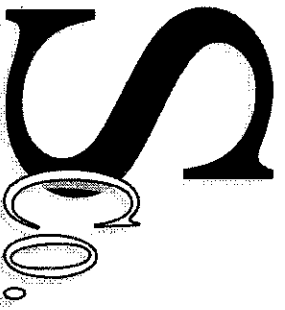


RURAL MUNICIPALITY OF DUFFERIN

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



Sharpe & Co. Chartered Accountant Ltd.

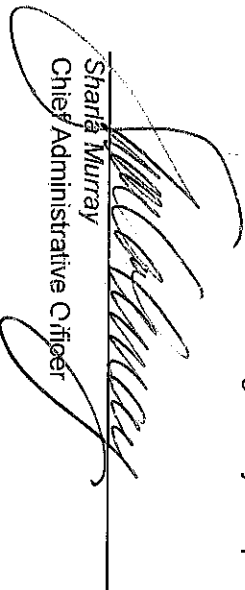
STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of Dufferin and have been prepared in compliance with legislation, and in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the Municipality met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Sharpe & Company as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Reeve and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian 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.



Sharla Murray
Chief Administrative Officer



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Sharpe & Company Chartered Accountant Ltd.

INDEPENDENT AUDITOR'S REPORT

To the Reeve and members of Council of the
RURAL MUNICIPALITY OF DUFFERIN

We have audited the accompanying financial statements of the Rural Municipality of Dufferin, which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations, change in net financial assets and cash flows for the year ended December 31, 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian auditing standards. Those standards require that we 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 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Rural Municipality of Dufferin as at December 31, 2010, and the consolidated results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2010 in accordance with Canadian public sector accounting standards.

Sharpe & Co. Chartered Accountant Ltd.
January 17, 2012
Brandon, Manitoba



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Sharpe & Company Chartered Accountant Ltd.

January 17, 2012

Sharla Murray and Councilors

Rural Municipality of Dufferin
Box 100
Carman, MB R0G 0J0

Pursuant to our appointment and the instructions of the Department of Municipal Affairs and as required by Sub Section 190(a) of the Municipal Act, we are pleased to submit a supplementary report on our evaluation of the accounting procedures and systems of control employed by the Rural Municipality of Dufferin for the year ended December 31, 2010. Our evaluation was made in accordance with generally accepted auditing standards and included such tests and other procedures as we considered necessary in the circumstances.

Management is responsible for establishing and maintaining a system of internal administrative and accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of this system are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting policies of the Rural Municipality of Dufferin.

Because of inherent limitation in any systems of internal accounting and administrative control, errors or irregularities may occur and not be detected. Also projection of any evaluation of the system to future period is subject to the risk that procedure may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

We report that in our opinion:

- (a) The accounting procedures and systems of control employed by the Rural Municipality of Dufferin are adequate to preserve and protect its assets in so far as practical;
- (b) To the best of our knowledge and belief, the funds of the Rural Municipality of Dufferin have been paid or disbursed only under the authority granted by an act of the Legislature, or under authority of a resolution or by-law of the corporation made under authority of the Act of the Legislature;
- (c) No irregularity or discrepancy in the administration of the affairs of the Rural Municipality of Dufferin came to our notice in the course of our examination; and
- (d) There are no other matters, which we consider should be brought to the attention of the council of the Rural Municipality of Dufferin or the minister.

The accounts of the Rural Municipality of Dufferin were found to have been well maintained and we take pleasure in acknowledging the cooperation that the C.A.O. extended to us during the course of the audit.

Yours truly,

Ken Sharpe, C.A.
Sharpe & Company
Chartered Accountant Ltd.

RURAL MUNICIPALITY OF DUFFERIN

Consolidated Financial Statements

For the Year Ended December 31, 2010

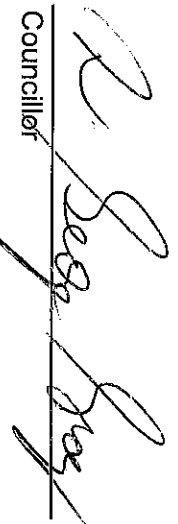
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**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2010**

	2010	2009
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 1,078,955	\$ 1,040,760
Amounts receivable (Note 4)	640,972	665,852
Portfolio investments (Note 5)	118,801	271,171
Other assets	2,750	-
	<u>\$ 1,841,478</u>	<u>\$ 1,977,783</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 586,837	\$ 530,866
Deferred revenue	25,300	-
Long-term debt (Note 8)	3,335,860	2,966,097
	<u>3,947,997</u>	<u>3,496,963</u>
NET FINANCIAL ASSETS (NET DEBT)	\$ (2,106,518)	\$ (1,519,181)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 30,062,748	\$ 28,694,144
Inventories (Note 6)	102,799	101,993
Prepaid expenses	18,306	20,500
	<u>30,183,853</u>	<u>28,816,637</u>
ACCUMULATED SURPLUS (DEFICIT)	\$ 28,077,334	\$ 27,297,456

Approved on behalf of Council:


Reeve


Councillor

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2010**

	2010 Budget (Note 13)	2010 Actual	2009 Actual
REVENUE			
Property taxes	\$ 2,393,757	\$ 2,452,856	\$ 2,281,026
Grants in lieu of taxation	82,812	82,812	75,814
User fees	7,980	156,681	154,208
Permits, licences and fines	17,008	30,593	21,346
Investment income	3,500	17,621	13,349
Other revenue	15,000	384,217	141,480
Water and sewer	431,236	735,784	568,009
Grants - Province of Manitoba	259,451	262,000	280,764
Grants - other	148,603	556,291	269,817
Total revenue (Schedules 2, 4 and 5)	<u>3,359,347</u>	<u>4,678,855</u>	<u>3,805,813</u>
EXPENSES			
General government services	822,036	861,540	669,597
Protective services	90,790	89,567	78,640
Transportation services	1,361,910	1,291,412	1,153,600
Environmental health services	32,600	31,044	31,023
Public health and welfare services	19,364	111,362	76,295
Regional planning and development	-	-	-
Resource conservation and industrial development	163,871	159,139	151,842
Recreation and cultural services	316,894	564,360	540,265
Water and sewer services	668,127	790,553	723,433
Total expenses (Schedules 3, 4 and 5)	<u>3,475,591</u>	<u>3,898,978</u>	<u>3,424,695</u>
ANNUAL SURPLUS (DEFICIT)	<u>(116,244)</u>	<u>779,877</u>	<u>381,118</u>
ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR		<u>27,297,456</u>	<u>26,916,338</u>
ACCUMULATED SURPLUS (DEFICIT), END OF YEAR		<u>\$ 28,077,334</u>	<u>\$ 27,297,456</u>

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year Ended December 31, 2010**

	2010 Budget	2010 Actual	2009 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (116,244)	\$ 779,877	\$ 381,118
Acquisition of tangible capital assets	(2,332,744)	(2,332,744)	(1,463,686)
Amortization of tangible capital assets	537,772	537,772	454,652
Loss (Gain) on sale of tangible capital assets	68,816	68,816	-
Proceeds on sale of tangible capital assets	357,553	357,553	-
Decrease (increase) in inventories	(806)	(806)	(53,732)
Decrease (increase) in prepaid expense	2,195	2,195	(13,469)
	<u>(1,367,214)</u>	<u>(1,367,214)</u>	<u>(1,076,235)</u>
CHANGE IN NET FINANCIAL ASSETS	(1,483,458)	(587,336)	(695,117)
NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR		<u>(1,519,181)</u>	<u>(824,064)</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u><u>\$ (2,106,518)</u></u>	<u><u>\$ (1,519,181)</u></u>

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2010**

	2010	2009
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 779,877	\$ 381,118
Changes in non-cash items:		
Amounts receivable	24,880	44,624
Inventories	(806)	(53,732)
Prepays	2,194	(13,469)
Accounts payable and accrued liabilities	55,970	322,086
Other assets	(2,750)	-
Deferred revenue	25,300	-
Loss (Gain) on sale of tangible capital asset	68,816	-
Amortization	537,772	454,652
Cash provided by operating transactions	1,491,254	1,135,279
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	357,553	-
Cash used to acquire tangible capital assets	(2,332,744)	(1,463,686)
Cash applied to capital transactions	(1,975,191)	(1,463,686)
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	152,369	-
Purchase of portfolio investments		(32,316)
Cash applied to investing transactions	152,369	(32,316)
FINANCING TRANSACTIONS		
Proceeds of long-term debt	677,675	1,927,819
Debt repayment	(307,912)	(186,794)
Cash applied to financing transactions	369,763	1,741,025
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	38,195	1,380,302
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	1,040,760	(339,542)
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$ 1,078,955	\$ 1,040,760

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010

1. Status of the Rural Municipality of Dufferin

The incorporated Rural Municipality of Dufferin is a municipal government pursuant to the Manitoba Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation, library and other general government operations. The Municipality owns a utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

The 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:

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:

	2010	2009
1.) Boyne Regional Library	50%	50%
2.) Greenwood Cemetery	50%	50%
3.) Garman & Community Health Center	50%	50%
4.) Memorial Hall	50%	50%
5.) Pembina Valley Water Co-op	3.76%	3.76%
6.) Garman Dufferin Recreation Commission	50%	50%

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

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) 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.

**RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010**

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

Infrastructure Assets

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

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

g) 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.

h) 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.

i) 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 DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010**

J) 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. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	2010	2009
Cash	\$ 892,098	\$ 914,566
Temporary Investments	186,857	126,194
	<u>\$ 1,078,955</u>	<u>\$ 1,040,760</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$207,987 (2009 \$126,194) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2010	2009
Taxes on roll (Schedule 11)	\$ 369,587	\$ 368,863
Government grants	62,711	109,231
Utility customers	59,427	81,603
Organizations and individuals	72,562	71,900
Other governments	76,685	34,255
	<u>\$ 640,972</u>	<u>\$ 665,852</u>

5. Portfolio Investments

	2010	2009
Marketable securities: Municipal Debentures	<u>\$ 118,801</u>	<u>\$ 271,171</u>

6. Inventories

	2010	2009
Inventories for use:		
Chemicals, herbicides, insecticides	\$ 4,084	\$ 4,883
Culverts	64,166	49,662
Other supplies	34,549	47,448
	<u>\$ 102,799</u>	<u>\$ 101,993</u>

7. Accounts Payable and Accrued Liabilities

	2010	2009
Accounts payable	\$ 586,525	\$ 525,835
School levies (Schedule 13)	-	31
Other governments	312	5,000
	<u>\$ 586,837</u>	<u>\$ 530,866</u>

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010

	2010	2009
8. Long Term Debt		
General Authority:		
Bylaw 1734	350,000	
Debtenture, interest at 7.25%, payable at \$50,409 annually including interest, maturing December 31, 2010	\$ -	\$ 47,002
Bylaw 1845		
Debtenture, interest at 4.14%, payable at \$66,800 annually including interest, maturing December 31, 2014	244,678	296,214
Bylaw 1829		
Debtenture, interest at 4.86%, payable at \$128,626 annually including interest, maturing December 31, 2018	836,060	919,974
Bylaw 1847		
Debtenture, interest at 5.25%, payable at \$47,150 annually including interest, maturing December 31, 2024	459,349	481,234
Bylaw 1871		
Debtenture, interest at 5.00%, payable at \$12,950.46 annually including interest, maturing December 31, 2020	100,000	-
Bylaw 1871		
Debtenture, interest at 5.00%, payable at \$12,950.46 annually including interest, maturing December 31, 2020	100,000	-
Bylaw 1871		
Debtenture, interest at 5.00%, payable at \$3,237.61 annually including interest, maturing December 31, 2020	25,000	-
Bylaw 1871		
Debtenture, interest at 5.00%, payable at \$3,237.61 annually including interest, maturing December 31, 2020	25,000	-
Bylaw 1871		
Debtenture, interest at 5.00%, payable at \$6,475.23 annually including interest, maturing December 31, 2020	50,000	-
Bylaw 1871		
Debtenture, interest at 4.95%, payable at \$28,805.09 annually including interest, maturing December 31, 2025	300,000	-
	\$ 2,137,087	\$ 1,744,424
Utility Funds:		
Bylaw 1736	208,000	
Debtenture, interest at 6.75%, payable at \$29,273 annually including interest, maturing December 31, 2010	-	27,422
Bylaw 1745	65,000	
Debtenture, interest at 6.88%, payable at \$9,201 annually including interest, maturing December 31, 2011	8,609	16,665
Bylaw 1748	208,000	
Debtenture, interest at 6.25%, payable at \$28,597 annually including interest, maturing December 31, 2011	20,859	40,489
Bylaw 1763	253,500	
Debtenture, interest at 6.25%, payable at \$34,852 annually including interest, maturing December 31, 2012	63,674	92,730
Bylaw 1760	208,000	
Debtenture, interest at 6.25%, payable at \$28,597 annually including interest, maturing December 31, 2012	26,122	38,044
Bylaw 1775	55,700	
Debtenture, interest at 6.25%, payable at \$7,658 annually including interest, maturing December 31, 2013	20,375	26,384
Bylaw 1792	62,500	
Debtenture, interest at 5.75%, payable at \$10,674 annually including interest, maturing December 31, 2016	52,902	60,119
Bylaw 1827		
Debtenture, interest at 5.50%, payable at \$6,565 annually including interest, maturing December 31, 2017	37,307	41,585
Bylaw 1841		
Debtenture, interest at 5.375%, payable at \$15,034 annually including interest, maturing December 31, 2018	96,709	105,094
Bylaw 1843		
Debtenture, interest at 5.375%, payable at \$10,24332 annually including interest, maturing December 31, 2019	71,607	-
	\$ 397,164	\$ 448,532
Pembina Valley Water Cooperative Inc.		
Demand loans with Canadian Imperial Bank of Commerce	801,609	773,141
	\$ 3,335,860	\$ 2,966,097

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

2011	\$ 396,985
2012	\$ 379,621
2013	\$ 353,801
2014	\$ 369,474
2015	\$ 323,063

RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010

9. Commitments

The Municipality has entered into a contract with Pembina Valley Water Cooperative Inc. that expires in 2018. The contract identifies the annual amount of water the Municipality has committed to purchase from the cooperative and is volume based.

The Municipality is undertaken to upgrade the Arena complex. The project has an estimated cost of \$2,100,000, of which \$600,000 is to be funded by a federal grant from Western Diversification. The balance is to be funded by the Town of Carman for \$600,000 and the Municipality for \$600,000. The balance of financing will be covered by public donations which currently stands at \$565,500.

The Town has entered into a five year agreement, terminating June 2013, with the R. M. of Stanley and the towns of Winkler and Morden who operate a licensed landfill. The agreement allows the Town to deliver its solid wastes to the landfill with fees based on weight and type of waste.

10. Contingencies

It is the Municipality's understanding that there are no outstanding contingencies.

11. Retirement Benefits

The majority of the employees of the Municipality are members of the Municipal Employees Benefit Program (MEBP), which is a multi-employer defined benefit pension plan. MEBP 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 cost of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Canadian Institute of Chartered Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP requires 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.

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, 2008 indicated the plan is fully funded on a going concern basis but had an unfunded solvency liability of \$1.1 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, 2008. The current contribution rates are sufficient to fund the solvency unfunded liability by December 2013.

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.

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.

**RURAL MUNICIPALITY OF DUFFERIN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2010**

14. Public Sector Compensation Disclosure

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

- a) Compensation paid to members of council amounted to \$127,952 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.
- c) The following officers received compensation in excess of \$50,000:

Name	Position	Amount
<i>Ruth Stege</i>	<i>C.A.O.</i>	\$ 61,532
<i>Rodney Last</i>	<i>Municipal Forman</i>	\$ 54,636

15. Public Utilities 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.

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2010**

SCHEDULE 1

	General Capital Assets				Infrastructure		Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Roads, Streets, and Bridges	Water and Sewer	2010	2009
Cost								
Opening costs	786,624	1,879,384	3,415,082	89,955	14,210,329	12,526,025	32,907,399	31,443,713
Additions during the year	102,577	1,466,430	450,256	52,434		261,047	2,332,744	1,463,686
Disposals and write downs	-	-	(437,978)	-	-	-	(437,978)	-
Closing costs	<u>889,201</u>	<u>3,345,814</u>	<u>3,427,360</u>	<u>142,389</u>	<u>14,210,329</u>	<u>12,787,072</u>	<u>34,802,165</u>	<u>32,907,399</u>
Accumulated Amortization								
Opening accum'd amortization	-	679,947	1,325,532	40,957	207,301	1,959,518	4,213,255	3,758,603
Amortization	1,654	67,875	183,476	15,764	31,756	237,248	537,773	454,652
Disposals and write downs	-	-	(11,611)	-	-	-	(11,611)	-
Closing accum'd amortization	<u>1,654</u>	<u>747,822</u>	<u>1,497,397</u>	<u>56,721</u>	<u>239,057</u>	<u>2,196,766</u>	<u>4,739,417</u>	<u>4,213,255</u>
Net Book Value of Tangible Capital Assets	<u>887,547</u>	<u>2,597,992</u>	<u>1,929,963</u>	<u>85,668</u>	<u>13,971,272</u>	<u>10,590,306</u>	<u>30,062,748</u>	<u>28,694,144</u>



**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2010**

SCHEDULE 2

	2010 Actual	2009 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 2,293,358	\$ 2,200,507
Taxes added	105,653	31,367
Penalties and interest	53,844	49,152
	2,452,856	2,281,026
Grants in lieu of taxation:		
Federal government	53	-
Provincial government	14,592	14,360
Provincial government enterprises	68,167	61,454
	82,812	75,814
User fees		
Sales of service	5,160	6,221
Sales of goods	5,122	4,360
Rentals	13,560	16,160
Facility use fees	132,839	127,467
	156,681	154,208
Permits, licences and fines		
Permits	30,579	21,338
Licences	14	8
	30,593	21,346
Investment income:		
Cash and temporary investments	17,621	13,349
Other revenue:		
Gain (loss) on sale of tangible capital assets	(68,816)	-
Contributed Assets	126,400	-
Miscellaneous (Donations from Individuals and misc):	326,633	141,480
	384,217	141,480
Water and sewer		
Municipal utility (Schedule 9)	577,174	422,518
Consolidated water co-operative	158,610	145,491
	735,784	568,009
Grants - Province of Manitoba		
General assistance payment	91,875	86,116
VLT revenues	51,365	51,535
Other Unconditional grants	48,168	30,744
Conditional grants	70,592	112,369
	262,000	280,764
Grants - other		
Federal government - gas tax funding	125,423	135,703
Federal government - other	300,000	2,909
Other local governments	130,868	131,205
	556,291	269,817
Total revenue	4,678,855	3,805,813

**RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2010**

SCHEDULE 3

	2010 Actual	2009 Actual
General government services:		
Legislative	\$ 92,154	\$ 91,108
General administrative	315,052	249,967
Other	454,334	328,522
	<u>861,540</u>	<u>669,597</u>
Protective services:		
Fire	76,066	64,290
Emergency measures	975	3,442
Other protection	12,526	10,908
	<u>89,567</u>	<u>78,640</u>
Transportation services:		
Road transport		
Administration and engineering	62,325	37,800
Road and street maintenance	1,222,354	1,109,090
Bridge maintenance	37	-
Sidewalk and boulevard maintenance	6,697	6,710
	<u>1,291,412</u>	<u>1,153,600</u>
Environmental health services:		
Waste collection and disposal	30,000	30,045
Other	1,044	978
	<u>31,044</u>	<u>31,023</u>
Public health and welfare services:		
Public health	103,473	68,406
Social assistance	7,889	7,889
	<u>111,362</u>	<u>76,295</u>
Resource conservation and industrial development		
Rural area weed control	70,605	81,481
Drainage of land	6,943	3,376
Veterinary services	3,150	3,488
Water resources and conservation	29,101	22,884
Regional development	49,340	40,473
Industrial development	-	140
	<u>159,139</u>	<u>151,842</u>
Recreation and cultural services:		
Administration	329,027	379,586
Community centers and halls	96,619	48,700
Skating and curling rinks	1,255	1,604
Parks and playgrounds	-	3,502
Other recreational facilities	16,887	6,000
Museums	2,000	2,000
Libraries	116,422	95,063
Other cultural facilities	2,150	3,810
	<u>564,360</u>	<u>540,265</u>
Water and sewer services		
Municipal utility (Schedule 9)	640,216	600,056
Consolidated water co-operatives	150,337	123,377
	<u>790,553</u>	<u>723,433</u>
Total expenses	<u><u>3,898,978</u></u>	<u><u>3,424,695</u></u>

RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2010

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
REVENUE										
Property taxes	\$ 2,263,673	\$ 2,067,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	82,812	75,814	-	-	-	-	-	-	-	-
User fees	15,875	18,825	-	-	-	-	-	-	30,892	36,083
Prov of MB - Unconditional Grants	143,240	137,651	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	70,592	112,369	-	-	-	-	-	-	-	-
Grants - other	432,219	151,450	-	-	-	-	-	-	3,500	-
Permits, licences and fines	26,774	17,414	-	-	-	-	-	-	-	-
Investment income	10,808	5,112	-	-	-	-	-	-	5,750	7,042
Other revenue	376,500	110,049	-	-	-	-	-	-	3,786	29,222
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	\$ 3,422,493	\$ 2,696,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,928	\$ 72,347
EXPENSES										
Personnel services	\$ 284,106	\$ 226,397	\$ 28,513	\$ 31,209	\$ 436,982	\$ 422,712	\$ -	\$ -	\$ 12,051	\$ 15,025
Contract services	155,415	147,600	61,054	47,432	296,602	216,611	30,000	30,045	44,888	8,696
Utilities	2,462	2,258	-	-	14,466	19,531	1,044	978	5,792	6,014
Maintenance materials and supplies	14,930	12,429	-	-	543,362	494,746	-	-	36,981	30,297
Grants and contributions	21,300	12,636	-	-	-	-	-	-	13,864	9,764
Amortization	300,524	208,807	-	-	-	-	-	-	-	9,420
Interest on long term debt	82,424	59,290	-	-	-	-	-	-	(2,467)	(3,247)
Other	379	180	-	-	-	-	-	-	253	326
Total expenses	\$ 861,540	\$ 669,597	\$ 89,567	\$ 78,640	\$ 1,291,412	\$ 1,153,600	\$ 31,044	\$ 31,023	\$ 111,362	\$ 76,295
Surplus (Deficit)	\$ 2,560,953	\$ 2,026,525	\$ (89,567)	\$ (78,640)	\$ (1,291,412)	\$ (1,153,600)	\$ (31,044)	\$ (31,023)	\$ (67,434)	\$ (3,948)

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



RURAL MUNICIPALITY OF DUFFERIN
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2010

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,183	\$ 213,589	\$ 2,452,856	\$ 2,281,026
Grants in lieu of taxation	-	-	-	-	-	-	-	-	82,812	75,814
User fees	-	-	-	-	109,914	99,300	-	-	156,681	154,208
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	143,240	137,651
Prov of MB - Conditional Grants	-	-	-	-	-	-	-	-	70,592	112,369
Grants - other	-	-	-	-	168,740	149,111	-	-	604,459	300,561
Permits, licences and fines	-	-	-	-	3,819	3,932	-	-	30,593	21,346
Investment income	-	-	-	-	1,063	1,195	-	-	17,621	13,349
Other revenue	-	-	-	-	3,931	2,208	-	-	384,217	141,479
Water and sewer	-	-	-	-	-	-	735,784	568,009	735,784	568,009
Total revenue	\$ -	\$ -	\$ -	\$ -	\$ 287,467	\$ 255,746	\$ 924,967	\$ 781,598	\$ 4,678,855	\$ 3,805,813
EXPENSES										
Personnel services	\$ -	\$ -	\$ 20,166	\$ 27,283	\$ 197,396	\$ 193,014	\$ 114,232	\$ 116,421	\$ 1,093,447	\$ 1,032,061
Contract services	-	-	64,065	47,642	29,964	28,711	19,207	34,440	701,194	561,176
Utilities	-	-	-	-	56,795	49,037	13,901	11,939	94,460	89,757
Maintenance materials and supplies	-	-	43,337	49,481	85,734	106,828	340,752	281,891	1,065,096	975,672
Grants and contributions	-	-	31,571	27,436	174,743	141,200	-	5,000	241,478	196,036
Amortization	-	-	-	-	-	20,141	237,248	216,284	537,772	454,652
Interest on long term debt	-	-	-	-	577	307	64,580	55,930	145,114	112,280
Other	-	-	-	-	19,151	1,027	633	1,528	20,416	3,061
Total expenses	\$ -	\$ -	\$ 159,139	\$ 151,842	\$ 564,360	\$ 540,265	\$ 790,553	\$ 723,433	\$ 3,898,978	\$ 3,424,695
Surplus (Deficit)	\$ -	\$ -	\$ (159,139)	\$ (151,842)	\$ (276,893)	\$ (284,519)	\$ 134,414	\$ 58,165	\$ 779,877	\$ 381,118



CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2010

	Core Government		Government Partnerships		Total	
	2010	2009	2010	2009	2010	2009
REVENUE						
Property taxes	\$ 2,452,856	\$ 2,281,026	\$ -	\$ -	\$ 2,452,856	\$ 2,281,026
Grants in lieu of taxation	82,812	75,814	-	-	82,812	75,814
User fees	15,875	18,825	140,806	135,383	156,681	154,208
Prov of MB - Unconditional Grants	143,240	137,651	-	-	143,240	137,651
Prov of MB - Conditional Grants	70,592	112,369	-	-	70,592	112,369
Grants - other	432,219	151,450	172,240	149,111	604,459	300,561
Permits, licences and fines	26,774	17,414	3,819	3,932	30,593	21,346
Investment income	10,808	5,112	6,813	8,237	17,621	13,349
Other revenue	376,500	110,049	7,717	31,430	384,217	141,479
Water and sewer	577,174	425,368	158,610	142,641	735,784	568,009
Total revenue	\$ 4,188,850	\$ 3,335,079	\$ 490,005	\$ 470,734	\$ 4,678,855	\$ 3,805,813
EXPENSES						
Personnel services	\$ 846,501	\$ 786,454	\$ 246,946	\$ 245,607	\$ 1,093,447	\$ 1,032,061
Contract services	619,611	516,854	81,583	44,322	701,194	561,176
Utilities	20,000	24,529	74,460	65,228	94,460	89,757
Maintenance materials and supplies	915,639	811,357	149,457	164,315	1,065,096	975,672
Grants and contributions	365,550	298,095	(124,072)	(102,059)	241,478	196,036
Amortization	504,984	398,268	32,788	56,384	537,772	454,652
Interest on long term debt	112,933	102,044	32,181	10,236	145,114	112,280
Other	379	180	20,037	2,881	20,416	3,061
Total expenses	\$ 3,385,598	\$ 2,937,781	\$ 513,380	\$ 486,914	\$ 3,898,978	\$ 3,424,695
Surplus (Deficit)	\$ 803,252	\$ 397,298	\$ (23,375)	\$ (16,180)	\$ 779,877	\$ 381,118



RURAL MUNICIPALITY OF DUFFERIN
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 Year Ended December 31, 2010

SCHEDULE 6

	2010												2009	
	General	Equipment Replacement	Fire	Gas Tax	Provincial Road	Bridge Construction	Drainage	Arena	Gravel	Wetland	Utility General	Utility Waterlines	Total	Total
REVENUE														
Investment income	\$ 67	\$ -	\$ 21	\$ -	\$ 95	\$ 4	\$ -	\$ 93	\$ -	\$ -	\$ 6	\$ 1	\$ 287	\$ 584
Other income	-	-	-	125,423	-	-	-	-	-	-	-	-	125,423	-
Total revenue	67	-	21	125,423	95	4	-	93	-	-	6	1	125,710	584
EXPENSES														
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET REVENUES	67	-	21	125,423	95	4	-	93	-	-	6	1	125,710	584
TRANSFERS														
Debt repayments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) operating fund	67,725	128,885	(1,439)	(128,626)	-	-	(595)	(24,207)	-	10,400	-	-	52,143	494,344
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	-	130,068	(127,561)	2,506	2,844
Acquisition of tangible capital assets	(106,993)	(10,208)	-	(25,000)	-	(65,786)	-	-	-	-	-	-	(207,987)	(448,456)
CHANGE IN RESERVE FUND BALANCES	(39,201)	118,677	(1,418)	(28,203)	95	(65,782)	(595)	(24,114)	-	10,400	130,074	(127,561)	(27,627)	49,316
FUND SURPLUS, BEGINNING OF YEAR	239,360	80,561	1,418	119,689	9,342	65,782	595	24,114	15,351	-	50,526	132,911	739,649	690,333
FUND SURPLUS, END OF YEAR	\$ 200,159	\$ 199,238	\$ 0	\$ 91,486	\$ 9,437	\$ (0)	\$ 0	\$ (0)	\$ 15,351	\$ 10,400	\$ 180,600	\$ 5,350	\$ 712,022	\$ 739,649



RURAL MUNICIPALITY OF DUFFERIN
 SCHEDULE OF TRUST FUNDS
 Year Ended December 31, 2010

SCHEDULE 7

	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Name of Trust	Total	
							2010	2009
ASSETS								
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES								
Due to Municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance	-	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES								
Contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Cemetery maintenance	-	-	-	-	-	-	-	-
Distribution to beneficiaries	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES								
	-	-	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR								
	-	-	-	-	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**RURAL MUNICIPALITY OF DUFFERIN
 SCHEDULE OF FINANCIAL POSITION FOR UTILITY
 Year Ended December 31, 2010**

SCHEDULE 8

	2010	2009
FINANCIAL ASSETS		
Amounts receivable	\$ 59,427	\$ 81,603
Due from other funds	276,927	374,083
	<u>\$ 336,353</u>	<u>\$ 455,686</u>
LIABILITIES		
Long-term debt	\$ 465,113	\$ 540,085
Due to other funds	148,747	101,260
	613,859	641,345
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (277,506)</u>	<u>\$ (185,659)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	\$ 9,306,175	\$ 9,196,068
Inventories	34,549	34,549
	9,340,724	9,230,617
FUND SURPLUS (DEFICIT)	<u><u>\$ 9,063,218</u></u>	<u><u>\$ 9,044,957</u></u>

**RURAL MUNICIPALITY OF DUFFERIN
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2010**

SCHEDULE 9

	Budget	2010	2009
REVENUE			
Water			
Water fees	\$ 428,736	\$ 379,001	\$ 331,960
Property taxes	189,183	189,183	213,589
Government transfers			
Capital	73,525	77,675	38,580
sub-total government transfers	73,525	77,675	38,580
Other			
Connection charges	-	118,550	50,508
Penalties	1,500	1,948	1,470
sub-total other	1,500	120,498	51,978
Total revenue	<u>692,944</u>	<u>766,357</u>	<u>636,107</u>
EXPENSES			
General			
Administration	18,200	19,360	14,172
Billing and collection	38,998	42,519	37,380
sub-total- general	57,198	61,880	51,552
Water General			
Purification and treatment		4,428	1,614
Water purchases	300,288	302,350	272,838
Transmission and distribution	82,630	36,589	41,837
sub-total water general	382,918	343,367	316,289
Water Amortization & Interest			
Amortization		204,460	189,461
Interest on long term debt		30,509	42,754
sub-total- water amortization & interest	-	234,969	232,215
Total expenses	<u>440,116</u>	<u>640,216</u>	<u>600,056</u>
NET OPERATING SURPLUS	252,828	126,141	36,051
TRANSFERS			
Transfers from (to) operating fund	(262,708)	-	77,675
Transfers from (to) reserve funds	(5,000)	(2,506)	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ (14,880)</u>	<u>123,635</u>	<u>113,726</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>8,939,583</u>	<u>8,825,857</u>
FUND SURPLUS, END OF YEAR		<u>\$ 9,063,218</u>	<u>\$ 8,939,583</u>

RURAL MUNICIPALITY OF DUFFERIN
 RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
 Year Ended December 31, 2010

SCHEDULE 10

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	PSAB Budget
REVENUE						
Property taxes	\$ 2,393,757	\$ 189,183	\$ -	\$ -	\$ (189,183)	\$ 2,393,757
Grants in lieu of taxation	82,812	-	-	-	-	82,812
User fees	7,980	-	-	-	-	7,980
Grants - Province of Manitoba	259,451	-	-	-	-	259,451
Grants - other	148,603	-	-	-	-	148,603
Permits, licences and fines	17,008	-	-	-	-	17,008
Investment income	3,500	-	-	-	-	3,500
Other revenue	15,000	-	-	-	-	15,000
Water and sewer	-	431,236	-	-	-	431,236
Transfers from reserves	370,194	73,525	-	-	(443,719)	0
Total revenue	\$ 3,298,305	\$ 693,944	\$ -	\$ -	\$ (632,902)	\$ 3,359,347
EXPENSES						
General government services	\$ 442,440	\$ -	\$ 297,357	\$ 82,239	\$ -	\$ 822,036
Protective services	90,790	-	-	-	-	90,790
Transportation services	1,361,910	-	-	-	-	1,361,910
Environmental health services	32,600	-	-	-	-	32,600
Public health and welfare services	19,364	-	-	-	-	19,364
Regional planning and development	-	-	-	-	-	-
Resource cons and industrial dev	163,871	-	-	-	-	163,871
Recreation and cultural services	316,894	-	-	-	-	316,894
Water and sewer services	-	440,116	197,501	30,509	-	668,127
Fiscal services:						
Transfer to capital	288,677	5,000	-	-	(293,677)	(0)
Debt charges	292,300	189,183	-	-	(481,484)	(0)
Short term interest	25,000	-	-	-	(25,000)	-
Transfer to reserves	264,588	73,525	-	-	(338,113)	(0)
Allowance for tax assets	(129)	-	-	-	129	(0)
Total expenses	\$ 3,298,305	\$ 707,824	\$ 494,858	\$ 112,748	\$ (1,138,145)	\$ 3,475,590
Surplus (Deficit)	\$ 0	\$ (13,880)	\$ (494,858)	\$ (112,748)	\$ 505,243	\$ (116,243)



RURAL MUNICIPALITY OF DUFFERIN
 ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2010

SCHEDULE 11

	2010	2009
Balance, beginning of year	\$ 368,863	\$ 346,984
Add:		
Tax levy (Schedule 12)	4,276,054	4,259,481
Taxes added	105,653	31,367
Penalties or interest	53,844	49,152
Sub-total	4,435,551	4,340,000
Deduct:		
Cash collections - current	3,889,731	3,824,905
Cash collections - arrears	194,621	158,133
Tax discounts	11,920	8,254
M.P.T.C. - cash advance	338,556	326,830
Sub-total	4,434,827	4,318,121
Balance, end of year (Note 4)	\$ 369,587	\$ 368,863

RURAL MUNICIPALITY OF DUFFERIN

SCHEDULE 12

ANALYSIS OF TAX LEVY

Year Ended December 31, 2010

	2010		2009	
Assessment	Mill Rate	Levy	Levy	
Debt charges:				
Industrial Park Bylaw 1734	117,957,540	0.421%	49,660	50,420
Equip. Purchase Bylaw 1845	117,957,540	0.552%	65,113	
Fire Infrastructure Bylaw 1847	117,957,540	0.394%	46,475	
Other (Rural Water)			189,183	218,583
sub-total- Debt charges			<u>350,431</u>	<u>269,003</u>
Reserves:				
Machinery Reserve	117,957,540	1.076%	126,922	189,969
General Municipal	117,957,540	15.879%	1,811,100	1,741,535
Special levies:				
Garbage and Recycling Pickup	-	0.000%	4,905	-
Business tax (rate%)				
Total municipal taxes (Schedule 2)			<u>2,293,358</u>	<u>2,200,507</u>
Education support levy	15,201,280	13.242%	201,295	201,292
Special levy:				
Red River Valley School Division	592,730	18.470%	10,948	13,740
Prairie Rose School Division	115,260,940	14.799%	1,705,721	1,783,412
Prairie Spirit School Division	3,779,730	17.126%	64,732	60,530
sub-total- Special levies			<u>1,781,400</u>	<u>1,857,682</u>
Total education taxes			<u>1,982,696</u>	<u>2,058,974</u>
Total tax levy (Schedule 11)			<u>\$ 4,276,054</u>	<u>\$ 4,259,481</u>



RURAL MUNICIPALITY OF DUFFERIN
 ANALYSIS OF SCHOOL ACCOUNTS
 Year Ended December 31, 2010

SCHEDULE 13

	2010				2009
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ -	\$ 201,295	\$ (201,295)	\$ 0	\$ -
Special levies					
Red River Valley School Division	-	10,948	(10,948)	(0)	-
Prairie Rose School Division	31	1,705,721	(1,705,752)	0	31
Prairie Spirit School Division	-	64,732	(64,732)	(0)	-
Sub-total	31	1,781,401	(1,781,432)	(0)	31
Total	\$ 31	\$ 1,982,696	\$ (1,982,727)	\$ (0)	\$ 31



RURAL MUNICIPALITY OF DUFFERIN

SCHEDULE 14

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2010

	2010 Actual	2009 Actual
General government services:		
Legislative	\$ 92,154	\$ 91,108
General administrative	315,052	249,967
Other	454,334	119,714
	861,540	460,790
Protective services:		
Fire	76,066	64,290
Emergency measures	975	3,442
Other	12,526	10,908
	89,567	78,641
Transportation services:		
Road transport		
Administration and engineering	62,325	37,800
Road and street maintenance	1,222,354	1,109,090
Bridge maintenance	37	-
	1,291,412	1,153,600
Environmental health services:		
Waste collection and disposal	30,000	30,045
Other	1,044	978
	31,044	31,023
Public health and welfare services:		
Public health	9,475	1,875
Social assistance	7,889	7,889
	17,364	9,764
Resource conservation and industrial development		
Rural area weed control	70,605	81,481
Drainage of land	6,943	-
Veterinary services	3,150	-
Water resources and conservation	29,101	29,748
Regional development	49,340	40,613
	159,139	151,842
Recreation and cultural services:		
Administration	152,665	153,855
Community centers and halls	72,161	28,145
Skating and curling rinks	1,255	1,404
Other recreational facilities	16,887	11,046
Museums	2,000	2,000
Libraries	48,197	44,858
Other cultural facilities	2,150	1,950
	295,315	243,258
Total expenses	2,745,382	2,128,917

RURAL MUNICIPALITY OF DUFFERIN

SCHEDULE 15

SCHEDULE OF DEBENTURES PENDING
Year Ended December 31, 2010

Authority	Purpose	Source of Funds	Authorized	Expended
Bylaw 1870	Construction of Municipal Shop		\$ 750,000	\$ -