

# **Rural Municipality of East St. Paul**

**Consolidated Financial Statements  
For the Year Ended December 31, 2009**

# **Rural Municipality of East St. Paul**

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2009**

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## **STATEMENT OF RESPONSIBILITY**

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of East St. Paul and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the Municipality met with management to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The Exchange Accountants LLP as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.



Jerome Mauws  
Chief Administrative Officer



## THE EXCHANGE

chartered accountants LLP

### AUDITOR'S REPORT

To the Mayor and members of Council of the  
**Rural Municipality of East St. Paul**

We have audited the consolidated statement of financial position of the Rural Municipality of East St. Paul as of December 31, 2009 and the consolidated statement of operations, cash flows and change in net financial assets for the year then ended. These consolidated financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These 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 Rural Municipality of East St. Paul at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

### The Exchange

chartered accountants LLP

Winnipeg, Canada  
June 8, 2010

**Rural Municipality of East St. Paul**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2009**

	<u>2009</u>	<u>2008</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 3,233,588	\$ 4,541,261
Amounts receivable (Note 4)	1,189,033	1,243,118
Portfolio investments (Note 5)	-	-
Loans and advances	<u>86,269</u>	<u>91,907</u>
	<u>\$ 4,508,890</u>	<u>\$ 5,876,286</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 1,425,130	\$ 1,299,315
Long-term debt (Note 6)	<u>1,429,247</u>	<u>1,630,937</u>
	<u>2,854,377</u>	<u>2,930,252</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ 1,654,513</u>	<u>\$ 2,946,034</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 45,320,074	\$ 43,538,658
Prepaid expenses	<u>58,921</u>	<u>63,078</u>
	<u>45,378,995</u>	<u>43,601,736</u>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<u>\$ 47,033,507</u>	<u>\$ 46,547,770</u>

**COMMITMENTS AND CONTINGENCIES (NOTES 7 AND 8)**

Approved on behalf of Council:

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Lawrence Morris - Mayor

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Jerome Mauws - CAO

**Rural Municipality of East St. Paul  
CONSOLIDATED STATEMENT OF OPERATIONS  
Year Ended December 31, 2009**

	<u>2009 Budget (Note 11)</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 5,068,779	\$ 5,337,825	\$ 4,943,844
Grants in lieu of taxation	58,740	58,740	54,049
User fees	364,031	662,164	501,931
Grants - Province of Manitoba	870,000	896,840	1,540,077
Grants - other	470,680	433,178	216,589
Permits, licences and fines	63,800	132,174	376,086
Investment income	20,000	57,957	183,576
Other revenue (Sales of goods, services & rentals)	1,797,399	78,979	148,825
Water and sewer	4,388,459	1,122,372	1,041,535
	<u>13,101,888</u>	<u>8,780,229</u>	<u>9,006,512</u>
Total revenue (Schedules 2, 4 and 5)			
<b>EXPENSES</b>			
General government services	1,254,654	1,228,607	1,288,723
Protective services	802,255	798,301	1,748,286
Transportation services	2,097,379	2,110,358	2,137,801
Environmental health services	639,150	654,751	586,024
Public health and welfare services	-	-	-
Regional planning and development	405,200	412,589	362,568
Resource conservation and industrial development	65,900	-	-
Recreation and cultural services	749,945	1,070,277	1,022,216
Water and sewer services	2,281,521	2,019,609	1,785,823
	<u>8,296,004</u>	<u>8,294,492</u>	<u>8,931,441</u>
Total expenses (Schedules 3, 4 and 5)			
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>4,805,884</b>	<b>485,737</b>	<b>75,071</b>
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR (Note 12)</b>	<b>47,033,507</b>	<b>46,547,770</b>	<b>46,472,699</b>
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	<b>\$ 51,839,391</b>	<b>\$ 47,033,507</b>	<b>\$ 46,547,770</b>

Rural Municipality of East St. Paul  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year Ended December 31, 2009**

	<b>2009 Budget (Note 11)</b>	<b>2009 Actual</b>	<b>2008 Actual</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ -	\$ 485,737	\$ 75,071
Acquisition of tangible capital assets	-	(3,918,679)	(3,595,949)
Amortization of tangible capital assets	-	2,137,264	2,021,684
Loss (Gain) on sale of tangible capital assets	-	-	(38,479)
Proceeds on sale of tangible capital assets	-	-	-
Decrease (increase) in inventories	-	-	-
Decrease (increase) in prepaid expense	-	4,157	(13,492)
	-	<b>(1,777,258)</b>	<b>(1,626,236)</b>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	-	<b>(1,291,521)</b>	<b>(1,551,165)</b>
<b>NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR</b>	<b>\$ 2,946,034</b>	<b>\$ 2,946,034</b>	<b>\$ 4,497,199</b>
<b>NET FINANCIAL ASSETS (NET DEBT), END OF YEAR</b>	<b>\$ 2,946,034</b>	<b>\$ 1,654,513</b>	<b>\$ 2,946,034</b>

**Rural Municipality of East St. Paul**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2009**

	<u>2009</u>	<u>2008</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 485,737	\$ 75,071
Changes in non-cash items:		
Amounts receivable	54,160	(19,379)
Inventories	-	-
Prepays	4,156	(9,679)
Accounts payable and accrued liabilities	125,741	(169,248)
Severance and vested sick leave payable	-	-
Landfill closure and post closure liabilities	-	-
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	-	(161,945)
Amortization	2,137,264	2,021,684
Cash provided by operating transactions	<u>2,807,058</u>	<u>1,736,504</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	-	-
Cash used to acquire tangible capital assets	<u>(3,918,679)</u>	<u>(3,595,949)</u>
Cash applied to capital transactions	<u>(3,918,679)</u>	<u>(3,595,949)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	5,636	28,598
Purchase of portfolio investments	-	-
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
Cash applied to investing transactions	<u>5,636</u>	<u>28,598</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	-	-
Debt repayment	(201,688)	(184,334)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	<u>(201,688)</u>	<u>(184,334)</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>(1,307,673)</b>	<b>(2,015,181)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b><u>4,541,261</u></b>	<b><u>6,556,442</u></b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 3,233,588</u></b>	<b><u>\$ 4,541,261</u></b>

**Rural Municipality of East St. Paul**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2009**

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**1. Status of the Rural Municipality of East St. Paul**

The incorporated Rural Municipality of East St. Paul (the Municipality) is a municipal government that was created in 1916 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation and other general government operations. The Municipality owns two utilities and has several designated special purpose reserves.

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

**a) Reporting Entity**

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

East St. Paul General Municipal (Services)  
East St. Paul Sewer Utility  
East St. Paul Water Utility

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

**b) Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

**c) Cash and Temporary Investments**

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

**d) Investments**

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

**Rural Municipality of East St. Paul**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2009**

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**e) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

**f) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize interest charges as part of the cost of its tangible capital assets.

**General Tangible Capital Assets**

Land	Indefinite
Land Improvements	30 to 40 years
Buildings and leasehold improvements	
Buildings	25 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 to 50 years
Computer Hardware and Software	4 years

**Infrastructure Assets**

Transportation	
Land	Indefinite
Road surface	30 to 40 years
Road grade	40 years
Bridges	40 years
Traffic lights and equipment	20 years
Water and Sewer	
Land	Indefinite
Land improvements	30 years
Buildings	25 years
Underground networks	50 years
Machinery and equipment	10 years
Dams and other surface water structures	40 years

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

**Rural Municipality of East St. Paul**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2009**

**g) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

**h) Measurement Uncertainty**

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2009</u>	<u>2008</u>
Cash	<u>\$ 3,233,588</u>	<u>\$ 4,541,261</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$2,840,316 (2008 \$3,132,186) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2009</u>	<u>2008</u>
Taxes on roll (Schedule 11)	\$ 795,135	\$ 845,376
Government grants	-	-
Utility customers	258,971	225,062
Accrued interest	-	-
Organizations and individuals	95,772	153,545
Other governments	212,846	209,737
	<u>1,362,724</u>	<u>1,433,720</u>
Less allowances for doubtful amounts	<u>(173,691)</u>	<u>(190,602)</u>
	<u>\$ 1,189,033</u>	<u>\$ 1,243,118</u>

**5 Accounts Payable and Accrued Liabilities**

	<u>2009</u>	<u>2008</u>
Accounts payable	\$ 911,182	\$ 677,324
Accrued expenses	21,102	74,458
Accrued interest payable	-	-
School levies (Schedule 13)	485,710	486,160
Other governments	7,136	61,373
	<u>\$ 1,425,130</u>	<u>\$ 1,299,315</u>

**Rural Municipality of East St. Paul**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2009**

**6. Long Term Debt**

	<u>2009</u>	<u>2008</u>
<b>Utility Funds:</b>		
Debenture for Sewer Utility, interest at 8.75%, payable at \$92,914.12 annually including interest, maturing Dec. 1, 2013	\$ 302,675	\$ 363,760
Debenture for Sewer Utility, interest at 8.75%, payable at \$11,943.80 annually including interest, maturing Dec. 31, 2013	38,908	46,760
Debenture for Sewer Utility, interest at 9.875%, payable at \$69,526.06 annually including interest, maturing Dec. 1, 2014	264,402	303,917
Debenture for Sewer Utility, interest at 9.875%, payable at \$163,042.68 annually including interest, maturing Nov. 1, 2015	712,702	797,037
Debenture for Sewer Utility, interest at 6.75%, payable at \$1,696.93 annually including interest, maturing Dec. 1, 2022	14,386	15,066
Debenture for Sewer Utility, interest at 6.75%, payable at \$5,536.41 annually including interest, maturing Dec. 1, 2022	46,934	49,153
Debenture for Water Utility, interest at 9%, payable at \$10,976.56 annually including interest, maturing Dec. 1, 2015	49,240	55,244
	<u>\$ 1,429,247</u>	<u>\$ 1,630,937</u>

Principal payments required in each of the next five years are as follows:

2010	\$ 220,688
2011	241,484
2012	264,248
2013	289,166
2014	211,587

**7. Commitments**

The Municipality has negotiated a non-exclusive long-term contract with BFI Canada for handling and disposal of garbage. The contract was extended to January 31, 2012. Annual charges under the contract are determined by reference to certain waste volumes handled. Payments made under the contract for the year 2009 were approximately **\$483,967** (2008 - \$405,517).

**8. Contingencies**

The Municipality owns properties that may contain environmental contamination and require site reclamation. The amount of any such obligation has not been determined.

**Rural Municipality of East St. Paul**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2009**

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**9. Retirement Benefits**

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Canadian Institute of Chartered Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP requires that employees contribute 5.8% of basic annual earnings up to the CPP ceiling plus 7.0% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$90,414 (2008 - \$94,547) and are included in the statement of operations.

Any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2008 indicates the plan is fully funded on a going concern basis but has an unfunded solvency liability of \$1.1 million. The solvency position of the plan is determined by comparing the solvency of the plan assets to the actuarial present value of the benefits accrued in respect of credited service prior to the valuation date, calculated as if the plan were wound up on December 31, 2008. Effective January 2010, employee and employer contributions will increase to 6.3% of basic annual earnings up to the CPP ceiling, plus 7.5% of basic earnings in excess of the CPP ceiling. The new contribution rates are sufficient to fund the solvency liability by December 2013.

**10. Financial Instruments**

The Municipality as part of its operations carries a number of financial instruments. It is management's opinion the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

**11. Budget**

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

**Rural Municipality of East St. Paul**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2009**

**12. Changes in Accounting Policies**

The Municipality has restated its financial statements to comply with the adoption of generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB).

Section PS3150 requires governments to record and amortize their tangible capital assets on their financial statements. In addition, leases, which substantially transfer all of the risks and benefits of ownership to the government, should be treated as capital leases.

Finally, PSAB also requires that the government reporting entity include all the organizations controlled by the government. PSAB also requires governments to account for government partnerships on a proportional consolidation basis whereby the government consolidates their pro-rata share of the partnership's assets, liabilities, revenues and expenses.

	<u>2009</u>	<u>2008</u>
Opening fund balances:		
Nominal Surplus - General Operating Fund	\$ 1,766,980	\$ 1,963,790
General Reserve Funds	2,773,711	3,161,331
Surplus - General Capital Fund	27,043,831	25,288,703
Nominal Surplus - Utility Operating Fund	5,522	120,411
Utility Reserve Funds	358,474	1,458,336
Surplus - Utility Capital Fund	14,673,507	12,289,067
Local Urban District - Deferred Revenue	-	-
Opening accumulated surplus, all funds, as previously reported	<u>\$ 46,622,025</u>	<u>\$ 44,281,638</u>
Adjustments:		
Tangible capital assets	43,538,658	43,541,650
Fixed assets in the capital funds	(43,612,913)	(41,350,589)
Obligation for capital lease(s)	-	-
Landfill closure and post closure liabilities	-	-
Environmental liabilities	-	-
Opening consolidated accumulated surplus, as restated	<u>\$ 46,547,770</u>	<u>\$ 46,472,699</u>
Consolidated annual surplus	<u>485,737</u>	<u>75,071</u>
Consolidated accumulated surplus, end of year	<u><u>\$ 47,033,507</u></u>	<u><u>\$ 46,547,770</u></u>

**Rural Municipality of East St. Paul**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2009**

**13. Public Sector Compensation Disclosure**

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, 2009:

- a) Compensation paid to members of council amounted to \$140,200 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	Compensation	Expenses	Total
Mayor - Lawrence Morris	\$ 30,260	\$ 10,917	\$ 41,177
Councillor - Michael Wasylin	26,870	11,005	37,875
Councillor - Doreen Negrich-Lozinski	29,140	11,041	40,181
Councillor - Rolfe Kajpust	26,090	8,837	34,927
Councillor - Charles Posthumus	27,840	10,446	38,286
	<u>\$ 140,200</u>	<u>\$ 52,246</u>	<u>\$ 192,446</u>

- c) The following officers received compensation in excess of \$50,000:

Name	Position	Amount
Bullard, Randy	Community Svcs Supervisor	\$ 58,347
Carter, Norm	Police Chief	\$ 63,168
Chaput, Connie	Planning Svcs Manager	\$ 57,881
Hall, Michael	Utility Support Staff	\$ 53,907
Mauws, Jerome	Chief Administrative Officer	\$ 98,217
Michalchuk, Ted	Heavy Equipment Operator	\$ 51,394
Oppermann, Carol	Assistant Chief Administrative Officer	\$ 69,178
Proch, Greg	Community Svcs Manager	\$ 75,774
Russell, Gary	Public Works Operations Supervisor	\$ 64,977
Schmidt, Bruce	Public Works Manager	\$ 85,282
Vallee, Rene	Heavy Equipment Operator	\$ 51,357
Winsor, Donald	Public Works Utility Supervisor	\$ 63,461

**14. Public Utilities Board**

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

No capital grants have been deferred and amortized in these financial statements.

**Water services:**

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water Utility	\$ 5,347,915	\$ -	\$ 127,997	\$ 5,219,918
	<u>\$ 5,347,915</u>	<u>\$ -</u>	<u>\$ 127,997</u>	<u>\$ 5,219,918</u>

**Sewer services:**

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Sewer Utility	\$ 5,633,175	\$ -	\$ 164,458	\$ 5,468,717
	<u>\$ 5,633,175</u>	<u>\$ -</u>	<u>\$ 164,458</u>	<u>\$ 5,468,717</u>

Rural Municipality of East St. Paul  
**TANGIBLE CAPITAL ASSETS**  
 Year Ended December 31, 2009

Cost	General Capital Assets						Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2009	2008	
Opening costs	\$ 6,270,887	\$ 11,713,662	\$ 2,669,326	\$ -	\$ -	\$ 20,549,975	\$ 31,207,595	\$ -	\$ 72,411,445	\$ 68,838,292	
Additions during the year	480,430	58,018	219,037	-	-	625,412	2,535,781	-	3,918,679	3,595,949	
Disposals and write downs	-	-	-	-	-	-	-	-	-	(22,796)	
Closing costs	6,751,317	11,771,680	2,888,363	-	-	21,175,387	33,743,376	-	76,330,124	72,411,445	
<b>Accumulated Amortization</b>											
Opening accum'd amortization	990,200	7,188,271	1,098,383	-	-	10,100,321	9,495,613	-	28,872,787	26,866,788	
Amortization	39,104	471,440	173,303	-	-	624,355	829,062	-	2,137,263	2,021,683	
Disposals and write downs	-	-	-	-	-	-	-	-	-	(15,684)	
Closing accum'd amortization	1,029,304	7,659,710	1,271,686	-	-	10,724,676	10,324,674	-	31,010,050	28,872,787	
<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 5,722,014</b>	<b>\$ 4,111,970</b>	<b>\$ 1,616,677</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,450,712</b>	<b>\$ 23,418,702</b>	<b>\$ -</b>	<b>\$ 45,320,074</b>	<b>\$ 43,538,658</b>	

Rural Municipality of East St. Paul  
**CONSOLIDATED SCHEDULE OF REVENUES**  
Year Ended December 31, 2009

**SCHEDULE 2**

	<u>2009</u> <u>Actual</u>	<u>2008</u> <u>Actual</u>
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 4,918,364	\$ 4,689,718
Taxes added	333,732	169,184
Penalties and interest	85,729	84,942
	<u>5,337,825</u>	<u>4,943,844</u>
<b>Grants in lieu of taxation:</b>		
Federal government	-	-
Federal government enterprises	-	-
Provincial government	10,755	7,938
Provincial government enterprises	47,985	46,111
Other local governments	-	-
Non-government organizations	-	-
	<u>58,740</u>	<u>54,049</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	108,902	146,170
Sales of goods	202,813	107,317
Rentals	350,449	248,444
Development charges	-	-
Facility use fees	-	-
	<u>662,164</u>	<u>501,931</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	654,910	1,312,855
General support grant	50,589	47,841
VLT revenues	181,845	179,381
Conditional grants	9,496	-
	<u>896,840</u>	<u>1,540,077</u>
<b>Grants - other</b>		
Federal government - gas tax funding	433,178	216,589
Federal government - other	-	-
Other local governments	-	-
	<u>433,178</u>	<u>216,589</u>
<b>Permits, licences and fines</b>		
Permits	52,471	85,141
Licences	7,603	9,177
Fees	47,295	195,952
Fines	24,805	85,816
	<u>132,174</u>	<u>376,086</u>
<b>Investment income:</b>		
Cash and temporary investments	57,957	183,576
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>57,957</u>	<u>183,576</u>
<b>Other revenue:</b>		
Gain on sale of tangible capital assets	-	-
Gain on sale of real estate held for sale	-	-
Miscellaneous	78,979	148,825
	<u>78,979</u>	<u>148,825</u>
<b>Water and sewer (Schedule 9)</b>	<u>1,122,372</u>	<u>1,041,535</u>
<b>Total revenue</b>	<u>\$ 8,780,229</u>	<u>\$ 9,006,512</u>

Rural Municipality of East St. Paul  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
Year Ended December 31, 2009

**SCHEDULE 3**

	2009 Actual	2008 Actual
<b>General government services:</b>		
Legislative	\$ 192,445	\$ 205,308
General administrative	885,289	934,639
Other - Amortization	150,873	148,776
	<u>1,228,607</u>	<u>1,288,723</u>
<b>Protective services:</b>		
Police	230,345	1,257,723
Fire	462,372	408,366
Emergency measures	47,579	25,856
Other protection	58,005	56,341
	<u>798,301</u>	<u>1,748,286</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	673,772	455,960
Road and street maintenance	387,942	343,347
Bridge maintenance	7,446	19,373
Sidewalk and boulevard maintenance	10,120	19,499
Street lighting	4,602	16,427
Other: Equipment, Vehicles, Sundry	252,797	506,650
Air transport	-	-
Other	773,679	776,545
	<u>2,110,358</u>	<u>2,137,801</u>
<b>Environmental health services:</b>		
Waste collection and disposal	245,124	193,650
Recycling	238,843	212,113
Other: Transfer Station	170,784	180,261
	<u>654,751</u>	<u>586,024</u>
<b>Public health and welfare services:</b>		
Public health	-	-
Medical care	-	-
Hospital care	-	-
Social assistance	-	-
	<u>-</u>	<u>-</u>
<b>Regional planning and development</b>		
Planning and zoning	339,276	293,337
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	71,344	68,247
Other	1,969	984
	<u>412,589</u>	<u>362,568</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	-	-
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<b>Sub-totals forward</b>	<u>5,204,606</u>	<u>6,123,402</u>

<b>Sub-totals forward</b>	<b><u>5,204,606</u></b>	<b><u>6,123,402</u></b>
<b>Recreation and cultural services:</b>		
Administration	416,899	115,293
Community centers and halls	31,826	47,849
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	213,559	319,573
Parks and playgrounds	53,017	217,058
Other recreational facilities	15,245	22,388
Museums	-	-
Libraries	-	-
Other	339,731	300,055
	<b><u>1,070,277</u></b>	<b><u>1,022,216</u></b>
<b>Water and sewer services (Schedule 9)</b>	<b><u>2,019,609</u></b>	<b><u>1,785,823</u></b>
<b>Total expenses</b>	<b><u>\$ 8,294,492</u></b>	<b><u>\$ 8,931,441</u></b>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
Year Ended December 31, 2009

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>REVENUE</b>										
Property taxes	\$ 4,859,757	\$ 4,467,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	58,740	54,049	-	-	-	-	-	-	-	-
User fees	14,485	11,359	239,164	45,654	114,811	121,630	29,296	38,122	2,620	3,061
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	896,840	1,540,077	-	-	-	-	-	-	-	-
Grants - other	433,178	216,589	-	-	-	-	-	-	-	-
Fees, Permits, licences and fines	49,545	198,658	24,805	85,816	1,840	3,280	-	-	-	-
Investment income	57,957	183,576	-	-	-	-	-	-	-	-
Other revenue	30,426	52,176	-	-	8,000	41,765	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 6,400,928</b>	<b>\$ 6,724,325</b>	<b>\$ 263,969</b>	<b>\$ 131,470</b>	<b>\$ 124,651</b>	<b>\$ 166,675</b>	<b>\$ 29,296</b>	<b>\$ 38,122</b>	<b>\$ 2,620</b>	<b>\$ 3,061</b>
<b>EXPENSES</b>										
Personnel services	\$ 554,008	\$ 586,450	\$ 384,762	\$ 887,611	\$ 623,994	\$ 618,481	\$ 31,651	\$ 41,533	\$ -	\$ -
Contract services	157,209	179,027	146,306	534,489	103,171	109,955	604,628	520,529	-	-
Utilities	253,321	242,264	84,940	104,257	123,670	122,795	1,339	1,457	-	-
Maintenance materials and supplies	91,553	109,329	121,414	162,715	485,844	510,025	17,133	22,505	-	-
Grants and contributions	-	-	2,874	2,873	-	-	-	-	-	-
Amortization	150,873	148,776	58,005	56,341	773,679	776,545	-	-	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	21,643	22,877	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 1,228,607</b>	<b>\$ 1,288,723</b>	<b>\$ 798,301</b>	<b>\$ 1,748,286</b>	<b>\$ 2,110,358</b>	<b>\$ 2,137,801</b>	<b>\$ 654,751</b>	<b>\$ 586,024</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Surplus (Deficit)</b>	<b>\$ 5,172,321</b>	<b>\$ 5,435,602</b>	<b>\$ (534,332)</b>	<b>\$ (1,616,816)</b>	<b>\$ (1,985,707)</b>	<b>\$ (1,971,126)</b>	<b>\$ (625,455)</b>	<b>\$ (547,902)</b>	<b>\$ 2,620</b>	<b>\$ 3,061</b>

\*The general government category includes revenues and expenses that cannot be attributed to a particular sector.

**SCHEDULE 4**

**Rural Municipality of East St. Paul  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
Year Ended December 31, 2009**

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2009	2008	2009	2008	2009	2008	2009	2008	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 476,003	\$ 476,003	\$ 4,943,844
Grants in lieu of taxation	-	-	-	-	-	-	-	-	54,049
User fees	21,124	33,661	-	-	240,664	248,444	-	-	501,931
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	-	-	-	-	-	-	1,540,077
Grants - other	-	-	-	-	-	-	-	-	216,589
Fees, Permits, licences and fines	54,030	86,061	-	-	1,954	2,271	-	-	376,086
Investment income	-	-	-	-	-	-	-	-	183,576
Other revenue	-	-	-	-	40,553	54,884	-	-	148,825
Water and sewer	-	-	-	-	-	-	1,041,535	1,041,535	1,041,535
<b>Total revenue</b>	<b>\$ 75,154</b>	<b>\$ 119,722</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 283,171</b>	<b>\$ 305,599</b>	<b>\$ 1,600,440</b>	<b>\$ 1,517,538</b>	<b>\$ 8,780,229</b>
									<b>\$ 9,006,512</b>
<b>EXPENSES</b>									
Personnel services	\$ 194,435	\$ 177,105	\$ -	\$ -	\$ 355,422	\$ 326,410	\$ 155,858	\$ 146,436	\$ 2,300,130
Contract services	185,945	153,617	-	-	36,822	48,185	271,773	199,973	1,745,775
Utilities	20,536	19,673	-	-	113,513	114,010	107,394	88,403	692,859
Maintenance materials and supplies	9,704	11,189	-	-	225,529	217,390	413,166	362,616	1,395,769
Grants and contributions	-	-	-	-	15,315	16,165	88,410	78,110	106,599
Amortization	1,969	984	-	-	323,676	300,056	829,062	738,982	2,021,684
Interest on long term debt	-	-	-	-	-	-	153,946	171,303	171,303
Other	-	-	-	-	-	-	-	-	22,877
<b>Total expenses</b>	<b>\$ 412,589</b>	<b>\$ 362,568</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,070,277</b>	<b>\$ 1,022,216</b>	<b>\$ 2,019,609</b>	<b>\$ 1,785,823</b>	<b>\$ 8,931,441</b>
<b>Surplus (Deficit)</b>	<b>\$ (337,435)</b>	<b>\$ (242,846)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (787,106)</b>	<b>\$ (716,617)</b>	<b>\$ (419,169)</b>	<b>\$ (268,285)</b>	<b>\$ 75,071</b>

Rural Municipality of East St. Paul

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2009

	Core Government		Controlled Entities		Government Partnerships		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>REVENUE</b>								
Property taxes	\$ 5,337,825	\$ 4,943,844	\$ -	\$ -	\$ -	\$ -	\$ 5,337,825	\$ 4,943,844
Grants in lieu of taxation	58,740	54,049	-	-	-	-	58,740	54,049
User fees	662,164	501,931	-	-	-	-	662,164	501,931
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	896,840	1,540,077	-	-	-	-	896,840	1,540,077
Grants - other	433,178	216,589	-	-	-	-	433,178	216,589
Permits, licences and fines	132,174	376,086	-	-	-	-	132,174	376,086
Investment income	57,957	183,576	-	-	-	-	57,957	183,576
Other revenue	78,979	148,825	-	-	-	-	78,979	148,825
Water and sewer	1,122,372	1,041,535	-	-	-	-	1,122,372	1,041,535
<b>Total revenue</b>	<b>\$ 8,780,229</b>	<b>\$ 9,006,512</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,780,229</b>	<b>\$ 9,006,512</b>
<b>EXPENSES</b>								
Personnel services	\$ 2,300,130	\$ 2,784,026	\$ -	\$ -	\$ -	\$ -	\$ 2,300,130	\$ 2,784,026
Contract services	1,505,854	1,745,775	-	-	-	-	1,505,854	1,745,775
Utilities	704,713	692,859	-	-	-	-	704,713	692,859
Maintenance materials and supplies	1,364,343	1,395,769	-	-	-	-	1,364,343	1,395,769
Grants and contributions	106,599	97,148	-	-	-	-	106,599	97,148
Amortization	2,137,264	2,021,684	-	-	-	-	2,137,264	2,021,684
Interest on long term debt	153,946	171,303	-	-	-	-	153,946	171,303
Other	21,643	22,877	-	-	-	-	21,643	22,877
<b>Total expenses</b>	<b>\$ 8,294,492</b>	<b>\$ 8,931,441</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,294,492</b>	<b>\$ 8,931,441</b>
<b>Surplus (Deficit)</b>	<b>\$ 485,737</b>	<b>\$ 75,071</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 485,737</b>	<b>\$ 75,071</b>

**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
 Year Ended December 31, 2009

	2009					
	Capital Const. Reserve	General Reserve	Equip. Rep. Reserve	Drainage Reserve	Investment Reserve	Road Rebuild. Reserve
<b>REVENUE</b>						
Investment income	\$ -	\$ 370	\$ 248	\$ 4,766	\$ 5,717	\$ -
Other income	-	-	-	1,000	-	1,000
Total revenue	-	370	248	5,766	5,717	1,000
<b>EXPENSES</b>						
Investment charges	-	-	-	-	-	2,598
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	2,598
<b>NET REVENUES</b>	-	370	248	5,766	5,717	(1,598)
<b>TRANSFERS</b>						
Debt repayments	-	-	-	-	52,000	-
Transfers from (to) operating fund	-	50,000	100,000	50,000	40,000	400,000
Transfers from (to) utility fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(180,000)	(119,139)	-	-	(560,000)
<b>CHANGE IN RESERVE FUND BALANCES</b>	-	(129,630)	(18,891)	55,766	97,717	(161,598)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	-	342,611	132,818	283,711	265,147	217,708
<b>FUND SURPLUS, END OF YEAR</b>	\$ -	\$ 212,981	\$ 113,927	\$ 339,477	\$ 362,864	\$ 56,110

Rural Municipality of East St. Paul

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
Year Ended December 31, 2009

	2009					
	Park Land Ded. Reserve	Building Reserve	Env. Health Reserve	Police Reserve	Arena Reserve	Capital Levy Reserve
<b>REVENUE</b>						
Investment income	\$ 2,528	\$ 3,622	\$ -	\$ 738	\$ 349	\$ 6,341
Other income	-	-	-	-	-	10,000
Total revenue	2,528	3,622	-	738	349	16,341
<b>EXPENSES</b>						
Investment charges	-	-	1	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	1	-	-	-
<b>NET REVENUES</b>	2,528	3,622	(1)	738	349	16,341
<b>TRANSFERS</b>						
Debt repayments	-	-	-	-	-	-
Transfers from (to) operating fund	-	100,000	5,000	-	80,000	-
Transfers from (to) utility fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	(241,392)
<b>CHANGE IN RESERVE FUND BALANCES</b>	2,528	103,622	4,999	738	80,349	(225,051)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	106,519	242,644	5,864	77,234	93,748	421,640
<b>FUND SURPLUS, END OF YEAR</b>	\$ 109,047	\$ 346,266	\$ 10,863	\$ 77,972	\$ 174,097	\$ 196,589

**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**Year Ended December 31, 2009**

	2009				
	Traffic Sig. Reserve	Parks & Rec Reserve	Fire Equip. Reserve	Gas Tax Reserve	Election Reserve
<b>REVENUE</b>					
Investment income	\$ 447	\$ 717	\$ 9,293	\$ 421	\$ -
Other income	700	-	-	-	-
Total revenue	<u>1,147</u>	<u>717</u>	<u>9,293</u>	<u>421</u>	<u>-</u>
<b>EXPENSES</b>					
Investment charges	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET REVENUES</b>	<u>1,147</u>	<u>717</u>	<u>9,293</u>	<u>421</u>	<u>-</u>
<b>TRANSFERS</b>					
Debt repayments	-	-	-	-	-
Transfers from (to) operating fund	-	50,000	100,000	433,180	5,000
Transfers from (to) utility fund	-	-	-	-	-
Acquisition of tangible capital assets	-	(72,550)	-	(433,179)	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	<u>1,147</u>	<u>(21,833)</u>	<u>109,293</u>	<u>422</u>	<u>5,000</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>23,254</u>	<u>78,238</u>	<u>465,977</u>	<u>16,599</u>	<u>-</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 24,401</u>	<u>\$ 56,405</u>	<u>\$ 575,270</u>	<u>\$ 17,021</u>	<u>\$ 5,000</u>

**SCHEDULE 6**

**Rural Municipality of East St. Paul  
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
Year Ended December 31, 2009**

	2009			2008	
	Sewer Utility Reserve	Water Utility Reserve	STP Reserve	Total	Total
<b>REVENUE</b>					
Investment income	\$ 3,784	\$ 3,904	\$ -	\$ -	\$ 129,051
Other income	30,595	4,000	-	-	195,952
<b>Total revenue</b>	<b>34,379</b>	<b>7,904</b>	<b>-</b>	<b>-</b>	<b>325,003</b>
<b>EXPENSES</b>					
Investment charges	-	-	-	-	-
Other expenses	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,599</b>
<b>NET REVENUES</b>	<b>34,379</b>	<b>7,904</b>	<b>-</b>	<b>-</b>	<b>325,003</b>
<b>TRANSFERS</b>					
Debt repayments	-	-	-	-	-
Transfers from (to) operating fund	225,000	35,000	-	-	1,631,590
Transfers from (to) utility fund	-	-	-	-	52,000
Acquisition of tangible capital assets	(470,481)	(28,249)	-	-	(3,496,074)
<b>CHANGE IN RESERVE FUND BALANCES</b>	<b>(211,102)</b>	<b>14,655</b>	<b>-</b>	<b>-</b>	<b>(1,487,481)</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>211,844</b>	<b>146,630</b>	<b>-</b>	<b>-</b>	<b>4,619,667</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$ 742</b>	<b>\$ 161,285</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,132,186</b>

Rural Municipality of East St. Paul  
**SCHEDULE OF TRUST FUNDS**  
Year Ended December 31, 2009

**SCHEDULE 7**

	Sinking Fund LID #5	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	2009	Total 2008
<b>ASSETS</b>									
Cash and temporary investments	\$ 43,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,566	\$ -
Portfolio investments	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
	<u>\$ 43,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,566</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	(43,566)	-	-	-	-	-	(43,566)	-	-
	<u>\$ (43,566)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (43,566)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>REVENUES</b>									
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	1,187	-	-	-	-	-	1,187	-	-
	<u>1,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>									
Cemetery maintenance	-	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-	-
Other	6,249	-	-	-	-	-	6,249	-	-
	<u>6,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,249</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(5,062)	-	-	-	-	-	(5,062)	-	-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	48,628	-	-	-	-	-	48,628	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 43,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,566</u>	<u>\$ -</u>	<u>\$ -</u>

Rural Municipality of East St. Paul

SCHEDULE 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES  
Year Ended December 31, 2009

	2009				2008			
	Sewer Utility	Water Utility	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Total	Total
<b>FINANCIAL ASSETS</b>								
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	-	-	-	-	-	-	-	-
Portfolio investments	-	-	-	-	-	-	-	-
Other	-	64,740	-	-	-	-	64,740	867,227
	-	64,740	-	-	-	-	64,740	867,227
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Long-term debt (Note 9)	1,380,007	49,240	-	-	-	-	1,429,247	1,630,937
Other	1,808,845	-	-	-	-	-	1,808,845	-
	3,188,852	49,240	-	-	-	-	3,238,092	1,630,937
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	-	15,500	-	-	-	-	3,173,352	763,710
<b>NON-FINANCIAL ASSETS</b>								
Tangible capital assets (Schedule 1)	14,589,206	8,829,497	-	-	-	-	23,418,703	21,711,982
Inventories	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
	14,589,206	8,829,497	-	-	-	-	23,418,703	21,711,982
<b>FUND SURPLUS (DEFICIT)</b>	\$ 11,400,354	\$ 8,844,997	\$ -	\$ -	\$ -	\$ -	\$ 20,245,351	\$ 20,948,272

COMMITMENTS AND CONTINGENCIES (Notes 11 and 12)

## SCHEDULE OF UTILITY OPERATIONS - Sewer Utility

Year Ended December 31, 2009

	2009 Budget	2009 Actual	2008 Actual
<b>REVENUE</b>			
Water fees	\$ -	\$ -	\$ -
Sewer fees	750,000	808,880	731,322
Property taxes	-	410,012	415,643
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals	-	-	-
Connection charges	5,000	1,900	5,600
Penalties	3,000	1,019	2,992
Government transfers - operating	410,012	-	-
Government transfers - capital	1,301,100	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income	1,375,000	21,871	-
<b>Total revenue</b>	<u>3,844,112</u>	<u>1,243,682</u>	<u>1,155,557</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	289,600	240,725	106,161
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>289,600</u>	<u>240,725</u>	<u>106,161</u>
<b>Water</b>			
Purification and treatment	-	-	-
Transmission and distribution	-	-	-
Transportation services	-	-	-
Water purchases	-	-	-
Connection costs	-	-	-
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sewer</b>			
Collection system costs	1,800	1,785	-
Treatment and disposal cost	412,000	406,393	422,911
Lift Station costs	32,500	36,668	34,477
Transportation services	15,900	25,887	16,403
Sewer purchases	-	95,185	41,764
Connection costs	-	-	-
Amortization	-	570,645	482,087
Interest on long term debt	-	148,974	165,835
sub-total- sewer	<u>462,200</u>	<u>1,285,537</u>	<u>1,163,476</u>
<b>Total expenses</b>	<u>751,800</u>	<u>1,526,262</u>	<u>1,269,637</u>
<b>NET REVENUES</b>	3,092,312	(282,580)	(114,080)
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	225,000	(225,000)	(225,000)
<b>CHANGE IN UTILITY FUND BALANCE</b>	3,317,312	(507,580)	(339,080)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	-	11,907,934	12,247,014
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 3,317,312</u>	<u>\$ 11,400,354</u>	<u>\$ 11,907,934</u>

**SCHEDULE OF UTILITY OPERATIONS - Water Utility**  
**Year Ended December 31, 2009**

	2009 Budget	2009 Actual	2008 Actual
<b>REVENUE</b>			
Water fees	\$ 275,000	\$ 260,846	\$ 264,625
Sewer fees	-	-	-
Property taxes	-	51,946	44,250
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals	15,200	15,200	14,700
Connection charges	20,000	10,395	20,167
Penalties	2,200	2,260	2,129
Government transfers - operating	51,947	-	-
Government transfers - capital	180,000	-	-
Investment income	-	-	-
Administration fees	-	-	-
Other income	-	-	-
<b>Total revenue</b>	<u>544,347</u>	<u>340,647</u>	<u>345,871</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	82,000	61,156	24,247
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>82,000</u>	<u>61,156</u>	<u>24,247</u>
<b>Water</b>			
Purification and treatment	42,300	36,150	81,560
Transmission and distribution	105,200	72,082	38,550
Transportation services	9,200	10,242	9,045
Water purchases	-	34,218	84,310
Connection costs	-	-	-
Amortization	-	258,417	256,896
Interest on long term debt	-	4,972	5,468
sub-total- water	<u>156,700</u>	<u>416,081</u>	<u>475,829</u>
<b>Sewer</b>			
Collection system costs	-	-	-
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Water purchases	-	-	-
Connection costs	-	-	-
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenses</b>	<u>238,700</u>	<u>477,237</u>	<u>500,076</u>
<b>NET REVENUES</b>	305,647	(136,590)	(154,205)
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	87,000	(58,751)	(87,000)
<b>CHANGE IN UTILITY FUND BALANCE</b>	392,647	(195,341)	(241,205)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	-	9,040,338	9,281,543
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 392,647</u>	<u>\$ 8,844,997</u>	<u>\$ 9,040,338</u>

Rural Municipality of East St. Paul  
**SCHEDULE OF UTILITY OPERATIONS - Water Utility**  
**Year Ended December 31, 2009**

**SCHEDULE 9**

	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
<b>REVENUE</b>			
Water fees			
Sewer fees	-	-	-
Property taxes	-	16,110	16,110
Bulk Water fees	-	-	-
Lagoon tipping fees	-	-	-
Hydrant rentals			
Connection charges			
Penalties			
Government transfers - operating			
Government transfers - capital			-
Investment income	-	-	-
Administration fees	-	-	-
Other income	-	-	-
<b>Total revenue</b>	<u>-</u>	<u>16,110</u>	<u>16,110</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration			
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>-</u>	<u>-</u>	<u>-</u>
<b>Water</b>			
Purification and treatment			
Transmission and distribution			
Transportation services			
Water purchases			
Connection costs			
Amortization			
Interest on long term debt			
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sewer</b>			
Collection system costs	-	16,110	16,110
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Water purchases	-	-	-
Connection costs	-	-	-
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer	<u>-</u>	<u>16,110</u>	<u>16,110</u>
<b>Total expenses</b>	<u>-</u>	<u>16,110</u>	<u>16,110</u>
<b>NET REVENUES</b>	-	-	-
<b>TRANSFERS</b>			
Transfers from (to) operating fund			
Transfers from (to) reserve funds			
<b>CHANGE IN UTILITY FUND BALANCE</b>	-	-	-
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	-	-	-
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET  
Year Ended December 31, 2009

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 5,158,779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,158,779
Grants in lieu of taxation	58,740	-	-	-	-	-	-	58,740
User fees	708,781	-	-	-	-	-	-	708,781
Grants - Province of Manitoba	770,000	-	-	-	-	-	-	770,000
Grants - other	433,180	-	-	-	-	-	-	433,180
Permits, licences and fines	67,200	-	-	-	-	-	-	67,200
Investment income	20,000	-	-	-	-	-	-	20,000
Other revenue	76,750	-	-	-	-	-	-	76,750
Water and sewer		2,801,037	-	-	-	-	-	2,801,037
Transfers from accumulated surplus	40,000	106,322	-	-	146,322	-	-	292,644
Transfers from reserves	1,380,000	1,481,100	-	-	2,861,100	-	-	5,722,200
<b>Total revenue</b>	<b>\$ 8,713,430</b>	<b>\$ 4,388,459</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,007,422</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,109,311</b>
<b>EXPENSES</b>								
General government services	\$ 1,102,360	\$ -	\$ 150,873	\$ -	\$ 1,421	\$ -	\$ -	\$ 1,254,654
Protective services	744,250	-	58,005	-	-	-	-	802,255
Transportation services	1,323,700	-	773,679	-	-	-	-	2,097,379
Environmental health services	639,150	-	-	-	-	-	-	639,150
Public health and welfare services	-	-	-	-	-	-	-	-
Regional planning and development	405,200	-	-	-	-	-	-	405,200
Resource cons and industrial dev	-	-	-	-	-	-	-	-
Recreation and cultural services	734,600	-	15,315	-	-	-	-	749,915
Water and sewer services	-	1,452,459	829,062	-	-	-	-	2,281,521
Fiscal services:								
Transfer to capital	1,871,500	2,901,100	-	-	(4,772,600)	-	-	-
Debt charges	478,069	-	-	153,946	(478,069)	-	-	153,946
Short term interest	-	-	-	-	-	-	-	-
Transfer to reserves	1,413,180	312,000	-	-	(1,725,180)	-	-	-
Allowance for tax assets	1,421	-	-	-	(1,421)	-	-	-
<b>Total expenses</b>	<b>\$ 8,713,430</b>	<b>\$ 4,665,559</b>	<b>\$ 1,826,934</b>	<b>\$ 153,946</b>	<b>\$ (6,975,849)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,384,020</b>
<b>Surplus (Deficit)</b>	<b>\$ 0</b>	<b>\$ (277,100)</b>	<b>\$ (1,826,934)</b>	<b>\$ (153,946)</b>	<b>\$ 9,983,271</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,725,291</b>

Rural Municipality of East St. Paul  
**ANALYSIS OF TAXES ON ROLL**  
**Year Ended December 31, 2009**

**SCHEDULE 11**

	<u>2009</u>	<u>2008</u>
<b>Balance, beginning of year</b>	<b>\$ 845,376</b>	<b>\$ 744,601</b>
<b>Add:</b>		
Tax levy (Schedule 12)	14,446,937	13,922,688
Taxes added	333,732	169,184
Penalties or interest	85,729	84,942
Other accounts added	54,939	65,667
Tax Adjustments (specify): Utilities	-	-
Tax Adjustments (specify): Invoices	-	-
<b>Sub-total</b>	<b><u>14,921,337</u></b>	<b><u>14,242,481</u></b>
<b>Deduct:</b>		
Cash collections - current	12,544,537	11,964,941
Cash collections - arrears	658,591	552,313
Write-offs	1,750	5,652
Title value of land sales	-	-
Title value of tax titles acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	1,766,700	1,618,800
Other credits (cancellations)	-	-
<b>Sub-total</b>	<b><u>14,971,578</u></b>	<b><u>14,141,706</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 795,135</u></u></b>	<b><u><u>\$ 845,376</u></u></b>

## ANALYSIS OF TAX LEVY

Year Ended December 31, 2009

	2009			2008
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
Name of LUD	-	0.000%	\$ -	\$ -
Name of LUD	-	0.000%	-	-
Name of LUD	-	0.000%	-	-
Debt charges:				
Frontage/Acreage	-	0.000%	219,104	219,104
LI.D.	-	0.000%	-	-
Other (specify):	-	0.000%	-	-
Mill Rate	Various	0.000%	145,079	136,722
Acreage	-	0.000%	-	-
Deferred surplus				
Sewer Utility	286,712,820	0.229%	65,657	71,134
Water Utility - 2007	116,299,810	0.287%	33,378	33,384
Water Utility - 2008	117,588,830	0.066%	7,761	-
Reserves:				
General	352,779,910	0.140%	49,390	49,599
Machinery Replacement	352,779,910	0.280%	98,779	98,849
Building	352,779,910	0.280%	98,779	98,849
Fire Equipment	352,779,910	0.280%	98,779	98,849
Investment	352,779,910	0.112%	39,511	39,819
Drainage	352,779,910	0.140%	49,390	79,288
Road Building	352,779,910	1.120%	394,698	296,545
Arena	352,779,910	0.224%	79,023	79,288
Parks & Recreation	352,779,910	0.140%	49,389	49,599
Environmental Health	352,779,910	0.014%	4,939	5,239
Election	352,779,910	0.014%	4,939	-
Police				49,599
Special levies:				
General Municipal	352,779,910	9.641%	3,401,151	3,205,827
			-	-
Business tax (rate%)				
	2,494,400	2.500%	62,360	61,917
	1,282,400	0.500%	6,412	6,552
Business fee				
			9,844	9,555
<b>Total municipal taxes (Schedule 2)</b>			<b>4,918,364</b>	<b>4,689,718</b>
Education support levy	17,118,840	16.080%	275,271	284,273
Special levy:				
River East Transcona School Divis	352,739,480	26.233%	9,253,302	8,948,696
<b>Total education taxes</b>			<b>9,528,573</b>	<b>9,232,970</b>
<b>Total tax levy (Schedule 11)</b>			<b>\$ 14,446,937</b>	<b>\$ 13,922,688</b>

Rural Municipality of East St. Paul  
 ANALYSIS OF SCHOOL ACCOUNTS  
 Year Ended December 31, 2009

SCHEDULE 13

	2009			2008
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ 21,383	\$ 338,695	\$ 339,418	\$ 21,383
Special levies				
River East Transcona	464,777	9,374,863	9,374,590	464,777
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Sub-total</b>	<u>464,777</u>	<u>9,374,863</u>	<u>9,374,590</u>	<u>464,777</u>
<b>Total</b>	<u>\$ 486,160</u>	<u>\$ 9,713,558</u>	<u>\$ 9,714,008</u>	<u>\$ 486,160</u>

