

## **AUDITORS' REPORT**

### **TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE MUNICIPALITY OF HASTINGS HIGHLANDS**

We have examined the consolidated financial statements of the Corporation of the Municipality of Hastings Highlands 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 the following qualification on February 2, 2006.

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  
February 2, 2006

Chartered Accountants

**CORPORATION OF THE MUNICIPALITY OF HASTINGS HIGHLANDS****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****At December 31, 2005**

	2005 \$	2004 \$
<b>ASSETS</b>		
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	795,656	255,616
Taxes and grants in lieu receivable	731,804	741,552
Accounts receivable	178,745	99,680
Other assets	24,454	5,629
<b>TOTAL ASSETS</b>	<b>1,730,659</b>	<b>1,102,477</b>
<b>LIABILITIES AND MUNICIPAL POSITION</b>		
<b>LIABILITIES</b>		
Accounts payable	391,386	379,687
Deferred revenue	58,672	-
Long term debt	214,733	296,958
Landfill closure and post-closure liability	242,100	218,900
	906,891	895,545
<b>MUNICIPAL POSITION</b>		
Fund Balances		
Current fund	16,567	2,530
Reserves	1,264,034	720,260
	1,280,601	722,790
Amounts To Be Recovered		
Long term debt to be recovered	(214,733)	(296,958)
Landfill closure and post-closure liability	(242,100)	(218,900)
	(456,833)	(515,858)
	823,768	206,932
<b>TOTAL LIABILITIES AND MUNICIPAL POSITION</b>	<b>1,730,659</b>	<b>1,102,477</b>

**CORPORATION OF THE MUNICIPALITY OF HASTINGS HIGHLANDS****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES****For The Year Ended December 31, 2005**

	Budget 2005 \$	Actual 2005 \$	Actual 2004 \$
<b>REVENUES</b>			
Property taxation	2,824,612	2,816,869	2,766,840
Taxation from other governments	24,600	23,836	24,597
User charges	169,360	213,380	160,847
Government of Canada	6,550	10,447	909
Province of Ontario	1,347,184	1,362,510	875,218
Other municipalities	-	291,809	-
Penalties and interest on taxes	99,120	116,656	99,180
Investment income	14,920	27,792	15,031
Sale of land	15,000	13,119	18,186
<b>TOTAL REVENUES</b>	<b>4,501,346</b>	<b>4,876,418</b>	<b>3,960,808</b>
<b>EXPENDITURES</b>			
General government	586,693	601,146	542,814
Protection to persons and property	1,116,072	994,731	909,411
Transportation services	1,986,395	2,060,591	1,727,021
Environmental services	334,570	392,998	298,615
Health services	15,250	12,430	12,867
Recreation and cultural services	165,526	136,739	144,440
Library	39,726	53,699	43,119
Planning and development	-	7,248	-
<b>TOTAL EXPENDITURES</b>	<b>4,244,232</b>	<b>4,259,582</b>	<b>3,678,287</b>
<b>NET REVENUES</b>	<b>257,114</b>	<b>616,836</b>	<b>282,521</b>
<b>INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED</b>			
Debt principal repayments	(86,010)	(82,225)	(84,838)
Landfill closure and post-closure liability	23,200	23,200	23,200
	(62,810)	(59,025)	(61,638)
<b>INCREASE IN FUND BALANCES</b>	<b>194,304</b>	<b>557,811</b>	<b>220,883</b>
<b>OPENING FUND BALANCES</b>	<b>722,790</b>	<b>722,790</b>	<b>501,907</b>
<b>CLOSING FUND BALANCES</b>	<b>917,094</b>	<b>1,280,601</b>	<b>722,790</b>

**CORPORATION OF THE MUNICIPALITY OF HASTINGS HIGHLANDS**

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

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1. The 2005 Financial Statements consolidate the operations, assets and liabilities of the Municipality of Hastings Highlands and its local boards.

- . Hastings Highlands Public Library Board
- . Cemetery Board

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

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	School Boards \$	County \$
Property taxes	1,423,506	1,864,825
Amount requisitioned and remitted	1,423,506	1,864,825

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The revenues and expenditures are not reflected in the "Consolidated Statement of Operations".

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.