

# CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK

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# *Monteith, Monteith & Co.*

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## AUDITORS' REPORT

To the Members of Council, Inhabitants and  
Ratepayers of the Corporation of the  
Township of East Zorra - Tavistock:

We have audited the consolidated statement of financial position of the Corporation of the Township of East Zorra - Tavistock as at December 31, 2003, and the consolidated statements of financial activities and changes in cash position for the year then ended. These financial statements are the responsibility of the Township'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 Corporation of the Township of East Zorra - Tavistock as at December 31, 2003 and the results of its financial activities and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

***MONTEITH, MONTEITH & CO.***

**CHARTERED ACCOUNTANTS**

Stratford, Ontario,  
February 6, 2004.

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**CONSOLIDATED STATEMENT of FINANCIAL POSITION**  
as at December 31 2003

ASSETS

	<u>2003</u>	<u>2002</u>
	\$	\$
Financial Assets:		
Cash and Temporary Investments	1,365,965	1,272,351
Accounts Receivable	214,720	197,551
Taxes Receivable	326,881	254,790
Investment in Electrical Utility (Note 1(c), 5)	1,637,051	1,557,554
Debt Recoverable from Others	304,410	371,112
	<hr/>	<hr/>
Total Financial Assets	3,849,027	3,653,358
Other Assets:		
Inventories of Materials and Supplies and Prepaid Expenses	4,109	4,900
	<hr/>	<hr/>
Total Assets	<u>3,853,136</u>	<u>3,658,258</u>

LIABILITIES and MUNICIPAL POSITION

Liabilities:		
Accounts Payable and Accrued Liabilities	311,063	357,112
Deferred Revenue (Notes 1(f), 6)	117,350	94,213
Municipal Debt (Note 7)	326,410	400,112
Post-employment Benefits	70,966	48,266
	<hr/>	<hr/>
	825,789	899,703
Municipal Position:		
Revenue Fund (Schedule 1)	71,846	94,519
Capital Fund (Schedule 2)	11,927	(10,973)
Reserves and Reserve Funds (Schedule 3, Note 8)	1,400,091	1,196,267
Equity in Electrical Utility (Note 5)	1,637,051	1,557,554
	<hr/>	<hr/>
Fund Balances	3,120,915	2,837,367
Amounts to be Recovered (Notes 1(j), 9)	(93,568)	(78,812)
	<hr/>	<hr/>
Municipal Position	3,027,347	2,758,555
	<hr/>	<hr/>
Total Liabilities and Municipal Position	<u>3,853,136</u>	<u>3,658,258</u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**CONSOLIDATED STATEMENT of FINANCIAL ACTIVITIES**  
for the year ended December 31 2003

	Budget <u>2003</u> \$	Actual <u>2003</u> \$	Actual <u>2002</u> \$
Revenue:			
Taxation	2,017,971	2,018,113	1,865,676
Payments-in-lieu of Taxation	17,000	17,899	17,307
Ontario Unconditional Grants	859,000	939,000	973,000
Conditional Grants	57,769	56,159	138,567
Revenue from Other Municipalities	85,562	86,495	117,288
User Fees and Service Charges	591,597	585,608	603,132
Licences, Permits, Rents, Etc.	64,700	59,880	69,994
Fines and Penalties	50,500	56,954	45,894
Net Income (Loss) - Electrical Utility	79,497	79,497	(14,017)
Other Revenue	220,623	295,709	359,979
Development Charges	--	10,465	7,000
	<u>4,044,219</u>	<u>4,205,779</u>	<u>4,183,820</u>
Expenditures:			
Operating: (Note 10)			
General Government	427,329	422,509	397,635
Protection Services	1,485,507	1,468,427	1,312,294
Transportation Services	739,925	762,683	693,028
Health Services	1,350	1,290	1,225
Social Services	1,100	1,077	1,004
Recreation and Cultural Services	477,097	471,487	471,969
Planning and Development	36,320	44,197	48,524
	<u>3,168,628</u>	<u>3,171,670</u>	<u>2,925,679</u>
Capital:			
General Government	200,500	106,978	31,930
Protection Services	71,387	109,887	57,969
Transportation Services	418,000	404,710	236,174
Recreation and Cultural Services	80,270	58,136	105,469
Planning and Development	9,504	9,504	107,978
	<u>779,661</u>	<u>689,215</u>	<u>539,520</u>
Total Expenditures	<u>3,948,289</u>	<u>3,860,885</u>	<u>3,465,199</u>
Net Revenues (Expenditures) for the Year	<u>95,930</u>	<u>344,894</u>	<u>718,621</u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**CONSOLIDATED STATEMENT of CHANGES in CASH POSITION**  
for the year ended December 31 2003

	<u>2003</u>	<u>2002</u>
	\$	\$
Operations:		
Net Revenues (Statement 2)	<u>344,894</u>	<u>718,621</u>
Sources and Uses:		
Loss (Income) - Electrical Utility	(79,497)	14,017
Change in Accounts Receivable	(17,169)	(29,855)
Change in Taxes Receivable	(72,091)	65,466
Change in Physical Assets	791	(2,805)
Change in Accounts Payable and Accrued Liabilities	(46,049)	37,585
Change in Deferred Revenue	23,137	21,135
Change in Post-employment Benefits	<u>22,700</u>	<u>(5,889)</u>
	<u>(168,178)</u>	<u>99,654</u>
Net Change in Cash from Operations	<u>176,716</u>	<u>818,275</u>
Financing:		
Issue of Long-term Debt	9,400	50,600
Transfer of Proceeds of Long-term Debt to Others	(9,400)	(10,500)
Repayment of Municipal Debt	<u>(83,102)</u>	<u>(220,937)</u>
	<u>(83,102)</u>	<u>(180,837)</u>
Net Change in Cash and Cash Equivalents	93,614	637,438
Cash and Cash Equivalents, Beginning of the Year	<u>1,272,351</u>	<u>634,913</u>
Cash and Cash Equivalents, End of the Year	<u><u>1,365,965</u></u>	<u><u>1,272,351</u></u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**CONSOLIDATED SCHEDULE of REVENUE FUND OPERATIONS**  
for the year ended December 31 2003

	Budget <u>2003</u> \$	Actual <u>2003</u> \$	Actual <u>2002</u> \$
Revenue:			
Taxation	2,017,971	2,018,113	1,865,676
Payments-in-lieu of Taxation	17,000	17,899	17,307
Ontario Unconditional Grants	859,000	939,000	973,000
Conditional Grants	45,523	43,913	39,393
Revenue from Other Municipalities	80,000	83,933	87,177
User Fees and Service Charges	591,597	585,608	603,132
Licences, Permits, Rents, Etc.	64,700	59,880	69,994
Fines and Penalties	50,500	56,954	45,894
Other Revenue	201,046	245,759	205,323
Development Charges	--	10,465	7,000
Total Revenue	<u>3,927,337</u>	<u>4,061,524</u>	<u>3,913,896</u>
Expenditures: (Note 10)			
General Government	427,329	422,509	397,635
Protection Services	1,485,507	1,468,427	1,312,294
Transportation Services	739,925	762,683	693,028
Health Services	1,350	1,290	1,225
Social Services	1,100	1,077	1,004
Recreation and Cultural Services	477,097	471,487	471,969
Planning and Development	36,320	44,197	48,524
Total Expenditures	<u>3,168,628</u>	<u>3,171,670</u>	<u>2,925,679</u>
Net Revenue (Expenditures)	<u>758,709</u>	<u>889,854</u>	<u>988,217</u>
Financing and Transfers			
Debt Principal Repayments	(136,000)	(83,102)	(220,937)
Adjustments for Post-employment Benefits	22,700	22,700	(5,889)
Adjustments for Accrued Interest	(944)	(944)	(1,575)
Transfers (to) from Reserve and Reserve Funds	(161,317)	(431,338)	(461,354)
Transfers (to) from Capital Fund	(559,832)	(419,843)	(288,148)
Net Financing in Revenue Fund	<u>(835,393)</u>	<u>(912,527)</u>	<u>(977,903)</u>
Change in Revenue Fund	(76,684)	(22,673)	10,314
Revenue Fund Balance, Beginning of Year	<u>92,457</u>	<u>94,519</u>	<u>84,205</u>
Revenue Fund Balance, End of Year (Statement 1)	<u><u>15,773</u></u>	<u><u>71,846</u></u>	<u><u>94,519</u></u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**CONSOLIDATED SCHEDULE of CAPITAL FUND OPERATIONS**  
for the year ended December 31 2003

	<u>Budget</u> <u>2003</u> \$	<u>Actual</u> <u>2003</u> \$	<u>Actual</u> <u>2002</u> \$
Revenues:			
Ontario Conditional Grants	12,246	12,246	99,174
Other Municipalities	5,562	2,562	30,111
Other	19,494	49,867	154,126
	<hr/>	<hr/>	<hr/>
Total Revenue	37,302	64,675	283,411
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government	200,500	106,978	31,930
Protection Services	71,387	109,887	57,969
Transportation Services	418,000	404,710	236,174
Recreation and Cultural Services	80,270	58,136	105,469
Planning and Development	9,504	9,504	107,978
	<hr/>	<hr/>	<hr/>
Total Expenditures	779,661	689,215	539,520
	<hr/>	<hr/>	<hr/>
Net Revenues (Expenditures) for the Year	(742,359)	(624,540)	(256,109)
	<hr/>	<hr/>	<hr/>
Financing and Transfers			
Issue of Long-term Debt	9,400	9,400	50,600
Transfer of Proceeds of Long-term Debt to Others	(9,400)	(9,400)	(10,500)
Transfers (to) from Revenue Fund	559,832	419,843	288,148
Transfers (to) from Reserve and Reserve Funds	205,427	227,597	87,609
	<hr/>	<hr/>	<hr/>
Net Financing and Transfers	765,259	647,440	415,857
	<hr/>	<hr/>	<hr/>
Change in Capital Fund Balance	22,900	22,900	159,748
	<hr/>	<hr/>	<hr/>
Capital Fund Balance, Beginning of Year	(10,973)	(10,973)	(170,721)
	<hr/>	<hr/>	<hr/>
Capital Fund Balance, End of Year (Statement 1)	<u>11,927</u>	<u>11,927</u>	<u>(10,973)</u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**CONSOLIDATED SCHEDULE of RESERVES and RESERVE FUNDS**  
for the year ended December 31 2003

	<u>Budget</u> <u>2003</u> \$	<u>Actual</u> <u>2003</u> \$	<u>Actual</u> <u>2002</u> \$
Revenues:			
Other	83	83	530
Net Revenues (Expenditures) for the Year	83	83	530
Net Transfers (to) from Other Funds:			
Transfers (to) from Revenue Fund	161,317	431,338	461,354
Transfers (to) from Capital Fund	(205,427)	(227,597)	(87,609)
Net Financing and Transfers	(44,110)	203,741	373,745
Change in Reserve and Reserve Fund Balance	(44,027)	203,824	374,275
Reserve and Reserve Fund Balance, Beginning of Year	1,196,267	1,196,267	821,992
Reserve and Reserve Fund Balance, End of Year (Statement 1)	1,152,240	1,400,091	1,196,267

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**CONSOLIDATED SCHEDULE of CONTINUITY OF**  
**EQUITY IN ELECTRICAL UTILITY**  
for the year ended December 31 2003

	<u>Budget</u> <u>2003</u> \$	<u>Actual</u> <u>2003</u> \$	<u>Actual</u> <u>2002</u> \$
Revenues:			
Net Income (Loss) for Electrical Utility	<u>79,497</u>	<u>79,497</u>	<u>(14,017)</u>
Change in Equity in Electrical Utility	79,497	79,497	(14,017)
Equity in Electrical Utility, Beginning of Year	<u>1,557,554</u>	<u>1,557,554</u>	<u>1,571,571</u>
Equity in Electrical Utility, End of Year (Statement 1)	<u><u>1,637,051</u></u>	<u><u>1,637,051</u></u>	<u><u>1,557,554</u></u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2003

1. Accounting Policies:

The consolidated financial statements of the Corporation of the Township of East Zorra - Tavistock are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing and the Public Service Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. 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:

These consolidated statements reflect the assets, liabilities, financial activities and changes in cash position of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following boards, which are under the control of Council:

Tavistock Recreation Committee  
Hickson Recreation Committee  
Innerkip Recreation Committee  
Innerkip Community Centre

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.

(b) Reporting Basis:

Financial activities are reported on the accrual basis of accounting. 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 the receipt of goods or services and the creation of a legal obligation to pay.

(c) Investment in Electrical Utility:

The 7.1% interest in the Erie Thames Power Corporation (formerly 100% of the Township of East Zorra - Tavistock Electric Utility - Tavistock) is reported as a long-term investment on the Consolidated Statement of Financial Position. The municipality's proportional share of income or loss on this investment is reported on the Consolidated Statement of Financial Activities.

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2003

1. Accounting Policies: (Continued)

(d) Municipal Debt:

Municipal Debt is comprised of debenture debt for tile drainage, municipal drains and other municipal activities. Debenture debt for tile and municipal drainage loans is recoverable from benefitting landowners, whereas debt on other municipal activities is recovered from taxation revenue.

(e) Capital Assets:

The historical cost and accumulated amortization for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the consolidated statement of financial activities in the year of acquisition.

(f) Deferred Revenue:

The Recreational Land (Planning Act) and Development Charges Funds are prescribed by legislation, or agreement and are reported as deferred revenue on the Consolidated Statement of Financial Position.

(g) Payments of principal on municipal debt are reported as a reduction of the operating fund.

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

(i) Proportionally Consolidated Entity:

The Oxford Community Police Services Board was officially established February 1, 1999 as a result of agreements between four municipal partners and subsequent approval by the Ministry of the Attorney General and Corrections Services. Operations commenced on January 1, 1999. The Oxford Community Police Services Board is proportionally consolidated in the financial statements at 11.899%.

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2003

1. Accounting Policies: (Continued)

(j) Amounts to be Recovered:

“Amounts to be Recovered”, which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures, accrued interest on long-term debt, and post-employment benefits is reported on the Consolidated Statement of Financial Position as a reduction of the municipal position of the Township.

2. Operations of School Boards and the County of Oxford:

Further to note 1(h), the taxation, other revenues, expenditures and requisitions for the school boards and the County of Oxford are comprised of the following:

	<u>School Boards</u> \$	<u>County</u> \$
Taxation and user charges	2,528,881	2,610,290
Share of payments in lieu of taxes	<u>6,026</u>	<u>17,977</u>
Amounts requisitioned	<u><u>2,534,907</u></u>	<u><u>2,628,267</u></u>

3. Trust Funds:

There are no trust funds administered by the municipality.

4. Pension Agreement:

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of the 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 their length of service and rates of pay. There are no past service obligations.

The amount contributed to OMERS for current service in 2003 was \$10,770 (2002 \$Nil).

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
 NOTES to the FINANCIAL STATEMENTS  
 December 31 2003

5. Investment in Electrical Utility:

The investment in the Electrical Utility is comprised of the following:

	<u>2003</u>	<u>2002</u>
	\$	\$
(a) Erie Thames Power Corporation (7.1%)		
(i) Shares		
Class "A" voting	1	1
Class "B" non-voting, redeemable	<u>759,999</u>	<u>759,999</u>
	760,000	760,000
(ii) Loan Receivable		
Loan Receivable in exchange for the Municipality's Hydro Electric Commission's net assets transferred. The loan is convertible to Class "B" shares, and was non-interest bearing until October 1, 2001, at which time it became interest bearing at a rate of 8.5%. On February 7, 2003 the interest rate was reduced to 6.5% for 2003. The Utility has agreed to pay interest at a rate of 7.5% for 2003. The term of the debt is undefined and no payments are anticipated over the next twelve months. The interest received during The year was \$55,100 (2002 - \$64,600).	<u>760,000</u>	<u>760,000</u>
	<u>1,520,000</u>	<u>1,520,000</u>
(iii) Accumulated Equity:		
Balance, beginning of the period	37,554	51,571
Share of net income (7.1%)	<u>79,497</u>	<u>(14,017)</u>
Balance, end of the period	<u>117,051</u>	<u>37,554</u>
 Total Investment at year end	 <u><u>1,637,051</u></u>	 <u><u>1,557,554</u></u>

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2003

6. Deferred Revenue:

The Deferred Revenue balance is comprised of the following:

	<u>2003</u>	<u>2002</u>
	\$	\$
Development Charges	59,297	38,325
Other	<u>58,053</u>	<u>55,888</u>
	<u><u>117,350</u></u>	<u><u>94,213</u></u>

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
 NOTES to the FINANCIAL STATEMENTS  
 December 31 2003

7. Municipal Debt:

	<u>2003</u>	<u>2002</u>
	\$	\$
(a) The balance of municipal debt reported on the "Consolidated Statement of Financial Position" is made up of the following:		
Hickson Park loan, repayable from taxation and user fees	22,000	29,000
Municipal drainage loans repayable by benefitting landowners	54,000	80,064
Tile drainage loans repayable by benefitting landowners	<u>250,410</u>	<u>291,048</u>
Net long-term liabilities at the end of the year	<u><u>326,410</u></u>	<u><u>400,112</u></u>
(b) Of the net long-term liabilities reported in (a) of this note, \$282,922 in principal payments are payable from 2004 to 2008 and \$43,488 from 2009 to 2013 and are summarized as follows:		
	2004 to <u>2008</u>	2009 to <u>2013</u>
	\$	\$
From taxation and user rates	22,000	--
From benefitting landowners	<u>260,922</u>	<u>43,488</u>
	<u><u>282,922</u></u>	<u><u>43,488</u></u>
(c) Approval of the Ontario Municipal Board has been obtained for the 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 issued and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.		

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2003

8. Reserves and Reserve Funds:

The total balances of reserves and reserve funds of \$1,400,091 (2002 - \$1,196,267) are made up of the following:

	<u>2003</u>	<u>2002</u>
	\$	\$
Reserves set aside for specific purpose by Council		
for working capital	187,802	187,802
for insurance	7,583	1,583
for acquisition of capital assets	1,141,217	975,710
Oxford Community Police Services Board	<u>43,848</u>	<u>19,131</u>
Total reserves	<u>1,380,450</u>	<u>1,184,226</u>
Reserve funds set aside for the specific purpose by legislation, regulation or agreement - Oxford Community Police Services Board	<u>19,641</u>	<u>12,041</u>
Total Reserves and Reserve Funds	<u><u>1,400,091</u></u>	<u><u>1,196,267</u></u>

9. Amounts to be Recovered:

	<u>2003</u>	<u>2002</u>
	\$	\$
Amounts to be recovered are:		
Long-term Liabilities	22,000	29,000
Post-employment Benefits	70,966	48,266
Interest	<u>602</u>	<u>1,546</u>
Total Amount to be Recovered	<u><u>93,568</u></u>	<u><u>78,812</u></u>

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2003

10. Disclosure of Expenditures by Object:

	<u>2003</u>	<u>2002</u>
	\$	\$
Wages and Benefits	1,934,317	1,632,524
Interest on Municipal Debt	28,228	35,277
Supplies and Services	1,206,296	1,233,535
Other Transfers	<u>2,829</u>	<u>24,343</u>
	<u><u>3,171,670</u></u>	<u><u>2,925,679</u></u>

11. Charges for Municipal Debt:

Total charges for the year for municipal debt are as follows:

	<u>2003</u>	<u>2002</u>
	\$	\$
Principal Payments	83,102	220,937
Interest	<u>28,228</u>	<u>35,277</u>
	<u><u>111,330</u></u>	<u><u>256,214</u></u>

12. Public Sector Salary Disclosure Act:

In 2003, only one employee, the Police Chief of the Oxford County Community Police Services Board was paid a salary, as defined in the Public Sector Disclosure Act, 1996, of \$100,000 or more (\$116,014) by the Corporation of the Township of East Zorra - Tavistock (2002 - one employee (\$109,736)).

13. Budget Figures:

The budget figures used on the "Consolidated Statement of Financial Activities" are composed of the budget figures for the revenue fund and the actual figures for municipal drains, the capital fund, reserve funds and proportionally consolidated joint boards.

# *Monteith, Monteith & Co.*

*Chartered Accountants*

**Partners:**

STEPHEN J. LANDERS, BA, CA  
ROBERT B. LIGHTFOOT, BBA, CA

208 ONTARIO STREET  
**STRATFORD, ONTARIO N5A 3H4**  
Telephone: (519) 271-6550 Fax: (519) 271-4796  
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**Principals:**

MERVYN T. DIETZ, CMA  
ROBERT W. STEINBACH, CGA

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## AUDITORS' REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the Corporation  
of the Township of East Zorra - Tavistock:

We have audited the statement of financial position of the Hickson Recreation Committee of the Corporation of the Township of East Zorra - Tavistock as at December 31, 2003, and the statement of financial activities for the year then ended. These financial statements are the responsibility of the Committee'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 Hickson Recreation Committee of the Corporation of the Township of East Zorra - Tavistock as at December 31, 2003 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

***MONTEITH, MONTEITH & CO.***

**CHARTERED ACCOUNTANTS**

Stratford, Ontario,  
February 6, 2004.

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**HICKSON RECREATION COMMITTEE**  
**STATEMENT of FINANCIAL POSITION**  
as at December 31 2003

ASSETS

	<u>2003</u>	<u>2002</u>
	\$	\$
Cash on Hand and in Bank	11,780	11,439
Due from Township	21,296	21,846
	33,076	33,285

MUNICIPAL POSITION

Municipal Position - Operating:

Balance - Beginning of Year	21,846	28,275
Net Revenue (Expenditure)	(550)	(6,429)
Balance - End of Year	21,296	21,846

Municipal Position - Bingo:

Balance - Beginning of Year	11,439	11,175
Net Revenue (Expenditure)	341	264
Balance - End of Year	11,780	11,439
	33,076	33,285

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**HICKSON RECREATION COMMITTEE**  
**STATEMENT of FINANCIAL ACTIVITIES**  
for the year ended December 31 2003

	<u>2003</u>	<u>2002</u>
	\$	\$
Administration		
Revenue:		
Contribution from Township	800	800
Interest Income	344	486
Other	189	1,242
	<hr/>	<hr/>
	1,333	2,528
	<hr/>	<hr/>
Expenditure:		
Salaries	3,005	2,233
Miscellaneous	130	121
	<hr/>	<hr/>
	3,135	2,354
	<hr/>	<hr/>
	(1,802)	174
	<hr/>	<hr/>
Concession		
Revenue:		
Concession Sales	10,461	9,540
	<hr/>	<hr/>
Expenditure:		
Supplies	5,991	7,150
Repairs and Maintenance	77	115
	<hr/>	<hr/>
	6,068	7,265
	<hr/>	<hr/>
	4,393	2,275
	<hr/>	<hr/>
Minor Ball		
Revenue:		
Registration Fees	6,395	3,695
Other	731	125
	<hr/>	<hr/>
	7,126	3,820
	<hr/>	<hr/>
Expenditure:		
Equipment	2,271	7,528
Umpires	5,095	3,226
Other	3,155	1,994
	<hr/>	<hr/>
	10,521	12,748
	<hr/>	<hr/>
	(3,395)	(8,928)
	<hr/>	<hr/>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**HICKSON RECREATION COMMITTEE**  
**STATEMENT of FINANCIAL ACTIVITIES**  
for the year ended December 31 2003

	<u>2003</u> \$	<u>2002</u> \$
Tournament Revenue	--	520
Fireworks:		
Revenue	2,551	--
Expenditure	2,057	--
	494	--
Park Tractors	(53)	(184)
Banquet Expense	(187)	(286)
Net Revenue (Expenditure) - Operating	<u>(550)</u>	<u>(6,429)</u>
Bingo		
Revenue:		
Interest Income	341	264
Net Revenue (Expenditure) - Bingo	<u>341</u>	<u>264</u>
Net Revenue (Expenditure) - Total	<u>(209)</u>	<u>(6,165)</u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**HICKSON RECREATION COMMITTEE**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2003

1. Accounting Policies:

The financial statements of the Hickson Recreation Committee of the Corporation of the Township of East Zorra - Tavistock are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing and the Public Service Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. 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 revenue as it becomes 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 amortization for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the Statement of Financial Activities in the year of acquisition.

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## AUDITORS' REPORT

To the Members of Council,  
Inhabitants and Ratepayers of the Corporation  
of the Township of East Zorra - Tavistock:

We have audited the statement of financial position of the Innerkip Recreation Committee of the Corporation of the Township of East Zorra - Tavistock as at December 31, 2003, and the statement of financial activities for the year then ended. These financial statements are the responsibility of the Committee'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 Innerkip Recreation Committee of the Corporation of the Township of East Zorra - Tavistock as at December 31, 2003 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

***MONTEITH, MONTEITH & CO.***

**CHARTERED ACCOUNTANTS**

Stratford, Ontario,  
February 6, 2004.

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**INNERKIP RECREATION COMMITTEE**  
**STATEMENT of FINANCIAL POSITION**  
as at December 31 2003

ASSETS

	<u>2003</u>	<u>2002</u>
	\$	\$
Cash - Float	284	284
Due from Township	3,970	9
	4,254	293

MUNICIPAL POSITION

Municipal Position - Operating:		
Balance - Beginning of Year	293	5,941
Net Revenue (Expenditure)	3,961	(5,648)
Balance - End of Year	4,254	293
Municipal Position - Bingo:		
Balance - Beginning of Year	--	18
Net Revenue (Expenditure)	--	(18)
Balance - End of Year	--	--
	4,254	293

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**INNERKIP RECREATION COMMITTEE**  
**STATEMENT of FINANCIAL ACTIVITIES**  
for the year ended December 31 2003

	<u>2003</u>	<u>2002</u>
	\$	\$
Administration		
Revenue:		
Contribution from Township	800	800
Interest Income	39	71
Donation	6,000	--
Other Revenue	519	280
	<hr/>	<hr/>
	7,358	1,151
	<hr/>	<hr/>
Expenditure:		
Salaries	7,905	10,667
Insurance	907	783
Miscellaneous	194	409
	<hr/>	<hr/>
	9,006	11,859
	<hr/>	<hr/>
	(1,648)	(10,708)
	<hr/>	<hr/>
Concession		
Sales	16,653	22,872
	<hr/>	<hr/>
Expenditure:		
Supplies	19,558	17,468
Repairs and Maintenance	1,240	1,361
	<hr/>	<hr/>
	20,798	18,829
	<hr/>	<hr/>
	(4,145)	4,043
	<hr/>	<hr/>
Minor Ball		
Registration Fees	5,760	6,706
Other Revenue	--	360
	<hr/>	<hr/>
	5,760	7,066
	<hr/>	<hr/>
Expenditure:		
Equipment	456	4,775
Umpires	1,545	4,779
Miscellaneous	2,476	3,824
	<hr/>	<hr/>
	4,477	13,378
	<hr/>	<hr/>
	1,283	(6,312)
	<hr/>	<hr/>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**INNERKIP RECREATION COMMITTEE**  
**STATEMENT of FINANCIAL ACTIVITIES**  
for the year ended December 31 2003

	<u>2003</u>	<u>2002</u>
	\$	\$
Other Sports		
Registration Fees	1,475	3,698
Other Revenue	20	80
	<hr/>	<hr/>
	1,495	3,778
Expenditure:		
Miscellaneous	--	600
	<hr/>	<hr/>
	--	600
	<hr/>	<hr/>
	1,495	3,178
Park Tractors	<hr/>	<hr/>
	(945)	(1,219)
Tournaments		
Tournament Revenue	--	2,890
Expenditure:		
Umpires	--	1,480
Miscellaneous	--	79
	<hr/>	<hr/>
	--	1,559
	<hr/>	<hr/>
	--	1,331
Fundraising		
Revenue	7,452	12,972
Expenditure	151	8,354
	<hr/>	<hr/>
	7,301	4,618
Banquet		
Revenue	620	220
Expenditure	--	799
	<hr/>	<hr/>
	620	(579)
Net Revenue (Expenditure) - Operating	<hr/>	<hr/>
	3,961	(5,648)
Bingo		
Expenditure	--	(18)
	<hr/>	<hr/>
Net Revenue (Expenditure) - Total	<hr/>	<hr/>
	3,961	(5,666)

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**INNERKIP RECREATION COMMITTEE**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2003

1. Accounting Policies:

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