

## 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, 2005 from which the accompanying summary financial statements have been prepared. We have reported on the consolidated financial statements with qualification on March 30, 2006.

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*

Peterborough, Ontario  
March 30, 2006

Chartered Accountants

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**At December 31, 2005**

	2005 \$	2004 \$
<b>ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	-	284,871
Taxes receivable	512,688	588,273
Trade and other receivables	3,234,566	803,980
<b>TOTAL ASSETS</b>	<b>3,747,254</b>	<b>1,677,124</b>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
<b>LIABILITIES</b>		
Bank indebtedness	465,748	-
Accounts payable	2,219,627	721,057
Deferred revenue	49,733	7,873
Landfill closure and post-closure liability	61,594	55,758
Long-term debt	1,185,531	110,707
	3,982,233	895,395
<b>MUNICIPAL POSITION</b>		
Fund Balances		
Current fund	(35,495)	(113,373)
Capital fund	(67,654)	(240,866)
Reserves	1,115,295	1,302,433
	1,012,146	948,194
Amounts To Be Recovered		
Long-term debt	(1,185,531)	(110,707)
Landfill closure and post-closure liability	(61,594)	(55,758)
	(1,247,125)	(166,465)
	(234,979)	781,729
<b>TOTAL LIABILITIES AND MUNICIPAL POSITION</b>	<b>3,747,254</b>	<b>1,677,124</b>

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**For The Year Ended December 31, 2005**

	Budget 2005 \$	Actual 2005 \$	Actual 2004 \$
<b>REVENUES</b>			
Property taxation	2,601,240	2,534,748	2,547,344
Taxation from other governments	14,800	9,440	10,506
User charges	443,500	526,214	467,854
Government of Canada	-	901,194	-
Province of Ontario	2,451,497	3,163,125	1,782,268
Other municipalities	-	175,580	-
Penalties and interest on taxes	84,000	77,170	86,192
Investment income	15,000	24,220	13,474
Sale of land and equipment	1,100	35,273	24,292
Donations	35,900	60,657	50,197
<b>TOTAL REVENUES</b>	<b>5,647,037</b>	<b>7,507,621</b>	<b>4,982,127</b>
<b>EXPENDITURES</b>			
General government	484,900	502,132	474,694
Protection to persons and property	920,800	932,819	857,301
Transportation services	2,646,037	2,942,572	2,229,615
Environmental services	812,450	3,571,284	721,241
Health services	61,900	61,447	57,798
Recreation and cultural services	446,050	417,005	390,215
Planning and development	77,100	97,070	18,862
<b>TOTAL EXPENDITURES</b>	<b>5,449,237</b>	<b>8,524,329</b>	<b>4,749,726</b>
<b>NET REVENUES/(EXPENDITURES)</b>	<b>197,800</b>	<b>(1,016,708)</b>	<b>232,401</b>
<b>INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED</b>			
Debt principal repayments	(16,000)	(27,403)	(10,201)
Proceeds of long-term debt	-	1,102,227	-
Landfill closure and post-closure liability	-	5,836	5,328
	(16,000)	1,080,660	(4,873)
<b>INCREASE (DECREASE) IN FUND BALANCES</b>	<b>181,800</b>	<b>63,952</b>	<b>227,528</b>
<b>OPENING FUND BALANCES</b>	<b>948,194</b>	<b>948,194</b>	<b>720,666</b>
<b>CLOSING FUND BALANCES</b>	<b>1,129,994</b>	<b>1,012,146</b>	<b>948,194</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
For The Year Ended December 31, 2005**

---

- 1. The 2005 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**

---

	School Boards \$	County \$
Property taxation	943,020	1,111,645
Amount requisitioned	943,020	1,111,645

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

- 3. The above data has been extracted from the audited 2005 Financial Statements of the Municipality. Copies of the 2005 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.