

**FINANCIAL
REPORT
2005**

CITY OF STEINBACH

INDEX TO FINANCIAL STATEMENTS

STEINBACH (CITY)
(Municipality)

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(ALL AMOUNTS HAVE BEEN ROUNDED OFF TO THE NEAREST DOLLAR)

AUDITOR'S REPORT

To the Mayor and Councillors
City of Steinbach
Steinbach, Manitoba

We have audited the balance sheets of the City of Steinbach as at December 31, 2005 and the statements of revenue and expenditure, changes in surplus, and source and application of capital funds for the year then ended. These financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the municipality as at December 31, 2005 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian accounting principles generally accepted for municipal corporations in Manitoba.

As indicated in note 3 to the financial statements, the municipality has adopted a new system for accounting for capital expenditures funded from grants and reserve transfers.

We have also issued a supplementary report as required under Subsection 190(2) of The Municipal Act.

Winnipeg, Manitoba
February 24, 2006



Chambers, Fraser & Co.
Municipal Auditors

STATEMENT 1

GENERAL OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2005

ASSETS

CASH	
Cash on Hand	2,700
Cash on Deposit	3,348,826
Deposit Receipts	3,351,326

RECEIVABLES

Tax Assets - Schedule 1	353,645
Government Grants - Schedule 3	10,530
Own Funds and Agencies	
Utility Operating Fund	19,353
Utility Capital Fund	
General Capital Fund	
Reserves	
Trusts	19,353

Operating Accounts Receivable	
Organizations and Individuals	511,428
Federal Government	174,783
Federal Government Enterprises	
Provincial Government	8,654
Provincial Government Enterprises	17,056
Other Local Governments	57,728
Other Receivables	769,649
Sub Total	1,153,177

Less: Allowances for Doubtful Accounts	741
Other Allowances	741
	1,152,436

INVESTMENT - SCHEDULE 6

INVENTORIES

PREPAID EXPENSES

TOTAL ASSETS

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS

Chartered Banks	
Other Financial Institutions	
Own Funds	
Other	0

PAYABLES

School Levies - Schedule 4	
Own Funds and Agencies	
Utility Operating Fund	67,445
Reserves	2,318,573
Trusts	
Other	2,386,018

Operating Accounts Payable	
Organizations and Individuals	267,765
Federal Government	264,318
Federal Government Enterprises	
Provincial Government	
Provincial Government Enterprises	
Other Local Governments	10,000
Debenture Instalments	542,083
	2,928,101

OTHER LIABILITIES

Deposits - Other	23,877
Debenture Levies in Advance	
Prepaid Taxes	
Deferred Revenue	75,464
	99,341
	3,027,442

TOTAL CURRENT LIABILITIES

ALLOWANCE FOR TAX ASSETS - STATEMENT 8

NOMINAL SURPLUS - STATEMENT 8

TOTAL LIABILITIES AND SURPLUS

	144,845
	1,331,475
	4,503,762

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

GENERAL RESERVE FUND BALANCE SHEET AS AT DECEMBER 31, 2005					STATEMENT 2
RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
General	313,562	319,656	86,472		719,690
Replacement Centennial	214,949				214,949
Land & Facility	468,062		96,560		564,622
Capital Development	1,095,869		470,720		1,566,589
Environmental	555,957	200,000	1,493,805		2,249,762
Aquatic Centre	13,628				13,628
Perpetual Care	95,922		11,580		107,502
Committed Expenditures	279,706		108,336		388,042
Land Dedication	9,222		51,100		60,322
TOTAL	3,046,877	519,656	2,318,573	0	5,885,106

GENERAL CAPITAL FUND BALANCE SHEET AS AT DECEMBER 31, 2005		STATEMENT 3
	ASSETS	
CASH ON HAND AND ON DEPOSIT - STATEMENT 13		
RECEIVABLES - STATEMENT 13		
Government Grants - Schedule 3		
Own Funds and Agencies		
Other Accounts		
Organizations and Individuals		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments	0	0
CONSTRUCTION IN PROGRESS		
FIXED ASSETS		
Buildings	13,654,728	
Machinery and Equipment	6,818,765	
Land	5,871,861	
Other	298,314	26,643,668
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)		
Debtenture Levies	1,153,851	
Deferred Liability Levies		1,153,851
OTHER ASSETS		
TOTAL ASSETS		27,797,519

LIABILITIES AND SURPLUS	
TEMPORARY BORROWINGS	
Chartered Banks	
Other Financial Institutions	
Own Funds	
Other	0
PAYABLES	
Organizations and Individuals	
Federal Government	
Federal Government Enterprises	
Provincial Government	
Provincial Government Enterprises	0
OTHER LIABILITIES	
LONG-TERM DEBT	
Debtentures - Schedule 8	1,153,851
Deferred Liabilities - Note	
CAPITAL SURPLUS - STATEMENT 8	26,643,668
TOTAL LIABILITIES AND SURPLUS	27,797,519

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 4

UTILITY OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2005

ASSETS

CASH		
Cash on Hand		
Cash on Deposit		
Deposit Receipts		0
RECEIVABLES		
Government Grants - Schedule 3		
Own Funds and Agencies		
General Operating Fund	67,445	
General Capital Fund		
Utility Capital Fund		
Reserves		
Trusts		67,445
Operating Accounts Receivable		
Organizations and Individuals	43,878	
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		43,878
Other Receivables		
Sub Total		111,323
Less: Allowance for Doubtful Accounts		
INVESTMENTS - SCHEDULE 6		111,323
INVENTORIES		
PREPAID EXPENSES		
TOTAL ASSETS		111,323

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS		
Chartered Banks		
Other Financial Institutions		
Own Funds		
Other		0
PAYABLES		
Own Funds and Agencies		
General Operating Fund	33,174	
Reserves		
Trusts		
Other		33,174
Operating Accounts Payable		
Organizations and Individuals		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		0
Debtenture Instalments		33,174
OTHER LIABILITIES		
Debtenture Levies in Advance		
Prepaid Consumer Accounts		
Meter Deposits		
Other		0
TOTAL CURRENT LIABILITIES		33,174
NOMINAL SURPLUS - STATEMENT 8		78,149
TOTAL LIABILITIES AND SURPLUS		111,323

STATEMENT 5

UTILITY RESERVE FUND BALANCE SHEET
AS AT DECEMBER 31, 2005

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Replacement	813,772		33,174		846,946
TOTAL	813,772	0	33,174	0	846,946

UTILITY CAPITAL FUND BALANCE SHEET AS AT DECEMBER 31, 2005		STATEMENT 6
ASSETS		
CASH ON HAND AND ON DEPOSIT - STATEMENT 14		
RECEIVABLES - STATEMENT 14		
Government Grants - Schedule 3		
Own Funds and Agencies	19,353	
Other Accounts		
Organizations and Individuals		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments	0	19,353
CONSTRUCTION IN PROGRESS		
FIXED ASSETS		
Buildings	12,441,904	
Machinery and Equipment	561,895	
Land	260,257	
Other		13,264,056
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)		
Debenture Levies	1,367,046	
Deferred Liability Levies		1,367,046
OTHER ASSETS		
TOTAL ASSETS		14,650,455
LIABILITIES AND SURPLUS		
TEMPORARY BORROWINGS		
Chartered Banks		
Other Financial Institutions		
Own Funds - General Operating	19,353	
Other		19,353
PAYABLES		
Organizations and Individuals		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		0
OTHER LIABILITIES		
LONG-TERM DEBT		
Debentures - Schedule 8	1,367,046	
Deferred Liabilities - Note		1,367,046
CAPITAL SURPLUS - STATEMENT 8		13,264,056
TOTAL LIABILITIES AND SURPLUS		14,650,455

TRUST FUND BALANCE SHEET AS AT DECEMBER 31, 2005					STATEMENT 7
ASSETS					
TRUST NAME	CASH	INVESTMENTS (SCHEDULE 6)	OTHER FUNDS	OTHER	TOTAL
Cemetery					
Pension Funds					
Option Deposits					
Other					
TOTAL	0	0	0	0	0
LIABILITIES					
PAYABLES	OTHER FUNDS	OTHER	TRUST	TOTAL	
Cemetery					
Pension Funds					
Option Deposits					
Other					
TOTAL	0	0	0	0	

STATEMENT 9

GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUE

TOTAL REVENUE FROM TAXATION - NOTE 2

5,565,858

OTHER REVENUE

Taxes Added - Schedule 1

Licenses and Permits

Fines

Parking Meters

Sales of Service

General Government

Protection

Transportation

Less: Costs

Environmental Health

Public Health and Welfare

Planning and Development

Economic Development

Recreation and Culture

Sales of Goods

Rentals of Fixed Assets

Concessions and Franchises

Returns From Investments

Transfers From Utilities and Enterprises

Tax Penalties - Schedule 1

Miscellaneous Revenue - Donations \$108,997, Land Sales \$235,819, Other \$39,453

Grants in Lieu of Taxes - Note 2

Federal Government

Federal Government Enterprises

Provincial Government

Provincial Government Enterprises

Other Local Governments

Non-Government Organizations

Unconditional Government Transfers - Schedule 3

Federal Government

Provincial - Municipal Tax Sharing

- Municipal Support Grants

- VLT Revenues

Other Local Governments

Conditional Government Transfers - Schedule 3

Federal Government

Provincial Government

Other Local Governments

TOTAL REVENUE FROM EXTERNAL SOURCES

10,926,147

TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8

TRANSFER FROM RESERVES - SCHEDULE 5

50,000

OPERATING DEFICIT - STATEMENT 8

TOTAL

10,976,147

EXPENDITURE

GENERAL GOVERNMENT SERVICES

PROTECTIVE SERVICES

TRANSPORTATION SERVICES

ENVIRONMENTAL HEALTH SERVICES

PUBLIC HEALTH AND WELFARE SERVICES

ENVIRONMENTAL PLANNING AND COMMUNITY DEVELOPMENT SERVICES

ECONOMIC DEVELOPMENT SERVICES

RECREATION AND CULTURAL SERVICES

FISCAL SERVICES

TOTAL SERVICES

SURPLUS APPROPRIATIONS AND TRANSFERS

Deferred Surplus - Operating Deficit

Deferred Surplus - By-Law Obligation

Transfer to Reserves - Statement 10

OPERATING SURPLUS - STATEMENT 8

TOTAL

10,976,147

480,937
285,363
51,182
16,223

15,861

232,619

52,780

52,780

874,323

69,150

188,149

820,967

2,253,849

25,461

119,844

79,613

30,133

384,269

14,852

3,942

66,791

85,585

93

1,264,276

65,515

168,900

1,498,784

49,046

5,360,289

2,170,692

1,415,428

1,392,855

762,291

76,349

111,919

14,226

1,775,858

2,500,769

10,220,387

0

704,430

51,330

10,976,147

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 10

**GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2005**

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
General Government Services				
Legislative	147,005	136,441	10,564	
General Administrative	1,278,286	1,124,418	153,868	
Other General Government	745,076	909,833		164,757
Total	2,170,347	2,170,692		345
Protective Services				
Police Protection	929,708	847,248	82,460	
Law Enforcement				
Fire Protection	324,955	350,541		25,586
Emergency Measures	21,930	15,851	6,079	
Other Protection	262,387	201,788	60,599	
Total	1,538,980	1,415,428	123,552	
Transportation Services				
Road Transport				
Administration				
Engineering	172,974	167,348	5,626	
Roads and Streets	740,630	896,779		156,149
Bridges, Subways				
Street Lighting	221,124	222,298		1,174
Traffic Services	12,500	15,258		2,758
Parking	5,050	927	4,123	
Other Road Transport - Handicapped	54,065	58,654		4,589
Air Transport	23,195	31,591		8,396
Water Transport				
Public Transit				
Total	1,229,538	1,392,855		163,317
Environmental Health Services				
Garbage and Waste Collection and Disposal	722,520	762,291		39,771
Other Environmental Health				
Total	722,520	762,291		39,771
Public Health & Welfare Services				
Public Health	56,157	56,584		427
Medical Care				
Hospital Care				
Social Welfare	20,000	19,765	235	
Total	76,157	76,349		192
Environmental Planning & Community Development Services				
Environmental Planning and Zoning	18,900	29,947		11,047
Community Development	67,626	81,972		14,346
Housing				
Total	86,526	111,919		25,393
Economic Development Services				
Natural Resources	13,000	10,000	3,000	
Regional Development Commissions	600	4,226		3,626
Industrial Parks and Commissions				
Other Economic Services				
Total	13,600	14,226		626
Recreation and Cultural Services				
Recreation Facilities	1,570,854	1,650,758		79,904
Cultural Buildings and Facilities	129,610	125,100	4,510	
Other Recreation and Cultural Services				
Education Grants				
Total	1,700,464	1,775,858		75,394
SUB-TOTALS FORWARD	7,538,132	7,719,618		181,486

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 10

GENERAL OPERATING FUND
COMPARISON OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2005

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
SUB-TOTALS FORWARD	7,538,132	7,719,618		181,486

Fiscal Services

Transfers to Other Governments
Other Municipal Governments

Transfers to Own Funds

Allowance for Tax Assets - Statement 8
Capital Fund - Statement 13 & Note 3
Utility Fund - Statement 11

Other Funds

Phase-in Tax Credit
Public Debt Charges
Debtenture Debt Charges - Schedule 7
Other Long-Term Debt Charges
Interest on Short-Term Financing

Bank Loan Interest
Other Fund Loan Interest
Tax Discounts - Schedule 1

Other Debt Charges

Debtenture Discount
Debtenture Issue Costs
Other

Other Fiscal Services

Total

Transfer to Reserves

General Reserve
Specific Reserve
- Replacement Reserve
- Capital Development
- Other

Perpetual Care
Committed Expenditures
Land Dedication

Total

Surplus Appropriations

Total Estimated

Total Actual

Total Underspent

Total Overspent

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

REVENUE	ESTIMATED	ACTUAL	SURPLUS (DEFICIT)
Tax Revenue	5,568,844	5,565,858	(2,986)
Other Revenue	6,593,146	5,410,289	(1,182,857)
Revenue Surplus (Deficit)	12,161,990	10,976,147	(1,185,843)
EXPENDITURE	12,161,990	10,924,817	1,237,173
OPERATING SURPLUS (DEFICIT)	0	51,330	51,330

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

STATEMENT 11

**UTILITY OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2005**

REVENUE

CONSUMER SALES - WATER & SEWER	METERED	FLAT RATE	TOTAL
Residential			931,829
Commercial and Bulk			245,046
Industrial			116,555
Federal and Provincial			29,871
Municipal and Schools			77,610
Total			1,400,911

Less: Discounts
Refunds and Cancellations

	0	1,400,911
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SEWER SERVICE CHARGES

PENALTIES	4,968
HYDRANT RENTALS	29,900
CONSUMER INSTALLATION SERVICE	41,729
CONNECTION REVENUE - NET	5,600
PROVINCIAL GRANTS	10,236
OTHER REVENUE	
TRANSFER FROM GENERAL OPERATING FUND - STATEMENT 10	

Re: Debentures
Re: Operations

	258,669
	258,669

TRANSFER FROM RESERVE FUND - SCHEDULE 5
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8
OPERATING DEFICIT - STATEMENT 8

TOTAL

1,752,013

EXPENDITURE

WATER SUPPLY
SEWAGE COLLECTION AND DISPOSAL
TRANSFER TO CAPITAL - STATEMENT 14 & NOTE 3
TRANSFERS TO RESERVE - SCHEDULE 5
DEBENTURE DEBT CHARGES - SCHEDULE 7
OTHER LONG-TERM DEBT CHARGES
SURPLUS APPROPRIATIONS - STATEMENT 8
Deferred Surplus - Operating Deficit

	841,602
	336,709
	47,748
	250,000
	258,669

OPERATING SURPLUS - STATEMENT 8

17,285

TOTAL

1,752,013

STATEMENT 12

**COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2005**

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply	825,436	841,602		16,166
Sewage Collection and Disposal	335,960	336,709		749
Transfer to Capital - Note 3	1,870,000	47,748	1,822,252	
Transfers to Reserve	250,000	250,000		
Debtenture Debt Charges	258,669	258,669		
Other Long-Term Debt Charges				
Surplus Appropriations				
Total Estimated	3,540,065			
Total Actual		1,734,728		
Total Underspent			1,805,337	
Total Overspent				

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	SURPLUS (DEFICIT)
REVENUE	3,540,065	1,752,013	(1,788,052)
EXPENDITURE	3,540,065	1,734,728	1,805,337
OPERATING SURPLUS		17,285	17,285

STATEMENT 13

STATEMENT OF SOURCE AND APPLICATION OF GENERAL CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

SOURCE

UNEXPENDED FUNDS, JANUARY 1		
Cash		
Receivables - Own Funds	34,577	34,577
SHORT-TERM BORROWING		
Bank		
Other Funds		
Other	0	0
LONG-TERM BORROWING		
Debentures - Schedule 8		
Other	0	0
PREPAID LOCAL IMPROVEMENT LEVIES		
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 10		
	1,485,059	
	262,000	
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5 & NOTE 3		
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other	0	0
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER - RECOVERIES		
	289,135	
TOTAL		2,070,771

APPLICATION

FIXED ASSETS

	CONSTRUCTION	PURCHASE	IMPROVEMENTS	TOTAL
CAPITAL EXPENDITURES				
General Government		242,490		242,490
Protection		1,102		1,102
Transportation		19,737	1,555,363	1,575,100
Recreation and Culture		178,510	7,036	185,546
Environmental Health		66,533		66,533
TOTAL	0	508,372	1,562,399	2,070,771

REPAYMENT OF SHORT-TERM BORROWING

Bank	
Other Funds	
Other	0

DEBENTURE DISCOUNT AND INTEREST

REPAYMENT OF ACCOUNTS PAYABLE

UNEXPENDED FUNDS, DECEMBER 31 - STATEMENT 3

Cash	
Receivables	0

OTHER

TOTAL	2,070,771
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STATEMENT 14

STATEMENT OF SOURCE AND APPLICATION OF UTILITY CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

SOURCE

UNEXPENDED FUNDS, JANUARY 1		
Cash	49,983	49,983
Receivables - Own Funds		
SHORT-TERM BORROWING		
Bank		
Other Funds - General Operating	19,353	
Other		19,353
LONG-TERM BORROWING		
Debentures - Schedule 8 & Note 3	600,000	600,000
Other		
PREPAID LOCAL IMPROVEMENT LEVIES		
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 11		47,748
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5 & Note 3		216,827
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government	801,386	
Provincial Government Enterprises		
Other Local Governments		
Other		801,386
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER		
TOTAL		1,735,297

APPLICATION

FIXED ASSETS

CAPITAL EXPENDITURES	LOCAL IMPROVEMENTS		TOTAL
	CONSTRUCTION	PURCHASE	
Water Supply	1,618,166	6,573	1,689,094
Sewage Disposal		26,850	26,850
TOTAL	1,618,166	6,573	1,715,944

REPAYMENT OF SHORT-TERM BORROWING

Bank	
Other Funds	
Other	0

DEBENTURE DISCOUNT AND INTEREST

REPAYMENT OF ACCOUNTS PAYABLE

UNEXPENDED FUNDS, DECEMBER 31 - STATEMENT 6

Cash	
Receivables - Grants	19,353
OTHER	
TOTAL	1,735,297

THE ATTACHED NOTES (PAGE 21) FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

SCHEDULE 3

**ANALYSIS OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	BALANCE JANUARY 1	GRANTS		BALANCE DECEMBER 31 (Statement 1)
		EARNED (Statement 9)	RECEIVED	
GENERAL FUND				
PROVINCIAL				
Grants in Lieu - Note 2		223,849	223,849	
Prov.-Mun. Tax Sharing		1,264,276	1,264,276	
Municipal Support Grants		65,515	65,515	
VLT Revenues		168,900	168,900	
Conditional Grants				
General Govt. Protection				
Transportation	10,349	36,950	36,862	10,437
Environmental Health- Public Health & Welfare		9,166	9,166	
Environmental Planning	12,500		12,500	
Economic Development				
Recreation		2,930	2,930	

FEDERAL				
Grants in Lieu - Note 2		45,106	45,106	
Unconditional Grants				
Conditional Grants (Spec):	24,756	93	24,756	93

Total - General Fund	47,605	1,816,785	1,853,860	10,530
School - Grants In Lieu - Note 2		183,370		
Municipal Grants - Statement 9		1,633,415		

	(Statement 11)	(Statement 4)
UTILITY FUND		
Provincial Grant		
Federal Grant		
Local Grant		

	(Statement 13)	(Statement 3)
GENERAL CAPITAL GRANTS (Specify Govt. and type as above)		

	(Statement 14)	(Statement 6)
UTILITY CAPITAL GRANTS		
Provincial	801,386	782,033
Federal		19,353
Local		
Total	801,386	782,033
		19,353

Note: Provincial and Federal includes both Government and Enterprises.

SCHEDULE 4

**ANALYSIS OF SCHOOL ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

	OUTSTANDING JANUARY 1	CURRENT REQUIREMENT	CURRENT PAYMENTS	OUTSTANDING DECEMBER 31 (STATEMENT 1)
EDUCATION SUPPORT PROGRAM	0	1,998,232	1,998,232	0

	OUTSTANDING JANUARY 1	CURRENT REQUIREMENT	CURRENT PAYMENTS	OUTSTANDING DECEMBER 31 (STATEMENT 1)
SPECIAL LEVIES:				
School Division Hanover	0	4,945,138	4,945,138	0

TOTAL	0	6,943,370	6,943,370	0
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PER NOTE 2 - RAISED BY:

Taxation	6,760,000
Grants in Lieu	183,370

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2005

RESERVE NAME BY-LAW NO.	GENERAL 1646	EQUIPMENT REPLACEMENT 1647	LAND AND FACILITY 1648	CAPITAL DEVELOPMENT 1652
BALANCE, JANUARY 1	692,579	269,919	551,462	1,600,823
ADD:				
Interest Earned	27,111	5,991	13,160	35,516
Transfer from Operating (Statement 10)				115,250
Handivan Depreciation		16,039		
SUB-TOTAL	719,690	291,949	564,622	1,751,589
DEDUCT: Purchases (Statement 13)		77,000		185,000
Transfer To Revenue (Statement 9)				
BALANCE, DECEMBER 31 - Statement 2	719,690	214,949	564,622	1,566,589
RESERVE NAME BY-LAW NO.	RECREATION AND CULTURE 1651	ENVIRONMENTAL 1650	AQUATIC CENTRE 1577	PERPETUAL CARE 1653
BALANCE, JANUARY 1	0	1,840,273	13,300	93,617
ADD:				
Interest Earned		41,325	328	2,305
Transfer from Operating (Statement 10)		368,164		11,580
SUB-TOTAL	0	2,249,762	13,628	107,502
DEDUCT: Purchases (Statement 13)				
Transfer to Revenue (Statement 9)				
BALANCE, DECEMBER 31 - Statement 2	0	2,249,762	13,628	107,502
RESERVE NAME BY-LAW NO.	COMMITTED EXPENDITURES 1654	LAND DEDICATION 1739	UTILITY 1649	WATER SEWER UTILITY
BALANCE, JANUARY 1	272,983	9,000		794,214
ADD:				
Interest Earned	6,723	222		19,559
Transfer from Operating (Statement 11)	158,336	51,100		250,000
SUB-TOTAL	438,042	60,322	0	1,063,773
DEDUCT: Purchases (Statement 14)				216,827
Transfer To Revenue (Statement 11)	50,000			
BALANCE, DECEMBER 31 - Statement 5	388,042	60,322	0	846,946

SCHEDULE 6

ANALYSIS OF INVESTMENTS
AS AT DECEMBER 31, 2005

TYPE	DUE DATE Y/M/D	INTEREST RATE	INTEREST EARNED	AMOUNT	TOTAL
GOVERNMENT OF CANADA					0
PROVINCE OF MANITOBA AND AGENCIES BUILDER	2007/06/15	3.80	7,600	200,000	200,000
OTHER PROVINCES OR PROVINCIAL AGENCIES					0
BY-LAW PER	SCHEDULE 6A		14,731	219,656	219,656
DEBENTURES OF OWN MUNICIPALITY					
DEBENTURES OF OTHER LOCAL GOVERNMENTS					0
MANITOBA INVESTMENT POOL AUTHORITY					0
OTHER INVESTMENTS B.O.M. GUAR. CERT.	2007/06/18	4.90	4,900	100,000	100,000
TOTAL INVESTMENTS					519,656

INVESTMENT HOLDINGS
AS AT DECEMBER 31, 2005

TYPE	NAME OF RESERVE	RESERVED (Statements 2/5)	TRUST (Statement 7)	UNRESERVED (Statements 1/4)	TOTAL
GOVERNMENT OF CANADA					0
PROVINCE OF MANITOBA	ENVIRONMENTAL	200,000			200,000
OTHER PROVINCES OR AGENCIES					0
DEBENTURES OF OWN MUNICIPALITY	GENERAL	219,656			219,656
DEBENTURES OF OTHER LOCAL GOVERNMENTS					0
MANITOBA INVESTMENT POOL AUTHORITY					0
OTHER INVESTMENTS	GENERAL	100,000			100,000
TOTAL INVESTMENTS					519,656
INVESTMENT CHANGES 2005					
TOTAL INVESTMENTS, JANUARY 1 INVESTMENTS ACQUIRED					591,396
INVESTMENTS SOLD INVESTMENTS MATURED			71,740		591,396
TOTAL INVESTMENTS, DECEMBER 31					519,656

CITY OF STEINBACH

Schedule 6A

ANALYSIS OF INVESTMENT IN OWN DEBENTURESDECEMBER 31, 2005

<u>By-Law</u>	<u>Fund Issued By</u>	<u>Due Date</u>	<u>Interest Rate</u> %	<u>Interest Earned</u> \$	<u>Amount</u> \$
OWNED BY GENERAL RESERVE:					
1744	G	2009	5.00	8,352	156,799
1610	G	2005	7.00	734	Nil
1673	U	2007	6.00	4,093	46,788
1702	G	2008	7.50	<u>1,552</u>	<u>16,069</u>
TOTAL INVESTMENT IN OWN DEBENTURES				<u>14,731</u>	<u>219,656</u>

**STATISTICAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2005**

TAXABLE ASSESSMENT (PORTIONED)

Land
Buildings
Total Real Property
Personal Property
Subject to Grant
Total Taxable & Grant Property
Exempt
Business

TO BE
COMPLETED
BY DEPARTMENT

9,227

POPULATION (LATEST CENSUS OF CANADA)

BUDGET RECONCILIATION - GENERAL FUND

Revenue - Surplus (Deficit)
Expended - Under (Over)
Estimated Surplus (Deficit)
Operating Surplus (Deficit)
Operating Surplus (Deficit) - Prior Year
Gain or (Loss)

(1,185,843)
1,237,173
51,330
21,704
29,626

CASH POSITION

Cash Surplus (Deficit) - Current Year
Cash Surplus (Deficit) - Prior Year
Gain or (Loss)

GENERAL FUND	COMBINED FUNDS
323,884	363,155
502,563	513,690
(178,679)	(150,535)

DEFICIT RECOVERIES AND DEFERRED SURPLUS LEVIES

GENERAL FUND OPERATING DEFICITS

Year	Date	Authority		Actual Amount	Recoveries	Outstanding December 31
		Term	Amount			

UTILITY FUND OPERATING DEFICITS

Year	Board Order	Authority		Actual Amount	Recoveries	Outstanding December 31
		Term	Amount			

BY-LAW OBLIGATIONS

Year	Purpose	By-Law Number	Term	Amount	Recoveries	Outstanding December 31

TAX COLLECTIONS

TAXES ON ROLL - Current - Cash Collections
- Tax Credit Programs

11,720,406
877,212

- Arrears
- Total

12,597,618
347,186
12,944,804

TAX SALE CERTIFICATES
LAND SALES

TOTAL COLLECTIONS

12,944,804

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

1. Significant Accounting Policies: (See Note 3)

In accordance with accounting policies generally accepted for municipal corporations in Manitoba, the municipality has adopted the following accounting practices:

- a) Fixed assets purchased through revenue funds are charged to expense in the year of acquisition. These assets, are recorded in the capital fund without any provision for depreciation. Fixed assets partially purchased through debentures have been recorded at cost except for any portion shown as a capital asset.
- b) Capital assets financed through debentures are recorded at a value equal to the debenture debt. The applicable revenue funds are charged with the annual debenture principal retirement and the capital assets are reduced by a similar amount.
- c) No provision is made in the records for interest accrued since the annual payment date required for each debenture issue payable or for interest earned on own debentures or other investments held.

2. Net Municipal Taxes and Grants in Lieu of Taxes:

Revenue From Taxation:	\$	\$
Total municipal taxes - schedule 2		5,542,406
Total school taxes - schedule 2	6,783,452	
School expenditure raised by taxation	<u>6,760,000</u>	<u>23,452</u>
Municipal Revenue - statement 9		<u>5,565,858</u>
Grants in Lieu of Taxes:		
Per schedule 3:		
Provincial	223,849	
Federal	<u>45,106</u>	268,955
School expenditure raised by grants in lieu		<u>183,370</u>
Municipal revenue - statement 9		<u>85,585</u>
Total		<u>5,651,443</u>

3. Changes in Accounting Policies

With the adoption of a new accounting system for general and utility capital projects, related grants and transfers from reserve funds are no longer recorded as transfers to operating funds and the offsetting expenditure is no longer recorded in operating funds. Instead, these revenues and expenditures are recorded in capital funds.

These changes occurred after the adoption of the 2005 business plan and therefore account for the significant variances in the operating funds between estimated and actual amounts for other revenues and transfers to capital.