

# CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK

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## INNERKIP RECREATION COMMITTEE

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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, 2004, 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, 2004 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 2, 2005.

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**CONSOLIDATED STATEMENT of FINANCIAL POSITION**  
as at December 31 2004

ASSETS

	<u>2004</u>	<u>2003</u>
	\$	\$
Financial Assets:		
Cash and Temporary Investments	650,743	1,365,965
Accounts Receivable	524,104	214,720
Taxes Receivable	306,421	326,881
Investment in Electrical Utility (Note 1(c), 5)	1,632,767	1,637,051
Debt Recoverable from Others	253,028	304,410
	<hr/>	<hr/>
Total Financial Assets	3,367,063	3,849,027
Other Assets:		
Inventories of Materials and Supplies and Prepaid Expenses	2,450	4,109
	<hr/>	<hr/>
Total Assets	<u>3,369,513</u>	<u>3,853,136</u>

LIABILITIES and MUNICIPAL POSITION

Liabilities:		
Accounts Payable and Accrued Liabilities	424,142	311,063
Deferred Revenue (Notes 1(f), 6)	105,925	117,350
Municipal Debt (Note 7)	253,028	326,410
Post-employment Benefits	100,951	70,966
	<hr/>	<hr/>
	884,046	825,789
	<hr/>	<hr/>
Municipal Position:		
Revenue Fund (Schedule 1)	96,958	71,846
Capital Fund (Schedule 2)	(591,762)	11,927
Reserves and Reserve Funds (Schedule 3, Note 8)	1,448,556	1,400,091
Equity in Electrical Utility (Note 5)	1,632,767	1,637,051
	<hr/>	<hr/>
Fund Balances	2,586,519	3,120,915
Amounts to be Recovered (Notes 1(j), 9)	(101,052)	(93,568)
	<hr/>	<hr/>
Municipal Position	2,485,467	3,027,347
	<hr/>	<hr/>
Total Liabilities and Municipal Position	<u>3,369,513</u>	<u>3,853,136</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 2004

	Budget <u>2004</u> \$	Actual <u>2004</u> \$	Actual <u>2003</u> \$
Revenue:			
Taxation	2,257,835	2,240,155	2,018,113
Payments-in-lieu of Taxation	17,700	21,035	17,899
Ontario Unconditional Grants	899,000	1,185,000	939,000
Conditional Grants	40,144	41,525	56,159
Revenue from Other Municipalities	86,322	80,655	86,495
User Fees and Service Charges	562,649	676,646	585,608
Licences, Permits, Rents, Etc.	60,500	52,134	59,880
Fines and Penalties	45,500	51,456	56,954
Net Income (Loss) - Electrical Utility	(4,284)	(4,284)	79,497
Other Revenue	209,364	248,886	295,709
Development Charges	15,400	110,316	10,465
	<u>4,190,130</u>	<u>4,703,524</u>	<u>4,205,779</u>
Expenditures:			
Operating: (Note 10)			
General Government	449,075	480,308	422,509
Protection Services	1,714,930	1,634,996	1,468,427
Transportation Services	766,275	768,848	762,683
Health Services	1,350	1,290	1,290
Social Services	1,100	1,452	1,077
Recreation and Cultural Services	439,570	551,057	471,487
Planning and Development	47,650	34,318	44,197
	<u>3,419,950</u>	<u>3,472,269</u>	<u>3,171,670</u>
Capital:			
General Government	234,000	223,063	106,978
Protection Services	631,082	736,914	109,887
Transportation Services	672,000	634,160	404,710
Recreation and Cultural Services	59,400	93,185	58,136
Planning and Development	26,604	16,604	9,504
	<u>1,623,086</u>	<u>1,703,926</u>	<u>689,215</u>
Total Expenditures	<u>5,043,036</u>	<u>5,176,195</u>	<u>3,860,885</u>
Net Revenues (Expenditures) for the Year	<u>(852,906)</u>	<u>(472,671)</u>	<u>344,894</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 2004

	<u>2004</u>	<u>2003</u>
	\$	\$
Operations:		
Net Revenues (Statement 2)	<u>(472,671)</u>	<u>344,894</u>
Sources and Uses:		
Loss (Income) - Electrical Utility	4,284	(79,497)
Change in Accounts Receivable	(309,384)	(17,169)
Change in Taxes Receivable	20,460	(72,091)
Change in Physical Assets	1,659	791
Change in Accounts Payable and Accrued Liabilities	113,079	(46,049)
Change in Deferred Revenue	(11,425)	23,137
Change in Post-employment Benefits	<u>29,985</u>	<u>22,700</u>
	<u>(151,342)</u>	<u>(168,178)</u>
Net Change in Cash from Operations	<u>(624,013)</u>	<u>176,716</u>
Financing:		
Issue of Long-term Debt	14,600	9,400
Transfer of Proceeds of Long-term Debt to Others	(14,600)	(9,400)
Repayment of Municipal Debt	<u>(91,209)</u>	<u>(83,102)</u>
	<u>(91,209)</u>	<u>(83,102)</u>
Net Change in Cash and Cash Equivalents	(715,222)	93,614
Cash and Cash Equivalents, Beginning of the Year	<u>1,365,965</u>	<u>1,272,351</u>
Cash and Cash Equivalents, End of the Year	<u><u>650,743</u></u>	<u><u>1,365,965</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 2004

	Budget <u>2004</u> \$	Actual <u>2004</u> \$	Actual <u>2003</u> \$
Revenue:			
Taxation	2,257,835	2,240,155	2,018,113
Payments-in-lieu of Taxation	17,700	21,035	17,899
Ontario Unconditional Grants	899,000	1,185,000	939,000
Conditional Grants	37,006	38,387	43,913
Revenue from Other Municipalities	82,000	80,333	83,933
User Fees and Service Charges	562,649	676,646	585,608
Licences, Permits, Rents, Etc.	60,500	52,134	59,880
Fines and Penalties	45,500	51,456	56,954
Other Revenue	196,011	223,272	245,759
Development Charges	--	--	10,465
Total Revenue	<u>4,158,201</u>	<u>4,568,418</u>	<u>4,061,524</u>
Expenditures: (Note 10)			
General Government	449,075	480,308	422,509
Protection Services	1,714,930	1,634,996	1,468,427
Transportation Services	766,275	768,848	762,683
Health Services	1,350	1,290	1,290
Social Services	1,100	1,452	1,077
Recreation and Cultural Services	439,570	551,057	471,487
Planning and Development	47,650	34,318	44,197
Total Expenditures	<u>3,419,950</u>	<u>3,472,269</u>	<u>3,171,670</u>
Net Revenue (Expenditures)	<u>738,251</u>	<u>1,096,149</u>	<u>889,854</u>
Financing and Transfers			
Debt Principal Repayments	(81,000)	(91,209)	(83,102)
Adjustments for Post-employment Benefits	18,574	29,985	22,700
Adjustments for Accrued Interest		(501)	(944)
Transfers (to) from Reserve and Reserve Funds	(249,453)	(577,632)	(431,338)
Transfers (to) from Capital Fund	(429,152)	(431,680)	(419,843)
Net Financing in Revenue Fund	<u>(741,031)</u>	<u>(1,071,037)</u>	<u>(912,527)</u>
Change in Revenue Fund	(2,780)	25,112	(22,673)
Revenue Fund Balance, Beginning of Year	<u>33,443</u>	<u>71,846</u>	<u>94,519</u>
Revenue Fund Balance, End of Year (Statement 1)	<u><u>30,663</u></u>	<u><u>96,958</u></u>	<u><u>71,846</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 2004

	Budget <u>2004</u> \$	Actual <u>2004</u> \$	Actual <u>2003</u> \$
Revenues:			
Ontario Conditional Grants	3,138	3,138	12,246
Other Municipalities	4,322	322	2,562
Development Charges	15,400	24,012	--
Other	11,753	110,316	49,867
	<hr/>	<hr/>	<hr/>
Total Revenue	34,613	137,788	64,675
Expenditures:			
General Government	234,000	223,063	106,978
Protection Services	631,082	736,914	109,887
Transportation Services	672,000	634,160	404,710
Recreation and Cultural Services	59,400	93,185	58,136
Planning and Development	26,604	16,604	9,504
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,623,086	1,703,926	689,215
Net Revenues (Expenditures) for the Year	<hr/> (1,588,473)	<hr/> (1,566,138)	<hr/> (624,540)
Financing and Transfers			
Issue of Long-term Debt	14,600	14,600	9,400
Transfer of Proceeds of Long-term Debt to Others	(14,600)	(14,600)	(9,400)
Transfers (to) from Revenue Fund	429,152	431,680	419,843
Transfers (to) from Reserve and Reserve Funds	1,155,330	530,769	227,597
	<hr/>	<hr/>	<hr/>
Net Financing and Transfers	1,584,482	962,449	647,440
Change in Capital Fund Balance	(3,991)	(603,689)	22,900
Capital Fund Balance, Beginning of Year	<hr/> 11,927	<hr/> 11,927	<hr/> (10,973)
Capital Fund Balance, End of Year (Statement 1)	<hr/> <u>7,936</u>	<hr/> <u>(591,762)</u>	<hr/> <u>11,927</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 2004

	Budget <u>2004</u> \$	Actual <u>2004</u> \$	Actual <u>2003</u> \$
Revenues:			
Other	<u>1,600</u>	<u>1,602</u>	<u>83</u>
Net Revenues (Expenditures) for the Year	<u>1,600</u>	<u>1,602</u>	<u>83</u>
Net Transfers (to) from Other Funds:			
Transfers (to) from Revenue Fund	249,453	577,632	431,338
Transfers (to) from Capital Fund	<u>(1,155,330)</u>	<u>(530,769)</u>	<u>(227,597)</u>
Net Financing and Transfers	<u>(905,877)</u>	<u>46,863</u>	<u>203,741</u>
Change in Reserve and Reserve Fund Balance	(904,277)	48,465	203,824
Reserve and Reserve Fund Balance, Beginning of Year	<u>1,400,091</u>	<u>1,400,091</u>	<u>1,196,267</u>
Reserve and Reserve Fund Balance, End of Year (Statement 1)	<u><u>495,814</u></u>	<u><u>1,448,556</u></u>	<u><u>1,400,091</u></u>

(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 2004

	Budget <u>2004</u> \$	Actual <u>2004</u> \$	Actual <u>2003</u> \$
Revenues:			
Net Income (Loss) for Electrical Utility	<u>(4,284)</u>	<u>(4,284)</u>	<u>79,497</u>
Change in Equity in Electrical Utility	(4,284)	(4,284)	79,497
Equity in Electrical Utility, Beginning of Year	<u>1,637,051</u>	<u>1,637,051</u>	<u>1,557,554</u>
Equity in Electrical Utility, End of Year (Statement 1)	<u><u>1,632,767</u></u>	<u><u>1,632,767</u></u>	<u><u>1,637,051</u></u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2004

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 2004

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 12.111%.

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2004

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	2,570,860	3,155,301
Share of payments in lieu of taxes	<u>10,031</u>	<u>20,962</u>
Amounts requisitioned	<u><u>2,580,891</u></u>	<u><u>3,176,263</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 2004 was \$35,014 (2003 \$10,770).

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2004

5. Investment in Electrical Utility:

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

	<u>2004</u>	<u>2003</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 on September 1, 2000. The loan is convertible to Class "B" shares. The loan presently bears an interest rate at 7.25%. 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 (2003 - \$55,100).	<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	117,051	37,554
Share of net income (7.1%)	<u>(4,284)</u>	<u>79,497</u>
Balance, end of the period	<u>112,767</u>	<u>117,051</u>
 Total Investment at year end	 <u><u>1,632,767</u></u>	 <u><u>1,637,051</u></u>

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2004

6. Deferred Revenue:

The Deferred Revenue balance is comprised of the following:

	<u>2004</u>	<u>2003</u>
	\$	\$
Development Charges	69,777	59,297
Other	<u>36,148</u>	<u>58,053</u>
	<u><u>105,925</u></u>	<u><u>117,350</u></u>

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2004

7. Municipal Debt:

	<u>2004</u>	<u>2003</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	15,000	22,000
Municipal drainage loans repayable by benefitting landowners	30,082	54,000
Tile drainage loans repayable by benefitting landowners	207,946	250,410
Net long-term liabilities at the end of the year	253,028	326,410
(b) Of the net long-term liabilities reported in (a) of this note, \$215,931 in principal payments are payable from 2005 to 2009 and \$37,097 from 2010 to 2014 and are summarized as follows:		
	2005 to <u>2009</u>	2010 to <u>2014</u>
	\$	\$
From taxation and user rates	15,000	-
From benefitting landowners	200,931	37,097
	215,931	37,097
(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 2004

8. Reserves and Reserve Funds:

The total balances of reserves and reserve funds of \$1,448,556 (2003 - \$1,400,091) are made up of the following:

	<u>2004</u>	<u>2003</u>
	\$	\$
Reserves set aside for specific purpose by Council		
for working capital	187,802	187,802
for insurance	7,583	7,583
for acquisition of capital assets	1,208,957	1,141,217
Oxford Community Police Services Board	<u>21,243</u>	<u>43,848</u>
Total reserves	<u>1,425,585</u>	<u>1,380,450</u>
Reserve funds set aside for the specific purpose by legislation, regulation or agreement		
- Oxford Community Police Services Board	<u>22,971</u>	<u>19,641</u>
Total Reserves and Reserve Funds	<u><u>1,448,556</u></u>	<u><u>1,400,091</u></u>

9. Amounts to be Recovered:

	<u>2004</u>	<u>2003</u>
	\$	\$
Amounts to be recovered are:		
Long-term Liabilities	-	22,000
Post-employment Benefits	100,951	70,966
Interest	<u>101</u>	<u>602</u>
Total Amount to be Recovered	<u><u>101,052</u></u>	<u><u>93,568</u></u>

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
NOTES to the FINANCIAL STATEMENTS  
December 31 2004

10. Disclosure of Expenditures by Object:

	<u>2004</u>	<u>2003</u>
	\$	\$
Wages and Benefits	2,011,164	1,934,317
Interest on Municipal Debt	23,341	28,228
Supplies and Services	1,436,114	1,206,296
Other Transfers	<u>1,650</u>	<u>2,829</u>
	<u>3,472,269</u>	<u>3,171,670</u>

11. Charges for Municipal Debt:

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

	<u>2004</u>	<u>2003</u>
	\$	\$
Principal Payments	91,209	83,102
Interest	<u>23,341</u>	<u>28,228</u>
	<u>114,550</u>	<u>111,330</u>

12. Public Sector Salary Disclosure Act:

In 2004, two employees, the Police Chief of the Oxford County Community Police Services Board (\$119,822) and the Deputy Chief (\$102,561) were paid a salary, as defined in the Public Sector Disclosure Act, 1996, of \$100,000 or more by the Corporation of the Township of East Zorra - Tavistock (2003 - one employee - the Police Chief (\$116,014)).

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

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**STRATFORD, ONTARIO N5A 3H4**

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**Principal:**

MERVYN T. DIETZ, CMA  
**Consultant to the firm:**  
ROBERT F LIGHTFOOT, CA

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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, 2004, 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, 2004 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 2, 2005.

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**HICKSON RECREATION COMMITTEE**  
**STATEMENT of FINANCIAL POSITION**  
as at December 31 2004

ASSETS

	<u>2004</u>	<u>2003</u>
	\$	\$
Cash on Hand and in Bank	12,050	11,780
Due from Township	<u>16,853</u>	<u>21,296</u>
	<u><u>28,903</u></u>	<u><u>33,076</u></u>

MUNICIPAL POSITION

Municipal Position - Operating:

Balance - Beginning of Year	21,296	21,846
Net Revenue (Expenditure)	<u>(4,443)</u>	<u>(550)</u>
Balance - End of Year	<u>16,853</u>	<u>21,296</u>

Municipal Position - Bingo:

Balance - Beginning of Year	11,780	11,439
Net Revenue (Expenditure)	<u>270</u>	<u>341</u>
Balance - End of Year	<u>12,050</u>	<u>11,780</u>
	<u><u>28,903</u></u>	<u><u>33,076</u></u>

(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 2004

	<u>2004</u>	<u>2003</u>
	\$	\$
Administration		
Revenue:		
Contribution from Township	800	800
Interest Income	--	344
Other	369	189
	<u>1,169</u>	<u>1,333</u>
Expenditure:		
Salaries	3,473	3,005
Miscellaneous	200	130
	<u>3,673</u>	<u>3,135</u>
	<u>(2,504)</u>	<u>(1,802)</u>
Concession		
Revenue:		
Concession Sales	11,117	10,461
Expenditure:		
Supplies	7,755	5,991
Repairs and Maintenance	439	77
	<u>8,194</u>	<u>6,068</u>
	<u>2,923</u>	<u>4,393</u>
Minor Ball		
Revenue:		
Registration Fees	7,560	6,395
Other	--	731
	<u>7,560</u>	<u>7,126</u>
Expenditure:		
Equipment	2,905	2,271
Umpires	6,486	5,095
Other	3,456	3,155
	<u>12,847</u>	<u>10,521</u>
	<u>(5,287)</u>	<u>(3,395)</u>

(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 2004

	<u>2004</u> \$	<u>2003</u> \$
Tournament		
Revenue	1,650	--
Expenditure	<u>371</u>	<u>--</u>
	<u>1,279</u>	<u>--</u>
Fireworks:		
Revenue	1,879	2,551
Expenditure	<u>2,406</u>	<u>2,057</u>
	<u>(527)</u>	<u>494</u>
Park Tractors	<u>(110)</u>	<u>(53)</u>
Banquet Expense	<u>(217)</u>	<u>(187)</u>
Net Revenue (Expenditure) - Operating	<u><u>(4,443)</u></u>	<u><u>(550)</u></u>
Bingo		
Revenue:		
Interest Income	<u>270</u>	<u>341</u>
Net Revenue (Expenditure) - Bingo	<u><u>270</u></u>	<u><u>341</u></u>
Net Revenue (Expenditure) - Total	<u><u>(4,173)</u></u>	<u><u>(209)</u></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 2004

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.

# *Monteith, Monteith & Co.*

*Chartered Accountants*

**Partners:**

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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, 2004, 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.

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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, 2004 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 2, 2005.

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK**  
**INNERKIP RECREATION COMMITTEE**  
**STATEMENT of FINANCIAL POSITION**  
as at December 31 2004

ASSETS

	<u>2004</u> \$	<u>2003</u> \$
Cash - Float	284	284
Due from Township	<u>5,735</u>	<u>3,970</u>
	<u><u>6,019</u></u>	<u><u>4,254</u></u>

MUNICIPAL POSITION

Municipal Position - Operating:		
Balance - Beginning of Year	4,254	293
Net Revenue (Expenditure)	<u>1,765</u>	<u>3,961</u>
 Balance - End of Year	 <u><u>6,019</u></u>	 <u><u>4,254</u></u>

(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 2004

	<u>2004</u>	<u>2003</u>
	\$	\$
Administration		
Revenue:		
Contribution from Township	1,150	800
Interest Income	--	39
Donation	--	6,000
Other Revenue	--	519
	<hr/>	<hr/>
	1,150	7,358
	<hr/>	<hr/>
Expenditure:		
Salaries	6,151	7,905
Insurance	972	907
Miscellaneous	5,533	194
	<hr/>	<hr/>
	12,656	9,006
	<hr/>	<hr/>
	(11,506)	(1,648)
	<hr/>	<hr/>
Concession		
Sales	27,860	16,653
	<hr/>	<hr/>
Expenditure:		
Supplies	18,914	19,558
Repairs and Maintenance	1,368	1,240
	<hr/>	<hr/>
	20,282	20,798
	<hr/>	<hr/>
	7,578	(4,145)
	<hr/>	<hr/>
Minor Ball		
Registration Fees	4,235	5,760
Other Revenue	1,301	--
	<hr/>	<hr/>
	5,536	5,760
	<hr/>	<hr/>
Expenditure:		
Equipment	8,896	456
Umpires	3,250	1,545
Miscellaneous	2,582	2,476
	<hr/>	<hr/>
	14,728	4,477
	<hr/>	<hr/>
	(9,192)	1,283
	<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 2004

	<u>2004</u>	<u>2003</u>
	\$	\$
Other Sports		
Registration Fees	2,295	1,475
Other Revenue	280	20
	<hr/>	<hr/>
	2,575	1,495
Expenditure:		
Miscellaneous	258	--
	<hr/>	<hr/>
	258	--
	<hr/>	<hr/>
	2,317	1,495
Park Tractors	<hr/>	<hr/>
	(2,060)	(945)
Fundraising		
Revenue	41,753	7,452
Expenditure	27,125	151
	<hr/>	<hr/>
	14,628	7,301
Banquet		
Revenue	--	620
Expenditure	--	--
	<hr/>	<hr/>
	--	620
	<hr/>	<hr/>
Net Revenue (Expenditure) - Total	<u>1,765</u>	<u>3,961</u>

(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 2004

1. Accounting Policies:

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