

FINANCIAL

REPORT

2007

RM OF EAST ST. PAUL

INDEX TO FINANCIAL STATEMENTS

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, 2007 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, 2007 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
April 10, 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**DECEMBER 31, 2007**

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.



Mayor

April 10, 2008
Date
Chief Administrative OfficerApril 10, 2008
Date

STATEMENT 1

**GENERAL OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2007**

ASSETS**CASH**

Cash on Hand	1,750	
Cash on Deposit	1,901,234	
Deposit Receipts		1,902,984

RECEIVABLES

Tax Assets - Schedule 1		790,890	
Government Grants - Schedule 3			
Own Funds and Agencies			
Utility Operating Fund	2,393,971		
Utility Capital Fund	218,350		
General Capital Fund			
Reserves	30,976		
Trusts		2,643,297	

Operating Accounts Receivable			
Organizations and Individuals	469,915		
Federal Government	89,123		
Federal Government Enterprises			
Provincial Government	865		
Provincial Government Enterprises	14,569		
Other Local Governments	51,388	625,860	
Other Receivables			
Sub Total			4,060,047

Less: Allowances for Doubtful Accounts			
Other Allowances			4,060,047

INVESTMENTS - SCHEDULE 6**INVENTORIES****PREPAID EXPENSES**

53,399

TOTAL ASSETS

6,016,430

LIABILITIES AND SURPLUS**TEMPORARY BORROWINGS**

Chartered Banks			
Other Financial Institutions			
Own Funds			
Other			

PAYABLES

School Levies - Schedule 4		460,334	
Own Funds and Agencies			
Utility Operating Fund	2,375,020		
Reserves	16,044		
Trusts			
Other		2,391,064	

Operating Accounts Payable			
Organizations and Individuals	891,671		
Federal Government			
Federal Government Enterprises			
Provincial Government	869		
Provincial Government Enterprises	46,988		
Other Local Governments	26,393	965,921	

Debenture Instalments			3,817,319
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OTHER LIABILITIES

Land Sale Deposits			
Debenture Levies in Advance			
Prepaid Taxes			
Deferred Revenue - LID Prepayments		42,308	42,308

TOTAL CURRENT LIABILITIES

3,859,627

ALLOWANCE FOR TAX ASSETS - STATEMENT 8

193,013

NOMINAL SURPLUS - STATEMENT 8

1,963,790

TOTAL LIABILITIES AND SURPLUS

6,016,430

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

**GENERAL RESERVE FUND BALANCE SHEET
AS AT DECEMBER 31, 2007**

STATEMENT 2

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
General	286,002				286,002
Equipment Replacement	138,862				138,862
Drainage	185,785		(3,581)		182,204
Investment	412,665		(97)		412,568
Road Rebuild	242,969		(2,500)		240,469
Dedicated Funds	96,654				96,654
Roads & Development					
Capital Construction	109,297		(58,000)		51,297
Future Signalization	151,287		1,750		153,037
Nuisance Grounds	122,653		(1,298)		121,355
Parks & Recreation	67,696				67,696
Arena Banquet Hall	66,623				66,623
Fire Equipment	355,263				355,263
Bricker Road					
Capital Levy	249,195	120,503	28,750		398,448
Sewer Plant	927,734		4,000		931,734
Police	28,221				28,221
Building	86,968				86,968
Gas Tax	475,664				475,664
TOTAL	4,003,538	120,503	(30,976)		3,617,401

**GENERAL CAPITAL FUND BALANCE SHEET
AS AT DECEMBER 31, 2007**

STATEMENT 3

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		10,525,237	
Machinery and Equipment		5,866,237	
Land		4,077,078	
Other		4,820,151	25,288,703
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)			
Debenture Levies			
Deferred liability Levies			
OTHER ASSETS			
TOTAL ASSETS			25,288,703
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			25,288,703
TOTAL LIABILITIES AND SURPLUS			25,288,703

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

STATEMENT 4

UTILITY OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2007

ASSETS

CASH

Cash on Hand		
Cash on Deposit		
Deposit Receipts		

RECEIVABLES

Government Grants - Schedule 3		
Own Funds and Agencies		
General Operating Fund	913,934	
General Capital Fund		
Utility Capital Fund		
Reserves		
Trusts		913,934

Operating Accounts Receivable		
Organizations and Individuals		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other Receivables		
Sub Total		913,934
Less: Allowance for Doubtful Accounts		

INVESTMENTS - SCHEDULE 6

INVENTORIES

PREPAID EXPENSES

TOTAL ASSETS 913,934

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS

Chartered Banks		
Other Financial Institutions		
Own Funds		
Other		

PAYABLES

Own Funds and Agencies		
General Operating Fund	791,009	
Reserves		
Trusts		
Other		791,009

Operating Accounts Payable		
Organizations and Individuals		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Debenture Instalments		791,009

OTHER LIABILITIES

Debenture Levies in Advance		
Prepaid Consumer Accounts		
Meter Deposits		
Other		

TOTAL CURRENT LIABILITIES 791,009

NOMINAL SURPLUS - STATEMENT 8 122,925

TOTAL LIABILITIES AND SURPLUS 913,934

UTILITY RESERVE FUND BALANCE SHEET

STATEMENT 5

AS AT DECEMBER 31, 2007

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Replacement East St. Paul	260,295		44		260,339
TOTAL	260,295		44		260,339

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

STATEMENT 4

UTILITY OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2007

ASSETS

CASH

Cash on Hand		
Cash on Deposit		
Deposit Receipts		

RECEIVABLES

Government Grants - Schedule 3		
Own Funds and Agencies		
General Operating Fund	1,461,086	
General Capital Fund		
Utility Capital Fund		
Reserves	139,362	
Other		1,600,448

Operating Accounts Receivable		
Organizations and Individuals		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other Receivables		
Sub Total		1,600,448

Less: Allowance for Doubtful Accounts 1,600,448

INVESTMENTS - SCHEDULE 6

INVENTORIES

PREPAID EXPENSES

TOTAL ASSETS 1,600,448

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS

Chartered Banks		
Other Financial Institutions		
Own Funds		
Other		

PAYABLES

Own Funds and Agencies		
General Operating Fund	1,602,962	
Reserves		
Trusts		
Other		1,602,962

Operating Accounts Payable		
Organizations and Individuals		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		

Debenture Instalments 1,602,962

OTHER LIABILITIES

Debenture Levies in Advance		
Prepaid Consumer Accounts		
Meter Deposits		
Other		

TOTAL CURRENT LIABILITIES 1,602,962

NOMINAL SURPLUS - STATEMENT 8 (2,514)

TOTAL LIABILITIES AND SURPLUS 1,600,448

UTILITY RESERVE FUND BALANCE SHEET

STATEMENT 5

AS AT DECEMBER 31, 2007

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Water	389,625		(123,362)		266,263
Sewer					
TOTAL	389,625		(123,362)		266,263

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

STATEMENT 6

UTILITY CAPITAL FUND BALANCE SHEET
AS AT DECEMBER 31, 2007

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			
Land		8,441,082	
Other			
		3,947,702	12,388,784
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)			
Debenture Levies		1,815,269	
Deferred Liability Levies			1,815,269
OTHER ASSETS			
TOTAL ASSETS			14,322,686

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		1,815,269	
Deferred Liabilities - Schedule 10			1,815,269
CAPITAL SURPLUS - STATEMENT 8			12,289,067
TOTAL LIABILITIES AND SURPLUS			14,322,686

STATEMENT 7

TRUST FUND BALANCE SHEET
AS AT DECEMBER 31, 2007

ASSETS

TRUST NAME	CASH	INVESTMENTS (Schedule 6)	OTHER FUNDS	OTHER	TOTAL
Cemetery					
Pension Funds					
Option Deposits					
Other	61,364				61,364
TOTAL	61,364				61,364

LIABILITIES

	PAYABLES	OTHER FUNDS	OTHER	TRUST	TOTAL
Cemetery					
Pension Funds					
Option Deposits					
Other			61,364		61,364
TOTAL			61,364		61,364

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, 2007**

ALLOWANCE FOR TAX ASSETS

Balance, January 1		193,448
Add: Transfer from Revenue - Statement 10	2,695	
Profit on Tax Title Sales		
Transfer from Nominal Surplus		
Tax Titles Established		
		2,695
Sub-Total		196,143
Deduct: Taxes Cancelled - Schedule 1	3,130	
T.S.C. Cancelled - Schedule 1		
Tax Titles Written Off - Schedule 1		
Transfer to Nominal Surplus		
		3,130
Balance, December 31 - Statement 1		193,013

NOMINAL SURPLUS - GENERAL

Balance, January 1		1,737,223
Add: Transfer from Deferred Surplus - Statement 9		
Transfer from Allowance for Tax Assets		
Operating Surplus - Statement 9	226,607	
		226,607
Sub-Total		1,963,830
Deduct: Accts. Rec. Cancelled		
Transfer to Building Reserve - Schedule 5		
Transfer to Allowance for Tax Assets		
Transfer to Revenue - Statement 9		
Operating Deficit - Statement 9		
Adjustment	40	
		40
Balance, December 31 - Statement 1		1,963,790

NOMINAL SURPLUS - UTILITY

Balance, January 1		307,056
Add: Transfer from Deferred Surplus - Statement 11		
Other Transfers (Specify)		
Adjustment		
Operating Surplus Statement 11		
		307,056
Sub-Total		307,056
Deduct: Accts. Rec. Cancelled		
Transfer to Utility Revenue - Statement 11		
Operating Deficit - Statement 11	70,984	
Transfer to reserve	113,147	
		184,131
Balance, December 31 - Statement 4		122,925

CAPITAL SURPLUS - GENERAL

Balance, January 1		24,571,927
Add: Fixed Assets Acquired	822,487	
Adjustment		
		822,487
Sub-Total		25,394,414
Deduct: Disposal of Fixed Assets	105,711	
		105,711
Balance, December 31 - Statement 3		25,288,703

CAPITAL SURPLUS - UTILITY

Balance, January 1		11,866,645
Add: Fixed Assets Acquired	422,422	
Adjustment		
		422,422
Sub-Total		12,289,067
Deduct: Disposal of Fixed Assets		
Balance, December 31 - Statement 6		12,289,067

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

**GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2007**

REVENUE

TOTAL REVENUE FROM TAXATION			3,889,005
OTHER REVENUE			
Taxes Added - Schedule 1		204,316	
Licenses and Permits		98,231	
Fines		169,952	
Parking Meters			
Sales of service			
General Government	150,325		
Protection			
Transportation			
Less: Costs			
Environmental Health			
Public Health and Welfare			
Planning and Development			
Economic Development			
Recreation and Culture		150,325	
Sales of Goods		113,006	
Rentals of Fixed Assets		230,841	
Concessions and Franchises			
Returns from Investments		97,769	
Transfers from Utilities and Enterprises			
Tax Penalties - Schedule 1		89,150	
Miscellaneous Revenue		76,737	
Grants in Lieu of Taxes - Schedule 3			
Federal Government			
Federal Government Enterprises			
Provincial Government	8,280		
Provincial Government Enterprises	34,724		
Other Local Governments	9		
Non-Government Organizations		43,013	
Unconditional Government Transfers - Schedule 3			
Federal Government			
Provincial - Municipal Tax Sharing	1,276,094		
Provincial - Municipal Support Grants	44,557		
- VLT Revenues	179,399		
Other Local Governments		1,500,050	
Conditional Government Transfers - Schedule 3			
Federal Government			
Provincial Government	177,336		
Other Local Governments			
		177,336	2,950,726
TOTAL REVENUE FROM EXTERNAL SOURCES			6,839,731
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8			
TRANSFER FROM RESERVES - SCHEDULE 5			454,752
OPERATING DEFICIT - STATEMENT 8			
TOTAL			7,294,483

EXPENDITURE

GENERAL GOVERNMENT SERVICES		981,669	
PROTECTIVE SERVICES		1,361,198	
TRANSPORTATION SERVICES		1,108,394	
ENVIRONMENTAL HEALTH SERVICES		493,301	
PUBLIC HEALTH AND WELFARE SERVICES			
ENVIRONMENTAL PLANNING AND COMMUNITY DEVELOPMENT SERVICES		393,925	
ECONOMIC DEVELOPMENT SERVICES			
RECREATION AND CULTURAL SERVICES		607,933	
FISCAL SERVICES		1,188,186	
TOTAL SERVICES			6,134,606
SURPLUS APPROPRIATIONS AND TRANSFERS			
Deferred Surplus - Operating Deficit			
Deferred Surplus - By-Law Obligation			
Transfer to Reserves - Statement 10		933,270	933,270
OPERATING SURPLUS - STATEMENT 8			226,607
TOTAL			7,294,483

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, 2007

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
General Government Services				
Legislative	208,700	197,683	11,017	
General Administrative	761,800	778,738		16,938
Other General Government	(1,300)	5,248		6,548
Total	969,200	981,669		12,469
Protective Services				
Police Protection	1,062,900	997,148	65,752	
Law Enforcement				
Fire Protection	336,600	346,713		10,113
Emergency Measures	25,700	17,337	8,363	
Other Protection				
Total	1,425,200	1,361,198	64,002	
Transportation Services				
Road Transport	1,080,700	1,108,394		27,694
Administration				
Engineering				
Roads and Streets	972,200	994,457		22,257
Bridges, Subways	6,000	12,633		6,633
Street Lighting	102,500	101,304	1,196	
Traffic Services				
Parking				
Other Road Transport				
Air Transport				
Water Transport				
Public Transit				
Total	1,080,700	1,108,394		27,694
Environmental Health Services				
Garbage and Waste Collection and Disposal	278,000	286,699		8,699
Other Environmental Health	222,000	206,602	15,398	
Total	500,000	493,301	6,699	
Public Health and Welfare Services				
Public Health				
Medical Care				
Hospital Care				
Social Welfare				
Total				
Environmental Planning and Community Development Services				
Environmental Planning and Zoning	405,050	393,925	11,125	
Community Development				
Housing				
Total	405,050	393,925	11,125	
Economic Development Services				
Natural Resources				
Regional Development Commissions				
Industrial Parks and Commissions				
Other Economic Services				
Total				
Recreation and Cultural Services				
Recreation Facilities	575,200	585,944		10,744
Cultural Buildings and Facilities				
Other Recreation and Cultural Services	25,300	21,989	3,311	
Education Grants				
Total	600,500	607,933		7,433
SUB-TOTALS FORWARD	4,980,650	4,946,420	34,230	

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

**GENERAL OPERATING FUND
COMPARISON OF BUDGETED AND ACTUAL EXPENDITURE - CONTINUED**

FOR THE YEAR ENDED DECEMBER 31, 2007

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
SUB-TOTALS FORWARD	4,980,650	4,946,420	34,230	
Fiscal Services				
Transfers to Other Governments				
Other Municipal Government				
Transfers to Own Funds				
Allowance for Tax Assets - STATEMENT 8	2,695	2,695		
Capital Fund - Statement 13	1,314,700	762,227	552,473	
Utility Fund - Statement 11	423,203	423,203		
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		61		61
Total	1,740,598	1,188,186	552,412	

Transfer to Reserves				
General Reserve	175,000	175,000		
Specific Reserve				
Equipment Replacement Reserve	50,000	50,000		
Drainage Reserve	45,000	45,000		
Investment Reserve	40,000	40,000		
Road Rebuild Reserve	150,000	150,000		
Dedicated Funds Reserve				
Nuisance Grounds Reserve	20,000	20,000		
Gas Tax Reserve	173,270	173,270		
Capital Construction Reserve				
Future Signalization Reserve				
Arena Banquet Hall Reserve	50,000	50,000		
Parks & Recreation Reserve	30,000	30,000		
Bricker Road Reserve				
Fire Equipment Reserve	100,000	100,000		
Police Reserve	50,000	50,000		
Building Reserve	50,000	50,000		
Total	933,270	933,270		

Surplus Appropriations				
Total Estimated	7,654,518			
Total Actual		7,067,876		
Total Underspent			586,642	
Total Overspent				

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER(UNDER)
REVENUE			
Tax Revenue	3,889,005	3,889,005	
Other Revenue	3,765,513	3,405,478	(360,035)
Revenue Surplus (Deficit)	7,654,518	7,294,483	(360,035)
EXPENDITURE	7,654,518	7,067,876	(586,642)
OPERATING SURPLUS (DEFICIT)		226,607	226,607

STATEMENT 11

UTILITY OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2007

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			732,317
PENALTIES			3,887
HYDRANT RENTALS			
CONSUMER INSTALLATION SERVICE			3,700
CONNECTION REVENUE - NET			
PROVINCIAL GRANTS			
OTHER REVENUE			
TRANSFER FROM GENERAL OPERATING FUND - STATEMENT 10			
Re: Debentures			344,660
Re: Operations			344,660
TRANSFER FROM RESERVE FUND - SCHEDULE 5			28,979
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8			
OPERATING DEFICIT - STATEMENT 8			70,984
TOTAL			1,184,527

EXPENDITURE

WATER SUPPLY			
SEWAGE COLLECTION AND DISPOSAL			554,254
CONTRIBUTION TO CAPITAL - STATEMENT 14			135,613
TRANSFERS TO RESERVE - SCHEDULE 5			150,000
DEBENTURE DEBT CHARGES - SCHEDULE 7			344,660
OTHER LONG TERM DEBT CHARGES			
SURPLUS APPROPRIATIONS - STATEMENT 8			
Deferred Surplus - Operating Deficit			
OPERATING SURPLUS - STATEMENT 8			
TOTAL			1,184,527

STATEMENT 12

COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2007

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply				
Sewage Collection and Disposal	583,450	554,254	29,196	
Contribution to Capital	1,654,000	135,613	1,518,387	
Transfers to Reserve	150,000	150,000		
Debenture Debt Charges	344,660	344,660		
Other Long-Term Debt Charges				
Surplus Appropriations				
Total Estimated	2,732,110			
Total Actual		1,184,527		
Total Underspent			1,547,583	
Total Overspent				

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER (UNDER)
REVENUE	2,732,660	1,113,543	(1,619,117)
EXPENDITURE	2,732,110	1,184,527	(1,547,583)
OPERATING SURPLUS	550	(70,984)	(71,534)

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, 2007**

REVENUE

CONSUMER SALES	METERED	FLAT RATE	TOTAL
Residential		262,311	262,311
Commercial and Bulk			
Industrial			
Federal and Provincial			
Municipal and Schools			
Total		262,311	262,311
less: Discounts			
Refunds and Cancellations			262,311
SEWER SERVICE CHARGES			
PENALTIES			1,043
HYDRANT RENTALS			12,700
CONSUMER INSTALLATION SERVICE			
CONNECTION REVENUE - NET			11,885
PROVINCIAL GRANTS			
OTHER REVENUE			50
TRANSFER FROM GENERAL OPERATING FUND - STATEMENT 10			
Re: Debentures			
Re: Operations		62,433	62,433
TRANSFER FROM RESERVE FUND - SCHEDULE 5			139,362
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8			
OPERATING DEFICIT - STATEMENT 8			99,818
TOTAL			589,602

EXPENDITURE

WATER SUPPLY			153,360
SEWAGE COLLECTION AND DISPOSAL			
TRANSFER TO CAPITAL - STATEMENT 14			286,809
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			51,456
OPERATING SURPLUS - STATEMENT 8			
TOTAL			589,602

STATEMENT 12

**COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2007**

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply	174,000	153,360	20,640	
Sewage Collection and Disposal				
Transfer to Capital	178,000	286,809		108,809
Transfers to Reserve	87,000	87,000		
Debenture Debt Charges	10,977	10,977		
Other Long-Term Debt Charges				
Surplus Appropriations	51,456	51,456		
Total Estimated	501,433			
Total Actual		589,602		
Total Underspent				
Total Overspent				88,169

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER (UNDER)
REVENUE	501,433	489,784	(11,649)
EXPENDITURE	501,433	589,602	88,169
OPERATING SURPLUS		(99,818)	(99,818)

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, 2007**

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
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, 2007**

	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 OF SOURCE AND APPLICATION OF GENERAL CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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		762,227
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		10,000
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER		50,260
TOTAL		822,487

APPLICATION

FIXED ASSETS

CAPITAL EXPENDITURES	LOCAL IMPROVEMENTS			TOTAL
	CONSTRUCTION	PURCHASE		
General Government		90,526		90,526
Protection		184,475		184,475
Transportation		350,223		350,223
Recreation and Culture		5,000		5,000
Community Development		135,993		135,993
Drainage		56,270		56,270
TOTAL		822,487		822,487

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		822,487

**STATEMENT OF SOURCE AND APPLICATION OF UTILITY CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

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		422,422
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		422,422

APPLICATION

FIXED ASSETS

CAPITAL EXPENDITURES	FIXED ASSETS		LOCAL IMPROVEMENTS	TOTAL
	CONSTRUCTION	PURCHASE		
Water Supply		291,464		291,464
Sewage Disposal		130,958		130,958
TOTAL		422,422		422,422

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		422,422

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, 2007**

	TAXES ON ROLL	TAX SALE CERTIFICATES	TAX TITLES	AGREEMENTS OF SALE
Balance, January 1	842,050		46,289	
ADD:				
Tax Levy - Schedule 2	12,713,547			
Taxes Added - Statement 9	204,316			
Penalties or Interest Added - Statement 9	89,150			
Other Accounts Added				
Taxes Overpaid				
Transfer Re Tax Sale				
Tax Titles Acquired				
Land Sales				
TAX ADJUSTMENTS (SPECIFY)				
Advertising costs				
Legal costs				
Other				
SUB-TOTAL	13,849,063		46,289	
DEDUCT:				
Cash Collections:	11,689,082			
Arrears	691,107			
Current	10,997,975			
Transfers Re Tax Sale				
Cancellations	3,130			
Returned To Roll				
Title Value of Land Sales				
Transfers Re Titles Acquired				
Tax Discounts - Statement 10				
M.P.T.C. - Cash Advance	1,412,250			
Other Credits:				
TOTAL	790,890	744,601	46,289	
BALANCE, DECEMBER 31				
	(Statement 1)			

SCHEDULE 2

**ANALYSIS OF TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2007**

Other Governments (L.U.D.)	ASSESSMENT	MILL RATE	LEVY

Debt Charges			
Frontage	Various		219,105
Mill Rate (At Large)	Various		136,729
(L.I.D.)			355,834
Total			
Minister of Intergovernmental Affairs			
Deferred Surplus - sewer			
- water	104,845,700	.491	51,479
Reserves: Various	342,293,890	2.200	753,047

Building			
Drainage			
Road			
Arena			
Parks			
General Municipal Business Tax - Rate	342,293,890	7.745	2,651,066
			77,579
Total Municipal Taxes			3,889,005
Schools			
Prov. Education 1	322,092,470		
Prov. Education 2	17,288,500	16.080	277,999
Total Education Support Program	339,380,970		277,999
Special Division No 9	341,875,410	24.999	8,546,543

Total School Taxes			8,824,542
TOTAL TAX LEVY - SCHEDULE 1			12,713,547

SCHEDULE 3

**ANALYSIS OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	BALANCE January-1	GRANTS EARNED (Statement 9)	GRANTS RECEIVED	ADJUSTMENTS	BALANCE December-31 (Statement 1)
GENERAL FUND					
PROVINCIAL		1,720,390			
Grants in Lieu		43,004	43,004		
Prov. - Mun. Tax Sharing		1,276,094	1,276,094		
Municipal Support Grants		44,557	44,557		
VLT Revenue		179,399	179,399		
Conditional Grants		177,336	177,336		
General Govt.		177,336	177,336		
Protection					
Transportation					
Environmental Health					
Public Health & Welfare					
Environmental Planning					
Economic Development					
Recreation					
FEDERAL					
Grants in Lieu					
Unconditional Grants					
Conditional Grants (Spec.)					
JEPP	11,609		11,609		
LOCAL (Specify name of Govt. and type of grant as above)					
City of Winnipeg G/L		9	9		
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	11,609	1,720,399	1,732,008		

NOTE: Provincial and Federal includes both Government and Enterprises

SCHEDULE 4

**ANALYSIS OF SCHOOL ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	OUTSTANDING January-1	CURRENT REQUIREMENT	CURRENT PAYMENTS	OUTSTANDING December-31 (STATEMENT 1)
EDUCATION SUPPORT PROGRAM	21,893	335,327	336,765	20,455
SPECIAL LEVIES				
School Division: _____				
River East #9	481,714	8,609,723	8,651,558	439,879
TOTAL	503,607	8,945,050	8,988,323	460,334

SCHEDULE 5

**ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

RESERVE NAME BY-LAW NO	General 361	Equipment Replacement 75-17	Drainage 2007-19	Investment 86-13
BALANCE, JANUARY 1	116,018	348,865	139,713	312,243
ADD: Interest Earned	6,114	10,906	8,063	15,414
Appropriation (Statement 10)	175,000	50,000	45,000	40,000
Developer contributions				52,000
Transfer from Water Utility				
Transfer from Roads & Development Reserve			41,916	
SUB-TOTAL	297,132	409,771	234,692	419,657
DEDUCT: Purchases (Statement 13)			5,000	
Transfer to Revenue (Statement 9)	11,130	270,909	47,488	7,089
Water project				
BALANCE DECEMBER 31 - Statement 2	286,002	138,862	182,204	412,568

RESERVE NAME BY-LAW NO.	Road Rebuild 2007-18	Dedicated Funds 76-9	Roads & Development 85-20	
BALANCE, JANUARY 1	49,054	92,426	36,281	
ADD: Interest Earned	3,366	4,228	3,052	
Appropriation (Statement 10)	150,000			
Subdivision Fees			44,500	
Transfer from Roads & Development Reserve	41,917			
Transfer from Bricker Road Reserve	1,132			
SUB-TOTAL	245,469	96,654	83,833	
DEDUCT: Purchases (Statement 13)	5,000			
Transfer to Revenue (Statement 9)				
Eagle Creek				
Transfer to Road Rebuild Reserve			41,917	
Transfer to Drainage Reserve			41,916	
BALANCE, DECEMBER 31 - Statement 2	240,469	96,654		

RESERVE NAME BY-LAW NO.	UTILITY REPLACEMENT	UTILITY East St.Paul	UTILITY (Water) 97-30	UTILITY
BALANCE, JANUARY 1		106,616	95,566	
ADD: Interest Earned		3,723	8,888	
Transfer from Operating (Statement 11)		150,000	87,000	
Developer contributions			98,500	
Transfer from nominal surplus			115,671	
SUB-TOTAL		260,339	405,625	
DEDUCT: Purchases (Statement 14)				
Transfer to Revenue (Statement 11)			139,362	
BALANCE, DECEMBER 31 - Statement 5		260,339	266,263	

**ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

SCHEDULE 5

RESERVE NAME BY-LAW NO	Capital Construction 86-18	Future Signalization 92-58	Nuisance Grounds 88-9	Parks & Recreation 94-22
BALANCE, JANUARY 1	104,711	130,928	96,718	35,942
ADD: Interest Earned	4,586	6,009	4,535	1,754
Transfer from Operating (Statement 10)			20,000	30,000
Subdivision fees		16,100	5,600	
SUB-TOTAL	109,297	153,037	126,853	67,696
DEDUCT: Purchases (Statement 13)				
Transfer to Revenue (Statement 9)	58,000		5,498	
BALANCE DECEMBER 31 - Statement 2	51,297	153,037	121,355	67,696

RESERVE NAME BY-LAW NO.	Arena Banquet Hall 88-33	Fire Equipment 94-23	Bricker Road 89-27	Capital Levy 2007-17
BALANCE, JANUARY 1	15,722	243,748	1,092	169,841
ADD: Interest Earned	901	11,515	40	13,607
Transfer from Operating (Statement 10)	50,000	100,000		
Subdivision Fees				225,000
SUB-TOTAL	66,623	355,263	1,132	408,448
DEDUCT: Purchases (Statement 13)				
Transfer to Revenue (Statement 9)				10,000
Consolidate reserves				
Transfer to water utility				
Transfer to Road Rebuild Reserve			1,132	
BALANCE, DECEMBER 31 - Statement 2	66,623	355,263		398,448

RESERVE NAME BY-LAW NO.	Sewer Plant 2007-15	Police 2003-07	Building 2003-03	Gas Tax 2006-03
BALANCE, JANUARY 1	652,715	9,468	46,909	288,815
ADD: Interest Earned	33,850	747	2,703	13,579
Transfer from Operating (Statement 10)		50,000	50,000	173,270
Subdivision Fees	161,001			
Transfer from Nominal Surplus	113,147			
SUB-TOTAL	960,713	60,215	99,612	475,664
DEDUCT: Purchases (Statement 13)				
Transfer to Revenue (Statement 9)	28,979	31,994	12,644	
Transfer to Revenue (Statement 11)				
BALANCE, DECEMBER 31 - Statement 5	931,734	28,221	86,968	475,664

**ANALYSIS OF INVESTMENTS
AS AT DECEMBER 31, 2007**

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					
DEBENTURE OF OWN MUNICIPALITY	BY-LAW				
DEBENTURES OF OTHER LOCAL GOVERNMENTS					
MANITOBA INVESTMENT POOL AUTHORITY					
OTHER INVESTMENTS Curling Club Loan		2.000	2,430	120,503	120,503
TOTAL INVESTMENTS					120,503

**INVESTMENT HOLDINGS
AS AT DECEMBER 31, 2007**

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	Dedicated Fund				
DEBENTURES OF OTHER LOCAL GOVERNMENTS					
MANITOBA INVESTMENT POOL AUTHORITY					
OTHER INVESTMENTS	Capital Levy	120,503			120,503
TOTAL INVESTMENTS					120,503

**INVESTMENT CHANGES
2007**

TOTAL INVESTMENTS, JANUARY 1					142,518
INVESTMENTS ACQUIRED					
INVESTMENTS SOLD					
INVESTMENTS MATURED				22,015	22,015
TOTAL INVESTMENTS, DECEMBER 31					120,503

SCHEDULE 7

**ANALYSIS OF DEBENTURE INDEBTEDNESS
AS AT DECEMBER 31, 2007**

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
2003-01	Sewer Hoddinott	2003	59,810	B	Canadian	20 years	2022	6.750%	1,947	3,590	51,231
94/14	Sewer Hoddinott	2003	18,332	B	Canadian	20 years	2022	6.750%	597	1,100	15,703
94/14	Waste Water & Sewer	1994	863,500	B	Canadian	20 years	2013	8.750%	51,651	41,263	419,930
94/15	Waste Water & Sewer	1994	111,000	B	Canadian	20 years	2013	9.875%	6,640	5,304	53,980
95/13	Waste Water & Sewer	1995	597,000	B	Canadian	20 years	2014	9.875%	32,731	36,795	339,879
95/14	Waste Water & Sewer	1995	1,400,000	B	Canadian	20 years	2015	9.875%	69,857	93,185	873,793
96/36	Waste Water & Sewer	1996	100,200	B	Canadian	20 years	2015	9.000%	5,054	5,923	60,753

CURRENT LEVY **168,477**

CURRENT LEVY **187,160**

TOTAL PRINCIPAL OUTSTANDING, DECEMBER 31, - SCHEDULE 8 **1,815,269**

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

**STATISTICAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2007**

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)
Expended - Under (Over)
Estimated Surplus (Deficit)
Operating Surplus (Deficit)
Operating Surplus (Deficit) - Prior Year
Gain or (Loss)

(360,035)
586,642
226,607
290,159
(63,552)

CASH POSITION

Cash Surplus (Deficit) - Current Year
Cash Surplus (Deficit) - Prior Year
Gain or (Loss)

GENERAL FUND	COMBINED FUNDS
(1,956,643)	(4,350,614)
(2,124,316)	(3,989,863)
167,673	(360,751)

DEFICIT RECOVERIES AND DEFERRED SURPLUS LEVIES

GENERAL FUND OPERATING DEFICITS

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

UTILITY FUND OPERATING DEFICITS

Year	Authority			Actual Amount	Recoveries	Outstanding December-31
	Date	Term	Amount			
2007	28-Mar-08	3	70,984	70,984		70,984
2007	29-Mar-08	3	99,818	99,818		99,818
2004		3	154,370	154,370	154,370	

BY-LAW OBLIGATIONS

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

TAX COLLECTIONS

TAXES ON ROLL - Current - Cash Collections	10,997,975	
- Tax Credit Programs	1,412,250	12,410,225
- Arrears		691,107
- Total		13,101,332
TAX SALE CERTIFICATES		
LAND SALES		
TOTAL COLLECTIONS		13,101,332

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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, 2007:

- a) compensation paid to members of council amounted to \$154,125 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	\$91,000
Randy Chudyk	Police Sargeant	\$69,172
Christopher Drosdoski	Police Constable	\$62,753
Bryan Maloney	Police Constable	\$67,167
Jerome Mauws	Chief Administrative Officer	\$63,750
Glenda Pedersen	Police Constable	\$58,243
Greg Proch	Community Services Officer	\$61,677
Garry Russell	Public Works Supervisor	\$54,636
Bruce Schmidt	Public Works Superintendent	\$67,000
Jason Soltys	Police Constable	\$62,259
Michael Krawchuk	Police Constable	\$54,809
Carol Opperman	Assistant Chief Administrative Officer	\$61,000
Donald Winsor	Utility Supervisor	\$53,154
Randy Bullard	Community Services Supervisor	\$50,749
Jason Woychuk	Police Constable	\$52,222

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

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, 2007 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, 2008.

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.

5. Vacation Accrual

The Municipality recorded all accrued vacation payable as at December 31, 2007 in order to comply with the recommendations by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The entire amount of \$84,399 has been included as an expense in the current year.