

Local Government District of Pinawa

**Non-Consolidated Financial Statements
For the Year Ended December 31, 2011**


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 Non-Consolidated 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

October 14, 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, 2011 and the non-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 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 auditors' 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, 2011, and the 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.

Winnipeg, Manitoba
October 14, 2014

CHARTERED ACCOUNTANTS

Local Government District of Pinawa

Non-Consolidated Financial Statements


For the Year Ended December 31, 2011

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Local Government District of Pinawa
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at December 31, 2011

	2011	2010 <i>(Restated)</i> <i>(Note 15)</i>
FINANCIAL ASSETS		
Cash (Note 3)	\$ 1,335,144	\$ 1,789,066
Amounts receivable (Note 4)	<u>305,749</u>	<u>196,108</u>
	<u>\$ 1,640,893</u>	<u>\$ 1,985,174</u>
LIABILITIES		
Bank indebtedness (Note 5)	\$ 993,601	\$ 30,514
Accounts payable and accrued liabilities (Note 6)	\$ 466,632	\$ 932,273
Landfill closure and post closure liabilities (Note 7)	111,300	87,500
Long-term debt (Note 8)	<u>411,827</u>	<u>210,279</u>
	<u>1,983,360</u>	<u>1,260,566</u>
NET FINANCIAL ASSETS (DEBT)	<u>\$ (342,467)</u>	<u>\$ 724,608</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 4,023,383	\$ 2,757,061
Prepaid expenses	<u>35,886</u>	<u>22,720</u>
	<u>4,059,269</u>	<u>2,779,781</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 3,716,802</u>	<u>\$ 3,504,389</u>

Approved on behalf of Council:


 Mayor **BLAIR STEINHILBER**


 Councillor **R. Henschell**

Local Government District of Pinawa
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2011

	<u>2011 Budget (Note 11)</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
REVENUE			
Property taxes	\$ 1,593,807	\$ 1,628,428	\$ 1,554,676
Grants in lieu of taxation	929,977	929,977	927,305
User fees	100,600	229,844	230,126
Permits, licences and fines	20,100	21,857	21,243
Investment income	7,000	25,309	27,472
Other revenue	178,531	110,735	21,831
Water and sewer	-	-	-
Grants - Province of Manitoba	259,500	274,087	259,386
Grants - other	84,638	79,139	79,193
	<u>3,174,153</u>	<u>3,299,376</u>	<u>3,121,232</u>
EXPENSES			
General government services	724,486	846,735	871,128
Protective services	301,280	300,350	273,581
Transportation services	617,685	505,052	635,829
Environmental health services	153,570	148,093	155,440
Public health and welfare services	9,508	11,455	9,521
Regional planning and development	5,450	11,428	3,000
Resource conservation and industrial development	159,500	143,273	142,192
Recreation and cultural services	613,825	592,225	616,111
Water and sewer services	412,832	528,352	396,546
	<u>2,998,136</u>	<u>3,086,963</u>	<u>3,103,348</u>
Total expenses (Schedules 3 and 4)			
	<u>2,998,136</u>	<u>3,086,963</u>	<u>3,103,348</u>
ANNUAL SURPLUS	<u>176,017</u>	212,413	17,884
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
BEGINNING OF YEAR		<u>3,504,389</u>	<u>3,486,505</u>
ACCUMULATED SURPLUS, END OF YEAR			
		<u>\$ 3,716,802</u>	<u>\$ 3,504,389</u>

Local Government District of Pinawa
NON-CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (DEBT)
For the Year Ended December 31, 2011

	<u>2011 Budget (Note 11)</u>	<u>2011 Actual</u>	<u>2010 Actual (Restated) (Note 15)</u>
ANNUAL SURPLUS	\$ 176,017	\$ 212,413	\$ 17,884
Acquisition of tangible capital assets	-	(1,574,578)	(718,081)
Amortization of tangible capital assets	-	308,256	297,817
Loss on disposal of tangible capital asset	-	-	81
Proceeds on sale of tangible capital assets	-	-	-
(Increase) decrease in prepaid expenses	-	(13,166)	13,498
	-	<u>(1,279,488)</u>	<u>(406,685)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>176,017</u>	(1,067,075)	(388,801)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>724,608</u>	<u>1,113,409</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR		<u>\$ (342,467)</u>	<u>\$ 724,608</u>

Local Government District of Pinawa
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011

	<u>2011</u>	<u>2010</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 212,413	\$ 17,884
Changes in non-cash items:		
Amounts receivable	(109,641)	(57,649)
Prepaid expenses	(13,166)	13,498
Accounts payable and accrued liabilities	(465,641)	694,728
Landfill closure and post closure liabilities	23,800	21,463
Loss on disposal of tangible capital asset	-	81
Amortization	<u>308,256</u>	<u>297,817</u>
Cash provided by (applied to) operating transactions	<u>(43,979)</u>	<u>987,822</u>
CAPITAL TRANSACTIONS		
Additions to tangible capital assets	<u>(1,574,578)</u>	<u>(718,081)</u>
Cash applied to capital transactions	<u>(1,574,578)</u>	<u>(718,081)</u>
FINANCING TRANSACTIONS		
Debt advances (repayments)	201,548	(62,545)
Change in bank indebtedness, net	<u>963,087</u>	<u>30,514</u>
Cash provided by (applied to) financing transactions	<u>1,164,635</u>	<u>(32,031)</u>
INCREASE (DECREASE) IN CASH	(453,922)	237,710
CASH, BEGINNING OF YEAR	<u>1,789,066</u>	<u>1,551,356</u>
CASH, END OF YEAR	<u><u>\$ 1,335,144</u></u>	<u><u>\$ 1,789,066</u></u>

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2011

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, 2011

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, 2011

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>2011</u>	<u>2010</u>
Cash	<u>\$ 1,335,144</u>	<u>\$ 1,789,066</u>

The LGD has designated \$1,246,409 (2010 - \$1,317,803) 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>2011</u>	<u>2010</u>
		<i>(Restated)</i>
Taxes on roll (Schedule 9)	\$ 46,358	\$ 29,033
Organizations and individuals	79,931	96,568
Other governments	<u>182,326</u>	<u>70,507</u>
	<u>308,615</u>	196,108
Less allowances for doubtful amounts	<u>(2,866)</u>	-
	<u>\$ 305,749</u>	<u>\$ 196,108</u>

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2011

5. Bank indebtedness

	<u>2011</u>	<u>2010</u>
Operating account	\$ 993,601	\$ 30,514

Bank indebtedness is comprised of overdraft chequing accounts with total authorized limit of \$1,422,040 (2010 - \$300,000), bearing interest at Prime plus 0.5% (2010 - Prime plus 0.5%), secured by a general security agreement.

6. Accounts Payable and Accrued Liabilities

	<u>2011</u>	<u>2010</u>
Accounts payable	\$ 122,391	\$ 306,782
Accrued expenses payable	282,242	282,342
Other governments	61,999	343,149
	<u>\$ 466,632</u>	<u>\$ 932,273</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>2011</u>	<u>2010</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>\$ 556,498</u>	<u>\$ 524,998</u>
Expected year capacity will be reached	2035	2035
Capacity (metres square):		
Used to date	32,310	26,925
Remaining	<u>129,240</u>	<u>134,625</u>
Total	161,550	161,550
Percent utilized	<u>20.00%</u>	<u>16.67%</u>
Liability based on percentage	<u>\$ 111,300</u>	<u>\$ 87,500</u>

8. Long Term Debt

	<u>2011</u>	<u>2010</u>
Utility Fund:		
Mortgage, interest at a variable rate (currently Prime + 0.5%), payable at \$5,834 monthly including interest, maturing March 2014, secured by property.	<u>\$ 146,614</u>	<u>\$ 210,279</u>
General Fund:		
Mortgage, interest at 4.00%, payable at \$20,453 annually including interest, to be renegotiated in November 2016, secured by property.	<u>\$ 265,213</u>	<u>\$ -</u>
	<u>\$ 411,827</u>	<u>\$ 210,279</u>

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

2012	\$ 76,039
2013	\$ 78,551
2014	\$ 22,328
2015	\$ 11,357
2016	\$ 11,811

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2011

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>2011</u>	<u>2010</u>
Accumulated surplus consists of the following:		
General operating fund - Deficit	\$ (2,016,226)	\$ (1,176,410)
Utility operating fund	875,063	927,259
TCA net of related borrowings	3,611,556	2,435,737
Reserve funds	<u>1,246,409</u>	<u>1,317,803</u>
Accumulated surplus of LGD non-consolidated	<u>3,716,802</u>	<u>3,504,389</u>

Local Government District of Pinawa
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2011

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, 2011:

- a) Compensation paid to members of council amounted to \$52,256 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	\$ 13,289	\$ 2,417	\$ 15,706
Councillor - Ron Drabyk	7,352	-	7,352
Councillor - Rhonda Henschell	10,208	1,070	11,278
Councillor - Clayton McMurren	12,693	1,755	14,448
Councillor - Dorothy Wilken	8,714	550	9,264
	<u>\$ 52,256</u>	<u>\$ 5,792</u>	<u>\$ 58,048</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>	\$ 79,906
<i>D. Woodbeck</i>	<i>Operator I</i>	\$ 71,189
<i>C. Plunkett</i>	<i>Assistant Administrator</i>	\$ 64,918
<i>J. Hoard</i>	<i>WTP Operator</i>	\$ 57,251
<i>A. Abraham</i>	<i>Operator II</i>	\$ 56,059

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 \$1,734,446.

15. Correction of an error

During the year, the LGD determined that there was a classification error in the December 31, 2009 financial statements resulting in Tangible capital assets under construction being incorrectly classified as Accounts receivable. This resulted in Tangible capital assets being understated, and Accounts receivable being overstated. Accordingly, the LGD restated its financial statements as follows, as at December 31, 2010:

	As previously reported	Adjustment	As restated
Statement of Financial Position			
Amounts receivable	307,153	(111,045)	196,108
Tangible capital assets (net)	2,646,016	111,045	2,757,061

Local Government District of Pinawa
NON-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	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2011	2010 (Restated)
Cost										
Opening costs	545,069	1,177,517	1,397,273	70,296	551,070	708,400	3,356,538	-	7,806,163	7,089,764
Additions during the year	1,953	9,726	371,348	33,332	1,096,498	-	61,721	-	1,574,578	718,081
Disposals and write downs	-	-	-	-	-	-	-	-	-	(1,682)
Closing costs	547,022	1,187,243	1,768,621	103,628	1,647,568	708,400	3,418,259	-	9,380,741	7,806,163
Accumulated Amortization										
Opening accum'd amortization	96,036	908,902	1,116,242	57,158	-	651,764	2,219,000	-	5,049,102	4,752,886
Amortization	12,979	14,244	84,810	13,062	-	5,579	177,582	-	308,256	297,817
Disposals and write downs	-	-	-	-	-	-	-	-	-	(1,601)
Closing accum'd amortization	109,015	923,146	1,201,052	70,220	-	657,343	2,396,582	-	5,357,358	5,049,102
Net Book Value of Tangible Capital Assets	438,007	264,097	567,569	33,408	1,647,568	51,057	1,021,677	-	4,023,383	2,757,061

Local Government District of Pinawa
NON-CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2011

SCHEDULE 2

	2011 Actual	2010 Actual
Property taxes:		
Municipal taxes levied (Schedule 10)	\$ 1,555,153	\$ 1,519,004
Taxes added	63,909	28,477
Penalties and interest	9,366	7,195
	<u>1,628,428</u>	<u>1,554,676</u>
Grants in lieu of taxation:		
Federal government	918,333	918,333
Provincial government	11,520	8,876
Provincial government enterprises	124	96
	<u>929,977</u>	<u>927,305</u>
User fees		
Sales of service	157,826	173,119
Sales of goods	29,146	20,821
Rentals	42,872	36,186
	<u>229,844</u>	<u>230,126</u>
Permits, licences and fines		
Permits	16,237	12,012
Licences	4,324	5,086
Fines	1,296	4,145
	<u>21,857</u>	<u>21,243</u>
Investment income:		
Interest	25,309	27,472
	<u>25,309</u>	<u>27,472</u>
Other revenue:		
Miscellaneous	110,735	21,831
	<u>110,735</u>	<u>21,831</u>
Grants - Province of Manitoba		
General support grant	238,912	231,886
VLT revenues	25,322	25,160
Conditional grants	9,853	2,340
	<u>274,087</u>	<u>259,386</u>
Grants - other		
Federal government - gas tax funding	79,139	79,193
	<u>79,139</u>	<u>79,193</u>
Total revenue	<u>\$ 3,299,376</u>	<u>\$ 3,121,232</u>

Local Government District of Pinawa
NON-CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2011

SCHEDULE 3

	<u>2011</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
General government services:		
Legislative	\$ 67,746	\$ 62,237
General administrative	531,423	577,140
Other	247,566	231,751
	<u>846,735</u>	<u>871,128</u>
Protective services:		
Police	210,471	182,335
Fire	51,904	59,836
Emergency measures	10,628	11,637
Other protection	27,347	19,773
	<u>300,350</u>	<u>273,581</u>
Transportation services:		
Road transport		
Road and street maintenance	462,777	595,139
Street lighting	42,275	40,690
	<u>505,052</u>	<u>635,829</u>
Environmental health services:		
Waste collection and disposal	148,093	155,440
	<u>148,093</u>	<u>155,440</u>
Public health and welfare services:		
Public health	4,698	2,764
Medical care	3,500	3,500
Social assistance	3,257	3,257
	<u>11,455</u>	<u>9,521</u>
Environmental planning and community development		
Planning and zoning	11,428	3,000
	<u>11,428</u>	<u>3,000</u>
Economic development services:		
Other	143,273	142,192
	<u>143,273</u>	<u>142,192</u>
Recreation and cultural services:		
Recreation facilities	366,684	392,406
Cultural buildings and facilities	31,836	30,000
Other recreation and cultural services	193,705	193,705
	<u>592,225</u>	<u>616,111</u>
Water and sewer services (Schedule 7)		
Municipal utility	528,352	396,546
	<u>528,352</u>	<u>396,546</u>
Total expenses	<u>\$ 3,086,963</u>	<u>\$ 3,103,348</u>

NON-CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2011

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
REVENUE										
Property taxes	\$1,628,428	\$ 1,554,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	929,977	927,305	-	-	-	-	-	-	-	-
User fees	1,251	1,025	-	-	3,079	1,280	56,558	69,122	-	-
Grants - other	79,139	79,193	-	-	-	-	-	-	-	-
Permits, licences and fines	4,324	5,086	17,533	16,157	-	-	-	-	-	-
Investment income	25,309	27,472	-	-	-	-	-	-	-	-
Other revenue	110,735	21,831	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	264,234	257,046	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	9,853	2,340	-	-	-	-	-	-	-	-
Total revenue	\$ 3,053,250	\$ 2,875,974	\$ 17,533	\$ 16,157	\$ 3,079	\$ 1,280	\$ 56,558	\$ 69,122	\$ -	\$ -
EXPENSES										
Personnel services	\$ 484,541	\$ 595,183	\$ 44,806	\$ 41,615	\$ 277,401	\$ 343,322	\$ 108,779	\$ 106,013	\$ 5,653	\$ 3,713
Contract services	60,228	37,469	207,879	181,157	26,540	49,263	2,506	7,943	-	-
Utilities	17,182	16,224	7,297	7,754	54,947	56,956	2,721	2,830	-	-
Maintenance materials and supplies	88,694	68,169	18,547	30,260	111,729	145,928	10,287	17,192	45	51
Grants and contributions	-	-	-	-	-	-	-	-	5,757	5,757
Amortization	96,239	78,731	-	-	34,435	40,360	-	-	-	-
Interest on long term debt	19,089	7,464	-	-	-	-	-	-	-	-
Other	80,762	67,888	21,821	12,795	-	-	23,800	21,462	-	-
Total expenses	\$ 846,735	\$ 871,128	\$ 300,350	\$ 273,581	\$ 505,052	\$ 635,829	\$ 148,093	\$ 155,440	\$ 11,455	\$ 9,521
Surplus (Deficit)	\$ 2,206,515	\$ 2,004,846	\$ (282,817)	\$ (257,424)	\$ (501,973)	\$ (634,549)	\$ (91,535)	\$ (86,318)	\$ (11,455)	\$ (9,521)

* 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, 2011

	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
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,628,428	\$ 1,554,676
Grants in lieu of taxation	-	-	-	-	-	-	-	-	929,977	927,305
User fees	-	-	-	-	168,956	158,699	-	-	229,844	230,126
Grants - other	-	-	-	-	-	-	-	-	79,139	79,193
Permits, licences and fines	-	-	-	-	-	-	-	-	21,857	21,243
Investment income	-	-	-	-	-	-	-	-	25,309	27,472
Other revenue	-	-	-	-	-	-	-	-	110,735	21,831
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	264,234	257,046
Prov of MB - Conditional Grants	-	-	-	-	-	-	-	-	9,853	2,340
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ 168,956	\$ 158,699	\$ -	\$ -	\$ 3,299,376	\$ 3,121,232
EXPENSES										
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ 106,326	\$ 108,028	\$ -	\$ -	\$1,027,506	\$ 1,197,874
Contract services	9,896	3,000	-	-	263,330	249,079	-	-	570,379	527,911
Utilities	-	-	-	-	155,619	150,976	-	-	237,766	234,740
Maintenance materials and supplies	1,532	-	-	-	25,689	68,603	-	-	256,523	330,203
Grants and contributions	-	-	143,273	142,192	41,261	39,425	-	-	190,291	187,374
Amortization	-	-	-	-	-	-	177,582	178,726	308,256	297,817
Interest on long term debt	-	-	-	-	-	-	-	-	19,089	7,464
Other	-	-	-	-	-	-	350,770	217,820	477,153	319,965
Total expenses	\$ 11,428	\$ 3,000	\$ 143,273	\$ 142,192	\$ 592,225	\$ 616,111	\$ 528,352	\$ 396,546	\$3,086,963	\$ 3,103,348
Surplus (Deficit)	\$ (11,428)	\$ (3,000)	\$ (143,273)	\$ (142,192)	\$ (423,269)	\$ (457,412)	\$ (528,352)	\$ (396,546)	\$ 212,413	\$ 17,884

Local Government District of Pinawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2011

SCHEDULE 5

	2011					2011
	General Reserve	Equipment Replacement Reserve	Fire Replacement Reserve	Disposal Site Reserve	Gas Tax Reserve	Sub-Total
REVENUE						
Investment income	\$ 6,285	\$ 1,064	\$ 916	\$ 4,690	\$ 1,537	\$ 14,492
Other income	-	-	-	-	-	\$ -
Total revenue	6,285	1,064	916	4,690	1,537	14,492
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	6,285	1,064	916	4,690	1,537	14,492
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	(44,286)	(81,136)	(290,212)	-	(42,253)	(457,887)
CHANGE IN RESERVE FUND BALANCES	87,147	(35,072)	(259,296)	26,542	38,423	(142,256)
FUND SURPLUS, BEGINNING OF YEAR	305,998	68,535	300,590	245,325	123,999	1,044,447
FUND SURPLUS, END OF YEAR	\$ 393,145	\$ 33,463	\$ 41,294	\$ 271,867	\$ 162,422	\$ 902,191

Local Government District of Pinawa
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2011

SCHEDULE 5

	2011				2011	2010
	Road Repair Reserve	Utility Reserve	Building Reserve	Marina Reserve	Total	Total
REVENUE						
Investment income	\$ 380	\$ 3,296	\$ 174	\$ 1,371	\$ 19,713	\$ 21,468
Other income	-	-	-	-	\$ -	-
Total revenue	<u>380</u>	<u>3,296</u>	<u>174</u>	<u>1,371</u>	<u>19,713</u>	<u>21,468</u>
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	380	3,296	174	1,371	19,713	21,468
TRANSFERS						
Transfers from general operating fund	5,000	78,000	50,000	-	434,139	434,139
Transfers to revenue	-	-	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(67,359)	-	-	(525,246)	(514,630)
CHANGE IN RESERVE FUND BALANCES	5,380	13,937	50,174	1,371	(71,394)	(59,023)
FUND SURPLUS, BEGINNING OF YEAR	<u>20,705</u>	<u>174,901</u>	<u>-</u>	<u>77,750</u>	<u>1,317,803</u>	<u>1,376,826</u>
FUND SURPLUS, END OF YEAR	<u>\$ 26,085</u>	<u>\$ 188,838</u>	<u>\$ 50,174</u>	<u>\$ 79,121</u>	<u>\$ 1,246,409</u>	<u>\$ 1,317,803</u>

Local Government District of Pinawa
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 As at December 31, 2011

SCHEDULE 6

	2011		2010
	Sewer & Water	Total	Total
LIABILITIES			
Long-term debt	<u>146,614</u>	<u>146,614</u>	<u>210,279</u>
NET FINANCIAL ASSETS	<u>\$ (146,614)</u>	<u>\$ (146,614)</u>	<u>\$ (210,279)</u>
NON-FINANCIAL ASSETS			
Tangible capital assets (Schedule 1)	<u>\$ 1,021,677</u>	<u>\$ 1,021,677</u>	<u>\$ 1,137,538</u>
FUND SURPLUS	<u>\$ 875,063</u>	<u>\$ 875,063</u>	<u>\$ 927,259</u>

Local Government District of Pinawa
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2011

SCHEDULE 7

	<u>2011 Budget (Note 11)</u>	<u>2011 Actual</u>	<u>2010 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	277,651	173,048
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
sub-total- water general	<u>183,700</u>	<u>277,651</u>	<u>173,048</u>
Water Amortization & Interest			
Amortization	177,582	177,582	178,726
Interest on long term debt	-	-	-
sub-total- water amortization & interest	<u>177,582</u>	<u>177,582</u>	<u>178,726</u>
Sewer General			
Collection system costs	51,550	73,119	44,772
sub-total- sewer general	<u>51,550</u>	<u>73,119</u>	<u>44,772</u>
Sewage Amortization & Interest			
Amortization	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>412,832</u>	<u>528,352</u>	<u>396,546</u>
NET OPERATING DEFICIT	<u>(412,832)</u>	<u>(528,352)</u>	<u>(396,546)</u>
TRANSFERS			
Transfers from (to) operating fund	235,250	476,156	366,626
CHANGE IN UTILITY FUND BALANCE	<u>\$ (177,582)</u>	<u>(52,196)</u>	<u>(29,920)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>927,259</u>	<u>957,179</u>
FUND SURPLUS, END OF YEAR		<u>\$ 875,063</u>	<u>\$ 927,259</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2011

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,593,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,593,807
Grants in lieu of taxation	929,977	-	-	-	-	-	-	929,977
User fees	100,600	-	-	-	-	-	-	100,600
Permits, licences and fines	20,100	-	-	-	-	-	-	20,100
Investment income	7,000	-	-	-	-	-	-	7,000
Other revenue	178,531	-	-	-	-	-	-	178,531
Water and sewer	-	-	-	-	-	-	-	-
Grants - Province of Manitoba	259,500	-	-	-	-	-	-	259,500
Grants - other	84,638	-	-	-	-	-	-	84,638
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	-	235,250	-	-	(235,250)	-	-	-
Total revenue	\$ 3,174,153	\$ 235,250	\$ -	\$ -	\$ (235,250)	\$ -	\$ -	\$ 3,174,153
EXPENSES								
General government services	\$ 628,247	\$ -	\$ 96,239	\$ -	\$ -	\$ -	\$ -	\$ 724,486
Protective services	301,280	-	-	-	-	-	-	301,280
Transportation services	583,250	-	34,435	-	-	-	-	617,685
Environmental health services	153,570	-	-	-	-	-	-	153,570
Public health and welfare services	9,508	-	-	-	-	-	-	9,508
Environmental development services	5,450	-	-	-	-	-	-	5,450
Economic development services	159,500	-	-	-	-	-	-	159,500
Recreation and cultural services	613,825	-	-	-	-	-	-	613,825
Water and sewer services	-	235,250	177,582	-	-	-	-	412,832
Fiscal services:	-	-	-	-	-	-	-	-
Transfer to capital	42,253	-	-	-	(42,253)	-	-	-
Transfer to utility	235,250	-	-	-	(235,250)	-	-	-
Debenture debt charges	-	-	-	-	-	-	-	-
Other debt charges	77,755	-	-	-	(77,755)	-	-	-
Transfer to reserves	355,000	-	-	-	(355,000)	-	-	-
Transfer to surplus	-	-	-	-	-	-	-	-
Allowance for tax assets	9,265	-	-	-	(9,265)	-	-	-
Total expenses	\$ 3,174,153	\$ 235,250	\$ 308,256	\$ -	\$ (719,523)	\$ -	\$ -	\$ 2,998,136
Surplus (Deficit)	\$ -	\$ -	\$ (308,256)	\$ -	\$ 484,273	\$ -	\$ -	\$ 176,017

Local Government District of Pinawa
 ANALYSIS OF TAXES ON ROLL
 December 31, 2011

SCHEDULE 9

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 29,033	\$ 35,593
Add:		
Tax levy (Schedule 10)	2,437,371	2,368,150
Taxes added	62,301	24,952
Penalties or interest	9,366	7,195
Other accounts added	10,311	10,078
Sub-total	<u>2,519,349</u>	<u>2,410,375</u>
Deduct:		
Cash collections - current	2,041,923	1,968,695
Cash collections - arrears	34,965	40,253
Writeoffs	600	15,845
R.H.O.T.A. - cash advance	380,800	348,400
M.P.T.C. - cash advance	43,736	43,742
Sub-total	<u>2,502,024</u>	<u>2,416,935</u>
Balance, end of year	<u><u>\$ 46,358</u></u>	<u><u>\$ 29,033</u></u>

Local Government District of Pinawa
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2011

SCHEDULE 10

	2011			2010
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
At large	53,895,350	7.5889	409,006	201,859
Buildings	53,895,350	0.9216	49,670	49,664
Water Treatment Plant	49,795,600	0.5500	27,388	27,647
sub-total- Debt charges			<u>486,064</u>	<u>279,170</u>
Reserves:				
General	53,895,350	2.3288	125,511	125,494
Machinery replacement	53,895,350	0.8374	45,132	45,125
Water utility	49,795,600	1.5800	78,677	78,005
Landfill	53,895,350	0.4063	21,898	21,895
Fire equipment replacement	53,895,350	0.5549	29,907	29,905
Road repair	53,895,350	0.0941	5,072	5,073
Building	53,895,350	0.9414	50,737	50,732
sub-total- Reserves			<u>356,934</u>	<u>356,229</u>
Special levies:				
Library	52,722,600	0.5740	30,263	30,293
Minister's statutory levy	53,898,350	0.4856	26,173	26,167
Section 312 M.A.	49,756,320	9.1537	455,454	629,957
Shaw	-	Various	198,451	196,215
sub-total- Special levies			<u>710,341</u>	<u>882,632</u>
Business tax			<u>1,814</u>	<u>973</u>
Total municipal taxes (Schedule 2)			<u>1,555,153</u>	<u>1,519,004</u>
Education support levy	-	16.080	<u>-</u>	<u>-</u>
Special levies:				
#2408 - Whiteshell	53,565,140	16.470	<u>882,218</u>	<u>849,146</u>
sub-total- Special levies			<u>882,218</u>	<u>849,146</u>
Total education taxes			<u>882,218</u>	<u>849,146</u>
Total tax levy (Schedule 9)			<u>\$ 2,437,371</u>	<u>\$ 2,368,150</u>

Local Government District of Pinawa
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2011

SCHEDULE 11

	2011 Actual	2010 Actual
General government services:		
Legislative	\$ 67,746	\$ 62,237
General administrative	531,423	577,140
Other	247,566	231,751
	<u>846,735</u>	<u>871,128</u>
Protective services:		
Police	210,471	182,335
Fire	51,904	59,836
Emergency measures	10,628	11,637
Other procedures	27,347	19,773
	<u>300,350</u>	<u>273,581</u>
Transportation services:		
Road transport		
Road and street maintenance	462,777	595,139
Street lighting	42,275	40,690
	<u>505,052</u>	<u>635,829</u>
Environmental health services:		
Waste collection and disposal	148,093	155,440
	<u>148,093</u>	<u>155,440</u>
Public health and welfare services:		
Public health	4,698	2,764
Medical care	3,500	3,500
Social assistance	3,257	3,257
	<u>11,455</u>	<u>9,521</u>
Environmental planning and community development:		
Planning and zoning	11,428	3,000
	<u>11,428</u>	<u>3,000</u>
Economic development services:		
Other	143,273	142,192
	<u>143,273</u>	<u>142,192</u>
Recreation and cultural services:		
Recreation facilities	366,684	392,406
Cultural buildings and facilities	31,836	30,000
Other recreation and cultural services	193,705	193,705
	<u>592,225</u>	<u>616,111</u>
Total expenses	<u><u>2,558,611</u></u>	<u><u>2,706,802</u></u>

Local Government District of Pinawa
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)
For the Year Ended December 31, 2011

SCHEDULE 12

	General	2011 Utility	Total	2010 Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 152,117	\$ (14,334)	\$ 137,783	\$ (76,191)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	356,139	78,000	434,139	434,139
Eliminate revenue - transfers from reserves	(457,887)	(67,359)	(525,246)	(514,630)
Increase revenue - reserve funds interest	16,417	3,296	19,713	21,468
Increase expense - amortization of tangible capital assets	(130,674)	(177,582)	(308,256)	(297,817)
Increase expense - landfill closure and post closure expense	(23,800)	-	(23,800)	(21,462)
Eliminate expense - acquisitions of tangible capital assets	416,359	61,721	478,080	472,377
	<u>\$ 328,671</u>	<u>\$ (116,258)</u>	<u>\$ 212,413</u>	<u>\$ 17,884</u>
NET SURPLUS (DEFICIT) PER NON-CONSOLIDATED STATEMENT OF OPERATIONS				