

## AUDITORS' REPORT

### TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE MUNICIPALITY OF MARMORA AND LAKE

We have examined the consolidated financial statements of the Corporation of the Municipality of Marmora and Lake for the year ended December 31, 2007 from which the accompanying summary financial statements have been prepared. We have reported on the consolidated financial statements with qualification on February 28, 2008.

The Municipality has not recorded the liability for closure and post-closure costs for solid waste landfill sites owned exclusively by the Municipality, which is not in accordance with Canadian generally accepted accounting principles. Although this liability would be significant, there would not be any net effect on the municipal fund balances but there would be an increase in the amounts to be recovered in future years.

In our opinion, the accompanying summary financial statements fairly summarize the information contained in the consolidated financial statements upon which we have reported.

*Collins Barrow Kawarthas LLP*

Chartered Accountants  
Licensed Public Accountants

Peterborough, Ontario  
February 28, 2008

CORPORATION OF THE MUNICIPALITY OF MARMORA AND LAKE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2007

	2007 \$	2006 \$
<b>ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
Cash	1,711,167	-
Taxes receivable	597,011	535,336
Trade and other receivables	1,277,605	1,334,935
Other assets	45,498	-
<b>TOTAL ASSETS</b>	<b>3,631,281</b>	<b>1,870,271</b>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
<b>LIABILITIES</b>		
Bank indebtedness	-	138,290
Accounts payable	1,530,716	1,114,070
Deferred revenue - obligatory reserve funds	165,953	53,792
Deferred revenue - other	1,720,850	50,000
Landfill closure and post-closure liability	92,348	84,439
Long-term debt	2,195,027	1,290,818
	5,704,894	2,731,409
<b>MUNICIPAL POSITION</b>		
Fund Balances		
Current fund	(453,950)	(263,762)
Capital fund	(325,083)	(479,962)
Reserves	992,795	1,257,843
	213,762	514,119
Amounts To Be Recovered		
Long-term debt	(2,195,027)	(1,290,818)
Landfill closure and post-closure liability	(92,348)	(84,439)
	(2,287,375)	(1,375,257)
	(2,073,613)	(861,138)
<b>TOTAL LIABILITIES AND MUNICIPAL POSITION</b>	<b>3,631,281</b>	<b>1,870,271</b>



CORPORATION OF THE MUNICIPALITY OF MARMORA AND LAKE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
For The Year Ended December 31, 2007

	Budget 2007 \$	Actual 2007 \$	Actual 2006 \$
<b>REVENUES</b>			
Property taxation	2,933,122	2,871,674	2,700,173
User charges	418,000	602,752	594,515
Government of Canada	1,401,000	1,299,163	505,403
Province of Ontario	4,103,549	2,363,066	1,976,953
Other municipalities	111,000	35,580	159,006
Penalties and interest on taxes	86,000	89,295	85,236
Investment income	20,000	65,797	21,840
Sale of land and equipment	30,000	23,069	72,334
Donations	19,000	14,460	19,064
Developer contributions earned	-	-	10,000
Capital contributions	-	-	160,144
<b>TOTAL REVENUES</b>	<b>9,121,671</b>	<b>7,364,856</b>	<b>6,304,668</b>
<b>EXPENDITURES</b>			
General government	647,358	464,083	487,442
Protection to persons and property	946,700	940,890	924,347
Transportation services	2,052,800	2,142,223	1,839,562
Environmental services	5,809,600	4,140,093	2,941,443
Health services	127,000	119,719	43,519
Recreation and cultural services	687,013	589,716	570,381
Planning and development	347,700	180,607	124,133
<b>TOTAL EXPENDITURES</b>	<b>10,618,171</b>	<b>8,577,331</b>	<b>6,930,827</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>(1,496,500)</b>	<b>(1,212,475)</b>	<b>(626,159)</b>
<b>INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED</b>			
Debt principal repayments	(82,000)	(95,791)	(75,855)
Proceeds of long-term debt	-	1,000,000	181,142
Landfill closure and post-closure liability	-	7,909	22,845
	(82,000)	912,118	128,132
<b>INCREASE (DECREASE) IN FUND BALANCES</b>	<b>(1,578,500)</b>	<b>(300,357)</b>	<b>(498,027)</b>
<b>OPENING FUND BALANCES</b>	<b>752,881</b>	<b>514,119</b>	<b>1,012,146</b>
<b>CLOSING FUND BALANCES</b>	<b>(825,619)</b>	<b>213,762</b>	<b>514,119</b>

**CORPORATION OF THE MUNICIPALITY OF MARMORA AND LAKE**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For The Year Ended December 31, 2007**

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1. The 2007 Financial Statements consolidate the operations, assets and liabilities of the Municipality of Marmora and Lake and its local board as follows:

. Marmora and Lake Public Library Board

2. **OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS**

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	School Boards \$	County \$
Property taxation	986,138	1,140,651
Amount requisitioned	986,138	1,140,651

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These amounts have not been included in the Consolidated Statement of Financial Activities.

3. The above data has been extracted from the audited 2007 Financial Statements of the Municipality. Copies of the 2007 Financial Statements and the auditor's report thereon, are available at the Municipality's Offices to any resident who wishes to review or analyze the financial operations of the Municipality in greater detail.