

**FINANCIAL
REPORT
2008**

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, 2008 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, 2008 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.

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

Winnipeg, Manitoba
February 19, 2009



Chambers, Fraser & Co.
Municipal Auditors

STATEMENT 1

GENERAL OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

ASSETS

CASH		
Cash on Hand	2,700	
Cash on Deposit	4,269,837	
Deposit Receipts	33,553	4,306,090
RECEIVABLES		
Tax Assets - Schedule 1	486,144	
Government Grants - Schedule 3	10,000	
Own Funds and Agencies		
Utility Operating Fund	36,938	
Utility Capital Fund		
General Capital Fund	33,907	
Reserves		
Trusts	70,845	
Operating Accounts Receivable		
Organizations and Individuals	353,929	
Federal Government	114,282	
Federal Government Enterprises		
Provincial Government	9,845	
Provincial Government Enterprises	15,400	
Other Local Governments	546,115	
Other Receivables - Accrued Assets	71,256	
Sub Total	1,184,360	
Less: Allowances for Doubtful Accounts	0	1,184,360
Other Allowances		
INVESTMENT - SCHEDULE 6		
		80,993
INVENTORIES		
PREPAID EXPENSES		
		49,203
TOTAL ASSETS		
		5,620,646

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS		
Chartered Banks		
Other Financial Institutions		
Own Funds		
Other		0
PAYABLES		
School Levies - Schedule 4	440,442	
Own Funds and Agencies		
Utility Operating Fund		
Reserves	2,532,812	
Trusts		
Other	2,532,812	
Operating Accounts Payable		
Organizations and Individuals	211,932	
Federal Government	295,356	
Federal Government Enterprises		
Provincial Government	10,487	
Provincial Government Enterprises	70,955	
Other Local Governments	598,730	
Debture Instalments		3,571,984
OTHER LIABILITIES		
Deposits - Other	141,763	
Debture Levies in Advance		
Accrued	496,886	
Deferred Revenue	74,797	713,446
TOTAL CURRENT LIABILITIES		4,285,430
ALLOWANCE FOR TAX ASSETS - STATEMENT 8		61,050
NOMINAL SURPLUS - STATEMENT 8		1,274,166
TOTAL LIABILITIES AND SURPLUS		
		5,620,646

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

GENERAL RESERVE FUND BALANCE SHEET					STATEMENT 2
AS AT DECEMBER 31, 2008					
RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	ACCRUED INTEREST RECEIVABLE	TOTAL (SCHEDULE 5)
General	218,963	465,178	122,386	6,531	813,058
Replacement	239,728		49,762	356	289,846
Gas Tax			8,061		8,061
Land & Facility	522,021		25,358	775	548,154
Capital Development	1,222,204		77,615	1,815	1,301,634
Environmental	620,049	200,000	1,333,830	10,121	2,164,000
Aquatic Centre	15,199		100,000	22	115,221
Perpetual Care	106,980		63,468	159	170,607
Committed Expenditures	311,951		483,174	463	795,588
Land Dedication	10,285		154,844	15	165,144
Handi Transit			114,314		114,314
TOTAL	3,267,380	665,178	2,532,812	20,257	6,485,627

GENERAL CAPITAL FUND BALANCE SHEET		STATEMENT 3
AS AT DECEMBER 31, 2008		
ASSETS		
CASH ON HAND AND ON DEPOSIT - STATEMENT 13		
RECEIVABLES - STATEMENT 13		
Government Grants - Schedule 3	33,907	
Own Funds and Agencies		
Other Accounts		
Organizations and Individuals		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments	0	33,907
CONSTRUCTION IN PROGRESS		
FIXED ASSETS		
Buildings and Facilities	18,993,574	
Machinery and Equipment	8,003,567	
Land	6,238,312	
Other		33,235,453
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)		
Debtore Levies	2,309,676	
Deferred Liability Levies		2,309,676
OTHER ASSETS		
TOTAL ASSETS		35,579,036

LIABILITIES AND SURPLUS	
TEMPORARY BORROWINGS	
Chartered Banks	
Other Financial Institutions	
Own Funds - General Operating	33,907
Other	33,907
PAYABLES	
Organizations and Individuals	
Federal Government	
Federal Government Enterprises	
Provincial Government	
Provincial Government Enterprises	0
OTHER LIABILITIES	
LONG-TERM DEBT	
Debentures - Schedule 8	2,309,676
Deferred Liabilities - Note	
CAPITAL SURPLUS - STATEMENT 8	33,235,453
TOTAL LIABILITIES AND SURPLUS	35,579,036

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

**UTILITY OPERATING FUND BALANCE SHEET
AS AT DECEMBER 31, 2008**

STATEMENT 4

ASSETS

CASH			
Cash on Hand			
Cash on Deposit			
Deposit Receipts			0
RECEIVABLES			
Government Grants - Schedule 3 Own Funds and Agencies			
General Operating Fund			
General Capital Fund	140,563		
Utility Capital Fund			
Reserves			
Trusts		140,563	
Operating Accounts Receivable Organizations and Individuals	48,397		
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments		48,397	
Other Receivables - Accrued Assets		364,177	
Sub Total			553,137
Less: Allowance for Doubtful Accounts			
INVESTMENTS - SCHEDULE 6			
INVENTORIES			
PREPAID EXPENSES			10,763
TOTAL ASSETS			563,900

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS			
Chartered Banks			
Other Financial Institutions			
Own Funds			
Other			0
PAYABLES			
Own Funds and Agencies			
General Operating Fund	36,938		
Reserves	6,853		
Trusts			
Other		43,791	
Operating Accounts Payable Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			
Debtenture Instalments			43,791
OTHER LIABILITIES			
Debtenture Levies in Advance			
Prepaid Consumer Accounts			
Meter Deposits			
Other - Accrued	50,987		
TOTAL CURRENT LIABILITIES			94,778
NOMINAL SURPLUS - STATEMENT 8			469,122
TOTAL LIABILITIES AND SURPLUS			563,900

STATEMENT 5

**UTILITY RESERVE FUND BALANCE SHEET
AS AT DECEMBER 31, 2008**

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	ACCRUED INTEREST RECEIVABLE	TOTAL (SCHEDULE 5)
Replacement	853,891			1,268	862,012
TOTAL	853,891	0	6,853	1,268	862,012

UTILITY CAPITAL FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

STATEMENT 6

ASSETS

CASH ON HAND AND ON DEPOSIT - STATEMENT 14
RECEIVABLES - STATEMENT 14

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

CONSTRUCTION IN PROGRESS

140,563

FIXED ASSETS

Buildings and Facilities	14,572,557
Machinery and Equipment	724,219
Land	260,258
Other	15,557,034

DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)

Debtenture Levies	412,852
Deferred Liability Levies	412,852

OTHER ASSETS

TOTAL ASSETS

16,110,449

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS

Chartered Banks	
Other Financial Institutions	140,563
Own Funds - Utility Operating	
Other	140,563

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	412,852
Deferred Liabilities - Note	

CAPITAL SURPLUS - STATEMENT 8

15,557,034

TOTAL LIABILITIES AND SURPLUS

16,110,449

STATEMENT 7

TRUST FUND BALANCE SHEET
AS AT DECEMBER 31, 2008

ASSETS

TRUST NAME	INVESTMENTS (SCHEDULE 6)			TOTAL
	CASH	OTHER FUNDS	OTHER	
Cemetery				
Pension Funds				
Option Deposits				
Other				
TOTAL	0	0	0	0

LIABILITIES

	LIABILITIES			TOTAL
	PAYABLES	OTHER FUNDS	TRUST	
Cemetery				
Pension Funds				
Option Deposits				
Other				
TOTAL	0	0	0	0

STATEMENT 8

**SURPLUS ACCOUNTS AND ALLOWANCE FOR TAX ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008**

ALLOWANCE FOR TAX ASSETS

Balance, January 1	124,570
Add:	
Transfer From Revenue - Statement 10	40,000
Profit on Tax Title Sales	
Transfer From Nominal Surplus	
Tax Titles Established	
<u>Sub-Total</u>	40,000
Deduct:	
Taxes Cancelled - Schedule 1	103,520
T.S.C. Cancelled - Schedule 1	
Tax Titles Written Off - Schedule 1	
Transfer to Nominal Surplus	
<u>Balance, December 31 - Statement 1</u>	103,520
	61,050

NOMINAL SURPLUS - GENERAL

Balance, January 1	1,205,841
Add:	
Transfer From Deferred Surplus - Statement 9	
Transfer From Allowance For Tax Assets	
Operating Surplus - Statement 9	68,325
<u>Sub-Total</u>	68,325
Deduct:	
Accts. Rec. Cancelled	
Transfer To General Reserve - Schedule 5	68,325
Transfer To Allowance For Tax Assets	1,274,166
Transfer To Revenue - Statement 9	
Operating Deficit - Statement 9	
<u>Balance, December 31 - Statement 1</u>	0
	1,274,166

NOMINAL SURPLUS - UTILITY

Balance, January 1	455,901
Add:	
Transfer From Deferred Surplus - Statement 11	
Other Transfers (Specify)	
Operating Surplus - Statement 11	13,221
<u>Sub-Total</u>	13,221
Deduct:	
Accts. Rec. Cancelled	
Transfer To Utility Revenue - Statement 11	469,122
Operating Deficit - Statement 11	
<u>Balance, December 31 - Statement 4</u>	0
	469,122

CAPITAL SURPLUS - GENERAL

Balance, January 1	30,489,951
Add:	
Fixed Assets Acquired	2,896,003
Debtenture Principal Matured	269,625
Asset Write Ups	187,535
<u>Sub-Total</u>	33,843,114
Deduct:	
Disposal of Fixed Assets	148,180
Transfer to Utility Capital	2,555
Asset Write Downs	456,926
<u>Balance, December 31 - Statement 3</u>	607,661
	33,235,453

CAPITAL SURPLUS - UTILITY

Balance, January 1	15,144,356
Add:	
Fixed Assets Acquired	350,556
Debtenture Principal Matured	119,792
Transfer From General Capital	2,555
<u>Sub-Total</u>	472,903
Deduct:	
Disposal of Fixed Assets	3,838
Asset Write Downs	56,387
<u>Balance, December 31 - Statement 6</u>	60,225
	15,557,034

STATEMENT 9

**GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2008**

REVENUE

TOTAL REVENUE FROM TAXATION - Note 2		7,000,776
OTHER REVENUE		
Taxes Added - Schedule 1		1,168,101
Licenses and Permits		247,989
Fines		50,382
Parking Meters		19,327
Sales of Service		
General Government		
Protection	16,561	
Transportation	271,419	
Less: Costs	51,618	
Environmental Health	51,618	
Public Health and Welfare	1,069,231	
Planning and Development	100,625	
Economic Development	473,051	
Recreation and Culture	927,318	2,909,823
Sales of Goods		13,601
Rentals of Fixed Assets		292,427
Concessions and Franchises		
Returns From Investments		154,977
Transfers From Utilities and Enterprises		
Tax Penalties - Schedule 1		40,174
Miscellaneous Revenue - Donations \$12,640; Land Sales \$5,100; Other \$53,639		71,379
Grants in Lieu of Taxes - Note 2		
Federal Government	17,056	
Federal Government Enterprises		
Provincial Government	12,402	
Provincial Government Enterprises	74,538	
Other Local Governments		
Non-Government Organizations	19,310	123,306
Unconditional Government Transfers - Schedule 3		
Federal Government		
Provincial	1,663,581	
- Municipal Tax Sharing	78,411	
- Municipal Support Grants	225,966	
- VLT Revenues		1,967,968
Other Local Governments		
Conditional Government Transfers - Schedule 3		
Federal Government	260,319	
Provincial Government	69,199	
Other Local Governments		329,518
TOTAL REVENUE FROM EXTERNAL SOURCES		14,389,738
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8		
TRANSFER FROM RESERVES - SCHEDULE 5		30,000
OPERATING DEFICIT - STATEMENT 8		
TOTAL		14,419,738

EXPENDITURE

GENERAL GOVERNMENT SERVICES	2,336,543
PROTECTIVE SERVICES	1,850,760
TRANSPORTATION SERVICES	1,734,891
ENVIRONMENTAL HEALTH SERVICES	1,139,167
PUBLIC HEALTH AND WELFARE SERVICES	88,728
ENVIRONMENTAL PLANNING AND COMMUNITY DEVELOPMENT SERVICES	223,877
ECONOMIC DEVELOPMENT SERVICES	19,074
RECREATION AND CULTURAL SERVICES	2,135,639
FISCAL SERVICES	3,191,573
TOTAL SERVICES	12,720,252
SURPLUS APPROPRIATIONS AND TRANSFERS	
Deferred Surplus - Operating Deficit	
Deferred Surplus - By-Law Obligation	0
Transfer to Reserves - Statement 10	1,631,161
OPERATING SURPLUS - STATEMENT 8	68,325
TOTAL	14,419,738

STATEMENT 10

**GENERAL OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
General Government Services				
Legislative	161,075	154,797	6,278	
General Administrative	1,663,254	1,433,591	229,663	
Other General Government	658,653	748,155		89,502
Total	2,482,982	2,336,543	146,439	
Protective Services				
Police Protection	1,123,100	1,054,569	68,531	
Law Enforcement				
Fire Protection	410,765	450,250		39,485
Emergency Measures	46,200	37,007	9,193	
Other Protection	324,815	308,934	15,881	
Total	1,904,880	1,850,760	54,120	
Transportation Services				
Road Transport				
Administration				
Engineering	192,950	184,245	8,705	
Roads and Streets	1,088,710	1,170,693		71,983
Bridges, Subways				
Street Lighting	242,600	238,853	3,747	
Traffic Services	14,200	20,934		6,734
Parking	5,100	947	4,153	
Other Road Transport - Handicapped	69,539	67,157	2,382	
Air Transport	66,400	52,062	14,338	
Water Transport				
Public Transit				
Total	1,689,499	1,734,891		45,392
Environmental Health Services				
Garbage and Waste Collection and Disposal	997,943	1,139,167		141,224
Other Environmental Health				
Total	997,943	1,139,167		141,224
Public Health & Welfare Services				
Public Health	74,100	68,963	5,137	
Medical Care				
Hospital Care				
Social Welfare	19,765	19,765		
Total	93,865	88,728	5,137	
Environmental Planning & Community Development Services				
Environmental Planning and Zoning	97,400	118,982		21,582
Community Development	97,950	104,895		6,945
Housing				
Total	195,350	223,877		28,527
Economic Development Services				
Natural Resources	12,000	10,000	2,000	
Regional Development Commissions	600	800		200
Industrial Parks and Commissions				
Other Economic Services - Tourism	20,000	8,274	11,726	
Total	32,600	19,074	13,526	
Recreation and Cultural Services				
Recreation Facilities	2,074,640	2,077,941		3,301
Cultural Buildings and Facilities	76,932	57,698	19,234	
Other Recreation and Cultural Services				
Education Grants				
Total	2,151,572	2,135,639	15,933	
SUB-TOTALS FORWARD	9,548,691	9,528,679	20,012	

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, 2008**

SUB-TOTALS FORWARD	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
	9,548,691	9,528,679	20,012	

Fiscal Services

Transfers to Other Governments
Other Municipal Governments

Transfers to Own Funds
Allowance for Tax Assets - Statement 8

Capital Fund - Statement 13	40,000	40,000		
Utility Fund - Statement 11	1,387,500	1,953,677		566,177
Other Funds	300,459	300,459		
Phase-in Tax Credit				
Public Debt Charges				
Debtenture Debt Charges - Schedule 7	831,948	843,150		11,202
Other Long-Term Debt Charges				
Interest on Short-Term Financing				
Bank Loan Interest	14,500	7,579	6,921	
Other Fund Loan Interest				
Tax Discounts - Schedule 1	30,000	127,922		97,922
Other Debt Charges				
Debtenture Discount				
Debtenture Issue Costs				
Other Bad Debts (Recovery)		(81,214)	81,214	
Other Fiscal Services				
Total	2,604,407	3,191,573		587,166

Transfer to Reserves

General Reserve				
Specific Reserve				
- Replacement Reserve	507,605			507,605
- Capital Development	320,139			11,032
- Other	260,000	260,319		319
Gas Tax				
Aquatic Centre	100,000			100,000
Perpetual Care	18,840			18,840
Committed Expenditures	378,640			378,640
Land Dedication	45,618			45,618
Total	569,107	1,631,161		1,062,054

Surplus Appropriations

Total Estimated	12,722,205			
Total Actual		14,351,413		
Total Underspent				
Total Overspent				1,629,208

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	SURPLUS (DEFICIT)
REVENUE			
Tax Revenue	7,003,608	7,000,776	(2,832)
Other Revenue	5,718,597	7,418,962	1,700,365
Revenue Surplus (Deficit)	12,722,205	14,419,738	1,697,533
EXPENDITURE			
OPERATING SURPLUS (DEFICIT)	12,722,205	14,351,413	(1,629,208)
		68,325	68,325

STATEMENT 11

**UTILITY OPERATING FUND
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2008**

REVENUE

CONSUMER SALES	METERED	FLAT RATE	TOTAL
Residential			1,081,996
Commercial and Bulk			252,349
Industrial			141,854
Federal and Provincial			44,311
Municipal and Schools			79,096
Total			1,599,606

Less: Discounts			0
Refunds and Cancellations			1,599,606

SEWER SERVICE CHARGES

PENALTIES			
HYDRANT RENTALS			5,765
CONSUMER INSTALLATION SERVICE			32,045
CONNECTION REVENUE - NET			74,410
PROVINCIAL GRANTS			14,000
OTHER REVENUE			18,864

TRANSFER FROM GENERAL OPERATING FUND - STATEMENT 10

Re: Debentures			300,459
Re: Operations			300,459

TRANSFER FROM RESERVE FUND - SCHEDULE 5

TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8			54,000
OPERATING DEFICIT - STATEMENT 8			

TOTAL**2,099,149****EXPENDITURE**

WATER SUPPLY			1,079,502
SEWAGE COLLECTION AND DISPOSAL			385,103
TRANSFER TO CAPITAL - STATEMENT 14			59,350
TRANSFERS TO RESERVE - SCHEDULE 5			250,000
DEBENTURE DEBT CHARGES - SCHEDULE 7			298,924
OTHER LONG-TERM DEBT CHARGES			13,049

SURPLUS APPROPRIATIONS - STATEMENT 8

Deferred Surplus - Operating Deficit			
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OPERATING SURPLUS - STATEMENT 8

13,221

TOTAL**2,099,149**

STATEMENT 12

**COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply	1,131,130	1,079,502	51,628	
Sewage Collection and Disposal	391,525	385,103	6,422	
Transfer to Capital	10,000	59,350		49,350
Transfers to Reserve	250,000	250,000		
Debtenture Debt Charges	300,459	298,924	1,535	
Other Long-Term Debt Charges		13,049		13,049
Surplus Appropriations				
Total Estimated	2,083,114			
Total Actual		2,085,928		
Total Underspent				
Total Overspent				2,814

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

REVENUE	ESTIMATED	ACTUAL	SURPLUS (DEFICIT)
	2,083,114	2,099,149	16,035
EXPENDITURE			
	2,083,114	2,085,928	(2,814)
OPERATING SURPLUS		13,221	13,221

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

STATEMENT 13

STATEMENT OF SOURCE AND APPLICATION OF GENERAL CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

SOURCE

UNEXPENDED FUNDS, JANUARY 1	
Cash	
Receivables	0
SHORT-TERM BORROWING	
Bank	
Other Funds	33,907
Other	33,907
LONG-TERM BORROWING	
Debentures - Schedule 8	126,000
Other	126,000
PREPAID LOCAL IMPROVEMENT LEVIES	44,872
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 10	1,953,677
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5	2,363,413
GRANTS - SCHEDULE 3	
Federal Government	27,613
Federal Government Enterprises	
Provincial Government	9,794
Provincial Government Enterprises	
Other Local Governments	
Other	37,407
ACCOUNTS PAYABLE, DECEMBER 31	
OTHER - Recoveries	197,584
TOTAL	4,756,860

APPLICATION

FIXED ASSETS

	CONSTRUCTION	PURCHASE	LOCAL IMPROVEMENTS	TOTAL
CAPITAL EXPENDITURES				
General Government	61,728	124,702		186,430
Protection	925,671	90,468		1,016,139
Transportation	86,229	254,644	1,837,668	2,178,541
Recreation and Culture	1,010,805	46,097		1,056,902
Environmental Health	104,584	180,357		284,941
TOTAL	2,189,017	696,268	1,837,668	4,722,953

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	33,907

OTHER

TOTAL	4,756,860
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STATEMENT 14

**STATEMENT OF SOURCE AND APPLICATION OF UTILITY CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

SOURCE

UNEXPENDED FUNDS, JANUARY 1		
Cash		
Receivables		0
SHORT-TERM BORROWING		
Bank		
Other Funds - Utility Operating	140,563	
Other		140,563
LONG-TERM BORROWING		
Debentures - Schedule 8		
Other		0
PREPAID LOCAL IMPROVEMENT LEVIES		
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 11		59,350
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		441,000
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		0
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER		
TOTAL		640,913

APPLICATION

	FIXED ASSETS		TOTAL
	CONSTRUCTION	PURCHASE IMPROVEMENTS	
CAPITAL EXPENDITURES			
Water Supply	140,563	107,972	248,535
Sewage Disposal	156,258	236,120	392,378
TOTAL	296,821	107,972	640,913
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			0
OTHER			
TOTAL			640,913

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

SCHEDULE 1

**ANALYSIS OF TAX ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	TAXES ON ROLL	TAX SALE CERTIFICATES	TAX TITLES	AGREEMENTS OF SALE
Balance, January 1	325,283			
ADD:				
Tax Levy - Schedule 2	16,592,316			
Taxes Added - Statement 9	1,168,101			
Penalties or Interest Added - Statement 9	40,174			
Other Accounts Added	76,124			
Taxes Overpaid	37,407			
Transfer Re Tax Sale				
Tax Titles Acquired				
Land Sales				
TAX ADJUSTMENTS (SPECIFY)				
SUB-TOTAL	18,239,405	0	0	0
DEDUCT:				
Cash Collections:				
Arrears	16,170,392			
Current	310,834			
Transfers Re Tax Sale	15,859,558			
Cancellations				
Returned to Roll	103,520			
Title Value of Land Sales				
Transfers Re Titles Acquired				
Tax Discounts - Statement 10				
M.P.T.C. - Cash Advance	1,479,349			
Other Credits:				
TOTAL	486,144	0	0	0
BALANCE, DECEMBER 31	486,144	0	0	0

(Statement 1)

SCHEDULE 2

**ANALYSIS OF TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2008**

	ASSESSMENT	MILL RATE	LEVY
Other Governments (L.U.D.)			
Debt Charges			
Frontage			
Mill Rate			
(At Large) Utility District	Various	Various	52,826
(L.I.D.) General District	387,333,270	0.770	298,247
Total	422,094,230	1.850	780,874
Minister of Intergovernmental Affairs			1,131,947
Deferred Surplus			
Reserves:			
By-Law			
By-Law			
By-Law			
General Municipal	362,095,600	10.180	3,686,133
Special Levies (Specify)			
Waste and Disposal			376,215
Section 312 M.A.	422,094,230	4.000	1,688,377
Rounding			2
Business Tax - Rate	21,951,000		108,756
Business Fees	920,000		9,200
Total Municipal Taxes			7,000,630
Schools			
Prov. Education 1	210,120,760	0.000	0
Prov. Education 2	128,986,840	16.080	2,074,108
Total Education Support Program	339,107,600		2,074,108
Special Division No. Hanover	340,809,590	22.058	7,517,578
Total School Taxes			9,591,686
TOTAL TAX LEVY - SCHEDULE 1			16,592,316

SCHEDULE 3

ANALYSIS OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2008

	BALANCE JANUARY 1	GRANTS EARNED (Statement 9)	GRANTS RECEIVED	ADJUSTMENTS	BALANCE DECEMBER 31 (Statement 1)
GENERAL FUND					
PROVINCIAL					
Grants in Lieu		272,129	272,129		
Prov.-Mun. Tax Sharing		1,663,581	1,663,581		
Municipal Support Grants		78,411	78,411		
VLT Revenues		225,966	225,966		
Conditional Grants					
General Govt.					
Protection					
Transportation	10,000	30,500	30,500		10,000
Environmental Health		11,025	11,025		
Public Health & Welfare					
Environmental Planning		18,562	18,562		
Economic Development					
Recreation		9,112	9,112		
FEDERAL					
Grants in Lieu		55,773	55,773		
Unconditional Grants					
Conditional Grants (Spec):					
Gas Tax		260,319	260,319		
Total General Funds	10,000	2,625,378	2,625,378		10,000
School-Grants in lieu-Note 2		223,906			
Municipal Grants - Statement 9		2,401,472			
UTILITY FUND		(Statement 11)			(Statement 4)
Provincial Grant					
Federal Grant					
Local Grant					
GENERAL CAPITAL GRANTS (Specify Govt. and type as above)		(Statement 13)			(Statement 3)
Provincial:					
General Government		6,294			6,294
Protection		3,500	3,500		
Federal - Protection		27,613			27,613
Total - Statement 13		37,407	3,500		33,907
UTILITY CAPITAL GRANTS		(Statement 14)			(Statement 6)
Provincial					
Federal					
Local					
Total - All Funds	10,000	2,662,785	2,628,878		43,907

Note: Provincial and Federal includes both Government and Enterprises.

SCHEDULE 4

ANALYSIS OF SCHOOL ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2008

	OUTSTANDING JANUARY 1	CURRENT REQUIREMENT	CURRENT PAYMENTS	OUTSTANDING DECEMBER 31 (STATEMENT 1)
EDUCATION SUPPORT PROGRAM	144,096	2,173,484	2,204,559	113,021
SPECIAL LEVIES:				
School Division	426,347	7,685,798	7,784,724	327,421
Hanover				
TOTAL	570,443	9,859,282	9,989,283	440,442

Per Note 2 - Raised By:

Taxation

9,591,540

Grants - in - lieu

267,742

SCHEDULE 5

ANALYSIS OF RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

RESERVE NAME BY-LAW NO.	GENERAL 1646	EQUIPMENT REPLACEMENT 1647	LAND AND FACILITY 1648	CAPITAL DEVELOPMENT 1652
BALANCE, JANUARY 1	784,586	266,046	835,893	1,569,334
ADD:				
Interest Earned	28,472	7,761	26,689	47,695
Transfer from Operating (Statement 10)				507,605
Handivan Depreciation		16,039		
SUB-TOTAL	813,058	289,846	862,582	2,124,634
DEDUCT:				
Purchases (Statement 13)			314,428	823,000
Transfer To Revenue (Statement 9)				
BALANCE, DECEMBER 31 - Statement 2	813,058	289,846	548,154	1,301,634
RESERVE NAME BY-LAW NO.	GAS TAX 1833	ENVIRONMENTAL 1650	AQUATIC CENTRE 1577	PERPETUAL CARE 1653
BALANCE, JANUARY 1	109,126	2,042,631	14,808	147,216
ADD:				
Interest Earned	6,616	77,487	413	4,551
Transfer from Operating (Statement 10)	260,319	320,139	100,000	18,840
SUB-TOTAL	376,061	2,440,257	115,221	170,607
DEDUCT:				
Purchases (Statement 13)	368,000	276,257		
Transfer to Revenue (Statement 9)				
BALANCE, DECEMBER 31 - Statement 2	8,061	2,164,000	115,221	170,607
RESERVE NAME BY-LAW NO.	COMMITTED EXPENDITURES 1654	LAND DEDICATION 1739	HANDI TRANSIT 1834	SEWER UTILITY 1649
BALANCE, JANUARY 1	993,867	115,233	110,113	1,070,821
ADD:				
Interest Earned	34,809	4,293	4,201	36,191
Transfer from Operating (Statement 11)				250,000
Transfer From Operating (Statement 10)	378,640	45,618		
SUB-TOTAL	1,407,316	165,144	114,314	1,357,012
DEDUCT:				
Purchases (Statement 14)				441,000
Transfer To Revenue (Statement 11)				54,000
Purchases (Statement 13)	581,728			
Transfer To Revenue (Statement 9)	30,000			
BALANCE, DECEMBER 31 - Statement 5	795,588	165,144	114,314	862,012

SCHEDULE 6

ANALYSIS OF INVESTMENTS
AS AT DECEMBER 31, 2008

TYPE	DUE DATE Y/M/D	INTEREST RATE	INTEREST RECEIVED	AMOUNT	TOTAL
GOVERNMENT OF CANADA					0
PROVINCE OF MANITOBA AND AGENCIES	2010/06/15 2011/06/15	4.60 3.50	9,200	200,000 200,000	400,000
OTHER PROVINCES OR PROVINCIAL AGENCIES					0
BY-LAW					
DEBENTURES OF OWN MUNICIPALITY	Schedule 6 A	Attached	3,987	167,738	167,738
DEBENTURES OF OTHER LOCAL GOVERNMENTS					0
MANITOBA INVESTMENT POOL AUTHORITY Pooled Funds - Other	Unlimited	N/A		80,993	80,993
OTHER INVESTMENTS CIBC Step Up Note	2013	Variable	2,125	97,440	97,440
TOTAL INVESTMENTS					746,171

INVESTMENT HOLDINGS
AS AT DECEMBER 31, 2008

TYPE	NAME OF RESERVE	RESERVED (Statements 2/5)	TRUST (Statement 7)	UNRESERVED (Statements 1/4)	TOTAL
GOVERNMENT OF CANADA					0
PROVINCE OF MANITOBA	General Environmental	200,000 200,000			400,000
OTHER PROVINCES OR AGENCIES					0
DEBENTURES OF OWN MUNICIPALITY	General	167,738			167,738
DEBENTURES OF OTHER LOCAL GOVERNMENTS					0
MANITOBA INVESTMENT POOLED FUNDS - Other	N/A			80,993	80,993
OTHER INVESTMENTS	Step Up Deposit - Note	97,440			97,440
TOTAL INVESTMENTS					746,171
INVESTMENT CHANGES 2008					
TOTAL INVESTMENTS, JANUARY 1					
INVESTMENTS ACQUIRED	Own Debentures-\$126,000; Pooled Funds-\$81,089			207,089	364,042
	Provincial Bonds-\$200,000; CIBC Step Up Note-\$97,440			297,440	504,529
					868,571
INVESTMENTS SOLD	Pooled Funds			76,655	
INVESTMENTS MATURED	Own Debentures			45,745	122,400
TOTAL INVESTMENTS, DECEMBER 31					746,171

ANALYSIS OF INVESTMENT IN OWN DEBENTURESDECEMBER 31, 2008

<u>By-Law</u>	<u>Fund Issued By</u>	<u>Due Date</u>	<u>Interest Rate %</u>	<u>Interest Received \$</u>	<u>Amount \$</u>
1744	G	2009	5.00	3,556	41,738
1702	G	2008	7.50	431	0
1869	G	2013	3.53	0	126,000
<u>TOTAL INVESTMENT IN OWN DEBENTURES</u>				<u>3,987</u>	<u>167,738</u>

OWNED BY GENERAL RESERVE:

TOTAL INVESTMENT IN OWN DEBENTURES

**STATISTICAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2008**

TAXABLE ASSESSMENT (PORTIONED)

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

	} TO BE COMPLETED BY DEPARTMENT

POPULATION (LATEST CENSUS OF CANADA)

11,066

BUDGET RECONCILIATION - GENERAL FUND

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

1,697,533
(1,629,208)
68,325
83,766
(15,441)

CASH POSITION

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

GENERAL FUND	COMBINED FUNDS
20,660	(37,180)
342,273	374,352
(321,613)	(411,532)

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

15,859,558
1,479,349

- Arrears
- Total

17,338,907
310,834
17,649,741

TAX SALE CERTIFICATES
LAND SALES

TOTAL COLLECTIONS

17,649,741

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

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 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.

2. NET MUNICIPAL TAXES AND GRANTS IN LIEU OF TAXES

Revenue from Taxation:	\$	\$
Total municipal taxes - schedule 2		7,000,630
Total school taxes - schedule 2	9,591,686	
School expenditure raised by taxation	<u>9,591,540</u>	<u>146</u>
Municipal Revenue - statement 9		<u>7,000,776</u>
Grants in Lieu of Taxes:		
Per Schedule 3:		
Provincial	272,129	
Federal	55,773	
Non-government organizations	<u>63,146</u>	391,048
School expenditure raised by grants in lieu		
Government	223,906	
Non-government organizations	<u>43,836</u>	<u>267,742</u>
Municipal Revenue - statement 9		<u>123,306</u>
Total		<u>7,124,082</u>

3. TANGIBLE CAPITAL ASSETS

Under P.S.A.B. guidelines, the City of Steinbach has undertaken a project to identify and assign a cost valuation to all its assets. Land, buildings and equipment are included in the capital funds for this purpose.

The remaining assets, which all relate to infrastructure installations, have been assigned costs which will be recorded for the 2009 financial statements.

Amortization of all capital assets, with the exception of land, has also been calculated as at December 31, 2007 and December 31, 2008 and will be recorded for the 2009 financial statements.

The following information describes the related policies adopted for the 2009 financial statements and presents a complete record of costs and accumulated amortization for this purpose.

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.

December 31, 2008

Note 3 (continued)

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and leasehold improvements	25 to 40 years
Buildings	Life of lease
Leasehold improvements	
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 to 30 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	30 to 100 years
Machinery and equipment	10 to 50 years
Dams and other surface water structures	40 to 60 years

Certain assets which have historical or cultural value including works of art, historical documents, as well as historical and cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

	Cost	Accumulated Amortization	Net Book Value
		2008	2007
<u>General Tangible Capital Assets</u>			
Land and land improvements	\$ 12,530,755	\$ 2,293,319	\$ 10,237,436
Buildings and leasehold improvements	26,485,522	8,168,342	18,317,180
Vehicles, equipment and computer hardware and software	9,247,263	5,179,099	4,068,164
Assets under construction	2,154,960	-	2,154,960
<u>Infrastructure Assets</u>			
Roads, streets and bridges	68,897,031	26,561,480	42,335,551
Water and sewer	43,768,816	14,967,289	28,801,527
Assets under construction	-	-	-
	<u>\$ 163,084,347</u>	<u>\$ 57,169,529</u>	<u>\$ 105,914,818</u>
			<u>\$ 99,266,162</u>

Roads, water and sewer contributed to the Municipality in 2008 totals \$5,880,809 and were capitalized at the fair value at the time of their receipt.

Total amortization expense for the year ended December 31, 2008 was \$4,168,966. Amortization expense for the utility operations was \$1,226,856. No amortization expense was recorded in the financial statements.