

# R.M. OF REYNOLDS

Consolidated Financial Statements  
For the Year Ended December 31, 2011

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## THE EXCHANGE

chartered accountants LLP

March 20, 2014

Manitoba Intergovernmental Affairs  
Municipal Finance & Advisory Services  
508 - 800 Portage Avenue  
Winnipeg, MB  
R3G 0N4

Dear Sirs:

**Re: Rural Municipality of Reynolds**

We are pleased to enclose the following:

1. Two copies of the Financial Report for the year ended December 31, 2011.
2. One copy of the Financial Report for the year ended December 31, 2011 on disk.
3. One copy of the Supplementary Audit Report as required under Section 190 of The Municipal Act.

If you have any questions, please do not hesitate to contact us.

Yours very truly,

*The Exchange*

chartered accountants LLP

/al

Encl.

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## THE EXCHANGE

chartered accountants LLP

March 11, 2014

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, 2011. 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

/al

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

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## STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of Reynolds 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  
**R.M. OF REYNOLDS**

We have audited the accompanying financial statements of the *R.M. of Reynolds*, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations, change in net financial assets and cash flows for the year ended December 31, 2011, 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 *R.M. of Reynolds* as at December 31, 2011, and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2011 in accordance with Canadian public sector accounting standards.

*The Exchange*

chartered accountants, LLP  
Winnipeg, Manitoba  
March 11, 2014

**R.M. OF REYNOLDS**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2011**

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Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	15
Schedule 2 - Consolidated Schedule of Revenues	16
Schedule 3 - Consolidated Schedule of Expenses	17
Schedule 4 - Consolidated Statement of Operations by Program	18
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	20
Schedule 6 - Schedule of Change in Reserve Fund Balances	21
Schedule 7 - Schedule of Trust Funds	22
Schedule 8 - Schedule of Financial Position for Utilities	23
Schedule 9 - Schedule of Utility Operations	24
Schedule 10 - Reconciliation of the Financial Plan to the Budget	25
Schedule 11 - Analysis of Taxes on Roll	26
Schedule 12 - Analysis of Tax Levy	27
Schedule 13 - Analysis of School Accounts	28
Schedule 14 - Schedule of General Operating Fund Expenses	29
Schedule 15 - Schedule of L.U.D. Operations	30
Schedule 16 - Schedule of Debentures Pending	31
Schedule 17 - Reconciliation of Annual Surplus (Deficit)	32

**R.M. OF REYNOLDS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 3,182,016	\$ 2,937,569
Amounts receivable (Note 4)	<u>207,735</u>	<u>258,951</u>
	<u>\$ 3,389,751</u>	<u>\$ 3,196,520</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	\$ 296,732	\$ 289,336
Landfill closure and post closure liabilities (Note 7)	<u>291</u>	<u>253</u>
	<u>297,023</u>	<u>289,589</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 3,092,728</u>	<u>\$ 2,906,931</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 1,263,161	\$ 1,307,634
Inventories (Note 5)	2,640	3,250
Prepaid expenses	<u>4,017</u>	<u>14,271</u>
	<u>1,269,818</u>	<u>1,325,155</u>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<u>\$ 4,362,546</u>	<u>\$ 4,232,086</u>

Approved on behalf of Council:

\_\_\_\_\_  
David Turchyn - Reeve

\_\_\_\_\_  
Councillor

**R.M. OF REYNOLDS**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2011**

	2011 Budget (Note 10)	2011 Actual	2010 Actual
<b>REVENUE</b>			
Property taxes	\$ 594,826	\$ 598,261	\$ 679,966
Grants in lieu of taxation	64,500	64,501	77,823
User fees	72,852	129,810	86,565
Permits, licences and fines	10	-	13
Investment income	40,294	57,628	31,810
Other revenue	1,811	-	(22,522)
Water and sewer	-	-	-
Grants - Province of Manitoba	186,872	135,554	105,157
Grants - other	171,265	248,719	399,051
<b>Total revenue (Schedules 2, 4 and 5)</b>	<b>1,132,430</b>	<b>1,234,473</b>	<b>1,357,863</b>
<b>EXPENSES</b>			
General government services	367,926	332,117	336,181
Protective services	229,799	222,078	197,577
Transportation services	269,131	255,345	217,509
Environmental health services	113,979	171,132	144,383
Public health and welfare services	15,497	15,497	15,497
Regional planning and development	146,087	58,726	55,043
Resource conservation and industrial development	58,750	43,618	38,432
Recreation and cultural services	7,500	5,500	-
Water and sewer services	-	-	-
<b>Total expenses (Schedules 3, 4 and 5)</b>	<b>1,208,669</b>	<b>1,104,013</b>	<b>1,004,622</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (76,239)</b>	<b>130,460</b>	<b>353,241</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<b>4,232,086</b>	<b>3,878,845</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<b>\$ 4,362,546</b>	<b>\$ 4,232,086</b>

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R.M. OF REYNOLDS  
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS  
For the Year Ended December 31, 2011

	2011 Budget (Note 10)	2011 Actual	2010 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (76,239)</b>	<b>\$ 130,460</b>	<b>\$ 353,241</b>
Acquisition of tangible capital assets	(110,000)	(23,843)	(292,713)
Amortization of tangible capital assets	60,913	71,924	70,194
Loss (Gain) on sale of tangible capital assets	-	22	22,024
Accumulated Amortization adjustment		(3,629)	(70)
Proceeds on sale of tangible capital assets	-	-	2,011
Decrease (increase) in inventories	-	610	(110)
Decrease in prepaid expense	-	10,253	1,494
	<u>(49,087)</u>	<u>55,337</u>	<u>(197,170)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u>\$ (125,326)</u></b>	<b>185,797</b>	156,071
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u>2,906,931</u>	<u>2,750,860</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<u><b>\$ 3,092,728</b></u>	<u><b>\$ 2,906,931</b></u>

2,011  
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**R.M. OF REYNOLDS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 130,460	\$ 353,241
Changes in non-cash items:		
Amounts receivable	51,216	(199,493)
Inventories	610	(110)
Prepays	10,254	1,495
Accounts payable and accrued liabilities	7,395	25,229
Severance and vested sick leave payable	-	-
Landfill closure and post closure liabilities	38	35
Environmental liabilities	-	-
Loss (Gain) on sale of tangible capital asset	22	22,024
Amortization	68,295	70,123
	<u>268,290</u>	<u>272,544</u>
Cash provided by operating transactions		
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	-	2,011
Cash used to acquire tangible capital assets	<u>(23,843)</u>	<u>(292,713)</u>
Cash applied to capital transactions	<u>(23,843)</u>	<u>(290,702)</u>
<b>INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>244,447</b>	<b>(18,158)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b><u>2,937,569</u></b>	<b><u>2,955,727</u></b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 3,182,016</u></b>	<b><u>\$ 2,937,569</u></b>

**R.M. OF REYNOLDS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2011**

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**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 police, fire, public works, urban planning, airport, parks and recreation, library 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-company 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.

#### **General Tangible Capital Assets**

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>2011</u>	<u>2010</u>
Cash	\$ 3,182,016	\$ 2,937,569
Temporary Investments	-	-
	<u>\$ 3,182,016</u>	<u>\$ 2,937,569</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$1,089,319 (2010 \$997,126) 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>2011</u>	<u>2010</u>
Taxes on roll (Schedule 11)	\$ 151,894	\$ 139,641
Government grants	71,814	189,389
Organizations and individuals	92,184	36,885
Other governments	-	-
	<u>315,892</u>	<u>365,915</u>
Less allowances for doubtful amounts	<u>(108,157)</u>	<u>(106,964)</u>
	<u>\$ 207,735</u>	<u>\$ 258,951</u>

**5. Inventories**

**Inventories for use:**

	<u>2011</u>	<u>2010</u>
Chemicals, herbicides, insecticides	\$ 2,640	\$ 3,250
Fuel	-	-
Culverts	-	-
Aggregate	-	-
Other supplies	-	-
	<u>\$ 2,640</u>	<u>\$ 3,250</u>

**6. Accounts Payable and Accrued Liabilities**

	<u>2011</u>	<u>2010</u>
Accounts payable	\$ 52,698	\$ 22,699
Accrued expenses	19,134	22,201
Accrued interest payable	-	-
School levies (Schedule 13)	217,086	225,482
Other governments	7,814	18,954
	<u>\$ 296,732</u>	<u>\$ 289,336</u>

**7. Landfill Closure and Post Closure Liabilities**

**a) Operating Landfill Site**

The Municipality is currently operating a Class X landfill site in 2011. 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>2011</u>	<u>2010</u>
Estimated closure and post closure costs over the next 50 years	\$ 54,350	\$ 54,350
Discount rate	7.00%	7.00%
<b>Discounted costs</b>	<u>\$ 3,838</u>	<u>\$ 3,587</u>
Expected year capacity will be reached	2048	2048
Capacity ( disclose in tonnes, volume, acreage, or years):		
Used to date	14	13
Remaining	37	38
Total	<u>51</u>	<u>51</u>
Percent utilized	<u>27.45%</u>	<u>25.49%</u>
<b>Liability based on percentage</b>	<u>\$ 1,054</u>	<u>\$ 914</u>
R.M. of Reynolds percentage of operations	27.62%	27.62%
R.M. of Reynolds Liability based on percentage of partnership	<u>\$ 291</u>	<u>\$ 253</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 \$3,896 (2010 - \$5,115) 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.

**9. 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.

**10. 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.

**11. 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, 2011:

- a) Compensation paid to members of council amounted to \$117,585 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	\$ 11,911	\$ 3,093	\$ 15,004
Councillor - Garru Gaetz	9,277	4,870	14,147
Councillor - Curtis Buley	8,616	2,996	11,612
Councillor - John Miscavitch	10,173	6,232	16,405
Councillor - Mike Turchyn	8,418	4,479	12,897
Councillor - Maurice Yaremchuk	11,557	7,134	18,691
Councillor - Florence Campbell	10,454	3,421	13,875
Councillor - Jim Colbert	10,013	4,941	14,954
	<u>\$ 80,419</u>	<u>\$ 37,166</u>	<u>\$ 117,585</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Trudy Turchyn</i>	<i>Chief Administrative Officer</i>	\$ 52,851

**12. Accumulated Surplus**

Accumulated surplus consists of the following:

General operating fund - Nominal surplus  
Utility operating fund(s) - Nominal surplus  
TCA net of related borrowings  
Reserve funds

<u>2011</u>	<u>2010</u>
\$ 1,844,237	\$ 1,757,206
-	-
1,263,161	1,307,634
<u>1,089,319</u>	<u>997,126</u>
4,196,717	4,061,966
165,829	170,120
<u>\$ 4,362,546</u>	<u>\$ 4,232,086</u>

Accumulated surplus of municipality unconsolidated

Accumulated surpluses of consolidated entities  
Accumulated surplus per Consolidated Statement of Financial  
Position

**R.M. OF REYNOLDS**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended December 31, 2011**

**SCHEDULE 1**

	General Capital Assets				Infrastructure	Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Roads, Streets, and Bridges	2011	2010
<b>Cost</b>							
Opening costs	\$ 163,047	\$ 448,519	\$ 211,188	\$ 24,363	\$ 1,347,949	\$ 2,195,066	\$ 1,938,993
Additions during the year	2,857	-	-	20,986	-	23,843	292,713
Disposals and write downs	(22)	-	-	-	-	(22)	(36,641)
Closing costs	165,882	448,519	211,188	45,349	1,347,949	2,218,887	2,195,065
<b>Accumulated Amortization</b>							
Opening accum'd amortization	20,756	121,283	85,381	22,053	634,329	883,802	829,854
Amortization	2,807	17,941	15,803	1,743	33,630	71,924	70,194
Disposals and write downs	-	-	-	-	-	-	(12,617)
Closing accum'd amortization	23,563	139,224	101,184	23,796	667,959	955,726	887,431
Net Book Value of Tangible Capital Assets	\$ 142,319	\$ 309,295	\$ 110,004	\$ 21,553	\$ 679,990	\$ 1,263,161	\$ 1,307,634

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

R.M. OF REYNOLDS  
**CONSOLIDATED SCHEDULE OF REVENUES**  
For the Year Ended December 31, 2011

**SCHEDULE 2**

	2011 Actual	2010 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 561,326	\$ 634,842
Taxes added	25,457	35,338
Penalties and interest	11,478	9,786
	<u>598,261</u>	<u>679,966</u>
<b>Grants in lieu of taxation:</b>		
Federal government	53,837	66,927
Federal government enterprises	-	-
Provincial government	8,984	9,339
Provincial government enterprises	-	-
Other local governments	1,680	1,557
Non-government organizations	-	-
	<u>64,501</u>	<u>77,823</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	102,588	83,359
Sales of goods	21,761	-
Rentals	3,341	2,806
Development charges	2,120	400
Facility use fees	-	-
	<u>129,810</u>	<u>86,565</u>
<b>Permits, licences and fines</b>		
Permits	-	-
Licences	-	13
Fees	-	-
Fines	-	-
	<u>-</u>	<u>13</u>
<b>Investment income:</b>		
Cash and temporary investments	57,628	31,810
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>57,628</u>	<u>31,810</u>
<b>Other revenue:</b>		
Gain on sale of tangible capital assets	-	(27,124)
Gain on sale of real estate held for sale	-	-
Contributed assets	-	-
Miscellaneous (specify):	-	4,602
	<u>-</u>	<u>(22,522)</u>
<b>Water and sewer</b>		
Municipal utility(ies) (Schedule 9)	-	-
Consolidated water co-operatives	-	-
	<u>-</u>	<u>-</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	-	-
General support grant	58,080	56,372
VLT revenues	24,761	24,604
Other unconditional grants	-	-
Conditional grants	52,713	24,181
	<u>135,554</u>	<u>105,157</u>
<b>Grants - other</b>		
Federal government - gas tax funding	76,957	76,957
Federal government - other	1,905	151,480
Other local governments	169,857	170,614
	<u>248,719</u>	<u>399,051</u>
<b>Total revenue</b>	<u>\$ 1,234,473</u>	<u>\$ 1,357,863</u>

R.M. OF REYNOLDS  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2011

SCHEDULE 3

	2011 Actual	2010 Actual
<b>General government services:</b>		
Legislative	\$ 63,867	\$ 58,328
General administrative	204,146	114,367
Other	64,104	163,486
	<u>332,117</u>	<u>336,181</u>
<b>Protective services:</b>		
Police	141	141
Fire	188,337	167,917
Emergency measures	4,021	4,294
Other	29,579	25,225
	<u>222,078</u>	<u>197,577</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	24,902	16,128
Road and street maintenance	224,028	194,861
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	6,415	6,520
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>255,345</u>	<u>217,509</u>
<b>Environmental health services:</b>		
Waste collection and disposal	1,582	1,349
Recycling	30,050	27,203
Other	139,500	115,831
	<u>171,132</u>	<u>144,383</u>
<b>Public health and welfare services:</b>		
Public health	15,497	15,497
Medical care	-	-
Social assistance	-	-
Other	-	-
	<u>15,497</u>	<u>15,497</u>
<b>Regional planning and development</b>		
Planning and zoning	58,726	55,043
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
General Land Assembly	-	-
	<u>58,726</u>	<u>55,043</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	31,879	27,726
Drainage of land	8,138	10,433
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	2,716	-
Industrial development	-	-
Tourism	885	273
Other	-	-
	<u>43,618</u>	<u>38,432</u>
<b>Recreation and cultural services:</b>		
Administration	-	-
Community centers and halls	5,500	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	-	-
Other recreational facilities	-	-
Museums	-	-
Libraries	-	-
Other cultural facilities	-	-
	<u>5,500</u>	<u>-</u>
<b>Water and sewer services (Schedule 9)</b>		
Municipal utility(ies) (Schedule 9)	-	-
Consolidated water co-operatives	-	-
	<u>-</u>	<u>-</u>
<b>Total expenses</b>	<u>\$ 1,104,013</u>	<u>\$ 1,004,622</u>

R.M. OF REYNOLDS  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2011

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>REVENUE</b>										
Property taxes	\$ 598,261	\$ 679,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	64,501	77,823	-	-	-	-	-	-	-	-
User fees	15,623	12,149	52,541	27,997	-	-	35,278	21,654	-	-
Grants - other	210,883	211,797	-	-	-	151,480	19,235	17,385	-	-
Permits, licences and fines	-	-	-	-	-	-	-	-	-	-
Investment income	56,467	31,249	-	-	-	-	509	316	-	-
Other revenue	-	(22,522)	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	82,841	80,976	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	28,247	5,050	-	-	-	-	21,166	19,131	-	-
<b>Total revenue</b>	<b>\$ 1,056,823</b>	<b>\$ 1,076,488</b>	<b>\$ 52,541</b>	<b>\$ 27,997</b>	<b>\$ -</b>	<b>\$ 151,480</b>	<b>\$ 76,188</b>	<b>\$ 58,486</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENSES</b>										
Personnel services	\$ 181,566	\$ 188,793	\$ 46,075	\$ 43,294	\$ 14,963	\$ 16,128	\$ 45,723	\$ 38,233	\$ -	\$ -
Contract services	109,025	23,441	107,328	48,935	132,144	114,115	51,702	39,661	-	-
Utilities	8,398	7,413	9,891	10,562	6,039	6,056	3,392	3,662	-	-
Maintenance materials and supplies	19,367	32,884	33,041	42,466	68,569	52,002	1,330	1,382	-	-
Grants and contributions	12,080	-	141	-	-	-	1,689	-	15,497	15,497
Amortization	1,681	1,161	25,602	28,296	33,630	29,208	10,476	10,995	-	-
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	-	82,489	-	24,024	-	-	56,820	50,450	-	-
<b>Total expenses</b>	<b>\$ 332,117</b>	<b>\$ 336,181</b>	<b>\$ 222,078</b>	<b>\$ 197,577</b>	<b>\$ 255,345</b>	<b>\$ 217,509</b>	<b>\$ 171,132</b>	<b>\$ 144,383</b>	<b>\$ 15,497</b>	<b>\$ 15,497</b>
<b>Surplus (Deficit)</b>	<b>\$ 724,706</b>	<b>\$ 740,307</b>	<b>\$ (169,537)</b>	<b>\$ (169,580)</b>	<b>\$ (255,345)</b>	<b>\$ (66,029)</b>	<b>\$ (94,944)</b>	<b>\$ (85,897)</b>	<b>\$ (15,497)</b>	<b>\$ (15,497)</b>

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

R.M. OF REYNOLDS  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
Year Ended December 31, 2011

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 598,261	\$ 679,966
Grants in lieu of taxation	-	-	-	-	-	-	-	-	64,501	77,823
User fees	17,667	15,200	8,701	9,565	-	-	-	-	129,810	86,565
Grants - other	11,494	11,489	7,107	6,900	-	-	-	-	248,719	399,051
Permits, licences and fines	-	13	-	-	-	-	-	-	-	13
Investment income	135	83	517	162	-	-	-	-	57,628	31,810
Other revenue	-	-	-	-	-	-	-	-	-	(22,522)
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	82,841	80,976
Prov of MB - Conditional Grants	3,300	-	-	-	-	-	-	-	52,713	24,181
<b>Total revenue</b>	<b>\$ 32,596</b>	<b>\$ 26,785</b>	<b>\$ 16,325</b>	<b>\$ 16,627</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$1,234,473</b>	<b>\$ 1,357,863</b>
<b>EXPENSES</b>										
Personnel services	\$ 20,235	\$ 16,361	\$ 7,508	\$ 3,868	\$ -	\$ -	\$ -	\$ -	\$ 316,070	\$ 306,677
Contract services	12,029	11,920	14,968	15,236	-	-	-	-	427,196	253,308
Utilities	281	392	311	441	-	-	-	-	28,312	28,526
Maintenance materials and supplies	637	826	5,898	4,429	-	-	-	-	128,842	133,989
Grants and contributions	25,544	25,544	14,214	13,799	5,500	-	-	-	74,665	54,840
Amortization	-	-	535	534	-	-	-	-	71,924	70,194
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Other	-	-	184	125	-	-	-	-	57,004	157,088
<b>Total expenses</b>	<b>\$ 58,726</b>	<b>\$ 55,043</b>	<b>\$ 43,618</b>	<b>\$ 38,432</b>	<b>\$ 5,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,104,013</b>	<b>1,004,622</b>
<b>Surplus (Deficit)</b>	<b>\$ (26,130)</b>	<b>\$ (28,258)</b>	<b>\$ (27,293)</b>	<b>\$ (21,805)</b>	<b>\$ (5,500)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 130,460</b>	<b>\$ 353,241</b>

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2011

	Core Government		Controlled Entities		Government Partnerships		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>REVENUE</b>								
Property taxes	\$ 598,261	\$ 679,966	\$ -	\$ -	\$ -	\$ -	\$ 598,261	\$ 679,966
Grants in lieu of taxation	64,501	77,823	-	-	-	-	64,501	77,823
User fees	71,859	40,546	57,951	46,019	-	-	129,810	86,565
Grants - other	210,883	363,277	37,836	35,774	-	-	248,719	399,051
Permits, licences and fines	-	13	-	-	-	-	-	13
Investment income	56,467	31,249	1,161	561	-	-	57,628	31,810
Other revenue	-	(22,522)	-	-	-	-	-	(22,522)
Water and sewer	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	82,841	80,976	-	-	-	-	82,841	80,976
Prov of MB - Conditional Grants	28,247	5,050	24,466	19,131	-	-	52,713	24,181
Total revenue	\$ 1,113,059	\$ 1,256,378	\$ 121,414	\$ 101,485	\$ -	\$ -	\$ 1,234,473	\$ 1,357,863
<b>EXPENSES</b>								
Personnel services	\$ 242,604	\$ 248,973	\$ 73,466	\$ 57,704	\$ -	\$ -	\$ 316,070	\$ 306,677
Contract services	398,050	225,616	29,146	27,692	-	-	427,196	253,308
Utilities	24,328	24,031	3,984	4,495	-	-	28,312	28,526
Maintenance materials and supplies	123,620	127,943	5,222	6,046	-	-	128,842	133,989
Grants and contributions	72,976	54,841	1,689	-	-	-	74,665	54,840
Amortization	60,913	58,665	11,011	11,528	-	-	71,924	70,194
Interest on long term debt	-	-	-	-	-	-	-	-
Other	55,817	156,963	1,187	125	-	-	57,004	157,088
Total expenses	\$ 978,308	\$ 897,032	\$ 125,705	\$ 107,590	\$ -	\$ -	\$ 1,104,013	\$ 1,004,622
<b>Surplus (Deficit)</b>	\$ 134,751	\$ 359,346	\$ (4,291)	\$ (6,105)	\$ -	\$ -	\$ 130,460	\$ 353,241



## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2011

	2011				Name of Reserve	Name of Reserve	Total	2010
	General Reserve	Fire Equip Reserve	Capital Improve Reserve	Gas Tax Reserve				Total
<b>REVENUE</b>								
Investment income	\$ 18,471	\$ 946	\$ 564	\$ 2,069	\$ -	\$ -	\$ 22,050	\$ 12,268
Other income	-	-	2,200	-	-	-	2,200	1,200
Total revenue	18,471	946	2,764	2,069	-	-	24,250	13,468
<b>EXPENSES</b>								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	<b>18,471</b>	<b>946</b>	<b>2,764</b>	<b>2,069</b>	<b>-</b>	<b>-</b>	<b>24,250</b>	<b>13,468</b>
<b>TRANSFERS</b>								
Transfers from general operating fund	-	24,995	-	76,956	-	-	101,951	63,883
Transfers to general operating fund	(25,114)	-	-	(8,894)	-	-	(34,008)	(59,526)
Transfer from nominal surplus	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	(37,727)
<b>CHANGE IN RESERVE FUND BALANCES</b>	<b>(6,643)</b>	<b>25,941</b>	<b>2,764</b>	<b>70,131</b>	<b>-</b>	<b>-</b>	<b>92,193</b>	<b>(19,902)</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>695,946</b>	<b>68,991</b>	<b>31,616</b>	<b>200,573</b>	<b>-</b>	<b>-</b>	<b>997,126</b>	<b>1,017,028</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$ 689,303</b>	<b>\$ 94,932</b>	<b>\$ 34,380</b>	<b>\$ 270,704</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,089,319</b>	<b>\$ 997,126</b>

R.M. OF REYNOLDS  
 SCHEDULE OF TRUST FUNDS  
 For the Year Ended December 31, 2011

SCHEDULE 7

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

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

December 31, 2011

	2011						2010
	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Name of Utility	Total
<b>FINANCIAL ASSETS</b>							
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	-	-	-	-	-	-	-
Portfolio investments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-
Long-term debt (Note 9)	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NON-FINANCIAL ASSETS</b>							
Tangible capital assets (Schedule 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND SURPLUS (DEFICIT)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

R.M. OF REYNOLDS  
SCHEDULE OF UTILITY OPERATIONS  
For the Year Ended December 31, 2011

SCHEDULE 9

	Budget	2011	2010
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	-	-	-
<b>Sewer</b>			
Sewer fees	-	-	-
Lagoon tipping fees	-	-	-
sub-total- sewer	-	-	-
<b>Property taxes</b>	-	-	-
<b>Government transfers</b>			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	-	-	-
<b>Other</b>			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	-	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	-	-
sub-total- other	-	-	-
<b>Total revenue</b>	-	-	-
<b>EXPENSES</b>			
<b>General</b>			
Administration	-	-	-
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	-	-	-
<b>Water General</b>			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	-	-	-
<b>Water Amortization &amp; Interest</b>			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- water amortization & interest	-	-	-
<b>Sewer General</b>			
Collection system costs	-	-	-
Treatment and disposal cost	-	-	-
Lift Station costs	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	-	-	-
<b>Sewage Amortization &amp; Interest</b>			
Amortization	-	-	-
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	-	-	-
<b>Total expenses</b>	-	-	-
<b>NET OPERATING SURPLUS</b>	-	-	-
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	-	-	-
<b>CHANGE IN UTILITY FUND BALANCE</b>	\$ -	-	-
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		-	-
<b>FUND SURPLUS, END OF YEAR</b>		\$ -	\$ -

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2011

	Financial Plan General	Amortization (TCA)	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>						
Property taxes	\$ 2,438,017	\$ -	\$ (1,843,191)	\$ -	\$ -	\$ 594,826
Grants in lieu of taxation	257,330	-	(192,830)	-	-	64,500
User fees	38,278	-	-	-	34,574	72,852
Permits, licences and fines	10	-	-	-	-	10
Investment income	35,000	-	-	-	5,294	40,294
Other revenue	-	-	-	-	1,811	1,811
Water and sewer	-	-	-	-	-	-
Grants - Province of Manitoba	162,406	-	-	-	24,466	186,872
Grants - other	132,738	-	-	-	38,527	171,265
Transfers from accumulated surplus	183,500	-	(183,500)	-	-	-
Transfers from reserves	101,000	-	(101,000)	-	-	-
Total revenue	\$ 3,348,279	\$ -	\$ (2,320,521)	\$ -	\$ 104,672	\$ 1,132,430
<b>EXPENSES</b>						
General government services	\$ 366,245	\$ 1,681	\$ -	\$ -	\$ -	\$ 367,926
Protective services	204,197	25,602	-	-	-	229,799
Transportation services	235,501	33,630	-	-	-	269,131
Environmental health services	93,126	-	(55,817)	-	76,670	113,979
Public health and welfare services	15,497	-	-	-	-	15,497
Regional planning and development	129,044	-	(25,544)	-	42,587	146,087
Resource cons and industrial dev	48,214	-	(14,214)	-	24,750	58,750
Recreation and cultural services	7,500	-	-	-	-	7,500
Water and sewer services	-	-	-	-	-	-
Fiscal services:						
School payment	2,036,021	-	(2,036,021)	-	-	-
Transfer to capital	111,000	-	(111,000)	-	-	-
Debt charges	-	-	-	-	-	-
Short term interest	-	-	-	-	-	-
Transfer to reserves	101,957	-	(101,957)	-	-	-
Allowance for tax assets	(23)	-	23	-	-	-
Total expenses	\$ 3,348,279	\$ 60,913	\$ (2,344,530)	\$ -	\$ 144,007	\$ 1,208,669
<b>Surplus (Deficit)</b>	\$ -	\$ (60,913)	\$ 24,009	\$ -	\$ (39,335)	\$ (76,239)

**R.M. OF REYNOLDS**  
**ANALYSIS OF TAXES ON ROLL**  
**For the Year Ended December 31, 2011**

**SCHEDULE 11**

	<u>2011</u>	<u>2010</u>
<b>Balance, beginning of year</b>	<b>\$ 139,641</b>	<b>\$ 130,243</b>
<b>Add:</b>		
Tax levy (Schedule 12)	2,404,517	2,455,448
Taxes added	25,457	35,338
Penalties or interest	11,478	9,786
Other accounts added	-	-
Tax Adjustments (specify)	-	-
Tax Adjustments (specify)	-	-
<b>Sub-total</b>	<b><u>2,441,452</u></b>	<b><u>2,500,572</u></b>
<b>Deduct:</b>		
Cash collections - current	2,110,904	2,165,078
Cash collections - arrears	99,277	112,352
Write-offs	-	3,335
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	219,018	210,409
Other credits (specify)	-	-
<b>Sub-total</b>	<b><u>2,429,199</u></b>	<b><u>2,491,174</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 151,894</u></u></b>	<b><u><u>\$ 139,641</u></u></b>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2011

	2011			2010
	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:				
Machinery Replacement	\$ 80,466,920	0.279	22,434	-
Name of reserve	\$ -	0.000	-	-
Name of reserve	\$ -	0.000	-	-
sub-total- Reserves			<u>22,434</u>	<u>-</u>
General municipal	\$ 80,466,920	6.722	<u>538,892</u>	<u>634,842</u>
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	-	-
<b>Total municipal taxes (Schedule 2)</b>			<u>561,326</u>	<u>634,842</u>
Education support levy	\$ 49,697,410	12.330	<u>612,769</u>	<u>609,436</u>
Special levies:				
Sunrise School Division	\$ 58,434,570	16.490	965,609	947,972
Seine River School Division	\$ 16,561,190	15.990	264,813	263,198
Name of school division	\$ -	0.000	-	-
sub-total- Special levies			<u>1,230,422</u>	<u>1,211,170</u>
<b>Total education taxes</b>			<u>1,843,191</u>	<u>1,820,606</u>
<b>Total tax levy (Schedule 11)</b>			<u>\$ 2,404,517</u>	<u>\$ 2,455,448</u>

R.M. OF REYNOLDS  
 ANALYSIS OF SCHOOL ACCOUNTS  
 December 31, 2011

SCHEDULE 13

	2011				2010
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ 88,976	\$ 716,415	\$ (720,137)	\$ 85,254	\$ 88,976
<b>Special levies</b>					
Sunrise School Division	106,379	1,046,887	(1,050,177)	103,089	106,379
Seine River School Division	30,127	272,719	(274,103)	28,743	30,127
School division	-	-	-	-	-
School division	-	-	-	-	-
School division	-	-	-	-	-
School division	-	-	-	-	-
School division	-	-	-	-	-
<b>Sub-total</b>	<b>136,506</b>	<b>1,319,606</b>	<b>(1,324,280)</b>	<b>131,832</b>	<b>136,506</b>
<b>Total</b>	<b>\$ 225,482</b>	<b>\$ 2,036,021</b>	<b>\$ (2,044,417)</b>	<b>\$ 217,086</b>	<b>\$ 225,482</b>

R.M. OF REYNOLDS  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
For the Year Ended December 31, 2011

**SCHEDULE 14**

	2011 Actual	2010 Actual
<b>General government services:</b>		
Legislative	\$ 63,862	\$ 58,328
General administrative	204,147	114,367
Other	64,104	177,007
	<u>332,113</u>	<u>349,702</u>
<b>Protective services:</b>		
Police	141	141
Fire	188,338	167,917
Emergency measures	4,021	4,294
Other	29,579	25,225
	<u>222,079</u>	<u>197,577</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	24,902	16,128
Road and street maintenance	224,028	205,300
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	-	-
Street lighting	6,414	6,520
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>255,344</u>	<u>227,948</u>
<b>Environmental health services:</b>		
Waste collection and disposal	1,582	1,349
Recycling	30,050	27,203
Other	55,817	50,450
	<u>87,449</u>	<u>79,002</u>
<b>Public health and welfare services:</b>		
Public health	15,497	15,497
Medical care	-	-
Social assistance	-	-
Other	-	-
	<u>15,497</u>	<u>15,497</u>
<b>Regional planning and development</b>		
Planning and zoning	31,744	26,727
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>31,744</u>	<u>26,727</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	16,839	13,800
Drainage of land	8,138	10,433
Veterinary services	-	-
Water resources and conservation	-	-
Regional development	2,716	-
Industrial development	-	-
Tourism	885	273
Other	-	-
	<u>28,578</u>	<u>24,506</u>
<b>Recreation and cultural services:</b>		
Administration	-	-
Community centers and halls	5,500	-
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	-	-
Parks and playgrounds	-	-
Other recreational facilities	-	-
Museums	-	-
Libraries	-	-
Other cultural facilities	-	-
	<u>5,500</u>	<u>-</u>
<b>Total expenses</b>	<u>\$ 978,304</u>	<u>\$ 920,959</u>

R.M. OF REYNOLDS  
 SCHEDULE OF L.U.D. OPERATIONS  
 For the Year Ended December 31, 2011

SCHEDULE 15

	2011 Budget	2011 Actual	2010 Actual
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
<b>Expenses</b>			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
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	-	-	-
Total expenses	-	-	-
<b>Net revenues (expenses)</b>	-	-	-
<b>Transfers:</b>			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
<b>Change in L.U.D. balances</b>	<u>\$ -</u>	-	-
<b>Unexpended balance, beginning of year</b>		-	-
<b>Unexpended balance, end of year</b>		<u>\$ -</u>	<u>\$ -</u>



NAME OF MUNICIPALITY

SCHEDULE 17

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

December 31, 2011

	2011			2010
	General	Utility	Total	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 274,139	\$ -	\$ 274,139	\$ 155,143
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	101,951	-	101,951	63,883
Eliminate revenue - transfers from reserves	(34,008)	-	(34,008)	(59,526)
Increase revenue - reserve funds interest	24,250	-	24,250	13,468
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(4,291)	-	(4,291)	(6,105)
Eliminate revenue - transfer from nominal surplus(es)	(183,500)	-	(183,500)	(165,000)
Increase expense - amortization of tangible capital assets	(71,924)	-	(71,924)	58,665
Decrease expense - principal portion of debenture debt	-	-	-	-
Eliminate expense - acquisitions of tangible capital assets	23,843	-	23,843	292,713
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 130,460</b>	<b>\$ -</b>	<b>\$ 130,460</b>	<b>\$ 353,241</b>