFVILLE "COUNTRY CLOSE TO THE CITY"

Consolidated Financial Report December 31, 2000

AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation 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, 2000 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, 2000 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 14, 2001
Chartered Accountants

Consolidated Statement of Financial Position

As at December 31	2000	1999
Assets		
Cash and temporary investments (Note 2)	\$13,118,599	\$14,051,317
Taxes receivables	3,218,990	3,634,806
Accounts receivable	918,607	885,075
Prepaid expenses	166,239	16,279
Investment in subsidiary (Note 13)	4,805,810	5,007,527
Total assets	\$22,228,245	\$23,595,004
Liabilities		
Accounts payable and accrued liabilities	\$3,380,870	\$2,990,976
Other liabilities	2,135,201	2,441,425
Deferred revenue for development purposes (Note 3)	2,031,058	4,225,658
Long term debt (Note 4)	182,000	219,000
Total liabilities	\$7,729,129	\$9,877,059
Municipal position		
Operating fund (Note 5)	5,230,029	5,475,149
Capital fund (Note 5)	(1,244,688)	(1,385,484)
Reserves and reserve funds (Note 6)	10,695,775	9,847,280
Fund balances	14,681,116	13,936,945
Liabilities to be recovered in future (Note 7)	(182,000)	(219,000)
Total municipal position	14,499,116	13,717,945
Total liabilities and municipal position	\$22,228,245	\$23,595,004
Contingency (Note 16)		
Commitment (Note 17)		

On Behalf of the Council
Nick Kristoffy

See Accompanying notes to the financial statements

Consolidated Statement of Financial Activities

For the Year Ended December 31, 2000	Budget 2000	Actual 2000	Actual 1999
Revenue			
Taxation (Note 8)	\$6,744,268	\$6,744,407	\$6,880,844
User charges (Note 9)	4,771,426	6,115,608	3,758,125
Grants (Note 11)	172,588	195,376	225,949
Other (Note 12)	2,245,835	2,185,113	2,121,586
Total revenue	13,934,117	15,240,504	12,986,504
Expenditures			
Current			
General government	1,956,024	1,716,103	1,784,661
Protection to persons and property	1,063,632	1,147,978	1,337,632
Transportation services	1,510,069	1,571,392	1,536,394
Environmental services	1,687,384	1,671,052	1,631,334
Health services	63,056	69,690	56,941
Recreation and culture services	2,756,724	2,421,284	2,132,683
Planning and development	980,903	827,810	838,033
	10,017,792	9,425,309	9,317,678
Capital			
General government	(49,967)	57,095	220,266
Protection to persons and property	102,994	95,191	1,092,677
Transportation services	1,467,110	1,570,772	1,008,949
Environmental services	188,500	266,555	98,287
Recreation and culture	6,050,778	3,042,760	839,192
Planning and development	31,200	1,651	25,750
	7,890,549	5,034,024	3,285,121
Total expenditures	17,908,341	14,459,333	12,602,799
Net revenues (expenditures)	(3,974,224)	781,171	383,705

Repayment of long term debt	(37,000)	(37,000)	(34,000)
Decrease in liabilities to be recovered in future	(37,000)	(37,000)	(34,000)
Change in fund balances	\$(4,011,224)	\$ 744,171	\$ 349,705

See accompanying notes to the financial statements.

Consolidated Statement of Changes in Financial Position

For the Year Ended December 31	2000	1999
Increase (decrease) in cash and cash equivalents		
Operating activities		
Net revenues	\$ 781,171	\$ 383,705
Income from subsidiary operations	982,888	572,529
Decrease in taxes receivable	415,816	238,953
Decrease in accounts receivables	(33,532)	(411,721)
Increase in prepaid expenses	(149,960)	18,325
Increase in accounts payable and accrued liabilities	389,894	(72,973)
Increase (decrease) in other liabilities	(306,224)	1,751,626
Increase (decrease) in deferred revenue	(2,194,600)	(148,585)
	(895,718)	1,948,154

Financing activities		
Long term debt repaid	(37,000)	(34,000)
Net increase (decrease) in cash and cash equivalents	(932,718)	1,914,154

Cash and cash equivalents		
Beginning of year	14,051,317	12,137,163
End of year (Note 2)	\$13,118,599	\$14,051,317

See accompanying notes to the financial statements.

Schedule of Current Fund Operations

As at December 31, 2000	Budget 2000	Actual 2000	Actual 1999
Revenue			
Taxation (Note 8)	\$6,744,268	\$6,744,407	\$6,880,844
User charges (Note 9)	2,508,573	2,457,173	2,264,284
Grants (Note 11)	167,588	187,156	183,449
Other (Note 12)	1,662,750	1,686,717	1,896,901
Total revenue	11,083,179	11,075,453	11,225,478
Expenditures			
General government	1,956,024	1,716,103	1,784,661
Protection to persons and property	1,063,632	1,147,978	1,337,632
Transportation services	1,510,069	1,571,392	1,536,394
Environmental services	1,687,384	1,671,052	1,631,334
Health services	63,056	69,690	56,941
Recreation and culture services	2,756,724	2,421,284	2,132,683
Planning and development	980,903	827,810	838,033
Total expenditures	10,017,792	9,425,309	9,317,678
Net revenues (expenditures)	1,065,387	1,650,144	1,907,800

Financing and transfers			
Debt principal repayments	(37,000)	(37,000)	(34,000)
Transfers from (to) reserves and reserve fund		(1,715,220)	(1,710,763)
Transfers from (to) capital operations		(143,044)	(173,788)
Net financing and transfers	(37,000)	(1,895,264)	(1,918,551)
Change in operating fund	1,028,387	(245,120)	(10,751)
Surplus (deficit), beginning of year	5,475,149	5,475,149	5,485,900
Surplus (deficit), end of year	\$6,503,536	\$5,230,029	\$5,475,149

See accompanying notes to the financial statements.

Schedule of Capital Fund Operations

As at December 31, 2000	Budget 2000	Actual 2000	Actual 1999
Revenue			
User charges (Note 9)	\$2,262,853	\$3,658,435	\$1,493,841
Grants (Note 11)	5,000	8,220	42,500
Other (Note 12)	583,085	493,385	143,194
Total revenue	2,850,938	4,160,040	1,679,535
Expenditures			
General government	49,967	57,095	220,266
Protection to persons and property	102,994	95,191	1,092,677
Transportation services	1,467,110	1,570,772	1,008,949
Environmental services	188,500	266,555	98,287
Recreation and culture	6,050,778	3,042,760	839,192
Planning and development	31,200	1,651	25,750
Total expenditures	7,890,549	5,034,024	3,285,121
Net expenditures	(5,039,611)	(873,984)	(1,605,586)
Financing and transfers			
Transfers from (to) operating fund		143,044	173,788
Transfers from (to) reserve fund	4,224,562	871,736	1,559,338

See accompanying notes to the financial statements.

Net financing and transfers	4,224,562	1,014,780	1,733,126
Change in capital fund balance	(815,049)	140,796	127,540
Capital fund balance, beginning of year	(1,385,484)	(1,385,484)	(1,513,024)
Capital fund balance, end of year	\$(2,200,533)	\$(1,244,688)	\$(1,385,484)

See accompanying notes to the financial statements.

Schedule of Reserves and Reserve Funds

As at December 31	Budget 2000	Actual 2000	Actual 1999
Revenue			
Investment income (Note 12)	\$	\$ 5,011	\$ 81,491
Net transfers from (to) other funds		1,715,220	1,710,763
Transfers from operating fund	(4,224,562)	(871,736)	(1,559,338)
Transfers to capital fund			
Total net transfers	(4,224,562)	843,484	151,425
Change in reserve and reserve fund balance	(4,224,562)	848,495	232,916
Reserves and reserve funds, beginning of year	9,847,280	9,847,280	9,614,364
End of year	\$5,622,718	\$10,695,775	\$9,847,280

See accompanying notes to the financial statements.

Notes to the Consolidated Financial Statements

December 31, 2000

1. Significant accounting policies
The consolidated financial statements of the Corporation of the Town of Whitchurch-Stouffville (the Municipality) are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Municipality are as follows:

(a) Reporting entity
The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality. In addition to general government tax-supported operations, they include the following:

- The Corporation of the Town of Whitchurch-Stouffville Public Library Board
- The Corporation of the Town of Whitchurch-Stouffville Business Improvement Area
- The Corporation of the Town of Whitchurch-Stouffville Cemetery Board

Interdepartmental and organizational transactions and balances are eliminated.

Whitchurch-Stouffville Hydro Electric Inc. is a subsidiary corporation of the Municipality and is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government enterprises (Note 13). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Municipality, and inter-organizational transactions and balances are not eliminated.

The statements exclude trust assets that are administered for the benefit of external parties (Note 15).

(b) Basis of accounting
The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) Fund accounting
Funds within the consolidated financial statements consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

(d) 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 are not reflected in the municipal fund balances of these financial statements.

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

(f) Deferred revenue for development purposes
Receipts which are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenditures are incurred restricted revenues are brought into revenue at equal amounts. Revenues received in advance of expenditures which will be incurred in a later period are deferred until they are earned by being matched against those expenditures.

(g) Reserves for future expenditures
Certain amounts, as approved by Municipal Council, are set aside in reserves and reserve funds for future operating and capital expenditures. Transfers to and from reserves and reserve funds are reflected as an adjustment to the respective fund.

(h) Subdivision infrastructure
Subdivision streets, lighting, sidewalks, drainage and other infrastructure is required to be provided by subdivision developers. Upon completion they are turned over to the municipality. The Municipality is not involved in the construction and does not budget for either the contribution from the developer or the capital expenditure.

(i) Local improvements
The Municipality records capital expenditures funded by local improvement agreements as they are incurred. Revenues are recognized over the term of the local improvement agreements as they are collected.

(j) Use of estimates
The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Cash and temporary investments	2000	1999
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