FINANCIAL

REPORT

2008

RURAL MUNICIPALITY
OF EAST ST. PAUL

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Municipality of East St. Paul (Rural)

(Municipality)

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(ALL AMOUNTS HAVE BEEN ROUNDED OFF TO THE NEAREST DOLLAR)

AUDITORS' REPORT

To the Reeve and Councillors
Rural Municipality of East St. Paul
Winnipeg, Manitoba

We have audited the balance sheet of the Rural Municipality of East St. Paul as at December 31, 2008 and the statements of revenue and expenditure, changes in surplus, and source and application of capital fund 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 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 Municipality as at December 31, 2008 and the results of its operations and the changes in its cash flows for the year then ended in accordance with generally accepted accounting principles for municipal corporations in Manitoba as described in note 1 to the financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Municipality and Manitoba Intergovernmental Affairs to comply with Section 183(1) of the Municipal Act. These financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Our audit opinion does not extend to the budget figures presented by the Municipality.

We have also issued a supplementary report as required under Section 190 of the Municipal Act.

The Exchange

chartered accountants LLP

Winnipeg, Manitoba
March 28, 2009

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

DECEMBER 31, 2008

The accompanying financial statements of the Municipality of East St. Paul and all the information in this annual report are the responsibility of management and have been approved by the Council on behalf of the Municipality.

The financial statements have been prepared by management in accordance with generally accepted accounting principles for Municipalities in Manitoba. Financial statements are not precise since they include certain amounts based on estimates and judgments. 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 Municipality 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 Municipality's assets are appropriately accounted for and adequately safeguarded.

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

Council reviews the Municipality's financial statements with management and recommends their approval. Council and management meet periodically with 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 annual report, the financial statements and the external auditor's report. Council reviews their findings when they approve the financial statements on behalf of the Municipality's residents.

The financial statements have been audited by The Exchange Chartered Accountants LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. The Exchange Chartered Accountants LLP have full and free access to the Council.

Lawrence Morris

Mayor — March 26, 2009
Date

Chief Administrative Officer — March 26, 2009
Date

STATEMENT 1

GENERAL OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

ASSETS

CASH			
Cash on Hand		1,450	
Cash on Deposit		2,567,911	
Deposit Receipts			2,569,361
RECEIVABLES			
Tax Assets - Schedule 1		891,665	
Government Grants - Schedule 3			
Own Funds and Agencies			
Utility Operating Fund	2,697,235		
Utility Capital Fund	218,350		
General Capital Fund			
Reserves			
Trusts		2,915,585	
Operating Accounts Receivable			
Organizations and Individuals	378,606		
Federal Government	145,891		
Federal Government Enterprises			
Provincial Government	600		
Provincial Government Enterprises	12,815		
Other Local Governments	50,431	588,343	
Other Receivables			
Sub Total		4,395,593	
Less: Allowances for Doubtful Accounts			
Other Allowances			4,395,593
INVESTMENTS - SCHEDULE 6			
INVENTORIES			
PREPAID EXPENSES			63,080
TOTAL ASSETS			7,028,034

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS			
Chartered Banks			
Other Financial Institutions			
Own Funds			
Other			
PAYABLES			
School Levies - Schedule 4		486,160	
Own Funds and Agencies			
Utility Operating Fund	2,493,976		
Reserves	1,277,161		
Trusts			
Other		3,771,137	
Operating Accounts Payable			
Organizations and Individuals	751,782		
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises	61,373		
Other Local Governments		813,155	
Debenture Instalments			5,070,452
OTHER LIABILITIES			
Land Sale Deposits			
Debenture Levies in Advance			
Prepaid Taxes			
Deferred Revenue - LID Prepayments			
TOTAL CURRENT LIABILITIES			5,070,452
ALLOWANCE FOR TAX ASSETS - STATEMENT 8			190,602
NOMINAL SURPLUS - STATEMENT 8			1,766,980
TOTAL LIABILITIES AND SURPLUS			7,028,034

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 2

GENERAL RESERVE FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
General	282		342,329		342,611
Equipment Replacement	32,819		100,000		132,819
Drainage	187,712		95,999		283,711
Investment	225,148		40,000		265,148
Road Rebuild			217,707		217,707
Dedicated Funds	99,569		6,950		106,519
Capital Construction					
Future Signalization	17,603		5,650		23,253
Environmental Health			5,865		5,865
Parks & Recreation	28,238		50,000		78,238
Arena Banquet Hall	13,748		80,000		93,748
Fire Equipment	365,977		100,000		465,977
Bricker Road					
Capital Levy	245,235	91,905	84,500		421,640
Sewer Plant					
Police	29,072		48,161		77,233
Building	142,643		100,000		242,643
Gas Tax	16,599				16,599
TOTAL	1,404,645	91,905	1,277,161		2,773,711

STATEMENT 3

GENERAL CAPITAL FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

ASSETS

CASH ON HAND AND ON DEPOSIT - STATEMENT 13			
RECEIVABLES - STATEMENT 13			
Government Grants - Schedule 3			
Own Funds and Agencies			
Other Accounts			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
CONSTRUCTION IN PROGRESS			
FIXED ASSETS			
Buildings		10,623,384	
Machinery and Equipment		6,040,309	
Land		4,676,073	
Other		5,704,065	27,043,831
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)			
Debenture Levies			
Deferred liability Levies			
OTHER ASSETS			
TOTAL ASSETS			27,043,831

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS			
Chartered Banks			
Other Financial Institutions			
Own Funds			
Other			
PAYABLES			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
OTHER LIABILITIES			
LONG-TERM DEBT			
Debentures - Schedule 8			
Deferred Liabilities - Note			
CAPITAL SURPLUS - STATEMENT 8			27,043,831
TOTAL LIABILITIES AND SURPLUS			27,043,831

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 4

UTILITY OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

ASSETS

CASH			
Cash on Hand			
Cash on Deposit			
Deposit Receipts			
RECEIVABLES			
Government Grants - Schedule 3			
Own Funds and Agencies			
General Operating Fund	984,917		
General Capital Fund			
Utility Capital Fund			
Reserves	161,767		
Trusts		1,146,684	
Operating Accounts Receivable			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
Other Receivables			
Sub Total		1,146,684	
Less: Allowance for Doubtful Accounts			1,146,684
INVESTMENTS - SCHEDULE 6			
INVENTORIES			
PREPAID EXPENSES			
TOTAL ASSETS			1,146,684

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS			
Chartered Banks			
Other Financial Institutions			
Own Funds			
Other			
PAYABLES			
Own Funds and Agencies			
General Operating Fund	1,148,830		
Reserves			
Trusts			
Other		1,148,830	
Operating Accounts Payable			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
Debenture Instalments			1,148,830
OTHER LIABILITIES			
Debenture Levies in Advance			
Prepaid Consumer Accounts			
Meter Deposits			
Other			
TOTAL CURRENT LIABILITIES			1,148,830
NOMINAL SURPLUS - STATEMENT 8			(2,146)
TOTAL LIABILITIES AND SURPLUS			1,146,684

UTILITY RESERVE FUND BALANCE SHEET

STATEMENT 5

AS AT DECEMBER 31, 2008

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Replacement					
East St. Paul	373,612		(161,767)		211,845
TOTAL	373,612		(161,767)		211,845

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 4

UTILITY OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

ASSETS

CASH			
Cash on Hand			
Cash on Deposit			
Deposit Receipts			
RECEIVABLES			
Government Grants - Schedule 3			
Own Funds and Agencies			
General Operating Fund	1,509,059		
General Capital Fund			
Utility Capital Fund			
Reserves	47,014		
Other		1,556,073	
Operating Accounts Receivable			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
Other Receivables			
Sub Total		1,556,073	
Less: Allowance for Doubtful Accounts			1,556,073
INVESTMENTS - SCHEDULE 6			
INVENTORIES			
PREPAID EXPENSES			
TOTAL ASSETS			1,556,073

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS			
Chartered Banks			
Other Financial Institutions			
Own Funds			
Other			
PAYABLES			
Own Funds and Agencies			
General Operating Fund	1,548,405		
Reserves			
Trusts			
Other		1,548,405	
Operating Accounts Payable			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
Debenture Instalments			1,548,405
OTHER LIABILITIES			
Debenture Levies in Advance			
Prepaid Consumer Accounts			
Meter Deposits			
Other			
TOTAL CURRENT LIABILITIES			1,548,405
NOMINAL SURPLUS - STATEMENT 8			7,668
TOTAL LIABILITIES AND SURPLUS			1,556,073

UTILITY RESERVE FUND BALANCE SHEET

STATEMENT 5

AS AT DECEMBER 31, 2008

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Water	193,643		(47,014)		146,629
Sewer					
TOTAL	193,643		(47,014)		146,629

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 6

UTILITY CAPITAL FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

ASSETS

CASH ON HAND AND ON DEPOSIT - STATEMENT 14			
RECEIVABLES - STATEMENT 14			
Government Grants - Schedule 3			
Own Funds and Agencies			
Other Accounts			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
CONSTRUCTION IN PROGRESS			118,633
FIXED ASSETS			
Buildings			
Machinery and Equipment		10,917,844	
Land			
Other		3,855,380	14,773,224
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)			
Debenture Levies		1,630,935	
Deferred Liability Levies			1,630,935
OTHER ASSETS			
TOTAL ASSETS			16,522,792

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS			
Chartered Banks			
Other Financial Institutions			
Own Funds		218,350	
Other			218,350
PAYABLES			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
OTHER LIABILITIES			
LONG-TERM DEBT			
Debentures - Schedule 8		1,630,935	
Deferred Liabilities - Schedule 10			1,630,935
CAPITAL SURPLUS - STATEMENT 8			14,673,507
TOTAL LIABILITIES AND SURPLUS			16,522,792

STATEMENT 7

TRUST FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

ASSETS

TRUST NAME	CASH	INVESTMENTS (Schedule 6)	OTHER FUNDS	OTHER	TOTAL
Cemetery					
Pension Funds					
Option Deposits					
Other	48,628				48,628
TOTAL	48,628				48,628

LIABILITIES

	PAYABLES	OTHER FUNDS	OTHER	TRUST	TOTAL
Cemetery					
Pension Funds					
Option Deposits					
Other			48,628		48,628
TOTAL			48,628		48,628

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 8

SURPLUS ACCOUNTS AND ALLOWANCE FOR TAX ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

ALLOWANCE FOR TAX ASSETS		
Balance, January 1		193,013
Add: Transfer from Revenue - Statement 10	3,241	
Profit on Tax Title Sales		
Transfer from Nominal Surplus		
Tax Titles Established		
		3,241
Sub-Total		196,254
Deduct: Taxes Cancelled - Schedule 1	5,652	
T.S.C. Cancelled - Schedule 1		
Tax Titles Written Off - Schedule 1		
Transfer to Nominal Surplus		
		5,652
Balance, December 31 - Statement 1		190,602
NOMINAL SURPLUS - GENERAL		
Balance, January 1		1,963,790
Add: Transfer from Deferred Surplus - Statement 9		
Transfer from Allowance for Tax Assets		
Operating Surplus - Statement 9	3,190	
		3,190
Sub-Total		1,966,980
Deduct: Accts. Rec. Cancelled		
Transfer to Building Reserve - Schedule 5		
Transfer to Allowance for Tax Assets		
Transfer to Revenue - Statement 9	200,000	
Operating Deficit - Statement 9		
Adjustment		
		200,000
Balance, December 31 - Statement 1		1,766,980
NOMINAL SURPLUS - UTILITY		
Balance, January 1		122,925
Add: Transfer from Deferred Surplus - Statement 11	70,984	
Other Transfers (Specify)		
Adjustment		
Operating Surplus Statement 11		
		70,984
Sub-Total		193,909
Deduct: Accts. Rec. Cancelled		
Transfer to Utility Revenue - Statement 11		
Operating Deficit - Statement 11	196,055	
Transfer to reserve		196,055
Balance, December 31 - Statement 4		(2,146)
CAPITAL SURPLUS - GENERAL		
Balance, January 1		25,288,703
Add: Fixed Assets Acquired	1,755,128	
Adjustment		
		1,755,128
Sub-Total		27,043,831
Deduct: Disposal of Fixed Assets		
Balance, December 31 - Statement 3		27,043,831
CAPITAL SURPLUS - UTILITY		
Balance, January 1		12,289,067
Add: Fixed Assets Acquired	2,384,440	
Adjustment		
		2,384,440
Sub-Total		14,673,507
Deduct: Disposal of Fixed Assets		
Balance, December 31 - Statement 6		14,673,507

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 8

SURPLUS ACCOUNTS AND ALLOWANCE FOR TAX ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

ALLOWANCE FOR TAX ASSETS		
Balance, January 1		
Add: Transfer From Revenue - Statement 10		
Profit on Tax Title Sales		
Transfer from Nominal Surplus		
Tax Titles Established		
Sub-Total		
Deduct: Taxes Cancelled - Schedule 1		
T.S.C. Cancelled - Schedule 1		
Tax Titles Written Off - Schedule 1		
Transfer to Nominal Surplus		
Balance, December 31 - Statement 1		
NOMINAL SURPLUS - GENERAL		
Balance, January 1		
Add: Transfer from Deferred Surplus - Statement 9		
Transfer from Allowance for Tax Assets		
Operating Surplus - Statement 9		
Sub-Total		
Deduct: Accts. Rec. Cancelled		
Transfer to General Reserve - Schedule 5		
Transfer to Allowance for Tax Assets		
Transfer to Revenue - Statement 9		
Operating Deficit - Statement 9		
Balance, December 31 - Statement 1		
NOMINAL SURPLUS - UTILITY (Water)		
Balance, January 1		(2,514)
Add: Transfer from Deferred Surplus - Statement 11	33,273	
Other Transfers (Specify)		
Operating Surplus Statement 11		33,273
Sub-Total		30,759
Deduct: Accts. Rec. Cancelled		
Transfer to Utility Revenue - Statement 11		
Operating Deficit - Statement 11	23,091	
Transfer to Utility Reserve		23,091
Balance, December 31 - Statement 4		7,668
CAPITAL SURPLUS - GENERAL		
Balance, January 1		
Add: Fixed Assets Acquired		
Sub-Total		
Deduct: Disposal of Fixed Assets		
Balance, December 31 - Statement 3		
CAPITAL SURPLUS - UTILITY		
Balance, January 1		
Add: Fixed Assets Acquired		
Sub-Total		
Deduct: Disposal of Fixed Assets		
Balance, December 31 - Statement 6		

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 9

GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUE

TOTAL REVENUE FROM TAXATION				4,689,718
OTHER REVENUE				
Taxes Added - Schedule 1			169,184	
Licenses and Permits			94,318	
Fines			85,816	
Parking Meters				
Sales of service				
General Government		12,220		
Protection		45,655		
Transportation	17,757			
Less: Costs		17,757		
Environmental Health		1,150		
Public Health and Welfare		38,122		
Planning and Development		28,205		
Economic Development		3,061		
Recreation and Culture			146,170	
Sales of Goods			107,317	
Rentals of Fixed Assets			248,444	
Concessions and Franchises				
Returns from Investments			54,526	
Transfers from Utilities and Enterprises				
Tax Penalties - Schedule 1			84,942	
Miscellaneous Revenue			148,825	
Grants in Lieu of Taxes - Schedule 3				
Federal Government				
Federal Government Enterprises				
Provincial Government		7,938		
Provincial Government Enterprises		46,111		
Other Local Governments				
Non-Government Organizations			54,049	
Unconditional Government Transfers - Schedule 3				
Federal Government				
Provincial - Municipal Tax Sharing		1,312,855		
Provincial - Municipal Support Grants		47,841		
- VOLT Revenues		179,381		
Other Local Governments			1,540,077	
Conditional Government Transfers - Schedule 3				
Federal Government				
Provincial Government		216,589		
Other Local Governments			216,589	2,950,257
TOTAL REVENUE FROM EXTERNAL SOURCES				7,639,975
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8				200,000
TRANSFER FROM RESERVES - SCHEDULE 5				1,323,153
OPERATING DEFICIT - STATEMENT 8				
TOTAL				9,163,128

EXPENDITURE

GENERAL GOVERNMENT SERVICES				1,073,824
PROTECTIVE SERVICES				1,675,394
TRANSPORTATION SERVICES				1,140,832
ENVIRONMENTAL HEALTH SERVICES				586,024
PUBLIC HEALTH AND WELFARE SERVICES				
ENVIRONMENTAL PLANNING AND COMMUNITY DEVELOPMENT SERVICES				361,584
ECONOMIC DEVELOPMENT SERVICES				
RECREATION AND CULTURAL SERVICES				716,268
FISCAL SERVICES				2,234,422
TOTAL SERVICES				7,788,348
SURPLUS APPROPRIATIONS AND TRANSFERS				
Deferred Surplus - Operating Deficit				
Deferred Surplus - By-Law Obligation				
Transfer to Reserves - Statement 10			1,371,590	1,371,590
OPERATING SURPLUS - STATEMENT 8				3,190
TOTAL				9,163,128

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 10

GENERAL OPERATING FUND
COMPARISON OF BUDGETED AND ACTUAL EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2008

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
General Government Services				
Legislative	229,900	205,308	24,592	
General Administrative	894,950	878,855	16,095	
Other General Government	(3,800)	(10,339)	6,539	
Total	1,121,050	1,073,824	47,226	
Protective Services				
Police Protection	1,281,000	1,257,723	23,277	
Law Enforcement				
Fire Protection	400,330	391,815	8,515	
Emergency Measures	27,400	25,856	1,544	
Other Protection				
Total	1,708,730	1,675,394	33,336	
Transportation Services				
Road Transport	1,132,900	1,140,832		7,932
Administration				
Engineering				
Roads and Streets	1,040,900	1,049,703		8,803
Bridges, Subways				
Street Lighting	92,000	91,129	871	
Traffic Services				
Parking				
Other Road Transport				
Air Transport				
Water Transport				
Public Transit				
Total	1,132,900	1,140,832		7,932
Environmental Health Services				
Garbage and Waste Collection and Disposal	334,700	373,911		39,211
Other Environmental Health	200,000	212,113		12,113
Total	534,700	586,024		51,324
Public Health and Welfare Services				
Public Health				
Medical Care				
Hospital Care				
Social Welfare				
Total				
Environmental Planning and Community Development Services				
Environmental Planning and Zoning	401,450	361,584	39,866	
Community Development				
Housing				
Total	401,450	361,584	39,866	
Economic Development Services				
Natural Resources				
Regional Development Commissions				
Industrial Parks and Commissions				
Other Economic Services				
Total				
Recreation and Cultural Services				
Recreation Facilities	617,700	692,996		75,296
Cultural Buildings and Facilities				
Other Recreation and Cultural Services	22,900	23,272		372
Education Grants				
Total	640,600	716,268		75,668
SUB-TOTALS FORWARD	5,539,430	5,553,926		14,496

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 10

GENERAL OPERATING FUND
COMPARISON OF BUDGETED AND ACTUAL EXPENDITURE - CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2008

		ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
SUB-TOTALS FORWARD		5,539,430	5,553,926		14,496
Fiscal Services					
Transfers to Other Governments					
Other Municipal Government					
Transfers to Own Funds					
Allowance for Tax Assets - STATEMENT 8		3,241	3,241		
Capital Fund - Statement 13		2,180,400	1,755,128	425,272	
Utility Fund - Statement 11		476,004	476,004		
Other Funds					
Phase-In Tax Credit					
Public Debt Charges					
Debenture Debt Charges - Schedule 7					
Other Long-Term Debt Charges					
Interest on Short-Term Financing					
Bank Loan Interest					
Other Fund Loan Interest					
Tax Discounts - Schedule 1					
Other Debt Charges					
Debenture Discount					
Debenture Issue Costs					
Other					
Other Fiscal Services			49		49
Total		2,659,645	2,234,422	425,223	
Transfer to Reserves					
General Reserve		250,000	250,000		
Specific Reserve					
Equipment Replacement	Reserve	100,000	100,000		
Drainage	Reserve	80,000	80,000		
Investment	Reserve	40,000	40,000		
RoadRebuild	Reserve	300,000	300,000		
Dedicated Funds	Reserve				
Environmental	Reserve	5,000	5,000		
Gas Tax	Reserve	216,590	216,590		
Capital Construction	Reserve				
Future Signalization	Reserve				
Arena Banquet Hall	Reserve	80,000	80,000		
Parks & Recreation	Reserve	50,000	50,000		
	Reserve				
Fire Equipment	Reserve	100,000	100,000		
Police	Reserve	50,000	50,000		
Building	Reserve	100,000	100,000		
Total		1,371,590	1,371,590		
Surplus Appropriations					
Total Estimated		9,570,665			
Total Actual			9,159,938		
Total Underspent				410,727	
Total Overspent					

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER (UNDER)
REVENUE			
Tax Revenue	3,889,005	4,689,718	800,713
Other Revenue	5,681,660	4,473,410	(1,208,250)
Revenue Surplus (Deficit)	9,570,665	9,163,128	(407,537)
EXPENDITURE	9,570,665	9,159,938	(410,727)
OPERATING SURPLUS (DEFICIT)		3,190	3,190

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 11

UTILITY OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUE

	METERED	FLAT RATE	TOTAL	
CONSUMER SALES				
Residential				
Commercial and Bulk				
Industrial				
Federal and Provincial				
Municipal and Schools				
Total				
less: Discounts				
Refunds and Cancellations				
SEWER SERVICE CHARGES				731,322
PENALTIES				2,992
HYDRANT RENTALS				
CONSUMER INSTALLATION SERVICE				5,600
CONNECTION REVENUE - NET				
PROVINCIAL GRANTS				
OTHER REVENUE				
TRANSFER FROM GENERAL OPERATING FUND - STATEMENT 10				
Re: Debentures			415,644	
Re: Operations				415,644
TRANSFER FROM RESERVE FUND - SCHEDULE 5				2,001,762
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8				
OPERATING DEFICIT - STATEMENT 8				196,055
TOTAL				3,353,375

EXPENDITURE

WATER SUPPLY	
SEWAGE COLLECTION AND DISPOSAL	583,761
CONTRIBUTION TO CAPITAL - STATEMENT 14	2,128,970
TRANSFERS TO RESERVE - SCHEDULE 5	225,000
DEBENTURE DEBT CHARGES - SCHEDULE 7	344,660
OTHER LONG TERM DEBT CHARGES	
SURPLUS APPROPRIATIONS - STATEMENT 8	
Deferred Surplus - Operating Deficit	70,984
OPERATING SURPLUS - STATEMENT 8	
TOTAL	3,353,375

STATEMENT 12

COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2008

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply				
Sewage Collection and Disposal	638,900	583,761	55,139	
Contribution to Capital	1,986,500	2,128,970		142,470
Transfers to Reserve	225,000	225,000		
Debenture Debt Charges	344,660	344,660		
Other Long-Term Debt Charges				
Surplus Appropriations	70,984	70,984		
Total Estimated	3,266,044			
Total Actual		3,353,375		
Total Underspent				
Total Overspent				87,331

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER (UNDER)
REVENUE	3,026,144	3,157,320	131,176
EXPENDITURE	3,266,044	3,353,375	87,331
OPERATING SURPLUS	(239,900)	(196,055)	43,845

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 11

UTILITY OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUE

	METERED	FLAT RATE	TOTAL	
CONSUMER SALES				
Residential		264,625	264,625	
Commercial and Bulk				
Industrial				
Federal and Provincial				
Municipal and Schools				
Total		264,625	264,625	
less: Discounts				
Refunds and Cancellations				264,625
SEWER SERVICE CHARGES				
PENALTIES				2,129
HYDRANT RENTALS				14,700
CONSUMER INSTALLATION SERVICE				
CONNECTION REVENUE - NET				20,167
PROVINCIAL GRANTS				
OTHER REVENUE				
TRANSFER FROM GENERAL OPERATING FUND - STATEMENT 10				
Re: Debentures				
Re: Operations			44,250	44,250
TRANSFER FROM RESERVE FUND - SCHEDULE 5				171,159
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8				
OPERATING DEFICIT - STATEMENT 8				23,091
TOTAL				540,121

EXPENDITURE

WATER SUPPLY	153,401
SEWAGE COLLECTION AND DISPOSAL	
TRANSFER TO CAPITAL - STATEMENT 14	255,470
TRANSFERS TO RESERVE - SCHEDULE 5	87,000
DEBENTURE DEBT CHARGES - SCHEDULE 7	10,977
OTHER LONG TERM DEBT CHARGES	
SURPLUS APPROPRIATIONS - STATEMENT 8	
Deferred Surplus - Operating Deficit	33,273
OPERATING SURPLUS - STATEMENT 8	
TOTAL	540,121

STATEMENT 12

COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2008

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply	183,800	153,401	30,399	
Sewage Collection and Disposal				
Transfer to Capital	375,000	255,470	119,530	
Transfers to Reserve	87,000	87,000		
Debenture Debt Charges	10,977	10,977		
Other Long-Term Debt Charges				
Surplus Appropriations	33,273	33,273		
Total Estimated	690,050			
Total Actual		540,121		
Total Underspent			149,929	
Total Overspent				

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER (UNDER)
REVENUE	690,050	517,030	(173,020)
EXPENDITURE	690,050	540,121	(149,929)
OPERATING SURPLUS		(23,091)	(23,091)

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 11

UTILITY OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUE

	METERED	FLAT RATE	TOTAL	
CONSUMER SALES				
Residential				
Commercial and Bulk				
Industrial				
Federal and Provincial				
Municipal and Schools				
Total				
less: Discounts				
Refunds and Cancellations				
SEWER SERVICE CHARGES				
PENALTIES				
HYDRANT RENTALS				
CONSUMER INSTALLATION SERVICE				
CONNECTION REVENUE - NET				
PROVINCIAL GRANTS				
OTHER REVENUE				
TRANSFER FROM GENERAL OPERATING FUND - STATEMENT 10				
Re: Debentures				
Re: Operations			16,110	16,110
TRANSFER FROM RESERVE FUND - SCHEDULE 5				
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8				
OPERATING DEFICIT - STATEMENT 8				
TOTAL				16,110

EXPENDITURE

WATER SUPPLY	
SEWAGE COLLECTION AND DISPOSAL	
TRANSFER TO CAPITAL - STATEMENT 14	
TRANSFERS TO RESERVE - SCHEDULE 5	
DEBENTURE DEBT CHARGES - SCHEDULE 7	
OTHER LONG TERM DEBT CHARGES	16,110
SURPLUS APPROPRIATIONS - STATEMENT 8	
Deferred Surplus - Operating Deficit	
OPERATING SURPLUS - STATEMENT 8	
TOTAL	16,110

STATEMENT 12

COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2008

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply				
Sewage Collection and Disposal				
Transfer to Capital				
Transfers to Reserve				
Debenture Debt Charges				
Other Long-Term Debt Charges	16,110	16,110		
Surplus Appropriations				
Total Estimated	16,110			
Total Actual		16,110		
Total Underspent				
Total Overspent				

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER (UNDER)
REVENUE	16,110	16,110	
EXPENDITURE	16,110	16,110	
OPERATING SURPLUS			

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 13

STATEMENT OF SOURCE AND APPLICATION OF GENERAL CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

SOURCE

UNEXPENDED FUNDS, JANUARY 1		
Cash		
Receivables		
SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		
LONG-TERM BORROWING		
Debentures - Schedule 8		
Other		
PREPAID LOCAL IMPROVEMENT LEVIES		
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 10		1,755,128
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER		
TOTAL		1,755,128

APPLICATION

	FIXED ASSETS			
CAPITAL EXPENDITURES	CONSTRUCTION	PURCHASE	LOCAL IMPROVEMENTS	TOTAL
General Government		98,147		98,147
Protection				
Transportation		1,294,910		1,294,910
Recreation and Culture		286,995		286,995
Community Development				
Drainage		75,076		75,076
TOTAL		1,755,128		1,755,128

REPAYMENT OF SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		
DEBENTURE DISCOUNT AND INTEREST		
REPAYMENT OF ACCOUNTS PAYABLE		
UNEXPENDED FUNDS, DECEMBER 31 - STATEMENT 3		
Cash		
Receivables		
OTHER		
TOTAL		1,755,128

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 14

STATEMENT OF SOURCE AND APPLICATION OF UTILITY CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

SOURCE

UNEXPENDED FUNDS, JANUARY 1		
Cash		
Receivables		
SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		
LONG-TERM BORROWING		
Debentures - Schedule 8		
Other		
PREPAID LOCAL IMPROVEMENT LEVIES		
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 11		2,384,440
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER		
TOTAL		2,384,440

APPLICATION

	FIXED ASSETS			
CAPITAL EXPENDITURES	CONSTRUCTION	PURCHASE	LOCAL IMPROVEMENTS	TOTAL
Water Supply		255,470		255,470
Sewage Disposal		2,128,970		2,128,970
TOTAL		2,384,440		2,384,440

REPAYMENT OF SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		
DEBENTURE DISCOUNT AND INTEREST		
REPAYMENT OF ACCOUNTS PAYABLE		
UNEXPENDED FUNDS, DECEMBER 31 - STATEMENT 6		
Cash		
Receivables		
OTHER		
TOTAL		2,384,440

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

SCHEDULE 1

ANALYSIS OF TAX ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008

		TAXES ON ROLL	TAX SALE CERTIFICATES	TAX TITLES	AGREEMENTS OF SALE
Balance, January 1		744,601		46,289	
ADD:					
Tax Levy - Schedule 2		13,922,688			
Taxes Added - Statement 9		169,184			
Penalties or Interest Added - Statement 9		84,942			
Other Accounts Added		65,667			
Taxes Overpaid					
Transfer Re Tax Sale					
Tax Titles Acquired					
Land Sales					
TAX ADJUSTMENTS (SPECIFY)					
Advertising costs					
Legal costs					
Other					
SUB-TOTAL		14,987,082		46,289	
DEDUCT:					
Cash Collections:		12,517,254			
Arrears		552,313			
Current		11,964,941			
Transfers Re Tax Sale					
Cancellations		5,652			
Returned To Roll					
Title Value of Land Sales					
Transfers Re Titles Acquired					
Tax Discounts - Statement 10					
M.P.T.C. - Cash Advance		1,618,800			
Other Credits:					
	TOTAL				
BALANCE, DECEMBER 31	891,665	845,376		46,289	
	(Statement 1)				

SCHEDULE 2

ANALYSIS OF TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2008

		ASSESSMENT	MILL RATE	LEVY
Other Governments (L.U.D.)				
Debt Charges				
Frontage		Various		219,104
Mill Rate (At Large)				
(L.I.D.)		Various		136,722
Total				355,826
Minister of Intergovernmental Affairs				
Deferred Surplus - sewer		282,276,330	.252	71,134
- water		116,320,690	.287	33,384
Reserves: Various		349,288,000	2.707	945,523
Building				
Drainage				
Road				
Arena				
Parks				
General Municipal		349,288,000	9.179	3,206,115
Business Tax - Rate	%			77,737
Total Municipal Taxes				4,689,718
Schools				
Prov. Education 1		328,834,170		
Prov. Education 2		17,678,700	16.080	284,273
Total Education Support Program		346,512,870		284,273
Special Division No	9	348,863,480	25.651	8,948,697
Total School Taxes				9,232,970
TOTAL TAX LEVY - SCHEDULE 1				13,922,688

SCHEDULE 3

ANALYSIS OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2008

	BALANCE January-1	GRANTS EARNED	GRANTS RECEIVED	ADJUSTMENTS	BALANCE December-31
GENERAL FUND		(Statement 9)			(Statement 1)
PROVINCIAL		1,810,715			
Grants in Lieu		54,049	54,049		
Prov. - Mun. Tax Sharing		1,312,855	1,312,855		
Municipal Support Grants		47,841	47,841		
VLT Revenue		179,381	179,381		
Conditional Grants		216,589	216,589		
General Govt.		216,589	216,589		
Protection					
Transportation					
Environmental Health					
Public Health & Welfare					
Environmental Planning					
Economic Development					
Recreation					
FEDERAL					
Grants in Lieu					
Unconditional Grants					
Conditional Grants (Spec.)					
LOCAL (Specify name of Govt. and type of grant as above)					
City of Winnipeg G/L					
City of Winnipeg					
UTILITY FUND		(Statement 11)			(Statement 4)
Provincial Grant					
Federal Grant					
Local Grant					
GENERAL CAPITAL GRANTS (Specify Govt. and type as above)		(Statement 13)			(Statement 3)
UTILITY CAPITAL GRANTS		(Statement 14)			(Statement 6)
PROVINCIAL					
FEDERAL					
LOCAL					
Total		1,810,715	1,810,715		

NOTE: Provincial and Federal includes both Government and Enterprises

SCHEDULE 4

ANALYSIS OF SCHOOL ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2008

	OUTSTANDING January-1	CURRENT REQUIREMENT	CURRENT PAYMENTS	OUTSTANDING December-31 (STATEMENT 1)
EDUCATION SUPPORT PROGRAM	20,455	344,879	343,951	21,383
SPECIAL LEVIES				
School Division:				
River East #9	439,879	9,104,402	9,079,504	464,777
TOTAL	460,334	9,449,281	9,423,455	486,160

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

RESERVE NAME	General	Equipment Replacement	Drainage	Investment
BY-LAW NO	361	75-17	2007-19	86-13
BALANCE, JANUARY 1	286,002	138,862	182,204	412,568
ADD: Interest Earned	7,163	3,141	5,508	8,286
Appropriation (Statement 10)	250,000	100,000	80,000	40,000
Developer contributions			15,999	
Transfer from Water Utility				52,000
Transfer from Roads & Development Reserve				
SUB-TOTAL	543,165	242,003	283,711	512,854
DEDUCT: Purchases (Statement 13)				
Transfer to Revenue (Statement 9)	200,554	109,184		247,706
Water project				
BALANCE DECEMBER 31 - Statement 2	342,611	132,819	283,711	265,148

RESERVE NAME	Road Rebuild	Dedicated Funds		
BY-LAW NO.	2007-18	76-9		
BALANCE, JANUARY 1	240,469	96,654		
ADD: Interest Earned	7,261	2,915		
Appropriation (Statement 10)	300,000			
Subdivision Fees	20,001	6,950		
Transfer from Roads & Development Reserve				
Transfer from Bricker Road Reserve				
SUB-TOTAL	567,731	106,519		
DEDUCT: Purchases (Statement 13)				
Transfer to Revenue (Statement 9)	350,024			
Eagle Creek				
Transfer to Road Rebuild Reserve				
Transfer to Drainage Reserve				
BALANCE, DECEMBER 31 - Statement 2	217,707	106,519		

RESERVE NAME	UTILITY REPLACEMENT	UTILITY East St Paul	UTILITY (Water)	UTILITY
BY-LAW NO.			97-30	
BALANCE, JANUARY 1		260,339	266,263	
ADD: Interest Earned		20,709	10,025	
Transfer from Operating (Statement 11)		225,000	35,000	
Developer contributions		38,352	6,500	
Transfer from nominal surplus				
Transfer from Plant Reserve bylaw 2008-18		979,207		
SUB-TOTAL		1,523,607	317,788	
DEDUCT: Purchases (Statement 14)				
Transfer to Revenue (Statement 11)		1,311,762	171,159	
BALANCE, DECEMBER 31 - Statement 5		211,845	146,629	

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

RESERVE NAME	Capital Construction	Future Signalization	Environmental Health	Parks & Recreation
BY-LAW NO	86-18	92-58	2008-07	94-22
BALANCE, JANUARY 1	51,297	153,037	121,355	67,696
ADD: Interest Earned	837	2,185	3,010	2,042
Transfer from Operating (Statement 10)			5,000	50,000
Subdivision fees		5,650	1,500	
SUB-TOTAL	52,134	160,872	130,865	119,738
DEDUCT: Purchases (Statement 13)				
Transfer to Revenue (Statement 9)		137,619	125,000	41,500
Transfer to Building Reserve Bylaw 2008-17	52,134			
BALANCE DECEMBER 31 - Statement 2		23,253	5,865	78,238

RESERVE NAME	Arena Banquet Hall	Fire Equipment		Capital Levy
BY-LAW NO.	88-33	94-23		2007-17
BALANCE, JANUARY 1	66,623	355,263		398,448
ADD: Interest Earned	2,009	10,714		13,035
Transfer from Operating (Statement 10)	80,000	100,000		
Subdivision Fees				65,000
SUB-TOTAL	148,632	465,977		476,483
DEDUCT: Purchases (Statement 13)				
Transfer to Revenue (Statement 9)	54,884			54,843
Consolidate reserves				
Transfer to water utility				
Transfer to Road Rebuild Reserve				
BALANCE, DECEMBER 31 - Statement 2	93,748	465,977		421,640

RESERVE NAME	Sewer Plant	Police	Building	Gas Tax
BY-LAW NO.	2007-15	2003-07	2003-03	2006-03
BALANCE, JANUARY 1	931,734	28,221	86,968	475,664
ADD: Interest Earned	11,473	851	3,541	14,345
Transfer from Operating (Statement 10)		50,000	100,000	216,590
Subdivision Fees	36,000			
Transfer from Nominal Surplus				
Transfer from Capital Construction Reserve Bylaw 2008-17			52,134	
SUB-TOTAL	979,207	79,072	242,643	706,599
DEDUCT: Purchases (Statement 13)				
Transfer to Revenue (Statement 9)		1,839		
Transfer to Revenue (Statement 11)				690,000
Transfer to Revenue (Statement 11)				
Transfer to Utility East St. Paul bylaw 2008-18	979,207			
BALANCE, DECEMBER 31 - Statement 5		77,233	242,643	16,599

SCHEDULE 6

ANALYSIS OF INVESTMENTS
AS AT DECEMBER 31, 2008

TYPE	DUE DATE Y/M/D	INTEREST RATE	INTEREST EARNED	AMOUNT	TOTAL
GOVERNMENT OF CANADA					
PROVINCE OF MANITOBA AND AGENCIES					
OTHER PROVINCES OR PROVINCIAL AGENCIES					
BY-LAW					
DEBENTURE OF OWN MUNICIPALITY					
DEBENTURES OF OTHER LOCAL GOVERNMENTS					
MANITOBA INVESTMENT POOL AUTHORITY					
OTHER INVESTMENTS					
Curling Club Loan		2.000	4,652	91,905	
					91,905
TOTAL INVESTMENTS					91,905

INVESTMENT HOLDINGS
AS AT DECEMBER 31, 2008

TYPE	NAME OF RESERVE	RESERVED (Statements 2 5)	TRUST (Statement 7)	UNRESERVED (Statements 1 4)	TOTAL
GOVERNMENT OF CANADA					
PROVINCE OF MANITOBA					
OTHER PROVINCES OR AGENCIES					
DEBENTURES OF OWN MUNICIPALITY					
DEBENTURES OF OTHER LOCAL GOVERNMENTS					
MANITOBA INVESTMENT POOL AUTHORITY					
OTHER INVESTMENTS	Capital Levy	91,905			
					91,905
TOTAL INVESTMENTS					91,905

INVESTMENT CHANGES
2008

TOTAL INVESTMENTS, JANUARY 1		120,503
INVESTMENTS ACQUIRED		
INVESTMENTS SOLD		
INVESTMENTS MATURED	28,598	28,598
TOTAL INVESTMENTS, DECEMBER 31		91,905

SCHEDULE 7

ANALYSIS OF DEBENTURE INDEBTEDNESS
AS AT DECEMBER 31, 2008

AUTHORITY	PURPOSE	YEAR OF ISSUE	ORIGINAL AMOUNT	PURCHASED BY (A)	PAYABLE	TERM	MATURITY DATE	INTEREST RATE	CURRENT LEVY PRINCIPAL	CURRENT LEVY INTEREST	OUTSTANDING December-31
	Sewer Hoddinott	2003	59,810	B	Canadian	20 years	2022	6.750%	2,078	3,458	49,153
2003-01	Sewer Hoddinott	2003	18,332	B	Canadian	20 years	2022	6.750%	637	1,060	15,066
94/14	Waste Water & Sewer	1994	863,500	B	Canadian	20 years	2013	8.750%	56,170	36,744	363,760
94/15	Waste Water & Sewer	1994	111,000	B	Canadian	20 years	2013	9.875%	7,221	4,723	46,760
95/13	Waste Water & Sewer	1995	597,000	B	Canadian	20 years	2014	9.875%	35,963	33,563	303,916
95/14	Waste Water & Sewer	1995	1,400,000	B	Canadian	20 years	2015	9.875%	76,756	86,287	797,036
96/36	Waste Water & Sewer	1996	100,200	B	Canadian	20 years	2015	9.000%	5,509	5,468	55,244
								CURRENT LEVY	184,334	171,303	
								TOTAL PRINCIPAL OUTSTANDING, DECEMBER 31, - SCHEDULE 8			1,630,935

NOTE (a): INDICATE WHETHER TOTAL SERIES PURCHASED BY: (A) FEDERAL GOVERNMENT (B) PROVINCIAL GOVERNMENT (C) OWN MUNICIPALITY (D) OTHER MUNICIPALITY (E) PUBLIC

SCHEDULE 8

DEBENTURE CHANGES
FOR THE YEAR ENDED DECEMBER 31, 2008

	GENERAL	UTILITY	TOTAL
OUTSTANDING, JANUARY 1		1,815,269	1,815,269
ISSUED			
LEVIED			
		184,334	
			184,334
OUTSTANDING, DECEMBER, 31 - Statement 3			
- Statement 6		1,630,935	
- Schedule 7			1,630,935

SCHEDULE 9

DEBENTURES PENDING
AS AT DECEMBER 31, 2008

AUTHORITY	PURPOSE	SOURCE OF FUNDS	AUTHORIZED	EXPENDED
		TOTAL		Nil

COMPOSED OF -	
Bank Loans	
Accounts Payable	
Due To Other Funds	
Other	
TOTAL	Nil

SCHEDULE 10

COMPENSATION AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	COMPENSATION	EXPENSES	OTHER	TOTAL
COUNCIL MEMBERS				
Lawrence Morris	31,647	14,113	867	46,627
Michael Wasylin	26,091	11,613	2,843	40,547
Dorren Negrich-Lozinski	29,230	7,959	2,378	39,567
Rolfe Kajpust	26,630	10,089	1,345	38,064
Charles Posthumus	29,400	9,611	1,492	40,503
COMMITTEE MEMBERS				
Don Dillon	300			300
Don Enns	1,734			1,734
Gordon Kennedy	275			275
Kieth Martin	1,375			1,375
Earl McCaskill	375			375
Arthur Sutton	475			475
Cindy Brown	775			775
Ray Riddolls	300			300
Dennis Wiwcharyk	12,400			12,400
Nellie Allen	1,650			1,650
Grant Turzak	1,350			1,350
TOTAL	164,007	53,385	8,925	226,317

STATISTICAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2008

TAXABLE ASSESSMENT (PORTIONED)	
Land	
Buildings	
Total Real Property	
Personal Property	
Subject to grant	
Total Taxable & Grant Property	
Exempt	
Business	

TO BE COMPLETED BY DEPARTMENT

POPULATION (LATEST CENSUS OF CANADA)	8,733

BUDGET RECONCILIATION - GENERAL FUND	
Revenue - Surplus (Deficit)	(407,537)
Expended - Under (Over)	410,727
Estimated Surplus (Deficit)	
Operating Surplus (Deficit)	3,190
Operating Surplus (Deficit) - Prior Year	226,607
Gain or (Loss)	(223,417)

CASH POSITION	GENERAL FUND	COMBINED FUNDS
Cash Surplus (Deficit) - Current Year	(2,501,091)	(5,198,326)
Cash Surplus (Deficit) - Prior Year	(1,956,643)	(4,350,614)
Gain or (Loss)	(544,448)	(847,712)

DEFICIT RECOVERIES AND DEFERRED SURPLUS LEVIES

GENERAL FUND OPERATING DEFICITS

Year	Authority Date	Authority Term	Authority Amount	Actual Amount	Recoveries	Outstanding December-31

UTILITY FUND OPERATING DEFICITS

Year	Authority Date	Authority Term	Authority Amount	Actual Amount	Recoveries	Outstanding December-31
2007	28-Mar-08	3	70,984	70,984	70,984	
2007	29-Mar-08	3	99,818	99,818	33,273	66,545
2008	25-Mar-09	3	23,091	23,091		23,091
2008	25-Mar-09	3	196,055	196,055		196,055

BY-LAW OBLIGATIONS

Year	Purpose	By-Law Number	Term	Amount	Recoveries	Outstanding December-31

TAX COLLECTIONS

TAXES ON ROLL - Current - Cash Collections	11,964,941	
- Tax Credit Programs	1,618,800	13,583,741
- Arrears		552,313
- Total		14,136,054
TAX SALE CERTIFICATES		
LAND SALES		
TOTAL COLLECTIONS		14,136,054

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

1. Significant accounting policies

The financial statements of the Municipality have been prepared solely for the information and use of the Municipality and Manitoba Intergovernmental Affairs to comply with Section 183(1) of the Municipal Act. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

a) Accrual accounting

The accrual method of accounting has been used to recognize revenue as it is earned and expenditures as they are incurred, with the exception of interest earned on term deposits which is accounted for on the cash basis.

b) Fixed assets

It is the policy of municipal corporations and government districts in Manitoba to charge fixed asset purchases to operations or against specific reserve funds in the year of acquisition and to record the cost of the purchases as assets of the general fund with an offsetting credit to capital surplus.

The assets are recorded in the capital fund without any provision for depreciation.

c) Reserve funds

Reserve funds are established by by-law for the purpose of accumulating funds for specific purposes. Appropriations to reserve funds are charged to expense in the revenue fund.

d) Requisition Taxes

As directed by the Minister, school levies have been treated as requisition taxes payable instead of expenses. This results in the school requirements being netted against revenue from taxation and grants in lieu with a corresponding elimination of the related expense accounts.

2. Public Sector Compensation Disclosure Act

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of Council, and of individual compensation in an amount exceeding $50,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2008:

a) compensation paid to members of council amounted to $164,007 in aggregate

b) there were no members of council receiving in excess of $50,000 individually

c) the following officers or employees received compensation in excess of $50,000:

Name	Position	Amount
Norman Carter	Police Chief	$75,670
Randy Chudyk	Police Sargeant	$72,456
Christopher Drosdoski	Police Constable	$88,908
Bryan Maloney	Police Constable	$88,442
Jerome Mauws	Chief Administrative Officer	$88,954
Connie Chaput	Planning Manager	$53,620
Greg Proch	Community Services Officer	$66,038
Garry Russell	Public Works Supervisor	$63,424
Bruce Schmidt	Public Works Manager	$73,249
Jason Soltys	Police Constable	$67,403
Michael Krawchuk	Police Constable	$81,278
Carol Opperman	Assistant Chief Administrative Officer	$64,059
Donald Winsor	Utility Supervisor	$59,513
Randy Bullard	Community Services Supervisor	$56,254
Jason Woychuk	Police Constable	$80,741
Adam Hiebert	Police Constable	$60,052
Ted Michalchuk	Heavy Equipment Operator	$50,316
Rene Vallee	Heavy Equipment Operator	$50,139

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008

3. Tangible Capital Assets

The Municipality is in the process of implementing the new accounting requirements for tangible capital assets, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The new requirements for tangible capital assets come into effect starting on January 1, 2009.

As at December 31, 2008 the Municipality has identified and listed all their tangible capital assets but has not completed the valuation of any tangible capital asset classes. The Municipality is currently in the process of valuing their tangible capital assets and is expected to be completed by December 31, 2009.

4. Financial Instruments

The Municipality's financial instruments consist of cash, accounts receivable, tax assets, and accounts payable, accrued liabilities and debentures. 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 instruments. For cash, accounts receivable, tax assets, and accounts payable, accrued liabilities and debentures the fair value of these financial instruments approximate their carrying values.