

**CORPORATION OF THE
TOWN OF DESERONTO
CONSOLIDATED FINANCIAL STATEMENTS
AT DECEMBER 31, 2007**

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TOWN OF DESERONTO
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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THE CORPORATION OF THE TOWN OF DESERONTO

For The Year Ended December 31, 2007

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Town of Deseronto are the responsibility of management and have been approved by Council.

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Town maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Town's assets are appropriately accounted for and adequately safeguarded.

The Town's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Town's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Town of Deseronto. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the external auditor's report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Town. Collins Barrow Kawarthas LLP has full and free access to Council.

Mayor

Date

09 SEPTEMBER 2008

Treasurer

Date

September 9, 2008

AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWN OF DESERONTO

We have audited the consolidated statement of financial position of the Corporation of the Town of Deseronto as at December 31, 2007 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Town'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 consolidated financial statements, present fairly, in all material respects, the financial position of the Town as at December 31, 2007 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 10, 2008

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At December 31, 2007

	2007 \$	2006 \$
ASSETS		
FINANCIAL ASSETS		
Cash and temporary investments	480,487	67,180
Taxes and grants in lieu receivable	339,233	339,319
Accounts receivable	184,413	552,428
Other assets	34,480	121,653
TOTAL ASSETS	1,038,613	1,080,580
LIABILITIES AND MUNICIPAL POSITION		
LIABILITIES		
Accounts payable	584,966	458,636
Deferred revenue obligatory reserve funds (Note 3)	126,796	82,394
Other deferred revenues	94,107	44,446
Long term debt (Note 4)	1,160,594	1,352,412
Employee future benefits payable (Note 5)	93,250	-
	2,059,713	1,937,888
MUNICIPAL POSITION		
Fund Balances (Note 6)		
Current fund	(197,782)	(1,527)
Capital fund	(65,709)	(73,709)
Reserves (see Schedule page 16)	496,235	570,340
	232,744	495,104
Amounts To Be Recovered		
Long term debt	(1,160,594)	(1,352,412)
Employee future benefits	(93,250)	-
	(1,253,844)	(1,352,412)
	(1,021,100)	(857,308)
TOTAL LIABILITIES AND MUNICIPAL POSITION	1,038,613	1,080,580

The accompanying notes are an integral part of this financial statement.

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

	Budget 2007 \$	Actual 2007 \$	Actual 2006 \$
REVENUES			
Property taxation	979,420	962,834	912,142
User charges	1,354,815	1,312,779	1,267,657
Government of Canada	21,140	64,185	23,122
Province of Ontario	1,101,474	1,046,382	742,837
Other municipalities	-	-	71,662
Penalties and interest on taxes	38,000	43,430	37,351
Investment income	1,500	15,961	9,997
Donations and fundraising	-	4,971	3,896
Sale of assets	-	-	38,300
TOTAL REVENUES	3,496,349	3,450,542	3,106,964
EXPENDITURES			
General government	265,772	281,356	300,100
Protection to persons and property	629,659	630,814	646,444
Transportation services	518,900	506,018	606,619
Environmental services	1,215,930	1,270,664	733,451
Health services	4,000	18,058	19,381
Recreation and cultural services	700,107	851,930	559,947
Planning and development	17,200	55,494	16,390
TOTAL EXPENDITURES	3,351,568	3,614,334	2,882,332
NET REVENUES/(EXPENDITURES)	144,781	(163,792)	224,632
INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED			
Long term debt repaid	(190,950)	(191,818)	(185,046)
Long term debt issued	-	-	14,052
Employee future benefits payable	-	93,250	-
	(190,950)	(98,568)	(170,994)
INCREASE (DECREASE) IN FUND BALANCES	(46,169)	(262,360)	53,638
OPENING FUND BALANCES	495,104	495,104	441,466
CLOSING FUND BALANCES	448,935	232,744	495,104

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
For The Year Ended December 31, 2007

	2007 \$	2006 \$
OPERATIONS		
Net revenues/(expenditures)	(163,792)	224,632
(Uses) Sources:		
(Increase) decrease in taxes receivable	86	(80,875)
(Increase) decrease in trade and other receivables	368,015	(278,695)
(Increase) decrease in other assets	87,173	(107,875)
Increase in accounts payable	126,330	252,036
Increase in deferred revenue - obligatory reserve funds	44,402	33,184
Increase in other deferred revenues	49,661	10,514
Increase in employee future benefits payable	93,250	-
Net increase in cash from operations	605,125	52,921
FINANCING		
Long term debt repaid	(191,818)	(185,046)
Long term debt issued	-	14,052
	(191,818)	(170,994)
NET CHANGE IN CASH AND CASH EQUIVALENTS	413,307	(118,073)
OPENING CASH AND CASH EQUIVALENTS	67,180	185,253
CLOSING CASH AND CASH EQUIVALENTS	480,487	67,180

The accompanying notes are an integral part of this financial statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

The Town of Deseronto is a lower tier municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures and fund balances of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. The financial statements include:

Deseronto Water and Sewer System
Deseronto Community Recreation Centre
Deseronto Public Library Board
Deseronto Cemetery Board
Deseronto Business Improvement Area - dissolved in 2007
Deseronto Junior "A" Hockey Club

All interfund assets and liabilities and revenues and expenditures are eliminated.

Fund Accounting

Funds within the consolidated financial statements consist of current, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate municipal fund balance.

Trust funds and their related operations administered by the Town are not included in these financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis recognizes revenues as they become 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.

Capital Assets

Expenditures made on capital assets are reported as capital expenditures on the Consolidated Statement of Financial Activities in the period incurred.

Reserves

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

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1. SIGNIFICANT ACCOUNTING POLICIES - (Continued)**Deferred Revenue**

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

Government Funding

Government funding is recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Taxation

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Town Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Town is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the Town upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose no significant collection risk.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions on such areas as employee future benefits. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period and are based on the Town's best information and judgment. Actual results could differ from these estimates.

Financial Instruments

The Town's financial instruments consist of cash and temporary investments, taxes and grants in lieu receivable, accounts receivable, accounts payable and long term debt. The Town's long term debt have outstanding obligations with a variable rate of interest and as such represents a credit risk to the Town should interest rates fluctuate. The Town does not have any other significant concentration of currency or credit risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

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2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF HASTINGS

During 2007, requisitions were made by the County of Hastings and School Boards requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Property taxes	245,272	250,896
Taxation from other governments	28	5,392
Amount requisitioned and remitted	245,300	256,288

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

3. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation and other agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Town are summarized below.

	2007 \$	2006 \$
. parkland	13,923	13,730
. lot levy	16,142	16,133
. federal gas tax rebate	96,731	52,531
	126,796	82,394

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

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4. LONG TERM DEBT

	2007 \$	2006 \$
(a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:		
Payable to the Province of Ontario - Financial Integrity Fund annual payments of \$27,790 principal and interest, at 6.80%, due in 2015. The principal and interest on this loan have been postponed until December 31, 2008. Interest on this loan has been accrued at December 31, 2007 in the amount of \$11,372.	167,234	167,234
Long term bank loan, with principal payments of \$4,760 per month plus interest at prime currently 6.00%, due in 2008.	9,680	66,800
Debenture payable with annual instalments of varying amounts plus interest at variable amounts ranging from 7.00% to 7.50%, due in 2012.	524,000	609,000
Long term loan from Ontario Strategic Infrastructure Financing Authority, with semi-annual payments of \$21,140 principal and interest at 4.04%, due in 2015.	286,576	316,372
Long term bank loan with monthly payments of \$1,390 plus interest at prime currently 6.00% , due in 2017.	159,650	176,330
Lease purchase agreement with monthly payments of \$398 principal and interest with interest at 10.235%, due 2011.	13,454	16,676
	1,160,594	1,352,412

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

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4. **LONG TERM DEBT - (Cont'd)**

(b) Future long term debt payments are as follows:

	Principal \$	Interest \$	Total \$
2008	168,358	68,151	236,509
2009	167,443	57,615	225,058
2010	177,376	46,443	223,819
2011	185,206	34,455	219,661
2012	194,432	21,934	216,366
2013 and thereafter	892,815 267,779	228,598 29,326	1,121,413 297,105
	1,160,594	257,924	1,418,518

(c) The long term debt in (a) issued in the name of the municipality have received approval of the Ontario Municipal Board (or approval by private legislation) for those approved on or before December 31, 1992. Those approved after January 1, 1993 have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(d) Total charges for the year for long term debt which are reported on the Consolidated Statement of Financial Activities are as follows:

	2007 \$	2006 \$
Principal payments	191,818	185,046
Interest	79,464	89,417
	271,282	274,463

5. **EMPLOYEE FUTURE BENEFITS PAYABLE**

The Town has committed to future payments for earnings and benefits on behalf of employees who agreed to early retirement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

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6. MUNICIPAL POSITION AT THE END OF THE YEAR

The municipal position is comprised of the following:

	2007 \$	2006 \$
Current Fund		
For general reduction (increase) of taxation and user charges		
. Town	(120,042)	-
. Water and sewer system	(54,306)	-
. Public Library board	12,143	(627)
. Cemetery Board	(9,716)	(8,507)
. Business Improvement Area Board	-	7,607
. Storm Junior "A" Hockey Club	(25,861)	-
	(197,782)	(1,527)
Capital Fund		
. Transportation services	(65,709)	(73,709)
Reserves		
	496,235	570,340
	232,744	495,104

7. PENSION AGREEMENTS

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time 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 the length of service and rates of pay.

Contributions required on account of current service in 2007 were \$21,928 (2006 - \$13,390).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

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8. TRUST FUNDS

Trust funds administered by the Town amounting to \$91,297 (2006 - \$88,947) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Financial Activities.

9. EXPENDITURES BY OBJECT

The operating expenditures for the year reported on the Consolidated Schedule of Current Fund operations by object are as follows:

	Budget 2007 \$	Actual 2007 \$	Actual 2006 \$
Salaries, wages and employee benefits	759,084	891,118	582,394
Debt interest charges	71,050	79,464	89,417
Materials	858,526	885,788	646,916
Contracted services	1,147,726	1,125,335	1,011,461
Rents and financial expenses	36,260	60,489	19,720
External transfers	32,372	35,360	20,604
	2,905,018	3,077,554	2,370,512

10. BUDGET FIGURES

Budgets established for capital funds and reserves are based on a project-oriented basis, the costs of which may be carried out over one or more years. Although they are not directly comparable with the current year actual amounts they have been reflected on the Consolidated Statement of Financial Activities. Budget figures are not subject to audit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

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11. TANGIBLE CAPITAL ASSETS

Tangible capital assets are reported as an expenditure on the consolidated statement of financial activities in the year of acquisition. Effective for the fiscal year beginning January 1, 2009, the Town, along with all other local governments, will be required to recognize tangible capital assets on the consolidated statement of financial position and any amortization, gains or losses on disposal or impairments on the consolidated statement of financial activities. This change in accounting standards will require recognition of tangible capital assets on the consolidated statement of financial position, that were previously recorded as an expenditure in the consolidated statement of financial activities.

The Town has undertaken an inventory of all its tangible capital assets and has identified the following major categories:

- Land and land improvements
- Buildings
- Linear assets
- Machinery and equipment
- Vehicles
- Capital works in progress

The Town has prepared draft accounting policies for tangible capital assets and is in the process of reviewing and approving these policies. The approval and implementation of these accounting policies will be completed in adequate time to allow for recognition of the Town's tangible capital assets on the consolidated statement of financial position for the year ending December 31, 2009.

12. CREDIT FACILITY AGREEMENT

The Town has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$650,000 via an overdraft or demand note. Any balance borrowed will accrue interest at the bank's prime lending rate up to \$500,000 and at the bank's prime rate plus 1% per annum thereafter up to the credit limit. Council authorized the temporary borrowing limit for 2007 by By-law 02-07. At December 31, 2007 there was a balance outstanding of \$Nil.

CONSOLIDATED SCHEDULE OF CURRENT FUND OPERATIONS
For The Year Ended December 31, 2007

	Budget 2007 \$	Actual 2007 \$	Actual 2006 \$
REVENUES			
Property taxation	979,420	962,834	912,142
User charges	1,354,815	1,312,779	1,267,657
Government of Canada	1,140	36,632	8,755
Province of Ontario	801,474	687,794	581,779
Penalties and interest on taxes	38,000	43,430	37,351
Investment income	1,500	15,961	9,997
Sale of capital assets	-	-	38,300
Donations and fundraising	-	4,971	875
TOTAL REVENUES	3,176,349	3,064,401	2,856,856
EXPENDITURES			
General government	263,772	265,678	283,449
Protection to persons and property	619,859	619,394	595,648
Transportation services	508,900	451,175	286,760
Environmental services	835,930	896,935	733,451
Health services	4,000	18,058	19,381
Recreation and cultural services	655,357	770,820	435,433
Planning and development	17,200	55,494	16,390
TOTAL EXPENDITURES	2,905,018	3,077,554	2,370,512
NET REVENUES/(EXPENDITURES)	271,331	(13,153)	486,344
FINANCING AND TRANSFERS			
Long term debt repaid	(190,950)	(191,818)	(185,046)
Transfer (to) from reserves	4,800	34,105	(256,984)
Transfer to capital fund	(94,550)	(118,639)	(53,687)
Employee future benefits payable	-	93,250	-
NET FINANCING AND TRANSFERS	(280,700)	(183,102)	(495,717)
CHANGE IN CURRENT FUND BALANCE	(9,369)	(196,255)	(9,373)
OPENING CURRENT FUND BALANCE	-	(1,527)	7,846
CLOSING CURRENT FUND BALANCE	(9,369)	(197,782)	(1,527)

CONSOLIDATED SCHEDULE OF CAPITAL FUND OPERATIONS
For The Year Ended December 31, 2007

	Budget 2007 \$	Actual 2007 \$	Actual 2006 \$
REVENUES			
Government of Canada	20,000	27,553	14,367
Province of Ontario	300,000	358,588	161,058
Other municipalities	-	-	71,662
Capital donations	-	-	3,021
TOTAL REVENUES	320,000	386,141	250,108
EXPENDITURES			
General government	2,000	15,678	16,651
Protection to persons and property	9,800	11,420	50,796
Transportation services	10,000	54,843	319,859
Environmental services	380,000	373,729	-
Recreation and cultural services	44,750	81,110	124,514
TOTAL EXPENDITURES	446,550	536,780	511,820
NET REVENUES/(EXPENDITURES)	(126,550)	(150,639)	(261,712)
FINANCING AND TRANSFERS			
Transfers from current fund	94,550	118,639	53,687
Transfer from reserves	40,000	40,000	120,264
Long term debt issued	-	-	14,052
NET FINANCING AND TRANSFERS	134,550	158,639	188,003
CHANGE IN CAPITAL FUND BALANCE	8,000	8,000	(73,709)
OPENING CAPITAL FUND BALANCE	(73,709)	(73,709)	-
CLOSING CAPITAL FUND BALANCE	(65,709)	(65,709)	(73,709)

CONSOLIDATED SCHEDULE OF RESERVES
For The Year Ended December 31, 2007

	Budget 2007 \$	Actual 2007 \$	Actual 2006 \$
TRANSFERS FROM/(TO) OTHER FUNDS			
Current fund	(4,800)	(34,105)	256,984
Capital fund	(40,000)	(40,000)	(120,264)
TOTAL NET TRANSFERS	(44,800)	(74,105)	136,720
CHANGE IN RESERVES BALANCE	(44,800)	(74,105)	136,720
OPENING BALANCE	570,340	570,340	433,620
CLOSING BALANCE	525,540	496,235	570,340

ANALYZED AS FOLLOWS:

Reserves set aside for specific purposes
by Council

. working funds	178,446	178,446
. general capital expenditure	73,963	78,763
. water and sewer	190,978	260,283
. water and sewer debenture	42,280	42,280
. library donations	3,880	3,880
. zoning	6,688	6,688
TOTAL RESERVES	496,235	570,340

**DESERONTO WATER AND SEWER SYSTEM
SCHEDULE OF FINANCIAL POSITION
At December 31, 2007**

	2007 \$	2006 \$
FINANCIAL ASSETS		
Cash	54,509	40,782
Accounts receivable	40,425	421,428
Other assets	25,749	25,755
Due from Town	84,769	-
TOTAL ASSETS	205,452	487,965
LIABILITIES AND MUNICIPAL POSITION		
LIABILITIES		
Accounts payable	26,500	26,500
Due to Town	-	158,903
Long term debt	970,222	992,172
	996,722	1,177,575
MUNICIPAL POSITION		
Fund Balances		
Current fund	(54,306)	-
Reserve	233,258	302,562
	178,952	302,562
Amount To Be Recovered		
Long term debt	(970,222)	(992,172)
	(791,270)	(689,610)
TOTAL LIABILITIES AND MUNICIPAL POSITION	205,452	487,965

**DESERONTO WATER AND SEWER SYSTEM
SCHEDULE OF FINANCIAL ACTIVITIES
For The Year Ended December 31, 2007**

	Budget 2007 \$	Current Fund \$	Capital Fund \$	Reserves \$	Actual 2007 \$	Actual 2006 \$
REVENUES						
User charges	899,150	877,234	-	-	877,234	939,702
Government of Canada	20,000	-	20,000	-	20,000	14,367
Ontario grants	300,000	-	300,000	-	300,000	15,732
Sewer frontage charges	26,800	26,937	-	-	26,937	26,895
Penalties and interest on user charges	10,000	10,509	-	-	10,509	12,104
Other	1,500	922	-	-	922	1,506
TOTAL REVENUES	1,257,450	915,602	320,000	-	1,235,602	1,010,306
EXPENDITURES						
Plant and system operations	635,950	683,086	-	-	683,086	548,043
Bad debt provision	500	29,304	-	-	29,304	-
Billing and collection	35,000	29,927	-	-	29,927	32,065
Town administration fee	15,000	15,000	-	-	15,000	-
Long term debt interest	59,980	56,250	-	-	56,250	66,226
System improvements	380,000	-	373,729	-	373,729	-
TOTAL EXPENDITURES	1,126,430	813,567	373,729	-	1,187,296	646,334
NET REVENUES/ (EXPENDITURES)	131,020	102,035	(53,729)	-	48,306	363,972
FINANCING AND TRANSFERS						
Interfund transfers	-	15,575	53,729	(69,304)	-	-
Debt principal repayment	(171,020)	(171,916)	-	-	(171,916)	(165,748)
	(171,020)	(156,341)	53,729	(69,304)	(171,916)	(165,748)
CHANGE IN FUND BALANCES	(40,000)	(54,306)	-	(69,304)	(123,610)	198,224
OPENING FUND BALANCES	302,562	-	-	302,562	302,562	104,338
CLOSING FUND BALANCES	262,562	(54,306)	-	233,258	178,952	302,562

AUDITORS' REPORT

TO THE MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWN OF DESERONTO

We have audited the statement of financial position of the Trust Funds of the Corporation of the Town of Deseronto as at December 31, 2007 and the statement of continuity of the Trust Funds for the year then ended. These financial statements are the responsibility of the Town'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 Trust Funds of the Town as at December 31, 2007 and the continuity of the Trust Funds for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 10, 2008

TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2007

	Cemetery Perpetual and Care Maintenance \$	Memorial Scholarship \$	Ontario Home Renewal Program \$	Total \$
ASSETS				
Cash	6,311	-	2,202	8,513
Investments (Note 3)	70,202	1,000	-	71,202
Due from Cemetery Board	8,562	-	-	8,562
Accrued interest	1,275	-	-	1,275
Loans receivable (Note 2)	-	-	3,698	3,698
TOTAL ASSETS	86,350	1,000	5,900	93,250
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Due to Town	-	-	1,953	1,953
FUND BALANCES				
Capital	86,350	1,000	3,947	91,297
	86,350	1,000	5,900	93,250

The accompanying notes are an integral part of this financial statement.

TRUST FUNDS
STATEMENT OF CONTINUITY
For The Year Ended December 31, 2007

	Cemetery Perpetual and Care Maintenance \$	Memorial Scholarship \$	Ontario Home Renewal Program \$	Total \$
BALANCE AT THE BEGINNING OF THE YEAR	83,990	1,000	3,957	88,947
REVENUES				
Interest earned	2,298	21	1	2,320
Care and maintenance receipts	2,360	-	-	2,360
TOTAL REVENUES	4,658	21	1	4,680
EXPENDITURES				
Bank charges	23	-	11	34
Transfer to Cemetery Board current fund	2,275	-	-	2,275
Transfer to Town	-	21	-	21
TOTAL EXPENDITURES	2,298	21	11	2,330
BALANCE AT THE END OF THE YEAR	86,350	1,000	3,947	91,297

The accompanying notes are an integral part of this financial statement.

TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Basis of Accounting

Revenues and expenditures are recorded on the accrual basis of accounting.

2. ONTARIO HOME RENEWAL PROGRAM LOANS

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable is \$4,000. Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

Ontario Home Renewal Program loans receivable at December 31, 2007 are comprised of repayable loans of \$3,698 (2006 \$3,698).

The Province of Ontario cancelled the Ontario Home Renewal Program as of July 16, 1993. As of that date, no new loans are to be issued and surplus funds are to be returned to the Province annually.

3. INVESTMENTS

The investments held in the trust at the end of the year are as follows:

	2007 \$	2006 \$
CIBC Guaranteed Investment Certificates		
- interest at 3.35%, maturing May 23, 2008	61,202	61,202
- interest at 3.20%, maturing November 13, 2008	9,000	9,000
- interest at 2.80%, maturing January 10, 2008	1,000	1,000
	71,202	71,202
Market Value	71,202	71,202

4. CEMETERY PERPETUAL CARE TRUST

These trust funds represent a portion of the sale of cemetery plots and monument foundations at the Deseronto Cemetery. The capital amounts are to be kept intact in perpetuity, with investment income earned on these funds used to maintain the Cemetery.

**CORPORATION OF THE TOWN OF DESERONTO
DESERONTO PUBLIC LIBRARY BOARD
FINANCIAL STATEMENTS
AT DECEMBER 31, 2007**

AUDITORS' REPORT

TO THE MEMBERS OF THE DESERONTO PUBLIC LIBRARY BOARD MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWN OF DESERONTO

We have audited the statement of financial position of the Deseronto Public Library Board of the Corporation of the Town of Deseronto as at December 31, 2007 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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.

The Board derives revenue from user charges, donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to user charges, donations and fundraising revenues, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of user charges, donations and fundraising revenues referred to in the preceding paragraph, these financial statements presents fairly, in all material respects, the financial position of the Board as at December 31, 2007 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 10, 2008

DESERONTO PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2007

	2007 \$	2006 \$
FINANCIAL ASSETS		
Cash	16,558	21,847
Accounts receivable	5,138	5,627
TOTAL ASSETS	21,696	27,474
LIABILITIES AND FINANCIAL POSITION		
LIABILITIES		
Accounts payable	2,202	2,706
Deferred revenue	2,906	7,543
Due to Town	565	13,972
	5,673	24,221
FINANCIAL POSITION		
Fund Balances		
Current fund	12,143	(627)
Reserve	3,880	3,880
	16,023	3,253
TOTAL LIABILITIES AND FINANCIAL POSITION	21,696	27,474

The accompanying notes are an integral part of this financial statement.

DESERONTO PUBLIC LIBRARY BOARD
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended December 31, 2007

	Budget 2007 \$	Current Fund \$	Capital Fund \$	Reserve \$	Actual 2007 \$	Actual 2006 \$
REVENUES						
Municipal Contributions						
Town of Deseronto	88,000	88,000	-	-	88,000	76,489
Grants						
Government of Canada	1,140	-	-	-	-	1,552
Province of Ontario	22,758	14,270	3,746	-	18,016	8,546
User charges	-	2,875	-	-	2,875	3,057
Donations and fundraising	-	4,816	-	-	4,816	3,846
Investment income	-	619	-	-	619	759
Rent	3,600	3,600	-	-	3,600	3,600
Other	-	723	-	-	723	-
TOTAL REVENUES	115,498	114,903	3,746	-	118,649	97,849
EXPENDITURES						
Salaries and benefits	59,517	57,701	-	-	57,701	51,654
Books, periodicals and audio-visuals	20,300	16,684	-	-	16,684	4,597
Utilities	8,000	7,019	-	-	7,019	7,427
Administration	4,325	3,562	-	-	3,562	3,027
Insurance	1,285	1,285	-	-	1,285	3,075
Professional fees	1,500	1,500	-	-	1,500	1,500
Repairs and maintenance	6,600	6,265	-	-	6,265	6,466
Other	300	62	-	-	62	3
Computers	8,400	7,324	-	-	7,324	7,462
Contribution to others	-	-	-	-	-	750
Renovations	1,000	-	731	-	731	33,007
Equipment	3,750	-	3,746	-	3,746	2,017
TOTAL EXPENDITURES	114,977	101,402	4,477	-	105,879	120,985
NET REVENUES/(EXPENDITURES)	521	13,501	(731)	-	12,770	(23,136)
FINANCING AND TRANSFERS						
Interfund transfers	-	(731)	731	-	-	-
CHANGE IN FUND BALANCES	521	12,770	-	-	12,770	(23,136)
OPENING FUND BALANCES	(627)	(627)	-	3,880	3,253	26,389
CLOSING FUND BALANCES	(106)	12,143	-	3,880	16,023	3,253

The accompanying notes are an integral part of this financial statement.

DESERONTO PUBLIC LIBRARY BOARD
STATEMENT OF CHANGES IN FINANCIAL POSITION
For The Year Ended December 31, 2007

	2007 \$	2006 \$
OPERATIONS		
Net revenues/(expenditures)	12,770	(23,136)
(Uses) Sources:		
(Increase) decrease in accounts receivable	489	(3,856)
Increase (decrease) in accounts payable	(504)	(12,182)
Increase (decrease) in deferred revenue	(4,637)	6,950
Increase (decrease) in due to Town	(13,407)	11,269
Net increase (decrease) in cash from operations	(5,289)	(20,955)
INVESTING		
(Increase) decrease in investments	-	5,916
NET CHANGE IN CASH AND CASH EQUIVALENTS	(5,289)	(15,039)
OPENING CASH AND CASH EQUIVALENTS	21,847	36,886
CLOSING CASH AND CASH EQUIVALENTS	16,558	21,847

The accompanying notes are an integral part of these financial statements.

DESERONTO PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Fund Accounting

Funds within the financial statements consist of current, capital and reserves. Transfers between funds are recorded as adjustments to the appropriate fund balance.

Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis recognizes revenues as they become 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.

Capital Assets

Expenditures made on capital assets are reported as capital expenditures on the Statement of Financial Activities in the period incurred.

Reserves

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective fund when approved.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

Financial Instruments

The Board's financial instruments consist of cash, accounts receivable, due to Town and accounts payable. The carrying value of the financial instruments approximates their fair values due to their immediate or short term maturity. The Board does not have any other significant concentration of credit risk.

2. BUDGET FIGURES

Budgets established for capital funds and reserves are based on a project-oriented basis, the costs of which may be carried out over one or more years. Although they may not be directly comparable with the current year actual amounts they have been reflected on the Statement of Financial Activities. Budget figures are not subject to audit.

**CORPORATION OF THE
TOWN OF DESERONTO
DESERONTO CEMETERY BOARD
FINANCIAL STATEMENTS
AT DECEMBER 31, 2007**

AUDITORS' REPORT

**TO THE MEMBERS OF THE DESERONTO CEMETERY BOARD,
MEMBERS OF COUNCIL, INHABITANTS AND
RATEPAYERS OF THE CORPORATION OF THE
TOWN OF DESERONTO**

We have audited the statement of financial position of the Deseronto Cemetery Board of the Corporation of the Town of Deseronto as at December 31, 2007 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Board'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 Board as at December 31, 2007 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 10, 2008

DESERONTO CEMETERY BOARD
STATEMENT OF FINANCIAL POSITION
At December 31, 2007

	2007 \$	2006 \$
FINANCIAL ASSETS		
Cash	6,433	4,571
Accounts receivable	1,611	-
TOTAL ASSETS	8,044	4,571
LIABILITIES AND FINANCIAL POSITION		
LIABILITIES		
Accounts payable	979	894
Due to Trust Fund	8,562	6,218
Due to Town	8,219	5,966
	17,760	13,078
FINANCIAL POSITION		
Fund Balance		
Current fund	(9,716)	(8,507)
TOTAL LIABILITIES AND FINANCIAL POSITION	8,044	4,571

The accompanying notes are an integral part of this financial statement.

DESERONTO CEMETERY BOARD
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended December 31, 2007

	Actual 2007 \$	Actual 2006 \$
REVENUES		
Burial fees	7,649	7,700
Sale of plots	2,790	1,000
Other revenue	-	22
Investment income	134	74
Perpetual care interest	2,275	1,823
Contribution from Town	4,000	5,400
TOTAL REVENUES	16,848	16,019
EXPENDITURES		
CURRENT		
Maintenance contract	10,432	10,066
Cornerstones	223	810
Interments	5,150	4,950
Administration	2,252	3,556
TOTAL EXPENDITURES	18,057	19,382
NET REVENUES/(EXPENDITURES) AND CHANGE IN FUND BALANCES	(1,209)	(3,363)
OPENING FUND BALANCE	(8,507)	(5,144)
CLOSING FUND BALANCE	(9,716)	(8,507)

The accompanying notes are an integral part of this financial statement.

DESERONTO CEMETERY BOARD
STATEMENT OF CHANGES IN FINANCIAL POSITION
For The Year Ended December 31, 2007

	2007 \$	2006 \$
OPERATIONS		
Net revenues/(expenditures)	(1,209)	(3,363)
(Uses) Sources:		
(Increase) decrease in accounts receivable	(1,611)	-
Increase in accounts payable	85	49
Increase in amount due to trust fund	2,344	1,643
Increase in due to Town	2,253	4,276
Net increase (decrease) in cash from operations	1,862	2,605
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,862	2,605
OPENING CASH AND CASH EQUIVALENTS	4,571	1,966
CLOSING CASH AND CASH EQUIVALENTS	6,433	4,571

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE TOWN OF DESERONTO**DESERONTO CEMETERY BOARD
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2007**

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Fund Accounting

Funds within the financial statements consist of the current and capital funds.

Trust funds and their related operations administered by the Board are not included in these financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

Capital Assets

Expenditures made on capital assets are reported as capital expenditures on the Statement of Financial Activities in the period incurred.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

Financial Instruments

The Board's financial instruments consist of cash, accounts receivable, accounts payable, due to Trust and due to Town. The carrying value of the financial instruments approximates their fair values due to their immediate or short term maturity. The Board does not have any other significant concentration of credit risk.

Recognition of Revenues and Expenditures

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenditures are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

2. TRUST FUND

The trust fund administered by the Board amounting to \$86,350 (2006 - \$83,990) has not been included in the Statement of Financial Position nor has its operations been included in the Statement of Financial Activities.

AUDITORS' REPORT

TO THE MEMBERS OF THE DESERONTO CEMETERY BOARD, MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWN OF DESERONTO

We have audited the statement of financial position of the Deseronto Cemetery Board Trust Fund of the Corporation of the Town of Deseronto as at December 31, 2007 and the statement of continuity of the Trust Fund for the year then ended. These financial statements are the responsibility of the Board'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 Board's Trust Fund as at December 31, 2007 and the continuity of the Trust Fund for the year then ended in accordance with the Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 10, 2008

CORPORATION OF THE TOWN OF DESERONTO

DESERONTO CEMETERY BOARD
TRUST FUND
STATEMENT OF CONTINUITY
For The Year Ended December 31, 2007

	2007 \$	2006 \$
BALANCE AT THE BEGINNING OF THE YEAR	83,990	81,853
REVENUES		
Interest income	2,298	1,846
Care and maintenance fund	2,360	2,137
TOTAL REVENUES	4,658	3,983
EXPENDITURES		
Transfer to Cemetery Board current fund	2,275	1,823
Bank charges	23	23
TOTAL EXPENDITURES	2,298	1,846
BALANCE AT THE END OF THE YEAR	86,350	83,990

TRUST FUND
STATEMENT OF FINANCIAL POSITION
At December 31, 2007

	2007 \$	2006 \$
FINANCIAL ASSETS		
Cash	6,311	6,331
Investments (Note 2)	70,202	70,202
Due from Cemetery Board	8,562	6,218
Accrued interest	1,275	1,239
TOTAL ASSETS	86,350	83,990
TRUST FUND BALANCE		
Capital	86,350	83,990

The accompanying notes are an integral part of this financial statement.

CORPORATION OF THE TOWN OF DESERONTO

DESERONTO CEMETERY BOARD
 TRUST FUND
 NOTES TO THE FINANCIAL STATEMENTS
 For The Year Ended December 31, 2007

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Basis of Accounting

Revenues and expenditures are recorded on the accrual basis of accounting.

2. INVESTMENTS

The investments, recorded at cost, which approximates fair market value, at the end of the year are as follows:

	2007 \$	2006 \$
CIBC Guaranteed Investment Certificates		
- interest at 3.35%, maturing May 23, 2008	61,202	61,202
- interest at 3.20%, maturing November 13, 2008	9,000	9,000
	70,202	70,202
Market Value	70,202	70,202

**CORPORATION OF THE
TOWN OF DESERONTO
DESERONTO BUSINESS IMPROVEMENT AREA
FINANCIAL STATEMENTS
AT DECEMBER 31, 2007**

AUDITORS' REPORT

TO THE MEMBERS OF THE DESERONTO BUSINESS IMPROVEMENT AREA, MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWN OF DESERONTO

We have audited the statement of financial position of the Deseronto Business Improvement Area of the Corporation of the Town of Deseronto as at December 31, 2007 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Board'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 presents fairly, in all material respects, the financial position of the Improvement Area as at December 31, 2007 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 10, 2008

**DESERONTO BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL POSITION
At December 31, 2007**

	2007 \$	2006 \$
FINANCIAL ASSETS		
Cash and temporary investments	-	273
Due from Town	-	7,834
TOTAL ASSETS	-	8,107
LIABILITIES AND MUNICIPAL POSITION		
LIABILITIES		
Accrued liabilities	-	500
MUNICIPAL POSITION		
Fund Balance		
Current fund	-	7,607
TOTAL LIABILITIES AND MUNICIPAL POSITION	-	8,107

The accompanying note is an integral part of this financial statement.

**DESERONTO BUSINESS IMPROVEMENT AREA
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended December 31, 2007**

	2007 \$	2006 \$
REVENUES		
Amounts raised by Town of Deseronto	-	5,590
EXPENDITURES		
Advertising, promotions and area improvement	-	3,058
Communities In Bloom	-	839
Administration and postage	36	435
Professional fees	-	230
Contribution to New Business Association	237	-
Contribution to Town	7,334	-
	7,607	4,562
NET REVENUES/(EXPENDITURES) AND CHANGE IN FUND BALANCE	(7,607)	1,028
OPENING FUND BALANCE	7,607	6,579
CLOSING FUND BALANCE	-	7,607

The accompanying note is an integral part of this financial statement.

**DESERONTO BUSINESS IMPROVEMENT AREA
STATEMENT OF CHANGES IN FINANCIAL POSITION
For The Year Ended December 31, 2007**

	2007 \$	2006 \$
OPERATIONS		
Net revenues/(expenditures)	(7,607)	1,028
(Uses) Sources:		
(Decrease) in accounts payable	(500)	(300)
(Increase) decrease in due from Town	7,834	(1,090)
Net increase (decrease) in cash from operations	(273)	(362)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(273)	(362)
OPENING CASH AND CASH EQUIVALENTS	273	635
CLOSING CASH AND CASH EQUIVALENTS	-	273

The accompanying notes are an integral part of these financial statements.

CORPORATION OF THE TOWN OF DESERONTO**DESERONTO BUSINESS IMPROVEMENT AREA
NOTE TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2007**

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Fund Accounting

Funds within the financial statements consist of the current fund.

Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis recognizes revenues as they become 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.

Capital Assets

Expenditures made on capital assets are reported as capital expenditures on the Statement of Financial Activities in the period incurred.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

2. TERMINATION OF THE BUSINESS IMPROVEMENT AREA

During the year the Town of Deseronto dissolved the Deseronto Business Improvement Area.

**CORPORATION OF THE
TOWN OF DESERONTO
DESERONTO STORM JUNIOR "A" HOCKEY CLUB
FINANCIAL STATEMENTS
AT DECEMBER 31, 2007**

AUDITORS' REPORT

TO THE MEMBERS OF THE DESERONTO STORM JUNIOR "A" HOCKEY CLUB, MEMBERS OF COUNCIL, INHABITANTS AND RATEPAYERS OF THE CORPORATION OF THE TOWN OF DESERONTO

We have audited the statement of financial position of the Deseronto Storm Junior "A" Hockey Club of the Corporation of the Town of Deseronto as at December 31, 2007 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Club's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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.

The Club derives revenue from user charges and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Club and we were not able to determine whether any adjustments might be necessary to user charges, donations and fundraising revenues, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of user charges, donations and fundraising revenues referred to in the preceding paragraph, these financial statements presents fairly, in all material respects, the financial position of the Club as at December 31, 2007 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 10, 2008

DESERONTO STORM JUNIOR "A" HOCKEY CLUB
STATEMENT OF FINANCIAL POSITION
At December 31, 2007

	\$
FINANCIAL ASSETS	
Cash	6,204
Accounts receivable	13,949
Other assets	15,251
TOTAL ASSETS	35,404
LIABILITIES AND FINANCIAL POSITION	
LIABILITIES	
Accrued payable	19,472
Deferred revenue	11,213
Due to Town of Deseronto	30,580
	61,265
FINANCIAL POSITION	
Fund Balance	
Current fund	(25,861)
TOTAL LIABILITIES AND FINANCIAL POSITION	35,404

The accompanying notes are an integral part of this financial statement.

DESERONTO STORM JUNIOR "A" HOCKEY CLUB
STATEMENT OF FINANCIAL ACTIVITIES
For The Year Ended December 31, 2007

	Budget \$	Actual \$
REVENUES		
Registration fees (player fees)	45,000	22,994
Ticket sales	31,500	16,480
Sponsorships and advertising	32,000	15,155
Fundraising	18,465	8,540
Merchandise sales	5,500	4,212
Miscellaneous	2,000	2,544
	134,465	69,925
EXPENDITURES		
League fees	9,600	17,500
Ice rental	20,810	15,605
Billeting costs	27,500	14,474
Salaries	27,170	12,347
Busing fees	21,000	9,575
Office	13,000	8,703
Equipment	15,000	6,904
Game costs	6,275	5,798
Fundraising	-	1,591
Merchandise costs	4,000	3,289
	144,355	95,786
NET REVENUES/(EXPENDITURES)	(9,890)	(25,861)
OPENING FUND BALANCE	-	-
CLOSING FUND BALANCE	(9,890)	(25,861)

The accompanying notes are an integral part of this financial statement.

**DESERONTO STORM JUNIOR "A" HOCKEY CLUB
STATEMENT OF CHANGES IN FINANCIAL POSITION
For The Year Ended December 31, 2007**

	\$
OPERATIONS	
Net revenues/(expenditures)	(25,861)
(Uses) Sources:	
(Increase) in accounts receivable	(13,949)
(Increase) in other assets	(15,251)
Increase in accounts payable	19,472
Increase in deferred revenue	11,213
Increase in due to Town of Deseronto	30,580
Net increase in cash from operations	6,204
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,204
OPENING CASH AND CASH EQUIVALENTS	-
CLOSING CASH AND CASH EQUIVALENTS	6,204

The accompanying notes are an integral part of these financial statements.

**DESERONTO STORM JUNIOR "A" HOCKEY CLUB
NOTE TO THE FINANCIAL STATEMENTS
For The Year Ended December 31, 2007**

1. NATURE OF THE ENTITY

The Deseronto Storm Junior "A" Hockey Club was incorporated under the Laws of Ontario as a corporation without share capital on February 14, 2008 as the Deseronto Storm Junior "A" Hockey Club. The Deseronto Storm Junior "A" Hockey Club provide the establishment and operation of a hockey club to promote an interest in amateur hockey, arrange matches and competitions and establishing and granting prizes, awards and distinctions and such other complementary purposes not inconsistent with objectives.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for local governments and their boards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Board are as follows:

Fund Accounting

Funds within the financial statements consist of current and capital. Transfers between funds are recorded as adjustments to the appropriate fund balance. There were no transactions in the capital fund during the year.

Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis recognizes revenues as they become 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.

Capital Assets

Expenditures made on capital assets are reported as capital expenditures on the Statement of Financial Activities in the period incurred.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

Financial Instruments

The Club's financial instruments consist of cash, accounts receivable, due to Town and accounts payable. The carrying value of the financial instruments approximates their fair values due to their immediate or short term maturity. The Club does not have any other significant concentration of credit risk.