



THE EXCHANGE

chartered accountants LLP

January 23, 2013

To the Reeve and Councillors
Rural Municipality of Reynolds
Box 46
Hadashville, MB
R0E 0X0

Dear Council Members:

Pursuant to our appointment and the instructions of the Department of Intergovernmental Affairs, and as requested by Section 190 of the Municipal Act, we are pleased to submit a supplementary report on our evaluation of the accounting procedures and systems of control employed by the Rural Municipality of Reynolds for the year ended December 31, 2010. Our evaluation was made in accordance with generally accepted auditing standards and included such tests and other procedures, as we considered necessary in the circumstances.

The management is responsible for establishing and maintaining a system of internal accounting and administrative control. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the accounting policies of the Municipality.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

We report that in our opinion:

1. The accounting procedures and systems of control employed by the Municipality are adequate to preserve and protect its assets insofar as is practical.
2. To the best of our knowledge and belief, the funds of the Municipality have been paid and disbursed only under authority granted by an Act of the Legislature, or under the authority of a resolution, or by the corporation made under authority of an Act of the Legislature.



3. We note that the audited consolidated financial statements were not filed with the Province by the June 30 deadline as required by the Municipal Act. Other than the fact that the annual consolidated financial statements were not filed by the June 30 deadline, no irregularity or discrepancy in the administration of the affairs of the Municipality by Council came to our attention in the course of our examination.
4. There are no other matters, which we consider should be brought to the attention of the Council of the Municipality or the Minister.

We also wish to thank the Chief Administrator Officer and her staff for the co-operation and assistance provided during the audit.

Yours very truly,

The Exchange

chartered accountants LLP

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cc: Ms. Trudy Turchyn, Chief Administrator Officer
Manitoba Intergovernmental Affairs – Municipal Finance & Advisory Services

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THE EXCHANGE

chartered accountants LLP

February 13, 2013

Rural Municipality of Reynolds
Ms. Trudy Turchyn
Chief Administrative Officer
Box 46
Hadashville, MB
R0E 0X0

Dear Members of Council:

We have been engaged to audit the financial statements of the Rural Municipality of Reynolds for the year ending December 31, 2010.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Municipality and ourselves that, in our professional judgement, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require us to consider relevant rules and related interpretations prescribed by the appropriate Provincial Institute/Ordre and applicable legislation, covering such matters as:

- a) holding a financial interest, either directly or indirectly, in a client;
- b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- d) economic dependence on a client; and
- e) provisions in addition to the audit requirements.

We have prepared the following comments to facilitate our discussion with you regarding independence matters.

We are not aware of any relationships between the Municipality and ourselves that, in our professional judgement, may reasonably be thought to bear on our independence, that have occurred from January 1, 2010 to December 31, 2010.



Canadian generally accepted standards for audit engagements require that we confirm our independence to the Council in the context of the Rules of Professional Conduct of the Institute of Chartered Accountants of Manitoba. Accordingly, we hereby confirm that we are independent with respect to the Municipality within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Manitoba as of February 13, 2013.

This report is intended solely for the use of the Council, management, and others within the Municipality and should not be used for any other purposes.

If you have any questions concerning the contents of this letter, please do not hesitate to contact us.

Yours very truly,

The Exchange

chartered accountants LLP

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RURAL MUNICIPALITY OF REYNOLDS

**Consolidated Financial Statements
For the Year Ended December 31, 2010**

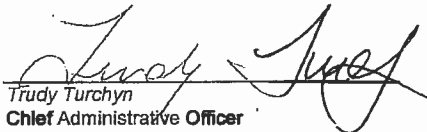
STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of Reynolds 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 and the external auditors 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 as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditors' report is addressed to the Reeve 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 public sector accounting standards.


Trudy Turchyn
Chief Administrative Officer



THE EXCHANGE

chartered accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Reeve and members of Council of the
RURAL MUNICIPALITY OF REYNOLDS

We have audited the accompanying financial statements of the *Rural Municipality of Reynolds*, which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations, change in net financial assets and cash flows for the year ended December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the *Rural Municipality of Reynolds* as at December 31, 2010, and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2010 in accordance with Canadian public sector accounting standards.

The Exchange

chartered accountants LLP

Winnipeg, MB
January 23, 2013

RURAL MUNICIPALITY OF REYNOLDS

Consolidated Financial Statements For the Year Ended December 31, 2010

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**RURAL MUNICIPALITY OF REYNOLDS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2010**

	<u>2010</u>	<u>2009</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 2,937,569	\$ 2,955,727
Amounts receivable (Note 4)	<u>258,951</u>	<u>59,458</u>
	\$ 3,196,520	\$ 3,015,185
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	\$ 289,336	\$ 264,107
Landfill closure and post closure liabilities (Note 7)	<u>253</u>	<u>218</u>
	289,589	264,325
NET FINANCIAL ASSETS (NET DEBT)	\$ 2,906,931	\$ 2,750,860
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 1,307,635	\$ 1,109,073
Inventories (Note 5)	3,250	3,140
Prepaid expenses	<u>14,270</u>	<u>15,772</u>
	1,325,155	1,127,985
ACCUMULATED SURPLUS (DEFICIT)	\$ 4,232,086	\$ 3,878,845

Approved on behalf of Council:

David Turchyn - Reeve

- Councillor

Res 62/13

RURAL MUNICIPALITY OF REYNOLDS
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2010

	<u>2010 Budget (Note 11)</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
REVENUE			
Property taxes	\$ 654,382	\$ 679,966	\$ 562,252
Grants in lieu of taxation	77,823	77,823	50,697
User fees	-	86,565	72,570
Permits, licences and fines	39,295	13	360
Investment income	15,110	31,810	28,830
Other revenue	-	(22,522)	-
Water and sewer	-	-	-
Grants - Province of Manitoba	278,557	105,157	139,143
Grants - other	233,801	399,051	221,136
Total revenue (Schedules 2, 4 and 5)	<u>1,298,968</u>	<u>1,357,863</u>	<u>1,074,988</u>
EXPENSES			
General government services	410,707	336,181	336,306
Protective services	232,412	197,577	167,892
Transportation services	287,168	217,509	225,744
Environmental health services	79,050	144,383	138,804
Public health and welfare services	15,497	15,497	15,497
Regional planning and development	163,585	55,043	71,099
Resource conservation and industrial development	48,900	38,432	35,183
Recreation and cultural services	-	-	-
Water and sewer services	-	-	-
Total expenses (Schedules 3, 4 and 5)	<u>1,237,319</u>	<u>1,004,622</u>	<u>990,525</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ 61,649</u>	<u>353,241</u>	<u>84,463</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>3,878,845</u>	<u>3,794,382</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 4,232,086</u>	<u>\$ 3,878,845</u>

RURAL MUNICIPALITY OF REYNOLDS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2010

	<u>2010 Budget (Note 11)</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 61,649	\$ 353,241	\$ 84,463
Acquisition of tangible capital assets	-	(292,713)	-
Amortization of tangible capital assets	-	70,194	69,762
Loss (Gain) on sale of tangible capital assets	-	22,024	(99)
Accumulated Amortization adjustment		(70)	
Proceeds on sale of tangible capital assets	-	2,011	-
Decrease (increase) in inventories	-	(110)	(1,135)
Decrease (increase) in prepaid expense	-	1,494	(15,964)
	<u>-</u>	<u>(197,170)</u>	<u>52,564</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 61,649</u>	156,071	137,027
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>2,750,860</u>	<u>2,613,833</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 2,906,931</u>	<u>\$ 2,750,860</u>

RURAL MUNICIPALITY OF REYNOLDS
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010

	<u>2010</u>	<u>2009</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 353,241	\$ 84,463
Changes in non-cash items:		
Amounts receivable	(199,493)	5,360
Inventories	(110)	(1,135)
Prepays	1,495	(15,604)
Accounts payable and accrued liabilities	25,229	152,759
Severance and vested sick leave payable	-	-
Landfill closure and post closure liabilities	35	(149)
Loss (Gain) on sale of tangible capital asset	22,024	(99)
Amortization	70,123	69,762
	<u>272,544</u>	<u>295,357</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	2,011	-
Cash used to acquire tangible capital assets	(292,713)	-
	<u>(290,702)</u>	<u>-</u>
Cash applied to capital transactions	<u>(290,702)</u>	<u>-</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	(18,158)	295,357
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>2,955,727</u>	<u>2,660,370</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 2,937,569</u>	<u>\$ 2,955,727</u>

RURAL MUNICIPALITY OF REYNOLDS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

1. Status of the Rural Municipality of Reynolds

The incorporated Rural Municipality of Reynolds is a municipal government that was created as a local government district in January 1945 pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as fire, public works, planning and other general government operations. The Municipality has several designated special purpose reserves and provides funding support for other financial entities involved in environmental health and regional planning and development.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with public sector accounting standards 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-organizational balances and transactions have been eliminated. The controlled organizations include:

Whitemouth-Reynolds Planning District	55%
Whitemouth-Reynolds Weed Control District	50%
Whitemouth-Reynolds-North Whiteshell Waste Management Facility	27.62%

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Schedule 7 - Schedule of Trust Funds.

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.

e) Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

f) Landfill Closure and Post Closure Liabilities

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) 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.

h) 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.

The cost, less residual value of the tangible capital asset is amortized on a straight-line basis over its estimated useful life. Assets under construction are not amortized until the asset is put into use.

The estimated useful lives of the tangible capital assets are as follows:

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

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 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.

i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

j) Inventories

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

k) 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.

l) 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>2010</u>	<u>2009</u>
Cash	<u>\$ 2,937,569</u>	<u>\$ 2,955,727</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$1,033,697 (2009 \$1,017,028) 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>2010</u>	<u>2009</u>
Taxes on roll (Schedule 11)	\$ 139,641	\$ 130,243
Government grants	189,389	278
Organizations and individuals	36,885	7,133
Other governments	-	33,675
	<u>365,915</u>	<u>171,329</u>
Less allowances for doubtful amounts	<u>(106,964)</u>	<u>(111,871)</u>
	<u>\$ 258,951</u>	<u>\$ 59,458</u>

5. Inventories

Inventories for use:

	<u>2010</u>	<u>2009</u>
Chemicals, herbicides, insecticides	<u>\$ 3,250</u>	<u>\$ 3,140</u>

6. Accounts Payable and Accrued Liabilities

	<u>2010</u>	<u>2009</u>
Accounts payable	\$ 22,699	\$ 15,266
Accrued expenses	22,201	14,259
Accrued interest payable	-	-
School levies (Schedule 13)	225,482	234,582
Other governments	18,954	-
	<u>\$ 289,336</u>	<u>\$ 264,107</u>

7. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently in a government partnership operating a Class 1 landfill site. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	<u>2010</u>	<u>2009</u>
Estimated closure and post closure costs over the next 50 years	<u>\$ 54,350</u>	<u>\$ 54,350</u>
Discount rate	<u>7.00%</u>	<u>7.00%</u>
Discounted costs	<u>\$ 3,587</u>	<u>\$ 3,352</u>
Expected year capacity will be reached	<u>2048</u>	<u>2048</u>
Capacity (disclose in tonnes, volume, acreage, or years):		
Used to date	13	12
Remaining	38	39
Total	51	51
Percent utilized	<u>25.49%</u>	<u>23.53%</u>
Liability based on percentage	<u>\$ 914</u>	<u>\$ 789</u>
R.M. of Reynolds percentage of operations	27.62%	27.62%
R.M. of Reynolds Liability based on percentage of partnership	<u>\$ 253</u>	<u>\$ 218</u>

8. 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 6.3% of basic annual earnings up to the CPP ceiling plus 7.5% 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 \$5,115 (2009 - \$3,413) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2008 indicated the plan is fully funded on a going concern basis but had an unfunded solvency liability of \$1.1 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2008. The current contribution rates are sufficient to fund the solvency unfunded liability by December 2013.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

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.

12. 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, 2010:

a) Compensation paid to members of council amounted to \$100,548 in aggregate.

b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - David Turchyn	\$ 1,749	\$ 872	\$ 2,621
Councillor - Donna Shandroski	6,610	1,738	8,347
Councillor - Jim Colbert	1,812	1,394	3,206
Councillor - Alan Kelly	6,909	2,983	9,892
Councillor - Florence Campbell	1,758	1,182	2,940
Councillor - Robert Dobush	7,045	1,777	8,822
Councillor - Maurice Yaremchuk	10,716	5,453	16,169
Councillor - Mike Turchyn	1,043	405	1,448
Councillor - Chris Lund	5,857	2,284	8,141
Councillor - John Miscavitch	8,309	5,461	13,770
Councillor - Curtis Buley	1,205	513	1,718
Councillor - Andy Pelletier	7,363	4,343	11,706
Councillor - Garry Gaetz	7,849	3,920	11,769
	<u>\$ 68,224</u>	<u>\$ 32,325</u>	<u>\$ 100,548</u>

RURAL MUNICIPALITY OF REYNOLDS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2010

SCHEDULE 1

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	2010	2009	
Opening costs	\$ 159,547	\$ 448,519	\$ 187,551	\$ 21,795	\$ -	\$ 1,121,581	\$ -	\$ -	\$ 1,938,993	\$ 1,938,993	
Additions during the year	3,500	60,278	2,568	226,367	-	-	-	-	282,713	-	
Disposals and write downs	-	(36,641)	-	-	-	-	-	-	(36,641)	(67)	
Closing costs	<u>163,047</u>	<u>448,519</u>	<u>211,188</u>	<u>24,363</u>	<u>-</u>	<u>1,347,948</u>	<u>-</u>	<u>-</u>	<u>2,195,065</u>	<u>1,938,926</u>	
Accumulated Amortization											
Opening accum'd amortization	17,557	103,342	82,649	21,184	-	605,121	-	-	829,853	760,684	
Amortization	3,199	17,941	18,976	870	-	29,208	-	-	70,194	69,762	
Disposals and write downs	-	-	(12,617)	-	-	-	-	-	(12,617)	(593)	
Closing accum'd amortization	<u>20,756</u>	<u>121,283</u>	<u>89,008</u>	<u>22,054</u>	<u>-</u>	<u>634,329</u>	<u>-</u>	<u>-</u>	<u>887,430</u>	<u>829,853</u>	
Net Book Value of Tangible Capital Assets	<u>\$ 142,291</u>	<u>\$ 327,236</u>	<u>\$ 122,180</u>	<u>\$ 2,309</u>	<u>\$ -</u>	<u>\$ 713,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,307,635</u>	<u>\$ 1,109,073</u>	

The Municipality has 167.74 km of roads that are capitalized at a nominal value of \$888,947.

**RURAL MUNICIPALITY OF REYNOLDS
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2010**

SCHEDULE 2

	2010 Actual	2009 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 634,842	\$ 515,435
Taxes added	35,338	37,239
Penalties and interest	9,786	9,578
	<u>679,966</u>	<u>562,252</u>
Grants in lieu of taxation:		
Federal government	66,927	43,599
Federal government enterprises	-	-
Provincial government	9,339	6,084
Provincial government enterprises	-	-
Other local governments	1,557	1,014
Non-government organizations	-	-
	<u>77,823</u>	<u>50,697</u>
User fees		
Parking meters	-	-
Sales of service	83,359	69,779
Sales of goods	-	-
Rentals	2,806	2,791
Development charges	400	-
Facility use fees	-	-
	<u>86,565</u>	<u>72,570</u>
Permits, licences and fines		
Permits	-	360
Licences	13	-
Fees	-	-
Fines	-	-
	<u>13</u>	<u>360</u>
Investment income:		
Cash and temporary investments	31,810	28,830
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>31,810</u>	<u>28,830</u>
Other revenue:		
Gain (Loss) on sale of tangible capital assets	(27,124)	-
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Miscellaneous (specify):	4,602	-
	<u>(22,522)</u>	<u>-</u>
Water and sewer		
Municipal utility(ies) (Schedule 9)	-	-
Consolidated water co-operatives	-	-
	<u>-</u>	<u>-</u>
Grants - Province of Manitoba		
General assistance payment	-	-
General support grant	56,372	52,839
VLT revenues	24,604	33,553
Other unconditional grants	-	-
Conditional grants	24,181	52,751
	<u>105,157</u>	<u>139,143</u>
Grants - other		
Federal government - gas tax funding	76,957	73,240
Federal government - other	151,480	-
Other local governments	170,614	147,896
	<u>399,051</u>	<u>221,136</u>
Total revenue	<u>\$ 1,357,863</u>	<u>\$ 1,074,988</u>

**RURAL MUNICIPALITY OF REYNOLDS
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2010**

SCHEDULE 3

	2010 Actual	2009 Actual
General government services:		
Legislative	\$ 58,328	\$ 55,303
General administrative	114,367	113,759
Other	163,486	167,244
	<u>336,181</u>	<u>336,306</u>
Protective services:		
Police	141	141
Fire	167,917	151,120
Emergency measures	4,294	15,431
Other	25,225	1,200
	<u>197,577</u>	<u>167,892</u>
Transportation services:		
Road transport		
Administration and engineering	16,128	10,798
Road and street maintenance	194,861	207,534
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	6,520	7,412
Other	-	-
	<u>217,509</u>	<u>225,744</u>
Environmental health services:		
Waste collection and disposal	1,349	1,502
Recycling	27,203	23,835
Waste Management Facility	115,831	113,467
	<u>144,383</u>	<u>138,804</u>
Public health and welfare services:		
Public health	15,497	15,497
Other	-	-
	<u>15,497</u>	<u>15,497</u>
Regional planning and development		
Planning and zoning	55,043	68,821
General Land Assembly	-	2,278
	<u>55,043</u>	<u>71,099</u>
Resource conservation and industrial development		
Rural area weed control	27,726	29,074
Drainage of land	10,433	5,660
Tourism	273	449
Other	-	-
	<u>38,432</u>	<u>35,183</u>
Water and sewer services (Schedule 9)		
Municipal utility(ies) (Schedule 9)	-	-
	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 1,004,622</u>	<u>\$ 990,525</u>

RURAL MUNICIPALITY OF REYNOLDS

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2010

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
REVENUE										
Property taxes	\$ 679,966	\$ 562,252	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	77,823	50,697	-	-	-	-	-	-	-	-
User fees	12,149	10,133	27,997	23,444	-	-	21,654	20,288	-	-
Grants - other	211,797	181,544	-	-	151,480	-	17,385	16,140	-	-
Permits, licences and fines	-	-	-	-	-	-	-	-	-	-
Investment income	31,249	28,552	-	-	-	-	316	97	-	-
Other revenue	(22,522)	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	80,976	86,392	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	5,050	30,591	-	-	-	-	19,131	17,760	-	-
Total revenue	\$ 1,076,488	\$ 950,161	\$ 27,997	\$ 23,444	\$ 151,480	\$ -	\$ 58,486	\$ 54,285	\$ -	\$ -
EXPENSES										
Personnel services	\$ 188,793	\$ 189,720	\$ 43,294	\$ 50,274	\$ 16,128	\$ 10,801	\$ 38,233	\$ 38,670	\$ -	\$ -
Contract services	23,441	19,225	48,935	53,214	114,115	141,882	39,661	36,049	-	-
Utilities	7,413	6,996	10,562	13,329	6,056	6,055	3,662	3,603	-	-
Maintenance materials and supplies	32,884	25,783	42,466	27,049	52,002	38,741	1,382	2,648	-	-
Grants and contributions	-	-	-	-	-	-	-	-	15,497	15,497
Amortization	1,161	5,900	28,296	24,026	29,208	28,265	10,995	10,967	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	82,489	88,682	24,024	-	-	-	50,450	46,867	-	-
Total expenses	\$ 336,181	\$ 336,306	\$ 197,577	\$ 167,892	\$ 217,509	\$ 225,744	\$ 144,383	\$ 138,804	\$ 15,497	\$ 15,497
Surplus (Deficit)	\$ 740,307	\$ 613,855	\$ (169,580)	\$ (144,448)	\$ (66,029)	\$ (225,744)	\$ (85,897)	\$ (84,519)	\$ (15,497)	\$ (15,497)

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

SCHEDULE 4

**RURAL MUNICIPALITY OF REYNOLDS
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2010**

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2010	2009	2010	2009	2010	2009	2010	2009	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 562,252
Grants in lieu of taxation	-	-	-	-	-	-	-	-	50,697
User fees	15,200	2,560	9,565	16,145	-	-	-	-	72,570
Grants - other	11,489	16,552	6,900	6,900	-	-	-	-	221,136
Permits, licences and fines	13	360	-	-	-	-	-	-	360
Investment income	83	-	162	181	-	-	-	-	28,830
Other revenue	-	-	-	-	-	-	-	-	(22,522)
Water and sewer	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	80,976
Prov of MB - Conditional Grants	-	4,400	-	-	-	-	-	-	24,181
Total revenue	\$ 26,785	\$ 23,872	\$ 16,627	\$ 23,226	\$ -	\$ -	\$ -	\$ -	\$ 1,357,863
									\$ 1,074,988
EXPENSES									
Personnel services	\$ 16,361	\$ 9,997	\$ 3,868	\$ 3,217	\$ -	\$ -	\$ -	\$ -	\$ 306,677
Contract services	11,920	24,809	15,236	9,045	-	-	-	-	253,308
Utilities	392	388	441	714	-	-	-	-	28,526
Maintenance materials and supplies	826	1,276	4,429	7,871	-	-	-	-	133,989
Grants and contributions	25,544	34,561	13,800	13,800	-	-	-	-	54,841
Amortization	-	68	533	536	-	-	-	-	70,193
Interest on long term debt	-	-	-	-	-	-	-	-	-
Other	-	-	125	-	-	-	-	-	157,088
Total expenses	\$ 55,043	\$ 71,099	\$ 38,432	\$ 35,183	\$ -	\$ -	\$ -	\$ -	\$ 1,004,622
Surplus (Deficit)	\$ (28,258)	\$ (47,227)	\$ (21,805)	\$ (11,957)	\$ -	\$ -	\$ -	\$ -	\$ 84,463

RURAL MUNICIPALITY OF REYNOLDS
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2010

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
REVENUE								
Property taxes	\$ 679,966	\$ 562,252	\$ -	\$ -	\$ -	\$ -	\$ 679,966	\$ 562,252
Grants in lieu of taxation	77,823	50,697	-	-	-	-	77,823	50,697
User fees	40,546	36,137	46,019	36,433	-	-	86,565	72,570
Grants - other	363,277	181,544	35,774	39,592	-	-	399,051	221,136
Permits, licences and fines	13	360	-	-	-	-	13	360
Investment income	31,249	28,552	561	278	-	-	31,810	28,830
Other revenue	(22,522)	-	-	-	-	-	(22,522)	-
Water and sewer	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	80,976	86,392	-	-	-	-	80,976	86,392
Prov of MB - Conditional Grants	5,050	30,591	19,131	22,160	-	-	24,181	52,751
Total revenue	\$ 1,256,378	\$ 976,525	\$ 101,485	\$ 98,463	\$ -	\$ -	\$ 1,357,863	\$ 1,074,988
EXPENSES								
Personnel services	\$ 248,973	\$ 251,631	\$ 57,704	\$ 51,048	\$ -	\$ -	\$ 306,677	\$ 302,679
Contract services	225,616	246,670	27,692	37,554	-	-	253,308	284,224
Utilities	24,031	26,380	4,495	4,705	-	-	28,526	31,085
Maintenance materials and supplies	127,943	94,803	6,046	8,565	-	-	133,989	103,368
Grants and contributions	54,841	63,858	-	-	-	-	54,841	63,858
Amortization	58,665	58,191	11,528	11,571	-	-	70,193	69,762
Interest on long term debt	-	-	-	-	-	-	-	-
Other	156,963	135,549	125	-	-	-	157,088	135,549
Total expenses	\$ 897,032	\$ 877,082	\$ 107,590	\$ 113,443	\$ -	\$ -	\$ 1,004,622	\$ 990,525
Surplus (Deficit)	\$ 359,346	\$ 99,443	\$ (6,105)	\$ (14,980)	\$ -	\$ -	\$ 353,241	\$ 84,463

SCHEDULE 6

**RURAL MUNICIPALITY OF REYNOLDS
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2010**

	2010						2009							
	General Reserve	Fire Equip Reserve	Capital Improv Reserve	Gas Tax Reserve	Name of Reserve	Name of Reserve	General Reserve	Fire Equip Reserve	Capital Improv Reserve	Gas Tax Reserve	Name of Reserve	Name of Reserve	Total	Total
REVENUE														
Investment income	\$ 9,695	\$ 798	\$ 394	\$ 1,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,268	\$ 10,136
Other income	-	-	1,200	-	-	-	-	-	-	-	-	-	1,200	-
Total revenue	<u>9,695</u>	<u>798</u>	<u>1,594</u>	<u>1,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,468</u>	<u>10,136</u>
EXPENSES														
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	<u>9,695</u>	<u>798</u>	<u>1,594</u>	<u>1,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,468</u>	<u>10,136</u>
TRANSFERS														
Transfers from general operating fund	-	25,000	-	76,957	-	-	-	-	-	-	-	-	101,957	-
Transfers to general operating fund	-	(60,277)	-	-	-	-	-	-	-	-	-	-	(60,277)	99,840
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	(37,728)	-	-	-	-	-	-	-	-	(37,728)	-
CHANGE IN RESERVE FUND BALANCES	<u>9,695</u>	<u>(34,479)</u>	<u>1,594</u>	<u>40,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,420</u>	<u>109,976</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>723,978</u>	<u>103,470</u>	<u>29,617</u>	<u>159,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,017,028</u>	<u>907,052</u>
FUND SURPLUS, END OF YEAR	<u>\$ 733,673</u>	<u>\$ 68,991</u>	<u>\$ 31,211</u>	<u>\$ 200,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,034,448</u>	<u>\$ 1,017,028</u>

RURAL MUNICIPALITY OF REYNOLDS
 SCHEDULE OF TRUST FUNDS
 For the Year Ended December 31, 2010

SCHEDULE 7

	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Total
	Trust	Trust	Trust	Trust	Trust	Trust	2010
	Trust	Trust	Trust	Trust	Trust	Trust	2009
ASSETS							
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-	-	-	-
Due from Municipality	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES							
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES							
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES							
Cemetery maintenance	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EXCESS OF REVENUES OVER EXPENDITURES							
	-	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCE, END OF YEAR							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RURAL MUNICIPALITY OF REYNOLDS

SCHEDULE 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

December 31, 2010

	2010				2009				
	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Total	Total
FINANCIAL ASSETS									
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	-	-	-	-	-	-	-	-	-
Portfolio investments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-	-	-
Long-term debt (Note 9)	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET FINANCIAL ASSETS (NET DEBT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NON-FINANCIAL ASSETS									
Tangible capital assets (Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND SURPLUS (DEFICIT)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RURAL MUNICIPALITY OF REYNOLDS
SCHEDULE OF UTILITY OPERATIONS - Name of Utility
For the Year Ended December 31, 2010

SCHEDULE 9

	<u>Budget</u>	<u>2010</u>	<u>2009</u>
REVENUE			
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
Sewer			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>-</u>	<u>-</u>	<u>-</u>
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Other income	-	-	-
sub-total- other	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES			
General			
Administration	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>-</u>	<u>-</u>	<u>-</u>
Water General			
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>-</u>	<u>-</u>	<u>-</u>
Water Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Sewer General			
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>-</u>	<u>-</u>	<u>-</u>
Sewage Amortization & Interest			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>
NET OPERATING SURPLUS	-	-	-
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	-	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>-</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>-</u>	<u>-</u>
FUND SURPLUS, END OF YEAR		<u>\$ -</u>	<u>\$ -</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2010

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 654,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 654,382
Grants in lieu of taxation	77,823	-	-	-	-	-	-	77,823
User fees	-	-	-	-	-	-	-	-
Permits, licences and fines	30,495	-	-	-	-	-	8,800	39,295
Investment income	15,000	-	-	-	-	-	110	15,110
Other revenue	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-
Grants - Province of Manitoba	278,557	-	-	-	-	-	-	-
Grants - other	208,257	-	-	-	-	-	25,544	278,557
Transfers from accumulated surplus	165,000	-	-	-	(165,000)	-	-	233,801
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	\$ 1,429,514	\$ -	\$ -	\$ -	\$ (165,000)	\$ -	\$ 34,454	\$ 1,298,968
EXPENSES								
General government services	\$ 409,546	\$ -	\$ 1,161	\$ -	\$ -	\$ -	\$ -	\$ 410,707
Protective services	204,186	-	28,226	-	-	-	-	232,412
Transportation services	257,960	-	29,208	-	-	-	-	287,168
Environmental health services	79,050	-	-	-	-	-	-	79,050
Public health and welfare services	15,497	-	-	-	-	-	-	15,497
Regional planning and development	129,131	-	-	-	-	-	34,454	163,585
Resource cons and industrial dev	48,900	-	-	-	-	-	-	48,900
Recreation and cultural services	-	-	-	-	-	-	-	-
Water and sewer services	-	-	-	-	-	-	-	-
Fiscal services:								
Transfer to capital	183,319	-	-	-	(183,319)	-	-	-
Debt charges	-	-	-	-	-	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Transfer to reserves	101,957	-	-	-	(101,957)	-	-	-
Allowance for tax assets	(32)	-	-	-	32	-	-	-
Total expenses	\$ 1,429,514	\$ -	\$ 58,595	\$ -	\$ (285,244)	\$ -	\$ 34,454	\$ 1,237,319
Surplus (Deficit)	\$ -	\$ -	\$ (58,595)	\$ -	\$ 120,244	\$ -	\$ -	\$ 61,649

**RURAL MUNICIPALITY OF REYNOLDS
ANALYSIS OF TAXES ON ROLL
December 31, 2010**

SCHEDULE 11

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 130,243	\$ 103,660
Add:		
Tax levy (Schedule 12)	2,455,448	2,316,676
Taxes added	35,338	37,239
Penalties or interest	9,786	9,578
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
Sub-total	2,500,572	2,363,493
Deduct:		
Cash collections - current	2,165,078	2,050,522
Cash collections - arrears	112,352	71,820
Write-offs	3,335	2,036
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	210,409	212,532
Other credits (specify)	-	-
Sub-total	2,491,174	2,336,910
Balance, end of year	\$ 139,641	\$ 130,243

RURAL MUNICIPALITY OF REYNOLDS
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2010

SCHEDULE 12

	2010			2009
	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	-	-
sub-total- L.U.D.			<u>-</u>	<u>-</u>
Debt charges:				
Frontage	\$ -	0.000	-	-
LI.D.	\$ -	0.000	-	-
Other (specify)	\$ -	0.000	-	-
sub-total- Debt charges			<u>-</u>	<u>-</u>
Deferred surplus	\$ -	0.000	-	-
Reserves:				
Name of reserve	\$ -	0.000	-	-
Name of reserve	\$ -	0.000	-	-
Name of reserve	\$ -	0.000	-	-
sub-total- Reserves			<u>-</u>	<u>-</u>
General municipal	\$ 79,345,350	8.001	634,842	515,435
Special levies:				
Name of special levy	\$ -	0.000	-	-
Name of special levy	\$ -	0.000	-	-
Name of special levy	\$ -	0.000	-	-
sub-total- Special levies			<u>-</u>	<u>-</u>
Business tax (rate%)	\$ -	0.000	-	-
Total municipal taxes (Schedule 2)			<u>634,842</u>	<u>515,435</u>
Education support levy	\$ 49,427,070	12.330	609,436	543,455
Special levies:				
Sunrise School Division	\$ 57,505,110	16.485	947,972	976,901
Seine River School Division	\$ 16,408,860	16.040	263,198	280,885
Name of school division	\$ -	0.000	-	-
sub-total- Special levies			<u>1,211,170</u>	<u>1,257,786</u>
Total education taxes			<u>1,820,606</u>	<u>1,801,241</u>
Total tax levy (Schedule 11)			<u>\$ 2,455,448</u>	<u>\$ 2,316,676</u>

RURAL MUNICIPALITY OF REYNOLDS
 ANALYSIS OF SCHOOL ACCOUNTS
 December 31, 2010

SCHEDULE 13

	2010			2009	
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 83,324	\$ 711,805	\$ (706,153)	\$ 88,976	\$ 83,324
Special levies					
Sunrise School Division	116,672	1,029,499	(1,039,792)	106,379	116,672
Seine River School Division	34,586	271,172	(275,631)	30,127	34,586
School division	-	-	-	-	-
School division	-	-	-	-	-
School division	-	-	-	-	-
School division	-	-	-	-	-
School division	-	-	-	-	-
Sub-total	151,258	1,300,671	(1,315,423)	136,506	151,258
Total	\$ 234,582	\$ 2,012,476	\$ (2,021,576)	\$ 225,482	\$ 234,582

RURAL MUNICIPALITY OF REYNOLDS
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2010

SCHEDULE 14

	2010 Actual	2009 Actual
General government services:		
Legislative	\$ 58,328	\$ 55,303
General administrative	114,367	113,759
Other	177,007	167,244
	<u>349,702</u>	<u>336,306</u>
Protective services:		
Police	141	141
Fire	167,917	151,120
Emergency measures	4,294	15,431
Other	25,225	1,200
	<u>197,577</u>	<u>167,892</u>
Transportation services:		
Road transport		
Administration and engineering	16,128	-
Road and street maintenance	205,300	218,514
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	6,520	7,410
Other	-	-
	<u>227,948</u>	<u>225,924</u>
Environmental health services:		
Waste collection and disposal	1,349	2,702
Recycling	27,203	23,835
Other	50,450	46,867
	<u>79,002</u>	<u>73,404</u>
Public health and welfare services:		
Public health	15,497	15,497
Other	-	-
	<u>15,497</u>	<u>15,497</u>
Regional planning and development		
Planning and zoning	26,727	36,839
Other	-	-
	<u>26,727</u>	<u>36,839</u>
Resource conservation and industrial development		
Rural area weed control	13,800	15,293
Drainage of land	10,433	6,109
Tourism	273	-
Other	-	-
	<u>24,506</u>	<u>21,402</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	-	-
Other cultural facilities	-	-
	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 920,959</u>	<u>\$ 877,264</u>

RURAL MUNICIPALITY OF REYNOLDS
 SCHEDULE OF L.U.D. OPERATIONS - Name of L.U.D.
 For the Year Ended December 31, 2010

SCHEDULE 15

	<u>2010 Budget</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard mainte	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabili	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenses	-	-	-
	<hr/>	<hr/>	<hr/>
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. rese	-	-	-
Transfers from (to) operating fi	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance, beginning of year		<hr/>	<hr/>
Unexpended balance, end of year		<u>\$ -</u>	<u>\$ -</u>

RURAL MUNICIPALITY OF REYNOLDS
 SCHEDULE OF DEBENTURES PENDING
 December 31, 2010

SCHEDULE 16

Authority	Purpose	Source of Funds	Authorized	Expended
			\$ -	\$ -
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
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			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			<u>\$ -</u>	<u>\$ -</u>