

Local Government District of Pinawa

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

STATEMENT OF RESPONSIBILITY

The accompanying Non-Consolidated Financial Statements are the responsibility of the management of the *Local Government District of Pinawa* 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 Local Government District (LGD) met with management and the external auditors to review the non-consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the non-consolidated financial statements.

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



Jenny Peterson
Chief Administrative Officer

August 12, 2014



INDEPENDENT AUDITORS' REPORT

To the Mayor and Members of Council of the Local Government District of Pinawa

We have audited the accompanying non-consolidated financial statements of the Local Government District of Pinawa, which comprise the non-consolidated statement of financial position as at December 31, 2010 and the non-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 Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 the non-consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated 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 non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the non-consolidated 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 non-consolidated 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 non-consolidated 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.

Basis for Adverse Opinion

The Local Government of Pinawa has not consolidated the financial statements of its controlled entities due to the lack of available financial information. Under Canadian public sector accounting standards, the controlled entities should have been consolidated. Had the controlled entities been consolidated, many elements in the accompanying non-consolidated financial statements would have been materially affected. The effects on the non-consolidated financial statements of the failure to consolidate have not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the non-consolidated financial statements do not present fairly the financial position of the Local Government District of Pinawa as at December 31, 2010, and the 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.

MNP LLP

CHARTERED ACCOUNTANTS

Winnipeg, Manitoba
August 12, 2014

Local Government District of Pinawa

Non-Consolidated Financial Statements


For the Year Ended December 31, 2010

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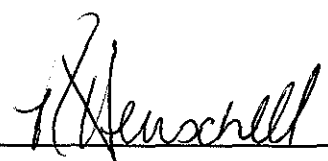
Local Government District of Pinawa
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at December 31, 2010

	<u>2010</u>	<u>2009</u>
FINANCIAL ASSETS		
Cash (Note 3)	\$ 1,789,066	\$ 1,835,291
Amounts receivable (Note 4)	<u>307,153</u>	<u>249,504</u>
	<u>\$ 2,096,219</u>	<u>\$ 2,084,795</u>
LIABILITIES		
Bank indebtedness (Note 5)	\$ 30,514	\$ 283,935
Accounts payable and accrued liabilities (Note 6)	\$ 932,273	\$ 237,545
Landfill closure and post closure liabilities (Note 7)	87,500	66,037
Long-term debt (Note 8)	<u>210,279</u>	<u>272,824</u>
	<u>1,260,566</u>	<u>860,341</u>
NET FINANCIAL ASSETS	<u>\$ 835,653</u>	<u>\$ 1,224,454</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 2,646,016	\$ 2,225,833
Prepaid expenses	<u>22,720</u>	<u>36,218</u>
	<u>2,668,736</u>	<u>2,262,051</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 3,504,389</u>	<u>\$ 3,486,505</u>

Approved on behalf of Council:



 Mayor **BLAIR SKINNER**



 Councillor

Local Government District of Pinawa
NON-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	\$ 1,554,662	\$ 1,554,676	\$ 1,448,407
Grants in lieu of taxation	927,304	927,305	917,944
User fees	82,600	230,126	222,611
Permits, licences and fines	23,650	21,243	21,001
Investment income	7,000	27,472	23,621
Other revenue	149,500	21,831	120,110
Water and sewer	-	-	-
Grants - Province of Manitoba	256,000	259,386	254,443
Grants - other	84,638	79,193	84,638
	<u>3,085,354</u>	<u>3,121,232</u>	<u>3,092,775</u>
EXPENSES			
General government services	702,679	871,128	694,299
Protective services	296,840	273,581	298,075
Transportation services	598,650	635,829	605,719
Environmental health services	141,300	155,440	150,480
Public health and welfare services	10,658	9,521	11,723
Regional planning and development	5,450	3,000	950
Resource conservation and industrial development	156,500	142,192	171,377
Recreation and cultural services	585,275	616,111	579,396
Water and sewer services	400,876	396,546	397,819
	<u>2,898,228</u>	<u>3,103,348</u>	<u>2,909,838</u>
ANNUAL SURPLUS	<u>187,126</u>	17,884	182,937
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
BEGINNING OF YEAR		<u>3,486,505</u>	<u>3,303,568</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 3,504,389</u>	<u>\$ 3,486,505</u>

Local Government District of Pinawa
NON-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	\$ 187,126	\$ 17,884	\$ 182,937
Acquisition of tangible capital assets	-	(718,081)	(127,376)
Amortization of tangible capital assets	-	297,817	323,217
Loss on disposal of tangible capital asset	-	81	-
Proceeds on sale of tangible capital assets	-	-	4,578
(Increase) decrease in prepaid expenses	-	13,498	(4,009)
	-	<u>(406,685)</u>	<u>196,410</u>
CHANGE IN NET FINANCIAL ASSETS	<u><u>187,126</u></u>	<u>(388,801)</u>	<u>379,347</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>1,224,454</u>	<u>845,107</u>
NET FINANCIAL ASSETS, END OF YEAR		<u><u>\$ 835,653</u></u>	<u><u>\$ 1,224,454</u></u>

Local Government District of Pinawa
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010

	<u>2010</u>	<u>2009</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 17,884	\$ 182,937
Changes in non-cash items:		
Amounts receivable	(57,649)	209,129
Prepays	13,498	(4,009)
Accounts payable and accrued liabilities	694,728	(37,452)
Landfill closure and post closure liabilities	21,463	19,312
Loss on disposal of tangible capital asset	81	-
Amortization	297,817	323,217
Cash provided by operating transactions	<u>987,822</u>	<u>693,134</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	4,578
Additions to tangible capital assets	<u>(718,081)</u>	<u>(127,376)</u>
Cash applied to capital transactions	<u>(718,081)</u>	<u>(122,798)</u>
FINANCING TRANSACTIONS		
Debt repayment	<u>(62,545)</u>	<u>(60,927)</u>
Cash applied to financing transactions	<u>(62,545)</u>	<u>(60,927)</u>
INCREASE IN CASH	207,196	509,409
CASH, BEGINNING OF YEAR	<u>1,551,356</u>	<u>1,041,947</u>
CASH, END OF YEAR	<u><u>\$ 1,758,552</u></u>	<u><u>\$ 1,551,356</u></u>
COMPONENTS OF CASH		
Cash	1,789,066	1,835,291
Bank indebtedness	(30,514)	(283,935)
	<u><u>\$ 1,758,552</u></u>	<u><u>\$ 1,551,356</u></u>

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

1. Status of the Local Government District of Pinawa

The incorporated Local Government District of Pinawa ("LGD") is a local government that was created pursuant to the Manitoba Municipal Act. The LGD provides or funds local services such as public works, planning, parks and recreation, library and other general government operations. The LGD owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

The non-consolidated financial statements have not 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, as PSAB requires the controlled entities that encompass the Government Reporting Entity to be consolidated into the LGD.

The non-consolidated financial statements have been prepared applying the following significant accounting policies that are in accordance with public sector accounting standards as recommended by PSAB of the Canadian Institute of Chartered Accountants:

a) Basis of Accounting

The non-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.

b) 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.

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

c) 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 LGD 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 town, forests, water, and other natural resources are not recognized as tangible capital assets.

d) Employee Future Benefits

The LGD pays the employer portion of a multi-employer defined benefit pension plan handled by the Municipal Employees' Pension Plan (MEPP) for its employees. Under this plan, specific fixed amounts are contributed by the LGD each period for services rendered by the employees matching employee contributions.

For those defined benefit plans that accumulate but do not vest such as sick pay, the benefit costs are recognized and recorded annually.

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

e) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

f) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the non-consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the non-consolidated 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. Receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of tangible capital assets is provided based on the municipality's estimated useful lives of those assets. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

g) Recent accounting pronouncements

Financial instruments

In June 2011, the Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments to establish standards for recognition, measurement, presentation and disclosure of financial assets, financial liabilities and non-financial derivatives. As a result of issuance of PS 3450, there have been numerous consequential amendments made to other Sections. PS 3450 is effective for fiscal years beginning on or after April 1, 2015. Earlier adoption is permitted.

3. Cash

	<u>2010</u>	<u>2009</u>
Cash	\$ 1,789,066	\$ 1,835,291

The LGD has designated \$1,317,803 (2009 \$1,376,826) to reserves for future maintenance, various programs and tangible capital asset additions. See Schedule 5 – Schedule of Change in Reserve Fund Balances.

4. Amounts Receivable

	<u>2010</u>	<u>2009</u>
Taxes on roll (Schedule 9)	\$ 29,033	\$ 35,593
Organizations and individuals	207,613	155,968
Other governments	<u>70,507</u>	<u>58,402</u>
	307,153	249,963
Less allowances for doubtful amounts	<u>-</u>	<u>(459)</u>
	<u>\$ 307,153</u>	<u>\$ 249,504</u>

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

5. Bank indebtedness

	<u>2010</u>	<u>2009</u>
Operating account	\$ 30,514	\$ 283,935

Bank indebtedness is comprised of an overdraft chequing account with an authorized limit of \$300,000 (2009 \$300,000), bearing interest at 3.50% (2009 - 3.50%), secured by a general security agreement.

6. Accounts Payable and Accrued Liabilities

	<u>2010</u>	<u>2009</u>
Accounts payable	\$ 306,782	\$ 36,856
Accrued expenses payable	282,342	151,102
Other governments	343,149	49,587
	<u>\$ 932,273</u>	<u>\$ 237,545</u>

7. Landfill Closure and Post Closure Liabilities

Operating Landfill Site

The LGD is currently operating a landfill site within its boundaries. 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 thirty years	<u>\$ 2,253,223</u>	<u>\$ 2,253,223</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 524,998</u>	<u>\$ 495,281</u>
Expected year capacity will be reached	2035	2035
Capacity (metres square):		
Used to date	26,925	21,540
Remaining	134,625	140,010
Total	<u>161,550</u>	<u>161,550</u>
Percent utilized	<u>16.67%</u>	<u>13.33%</u>
Liability based on percentage	<u>\$ 87,500</u>	<u>\$ 66,037</u>

8. Long Term Debt

	<u>2010</u>	<u>2009</u>
Utility Fund:		
Mortgage, interest at 2.75%, payable at \$5,834 monthly including interest, maturing April, 2014, secured by property	\$ 210,279	\$ 272,824

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

2011	\$ 63,489
2012	\$ 65,730
2013	\$ 68,051
2014	\$ 13,009

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

9. Retirement Benefits

The majority of the employees of the Local Government District 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 required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% 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.

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, 2012 indicated the plan was 94% funded on a going concern basis and had an unfunded solvency liability of \$220.5 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, 2012.

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 LGD as part of its operations carries a number of financial instruments. It is management's opinion that the LGD 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 LGD 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 non-consolidated financial statements are audited and have been approved by Council.

The reconciliation between the financial plan and the budget figures used in these non-consolidated statements is disclosed in Schedule 8 - Reconciliation of the Financial Plan to the Budget.

12. Accumulated Surplus

	<u>2010</u>	<u>2009</u>
Accumulated surplus consists of the following:		
General operating fund - Deficit	\$ (1,176,410)	\$ (800,509)
Utility operating fund	927,259	957,179
TCA net of related borrowings	2,435,737	1,953,009
Reserve funds	<u>1,317,803</u>	<u>1,376,826</u>
Accumulated surplus of LGD non-consolidated	<u><u>3,504,389</u></u>	<u><u>3,486,505</u></u>

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2010

13. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Local Government District. For the year ended December 31, 2010:

- a) Compensation paid to members of council amounted to \$41,277 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>
Mayor - Blair Skinner	\$ 12,104	\$ 783	\$ 12,887
Deputy Mayor - Lynn Patterson	8,173	660	8,833
Councillor - Ron Drabyk	1,373	-	1,373
Councillor - Karla Elcock	4,672	110	4,782
Councillor - Rhonda Henschell	775	27	802
Councillor - Clayton McMurren	8,049	155	8,204
Councillor - Lloyd Rattai	4,900	189	5,089
Councillor - Dorothy Wilken	1,231	-	1,231
	<u>\$ 41,277</u>	<u>\$ 1,924</u>	<u>\$ 43,201</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>G.A. Hanna</i>	<i>Resident Administrator</i>	\$ 84,100
<i>C. Plunkett</i>	<i>Assistant Administrator</i>	\$ 69,014
<i>L. MacIsaac</i>	<i>Accountant</i>	\$ 61,608
<i>J. Hoard</i>	<i>WTP Operator</i>	\$ 55,103
<i>H. Mueller</i>	<i>Public Works Leadhand</i>	\$ 54,518
<i>D. Woodbeck</i>	<i>Operator I</i>	\$ 54,463
<i>L. Szatkowski</i>	<i>Operator II</i>	\$ 53,522
<i>A. Abraham</i>	<i>Operator II</i>	\$ 53,408

14. Commitments

The LDG had outstanding contractual obligations related to construction in progress at year-end. The construction was completed in the year ended December 31, 2012 at a total cost of \$653,688.

Local Government District of Pinawa
NON-CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2010

SCHEDULE 1

	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
Cost										
Opening costs	503,996	1,166,162	1,298,746	68,545	-	670,993	3,270,277	-	6,978,719	6,855,921
Additions during the year	41,073	11,355	100,209	1,751	440,025	37,407	86,261	-	718,081	127,376
Disposals and write downs	-	-	(1,682)	-	-	-	-	-	(1,682)	(4,578)
Closing costs	545,069	1,177,517	1,397,273	70,296	440,025	708,400	3,356,538	-	7,695,118	6,978,719
Accumulated Amortization										
Opening accum'd amortization	86,773	893,371	1,038,894	47,389	-	646,185	2,040,274	-	4,752,886	4,429,669
Amortization	9,263	15,531	78,949	9,769	-	5,579	178,726	-	297,817	323,217
Disposals and write downs	-	-	(1,601)	-	-	-	-	-	(1,601)	-
Closing accum'd amortization	96,036	908,902	1,116,242	57,158	-	651,764	2,219,000	-	5,049,102	4,752,886
Net Book Value of Tangible Capital Assets	449,033	268,615	281,031	13,138	440,025	56,636	1,137,538	-	2,646,016	2,225,833

Local Government District of Pinawa
NON-CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2010

SCHEDULE 2

	2010 Actual	2009 Actual
Property taxes:		
Municipal taxes levied (Schedule 10)	\$ 1,519,004	\$ 1,391,996
Taxes added	28,477	49,966
Penalties and interest	7,195	6,445
	<u>1,554,676</u>	<u>1,448,407</u>
Grants in lieu of taxation:		
Federal government	918,333	913,129
Provincial government	8,876	4,746
Provincial government enterprises	96	69
	<u>927,305</u>	<u>917,944</u>
User fees		
Sales of service	173,119	164,229
Sales of goods	20,821	19,475
Rentals	36,186	38,907
	<u>230,126</u>	<u>222,611</u>
Permits, licences and fines		
Permits	12,012	15,812
Licences	5,086	4,109
Fines	4,145	1,080
	<u>21,243</u>	<u>21,001</u>
Investment income:		
Interest	27,472	23,621
	<u>27,472</u>	<u>23,621</u>
Other revenue:		
Sale of land	-	18,691
Miscellaneous	21,831	101,419
	<u>21,831</u>	<u>120,110</u>
Grants - Province of Manitoba		
General support grant	231,886	217,350
VLT revenues	25,160	34,363
Conditional grants	2,340	2,730
	<u>259,386</u>	<u>254,443</u>
Grants - other		
Federal government - gas tax funding	79,193	84,638
	<u>79,193</u>	<u>84,638</u>
Total revenue	<u>\$ 3,121,232</u>	<u>\$ 3,092,775</u>

Local Government District of Pinawa
NON-CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2010

SCHEDULE 3

	2010 Actual	2009 Actual
General government services:		
Legislative	\$ 62,237	\$ 51,833
General administrative	577,140	444,453
Other	231,751	198,013
	<u>871,128</u>	<u>694,299</u>
Protective services:		
Police	182,335	221,366
Fire	59,836	44,480
Emergency measures	11,637	11,306
Other protection	19,773	20,923
	<u>273,581</u>	<u>298,075</u>
Transportation services:		
Road transport		
Road and street maintenance	595,139	562,667
Street lighting	40,690	43,052
	<u>635,829</u>	<u>605,719</u>
Environmental health services:		
Waste collection and disposal	155,440	150,480
	<u>155,440</u>	<u>150,480</u>
Public health and welfare services:		
Public health	2,764	3,630
Medical care	3,500	4,836
Social assistance	3,257	3,257
	<u>9,521</u>	<u>11,723</u>
Environmental planning and community development		
Planning and zoning	3,000	950
	<u>3,000</u>	<u>950</u>
Economic development services:		
Other	142,192	171,377
	<u>142,192</u>	<u>171,377</u>
Recreation and cultural services:		
Recreation facilities	392,406	357,691
Cultural buildings and facilities	30,000	28,000
Other recreation and cultural services	193,705	193,705
	<u>616,111</u>	<u>579,396</u>
Water and sewer services (Schedule 7)		
Municipal utility	396,546	397,819
	<u>396,546</u>	<u>397,819</u>
Total expenses	<u>\$ 3,103,348</u>	<u>\$ 2,909,838</u>

NON-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	\$ 1,554,676	\$ 1,448,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	927,305	917,944	-	-	-	-	-	-	-	-
User fees	1,025	950	-	-	1,280	1,974	69,122	63,600	-	-
Grants - other	79,193	84,638	-	-	-	-	-	-	-	-
Permits, licences and fines	5,086	4,109	16,157	16,892	-	-	-	-	-	-
Investment income	27,472	23,621	-	-	-	-	-	-	-	-
Other revenue	21,831	120,110	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	257,046	251,713	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	2,340	2,730	-	-	-	-	-	-	-	-
Total revenue	\$ 2,875,974	\$ 2,854,222	\$ 16,157	\$ 16,892	\$ 1,280	\$ 1,974	\$ 69,122	\$ 63,600	\$ -	\$ -
EXPENSES										
Personnel services	\$ 595,183	\$ 413,997	\$ 41,615	\$ 34,015	\$ 343,322	\$ 298,784	\$ 106,013	\$ 103,341	\$ 3,713	\$ 5,966
Contract services	37,469	72,115	181,157	221,603	49,263	58,977	7,943	8,881	-	-
Utilities	16,224	22,460	7,754	8,208	56,956	58,089	2,830	3,084	-	-
Maintenance materials and supplies	68,169	8,399	30,260	21,457	145,928	143,246	17,192	15,862	51	-
Grants and contributions	-	-	-	-	-	-	-	-	5,757	5,757
Amortization	78,731	101,976	-	-	40,360	46,623	-	-	-	-
Interest on long term debt	7,464	9,081	-	-	-	-	-	-	-	-
Other	67,888	66,271	12,795	12,792	-	-	21,462	19,312	-	-
Total expenses	\$ 871,128	\$ 694,299	\$ 273,581	\$ 298,075	\$ 635,829	\$ 605,719	\$ 155,440	\$ 150,480	\$ 9,521	\$ 11,723
Surplus (Deficit)	\$ 2,004,846	\$ 2,159,923	\$ (257,424)	\$ (281,183)	\$ (634,549)	\$ (603,745)	\$ (86,318)	\$ (86,880)	\$ (9,521)	\$ (11,723)

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

NON-CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the 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	2010	2009
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,554,676	\$ 1,448,407
Grants in lieu of taxation	-	-	-	-	-	-	-	-	927,305	917,944
User fees	-	-	-	-	158,699	156,087	-	-	230,126	222,611
Grants - other	-	-	-	-	-	-	-	-	79,193	84,638
Permits, licences and fines	-	-	-	-	-	-	-	-	21,243	21,001
Investment income	-	-	-	-	-	-	-	-	27,472	23,621
Other revenue	-	-	-	-	-	-	-	-	21,831	120,110
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	257,046	251,713
Prov of MB - Conditional Grants	-	-	-	-	-	-	-	-	2,340	2,730
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ 158,699	\$ 156,087	\$ -	\$ -	\$ 3,121,232	\$ 3,092,775
EXPENSES										
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ 108,028	\$ 94,373	\$ -	\$ -	\$1,197,874	\$ 950,476
Contract services	3,000	950	-	-	249,079	250,434	-	-	527,911	612,960
Utilities	-	-	-	-	150,976	138,961	-	-	234,740	230,802
Maintenance materials and supplies	-	-	-	-	68,603	58,203	-	-	330,203	247,167
Grants and contributions	-	-	142,192	171,377	39,425	37,425	-	-	187,374	214,559
Amortization	-	-	-	-	-	-	178,726	174,618	297,817	323,217
Interest on long term debt	-	-	-	-	-	-	-	-	7,464	9,081
Other	-	-	-	-	-	-	217,820	223,201	319,965	321,576
Total expenses	\$ 3,000	\$ 950	\$ 142,192	\$ 171,377	\$ 616,111	\$ 579,396	\$ 396,546	\$ 397,819	\$3,103,348	\$ 2,909,838
Surplus (Deficit)	\$ (3,000)	\$ (950)	\$ (142,192)	\$ (171,377)	\$ (457,412)	\$ (423,309)	\$ (396,546)	\$ (397,819)	\$ 17,884	\$ 182,937

Local Government District of Pinawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2010

SCHEDULE 5

	2010					2010
	General Reserve	Equipment Replacement Reserve	Fire Replacement Reserve	Disposal Site Reserve	Gas Tax Reserve	Sub-Total
REVENUE						
Investment income	\$ 4,215	\$ 1,724	\$ 4,627	\$ 3,880	\$ 1,258	\$ 15,704
Other income	-	-	-	-	-	\$ -
Total revenue	4,215	1,724	4,627	3,880	1,258	15,704
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	4,215	1,724	4,627	3,880	1,258	15,704
TRANSFERS						
Transfers from general operating fund	125,148	45,000	30,000	21,852	79,139	301,139
Transfers to revenue	-	-	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-
Transfers from Trust	-	-	-	-	-	-
Acquisition of tangible capital assets	(113,639)	(98,678)	-	(21,000)	(42,253)	(275,570)
CHANGE IN RESERVE FUND BALANCES	15,724	(51,954)	34,627	4,732	38,144	41,273
FUND SURPLUS, BEGINNING OF YEAR	290,274	120,489	265,963	240,593	85,855	1,003,174
FUND SURPLUS, END OF YEAR	\$ 305,998	\$ 68,535	\$ 300,590	\$ 245,325	\$ 123,999	\$ 1,044,447

Local Government District of Pinawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2010

SCHEDULE 5

	2010				2010	2009
	Road Repair Reserve	Utility Reserve	Building Reserve	Marina Reserve	Total	Total
REVENUE						
Investment income	\$ 255	\$ 2,914	\$ 1,472	\$ 1,123	\$ 21,468	\$ 17,056
Other income	-	-	-	-	\$ -	-
Total revenue	255	2,914	1,472	1,123	21,468	17,056
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	255	2,914	1,472	1,123	21,468	17,056
TRANSFERS						
Transfers from general operating fund	5,000	78,000	50,000	-	434,139	439,638
Transfers to revenue	-	-	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	25,432
Transfers from utility operating fund	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	76,431
Acquisition of tangible capital assets	-	(86,261)	(152,799)	-	(514,630)	(169,695)
CHANGE IN RESERVE FUND BALANCES	5,255	(5,347)	(101,327)	1,123	(59,023)	388,862
FUND SURPLUS, BEGINNING OF YEAR	15,450	180,248	101,327	76,627	1,376,826	987,964
FUND SURPLUS, END OF YEAR	\$ 20,705	\$ 174,901	\$ -	\$ 77,750	\$ 1,317,803	\$ 1,376,826

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

December 31, 2010

	2010		2009
	Sewer & Water	Total	Total
LIABILITIES			
Long-term debt	<u>210,279</u>	<u>210,279</u>	<u>272,824</u>
NET FINANCIAL ASSETS	<u>\$ (210,279)</u>	<u>\$ (210,279)</u>	<u>\$ (272,824)</u>
NON-FINANCIAL ASSETS			
Tangible capital assets (Schedule 1)	<u>\$ 1,137,538</u>	<u>\$ 1,137,538</u>	<u>\$ 1,230,003</u>
FUND SURPLUS	<u>\$ 927,259</u>	<u>\$ 927,259</u>	<u>\$ 957,179</u>

Local Government District of Pinawa
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2010

SCHEDULE 7

	<u>2010 Budget (Note 11)</u>	<u>2010 Actual</u>	<u>2009 Actual</u>
REVENUE			
Water and sewer			
Water fees	\$ -	\$ -	\$ -
Sewer fees	-	-	-
Installation service	-	-	-
Penalties	-	-	-
Other income	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES			
Water General			
Purification and treatment	-	-	-
Water purchases	183,700	173,048	193,004
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>183,700</u>	<u>173,048</u>	<u>193,004</u>
Water Amortization & Interest			
Amortization	178,726	178,726	174,618
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>178,726</u>	<u>178,726</u>	<u>174,618</u>
Sewer General			
Collection system costs	38,450	44,772	30,197
sub-total- sewer general	<u>38,450</u>	<u>44,772</u>	<u>30,197</u>
Sewage Amortization & Interest			
Amortization	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>400,876</u>	<u>396,546</u>	<u>397,819</u>
NET OPERATING DEFICIT	<u>(400,876)</u>	<u>(396,546)</u>	<u>(397,819)</u>
TRANSFERS			
Transfers from (to) operating fund	222,150	366,626	371,711
CHANGE IN UTILITY FUND BALANCE	<u>\$ (178,726)</u>	<u>(29,920)</u>	<u>(26,108)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>957,179</u>	<u>983,287</u>
FUND SURPLUS, END OF YEAR		<u>\$ 927,259</u>	<u>\$ 957,179</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	\$ 1,554,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,554,662
Grants in lieu of taxation	927,304	-	-	-	-	-	-	927,304
User fees	82,600	-	-	-	-	-	-	82,600
Permits, licences and fines	23,650	-	-	-	-	-	-	23,650
Investment income	7,000	-	-	-	-	-	-	7,000
Other revenue	149,500	-	-	-	-	-	-	149,500
Water and sewer	-	-	-	-	-	-	-	-
Grants - Province of Manitoba	256,000	-	-	-	-	-	-	256,000
Grants - other	84,638	-	-	-	-	-	-	84,638
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	-	222,150	-	-	(222,150)	-	-	-
Total revenue	\$ 3,085,354	\$ 222,150	\$ -	\$ -	\$ (222,150)	\$ -	\$ -	\$ 3,085,354
EXPENSES								
General government services	\$ 623,947	\$ -	\$ 78,732	\$ -	\$ -	\$ -	\$ -	\$ 702,679
Protective services	296,840	-	-	-	-	-	-	296,840
Transportation services	558,290	-	40,360	-	-	-	-	598,650
Environmental health services	141,300	-	-	-	-	-	-	141,300
Public health and welfare services	10,658	-	-	-	-	-	-	10,658
Environmental development services	5,450	-	-	-	-	-	-	5,450
Economic development services	156,500	-	-	-	-	-	-	156,500
Recreation and cultural services	585,275	-	-	-	-	-	-	585,275
Water and sewer services	-	222,150	178,726	-	-	-	-	400,876
Fiscal services:	-	-	-	-	-	-	-	-
Transfer to capital	42,253	-	-	-	(42,253)	-	-	-
Transfer to utility	222,150	-	-	-	(222,150)	-	-	-
Debenture debt charges	-	-	-	-	-	-	-	-
Other debt charges	77,755	-	-	-	(77,755)	-	-	-
Transfer to reserves	355,000	-	-	-	(355,000)	-	-	-
Transfer to surplus	-	-	-	-	-	-	-	-
Allowance for tax assets	9,936	-	-	-	(9,936)	-	-	-
Total expenses	\$ 3,085,354	\$ 222,150	\$ 297,818	\$ -	\$ (707,094)	\$ -	\$ -	\$ 2,898,228
Surplus (Deficit)	\$ -	\$ -	\$ (297,818)	\$ -	\$ 484,944	\$ -	\$ -	\$ 187,126

Local Government District of Pinawa
 ANALYSIS OF TAXES ON ROLL
 December 31, 2010

SCHEDULE 9

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	\$ 35,593	\$ 15,787
Add:		
Tax levy (Schedule 10)	2,368,150	2,195,744
Taxes added	24,952	49,966
Penalties or interest	7,195	6,445
Other accounts added	10,078	-
Sub-total	<u>2,410,375</u>	<u>2,252,155</u>
Deduct:		
Cash collections - current	1,968,695	1,827,351
Cash collections - arrears	40,253	20,500
Writeoffs	15,845	4,275
R.H.O.T.A. - cash advance	348,400	337,350
M.P.T.C. - cash advance	43,742	42,873
Sub-total	<u>2,416,935</u>	<u>2,232,349</u>
Balance, end of year	<u>\$ 29,033</u>	<u>\$ 35,593</u>

Local Government District of Pinawa
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2010

SCHEDULE 10

	2010			2009
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
At large	53,401,820	3.780	201,859	193,320
Buildings	53,401,830	0.930	49,664	-
Water Treatment Plant	49,370,290	0.560	27,647	27,625
sub-total- Debt charges			<u>279,170</u>	<u>220,946</u>
Reserves:				
General	53,401,830	2.350	125,494	124,151
Machinery replacement	53,401,830	0.845	45,125	44,931
Water utility	49,370,290	1.580	78,005	77,446
Landfill	53,401,830	0.410	21,895	22,170
Fire equipment replacement	53,401,830	0.560	29,905	29,855
Road repair	53,401,830	0.095	5,073	5,025
Building	53,401,830	0.950	50,732	49,660
sub-total- Reserves			<u>356,229</u>	<u>353,238</u>
Special levies:				
Library	52,229,080	0.580	30,293	28,599
Minister's statutory levy	53,401,830	0.490	26,167	20,396
Section 312 M.A.	49,331,010	12.770	629,957	572,818
Shaw	-	Various	196,215	194,115
sub-total- Special levies			<u>882,632</u>	<u>815,928</u>
Business tax			<u>973</u>	<u>1,884</u>
Total municipal taxes (Schedule 2)			<u>1,519,004</u>	<u>1,391,996</u>
Education support levy	-	16.080	<u>-</u>	<u>-</u>
Special levies:				
#2408 - Whiteshell	53,071,630	16.000	<u>849,146</u>	<u>803,748</u>
sub-total- Special levies			<u>849,146</u>	<u>803,748</u>
Total education taxes			<u>849,146</u>	<u>803,748</u>
Total tax levy (Schedule 9)			<u>\$ 2,368,150</u>	<u>\$ 2,195,744</u>

Local Government District of Pinawa
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2010

SCHEDULE 11

	<u>2010</u> <u>Actual</u>	<u>2009</u> <u>Actual</u>
General government services:		
Legislative	\$ 62,237	\$ 51,833
General administrative	\$ 577,140	444,453
Other	\$ 231,751	198,013
	<u>871,128</u>	<u>694,299</u>
Protective services:		
Police	182,335	221,366
Fire	59,836	44,480
Emergency measures	11,637	11,306
Other procedures	19,773	20,923
	<u>273,581</u>	<u>298,075</u>
Transportation services:		
Road transport		
Road and street maintenance	595,139	562,667
Street lighting	40,690	43,052
	<u>635,829</u>	<u>605,719</u>
Environmental health services:		
Waste collection and disposal	155,440	150,480
	<u>155,440</u>	<u>150,480</u>
Public health and welfare services:		
Public health	2,764	3,630
Medical care	3,500	4,836
Social assistance	3,257	3,257
	<u>9,521</u>	<u>11,723</u>
Environmental planning and community development:		
Planning and zoning	3,000	950
	<u>3,000</u>	<u>950</u>
Economic development services:		
Other	142,192	171,377
	<u>142,192</u>	<u>171,377</u>
Recreation and cultural services:		
Recreation facilities	392,406	357,691
Cultural buildings and facilities	30,000	28,000
Other recreation and cultural services	193,705	193,705
	<u>616,111</u>	<u>579,396</u>
Total expenses	<u><u>2,706,802</u></u>	<u><u>2,512,019</u></u>

Local Government District of Pinawa
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the Year Ended December 31, 2010

SCHEDULE 12

	2010			2009
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (67,119)	\$ (9,072)	\$ (76,191)	\$ 9,229
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	356,139	78,000	434,139	541,501
Eliminate revenue - transfers from reserves	(428,369)	(86,261)	(514,630)	(169,695)
Increase revenue - reserve funds interest	18,554	2,914	21,468	17,056
Increase expense - amortization of tangible capital assets	(119,091)	(178,726)	(297,817)	(323,217)
Increase expense - landfill closure and post closure expense	(21,462)	-	(21,462)	(19,313)
Eliminate expense - acquisitions of tangible capital assets	386,116	86,261	472,377	127,376
NET SURPLUS (DEFICIT) PER NON-CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 124,768</u>	<u>\$ (106,884)</u>	<u>\$ 17,884</u>	<u>\$ 182,937</u>