

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK

INDEX

Auditors' Report	
Consolidated Statement of Financial Position	Statement 1
Consolidated Statement of Financial Activities	Statement 2
Consolidated Statement of Changes in Cash Position	Statement 3
Consolidated Schedule of Current Fund Operations	Schedule 1
Consolidated Schedule of Capital Fund Operations	Schedule 2
Consolidated Schedule of Reserves and Reserve Funds	Schedule 3
Notes to the Financial Statements	

TAVISTOCK RECREATION COMMITTEE

Auditors' Report	A-1
Statement of Financial Position	A-2
Statement of Financial Activities	A-3
Notes to the Financial Statements	A-4

HICKSON RECREATION COMMITTEE

Auditors' Report	B-1
Statement of Financial Position	B-2
Statement of Financial Activities	B-3
Notes to the Financial Statements	B-4

INNERKIP RECREATION COMMITTEE

Auditors' Report	C-1
Statement of Financial Position	C-2
Statement of Financial Activities	C-3
Notes to the Financial Statements	C-4

INNERKIP COMMUNITY CENTRE

Auditors' Report	D-1
Statement of Financial Position	D-2
Statement of Financial Activities	D-3
Notes to the Financial Statements	D-4

Monteith, Monteith & Co.

Chartered Accountants

Partners:

ROBERT F. LIGHTFOOT, C.A.
STEPHEN J. LANDERS, B.A., C.A.
ROBERT B. LIGHTFOOT, B.B.A., C.A.

208 ONTARIO STREET
STRATFORD, ONTARIO N5A 3H4
Telephone: (519) 271-6550 Fax: (519) 271-4796
e-mail: administrator@monteith.on.ca

Principal:

MERVYN T. DIETZ, C.M.A.

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, 2001, 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 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, 2001 and the results of its financial activities and cash flows for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements.

MONTEITH, MONTEITH & CO.

CHARTERED ACCOUNTANTS

Stratford, Ontario,
February 17, 2002.

Statement 1

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
CONSOLIDATED STATEMENT of FINANCIAL POSITION
as at December 31 2001

FINANCIAL ASSETS

	<u>2001</u>	<u>2000</u>
	\$	\$
Cash and Temporary Investments	634,913	644,085
Accounts Receivable	167,696	257,636
Taxes Receivable	320,256	305,559
Investment in Electrical Utility (Note 1(c), 5)	1,571,571	1,532,988
Debt Recoverable From Others (Note 1(d))	449,257	474,565
Inventories for Resale	2,095	1,302
	<u>3,145,788</u>	<u>3,216,135</u>
Total Assets	<u>3,145,788</u>	<u>3,216,135</u>

LIABILITIES and MUNICIPAL POSITION

Liabilities:		
Accounts Payable and Accrued Liabilities	319,527	194,510
Deferred Revenue (Note 1(f), 7)	73,078	79,640
Net Long-term Liabilities (Note 6)	569,835	692,306
Post-employment Benefits	54,155	41,023
	<u>1,016,595</u>	<u>1,007,479</u>
Municipal Position: (Schedule 1)		
Current Fund	84,205	143,275
Equity in Electrical Utility (Note 5)	1,571,571	1,532,988
	<u>1,655,776</u>	<u>1,676,263</u>
Capital Fund (Schedule 2)	(170,721)	6,145
Reserves and Reserve Funds (Schedule 3) (Note 8)	821,992	789,808
	<u>2,307,047</u>	<u>2,472,216</u>
Fund Balances	2,307,047	2,472,216
Amounts to be Recovered (Notes 1(j))	(177,854)	(263,560)
	<u>2,129,193</u>	<u>2,208,656</u>
Municipal Position	<u>2,129,193</u>	<u>2,208,656</u>
Total Liabilities and Municipal Position	<u>3,145,788</u>	<u>3,216,135</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 2001

	Budget <u>2001</u> \$	Actual <u>2001</u> \$	Actual <u>2000</u> \$
Revenue:			
Taxation	1,828,559	1,865,239	1,782,604
Payments-in-lieu of Taxation	24,000	22,101	31,706
Ontario Unconditional Grants	732,000	732,000	787,000
Conditional Grants	36,016	37,615	27,226
Revenue from Other Municipalities	149,292	172,099	128,553
User Charges and Service Charges	289,754	290,589	305,032
Licences, Permits, Rents, Etc.	322,750	338,639	385,673
Fines and Penalties	55,300	51,017	54,704
Other Revenue	175,125	232,306	440,533
Development Charges	14,000	14,000	--
	<u>3,626,796</u>	<u>3,755,605</u>	<u>3,943,031</u>
Expenditures:			
Current: (Note 9)			
General Government	372,100	358,907	377,012
Protection Services	1,325,243	1,352,734	1,129,099
Transportation Services	672,490	638,932	664,689
Environmental Services	202,000	211,369	177,956
Health Services	1,325	1,225	1,275
Social Services	1,000	1,103	893
Recreation and Cultural Services	358,050	369,106	433,949
Planning and Development	102,828	54,950	66,315
	<u>3,035,036</u>	<u>2,988,326</u>	<u>2,851,188</u>
Capital:			
General Government	21,500	9,586	10,069
Protection Services	158,000	178,456	246,704
Transportation Services	209,500	197,486	309,574
Recreation and Cultural Services	66,350	28,515	144,856
Planning and Development	331,891	331,891	46,584
	<u>787,241</u>	<u>745,934</u>	<u>757,787</u>
Total Expenditures	<u>3,822,277</u>	<u>3,734,260</u>	<u>3,608,975</u>
Net Revenues (Expenditures) for the Year	<u>(195,481)</u>	<u>21,345</u>	<u>334,056</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 2001

	<u>2001</u>	<u>2000</u>
	\$	\$
Operations:		
Net Revenues (Statement 2)	<u>21,345</u>	<u>334,056</u>
Sources and Uses:		
Change in Accounts Receivable	89,940	(116,562)
Change in Taxes Receivable	(14,697)	51,539
Change in Inventories for Resale	(793)	--
Change in Accounts Payable and Accrued Liabilities	125,017	(61,279)
Change in Deferred Revenue	(6,562)	74,385
Change in Post-employment Benefits	<u>13,132</u>	<u>36,034</u>
	<u>206,037</u>	<u>(15,883)</u>
Net Change in Cash from Operations	<u>227,382</u>	<u>318,173</u>
Investing:		
Increase in Long-term Investment in Electrical Utility	<u>(38,583)</u>	<u>(207,110)</u>
Financing:		
Issue of Long-term Debt	75,500	7,100
Transfer of Proceeds of Long-term Debt to Others	(75,500)	(7,100)
Repayment of Municipal Debt	<u>(197,971)</u>	<u>(208,749)</u>
	<u>(197,971)</u>	<u>(208,749)</u>
Net Change in Cash and Cash Equivalents	(9,172)	(97,686)
Cash and Cash Equivalents, Beginning of the Year	<u>644,085</u>	<u>741,771</u>
Cash and Cash Equivalents, End of the Year	<u><u>634,913</u></u>	<u><u>644,085</u></u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
CONSOLIDATED SCHEDULE of CURRENT FUND OPERATIONS
for the year ended December 31 2001

	<u>2001</u>	<u>2000</u>
	\$	\$
Revenue:		
Taxation	1,865,239	1,782,604
Payments-in-lieu of Taxation	22,101	31,706
Ontario Unconditional Grants	732,000	787,000
Conditional Grants	33,433	25,861
Revenue from Other Municipalities	171,307	77,416
User Charges and Service Charges	290,589	305,032
Licences, Permits, Rents, Etc.	338,639	385,673
Fines and Penalties	51,017	54,704
Other Revenue	115,293	411,330
Development Charges	14,000	--
	<hr/>	<hr/>
Total Revenue	3,633,618	3,861,326
	<hr/>	<hr/>
Expenditures:		
Current: (Note 9)		
General Government	358,907	377,012
Protection Services	1,352,734	1,129,099
Transportation Services	638,932	664,689
Environmental Services	211,369	177,956
Health Services	1,225	1,275
Social Services	1,103	893
Recreation and Cultural Services	369,106	433,949
Planning and Development	54,950	66,315
	<hr/>	<hr/>
Total Expenditures	2,988,326	2,851,188
	<hr/>	<hr/>
Net Revenue (Expenditures)	645,292	1,010,138
	<hr/>	<hr/>
Financing and Transfers		
Debt Principal Repayments	(197,971)	(208,749)
Adjustments for Post-employment Benefits	13,132	36,034
Adjustments for Accrued Interest	(1,675)	(1,597)
Transfers (to) from Reserve and Reserve Funds	(137,611)	(343,235)
Transfers (to) from Capital Fund	(341,654)	(300,979)
	<hr/>	<hr/>
Net Financing in Current Fund	(665,779)	(818,526)
	<hr/>	<hr/>
Change in Current Fund	(20,487)	191,612
Current Fund Balance, Beginning of Year	1,676,263	1,484,651
	<hr/>	<hr/>
Current Fund Balance, End of Year (Statement 1)	<u>1,655,776</u>	<u>1,676,263</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 2001

	<u>2001</u>	<u>2000</u>
	\$	\$
Revenues:		
Ontario Conditional Grants	4,182	1,365
Other Municipalities	792	51,137
Other	115,211	29,203
	<hr/>	<hr/>
Total Revenue	120,185	81,705
	<hr/>	<hr/>
Expenditures:		
General Government	9,586	10,069
Protection Services	178,456	246,704
Transportation Services	197,486	309,574
Recreation and Cultural Services	28,515	144,856
Planning and Development	331,891	46,584
	<hr/>	<hr/>
Total Expenditures	745,934	757,787
	<hr/>	<hr/>
Net Revenues (Expenditures) for the Year	(625,749)	(676,082)
	<hr/>	<hr/>
Financing and Transfers		
Issue of Long-term Debt	75,500	7,100
Transfer of Proceeds of Long-term Debt to Others	(75,500)	(7,100)
Transfers (to) from Operating Fund	341,654	300,979
Transfers (to) from Reserve and Reserve Funds	107,229	361,643
	<hr/>	<hr/>
Net Financing and Transfers	448,883	662,622
	<hr/>	<hr/>
Change in Capital Fund Balance	(176,866)	(13,460)
	<hr/>	<hr/>
Capital Fund Balance, Beginning of Year	6,145	19,605
	<hr/>	<hr/>
Capital Fund Balance, End of Year (Statement 1)	<u>(170,721)</u>	<u>6,145</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 2001

	<u>2001</u> \$	<u>2000</u> \$
Revenues:		
Other	<u>1,802</u>	<u>--</u>
Net Revenues (Expenditures) for the Year	<u>1,802</u>	<u>--</u>
Net Transfers (to) from Other Funds:		
Transfers (to) from Operating Fund	137,611	343,235
Transfers (to) from Capital Fund	<u>(107,229)</u>	<u>(361,643)</u>
Net Financing and Transfers	<u>30,382</u>	<u>(18,408)</u>
Change in Reserve and Reserve Fund Balance	32,184	(18,408)
Reserve and Reserve Fund Balance, Beginning of Year	<u>789,808</u>	<u>808,216</u>
Reserve and Reserve Fund Balance, End of Year (Statement 1)	<u><u>821,992</u></u>	<u><u>789,808</u></u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
NOTES to the FINANCIAL STATEMENTS
December 31 2001

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 current 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 as investment income.

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
NOTES to the FINANCIAL STATEMENTS
December 31 2001

1. Accounting Policies: (Continued)

(d) Debt Recoverable and Municipal Debt:

Debt Recoverable and Municipal Debt are 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) Proportionately 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 12.053%.

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
NOTES to the FINANCIAL STATEMENTS
December 31 2001

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	2,417,666	1,990,857
Share of payments in lieu of taxes	<u>7,307</u>	<u>25,305</u>
Amounts requisitioned	<u>2,424,973</u>	<u>2,016,162</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 12 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 2001 was \$Nil (2000 \$Nil).

Effective for the pay period including August 1, 1998 OMERS members' contribution rates are 0% until December 31, 2001 or longer.

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
NOTES to the FINANCIAL STATEMENTS
December 31 2001

5. Investment in Electrical Utility:

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

	<u>2001</u>	<u>2000</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 Township of East Zorra - Tavistock Electric Utility - Tavistock net assets transferred. The loan is convertible to Class "B" shares, and is non-interest bearing until October 1 2001, at which time it became interest bearing at a rate of 8.5%. The term of the debt is undefined and no payments are anticipated over the next twelve months.		
	<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	12,988	--
Share of net income (7.1%)	<u>38,583</u>	<u>12,988</u>
Balance, end of the period	<u>51,571</u>	<u>12,988</u>
Total Investment at year end	<u><u>1,571,571</u></u>	<u><u>1,532,988</u></u>

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
NOTES to the FINANCIAL STATEMENTS
December 31 2001

6. Municipal Debt:

	<u>2001</u>	<u>2000</u>
	\$	\$
(a) The balance of municipal debt reported on the "Consolidated Statement of Financial Position" is made up of the following:		
Tavistock Arena Loan, repayable from taxation and user fees	85,578	176,741
Hickson Park Loan, repayable from taxation and user fees	35,000	41,000
Municipal Drainage loans repayable by benefitting landowners	80,767	119,213
Tile Drainage loans repayable by benefitting landowners	<u>368,490</u>	<u>355,352</u>
Net long-term liabilities at the end of the year	<u><u>569,835</u></u>	<u><u>692,306</u></u>

(b) Of the net long-term liabilities reported in (a) of this note, \$464,968 in principal payments are payable from 2002 to 2006 and \$104,867 from 2007 to 2011 and are summarized as follows:

	2002 to <u>2006</u> \$	2007 to <u>2011</u> \$
From taxation and user rates	120,578	-
From benefitting landowners	<u>344,390</u>	<u>104,867</u>
	<u><u>464,968</u></u>	<u><u>104,867</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 2001

7. Deferred Revenue:

The Deferred Revenue balance is comprised of the following:

	<u>2001</u>	<u>2000</u>
	\$	\$
Development Charges	12,754	17,868
Other	60,324	61,772
	<u>73,078</u>	<u>79,640</u>

8. Reserves and Reserve Funds:

The total balances of reserves and reserve funds of \$821,992 (2000 - \$789,808) are made up of the following:

	<u>2001</u>	<u>2000</u>
	\$	\$
Reserves set aside for specific purpose by Council		
for working capital	187,802	187,802
for insurance	5,583	6,021
for acquisition of capital assets	588,838	550,267
Oxford Community Police Services Board	18,641	25,653
Total reserves	<u>800,864</u>	<u>769,743</u>
Reserves funds set aside for the specific purpose by legislation, regulation or agreement		
- Oxford Community Police Services Board	21,128	20,065
Total Reserves and Reserve Funds	<u>821,992</u>	<u>789,808</u>

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
NOTES to the FINANCIAL STATEMENTS
December 31 2001

9. Disclosure of Expenditures by Object:

	<u>2001</u>	<u>2000</u>
	\$	\$
Wages and Benefits	1,696,193	1,466,311
Interest on Municipal Debt	43,894	56,264
Supplies and Services	1,246,189	1,325,563
Other Transfers	<u>2,050</u>	<u>3,050</u>
	<u><u>2,988,326</u></u>	<u><u>2,851,188</u></u>

10. Charges for Municipal Debt:

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

	<u>2001</u>	<u>2000</u>
	\$	\$
Principal Payments	197,971	208,749
Interest	<u>43,894</u>	<u>56,264</u>
	<u><u>241,865</u></u>	<u><u>265,013</u></u>

11. Public Sector Salary Disclosure Act:

In 2001, one employee 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 by the Corporation of the Township of East Zorra - Tavistock (2000 - one employee).

12. Budget Figures:

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

Monteith, Monteith & Co.

Chartered Accountants

Partners:

ROBERT F. LIGHTFOOT, C.A.
STEPHEN J. LANDERS, B.A., C.A.
ROBERT B. LIGHTFOOT, B.B.A., C.A.

208 ONTARIO STREET
STRATFORD, ONTARIO N5A 3H4
Telephone: (519) 271-6550 Fax: (519) 271-4796
e-mail: administrator@monteith.on.ca

Principal:

MERVYN T. DIETZ, C.M.A.

A - 1

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 Tavistock Recreation Committee of the Corporation of the Township of East Zorra - Tavistock as at December 31, 2001, 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 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 Tavistock Recreation Committee of the Corporation of the Township of East Zorra - Tavistock as at December 31, 2001 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.

MONTEITH, MONTEITH & CO.

CHARTERED ACCOUNTANTS

Stratford, Ontario,
February 7, 2002.

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
TAVISTOCK RECREATION COMMITTEE
STATEMENT OF FINANCIAL POSITION
as at December 31 2001

ASSETS

	<u>2001</u> \$	<u>2000</u> \$
Cash on Hand and in Bank	7,977	7,766
Due from Township	42,844	38,676
Accounts Receivable	--	23
	<u>50,821</u>	<u>46,465</u>

LIABILITIES AND MUNICIPAL POSITION

Liabilities	--	--
Municipal Position - Operating:		
Balance - Beginning of Year	38,676	35,113
Net Revenue (Expenditure)	4,168	3,563
	<u>42,844</u>	<u>38,676</u>
Municipal Position - Bingo:		
Balance - Beginning of Year	7,789	6,681
Net Revenue (Expenditure)	188	1,108
	<u>7,977</u>	<u>7,789</u>
	<u>50,821</u>	<u>46,465</u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
TAVISTOCK RECREATION COMMITTEE
STATEMENT of FINANCIAL ACTIVITIES
for the year ended December 31 2001

	<u>2001</u>	<u>2000</u>
	\$	\$
Administration		
Revenue:		
Interest Income	1,806	2,006
Donations	20	--
Contribution from Township	800	800
	<u>2,626</u>	<u>2,806</u>
Expenditure:		
Salaries	531	227
Other	1,060	269
	<u>1,591</u>	<u>496</u>
	<u>1,035</u>	<u>2,310</u>
Concession		
Revenue:		
Concession Sales	--	3,357
Expenditure:		
Supplies	--	2,047
Repairs and Maintenance	103	405
Operating Agreement Split	--	1,310
Other	--	185
	<u>103</u>	<u>3,947</u>
	<u>(103)</u>	<u>(590)</u>
Swim Program		
Registration Fees	<u>3,355</u>	<u>3,240</u>
Expenditure:		
Lessons and Pool Rental	--	1,493
Supplies and Advertising	119	98
	<u>119</u>	<u>1,591</u>
	<u>3,236</u>	<u>1,649</u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
TAVISTOCK RECREATION COMMITTEE
STATEMENT of FINANCIAL ACTIVITIES
for the year ended December 31 2001

	<u>2001</u> \$	<u>2000</u> \$
Non Licenced Fundraising Revenue	--	260
Expenditure	--	66
	--	194
Net Revenue (Expenditure) - Operating	<u>4,168</u>	<u>3,563</u>
Bingo Revenue:		
Bingo Revenue	7,403	6,011
Interest Income	391	383
	<u>7,794</u>	<u>6,394</u>
Expenditure:		
Lottery Licences	300	570
Other	7,306	4,716
	<u>7,606</u>	<u>5,286</u>
Net Revenue (Expenditure) - Bingo	<u>188</u>	<u>1,108</u>
Net Revenue (Expenditure) - Total	<u>4,356</u>	<u>4,671</u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

**CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
TAVISTOCK RECREATION COMMITTEE
NOTES to the FINANCIAL STATEMENTS
December 31 2001**

1. Accounting Policies:

The financial statements of the Tavistock Recreation Committee 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 statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Consolidation:

(i) Statement of Financial Position:

This statement reflects the assets and liabilities of the Tavistock Recreation Committee, which is under the control of Council.

(ii) Statement of Financial Activities:

This statement reflects the sources of financing and expenditures of the Tavistock Recreation Committee of the Municipality.

(b) 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 depreciation 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:

ROBERT F. LIGHTFOOT, C.A.
STEPHEN J. LANDERS, B.A., C.A.
ROBERT B. LIGHTFOOT, B.B.A., C.A.

208 ONTARIO STREET
STRATFORD, ONTARIO N5A 3H4
Telephone: (519) 271-6550 Fax: (519) 271-4796
e-mail: administrator@monteith.on.ca

Principal:

MERVYN T. DIETZ, C.M.A.

B - 1

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, 2001, 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 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, 2001 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.

MONTEITH, MONTEITH & CO.

CHARTERED ACCOUNTANTS

Stratford, Ontario,
February 7, 2002.

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
HICKSON RECREATION COMMITTEE
STATEMENT of FINANCIAL POSITION
as at December 31 2001

ASSETS

	<u>2001</u>	<u>2000</u>
	\$	\$
Cash on Hand and in Bank	11,175	10,693
Due from Township	<u>28,275</u>	<u>27,736</u>
	<u><u>39,450</u></u>	<u><u>38,429</u></u>

LIABILITIES AND MUNICIPAL POSITION

Liabilities	<u> -- </u>	<u> -- </u>
Municipal Position - Operating:		
Balance - Beginning of Year	27,736	25,642
Net Revenue (Expenditure)	<u> 539 </u>	<u> 2,094 </u>
Balance - End of Year	<u>28,275</u>	<u>27,736</u>
Municipal Position - Bingo:		
Balance - Beginning of Year	10,693	10,777
Net Revenue (Expenditure)	<u> 482 </u>	<u> (84) </u>
Balance - End of Year	<u>11,175</u>	<u>10,693</u>
	<u><u>39,450</u></u>	<u><u>38,429</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 2001

	<u>2001</u> \$	<u>2000</u> \$
Administration		
Revenue:		
Contribution from Township	800	800
Interest Income	1,265	1,524
Other	596	329
	<hr/> 2,661	<hr/> 2,653
Expenditure:		
Salaries	2,584	1,495
Miscellaneous	569	111
	<hr/> 3,153	<hr/> 1,606
	<hr/> (492)	<hr/> 1,047
Concession		
Revenue:		
Concession Sales	12,184	9,914
Expenditure:		
Supplies	8,606	7,938
Repairs and Maintenance	533	419
	<hr/> 9,139	<hr/> 8,357
	<hr/> 3,045	<hr/> 1,557
Minor Ball		
Revenue:		
Registration Fees	5,940	5,072
Other	64	1,054
	<hr/> 6,004	<hr/> 6,126
Expenditure:		
Equipment	2,752	3,332
Umpires	3,853	3,171
Other	1,924	1,397
	<hr/> 8,529	<hr/> 7,900
	<hr/> (2,525)	<hr/> (1,774)

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
HICKSON RECREATION COMMITTEE
STATEMENT of FINANCIAL ACTIVITIES
for the year ended December 31 2001

	<u>2001</u> \$	<u>2000</u> \$
Tournament Revenue	<u>2,960</u>	<u>2,265</u>
Expenditure:		
Umpires	824	768
Other	<u>675</u>	<u>233</u>
	<u>1,499</u>	<u>1,001</u>
	<u>1,461</u>	<u>1,264</u>
 Banquet Expense	 <u>(950)</u>	 <u>--</u>
 Net Revenue (Expenditure) - Operating	 <u><u>539</u></u>	 <u><u>2,094</u></u>
Bingo Revenue:		
Interest Income	<u>482</u>	<u>566</u>
Expenditure:		
Lottery Licences	<u>--</u>	<u>650</u>
	<u>--</u>	<u>650</u>
Net Revenue (Expenditure) - Bingo	<u><u>482</u></u>	<u><u>(84)</u></u>
 Net Revenue (Expenditure) - Total	 <u><u>1,021</u></u>	 <u><u>2,010</u></u>

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
HICKSON RECREATION COMMITTEE
NOTES to the FINANCIAL STATEMENTS
December 31 2001

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. 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.

(a) Basis of Consolidation:

(i) Statement of Financial Position:

This statement reflects the assets and liabilities of the Hickson Recreation Committee, which is under the control of Council.

(ii) Statement of Financial Activities:

This statement reflects the sources of financing and expenditures of the Hickson Recreation Committee of the Municipality.

(b) 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 depreciation 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:

ROBERT F. LIGHTFOOT, C.A.
STEPHEN J. LANDERS, B.A., C.A.
ROBERT B. LIGHTFOOT, B.B.A., C.A.

208 ONTARIO STREET
STRATFORD, ONTARIO N5A 3H4
Telephone: (519) 271-6550 Fax: (519) 271-4796
e-mail: administrator@monteith.on.ca

Principal:

MERVYN T. DIETZ, C.M.A.

C - 1

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, 2001, 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 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, 2001 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.

MONTEITH, MONTEITH & CO.

CHARTERED ACCOUNTANTS

Stratford, Ontario,
February 7, 2002.

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
INNERKIP RECREATION COMMITTEE
STATEMENT of FINANCIAL POSITION
as at December 31 2001

ASSETS

	<u>2001</u> \$	<u>2000</u> \$
Cash - Bingo	18	262
Cash - Float	400	400
Due from Township	<u>5,541</u>	<u>11,943</u>
	<u>5,959</u>	<u>12,605</u>

LIABILITIES AND MUNICIPAL POSITION

Liabilities	<u>--</u>	<u>--</u>
Municipal Position- Operating:		
Balance - Beginning of Year	12,343	11,400
Net Revenue (Expenditure)	<u>(6,402)</u>	<u>943</u>
Balance - End of Year	<u>5,941</u>	<u>12,343</u>
Municipal Position - Bingo:		
Balance - Beginning of Year	262	248
Net Revenue (Expenditure)	<u>(244)</u>	<u>14</u>
Balance - End of Year	<u>18</u>	<u>262</u>
	<u>5,959</u>	<u>12,605</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 2001

	<u>2001</u>	<u>2000</u>
	\$	\$
Administration		
Revenue:		
Contribution from Township	800	800
Donations	216	2,540
Interest Income	491	948
Other Revenue	--	1,620
	<hr/>	<hr/>
	1,507	5,908
	<hr/>	<hr/>
Expenditure:		
Salaries	12,456	9,934
Office Supplies	230	--
Insurance	731	702
Miscellaneous	4,831	173
	<hr/>	<hr/>
	18,248	10,809
	<hr/>	<hr/>
	(16,741)	(4,901)
	<hr/>	<hr/>
Concession		
Sales	27,038	23,547
	<hr/>	<hr/>
Expenditure:		
Supplies	20,281	13,900
Repairs and Maintenance	2,046	3,251
Operating Agreement Split	1,321	2,995
	<hr/>	<hr/>
	23,648	20,146
	<hr/>	<hr/>
	3,390	3,401
	<hr/>	<hr/>
Minor Ball		
Registration Fees	5,182	6,582
Other Revenue	--	520
	<hr/>	<hr/>
	5,182	7,102
	<hr/>	<hr/>
Expenditure:		
Equipment	3,601	4,485
Umpires	396	3,625
Miscellaneous	2,155	3,019
	<hr/>	<hr/>
	6,152	11,129
	<hr/>	<hr/>
	(970)	(4,027)
	<hr/>	<hr/>

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
INNERKIP RECREATION COMMITTEE
STATEMENT of FINANCIAL ACTIVITIES
for the year ended December 31 2001

	<u>2001</u>	<u>2000</u>
	\$	\$
Other Sports		
Registration Fees	--	2,545
Other Revenue	1,750	1,945
	<hr/>	<hr/>
	1,750	4,490
Expenditure:		
Umpires	1,476	540
Miscellaneous	1,758	342
	<hr/>	<hr/>
	3,234	882
	<hr/>	<hr/>
	(1,484)	3,608
Tournaments		
Tournament Revenue	1,295	2,920
Expenditure:		
Umpires	400	1,009
Miscellaneous	1,267	1,628
	<hr/>	<hr/>
	1,667	2,637
	<hr/>	<hr/>
	(372)	283
Fundraising		
Revenue	34,329	3,261
Expenditure	25,017	--
	<hr/>	<hr/>
	9,312	3,261
	<hr/>	<hr/>
Banquet		
Revenue	1,228	260
Expenditure	765	942
	<hr/>	<hr/>
	463	(682)
	<hr/>	<hr/>
Net Revenue (Expenditure) - Operating	<u>(6,402)</u>	<u>943</u>
Bingo		
Interest	5	14
Expenditure:		
Miscellaneous	249	--
	<hr/>	<hr/>
Net Revenue (Expenditure) - Bingo	<u>(244)</u>	<u>14</u>
Net Revenue (Expenditure) - Total	<u>(6,646)</u>	<u>957</u>

Monteith, Monteith & Co.

Chartered Accountants

Partners:

ROBERT F. LIGHTFOOT, C.A.
STEPHEN J. LANDERS, B.A., C.A.
ROBERT B. LIGHTFOOT, B.B.A., C.A.

208 ONTARIO STREET
STRATFORD, ONTARIO N5A 3H4
Telephone: (519) 271-6550 Fax: (519) 271-4796
e-mail: administrator@monteith.on.ca

Principal:

MERVYN T. DIETZ, C.M.A.

D - 1

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 Community Centre of the Corporation of the Township of East Zorra - Tavistock as at December 31, 2001, 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 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 Community Centre of the Corporation of the Township of East Zorra - Tavistock as at December 31, 2001 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.

MONTEITH, MONTEITH & CO.

CHARTERED ACCOUNTANTS

Stratford, Ontario,
February 7, 2002.

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
INNERKIP COMMUNITY CENTRE
STATEMENT of FINANCIAL POSITION
as at December 31 2001

ASSETS

	<u>2001</u>	<u>2000</u>
	\$	\$
Due from Township	--	3,626

LIABILITIES AND MUNICIPAL POSITION

Liabilities	--	--
Municipal Position:		
Balance - Beginning of Year	3,629	5,012
Net Revenue (Expenditure)	(3,629)	(1,383)
Balance - End of Year	--	3,629
	--	3,629

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
INNERKIP COMMUNITY CENTRE
STATEMENT of FINANCIAL ACTIVITIES
for the year ended December 31 2001

	<u>2001</u>	<u>2000</u>
	\$	\$
Revenue:		
Rentals	14,301	16,923
Pop Receipts	3,215	2,974
Interest	97	424
Contribution from Township	439	--
Contribution from Reserve	--	2,000
Other recreation Receipts	10	--
	<hr/>	<hr/>
	18,062	22,321
	<hr/>	<hr/>
Expenditures:		
Cleaning Materials	721	469
Miscellaneous Purchases	797	403
Booth Supplies - Bar	1,943	1,613
Telephone	863	833
Building and Ground Maintenance	1,141	4,409
Lions Club Agreement	7,117	8,685
Electrical Power	7,147	5,394
Insurance	1,962	1,898
	<hr/>	<hr/>
	21,691	23,704
	<hr/>	<hr/>
Net Revenue (Expenditure)	<u>(3,629)</u>	<u>(1,383)</u>

(SEE ACCOMPANYING NOTES to the FINANCIAL STATEMENTS)

CORPORATION OF THE TOWNSHIP OF EAST ZORRA - TAVISTOCK
INNERKIP COMMUNITY CENTRE
NOTES to the FINANCIAL STATEMENTS
December 31 2001

1. Accounting Policies:

The financial statements of the Innerkip Community Centre 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. 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) Statement of Financial Position:

This statement reflects the assets and liabilities of the Innerkip Community Centre, which is under the control of Council.

(ii) Statement of Financial Activities:

This statement reflects the sources of financing and expenditures of the Innerkip Community Centre of the Municipality.

(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. The principal and interest charges are not accrued for the period(s) from the date(s) of the latest instalment payment(s) to the end of the financial year.

(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 depreciation 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.

2. Commitment of Surplus:

If at the end of any calendar year a surplus is realized from the operation of the community centre, all funds in excess of \$5,000 shall be returned to the Innerkip Lions Club. An account payable of \$Nil was set up for the return of excess funds at December 31, 2001 (2000 - \$Nil).