

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2011

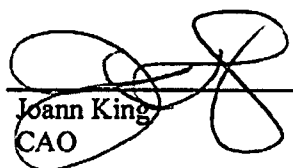
Rural Municipality of Gimli
Box 1246
Gimli, Manitoba
R0C 1B0

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of Gimli 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.

Anthony J. Reid Chartered Accountant Inc. as the Municipality's appointed external auditor, have audited the 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 Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.


Joann King
CAO

Anthony J. Reid
Chartered Accountant Inc.

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Independent Auditor's Report

To the Mayor and members of Council of the
Rural Municipality of Gimli

I have audited the accompanying financial statements of Rural Municipality of Gimli, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statement of operations, cash flows and change in net debt for the year then ended, 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 generally accepted accounting principles for public sector organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

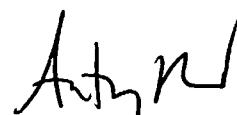
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion these financial statements present fairly, in all material respects, the financial position of Rural Municipality of Gimli as at December 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for Canadian public sector accounting standards (PSAB).

May 23, 2013
Winnipeg, Manitoba



Chartered Accountant

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2011

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RURAL MUNICIPALITY OF GIMLI

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2011

	2011 Actual \$	2010 Actual \$
FINANCIAL ASSETS		
Cash and temporary investments	6,893,968	3,404,801
Accounts receivable <i>(note 3)</i>	2,900,931	2,446,157
Deposits	37,500	-
	<u>9,832,399</u>	<u>5,850,958</u>
LIABILITIES		
Accounts payable and accrued liabilities <i>(note 5)</i>	2,038,385	1,734,663
Deferred revenue	-	20,087
Long-term debt <i>(note 6)</i>	11,362,693	10,198,381
	<u>13,401,078</u>	<u>11,953,131</u>
NET DEBT	<u>(3,568,679)</u>	<u>(6,102,173)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(schedule 1)</i>	40,239,794	38,434,878
Inventories <i>(note 4)</i>	329,974	234,544
Prepaid expenses	55,237	59,543
	<u>40,625,005</u>	<u>38,728,965</u>
ACCUMULATED SURPLUS <i>(note 14)</i>	<u>37,056,326</u>	<u>32,626,792</u>

Approved on Behalf of the Council

_____ Mayor

_____ Councillor

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2011

	2011 Budget \$	2011 Actual \$	2010 Actual \$
REVENUE			
Property taxes	5,537,446	5,618,778	5,441,003
Grants in lieu of taxation	66,812	66,812	66,211
User fees	777,318	1,654,920	1,492,764
Grants - Province of Manitoba	721,275	770,229	718,257
Grants - Other	431,167	431,167	389,512
Permits, licences and fees	84,004	246,986	188,433
Investment revenue	20,000	131,748	93,478
Other revenue	406,812	640,265	468,524
Water and sewer	1,578,345	4,588,945	1,373,735
Total revenue <i>(schedules 2, 4 and 5)</i>	<u>9,623,179</u>	<u>14,149,850</u>	<u>10,231,917</u>
EXPENSES			
General government services	1,263,044	1,261,290	1,216,158
Protective services	784,175	715,872	719,376
Transportation services	3,061,678	2,677,045	2,693,725
Environmental health services	556,639	448,344	440,772
Public health and welfare services	74,455	74,489	180,675
Regional planning and development	318,812	236,996	244,984
Resource conservation and industrial development	179,839	791,046	842,433
Recreation and cultural services	1,322,655	1,390,639	1,319,355
Water and sewer	2,135,121	2,124,595	1,995,704
Total expenses <i>(schedules 3, 4 and 5)</i>	<u>9,696,418</u>	<u>9,720,316</u>	<u>9,653,182</u>
ANNUAL SURPLUS	(73,239)	4,429,534	578,735
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>32,626,792</u>	<u>32,626,792</u>	<u>32,048,057</u>
ACCUMULATED SURPLUS, END OF YEAR	<u><u>32,553,553</u></u>	<u><u>37,056,326</u></u>	<u><u>32,626,792</u></u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF NET DEBT
For the Year Ended December 31, 2011

	2011 Budget \$	2011 Actual \$	2010 Actual \$
ANNUAL SURPLUS	<u>(73,239)</u>	<u>4,429,534</u>	<u>578,735</u>
Acquisition of tangible capital assets	(102,152)	(3,290,360)	(3,553,873)
Proceeds on disposal of tangible capital assets	50,000	-	40,000
Amortization of tangible capital assets	1,425,163	1,485,444	1,306,572
Gain on sale of tangible capital assets	-	-	(21,862)
Decrease (increase) in inventories	-	(95,430)	2,000
Decrease in prepaid expense	-	4,306	5,907
CHANGE IN SURPLUS (DEFICIT)	1,299,772	2,533,494	(1,642,521)
NET DEBT BEGINNING OF YEAR	<u>(6,102,173)</u>	<u>(6,102,173)</u>	<u>(4,459,652)</u>
NET DEBT END OF YEAR	<u>(4,802,401)</u>	<u>(3,568,679)</u>	<u>(6,102,173)</u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2011

	2011 Actual \$	2010 Actual \$
CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES		
OPERATING TRANSACTIONS		
Annual surplus	4,429,534	578,735
Changes in non-cash items:		
Amortization	1,485,444	1,306,572
Gain on disposal of tangible capital assets	-	(21,862)
	<u>5,914,978</u>	<u>1,863,445</u>
Net changes in non-cash working capital affecting operations <i>(note 17)</i>	<u>(262,263)</u>	<u>704,047</u>
	<u>5,652,715</u>	<u>2,567,492</u>
CAPITAL TRANSACTIONS		
Proceeds from sale of tangible capital assets	-	40,000
Cash used to acquire tangible capital assets	<u>(3,290,360)</u>	<u>(3,553,873)</u>
	<u>(3,290,360)</u>	<u>(3,513,873)</u>
INVESTING		
Realization of deposits	<u>(37,500)</u>	-
FINANCING		
Long-term debt issued	1,164,312	455,219
Reduction in long-term debt	-	(361,179)
	<u>1,164,312</u>	<u>94,040</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	3,489,167	(852,341)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>3,404,801</u>	<u>4,257,142</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>6,893,968</u></u>	<u><u>3,404,801</u></u>
CASH AND TEMPORARY INVESTMENTS IS REPRESENTED BY:		
Cash and temporary investments	6,686,968	3,204,801
Temporary investments	<u>207,000</u>	<u>200,000</u>
	<u><u>6,893,968</u></u>	<u><u>3,404,801</u></u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

1. STATUS OF THE RURAL MUNICIPALITY OF GIMLI

The incorporated Rural Municipality of Gimli is a municipal government that was created on August 15, 1881 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 owns two utilities, 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 consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles 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:

Gimli Community Development Corporation

The Municipality has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

East Interlake Planning District	consolidated 59.85% (2010 59.85%)
Evergreen Regional Library	consolidated 56.13% (2010 56.13%)

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

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.

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

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 and land improvements	Indefinite
Buildings and leasehold improvements	10 to 40 years
Vehicles and equipment	
Vehicles	10 to 20 years
Machinery and equipment	10 to 20 years
Computer hardware and software	4 to 10 years

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

Infrastructure Assets

Roads, Streets, and Bridges

Land	Indefinite
Road surface	25 to 40 years
Road grade	40 Years
Traffic lights and equipment	10 years
Land	Indefinite
Land improvements	30 to 50 years
Underground networks	40 to 60 years
Machinery & equipment	10 to 20 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.

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

D) 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. ACCOUNTS RECEIVABLE

Amounts receivable are valued at their net realizable value.

	<u>2011</u>	<u>2010</u>
	\$	\$
Tax assets (<i>schedule 11</i>)	674,078	579,180
Government grants and receivables	1,684,334	774,957
Utility customers	241,276	256,891
Accrued interest	87	307
Organizations and individuals	396,959	893,990
Other governments	810	-
	<u>2,997,544</u>	<u>2,505,325</u>
Allowance for doubtful accounts	<u>(96,613)</u>	<u>(59,168)</u>
	<u><u>2,900,931</u></u>	<u><u>2,446,157</u></u>

4. INVENTORIES

	<u>2011</u>	<u>2010</u>
	\$	\$
Gravel	116,270	104,763
Culverts	26,795	4,330
Fuel	52,058	10,412
Grader blades and shop supplies	64,645	42,936
Water and sewer supplies	58,966	59,462
Other inventory	11,240	12,641
	<u><u>329,974</u></u>	<u><u>234,544</u></u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2011</u>	<u>2010</u>
	\$	\$
Trade payable	997,514	743,821
Government payables	28,837	1,215
Accrued expenses	173,361	146,384
Accrued interest payable	7,019	-
School levies (<i>schedule 13</i>)	714,764	673,953
Other governments	91,200	144,900
Deposits	25,690	24,390
	<u>2,038,385</u>	<u>1,734,663</u>

6. LONG-TERM DEBT

	<u>2011</u>	<u>2010</u>
	\$	\$
General Authority:		
Municipal debenture payable in annual instalments of \$13,433.92, including interest at 5.500%, due December 31, 2026.	134,844	140,548
Municipal debenture payable in annual instalments of \$44,836.43, including interest at 6.000%, due December 31, 2013.	82,203	119,848
Municipal debenture payable in annual instalments of \$29,148.48, including interest at 7.375%, due December 31, 2020.	186,916	201,225
Municipal debenture payable in annual instalments of \$5,734.40, including interest at 6.625%, due December 31, 2017.	27,653	31,313
Municipal debenture payable in annual instalments of \$38,864.64, including interest at 7.375%, due December 31, 2019.	228,737	249,222
	<u>660,353</u>	<u>742,156</u>
Utility Funds:		
Municipal debenture payable in annual instalments of \$16,263 including interest at 4.59%, due December 31, 2021	91,750	-
Municipal debenture payable in annual instalments of \$115,822 including interest at 4.89%, due December 31, 2031	1,456,958	-
Municipal debenture payable in annual instalments of \$34,351.48 including interest at 5.625%, due December 31, 2034.	437,237	446,475
Municipal debenture payable in annual instalments of \$4,435.43, including interest at 5.500%, due December 31, 2026.	44,521	46,404
Municipal debenture payable in annual instalments of \$33,297.25, including interest at 7.250%, due December 31, 2020.	214,651	231,187
Municipal debenture payable in annual instalments of \$23,620.60, including interest at 7.500%, due December 31, 2020.	150,673	162,134
Municipal debenture payable in annual instalments of \$36,357.67, including interest at 6.625%, due December 31, 2022.	277,800	294,638

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

Municipal debenture payable in annual instalments of \$11,199.83, including interest at 6.250%, due December 31, 2028.	115,262	119,023
Municipal debenture payable in annual instalments of \$127,069.67, including interest at 7.750%, due December 31, 2019.	737,203	802,109
Municipal debenture payable in annual instalments of \$3,812.36, including interest at 7.125%, due December 31, 2020.	1,905,430	1,946,188
Municipal debenture payable in annual instalments of \$171,473.35, including interest at 5.750%, due December 31, 2032.	2,060,336	2,110,458
Municipal debenture payable in annual instalments of \$35,049.71, including interest at 5.750%, due December 31, 2032.	421,140	431,384
Municipal debenture payable in annual instalments of \$54,382.64, including interest at 5.625%, due December 31, 2031.	643,206	660,439
Utility Debenture Description	1,240,206	1,273,434
Municipal debenture payable in annual instalments of \$78,829.70, including interest at 5.625%, due December 31, 2030.	905,967	932,352
	<u>10,702,340</u>	<u>9,456,225</u>
	<u>11,362,693</u>	<u>10,198,381</u>

Estimated principal repayments for the next five years are as follows:

2012	461,476
2013	490,030
2014	475,916
2015	505,917
2016	537,856

7. DEBT CHARGES - FRONTAGE

Purpose and By-law	2011 Levy	2010 Levy
Centre Ave - 8-2002	6,484	6,484
Pelican Beach Sewer - 19-99	86,656	86,656
Solvin Paving 06-0019	13,434	13,434
Solvin Paving - 98-04	5,734	5,734
South Beach - 07-0015	3,992	4,435
Hanger Line - 9-0002	11,200	11,200
	<u>127,500</u>	<u>127,943</u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

8. DEBT CHARGES - L.I.D.

Purpose and By-law	Assessment	2011 Mill Rate	2011 Levy	2010 Levy
			\$	\$
Centre Ave - 8-2002	1,606,740	10.553	16,956	16,957
Pelican Beach Sewer - 19-99	8,253,260	2.449	20,212	20,207
North Forcemain - 98-04	229,870	61.654	14,172	14,172
Natural Gas Transmission - 16-2000	297,374,710	0.097	28,845	29,048
Sewage Pump Station - 2-2001	297,374,710	0.111	32,950	33,156
Centre Ave - 8-2002	297,374,710	0.043	12,787	12,910
Pelican Beach Sewer - 19-99	297,374,710	0.068	20,221	20,246
North Forcemain - 13-2000	297,374,710	0.032	9,516	9,389
Habour Expansion - 99-13	78,137,590	0.492	38,444	38,442
Sewage Plant - 09-0009A	117,007,540	0.611	71,492	71,445
Sewage Plant - 10-0006A	117,007,540	0.195	22,817	20,000
			<u>288,412</u>	<u>285,972</u>

9. DEBT CHARGES - AT LARGE

Purpose and By-law	Assessment	2011 Mill Rate	2011 Levy	2010 Levy
			\$	\$
Ice Plant - 04-2002	375,344,470	0.119	44,666	44,787
Sewage Plant - 06-0003	375,344,470	0.209	78,447	78,470
Sewage Plant - 07-0008	375,344,470	0.277	103,970	104,010
Sewage Plant - 07-0009	375,344,470	0.144	54,050	54,041
Sewage Plant - 08-0006	375,344,470	0.093	34,907	34,793
Sewage Plant - 08-0007	375,344,470	0.453	170,031	170,266
Sewage Plant - 09-0009	408,241,300	0.214	87,364	87,445
Sewage Plant - 10-0006	408,241,300	0.028	11,431	10,074
			<u>584,866</u>	<u>583,886</u>

10. RESERVES

Purpose and By-law	Assessment	2011 Mill Rate	2011 Levy	2010 Levy
			\$	\$
Machinery Replacement - 03-0022	375,512,300	0.276	103,641	103,687
Road Development - 07-0027	375,512,300	0.132	49,568	49,622
125th Anniversary - 07-0035	375,512,300	0.011	4,131	4,073
Multiplex/Recreation Reserve			-	246,627
			<u>157,340</u>	<u>404,009</u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

11. 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. Prior to the contribution rate increase noted below, the MEPP required 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 \$82,675.37 (2010 - \$85,278.29) 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, 2011 indicated the plan was 97.5% funded on a going concern basis and had an unfunded solvency liability of \$161.3 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, 2011. The valuation also disclosed that the existing contribution rate was insufficient to pay the minimum required contribution being the normal actuarial cost of the annual benefit accrued and the required amortization payment in respect of the going concern unfunded actuarial liability. The Board of Trustees amended the plan to increase the contribution rate by 1% effective July 1, 2012 and by another 1% effective January 1, 2013 to meet the minimum contribution requirement..

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.

12. 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.

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

13. 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*.

The budget numbers are unaudited and, accordingly, I express no assurance in respect to the budget.

14. ACCUMULATED SURPLUS

	<u>2011</u>	<u>2010</u>
	\$	\$
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus, excluding Tangible Capital Assets	6,720,989	6,181,235
Utility Operating Funds - Nominal Deficit, excluding Tangible Capital Assets	(3,052,468)	(6,702,947)
General Operating Tangible Capital Assets, net of related borrowings	12,229,727	12,380,328
Utility Operating Tangible Capital Assets, net of related borrowings	15,091,038	15,330,267
Reserve Funds	5,298,318	4,831,475
Accumulated surplus of municipality unconsolidated	<u>36,287,604</u>	<u>32,020,358</u>
Accumulated surpluses of consolidated controlled entities	723,289	561,612
Accumulated surpluses of consolidated government partnerships	<u>45,433</u>	<u>44,822</u>
Accumulated Surplus per Statement of Financial Position	<u><u>37,056,326</u></u>	<u><u>32,626,792</u></u>

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

15. 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 in excess of \$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 \$117,242 in aggregate;
- (b) There were no members of council receiving compensation in excess of \$50,000 individually. The breakdown of compensation and expenses paid to members of council are as follows:

Council Member	Compensation	Expenses	Total
Lynn Greenburg	24,965	2,184	27,149
Daniel Luprypa	24,515	2,323	26,838
Peter Peiluck	23,045	3,552	26,597
Richard Petrowski	20,118	1,386	21,504
Lorentz Zaborosky	24,599	3,582	28,181
	<u>117,242</u>	<u>13,027</u>	<u>130,269</u>

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

Name	Position	Amount
Bezdietny, Richard	Public Works	52,729
Erickson-Jakobson, Susie	Administration	59,693
Hjelmeland, Darcy	Public Works	97,501
King, Joann	Administration	94,799
Kmet, Tom	Public Works	63,887
Ouellette, Ovide	Public Works	57,731
Tony Zapotochny	Public Works	51,581

RURAL MUNICIPALITY OF GIMLI

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at December 31, 2011

16. PUBLIC UTILITY BOARD

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

For information purposes, the Municipality has deferred the capital grants it has received in the past for its utilities and amortized them over the useful life of the related tangible capital asset.

No capital grants have been deferred and amortized in these financial statements.

Water Services:		Unamortized		Unamortized
Description of Utility		Opening	Additions	Ending
		Balance	During Year	Balance
Loni Beach		628,430	-	615,605

Sewer Services:		Unamortized		Unamortized
Description of Utility		Opening	Additions	Ending
		Balance	During Year	Balance
Loni Beach		886,410	-	886,410
Regional Sewer System		8,393,671	2,000,000	10,185,798
		9,280,081	2,000,000	11,072,208

17. CHANGES IN WORKING CAPITAL

	2011	2010
	\$	\$
Net changes in non-cash working capital affecting operations		
Accounts receivable	(454,774)	663,714
Inventories	(95,430)	2,000
Prepaid expenses	4,306	5,907
Accounts payable and accrued liabilities	303,722	24,559
Deferred revenue	(20,087)	7,867
	<u>(262,263)</u>	<u>704,047</u>

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2011

	General Capital Assets					Infrastructure			2011	2010
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets under Construction	Actual	Actual
Cost										
Balance, beginning of year	5,462,337	5,945,752	4,893,134	369,848	191,629	15,746,959	26,054,730	1,848,086	60,512,475	57,164,565
Asset purchases	29,995	175,508	529,309	-	247,684	192,976	3,394,099	800,210	5,369,781	16,904,113
Disposals and write downs	40,440	-	-	-	191,629	-	-	1,848,086	2,080,155	13,556,203
Balance, end of year	5,451,892	6,121,260	5,422,443	369,848	247,684	15,939,935	29,448,829	800,210	63,802,101	60,512,475
Accumulated Amortization										
Balance, beginning of year	426,267	3,376,403	3,118,569	272,006	-	11,768,028	3,116,324	-	22,077,597	20,958,850
Amortization	48,342	263,249	335,259	16,296	-	282,437	539,127	-	1,484,710	1,306,572
Disposals and write downs	-	-	-	-	-	-	-	-	-	187,825
Balance, end of year	474,609	3,639,652	3,453,828	288,302	-	12,050,465	3,655,451	-	23,562,307	22,077,597
Net book value	4,977,283	2,481,608	1,968,615	81,546	247,684	3,889,470	25,793,378	800,210	40,239,794	38,434,878

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF REVENUES

Schedule 2

For the Year Ended December 31, 2011

	2011 Budget \$	2011 Actual \$	2010 Actual \$
PROPERTY TAXES			
Municipal taxes levied (<i>schedule 12</i>)	5,462,446	5,461,943	5,347,511
Taxes added	75,000	156,835	93,492
	<u>5,537,446</u>	<u>5,618,778</u>	<u>5,441,003</u>
GRANTS IN LIEU OF TAXATION			
Federal government	3,665	3,665	3,633
Provincial government	8,095	8,095	8,118
Provincial government enterprises	55,052	55,052	54,460
	<u>66,812</u>	<u>66,812</u>	<u>66,211</u>
USER FEES			
Sales of service	391,295	426,724	396,350
Sales of goods	60,275	69,277	48,647
Rentals	309,792	293,305	284,069
Development charges	10,000	48,120	15,519
Facility use fees	5,956	817,494	748,179
	<u>777,318</u>	<u>1,654,920</u>	<u>1,492,764</u>
GRANTS - PROVINCE OF MANITOBA			
General assistance payment	458,574	472,470	458,574
General support grant	27,000	31,199	27,002
VLT revenues	90,000	91,245	90,598
Conditional grants	131,701	126,315	138,750
Other provincial grant	14,000	49,000	3,333
	<u>721,275</u>	<u>770,229</u>	<u>718,257</u>
GRANTS - OTHER			
Federal government - gas tax funding	316,395	316,395	316,395
Other local governments	114,772	114,772	73,117
	<u>431,167</u>	<u>431,167</u>	<u>389,512</u>
PERMITS, LICENCES AND FEES			
Permits	10,000	20,685	27,025
Licences	59,004	54,560	73,778
Fines	15,000	29,522	21,753
Subdivision fees	-	142,219	65,877
	<u>84,004</u>	<u>246,986</u>	<u>188,433</u>
INVESTMENT REVENUE			
Interest	20,000	26,164	28,191
Municipal debenture interest	-	105,584	65,287
	<u>20,000</u>	<u>131,748</u>	<u>93,478</u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF REVENUES

Schedule 2

For the Year Ended December 31, 2011

	2011 Budget \$	2011 Actual \$	2010 Actual \$
OTHER REVENUE			
Gain on sale of tangible capital assets	-	-	21,862
Miscellaneous	314,812	402,901	353,626
Prepaid debenture levies	-	136,370	-
Penalties and interest	92,000	100,994	93,036
	<u>406,812</u>	<u>640,265</u>	<u>468,524</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 9</i>)	<u>1,578,345</u>	<u>4,588,945</u>	<u>1,373,735</u>
TOTAL REVENUE	<u><u>9,623,179</u></u>	<u><u>14,149,850</u></u>	<u><u>10,231,917</u></u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF EXPENSES

Schedule 3

For the Year Ended December 31, 2011

	2011 Budget \$	2011 Actual \$	2010 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	162,453	170,461	91,002
General administrative	1,100,591	1,090,829	1,125,156
	<u>1,263,044</u>	<u>1,261,290</u>	<u>1,216,158</u>
PROTECTIVE SERVICES			
Police	380,661	384,184	362,621
Fire	360,091	299,827	297,539
Other protective services	39,389	28,281	35,037
By-law enforcement	4,034	3,580	24,179
	<u>784,175</u>	<u>715,872</u>	<u>719,376</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	2,976,503	2,592,353	2,629,742
Air transport	46,925	46,442	25,733
Public transit	38,250	38,250	38,250
	<u>3,061,678</u>	<u>2,677,045</u>	<u>2,693,725</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	303,172	251,239	250,290
Recycling	80,000	78,437	76,594
Lagoons and wells	173,467	118,668	113,888
	<u>556,639</u>	<u>448,344</u>	<u>440,772</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	12,000	12,034	8,900
Social assistance	62,455	62,455	171,775
	<u>74,455</u>	<u>74,489</u>	<u>180,675</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	318,812	236,996	244,984
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	61,450	61,257	60,487
Water resources and conservation	20,839	17,839	18,413
Regional development	43,535	23,993	45,949
Industrial development	2,700	650,243	672,674
Tourism	45,815	37,714	38,510
Other	5,500	-	6,400
	<u>179,839</u>	<u>791,046</u>	<u>842,433</u>

RURAL MUNICIPALITY OF GIMLI
CONSOLIDATED SCHEDULE OF EXPENSES

Schedule 3

For the Year Ended December 31, 2011

	2011 Budget \$	2011 Actual \$	2010 Actual \$
RECREATION AND CULTURAL SERVICES			
Community centers and halls	101,600	95,983	36,668
Swimming pools and beaches	128,250	102,830	122,891
Skating and curling rinks	838,972	944,054	907,536
Parks and playgrounds	37,803	39,121	31,599
Libraries	183,999	176,621	187,706
Other cultural facilities	32,031	32,030	32,955
	<u>1,322,655</u>	<u>1,390,639</u>	<u>1,319,355</u>
WATER AND SEWER			
Municipal utilities (<i>schedule 9</i>)	<u>2,135,121</u>	<u>2,124,595</u>	<u>1,995,704</u>
TOTAL EXPENSES	<u><u>9,696,418</u></u>	<u><u>9,720,316</u></u>	<u><u>9,653,182</u></u>

CONSOLIDATED SCHEDULE 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	5,618,778	5,441,003	-	-	-	-	-	-	-	-
Grants in lieu of taxation	66,812	66,211	-	-	-	-	-	-	-	-
User fees	117,683	114,906	-	-	34,734	21,201	81,079	72,972	-	-
Grants - Province of Manitoba	646,229	582,974	-	-	31,360	33,627	11,997	12,225	-	-
Grants - Other	316,395	316,395	-	-	-	-	-	-	-	-
Permits, licences and fees	84,082	95,531	-	-	6,200	5,150	-	-	-	-
Investment revenue	59,193	44,393	15,024	13,450	3,060	1,106	-	-	-	-
Other revenue	453,152	435,252	-	-	136,370	-	-	-	-	-
Water and sewer	1,065,582	756,087	3,508,070	479,950	-	-	3,745	4,643	-	-
Total revenue	8,427,906	7,852,752	3,523,094	493,400	211,724	61,084	96,821	89,840	-	-
EXPENSES										
Personnel services	541,225	554,353	183,885	188,910	1,078,785	809,595	216,329	235,117	-	-
Contract services	40,329	37,155	341,949	319,704	288,769	297,206	140,744	137,138	31,628	28,494
Utilities	61,042	57,420	19,189	18,658	147,798	154,529	2,319	1,673	-	-
Maintenance materials & supplies	464,791	441,570	92,663	115,160	586,593	871,175	52,457	29,584	-	111,191
Grants & contributions	37,170	31,973	-	-	-	-	-	-	42,861	40,990
Amortization	26,011	26,585	78,186	76,944	565,295	550,891	36,495	37,260	-	-
Interest on long term debt	33,220	35,610	-	-	9,805	10,329	-	-	-	-
Bad debts expense	57,502	31,492	-	-	-	-	-	-	-	-
Total expenses	1,261,290	1,216,158	715,872	719,376	2,677,045	2,693,725	448,344	440,772	74,489	180,675
SURPLUS (DEFICIT)	7,166,616	6,636,594	2,807,222	(225,976)	(2,465,321)	(2,632,641)	(351,523)	(350,932)	(74,489)	(180,675)

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

CONSOLIDATED SCHEDULE 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	-	-	-	-	-	-	-	-	5,618,778	5,441,003
Grants in lieu of taxation	-	-	-	-	-	-	-	-	66,812	66,211
User fees	121,262	89,192	-	-	1,300,162	1,194,493	-	-	1,654,920	1,492,764
Grants - Province of Manitoba	-	5,918	-	-	80,643	83,513	-	-	770,229	718,257
Grants - Other	62,602	20,947	-	-	52,170	52,170	-	-	431,167	389,512
Permits, licences and fees	156,704	87,752	-	-	-	-	-	-	246,986	188,433
Investment revenue	13,566	5,031	-	-	35,246	26,594	5,659	2,904	131,748	93,478
Other revenue	20,000	20,000	-	-	30,743	13,272	-	-	640,265	468,524
Water and sewer	-	-	-	-	-	-	4,588,945	1,373,735	4,588,945	1,373,735
Total revenue	374,134	228,840	-	-	1,498,964	1,370,042	4,594,604	1,376,639	14,149,850	10,231,917
EXPENSES										
Personnel services	117,937	131,930	11,966	11,443	456,695	480,955	855,782	760,795	3,462,604	3,173,098
Contract services	71,750	33,464	438,084	406,400	2,574	2,650	65,137	208,960	1,420,964	1,471,171
Utilities	2,773	2,573	20,971	19,419	127,009	119,547	85,236	52,271	466,337	426,090
Maintenance materials & supplies	43,456	75,599	250,460	341,142	541,093	456,414	-	-	2,031,513	2,441,835
Grants & contributions	-	-	2,189	3,316	84,203	85,128	-	-	166,423	161,407
Amortization	1,080	1,418	67,376	60,713	171,874	165,339	539,127	387,422	1,485,444	1,306,572
Interest on long term debt	-	-	-	-	7,191	9,322	579,313	586,256	629,529	641,517
Bad debts expense	-	-	-	-	-	-	-	-	57,502	31,492
Total expenses	236,996	244,984	791,046	842,433	1,390,639	1,319,355	2,124,595	1,995,704	9,720,316	9,653,182
SURPLUS (DEFICIT)	137,138	(16,144)	(791,046)	(842,433)	108,325	50,687	2,470,009	(619,065)	4,429,534	578,735

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

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
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Property taxes	5,618,778	5,441,003	-	-	-	-	5,618,778	5,441,003
Grants in lieu of taxation	66,812	66,211	-	-	-	-	66,812	66,211
User fees	764,284	670,912	809,640	739,381	80,996	82,471	1,654,920	1,492,764
Grants - Province of Manitoba	703,879	646,452	-	-	66,350	71,805	770,229	718,257
Grants - Other	316,395	316,395	-	-	114,772	73,117	431,167	389,512
Permits, licences and fees	246,986	188,433	-	-	-	-	246,986	188,433
Investment revenue	131,748	93,478	-	-	-	-	131,748	93,478
Other revenue	640,265	468,524	-	-	-	-	640,265	468,524
Water and sewer	4,588,945	1,373,735	-	-	-	-	4,588,945	1,373,735
Total revenue	13,078,092	9,265,143	809,640	739,381	262,118	227,393	14,149,850	10,231,917
EXPENSES								
Personnel services	3,269,901	2,966,452	-	-	192,703	206,646	3,462,604	3,173,098
Contract services	1,060,223	1,139,556	358,167	328,985	2,574	2,630	1,420,964	1,471,171
Utilities	442,952	404,441	19,235	17,621	4,150	4,028	466,337	426,090
Maintenance materials & supplies	1,762,933	2,093,416	208,940	270,578	59,640	77,841	2,031,513	2,441,835
Grants & contributions	166,423	161,407	-	-	-	-	166,423	161,407
Amortization	1,421,383	1,248,983	61,620	54,957	2,441	2,632	1,485,444	1,306,572
Interest on long term debt	629,529	641,517	-	-	-	-	629,529	641,517
Bad debts expense	57,502	31,492	-	-	-	-	57,502	31,492
Total expenses	8,810,846	8,687,264	647,962	672,141	261,508	293,777	9,720,316	9,653,182
SURPLUS (DEFICIT)	4,267,246	577,879	161,678	67,240	610	(66,384)	4,429,534	578,735

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2011

	General Reserve \$	Machinery Replacement Reserve \$	Industrial Park Reserve \$	Building Reserve \$	Fire Equipment Reserve \$	Capital Levy Reserve \$
FINANCIAL ASSETS						
Cash and temporary investments	-	-	-	-	196,721	-
Accounts receivable	-	-	-	-	-	-
Due from other funds	<u>1,162,931</u>	<u>149,224</u>	<u>651,937</u>	<u>172,078</u>	<u>27,143</u>	<u>190,269</u>
	<u>1,162,931</u>	<u>149,224</u>	<u>651,937</u>	<u>172,078</u>	<u>223,864</u>	<u>190,269</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	-
REVENUE						
Investment revenue	<u>13,797</u>	<u>1,522</u>	<u>13,566</u>	<u>3,581</u>	<u>15,024</u>	<u>3,960</u>
EXPENSES						
Protective services	-	-	-	-	<u>13,052</u>	-
TRANSFERS						
Transfers from (to) operating fund	<u>(239,824)</u>	<u>(181,041)</u>	-	-	<u>(64,175)</u>	<u>(142,219)</u>
Transfers from (to) utility fund	-	-	-	-	-	-
Acquisition of tangible capital assets	<u>228,000</u>	<u>71,000</u>	<u>37,500</u>	-	<u>37,273</u>	<u>157,000</u>
	<u>11,824</u>	<u>110,041</u>	<u>(37,500)</u>	-	<u>26,902</u>	<u>(14,781)</u>
CHANGE IN FUND BALANCES	25,621	111,563	(23,934)	3,581	28,874	(10,821)
FUND SURPLUS, BEGINNING OF YEAR	<u>1,137,310</u>	<u>37,661</u>	<u>675,871</u>	<u>168,497</u>	<u>194,990</u>	<u>201,090</u>
FUND SURPLUS, END OF YEAR	<u>1,162,931</u>	<u>149,224</u>	<u>651,937</u>	<u>172,078</u>	<u>223,864</u>	<u>190,269</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2011

	LUD of Gimli General Reserve \$	Rural Special Services Area Reserve \$	Drainage Capital Reserve \$	Gas Tax Reserve \$	Road Maintenance and Construction Reserve \$	Handi Transit Vehicle Reserve \$
FINANCIAL ASSETS						
Cash and temporary investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Due from other funds	82	84	165,712	586,799	108,877	15,065
	<u>82</u>	<u>84</u>	<u>165,712</u>	<u>586,799</u>	<u>108,877</u>	<u>15,065</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	-
REVENUE						
Investment revenue	1	2	-	11,688	1,225	313
EXPENSES						
Protective services	-	-	-	-	-	-
TRANSFERS						
Transfers from (to) operating fund	-	-	(174,227)	(316,395)	(50,000)	-
Transfers from (to) utility fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	266,795	-	-
	<u>-</u>	<u>-</u>	<u>174,227</u>	<u>49,600</u>	<u>50,000</u>	<u>-</u>
CHANGE IN FUND BALANCES	1	2	174,227	61,288	51,225	313
FUND SURPLUS, BEGINNING OF YEAR	81	82	(8,515)	525,511	57,652	14,752
FUND SURPLUS, END OF YEAR	82	84	165,712	586,799	108,877	15,065

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2011

	125th Anniversary Reserve \$	Recreation Pool Fund Reserve \$	LUD of Gimli Utility Reserve \$	LUD of Gimli Replacement Utility Reserve \$	South Beach Utility Reserve Fund \$	Centre Ave W Reserve \$
FINANCIAL ASSETS						
Cash and temporary investments	-	1,197,760	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Due from other funds	16,000	-	7,368	271,953	92,509	24,006
	<u>16,000</u>	<u>1,197,760</u>	<u>7,368</u>	<u>271,953</u>	<u>92,509</u>	<u>24,006</u>
LIABILITIES						
Due to other funds	-	-	-	-	-	-
REVENUE						
Investment revenue	-	33,371	-	5,659	-	-
EXPENSES						
Protective services	-	-	-	-	-	-
TRANSFERS						
Transfers from (to) operating fund	(4,000)	-	-	-	-	-
Transfers from (to) utility fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-
	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCES	4,000	33,371	-	5,659	-	-
FUND SURPLUS, BEGINNING OF YEAR	12,000	1,164,389	7,368	266,294	92,509	24,006
FUND SURPLUS, END OF YEAR	16,000	1,197,760	7,368	271,953	92,509	24,006

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2011

	Pelican Beach Reserve \$	Multiplex Reserve \$	2011 Actual \$	2010 Actual \$
FINANCIAL ASSETS				
Cash and temporary investments	-	-	1,394,481	1,346,085
Accounts receivable	-	-	-	1,333
Due from other funds	<u>8,052</u>	<u>253,750</u>	<u>3,903,839</u>	<u>3,492,572</u>
	<u>8,052</u>	<u>253,750</u>	<u>5,298,320</u>	<u>4,839,990</u>
LIABILITIES				
Due to other funds	-	-	-	<u>8,515</u>
REVENUE				
Investment revenue	-	<u>1,875</u>	<u>105,584</u>	<u>65,287</u>
EXPENSES				
Protective services	-	-	<u>13,052</u>	-
TRANSFERS				
Transfers from (to) operating fund	-	-	(1,171,881)	(1,120,444)
Transfers from (to) utility fund	-	-	-	(6,240)
Acquisition of tangible capital assets	-	-	<u>797,568</u>	<u>836,007</u>
	-	-	<u>374,313</u>	<u>290,677</u>
CHANGE IN FUND BALANCES	-	<u>1,875</u>	<u>466,845</u>	<u>355,964</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>8,052</u>	<u>251,875</u>	<u>4,831,475</u>	<u>4,475,511</u>
FUND SURPLUS, END OF YEAR	<u><u>8,052</u></u>	<u><u>253,750</u></u>	<u><u>5,298,320</u></u>	<u><u>4,831,475</u></u>

SCHEDULE OF TRUST FUNDS

For the Year Ended December 31, 2011

	Health Care Fund \$	Stefanson Memorial Fund \$	2011 Actual \$	2010 Actual \$
FINANCIAL ASSETS				
Cash and temporary investments	56,729	97,256	153,985	151,259
Accounts receivable	(53,027)	-	(53,027)	(53,027)
	<u>3,702</u>	<u>97,256</u>	<u>100,958</u>	<u>98,232</u>
REVENUE				
Investment income	<u>1,103</u>	<u>1,623</u>	<u>2,726</u>	<u>1,489</u>
EXPENSES				
Other trust expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,064</u>
Excess (deficiency) of revenue over expenses	1,103	1,623	2,726	(2,575)
Fund balance, beginning of year	<u>2,599</u>	<u>95,633</u>	<u>98,232</u>	<u>100,807</u>
Fund balance, end of year	<u><u>3,702</u></u>	<u><u>97,256</u></u>	<u><u>100,958</u></u>	<u><u>98,232</u></u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

For the Year Ended December 31, 2011

	LUD of Gimli \$	Pelican Beach \$	South Beach \$	Loni Beach \$	Industrial Park \$	Regional Sewer System \$	2011 Actual \$	2010 Actual \$
FINANCIAL ASSETS								
Cash and temporary investments	-	-	-	-	-	-	-	5,387
Accounts receivable (note 3)	142,435	9,404	11,069	9,202	73,131	-	245,241	261,180
Due from other funds	20,610	76,072	33,933	3,502	124,528	90,757	349,402	845,095
	<u>163,045</u>	<u>85,476</u>	<u>45,002</u>	<u>12,704</u>	<u>197,659</u>	<u>90,757</u>	<u>594,643</u>	<u>1,111,662</u>
LIABILITIES								
Accounts payable and accrued liabilities (note 5)	12,206	459	111	57	25,296	38,339	76,468	231,784
Long-term debt (note 6)	-	737,203	44,521	-	758,386	9,162,230	10,702,340	9,456,225
Due to other funds	374,634	82,978	31,507	13,417	349,845	2,777,228	3,629,609	7,642,287
	<u>386,840</u>	<u>820,640</u>	<u>76,139</u>	<u>13,474</u>	<u>1,133,527</u>	<u>11,977,797</u>	<u>14,408,417</u>	<u>17,330,296</u>
NON-FINANCIAL ASSETS								
Tangible capital assets (schedule 1)	811,684	1,606,323	466,451	55,680	1,200,739	21,652,501	25,793,378	24,786,492
Inventories	-	-	-	-	58,966	-	58,966	59,462
	<u>811,684</u>	<u>1,606,323</u>	<u>466,451</u>	<u>55,680</u>	<u>1,259,705</u>	<u>21,652,501</u>	<u>25,852,344</u>	<u>24,845,954</u>
FUND SURPLUS	<u>587,889</u>	<u>871,159</u>	<u>435,314</u>	<u>54,910</u>	<u>323,837</u>	<u>9,765,461</u>	<u>12,038,570</u>	<u>8,627,320</u>

**RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS**

Schedule 9

For the Year Ended December 31, 2011

	LUD OF GIMLI UTILITY		
	2011	2011	2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	<u>304,875</u>	<u>320,869</u>	<u>479,894</u>
SEWER			
Sewer fees	<u>-</u>	<u>-</u>	<u>1,674</u>
OTHER REVENUE			
Hydrant rentals	5,000	5,000	5,000
Penalties	1,750	1,223	2,921
Other income	-	4,611	126,815
	<u>6,750</u>	<u>10,834</u>	<u>134,736</u>
TOTAL REVENUE	<u>311,625</u>	<u>331,703</u>	<u>616,304</u>
EXPENSES			
GENERAL			
Administration	<u>-</u>	<u>-</u>	<u>67,414</u>
WATER			
Purification and treatment	203,081	199,964	158,547
Transportation services	106,190	81,491	48,054
	<u>309,271</u>	<u>281,455</u>	<u>206,601</u>
WATER AMORTIZATION AND INTEREST			
Amortization	<u>14,500</u>	<u>14,282</u>	<u>37,622</u>
SEWER			
Collection system costs	<u>-</u>	<u>-</u>	<u>366,168</u>
SEWER AMORTIZATION AND INTEREST			
Amortization	<u>14,263</u>	<u>14,282</u>	<u>14,331</u>
TOTAL EXPENSES	<u>338,034</u>	<u>310,019</u>	<u>692,136</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>(26,409)</u>	<u>21,684</u>	<u>(75,832)</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>566,205</u>	<u>566,205</u>	<u>642,037</u>
FUND SURPLUS, END OF YEAR	<u><u>539,796</u></u>	<u><u>587,889</u></u>	<u><u>566,205</u></u>

Anthony J. Reid Chartered Accountant Inc.

**RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS**

Schedule 9

For the Year Ended December 31, 2011

	PELICAN BEACH UTILITY		
	2011 Budget \$	2011 Actual \$	2010 Actual \$
REVENUE			
WATER			
Water fees	<u>16,156</u>	<u>14,977</u>	<u>38,331</u>
SEWER			
Sewer fees	<u>-</u>	<u>-</u>	<u>(5,687)</u>
PROPERTY TAXES	<u>127,070</u>	<u>127,070</u>	<u>127,070</u>
OTHER REVENUE			
Connection charges	-	200	510
Penalties	125	82	219
Other income	<u>500</u>	<u>-</u>	<u>-</u>
	<u>625</u>	<u>282</u>	<u>729</u>
TOTAL REVENUE	<u>143,851</u>	<u>142,329</u>	<u>160,443</u>
EXPENSES			
GENERAL			
Administration	<u>1,700</u>	<u>1,800</u>	<u>1,700</u>
WATER			
Transmission and distribution	<u>21,706</u>	<u>15,516</u>	<u>21,562</u>
WATER AMORTIZATION AND INTEREST			
Amortization	45,000	44,670	44,670
Interest on long-term debt	<u>62,200</u>	<u>62,163</u>	<u>66,832</u>
	<u>107,200</u>	<u>106,833</u>	<u>111,502</u>
SEWER			
Collection system costs	<u>-</u>	<u>-</u>	<u>18,715</u>
TOTAL EXPENSES	<u>130,606</u>	<u>124,149</u>	<u>153,479</u>
EXCESS OF REVENUE OVER EXPENSES	<u>13,245</u>	<u>18,180</u>	<u>6,964</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>852,979</u>	<u>852,979</u>	<u>846,015</u>
FUND SURPLUS, END OF YEAR	<u>866,224</u>	<u>871,159</u>	<u>852,979</u>

**RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS**

Schedule 9

For the Year Ended December 31, 2011

	SOUTH BEACH UTILITY		
	2011 Budget \$	2011 Actual \$	2010 Actual \$
REVENUE			
SEWER			
Sewer fees	-	-	24,143
PROPERTY TAXES	<u>4,435</u>	<u>4,435</u>	<u>4,435</u>
OTHER REVENUE			
Penalties	-	-	381
TOTAL REVENUE	<u>4,435</u>	<u>4,435</u>	<u>28,959</u>
EXPENSES			
GENERAL			
Administration	-	-	1,000
SEWER			
Collection system costs	-	-	36,843
SEWER AMORTIZATION AND INTEREST			
Amortization	13,000	12,703	12,703
Interest on long-term debt	2,600	2,552	2,650
	<u>15,600</u>	<u>15,255</u>	<u>15,353</u>
TOTAL EXPENSES	<u>15,600</u>	<u>15,255</u>	<u>53,196</u>
EXCESS OF EXPENSES OVER REVENUE	(11,165)	(10,820)	(24,237)
FUND SURPLUS, BEGINNING OF YEAR	<u>446,134</u>	<u>446,134</u>	<u>470,371</u>
FUND SURPLUS, END OF YEAR	<u>434,969</u>	<u>435,314</u>	<u>446,134</u>

**RURAL MUNICIPALITY OF GIMLI
 SCHEDULE OF UTILITY OPERATIONS**

Schedule 9

For the Year Ended December 31, 2011

	LONI BEACH UTILITY		
	2011	2011	2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
OTHER REVENUE			
Connection charges	-	-	9,309
Penalties	-	-	125
	<u>-</u>	<u>-</u>	<u>9,434</u>
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>9,434</u>
EXPENSES			
GENERAL			
Administration	-	-	700
	<u>-</u>	<u>-</u>	<u>700</u>
SEWER			
Collection system costs	-	-	10,326
SEWER AMORTIZATION AND INTEREST			
Amortization	<u>2,000</u>	<u>2,070</u>	<u>2,070</u>
TOTAL EXPENSES	<u>2,000</u>	<u>2,070</u>	<u>13,096</u>
EXCESS OF EXPENSES OVER REVENUE	<u>(2,000)</u>	<u>(2,070)</u>	<u>(3,662)</u>
FUND SURPLUS, BEGINNING OF YEAR	<u>56,980</u>	<u>56,980</u>	<u>60,642</u>
FUND SURPLUS, END OF YEAR	<u><u>54,980</u></u>	<u><u>54,910</u></u>	<u><u>56,980</u></u>

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2011

Schedule 9

	INDUSTRIAL PARK UTILITY		
	2011	2011	2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
WATER			
Water fees	<u>200,000</u>	<u>90,128</u>	<u>186,574</u>
SEWER			
Sewer fees	-	-	21,158
Lagoon tipping fees	-	-	<u>104,221</u>
	<u>-</u>	<u>-</u>	<u>125,379</u>
PROPERTY TAXES	<u>176,487</u>	<u>176,488</u>	<u>176,488</u>
OTHER REVENUE			
Hydrant rentals	5,000	5,000	5,000
Connection charges	-	210	11,640
Penalties	550	321	997
Other income	7,000	-	6,240
	<u>12,550</u>	<u>5,531</u>	<u>23,877</u>
TOTAL REVENUE	<u>389,037</u>	<u>272,147</u>	<u>512,318</u>
EXPENSES			
GENERAL			
Administration	<u>5,200</u>	<u>5,300</u>	<u>5,300</u>
WATER			
Transmission and distribution	123,000	44,513	114,528
Transportation services	4,800	3,745	4,217
	<u>127,800</u>	<u>48,258</u>	<u>118,745</u>
WATER AMORTIZATION AND INTEREST	<u>56,000</u>	<u>55,880</u>	<u>59,065</u>
Interest on long-term debt			
SEWER			
Collection system costs	-	-	94,082
Treatment and disposal costs	-	5,108	72,870
	<u>-</u>	<u>5,108</u>	<u>166,952</u>
SEWER AMORTIZATION AND INTEREST	<u>29,000</u>	<u>28,908</u>	<u>28,908</u>
Amortization			
TOTAL EXPENSES	<u>218,000</u>	<u>143,454</u>	<u>378,970</u>
EXCESS OF REVENUE OVER EXPENSES	<u>171,037</u>	<u>128,693</u>	<u>133,348</u>

Anthony J. Reid Chartered Accountant Inc.

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2011

Schedule 9

	2011 Budget \$	2011 Actual \$	2010 Actual \$
TRANSFERS			
Transfers from (to) utility fund	-	-	(6,240)
CHANGE IN UTILITY FUND BALANCE	171,037	128,693	127,108
FUND SURPLUS, BEGINNING OF YEAR	195,144	195,144	68,036
FUND SURPLUS, END OF YEAR	366,181	323,837	195,144

RURAL MUNICIPALITY OF GIMLI
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2011

Schedule 9

	REGIONAL SEWER SYSTEM UTILITY		
	2011 Budget \$	2011 Actual \$	2010 Actual \$
REVENUE			
SEWER			
Sewer fees	<u>536,144</u>	<u>629,608</u>	-
PROPERTY TAXES	<u>190,103</u>	<u>638,907</u>	190,104
GOVERNMENT TRANSFERS			
Capital	<u>-</u>	<u>2,000,000</u>	354,270
OTHER REVENUE			
Connection charges	-	1,507,660	-
Penalties	3,050	2,119	-
Other income	100	6,937	-
	<u>3,150</u>	<u>1,516,716</u>	-
TOTAL REVENUE	<u>729,397</u>	<u>4,785,231</u>	544,374
EXPENSES			
SEWER			
Collection system costs	532,081	648,718	-
Treatment and disposal costs	17,300	-	-
	<u>549,381</u>	<u>648,718</u>	-
SEWER AMORTIZATION AND INTEREST			
Amortization	422,500	422,212	247,118
Interest on long-term debt	459,000	458,718	457,709
	<u>881,500</u>	<u>880,930</u>	704,827
TOTAL EXPENSES	<u>1,430,881</u>	<u>1,529,648</u>	704,827
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(701,484)	3,255,583	(160,453)
FUND SURPLUS, BEGINNING OF YEAR	<u>6,509,878</u>	<u>6,509,878</u>	6,670,331
FUND SURPLUS, END OF YEAR	<u>5,808,394</u>	<u>9,765,461</u>	6,509,878

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2011

	Financial Plan General \$	Financial Plan Utilities \$	Amortization (TCA) \$	Interest Expense \$	Transfers \$	Long Term Accruals \$	Consolidated Entities \$	Government Partnerships \$	PSAB Budget \$
REVENUE									
Property taxes	5,537,446	-	-	-	-	-	-	-	5,537,446
Grants in lieu of taxation	66,812	-	-	-	-	-	-	-	66,812
User fees	695,667	-	-	-	-	-	-	81,651	777,318
Grants - Province of Manitoba	653,874	-	-	-	-	-	-	67,401	721,275
Grants - Other	316,395	-	-	-	-	-	-	114,772	431,167
Permits, licences and fees	84,004	-	-	-	-	-	-	-	84,004
Investment revenue	20,000	-	-	-	-	-	-	-	20,000
Other revenue	406,812	-	-	-	-	-	-	-	406,812
Transfers	393,000	25,000	-	-	(418,000)	-	-	-	-
Water and sewer	-	1,578,345	-	-	-	-	-	-	1,578,345
	<u>8,174,010</u>	<u>1,603,345</u>	<u>-</u>	<u>-</u>	<u>(418,000)</u>	<u>-</u>	<u>-</u>	<u>263,824</u>	<u>9,623,179</u>
EXPENSES									
General government services	1,203,844	-	26,000	33,200	-	-	-	-	1,263,044
Protective services	705,675	-	78,500	-	-	-	-	-	784,175
Transportation services	2,485,378	-	566,500	9,800	-	-	-	-	3,061,678
Environmental health services	520,139	-	36,500	-	-	-	-	-	556,639
Public health and welfare services	74,455	-	-	-	-	-	-	-	74,455
Regional planning and development	180,514	-	-	-	-	-	-	138,298	318,812
Resource conservation and industrial development	173,839	-	6,000	-	-	-	-	-	179,839
Recreation and cultural services	1,018,529	-	171,400	7,200	-	-	-	125,526	1,322,655
Fiscal services	1,144,090	426,083	-	-	(1,570,173)	-	-	-	-
Transfers	667,547	94,512	-	-	(762,059)	-	-	-	-
Water and sewer	-	1,015,058	540,263	579,800	-	-	-	-	2,135,121
	<u>8,174,010</u>	<u>1,535,653</u>	<u>1,425,163</u>	<u>630,000</u>	<u>(2,332,232)</u>	<u>-</u>	<u>-</u>	<u>263,824</u>	<u>9,696,418</u>
SURPLUS (DEFICIT)	<u>-</u>	<u>67,692</u>	<u>(1,425,163)</u>	<u>(630,000)</u>	<u>1,914,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,239)</u>

ANALYSIS OF TAXES ON ROLL

For the Year Ended December 31, 2011

	2011 Actual \$	2010 Actual \$
BALANCE, BEGINNING OF YEAR	<u>579,180</u>	<u>431,433</u>
Add:		
Tax Levy (<i>schedule 12</i>)	10,150,589	10,095,041
Taxes added	156,835	93,492
Penalties and interest	100,994	93,036
Other Accounts Added	-	79,669
Taxes overpaid (refunds)	<u>223,200</u>	<u>178,170</u>
Sub-total	<u>11,210,798</u>	<u>10,970,841</u>
Deduct:		
Cash collections - current	8,623,281	8,642,216
Cash collections - arrears	551,663	464,306
Cancellations	38,006	16,717
Tax discounts	-	-
M.P.T.C. - cash advance	<u>1,323,770</u>	<u>1,268,422</u>
Sub-total	<u>10,536,720</u>	<u>10,391,661</u>
BALANCE, END OF YEAR	<u><u>674,078</u></u>	<u><u>579,180</u></u>

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2011

	Assessment	2011 Mill Rate	Levy	2010 Levy
Debt Charges:				
Frontage (note 7)			127,500	127,943
L.I.D. (note 8)			288,412	285,972
At large (note 9)			584,866	583,886
			<u>1,000,778</u>	<u>997,801</u>
Deferred Surplus:				
Utility	34,419,920	0.213	<u>71,231</u>	<u>71,361</u>
Reserves:				
Reserve (note 10)			<u>157,340</u>	<u>404,009</u>
Other municipal levies:				
General municipal	75,512,300	10.959	<u>4,115,239</u>	<u>3,757,181</u>
Business tax (rate 1.36%)			-	117,707
Total municipal taxes (schedule 2)			<u>5,344,588</u>	<u>5,348,059</u>
Education Support Levy	61,463,340	12.330	757,843	756,026
Special levy:				
Evergreen School Division	365,225,380	11.084	<u>4,048,158</u>	<u>3,990,956</u>
Total education taxes			<u>4,806,001</u>	<u>4,746,982</u>
Total tax levy (schedule 11)			<u>10,150,589</u>	<u>10,095,041</u>

RURAL MUNICIPALITY OF GIMLI
ANALYSIS OF SCHOOL ACCOUNTS
For the Year Ended December 31, 2011

Schedule 13

	Opening Balance	2011 Current Requirement	2011 Current Payment	Ending Balance	2010 Ending Balance
	\$	\$	\$	\$	\$
Education Support Levy	<u>122,828</u>	<u>804,574</u>	<u>801,084</u>	<u>126,318</u>	<u>122,828</u>
Special Levies:					
Evergreen School Division	<u>551,125</u>	<u>4,138,931</u>	<u>4,101,610</u>	<u>588,446</u>	<u>551,125</u>
Sub-total	<u>551,125</u>	<u>4,138,931</u>	<u>4,101,610</u>	<u>588,446</u>	<u>551,125</u>
Total	<u><u>673,953</u></u>	<u><u>4,943,505</u></u>	<u><u>4,902,694</u></u>	<u><u>714,764</u></u>	<u><u>673,953</u></u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2011

	2011 Budget \$	2011 Actual \$	2010 Actual \$
GENERAL GOVERNMENT SERVICES			
Legislative	162,453	170,461	91,002
General administrative	1,100,591	1,090,829	1,125,156
	<u>1,263,044</u>	<u>1,261,290</u>	<u>1,216,158</u>
PROTECTIVE SERVICES			
Police	380,661	384,184	362,621
Fire	360,091	286,775	297,539
Other protective services	39,389	28,281	35,037
By-law enforcement	4,034	3,580	24,179
	<u>784,175</u>	<u>702,820</u>	<u>719,376</u>
TRANSPORTATION SERVICES			
Road transport			
Road and street maintenance	2,976,503	2,592,353	2,629,742
Air transport	46,925	46,442	25,733
Public transit	38,250	38,250	38,250
	<u>3,061,678</u>	<u>2,677,045</u>	<u>2,693,725</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste collection and disposal	303,172	251,239	250,290
Recycling	80,000	78,437	76,594
Lagoons and wells	173,467	118,668	113,888
	<u>556,639</u>	<u>448,344</u>	<u>440,772</u>
PUBLIC HEALTH AND WELFARE SERVICES			
Public health	12,000	12,034	8,900
Social assistance	62,455	62,455	171,775
	<u>74,455</u>	<u>74,489</u>	<u>180,675</u>
REGIONAL PLANNING AND DEVELOPMENT			
Planning and zoning	180,514	94,904	74,690
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT			
Rural area weed control	61,450	61,257	60,487
Water resources and conservation	20,839	17,839	18,413
Regional development	43,535	23,993	45,949
Industrial development	2,700	2,281	533
Tourism	45,815	37,714	38,510
Other	5,500	-	6,400
	<u>179,839</u>	<u>143,084</u>	<u>170,292</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2011

	2011 Budget \$	2011 Actual \$	2010 Actual \$
RECREATION AND CULTURAL SERVICES			
Community centers and halls	101,600	95,983	36,668
Swimming pools and beaches	128,250	102,830	122,891
Skating and curling rinks	838,972	944,054	907,536
Parks and playgrounds	37,803	39,121	31,599
Libraries	58,473	57,205	64,223
Other cultural facilities	32,031	32,030	32,955
	<u>1,197,129</u>	<u>1,271,223</u>	<u>1,195,872</u>
TOTAL EXPENSES	<u><u>7,297,473</u></u>	<u><u>6,673,199</u></u>	<u><u>6,691,560</u></u>

SCHEDULE OF DEBENTURES PENDING

For the Year Ended December 31, 2011

Authority	Purpose	Source of Funds	Authorized	Expended
08-0009	Region Water and Sewer Thompson, Mercury, Aurora, Corona	Own	4,250,000	2,476,002
08-0024	resurfacing	Own	470,760	91,750
08-0020	Loni Beach Gravity Sewer	Own	2,706,600	1,482,296
06-0013	Regional Sewer Treatment Plant	Own	4,000,000	3,634,624
04-0019	Regional Sewer Treatment Plant	Own	4,000,000	2,224,205
10-0012	South Beach Sewer	Own	1,662,219	-
			<u>17,089,579</u>	<u>9,908,877</u>

ESTIMATED RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2011

	General \$	Utility \$	2011 Total \$	2010 Total \$
CONSOLIDATED ANNUAL SURPLUS (<i>statement 2</i>)	1,144,907	3,284,627	4,429,534	578,735
Elimination of appropriations to reserves	(1,171,880)	-	(1,171,880)	(1,448,661)
Consolidation of reserve operations	-	-	-	220,032
Elimination of consolidated entity operations	(7,568)	-	(7,568)	(856)
Amortization of tangible capital assets	946,316	539,127	1,485,443	937,553
Principal portion of long term debt	(81,802)	(302,593)	(384,395)	(263,054)
ESTIMATED EXCESS (DEFICIENCY) OF REVENUES AND TRANSFERS OVER EXPENDITURES FOR THE PURPOSES OF SECTION 165(1) AND (2) OF THE MUNICIPAL ACT***	<u>829,973</u>	<u>3,521,161</u>	<u>4,351,134</u>	<u>23,749</u>

*** Please note that this is an estimate based on the adjustments presented above since it is possible that not every required adjustment for PSAB purposes that is different from and affects the results based on the municipal budget has necessarily been reflected.

Anthony J. Reid

Chartered Accountant Inc.


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**Supplementary Audit Report
Subsection 190(2) of The Municipal Act**

**To the Reeve and Councillors
Rural Municipality of Gimli
Gimli, Manitoba**

Pursuant to our appointment, and in accordance with the provision of Subsection 190(2) of The Municipal Act, we wish to report as follows:

- (a) I have reviewed the accounting procedures and systems of control employed by the municipality and report that, in my opinion, such procedures and systems are adequate to preserve and protect the assets of the municipality.**
- (b) The funds of the corporation have, to the best of my knowledge and belief, been disbursed only under authority granted by an Act of the Legislature or under authority of a resolution or by-law of the municipality made under the authority of an Act of the Legislature.**
- (c) No irregularity or discrepancy in the administration of the affairs of the municipality by the council came to my notice in the course of our examination.**
- (d) In my opinion, there are no matters which should be brought to the attention of council or the minister.**
- (e) The accounts and records of the municipality were adequately maintained during the period under review, and I wish to acknowledge the co-operation accorded to us during our audit.**



**Anthony J. Reid
Chartered Accountant Inc.**

May 23, 2013