

**The Corporation of the
Municipality of Red Lake
Consolidated Financial Statements
For the year ended December 31, 2007**

Contents

Auditors' Report	2
Financial Statements	
Consolidated Statement of Financial Position	3
Consolidated Statement of Financial Activities	4
Consolidated Statement of Changes in Financial Position	5
Summary of Significant Accounting Policies	6
Notes to Consolidated Financial Statements	10
Schedule of Current Fund Operations	17
Schedule of Capital Fund Operations	18
Schedule of Reserves and Reserve Funds	19



BDO Dunwoody LLP
Chartered Accountants
and Advisors

Suite 300
301 First Avenue South
Kenora Ontario Canada P9N 4E9
Telephone: (807) 468-5531
Fax: (807) 468-9774

www.bdo.ca

Auditors' Report

**To the Members of Council,
Inhabitants and Ratepayers of
The Corporation of the Municipality of Red Lake**

We have audited the consolidated statement of financial position of The Corporation of the Municipality of Red Lake 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 municipality'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 consolidated 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 Corporation of the Municipality of Red Lake as at December 31, 2007 and the results of its financial activities and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants

Kenora, Ontario
April 11, 2008

**The Corporation of the Municipality of Red Lake
Consolidated Statement of Financial Position**

December 31	2007	2006
Assets and Liabilities		
Financial Assets		
Cash (Note 1)	\$ 1,955,034	\$ 1,841,681
Short term investments (Note 2)	303,588	167,768
Taxes receivable	948,683	714,984
Trade and other receivables	1,402,846	1,704,883
Long term investments (Note 2)	135,000	135,000
	4,745,151	4,564,316
Liabilities		
Bank indebtedness (Note 3)	174,054	97,682
Accounts payable and accrued liabilities	758,431	847,735
Deferred revenue	454,191	400,901
Landfill closure and post closure liability (Note 4)	620,000	232,155
Long term liabilities (Note 5)	3,491,893	3,460,663
Employee benefits payable	6,496	7,234
	5,505,065	5,046,370
Net Debt	(759,914)	(482,054)
Non-financial assets		
Prepaid expenses and other assets	164,755	151,168
	164,755	151,168
Net Deficiency	\$ (595,159)	\$ (330,886)
Municipal Position		
Current fund (Note 15)	\$ 608,591	\$ 494,003
Capital fund (deficit)	(260,725)	(238,156)
Reserves and reserve funds	3,168,868	3,074,085
	3,516,734	3,329,932
Amounts to be recovered (Note 11)	(4,111,893)	(3,660,818)
	\$ (595,159)	\$ (330,886)

The Corporation of the Municipality of Red Lake Consolidated Statement of Financial Activities

December 31	Budget	2007	2006
Revenue			
Taxation	\$ 5,458,884	\$ 5,471,295	\$ 5,100,898
Fees and user charges	2,771,737	2,918,357	2,556,927
Canada grants	114,192	23,438	459,092
Ontario grants	3,126,648	3,180,344	3,438,849
Other income (Note 7)	630,994	1,373,335	661,936
	<u>12,102,455</u>	<u>12,966,769</u>	<u>12,217,702</u>
Expenditures			
Current (Note 8)			
General government	1,441,421	1,435,163	1,361,993
Protection services	2,155,058	1,961,975	1,701,518
Transportation services	1,991,978	2,011,838	1,979,864
Environmental services	1,833,936	2,573,680	1,861,770
Health services	429,036	428,632	450,760
Social and family services	1,941,133	1,841,117	1,583,859
Recreation and cultural services	1,102,360	1,306,203	1,148,034
Planning and development	259,235	275,518	174,806
	<u>11,154,157</u>	<u>11,834,126</u>	<u>10,262,604</u>
Capital			
General government	31,250	23,480	33,224
Protection services	409,944	25,989	77,109
Transportation services	1,187,750	1,072,594	1,137,509
Environmental services	1,007,600	37,917	115,207
Health services	71,250	48,398	14,632
Social and family services	16,400	11,240	19,765
Recreational and cultural services	182,800	128,916	121,148
Planning and development	33,150	38,382	140,917
	<u>2,940,144</u>	<u>1,396,916</u>	<u>1,659,511</u>
Total expenditures	<u>14,094,301</u>	<u>13,231,042</u>	<u>11,922,115</u>
Net revenues (expenditures) for the year	<u>(1,991,846)</u>	<u>(264,273)</u>	<u>295,587</u>
Change in amounts to be recovered			
Solid waste costs to be recovered	-	387,845	11,789
Debt principal repayments	(519,229)	(476,009)	(231,988)
Long term debt financing	2,081,920	539,239	225,807
	<u>1,562,691</u>	<u>451,075</u>	<u>5,608</u>
Change in fund balances for the year	(429,155)	186,802	301,195
Opening Municipal Position Fund Balance	<u>3,329,932</u>	<u>3,329,932</u>	<u>3,028,737</u>
Ending Municipal Position Fund Balance	<u>\$ 2,900,777</u>	<u>\$ 3,516,734</u>	<u>\$ 3,329,932</u>

The Corporation of the Municipality of Red Lake Consolidated Statement of Changes in Financial Position

For the year ended December 31	2007	2006
Cash flows from operating activities		
Net revenues (expenditures) for the year	\$ (264,273)	\$ 295,587
Changes in non-cash balances		
Taxes receivable	(233,699)	279,027
Trade and other receivables	453,205	555,835
Accounts payable and accrued liabilities	(89,304)	93,946
Prepaid expenses and other assets	(164,755)	-
Deferred revenue	53,290	173,619
Employee benefits payable	(738)	(3,813)
Landfill closure and post closure liability	387,845	11,789
	<u>141,571</u>	<u>1,405,990</u>
Cash flows from financing activities		
Long term debt issued	539,239	225,807
Long term debt repaid	(508,009)	(264,017)
Temporary financing	76,372	(890,410)
	<u>107,602</u>	<u>(928,620)</u>
Net change in cash and cash equivalents	249,173	477,370
Cash and cash equivalents, beginning of year	<u>2,009,449</u>	<u>1,532,079</u>
Cash and cash equivalents, end of year	\$ 2,258,622	\$ 2,009,449
Represented by		
Cash	\$ 1,955,034	\$ 1,841,681
Temporary investments	<u>303,588</u>	<u>167,768</u>
	\$ 2,258,622	\$ 2,009,449

The Corporation of the Municipality of Red Lake

Summary of Significant Accounting Policies

December 31, 2007

Management Responsibility

The consolidated financial statements of the Corporation of The Municipality of Red Lake are the representations of management. They have been prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants as prescribed by the Ministry of Municipal Affairs and Housing.

The focus of PSAB financial statements is on the financial position of the Municipality and the change thereto. The consolidated statement of financial position reports all of the financial assets and liabilities of the municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position of the municipality, and is the difference between its assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

Basis of Consolidation

The consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the current fund, capital fund, reserves and reserve funds of all municipal organizations, committees, and boards which are owned or controlled by Council. All interfund assets and liabilities and revenues and expenditures have been eliminated on consolidation.

The following boards and municipal enterprises owned or controlled by Council have been consolidated:

- Red Lake Public Library Board
- Red Lake Regional Heritage Centre and Archives Board

A government partnership exists where the municipality has shared control over the board or entity. The municipality's pro rata share of the assets, liabilities, revenues and expenditures are reflected in the financial statements using the proportionate consolidation method. No proportionate interest or government partnerships are reflected in the consolidated financial statements.

The following boards are not consolidated:

Kenora District Services Board
District of Kenora Home for the Aged
Northwestern Health Unit

Basis of Accounting

Revenues and expenditures 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 receipt of goods or services and the creation of a legal obligation to pay.

The Corporation of the Municipality of Red Lake

Summary of Significant Accounting Policies

December 31, 2007

Government Transfers

Government transfers are recognized in the year in which the events give rise to the transfer, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Revenue Recognition

Revenues are recognized as follows:

- a) Tax revenue is recognized in the calendar year to which the tax assessment applies and the assessment is known.
- b) Fees and user charges are recognized on a monthly basis as services are provided.
- c) Other revenues are recorded when collected or when collection is reasonably assured.

Investments

Investment income earned on current fund, reserves and reserve fund are reported as revenue in the period earned. Investments are recorded at the lower of cost and market value.

Inventories

Inventories of supplies, including vehicle parts and road maintenance materials are charged to operations when purchased.

Capital Assets

The historical cost and accumulated amortization of 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.

Deferred Revenue

Revenue restricted by legislation, regulation or agreement and not available for general municipal purposes is reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial activities in the year in which it is used for the specified purpose.

Amounts to be Recovered

Amounts to be recovered are reported in the municipal position on the consolidated statement of financial position. The balance represents the outstanding principal portion of unmatured long term liabilities, liabilities not yet due, and other future expenditures not yet levied on the ratepayers. In some cases, reserves have been established to fund these amounts.

The Corporation of the Municipality of Red Lake Summary of Significant Accounting Policies

December 31, 2007

School Boards

The municipality collects taxation revenue on behalf of the school boards. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in these financial statements.

Trust Funds

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Reserve and Reserve Funds

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

Pensions and Employee Benefits

Pension Plan

The Municipality accounts for its participation in the Ontario Municipal Employee Retirement Fund (OMERS), a multi-employer public sector pension fund, as a defined contribution plan.

Sick Leave

The collective Bargaining Agreement between the Municipality and the Union provides for sick leave credits for its employees. Unused sick leave credits do not accumulate from year to year.

Vacation

Employees are required to take their vacation time before December 31 each year. No banking of unused vacation time is allowed.

The Corporation of the Municipality of Red Lake Summary of Significant Accounting Policies

December 31, 2007

Financial Instruments

The Municipality's financial instruments consist of cash and temporary investments, taxes receivable, trade and other receivables, long term investments, bank indebtedness, accounts payable and accrued liabilities, and long term liabilities. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial statements.

The fair values of these financial instruments approximate their carrying values.

New Accounting Pronouncements

In 2007, the Canadian Institute of Chartered Accountant's Public Sector Accounting Board (PSAB) issued new accounting standards PS1000 - Financial Statement Concepts, PS1100 - Financial Statement Objectives, PS1200 - Financial Statement Presentation and PS3150 - Tangible Capital Assets which will significantly alter financial reporting for local governments. This new reporting standards become applicable to local governments for fiscal years beginning on or after January 1, 2009.

The Corporation of the Municipality of Red Lake Notes to Consolidated Financial Statements

December 31, 2007

1. Cash

	<u>2007</u>	<u>2006</u>
Unrestricted cash	\$ 340,444	\$ 652,221
Restricted cash – Reserve Funds	<u>1,614,590</u>	<u>1,189,460</u>
	<u>\$ 1,955,034</u>	<u>\$ 1,841,681</u>

2. Short Term and Long Term Investments

The short term investments include guaranteed investment certificates bearing interest rates ranging from 3.2% to 3.3%, maturing 2008.

The long term investments represent Northern Ontario Grow Bonds with a fixed interest rate of 4%, maturing 2010.

3. Bank Indebtedness

The Corporation of the Municipality of Red Lake has a revolving credit facility with the Canadian Imperial Bank of Commerce for \$3,000,000. Advances under this facility bear interest at prime, payable monthly.

The Corporation of the Municipality of Red Lake

Notes to Consolidated Financial Statements

December 31, 2007

4. Landfill Closure and Post Closure Liability

The Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post closure care of solid waste landfill sites. This requirement is to be provided for over the estimated life of the landfill site based on usage.

Landfill closure and post closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty five year period using the best information available to management. Future events may result in significant changes to the estimated total expenditures, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The Municipality operates one primary landfill site. The site has capacity of approximately 200,000 metric tons with approximately 47,700 metric tons of remaining capacity. At current average fill rates, the site has a remaining operating life of approximately six years.

It is estimated that the total net present value of the cost to close and maintain the landfill site is approximately \$819,268 (2006 - \$585,262). At December 31, 2007, an amount of \$620,000 (2006 - \$232,155) with respect to landfill closure and post-closure liabilities has been accrued. The liability was estimated using a discount factor of 5.19% and an inflation rate of 4.45%. The Municipality has established a reserve to contribute to the cost of closing and maintaining the landfill site.

The Municipality is currently reviewing future solid waste disposal options which may extend the operating life of the landfill.

The Corporation of the Municipality of Red Lake Notes to Consolidated Financial Statements

December 31, 2007

5. Long Term Liabilities

The balance of long term liabilities reported on the consolidated statement of financial position is made up of the following:

	2007	2006
OSIFA - Ontario Municipal Economic Infrastructure Financing Authority advances, repayable semi annually at \$109,147 until 2016 and \$81,281 thereafter, plus interest at 2.31% and 2.37%, maturing 2021	\$ 2,777,470	\$ 2,995,735
Demand instalment loans		
Demand instalment loan, repayable \$1,191 monthly plus interest at prime, maturing January 2008	-	14,322
Demand instalment loan, repayable annually at \$32,000 plus interest at prime, maturing July 2007	-	32,000
Demand instalment loan, repayable annually at \$41,250 plus interest at prime, maturing November 2011	165,000	206,250
Demand instalment loan, repayable annually at \$56,452 plus interest at prime, maturing September 2009	112,904	169,356
Demand instalment loan, repayable monthly at \$1,805 plus interest at prime, maturing July 2011	57,777	-
Demand instalment loan, repayable annually at \$61,529 plus interest at prime, maturing November 2011	245,742	-
Demand instalment loan, repayable annually at \$33,250 plus interest at prime, maturing July 2011	133,000	-
Debentures payable		
Debenture, repayable \$43,000 in 2007 with interest at 6.80%	-	43,000
	\$ 3,491,893	\$ 3,460,663

Principal payments for the next five fiscal years are as follows:

2008	\$432,473
2009	432,443
2010	366,963
2011	354,324
2012	218,295

The Corporation of the Municipality of Red Lake Notes to Consolidated Financial Statements

December 31, 2007

6. Tax Revenues

Property tax billings are prepared by the Municipality based on an assessment roll prepared by the Municipal Property Assessment Corporation ("MPAC"), a statutory, non-profit corporation managed by a board composed largely of municipal representatives. All assessed property values in the Municipality were reviewed and new values established based on a common valuation date which was used by the Municipality in computing the property tax bills. However, the property tax revenue and tax receivables of the Municipality are subject to measurement uncertainty as a number of appeals submitted by ratepayers have yet to be heard.

The Municipality has established reserve for tax appeals in the amount of \$198,243 (2006 - \$193,335). Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined.

7. Other Income

	2007	2006
Penalties and interest	\$ 164,523	\$ 171,945
Investment income	108,158	76,932
Rents, concessions and franchises	146,194	182,063
Licences – permits	149,591	130,756
Sale of land and other assets	693,184	68,289
Other miscellaneous income	111,685	31,951
	\$ 1,373,335	\$ 661,936

8. Expenditures by Object

Total operating expenditures for the year reported on the consolidated statement of financial activities are as follows:

	2007	2006
Salaries, wages and employee benefits	\$ 3,532,219	\$ 3,195,095
Materials	1,864,024	2,160,560
Contracted services	6,129,442	4,535,635
Rents and financial expenses	189,820	208,259
Interest on long term debt	118,621	163,055
	\$ 11,834,126	\$ 10,262,604

The Corporation of the Municipality of Red Lake Notes to Consolidated Financial Statements

December 31, 2007

9. Pension Agreements

The municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 144,000 active members and approximately 51,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The Corporation of the Municipality of Red Lake paid \$131,481 for employer contributions to the plan in fiscal 2007 (2006 - \$117,398)

10. Budget Amounts

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the consolidated statement of financial activities for comparative purposes. The 2007 budget amounts for the Corporation of The Municipality of Red Lake approved by Council have been restated to conform to the basis of preparation of the revenues and expenditures on the consolidated statement of financial activities.

11. Amounts to be Recovered

	2007	2006
Long term liabilities (Note 5)	\$ 3,491,893	\$ 3,460,663
Less: Amounts previously financed through taxation	-	(32,000)
Capital outlay financed by long term liabilities and to be recovered in future years	3,491,893	3,428,663
Landfill closure and post closure liability (Note 4)	620,000	232,155
	\$ 4,111,893	\$ 3,660,818

The Corporation of the Municipality of Red Lake Notes to Consolidated Financial Statements

December 31, 2007

12. Trust Funds

The trust funds administered by the municipality amounting to \$141,412 (2006 - \$134,250) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of financial activities. At December 31, 2007, the trust fund balances are as follows:

	2007	2006
Woodland Cemetery Perpetual Care	\$ 62,085	\$ 61,244
Red Lake Cemetery Perpetual Care	68,104	62,234
Memorial Trust Fund	2,739	2,629
Health Care Trust Fund	6,487	6,226
Election Trust	1,997	1,917
	\$ 141,412	\$ 134,250

13. Contractual Obligations and Commitments

Sewer and Water

The Municipality has entered into an agreement with a third party for water and waste water services. The cost under this agreement is expected to be \$1,423,600 for 2008. The agreement expires 2017.

Waste Disposal

The Municipality is under an agreement with a third party for waste disposal services. The 2008 estimated cost is \$188,500.

Airport Services

The Municipality has an agreement with a company to provide management services for the operation of the Red Lake Airport. The proposed agreement provides for a management fee of \$52,500 plus a share of surplus funds based on a formula.

Policing

The Municipality is committed to municipal policing services with the Provincial Government for a five year period ending 2012. The estimated cost for 2008 is \$1,775,000.

14. Contingent Liabilities

The municipality is contingently liable for deficits for joint boards including District of Kenora Home for the Aged, Kenora District Services Board and the Northwestern Health Unit. No provision has been made for these deficits, if any, as the method of settlement has not yet been determined.

The Corporation of the Municipality of Red Lake Notes to Consolidated Financial Statements

December 31, 2007

15. Municipal Position

The balance on the consolidated statement of financial position of the current fund, capital fund and reserves and reserve fund at the end of the year is comprised of the following:

	Current	Capital	Reserves	Total
Municipality of Red Lake	\$ 568,937	\$ (281,969)	\$ 2,896,095	\$ 3,183,063
Red Lake Public Library Board	7,249	-	93,530	100,779
Red Lake Regional Heritage Centre and Archives Board	32,405	21,244	179,243	232,892
	\$ 608,591	\$ (260,725)	\$ 3,168,868	\$ 3,516,734

16. Operations of School Boards

Taxation, other revenues and requisitions for the school boards amounting to \$1,990,813 (2006 - \$2,012,604) are not reflected in these financial statements.

17. Public Sector Salary Disclosure

During 2007, no employees were paid a salary, as defined in the Public Sector Salary Disclosure Act, 1996, of \$100,000 or more by the Corporation of The Municipality of Red Lake.

18. Tangible Capital Assets

For the year ending December 31, 2009, the Municipality will be required to comply with Section 3150, Tangible Capital Assets of the Public Sector Accounting Board Handbook. Section 3150 requires the capitalization and amortization of tangible capital assets in the financial statements. As a transitional provision, Public Sector Guideline – 7, Tangible Capital Assets of Local Governments, requires disclosures of information for each major class of tangible capital assets for which all the relevant information can be provided for the complete stock of tangible capital assets of that category. At the date of these financial statements, the Corporation of the Municipality of Red Lake had no information available to report on for capital assets.

**The Corporation of the Municipality of Red Lake
Schedule of Current Fund Operations**

December 31	2007	2006
Revenue		
Taxation	\$ 5,471,295	\$ 5,100,898
Fees and user charges	2,918,357	2,556,927
Canada grants	23,438	24,305
Ontario grants	3,166,844	2,825,875
Other	1,181,223	566,683
	<u>12,761,157</u>	<u>11,074,688</u>
Expenditures		
General government	1,435,163	1,361,993
Protection services	1,961,975	1,701,518
Transportation services	2,011,838	1,979,864
Environmental services	2,573,680	1,861,770
Health services	428,632	450,760
Social and family services	1,841,117	1,583,859
Recreation and cultural services	1,306,203	1,148,034
Planning and development	275,518	174,806
	<u>11,834,126</u>	<u>10,262,604</u>
Net revenues for the year	<u>927,031</u>	<u>812,084</u>
Financing and transfers		
Solid waste site costs to be recovered	387,845	11,789
Debt principal repayments	(476,009)	(231,988)
Transfers to capital fund operations	(319,166)	(6,676)
Transfers to reserves and reserve funds	(405,113)	(53,709)
	<u>(812,443)</u>	<u>(280,584)</u>
Change in fund balance for the year	<u>114,588</u>	<u>531,500</u>
Current fund (deficit), beginning of year	<u>494,003</u>	<u>(37,497)</u>
Current fund, end of year	<u>\$ 608,591</u>	<u>\$ 494,003</u>

**The Corporation of the Municipality of Red Lake
Schedule of Capital Fund Operations**

December 31	2007	2006
Revenue		
Canada grants	\$ -	\$ 434,787
Ontario grants	13,500	612,974
Other	125,225	27,059
	<u>138,725</u>	<u>1,074,820</u>
Expenditures		
General government	23,480	33,224
Protection services	25,989	77,109
Transportation services	1,072,594	1,137,509
Environmental services	37,917	115,207
Health services	58,398	14,632
Social and family services	11,240	19,765
Recreation and cultural services	128,916	121,148
Planning and development	38,382	140,917
	<u>1,396,916</u>	<u>1,659,511</u>
Net expenditure for the year	<u>(1,258,191)</u>	<u>(584,691)</u>
Financing and transfers		
Transfers from current fund operations	319,166	6,676
Transfers from reserves and reserve funds	377,217	114,052
Long term debt financing	539,239	225,807
	<u>1,235,622</u>	<u>346,535</u>
Change in fund balance for the year	<u>(22,569)</u>	<u>(238,156)</u>
Capital fund (deficit), beginning of year	<u>(238,156)</u>	<u>-</u>
Capital fund (deficit), end of year	<u>\$ (260,725)</u>	<u>\$ (238,156)</u>

**The Corporation of the Municipality of Red Lake
Schedule of Reserves and Reserve Funds**

December 31	2007	2006
Revenue		
Other revenue	\$ 66,887	\$ 68,194
Net transfers (to) from other funds		
Transfer from current fund operations	405,113	53,709
Transfer to capital fund operations	(377,217)	(114,052)
	<u>27,896</u>	<u>(60,343)</u>
Change in balance for the year	94,783	7,851
Reserves and reserve funds, beginning of year	3,074,085	3,066,234
Reserves and reserve funds, end of year	\$ 3,168,868	\$ 3,074,085
Analyzed as follows:		
Reserves set aside for specific purpose by Council:		
Working funds	\$ 93,309	\$ 61,309
Water system	827,104	902,104
Sewer system	255,779	255,779
Police services	105,122	105,122
	<u>1,281,314</u>	<u>1,324,314</u>
Reserve funds set aside for specific purpose by Council:		
Parks	42,021	40,336
Medical Centre	44,226	43,646
Water	533,984	548,749
Sewer	159,466	160,404
Recreation Facility	9,043	16,053
Fire	79,633	76,319
Sick leave	19,936	19,137
Norseman royalties	7,089	6,805
Cemetery maintenance	1,372	1,317
Waste disposal	258,874	213,201
Airport	110,414	244,580
Public works	211,728	403
General government	35,962	323
Library	93,666	93,834
MTO Roads and Bridges	23,682	183,803
Community in bloom	7,655	12,918
Museum	241,803	87,943
Planning	7,000	-
	<u>1,887,554</u>	<u>1,749,771</u>
Reserves and reserve funds, end of year	\$ 3,168,868	\$ 3,074,085