TOWN OF SWAN RIVER

Consolidated Financial Statements
For the Year Ended December 31, 2023

THE TOWN OF SWAN RIVER

Phone: (204) 734-4586; Fax: (204) 734-5166
PO Box 879, Swan River MB R0L 1Z0

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Swan River and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

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.

Linda Cole Chartered Professional Accountant Inc., as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Independent Auditor's Report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian Public Sector Accounting Standards.

Will Tewnion
Chief Administrative Officer

Linda Cole

Chartered Professional Accountant Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and members of Council of the Town of Swan River

Opinion

We have audited the consolidated financial statements of the Town of Swan River ("the Town"), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statements of operations, change in net financial assets, and cash flows and supporting schedules for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2023, and the results of its consolidated operations, change in net financials assets, cash flows and supporting schedules for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Anna Cole

Swan River, Manitoba
July 14, 2026

Chartered Professional Accountant Inc.

TOWN OF SWAN RIVER
Consolidated Financial Statements
For the Year Ended December 31, 2023

TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	2023	2022 *(Restated)*
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	**$ 7,123,864**	$ 6,382,069
Amounts receivable (Note 4)	**1,625,617**	1,610,128
Portfolio investments (Note 5)	**11,152**	10,202
Real estate properties held for sale	**387,397**	509,868
Other inventories for sale (Note 6)	**14,560**	17,362
	$ 9,162,590	$ 8,529,629
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	**1,624,552**	1,462,402
Pre-retirement bonus entitlement (Note 8)	**309,112**	331,326
Unearned revenue (Note 9)	**667,527**	556,562
Long-term debt (Note 10)	**7,041,892**	7,695,100
Asset retirement obligations (Note 11)	**1,104,686**	1,057,464
Prepaid local improvement district levies (Note 12)	**194,014**	210,182
Deferred government transfers (Note 13)	**580,000**	580,000
	11,521,783	11,893,036
NET DEBT	**$ (2,359,193)**	$ (3,363,407)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	**$ 33,981,097**	$ 34,311,112
Inventories (Note 6)	**481,193**	469,182
Prepaid expenses	**150,285**	135,755
	34,612,575	34,916,049
ACCUMULATED SURPLUS (Note 15)	**$ 32,253,382**	$ 31,552,642

CONTRACTUAL OBLIGATIONS (Note 16)

Approved on behalf of Council:

Lance Jacobson - Mayor

Don Bobick - Councilor

The accompanying notes are an integral part of this financial statement.

TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED OPERATING SURPLUS
For the Year Ended December 31, 2023

	2023 Budget (Note 19)	**2023 Actual**	2022 Actual *(Restated)*
REVENUE			
Property taxes	$ 5,147,958	**$ 5,213,801**	$ 4,947,502
Grants in lieu of taxation	251,133	**251,133**	237,461
User fees	1,587,598	**1,674,344**	2,232,406
Permits, licences and fines	37,181	**49,182**	46,978
Investment income	2,771	**322,538**	135,166
Other revenue	101,157	**75,224**	188,806
Water and sewer	1,344,850	**1,472,576**	1,328,791
Grants - Province of Manitoba	1,063,910	**1,193,981**	905,696
Grants - other	319,006	**551,869**	328,852
Total revenue (Schedules 2, 4 and 5)	9,855,564	**10,804,648**	10,351,658
EXPENSES			
General government services	1,128,417	**1,112,145**	991,044
Protective services	1,994,658	**1,896,323**	1,999,026
Transportation services	1,441,112	**1,507,769**	1,674,710
Environmental health services	1,292,130	**1,280,183**	1,220,508
Public health and welfare services	198,684	**189,538**	174,994
Regional planning and development	87,313	**52,451**	43,483
Resource conservation and industrial development	99,450	**59,958**	60,647
Recreation and cultural services	2,377,484	**2,500,131**	2,316,200
Water and sewer services	1,527,872	**1,505,411**	1,511,725
Total expenses (Schedules 3, 4 and 5)	10,147,120	**10,103,909**	9,992,337
ANNUAL OPERATINGSURPLUS (DEFICIT	$ (291,556)	**700,739**	359,321
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR		**31,552,642**	32,015,033
Prior period adjustment for asset retirement obligations		**-**	(821,712)
ACCUMULATED OPERATING SURPLUS, END OF YEAR		**$ 32,253,382**	$ 31,552,642

The accompanying notes are an integral part of this financial statement.

TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended December 31, 2023

	2023	2022
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	$ -	$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	-	-
Foreign exchange	-	-
Derivatives	-	-
	-	-
Amounts reclassifed to the statement of operations:		
Portfolio investments	-	-
Foreign exchange	-	-
Derivatives	-	-
	-	-
NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR	-	-
ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR	$ -	$ -

The accompanying notes are an integral part of this financial statement.

TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2023

	2023 Budget (Note 19)	**2023 Actual**	2022 Actual *(Restated)*
ANNUAL SURPLUS (DEFICIT)	$ (291,556)	**$ 700,739**	$ 359,321
Acquisition of tangible capital assets	(4,175,830)	**(1,448,294)**	(1,167,430)
Amortization of tangible capital assets	1,773,500	**1,774,295**	1,781,855
Gain on sale of tangible capital assets	-	**(8,845)**	(44,200)
Loss on sale of tangible capital assets	-	**1,305**	19,244
Proceeds on sale of tangible capital assets	-	**11,554**	150,000
Increase in inventories	-	**(12,011)**	(26,160)
Increase in prepaid expense	-	**(14,530)**	(6,290)
	(2,402,330)	**303,474**	707,019
CHANGE IN NET FINANCIAL ASSETS	$ (2,693,886)	**1,004,213**	1,066,340
NET DEBT, BEGINNING OF YEAR		**(3,363,407)**	(4,429,747)
NET DEBT, END OF YEAR		**$ (2,359,193)**	$ (3,363,407)

The accompanying notes are an integral part of this financial statement.

TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

	2023	2022 *(Restated)*
OPERATING TRANSACTIONS		
Annual surplus	**$ 700,739**	$ 359,321
Changes in non-cash items:		
Amounts receivable	**(15,489)**	(365,489)
Inventories	**(9,209)**	(31,394)
Prepaid expenses	**(14,530)**	(6,290)
Accounts payable and accrued liabilities	**162,150**	214,998
Unearned revenue	**110,965**	341,836
Pre-retirement bonus entitlement	**(22,214)**	(20,369)
Prepaid local improvement district levies	**(16,168)**	(16,168)
Asset retirement obligations	**47,222**	52,374
Gain on sale of tangible capital assets	**(8,845)**	(44,200)
Loss on sale of tangible capital assets	**1,305**	19,244
Loss (gain) on sale of real estate properties	**109,090**	(30,756)
Amortization	**1,774,295**	1,781,855
Cash provided by operating transactions	**2,819,311**	2,254,962
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**11,554**	150,000
Cash used to acquire tangible capital assets	**(1,448,294)**	(1,167,430)
Cash applied to capital transactions	**(1,436,740)**	(1,017,430)
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	**-**	601
Proceeds on sale of real estate properties	**18,800**	34,200
Purchase of portfolio investments	**(950)**	(967)
Acquisition of real estate properties	**(5,419)**	(33,838)
Cash provided by (applied to) investing transactions	**12,431**	(4)
FINANCING TRANSACTIONS		
Proceeds of long-term debt	**-**	-
Debt repayment	**(653,208)**	(632,264)
Cash applied to financing transactions	**(653,208)**	(632,264)
INCREASE IN CASH AND TEMPORARY INVESTMENTS	**741,794**	605,264
Cash and temporary investments, beginning of year	**6,382,069**	5,776,805
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	**$ 7,123,864**	$ 6,382,069
SUPPLEMENTARY INFORMATION:		
Interest received	**$ 322,538**	$ 135,166
Interest paid	**278,132**	299,076

The accompanying notes are an integral part of this financial statement.

1. Status of the Town of Swan River

The incorporated Town of Swan River ("the Town") is a municipality that was formed in 1908 pursuant to the Manitoba Municipal Act. The municipality provides or funds municipal services such as police, fire, public works, planning, parks and recreation, and other general government operations. The municipality also owns a utility, has several designated special purpose reserves, and provides funding support for other financial entities involved in economic development, tourism, airport, handi transit and library.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada 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 Town. 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 Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations are:

Swan River Handi Transit Van
Swan River Municipal Developers Ltd.

The Town has several partnership agreements in place, and as such, consistent with Canadian Public Sector Accounting Standards for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Town'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 are:

G7 Physician Retention and Recruitment Fund (consolidated 40%, 2022 - 40%)
North-West Regional Library (consolidated 54%, 2022 - 54%)
Swan Valley Municipal Airport Commission (consolidated 37%, 2022 - 37%)
Swan Valley Planning District (consolidated 40%, 2022 - 40%)
Swan Valley Regional Initiative for a Strong Economy (consolidated 45%, 2022 - 45%)

The taxation with respect to the operations of the school division is not reflected in the municipal surplus of these financial statements.

Trust funds and their related operations administered by the Town are not consolidated in 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) Financial Instruments

The Town as part of its operations carries a number of financial instruments. It is management's opinion that the Town 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.

The Town classifies its financial instruments as either fair value, cost or amortized cost. The Town's accounting policy for each category is as follows:

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2. Significant Accounting Policies *(continued)*

c) Financial Instruments *(continued)*

Fair value:

This category includes derivatives and equity instruments quoted in an active market. The Town has not designated any of its portfolio investments or borrowings at fair value that would otherwise be classified in the amortized cost category.

Financial instruments in the fair value category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value on unrestricted investments are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized. When realized they are transferred to the Consolidated Statement of Operations. Changes in fair value on restricted investments are recognized as unearned revenue until the restriction on its use is realized. At that time, the balance is transferred to the Consolidated Statement of Operations.

Cost or amortized cost:

This category includes cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and public debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for donated financial assets, which are initially recognized at fair value.

d) Foreign Currency Translation

The Town's foreign currency risk is reflected in its financial statements. Monetary assets and liabilities, denominated in a foreign currency, are translated at the year-end rate of exchange. Revenue and expense arising from a foreign currency transaction are translated into Canadian dollars at exchange rates approximating those in effect at the transaction date.

At each financial statement date, monetary assets, and liabilities, must be adjusted to reflect the exchange rate in effect at that date. Unrealized foreign exchange gains or losses that arise prior to settlement are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

In the period of settlement, the cumulative amount of foreign exchange gains and losses is removed from the Consolidated Statement of Remeasurement Gains and Losses and is recognized in the Consolidated Statement of Operations.

e) Cash and Cash Equivalents

Cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

f) Portfolio Investments

Portfolio investments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method.

Portfolio investments denominated in a foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at December 31. Changes in the value of portfolio investments due to foreign currency changes are recorded in the Statement of Remeasurement Gains and Losses until the investments are sold.

Investment income on portfolio investments, denominated in a foreign currency, are translated to Canadian dollar equivalents at the exchange rate in effect at the date of the transaction.

g) Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the reporting date.

2. Significant Accounting Policies *(continued)*

h) 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 (debt) 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.

i) 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 Town does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

Land	Indefinite
Land improvements	10 to 70 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer hardware and software	4 years

Infrastructure Assets

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

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

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of 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.

2. Significant Accounting Policies *(continued)*

j) Revenue Recognition

Fees and other revenues:

Exchange transactions are transactions with performance obligations. A performance obligation is a promise to provide a distinct good or service or series of distinct goods or services to a payor for consideration. The municipality recognizes revenue when the performance obligations are satisfied, and the payor obtains control of the asset or benefits from the service provided.

Non-exchange transactions are transactions or events where there is no direct transfer of goods or services to a payor. The municipality receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue from non-exchange transactions is recognized when the municipality has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on the delivery of products.

Revenue from contracts with customers is recognized at an amount equal to the transaction price allocated to the specific distinct performance obligation when the performance obligation is satisfied. Revenue from contracts with customers is evaluated and separated into distinct performance obligations when there is a distinct good or service to be transferred in the future.

Government transfers:

Transfer payments from other governments include all accruals determined for current year entitlements that have been authorized by December 31, for which any eligibility criteria have been met and that can be reasonably estimated. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 Liabilities.

Property taxes:

Revenues from property taxes are accrued in the year they are authorized by Council. Property taxes are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

Externally restricted inflows:

Externally restricted inflows are recognized as revenue in the period in which expenses are incurred for the purposes specified. Externally restricted inflows received before the expenses are incurred are reported as a liability.

k) Asset Retirement Obligations

Asset retirement obligations reflect the legal obligations arising from the retirement of the Town's tangible capital assets, and are recognized when:

- there is a legal obligation for the municipality to incur costs in relation to a specific tangible capital asset,
- there is a past transaction or event causing the liability that has occurred,
- when economic benefits will need to be given up to remediate the liability, and
- when a reasonable estimate of the liability can be made.

Tangible capital assets that are in use, no longer in use, or that are leased may all give rise to asset retirement obligations.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the municipality derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

2. Significant Accounting Policies *(continued)*

l) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- an enviromental standard exists,
- contamination exceeds the environmental standard;
- the municipality is directly responsible or accepts responsibility, and
- a reasonable estimate of the amount can be made.

m) 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.

n) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued amounts 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 amortization of tangible capital assets, the reporting of asset retirement obligations, and the accrual of pre-retirement bonus entitlement, as follows:

- The amortization of tangible capital assets is based on estimates of useful lives for groupings of similar assets.
- The liability associated with asset retirement obligations reflects the best estimates by management of the amount required to remediate such liabilities, the timing when such remediation will occur, and the estimated future cash flows associated with asset retirement discounted to the financial statement date.
- The accrual of the pre-retirement bonus entitlement is based on estimated future cash flows using an assumed rate of inflation to the expected dates of retirement, discounted to the financial statement date using an assumed long term average borrowing rate.

The useful lives, future cash flows, inflation and borrowing rates, and timing of obligations described in the foregoing are based upon management's best estimates. Such estimates are periodically reviewed and any adjustments necessary are reported in the period in which they become known. The actual future cash flows and timing of obligations may differ significantly from these estimates.

o) Future Changes in Accounting Standards

A number of new and amended Canadian public sector accounting standards have been issued and not applied in preparing these financial statements. These standards will come into effect as follows:

- PS 3400 Revenue (effective January 1, 2024), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.
- PS 3160 Public Private Partnerships (effective January 1, 2024), is a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships arrangements. Earlier adoption is permitted.
- PSG - 8 Purchased intangibles (effective January 1, 2024) provides guidelines on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

These new accounting standards have not been applied in preparing these consolidated financial statements.

The Municipality is currently assessing the impact of the new standards, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following:

	2023	2022
Cash	**$ 7,123,252**	$ 6,381,460
Cash equivalents	**612**	609
	$ 7,123,864	$ 6,382,069

Cash equivalents include short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

The Town has designated $5,426,637 (2022 $4,686,112) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 - *Schedule of Change in Reserve Fund Balances.*

The balance of cash reported above includes $926,207 (2022 $786,289) held by controlled entities and government partnerships.

The Town has an authorized $500,000 revolving demand facility by way of overdrafts with the Royal Bank of Canada. The facility was not used at any time during the fiscal year.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	2023	2022
Taxes on roll *(Schedule 11)*	**$ 753,355**	$ 496,262
Government grants	**176,308**	119,519
Utility customers	**357,441**	341,971
Organizations and individuals	**317,104**	571,106
Other governments	**160,350**	102,670
Accrued interest	**47,313**	43,732
	1,811,871	1,675,260
Less allowances for doubtful amounts	**(186,254)**	(65,132)
	$ 1,625,617	$ 1,610,128

5. Portfolio Investments

	2023	2022
Term deposits		
TD Canada Trust redeemable, issued August 14, 2023, matures August 13, 2024, interest at 3.00% per annum	**$ 5,118**	$ 5,004
Patronage shares		
Swan Valley Consumers Co-operative	**34**	33
Westman Communications Group	**6,000**	5,165
	$ 11,152	$ 10,202

6. Inventories

	2023	2022
Inventories for sale:		
Airport fuel	**$ 14,006**	$ 16,807
Concession supplies	**280**	456
Swimming supplies	**274**	99
	$ 14,560	$ 17,362

(continues)

6. Inventories *(continued)*

Inventories for use:

	2023	2022
General		
Fuel	$ 8,223	$ 7,944
Granulars	86,446	70,297
Dust control	163	163
Sidewalk unistone	4,036	4,036
Culverts	9,031	9,031
Traffic services	8,917	9,822
Janitorial supplies	5,202	4,746
Landfill cover material	11,199	11,199
Chemicals and reagents	3,387	4,876
Programming supplies	-	798
	136,604	122,912
Utility		
Connections	39,582	33,821
Water treatment chemicals	19,138	31,758
Sewage collection	111,842	114,051
Water meters	21,097	27,962
Transmission and distribution	152,930	138,678
	344,589	346,270
	$ 481,193	$ 469,182

7. Accounts Payable and Accrued Liabilities

	2023	2022
Trade accounts payable	$ 886,850	$ 714,235
Contractor holdbacks	37,996	37,996
Employee remittances payable	2,485	8,237
School levies	168,727	132,661
Other governments	21,752	19,939
Accrued vacation liability	171,762	159,463
Accrued salaries and wages payable	45,250	23,202
Other accrued expenses	289,730	366,669
	$ 1,624,552	$ 1,462,402

8. Pre-Retirement Bonus Entitlement

Each permanent or seasonal employee of the Town retiring at age 55 or over with at least five years of seniority is entitled to receive a pre-retirement bonus in a lump sum to a maximum of 100 days upon his or her death, retirement or termination of service, calculated as follows:

- Four days per year of seniority for a permanent employee;
- Pro-rata calculation as follows for a seasonal employee:
  Average annual hours actually worked from last date of employment,
  divided by annual full-time hours, multiplied by entitlement of a permanent employee.

Each employee's entitlement liability has been calculated as the net present value of his or her entitlement upon retiring at the later of age 55 or five years of seniority, assuming 1.5% inflation applied to his or her current daily rate of pay, discounted to the end of the current fiscal year using an assumed long term average borrowing rate of 4.5%.

	2023	2022
Beginning balance	$ 331,326	$ 351,695
Earned during the year	10,452	19,268
Paid out during the year	(22,718)	(24,582)
Relinquished on termination of employment	(9,948)	(15,055)
Ending balance	$ 309,112	$ 331,326

9. Unearned Revenue

	2023	2022
Prepaid taxes	**$ 55,247**	$ 31,043
Prepaid utility	**6,071**	7,136
Water meter deposits	**128,149**	126,558
Unused grants *(See following explanation)*	**462,106**	375,922
Rental prepayments and deposits	**15,954**	15,903
	$ 667,527	$ 556,562

Unused grants consists of government transfers towards programs that have not yet commenced or tangible capital assets that have not yet been put into use. The grants will be recognized as revenue in the year when the programs are undertaken or the tangible capital assets are put into use, respectively.

10. Long Term Debt

	2023	2022
General Authority:		
Debenture for new municipal office building, held by RBC Life Insurance Company, issued December 31, 2013, payable $112,937 annually including interest at 4.14%, maturing December 31, 2032	**$ 834,394**	$ 909,671
Debenture for Richardson Recreation & Wellness Centre construction, held by RBC Life Insurance Company, issued February 29, 2016, payable $368,322 annually including interest at 3.79%, maturing December 31, 2035	**3,499,233**	3,726,327
Debenture for fire fighter equipment, held by Province of Manitoba, issued November 30, 2017, payable $16,977 annually including interest at 3.875%, maturing December 31, 2032	**127,100**	138,721
Debenture for 12th Avenue and 3rd St South local improvement, held by Birchwood Cemetery Perpetual Care Fund, issued February 6, 2019, payable $5,849 annually including interest at 4.125%, maturing December 31, 2033	**47,149**	50,899
Debenture for Centennial Arena temporary ice floor, held by Swan Valley Credit Union Limited, issued March 31, 2020, payable $65,488 annually including interest at 2.99%, maturing December 31, 2024	**63,587**	125,327
Debenture for Incident Command Vehicle, held by Birchwood Cemetery Perpetual Care Fund, issued December 31, 2020, payable $9,935 annually including interest at 1.875%, maturing December 31, 2025	**19,325**	28,722
Debenture for Loader-Backhoe, held by Province of Manitoba, issued November 30, 2020, payable $20,716 annually including interest at 1.875%, maturing December 31, 2025	**40,295**	59,889
Debenture for Richardson Recreation & Wellness Centre repairs, held by Swan Valley Credit Union Limited, issued October 22, 2021, payable $66,511 annually including interest at 2.10%, maturing December 31, 2030	**428,810**	485,133

(continues)

10. Long Term Debt *(continued)*

Utility Fund:

Debenture for Ross Street wastewater pumping station, demand loan held by RBC Royal Bank, issued December 31, 2014, payable $64,789 annually including interest at 4.13%, maturing December 31, 2034	**563,623**	603,488
Debenture for Heyes Street wastewater pumping station, demand loan held by RBC Royal Bank, issued February 29, 2016, payable $31,777 annually including interest at 3.79%, maturing December 31, 2035	**301,895**	321,487
Debenture for 6th Ave wastewater pumping station, held by Swan Valley Credit Union Limited, issued February 28, 2020, payable $29,593 annually including interest at 3.19%, maturing December 31, 2029	**159,304**	183,057
Debenture for Well Control Building, held by RBC Life Insurance Company, issued March 31, 2020, payable $67,200 annually including interest at 3.40%, maturing December 31, 2039	**818,867**	856,931
Debenture for Main Street Water & Sewer Renewal, held by Swan Valley Credit Union Limited, issued October 21, 2021, payable $71,226 annually including interest at 1.99%, maturing December 31, 2025	**138,310**	205,448
	$ 7,041,892	$ 7,695,100

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

2024	$ 674,886
2025	631,836
2026	551,226
2027	571,260
2028	592,041
Thereafter	4,020,643
	$ 7,041,892

Schedule of Debentures Pending

Authority	Purpose	Amount Authorized
General	Fire Department Pumper 1 and equipment	$ 900,000

The Town, as the Borrower in a Credit Facilities agreement with the Royal Bank of Canada, is not in compliance with the Reporting Covenant to provide the Bank with annual audited financial statements withing 150 days of each fiscal year end, which constitutes an Event of Default. The agreement stipulates that, in such event, the ability of the Borrower to make further borrowings under the Credit Facilities which are term facilities under the agreement shall immediately terminate and the Bank may, by written notice to the Borrower, declare the Borrowings outstanding under the Credit Facilities to be immediately due and payable. However, the Bank has not yet given such written notice to the Town.

11. Asset Retirement Obligations

	2023	2022 (Restated)
Balance, beginning of year	**$ 1,057,464**	$ 1,012,274
Liabilities settled during the year	**-**	-
Accretion expense	**47,222**	45,190
Change in assumptions	**-**	-
Estimated total liability	**$ 1,104,686**	$ 1,057,464

Landfill Site

Legislation requires the Town to conduct closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

The Town currently operates a Class 2 landfill site located in the Municipality of Swan Valley West, with an estimated remaining capacity of 86% of the landfill's total estimated capacity of 200,590 square metres. The estimated remaining life of the landfill is 63 years. The Town also has an adjacent Class 2 landfill site with no remaining capacity of the total estimated capacity of 82,590 square metres. No post-closure care is expected for either site.

The estimated total liability of $127,554 (prior year 2022 - $122,061) is based on the sum of discounted future cash flows using a discount rate of 4.5%

Lagoon

The Town is required to close wastewater lagoon sites appropriately at the end of their operating life. The municipality operates a wastewater lagoon, with an estimated remaining life of 5 years.

The estimated total liability of $432,521 (prior year 2022 - $413,896) is based on the sum of discounted future cash flows using a discount rate of 4.5%.

Asbestos and Lead Paint

Legislation requires the Town to handle and dispose of any material containing asbestos and lead paint appropriately when renovating or demolishing a municipal structure. The Town owns a public works shop, fire hall, skating rink, community hall and water treatment plant, and a portion of an airport terminal building, which contain asbestos.

The estimated total liability of $544,611 (prior year 2022 - $521,505) is based on the sum of discounted future cash flows using a discount rate of 4.5%.

12. Prepaid Local Improvement District Levies

Prepaid local improvement district levies represent the total payments received from taxpayers who chose to prepay the local improvement district levy for debenture borrowing by the Town for construction of the Richardson Recreation and Wellness Centre. These prepayments are being amortized to revenue on a straight-line basis over the 20-year term of the debenture. The change in prepaid levies is as follows:

	2023	2022
Beginning balance	**$ 210,182**	$ 226,350
Amortization	**(16,168)**	(16,168)
Ending balance	**$ 194,014**	$ 210,182

13. Deferred Government Transfers

Deferred government transfers consist of government transfers for which there are stipulations by the transferor that give rise to an obligation that meets the definition of a liability. For transfers with stipulations, an equivalent amount of revenue is recognized as the liability is settled.

According to the terms of the Contribution Agreements with The Government of Manitoba under the Communities Component of the Canada-Manitoba Building Canada Fund and under the Canada-Manitoba Municipal Rural Infrastructure Fund for the Swan Valley Recreation and Wellness Centre Project, the Town must own, use or permit to be used, operate and maintain the Wellness Centre for ten years after the project completion date of December 31, 2015 or else repay The Government of Manitoba as follows:

Date of Disposition or Ceasing to Operate, Maintain and Use the Wellness Centre	Reimbursed Costs to be Repaid Percentage	Reimbursed Costs to be Repaid Amount
Before December 31, 2017	100%	$ 5,800,000
On or after December 31, 2017 but before December 31, 2020	55%	3,190,000
On or after December 31, 2020 but before December 31, 2025	10%	580,000

Accordingly, the aforementioned government transfers have been deferred as follows:

	2023	2022
Canada-Manitoba		
Building Canada Fund Communities Component	**$ 4,000,000**	$ 4,000,000
Municipal Rural Infrastructure Fund	**800,000**	800,000
Province of Manitoba – Building Manitoba Fund	**1,000,000**	1,000,000
	5,800,000	5,800,000
Revenue recognized upon settlement of liability	**(5,220,000)**	(5,220,000)
	$ 580,000	$ 580,000

14. Prior Period Adjustment

Effective January 1, 2023, the Town adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation and provides the related consolidated financial statement presentation and disclosure requirements.

Pursuant to the recommendations, the change was applied using a modified retrospective approach and prior periods have been restated. On adoption, the Town removed any liability for any asset retirement obligations and associated asset retirement costs from the consolidated statement of financial position and recognized:

- A liability for any existing asset retirement obligation, adjusted for accumulated accretion to date;
- An asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital asset;
- Accumulated amortization on the capitalized asset retirement cost; and
- An adjustment to opening accumulated surplus/deficit.

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14. Prior Period Adjustment *(continued)*

The following changes were made to the prior year comparative amounts:

	Previously Reported	Adjustment Change	Restated Balance
Consolidated Statement of Financial Position			
Tangible capital assets	$ 34,241,517	$ 69,595	$ 34,311,112
Asset retirement obligations	112,496	944,968	1,057,464
Consolidated Statement of Operations			
Protective services	$ 1,997,487	$ 1,539	$ 1,999,026
Transportation services	1,672,386	2,324	1,674,710
Environmental health services	1,214,067	6,441	1,220,508
Recreation and cultural services	2,296,056	20,144	2,316,200
Water and sewer services	1,488,513	23,212	1,511,725
Accumulated surplus, beginning of year	32,015,333	(821,712)	31,193,621
Consolidated Statement of Change in Net Financial Assets			
Amortization of tangible capital assets	$ 1,773,385	$ 8,470	$ 1,781,855
Net debt, beginning of year	(3,529,970)	(899,777)	(4,429,747)
Consolidated Statement of Cash Flows			
Annual surplus	$ 412,981	$ (53,660)	$ 359,321
Change in asset retirement obligations	7,184	45,190	52,374
Amortization	1,773,385	8,470	1,781,855

15. Accumulated Surplus

Accumulated surplus consists of the following:

	2023	2022 (Restated)
General operating fund - Nominal surplus	**$ 1,418,557**	$ 1,418,557
Utility operating fund - Nominal surplus	**157,117**	157,117
Tangible capital assets net of related borrowings *(see below)*	**23,922,318**	23,938,373
Reserve funds *(Schedule 6)*	**5,117,525**	4,354,786
Accumulated surplus of municipality unconsolidated	**30,615,517**	29,868,833
Accumulated surpluses of consolidated entities	**1,637,865**	1,683,809
Accumulated surplus per Consolidated Statement of Financial Position	**$ 32,253,382**	$ 31,552,642

Tangible capital assets net of related borrowings consists of the following:

	2023	2022 (Restated)
Tangible capital assets	**$ 33,488,603**	$ 33,799,719
Long term debt (Note 10)	**(7,041,892)**	(7,695,100)
Prepaid expenses	**(446,426)**	-
Accounts payable	**(80,533)**	(163,709)
Unearned revenue (Note 9)	**(126,782)**	(162,941)
Deferred government transfers (Note 13)	**(580,000)**	(580,000)
Prepaid local improvement district levies (Note 12)	**(194,014)**	(210,182)
Asset retirement obligations (Note 11)	**(1,096,638)**	(1,049,414)
	$ 23,922,318	$ 23,938,373

16. Contractual Obligations

Municipal Police Service

The Town entered into an agreement dated April 1, 2012 with the Government of Canada to provide and maintain a Municipal Police Service within the Town until March 31, 2032. Under the terms of the agreement, the Town is responsible to pay, on a quarterly basis, 70 percent of the cost of operating and maintaining the Municipal Police Service, including salaries and wages, transportation and travel, information, professional services, rentals, repairs, utilities and supplies as well as providing accommodation of office space, jail cell facilities and garage space. Under the agreement, the Town incurred costs in the 2023 fiscal year of $1,214,776 (2022 - $1,393,091).

Waste Disposal Grounds Administration

The Town entered into an agreement dated April 17, 2020 with LC Contracting Ltd. to manage the operations of the Swan River Waste Disposal Grounds located in the Municipality of Swan Valley West from June 1, 2020 until May 31, 2025. Under the agreement, the Town incurred costs in the 2023 fiscal year of $312,000 (2022 - $306,000).

Recycling Services

The Town entered into an agreement dated June 30, 2023 extending a previous agreement with Ottenbreit Sanitation Services (2002) Ltd. to collect and process recyclable material. Under the terms of the agreement, the Town paid the contractor per dwelling for residential recycling collection and processing, and per lift per cubic yard for commercial recycling and processing, and incurred costs in the 2023 fiscal year of $538,088 (2022 - $474,529).

Swan Valley Employment and Training Project

The Town entered into agreements expiring June 30, 2024 with The Government of Manitoba – Ministry of Jobs and the Economy to act as the "Service Provider" for the *Swan Valley Employment and Training Project* Employment Partnership. The objective of the partnership is to provide work experience, job search assistance and employment supports for individuals in the Swan Valley area.

Since the Province pays a financial contribution to the Town equal to the Eligible Costs incurred by the Town in carrying out the Project and the Town has not made any financial investment in the Partnership, the assets, liabilities, revenues and expenses of the Project have not been consolidated into these financial statements. The Town received financial contributions from the Province and disbursed the contributions to the Partnership for Eligible Costs in the amount of $192,008 (2022 - $263,046).

Water Treatment Plant Generator

The Town entered into a cost sharing agreement dated July 30, 2021 with The Manitoba Water Services Board for its Water Treatment Plant Generator Project. The project is expected to cost $350,000. The Manitoba Water Services Board has agreed to provide a grant in the amount of $175,000. Costs incurred to December 31, 2023 totaling $161,067 are included in Schedule 1 under *Infrastructure Tangible Capital Assets under Construction.*

Wastewater Lagoon Study

The Town entered into a cost sharing agreement dated August 25, 2020 with The Manitoba Water Services Board for its Feasibility Study for the Wastewater Lagoon. The study is expected to cost $140,000. The Manitoba Water Services Board has agreed to provide a grant in the amount of $70,000. Costs incurred to December 31, 2023 totaling $60,924 are included in Schedule 1 under *Infrastructure Tangible Capital Assets under Construction.*

Building Sustainable Communities Program Grant

The Town entered into a project contribution agreement dated August 10, 2022 with the Government of Manitoba to provide a grant toward the Centennial Arena Renovation Project in the amount of $300,000 from the Building Sustainable Communities Program. Payments received totaling $270,000 have been recorded as unearned revenue. At its meeting held March 28, 2023, Town Council defeated a resolution to enter into a construction contract to proceed with the floor slab replacement portion of the Arena Retrofit. The Town is awaiting approval from the Government of Manitoba to use the grant monies for other recreation facilities capital projects.

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16. Contractual Obligations *(continued)*

New Arena Construction

The Town entered into a Memorandum of Understanding dated April 28, 2023 with the Swan Valley Legacy Committee to pursue a joint venture to build a new arena, for which the Town agreed to a limited contribution amount of $3,167,500 fully dependent on Municipal Board approval of a borrowing bylaw therefor. The Town has not yet applied to the Municipal Board for approval of the borrowing bylaw as the cost of the new arena has not yet been determined.

The Town entered into a contribution agreement dated November 6, 2023 with the Government of Manitoba to provide a grant toward the construction of a new *Swan Valley Arena and Recreation Facility* in the amount of $3,163,000 under the Arts, Culture and Sport in Community Fund. The total costs of the project were estimated to be $12,855,000. The Project's Total Completion Date was stipulated as no later than March 31, 2026, which the Province extended to September 30, 2026. The Province has since requested written documentation supporting the Project revenue, including a description of the the fundraising strategy approved by Council resolution, the current status of corporate sponsorship discussions, and confirmation of the Town's own financial contribution to the Project. The Town has not yet received any portion of the grant.

Fire Board

The Town entered into an agreement dated October 12, 2023 with the Municipality of Swan Valley West to establish the *Swan Valley Fire Board* for the purpose of providing fire protection and emergency services to the contributing municipal partners of the Board, and to commit assets and provide for joint administration of the services. Under the terms of the agreement, the Town contributed the exclusive use of the assets of the *Swan River Fire Department* and provided access to the property and firehall located at 700 First Street North. The Town will be required to contribute annually to the Board's operating and capital costs based on portioned municipal assessment of its geographical response coverage area. The Town's portion of the Board's operating costs from October 12 to December 31, 2025 totaling $33,206 are included *Protective services* on the Statement of Operations.

17. Retirement Benefits

The majority of the employees of the Town are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) pensionable earnings times years of service, plus 2.0% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants Canada Public Sector Accounting Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by municipalities on behalf of their employees are expected to be $40.9 million (2022 - $38.8 million) and are included in each municipality's statement of operations..

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2022 indicated the plan was 111.6% funded on a going concern basis and had an unfunded solvency liability of $19.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2022.

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.

18. Subsequent Events

Under the terms of an agreement dated October 12, 2023 with the Municipality of Swan Valley West to establish the *Swan Valley Fire Board*, the Town of Swan River contributed $72,649 to the Board on January 16, 2024 from its *Fire Truck Replacement Reserve* for the Board to establish its own reserve. The Town also purchased an *Acres Emergency Vehicle VORTEX series Pumper 2024 Freightliner series Chassis* on July 8, 2024 at a cost of $821,060, of which the Town will retain ownership until the Board has been deemed a municipal organization able to claim a GST Public Services Bodies Rebate equal to 100% of the GST payable on transfer to the Board.

19. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Town 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*.

20. 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 $85,000 annually, to any member of council, officer or employee of the Town. For the year ended December 31, 2023:

a) There were no members of council receiving compensation in excess of $85,000 individually.

b) The following officers received compensation in excess of $85,000:

Employee	Position	Amount
Derek Poole	Chief Administrative Officer	$ 119,579
Jordan Rooks	Town Foreman	91,750
Darren Harvey	Director of Public Works	86,152

It is a requirement of *The Municipal Act* that the annual financial statements disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of council of the Town. For the year ended December 31, 2023:

c) Compensation paid to members of council amounted to $125,837 in aggregate.

Council Member	Compensation	Expenses	Total
Mayor Lance Jacobson	$ 21,374	$ 1,889	$ 23,263
Deputy Mayor David Moriaux	18,763	4,450	23,213
Councillor Don Bobick	14,650	2,214	16,864
Councillor Tracy Boychuk	17,283	1,897	19,180
Councillor Corinna Medwid	17,398	3,302	20,700
Councillor Tanya Powell	18,483	3,393	21,876
Councillor Duane Whyte	17,886	3,284	21,170
	$ 125,837	$ 20,429	$ 146,266

21. Trust Funds

The Town of Swan River administers the following trust funds that are not consolidated in these financial statements:

	Balance, Beginning of Year	Excess of Receipts over Disbursements	Balance, End of Year
Birchwood Cemetery Perpetual Care	$ 220,198	$ 8,055	$ 228,253
Swan River Skateboard Union	396	(396)	-
Swan River Fire Department	1,395	-	1,395
	$ 221,989	$ 7,659	$ 229,648

22. Segmented Information

The Town of Swan River provides a wide range of services to its residents. Segment information has been provided in Schedule 4 for the following services:

- General Government Services
- Protective Services
- Transportation Services
- Environmental Health Services
- Public Health and Welfare Services
- Regional Planning and Development
- Resource Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the financial statements as described in the summary of significant accounting policies.

23. Condensed Supplementary Financial Information for Consolidated Entities

Controlled Organizations

The Town controls several organizations that provide municipal services. The consolidated financial statements include these entities as disclosed in note 2(a). The aggregate financial statements of the controlled entities, in condensed summary, are as follows:

	Unadjusted	Adjustments	**Total 2023**	Total 2022
Financial Position				
Financial assets	$ 252,140	$ -	**$ 252,140**	$ 379,000
Liabilities	4,445	-	**4,445**	4,285
Net financial assets	247,695	-	**247,695**	374,715
Non-financial assets	99,656	-	**99,656**	106,079
Accumulated surplus	$ 347,351	$ -	**$ 347,351**	$ 480,794
Results of Operations				
Revenue	$ (71,756)	$ (13,327)	**$ (85,083)**	$ 27,822
Expenses	61,187	(13,327)	**47,860**	36,173
Annual deficit	$ (132,943)	$ -	**$ (132,943)**	$ (8,351)

Government Partnerships

The Town has several partnership agreements for municipal services. The consolidated financial statements include the Town's proportionate interest, as disclosed in note 2(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	Unadjusted	Adjustments	**Total 2023**	Total 2022 *(Restated)*
Financial Position				
Financial assets	$ 971,272	$ (3,975)	**$ 967,297**	$ 843,744
Liabilities	358,123	(264,393)	**93,730**	70,371
Net financial assets	613,149	260,418	**873,567**	773,373
Non-financial assets	416,947	-	**416,947**	429,642
Accumulated surplus	$ 1,030,096	$ 260,418	**$ 1,290,514**	$ 1,203,015
Results of Operations				
Revenue	$ 368,475	$ (130,498)	**$ 237,977**	$ 185,261
Expenses	272,113	(121,635)	**150,478**	146,536
Annual surplus (deficit)	$ 96,362	$ (8,863)	**$ 87,499**	$ 38,725

24. Contingent Assets

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset (PS 3320.03).

The existence of a contingent asset at the date of the financial statements must be disclosed when the occurrence of the confirming future event is likely, provided that the sensitivity or confidentiality of the information should also be considered to avoid adverse effect.

Disclosures of the contingent assets should include the nature, including a description of the circumstances giving rise to the uncertainty and information about the anticipated resolution of the uncertainty; the extent, including an estimate of the amount or a range of possible amounts; the reason(s), if the extent can't be disclosed; and the basis for the estimate.

The Town is a plaintiff in a certain legal action in which a monetary award has been sought. The amount sought has not been disclosed as doing so could be expected to have an adverse effect on the outcome. The settlement will be recognized as revenue in the year in which the amount is determinable.

25. Contractual Rights *(PS 3380)*

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future (PS 3380.03). They arise out of a contract or agreement that is binding between two or more parties, has clear economic consequences and is enforceable by law. Contractual rights arise from, but are not limited to lease contracts, licences agreements and sales contracts.

Factors to consider when determining what contractual rights should be disclosed include, but are not limited to:
- Contractual rights to revenue that are abnormal in relation to the financial position or unusual municipal operations; and
- Contractual rights that will govern the level of a certain type of revenue for a considerable period into the future.

Professional judgement needs to be exercised when determining whether or not a contractual right should be disclosed. Disclosures of the contractual rights should include descriptions about nature, extent, and timing of contractual rights.

The Town does not have any contractual rights for future assets.

26. Related Party Disclosures *(PS 2200)*

A related party exists when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include key management personnel and close family members and the entities they control.

Related Party Transactions are transfers of economic resources or obligations between related parties, or the provision of services by one party to a related party. These transfers are related party transactions whether or not there is an exchange of considerations or transactions have been given accounting recognition. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

Disclosure is generally required when:
- A transaction occurs between related parties at a value different from that which would have been arrived at if the parties were unrelated; and
- The transaction has or could have a material financial effect on the financial statements.

Determining which items to disclose is based on an assessment of the terms and conditions underlying the transactions, the financial materiality of the transactions, relevance of the information to the decisions of users, and the need for the information to enable users' understanding of the financial statements and for making comparisons to other entities.

(continues)

26. Related Party Disclosures *(continued)*

As per *PS 2200.17* a municipality should disclose the following where a transaction meets the requirements for disclosure.

- Adequate information about the nature of the relationship with related parties involved in related party transactions;
- The types of related party transactions that have been recognized;
- The amounts of the transactions recognized classified by financial statement category;
- The basis of measurement used;
- The amount of outstanding balances and the terms and conditions attached to them;
- Contractual obligations with related parties, separate from other contractual obligations;
- Contingent liabilities involving related parties, separate from other contingent liabilities; and
- The types of related party transactions that have occurred for which no amount has been recognized.

Following is a list of significant related party transactions:

Description of Transaction	Type of Transaction	Basis of Measurement	Amount before Consolidation	Net after Consolidation
Swan Valley Municipal Airport Commission (government partnership)				
• Administration fee	Revenue	As tendered	$ 24,900	$ 15,687
• Sale of service	Revenue	Stipulated rate	41,560	26,183
• Funding	Expense	Assessment	31,231	19,676
• Amount receivable	Asset	As invoiced	10,744	6,769
North-West Regional Library (government partnership)				
• Funding	Expense	Population	$ 98,142	$ 45,145
G7 Physician Retention and Recruitment Fund (government partnership)				
• Funding	Expense	Population	$ 64,784	$ 38,870

27. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The PUB's prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

For information purposes, the Town has deferred the capital grants and/or contributed assets it has received in the past for its utilities and amortized them over the useful lives of the related tangible or contributed capital assets.

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

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining Net Book Value.

		Water Services	Sewer Services
Unamortized beginning balance		$ 2,318,123	$ 1,954,716
Additions during the year	Source of Grant or Contribution		
Water Plant PLC upgrade	Manitoba Water Services Board	143,362	-
Correction for prior year	Source of Grant or Contribution		
Wastewater lagoon study	Manitoba Water Services Board	-	(89)
Amortization during the year		(93,938)	(58,138)
Unamortized ending balance		$ 2,367,547	$ 1,896,489

SCHEDULE 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2023

	General Tangible Capital Assets					Infrastructure Tangible Capital Assets			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles, Equipment and Furniture	Computer Hardware & Software	Assets under Construction	Roads, Streets and Bridges	Water and Sewer	Assets under Construction	**2023**	2022 (Restated)
Cost										
Opening balance	$ 3,467,080	$ 21,461,606	$ 6,266,704	$ 193,189	$ 92,799	$ 9,761,723	$ 25,854,411	$ 370,094	**$ 67,467,606**	$ 66,560,936
Additions during the year	29,871	-	56,276	14,978	753,528	144,924	266,067	182,650	**1,448,294**	1,167,430
Transfers during the year	-	-	-	-	-	-	315,753	(315,753)	**-**	-
Disposals and write downs	-	-	(21,381)	(26,930)	-	(15,610)	-	-	**(63,921)**	(260,760)
Closing balance	3,496,951	21,461,606	6,301,599	181,237	846,327	9,891,037	26,436,231	236,991	**68,851,979**	67,467,606
Accumulated Amortization										
Opening balance	1,506,195	7,117,291	3,821,730	162,723	-	7,735,821	12,812,734	-	**33,156,494**	31,510,355
Amortization	101,321	602,606	367,964	16,307	-	135,905	550,192	-	**1,774,295**	1,781,855
Disposals and write downs	-	-	(17,367)	(26,930)	-	(15,610)	-	-	**(59,907)**	(135,716)
Closing balance	1,607,516	7,719,897	4,172,327	152,100	-	7,856,116	13,362,926	-	**34,870,882**	33,156,494
Net Book Value of Tangible Capital Assets	$ 1,889,435	$ 13,741,709	$ 2,129,272	$ 29,137	$ 846,327	$ 2,034,921	$ 13,073,305	$ 236,991	**$ 33,981,097**	$ 34,311,112

Water and sewer underground networks contributed to the municipality total $1,006,397 and were capitalized at their fair value at the time of their receipt.

TOWN OF SWAN RIVER **SCHEDULE 2**

CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2023

	2023 Actual	2022 Actual
Property taxes		
Municipal taxes levied *(Schedule 12)*	**$ 5,147,806**	$ 4,928,392
Taxes added	**65,843**	19,069
Excess of school tax levy over requirement	**152**	41
	5,213,801	4,947,502
Grants in lieu of taxation		
Federal government enterprises	**13,692**	13,608
Provincial government	**50,245**	47,562
Provincial government enterprises	**187,196**	176,291
	251,133	237,461
User fees		
Sales of service	**1,308,329**	1,895,341
Sales of goods	**45,469**	50,212
Rentals	**140,994**	124,675
Development charges	**2,040**	2,398
Facility use fees	**177,512**	159,780
	1,674,344	2,232,406
Permits, licences and fines		
Permits	**9,893**	16,657
Licences	**14,785**	9,856
Fines	**18,316**	14,284
Fees	**6,188**	6,181
	49,182	46,978
Investment income		
Cash and temporary investments	**321,176**	132,727
Portfolio investments	**1,362**	2,439
	322,538	135,166
Other revenue		
Gain on sale of tangible capital assets	**8,844**	-
Gain (loss) on sale of real estate held for sale	**(109,090)**	30,755
Contributed assets	**-**	10,500
Penalties and interest	**83,994**	75,333
Other		
Donations and contributions	**11,294**	35,050
Amortization of prepaid local improvement district levies	**16,168**	16,168
Supplier rebates	**64,014**	21,000
	75,224	188,806
Water and sewer *(Schedule 9)*	**1,472,576**	1,328,791
Grants - Province of Manitoba		
Municipal operating grants	**524,681**	319,633
Conditional grants	**669,300**	586,063
	1,193,981	905,696
Grants - other		
Federal government - Canada Community Building Fund	**237,578**	225,839
Federal government - other	**520**	905
Other municipal governments	**313,771**	102,108
	551,869	328,852
Total revenue	**$ 10,804,648**	$ 10,351,658

TOWN OF SWAN RIVER **SCHEDULE 3**

CONSOLIDATED SCHEDULE OF EXPENSES

For the Year Ended December 31, 2023

	2023 Actual	2022 Actual *(Restated)*
General government services		
Legislative	$ 167,283	$ 150,416
General administrative	893,055	797,894
Elections, liability insurance, website, etc.	51,807	42,734
	1,112,145	991,044
Protective services		
Police	1,395,909	1,516,925
Fire	364,680	383,252
Emergency measures	7,246	3,371
Pandemic	-	34
Building, electrical and plumbing inspections	39,908	40,504
Bylaw enforcement	40,084	25,765
Animal and pest control	7,278	10,635
Safety inspections	41,218	18,540
	1,896,323	1,999,026
Transportation services		
Road transport		
Administration and engineering	126,517	118,332
Unallocated equipment and operators	484,317	416,672
Unallocated workshop and yard operations	131,343	142,687
Roads and streets	236,542	343,594
Sidewalks	31,628	27,684
Boulevards	10,239	4,124
Tree trimming	10,932	10,510
Ditches and road drainage	6,509	19,221
Storm sewers	51,992	51,222
Street cleaning	23,074	18,319
Snow and ice removal	148,563	291,604
Street lighting	80,619	80,215
Traffic services	29,257	28,468
Other	-	35
Air transport	98,994	91,727
Public transit	37,243	30,296
	1,507,769	1,674,710
Environmental health services		
Garbage collection	373,661	353,872
Nuisance grounds	321,518	358,180
Recycling	585,004	508,456
	1,280,183	1,220,508
Public health and welfare services		
Cemeteries	94,622	87,713
Recruitment and retention of medical professionals	50,161	38,870
Social welfare and assistance	43,755	43,755
Other	1,000	4,656
	189,538	174,994
Regional planning and development		
Planning and zoning	23,167	13,330
Beautification and land rehabilitation	8,900	10,281
Urban area weed control	13,473	11,627
Christmas lights, decorations, flags	6,911	8,245
	52,451	43,483
Subtotals forward	$ 6,038,409	$ 6,103,765

TOWN OF SWAN RIVER **SCHEDULE 3**

CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2023

	2023 Actual	2022 Actual *(Restated)*
Subtotals forward	**$ 6,038,409**	$ 6,103,765
Resource conservation and industrial development		
Veterinary services	**7,205**	7,112
Water resources and conservation	**13,698**	13,634
Regional development	**7,073**	8,526
Industrial development	**17,042**	12,927
Incentive program for construction development	**3,308**	6,924
Tourism	**10,700**	10,283
Public receptions	**932**	1,241
	59,958	60,647
Recreation and cultural services		
Community centers and halls	**150,413**	136,447
Swimming pools and beaches	**1,190,435**	1,120,961
Skating and curling rinks and arenas	**697,205**	615,813
Parks and playgrounds	**153,482**	145,594
Other recreational programs	**71,480**	57,106
Museums	**4,000**	4,000
Libraries	**221,917**	223,738
Other cultural programs	**11,199**	12,541
	2,500,131	2,316,200
Water and sewer services *(Schedule 9)*	**1,505,411**	1,511,725
Total expenses	**$ 10,103,909**	$ 9,992,337

TOWN OF SWAN RIVER **SCHEDULE 4**

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2023

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022 *(Restated)*	**2023**	2022
REVENUE										
Property taxes	**$ 5,213,801**	$ 4,947,502	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -
Grants in lieu of taxation	**251,133**	237,461	**-**	-	**-**	-	**-**	-	**-**	-
User fees	**31,756**	55,083	**127,243**	172,923	**136,049**	112,246	**914,782**	1,304,096	**72,266**	64,632
Permits, licences and fines	**20,288**	15,376	**28,395**	31,458	**-**	-	**-**	-	**-**	-
Investment income	**91,734**	54,117	**9,941**	3,765	**99,181**	40,151	**27,980**	2,132	**29,959**	10,722
Other revenue	**110,410**	114,672	**197**	-	**118**	-	**-**	-	**-**	-
Water and sewer	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Prov of MB - Unconditional Grants	**524,681**	319,633	**-**	-	**-**	-	**-**	-	**-**	-
Prov of MB - Conditional Grants		-	**587,302**	456,988	**24,433**	73,718	**-**	-	**-**	-
Grants - other	**-**	-	**-**	-	**263,283**	252,089	**-**	-	**34,086**	34,086
Total revenue	**6,243,803**	5,743,844	**753,078**	665,134	**523,064**	478,204	**942,762**	1,306,228	**136,311**	109,440
EXPENSES										
Personnel services	**528,334**	498,549	**304,810**	290,148	**511,091**	503,063	**245,842**	223,445	**70,317**	58,323
Contract services	**237,171**	233,238	**1,297,191**	1,477,131	**149,693**	265,733	**920,805**	895,543	**56,390**	45,221
Utilities	**29,490**	32,960	**46,056**	48,541	**112,137**	119,745	**19,960**	8,830	**802**	979
Maintenance materials and supplies	**34,459**	41,160	**66,439**	82,795	**406,383**	453,015	**10,195**	8,755	**1,455**	5,516
Grants and contributions	**1,105**	660	**83,606**	110	**18,374**	19,131	**-**	-	**47,925**	52,932
Amortization	**101,249**	101,044	**90,190**	88,404	**417,077**	420,776	**17,992**	17,232	**5,859**	5,872
Accretion	**-**	-	**1,608**	1,539	**2,428**	2,324	**5,493**	5,256	**-**	-
Equipment cost allocation	**125**	144	**81**	1,501	**(113,397)**	(114,988)	**58,674**	54,262	**6,790**	6,151
Loss on disposal of capital assets	**-**	-	**628**	-	**676**	1,884	**-**	-	**-**	-
Interest on long term debt	**37,660**	40,653	**5,914**	6,521	**3,223**	3,732	**-**	-	**-**	-
Bad debts (recovered)	**142,307**	42,589	**(200)**	2,336	**28**	24	**1,222**	-	**-**	-
Other	**245**	47	**-**	-	**56**	271	**-**	7,185	**-**	-
Total expenses	**1,112,145**	991,044	**1,896,323**	1,999,026	**1,507,769**	1,674,710	**1,280,183**	1,220,508	**189,538**	174,994
Annual surplus (deficit)	**$ 5,131,658**	$ 4,752,800	**$ (1,143,245)**	$ (1,333,892)	**$ (984,705)**	$ (1,196,506)	**$ (337,421)**	$ 85,720	**$ (53,227)**	$ (65,554)

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

TOWN OF SWAN RIVER **SCHEDULE 4**

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2023

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total	
	2023	2022	**2023**	2022	**2023**	2022 *(Restated)*	**2023**	2022 *(Restated)*	**2023**	2022 *(Restated)*
REVENUE										
Property taxes	$ **-**	$ -	$ **-**	$ -	$ **-**	$ -	$ **-**	$ -	**$ 5,213,801**	$ 4,947,502
Grants in lieu of taxation	**-**	-	**-**	-	**-**	-	**-**	-	**251,133**	237,461
User fees	**2,040**	2,398	**-**	-	**390,208**	521,028	**-**	-	**1,674,344**	2,232,406
Permits, licences and fines	**-**	-	**-**	-	**499**	144	**-**	-	**49,182**	46,978
Investment income	**725**	240	**(4,908)**	(1,885)	**8,406**	3,229	**59,520**	22,695	**322,538**	135,166
Other revenue	**1,000**	-	**(109,090)**	6,300	**72,589**	67,834	**-**	-	**75,224**	188,806
Water and sewer	**-**	-	**-**	-	**-**	-	**1,472,576**	1,328,791	**1,472,576**	1,328,791
Prov of MB - Unconditional Grants	**-**	-	**-**	-	**-**	-	**-**	-	**524,681**	319,633
Prov of MB - Conditional Grants	**-**	-	**-**	-	**57,565**	55,357	**-**	-	**669,300**	586,063
Grants - other	**4,817**	4,420	**-**	-	**249,683**	38,257	**-**	-	**551,869**	328,852
Total revenue	**8,582**	7,058	**(113,998)**	4,415	**778,950**	685,849	**1,532,096**	1,351,486	**10,804,648**	10,351,658
EXPENSES										
Personnel services	**15,118**	15,126	**4,472**	1,730	**861,164**	784,945	**402,826**	418,346	**2,943,974**	2,793,675
Contract services	**9,893**	10,776	**12,925**	12,392	**326,065**	261,976	**155,316**	175,407	**3,165,449**	3,377,417
Utilities	**264**	264	**-**	86	**270,213**	268,132	**60,961**	64,419	**539,883**	543,956
Maintenance materials and supplies	**1,277**	1,865	**495**	1,011	**193,718**	139,225	**199,576**	174,565	**913,997**	907,907
Grants and contributions	**19,804**	9,520	**36,211**	40,670	**62,998**	54,892	**-**	-	**270,023**	177,915
Amortization	**1,436**	1,436	**3,367**	3,788	**611,260**	617,892	**525,865**	525,411	**1,774,295**	1,781,855
Accretion		-	**-**	-	**18,622**	17,819	**19,073**	18,252	**47,224**	45,190
Equipment cost allocation	**4,659**	4,496	**2,460**	911	**(413)**	3,161	**41,021**	44,362	**-**	-
Loss on disposal of capital assets	**-**	-	**-**	-	**-**	1,416	**-**	-	**1,304**	3,300
Interest on long term debt	**-**	-	**-**	-	**155,163**	166,406	**76,172**	81,764	**278,132**	299,076
Bad debts (recovered)	**-**	-	**-**	-	**1,094**	-	**3,602**	5,991	**148,053**	50,940
Other	**-**	-	**28**	59	**247**	336	**20,999**	3,208	**21,575**	11,106
Total expenses	**52,451**	43,483	**59,958**	60,647	**2,500,131**	2,316,200	**1,505,411**	1,511,725	**10,103,909**	9,992,337
Annual surplus (deficit)	**$ (43,869)**	$ (36,425)	**$ (173,956)**	$ (56,232)	**$ (1,721,181)**	$ (1,630,351)	**$ 26,685**	$ (160,239)	**$ 700,739**	$ 359,321

TOWN OF SWAN RIVER

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2023

	Core Government		Controlled Entities		Government Partnerships		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022 (Restated)
REVENUE								
Property taxes	**$ 5,213,801**	$ 4,947,502	**$ -**	$ -	**$ -**	$ -	**$ 5,213,801**	$ 4,947,502
Grants in lieu of taxation	**251,133**	237,461	**-**	-	**-**	-	**251,133**	237,461
User fees	**1,643,967**	2,214,335	**9,627**	2,283	**20,750**	15,788	**1,674,344**	2,232,406
Permits, licences and fines	**48,683**	46,834	**-**	-	**499**	144	**49,182**	46,978
Investment income	**290,943**	123,277	**234**	488	**31,361**	11,401	**322,538**	135,166
Other revenue	**154,625**	175,520	**(109,090)**	6,300	**29,689**	6,986	**75,224**	188,806
Water and sewer	**1,472,576**	1,328,791	**-**	-	**-**	-	**1,472,576**	1,328,791
Prov of MB - Unconditional Grants	**524,681**	319,633	**-**	-	**-**	-	**524,681**	319,633
Prov of MB - Conditional Grants	**604,324**	519,382	**14,146**	19,540	**50,830**	47,141	**669,300**	586,063
Grants - other	**447,021**	225,840	**-**	(789)	**104,848**	103,801	**551,869**	328,852
Total revenue	**10,651,754**	10,138,575	**(85,083)**	27,822	**237,977**	185,261	**10,804,648**	10,351,658
EXPENSES								
Personnel services	**2,824,409**	2,668,802	**25,636**	12,955	**93,929**	111,918	**2,943,974**	2,793,675
Contract services	**3,070,159**	3,314,454	**16,422**	15,048	**78,868**	47,915	**3,165,449**	3,377,417
Utilities	**528,695**	531,914	**551**	503	**10,637**	11,539	**539,883**	543,956
Maintenance materials and supplies	**869,424**	857,072	**4,067**	3,324	**40,506**	47,511	**913,997**	907,907
Grants and contributions	**371,168**	278,624	**(7,727)**	(7,550)	**(93,418)**	(93,159)	**270,023**	177,915
Amortization	**1,748,247**	1,751,251	**6,423**	10,458	**19,625**	20,146	**1,774,295**	1,781,855
Accretion	**47,224**	45,190	**-**	-	**-**	-	**47,224**	45,190
Equipment cost allocation	**(2,460)**	(911)	**2,460**	911	**-**	-	**-**	-
Loss on disposal of capital assets	**1,304**	3,300	**-**	-	**-**	-	**1,304**	3,300
Interest on long term debt	**278,132**	299,076	**-**	-	**-**	-	**278,132**	299,076
Bad debts	**148,025**	50,916	**28**	24	**-**	-	**148,053**	50,940
Other	**21,244**	10,440	**-**	-	**331**	666	**21,575**	11,106
Total expenses	**9,905,571**	9,810,128	**47,860**	35,673	**150,478**	146,536	**10,103,909**	9,992,337
Annual surplus (deficit)	**$ 746,183**	$ 328,447	**$ (132,943)**	$ (7,851)	**$ 87,499**	$ 38,725	**$ 700,739**	$ 359,321

TOWN OF SWAN RIVER **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2023

	2023								
	General BL 20/1983	Machinery Replacement BL 01/1997	Employee Benefits BL 09/1993	Fire Truck Replacement BL 05/1997	Recreation Facilities BL 04/2000	Tax Stabilization BL 08/2002	Recreation Equipment BL 11/2022	Landfill Closure BL 14/2012	Federal Gas Tax Funding BL 02/2006
REVENUE									
Investment income	$ 11,451	$ 11,232	$ 17,966	$ 8,304	$ 7,562	$ 24,716	$ 311	$ 27,980	$ 61,015
Province of Manitoba - conditional	-	-	-	-	-	-	-	-	235,658
TRANSFERS									
Transfers from general operating fund	-	187,800	5,000	45,000	45,000	742,981	10,000	40,000	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	-
Transfers to general operating fund	-	(20,716)	(505)	-	-	(5,000)	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(12,407)	-	-	(65,937)	(240,000)	-	-	(162,307)
CHANGE IN RESERVE FUND	11,451	165,909	22,461	53,304	(13,375)	522,697	10,311	67,980	134,366
FUND SURPLUS, BEGINNING OF	221,890	104,693	22,196	133,754	119,394	479,815	-	518,061	1,182,983
FUND SURPLUS, END OF YEAR	$ 233,341	$ 270,602	$ 44,657	$ 187,058	$ 106,019	$ 1,002,512	$ 10,311	$ 586,041	$ 1,317,349

TOWN OF SWAN RIVER **SCHEDULE 6**

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2023

	2023								2022
	Utility Replacement BL 25/1995	Handi Transit Replacement BL 30/1988	Rental Tables and Chairs BL 12/2020	Road Improvement BL 15/2021	Lagoon Improvement BL 16/2021	Crime Prevention BL 17/2022		**Total**	Total
REVENUE									
Investment income	$ 52,732	$ 7,260	$ 379	$ 14,009	$ 6,787	$ 1,638	$ -	**$ 253,342**	$ 86,009
Province of Manitoba - conditional	-	-	-	-	-	-	-	**235,658**	225,839
TRANSFERS									
Transfers from general operating fund	-	500	2,000	61,500	-	-	-	**1,139,781**	1,323,350
Transfers from utility operating fund	102,489	-	-	-	50,000	-	-	**152,489**	138,339
Transfers to general operating fund	-	-	-	-	-	(50,000)	-	**(76,221)**	(24,714)
Transfers to utility operating fund	-	-	-	-	-	-	-	**-**	(215)
Acquisition of tangible capital assets	(412,508)	-	-	(49,151)	-	-	-	**(942,310)**	(587,352)
CHANGE IN RESERVE FUND	(257,287)	7,760	2,379	26,358	56,787	(48,362)	-	**762,739**	1,161,256
FUND SURPLUS, BEGINNING OF	1,022,037	140,380	6,139	251,331	101,342	50,771	-	**4,354,786**	3,193,530
FUND SURPLUS, END OF YEAR	$ 764,750	$ 148,140	$ 8,518	$ 277,689	$ 158,129	$ 2,409	$ -	**$ 5,117,525**	$ 4,354,786

TOWN OF SWAN RIVER

SCHEDULE 8

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2023

	2023	2022 (Restated)
FINANCIAL ASSETS		
Amounts receivable	**$ 368,684**	$ 354,410
LIABILITIES		
Accounts payable and accrued liabilities	**$ -**	$ -
Unearned revenue	**245,124**	296,635
Long-term debt (Note 10)	**1,981,999**	2,170,411
Asset retirement obligations (Note 11)	**442,920**	423,847
Due to General Operating Fund	**502,469**	573,579
	3,172,512	3,464,472
NET DEBT	**$ (2,803,828)**	$ (3,110,062)
NON-FINANCIAL ASSETS		
Tangible capital assets *(Schedule 1)*	**$ 12,969,905**	$ 13,047,053
Inventories (Note 6)	**344,589**	346,270
	13,314,494	13,393,323
FUND SURPLUS	**$ 10,510,666**	$ 10,283,261

TOWN OF SWAN RIVER **SCHEDULE 9**

SCHEDULE OF UTILITY OPERATIONS

For the Year Ended December 31, 2023

	2023 Budget	**2023 Actual**	2022 Actual *(Restated)*
REVENUE			
Water			
Water fees	$ 575,000	**$ 547,390**	$ 543,853
Sewer			
Sewer fees	590,000	**565,439**	561,183
Lagoon tipping fees	10,000	**11,030**	8,405
	600,000	**576,469**	569,588
Government transfers			
Operating	-	**-**	-
Capital	-	**143,362**	-
	-	**143,362**	-
Other			
Hydrant rentals	14,350	**14,365**	14,365
Connection charges	35,000	**67,822**	32,861
Installation service	1,000	**1,190**	1,430
Penalties	1,000	**3,218**	3,076
Investment income	(3,000)	**-**	-
Administration fees	118,000	**117,042**	117,810
Other income	3,500	**1,718**	45,808
	169,850	**205,355**	215,350
Total revenue	1,344,850	**1,472,576**	1,328,791

TOWN OF SWAN RIVER
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2023

SCHEDULE 9

	2023 Budget	**2023 Actual**	2022 Actual *(Restated)*
EXPENSES			
General			
Administration	83,400	**104,364**	79,314
Training costs	16,000	**10,386**	9,587
Billing and collection	27,550	**22,778**	25,585
	126,950	**137,528**	114,486
Water General			
Administration and engineering	47,200	**43,391**	41,613
Purification and treatment	186,250	**169,793**	176,433
Transmission and distribution	114,150	**93,587**	106,653
Service of supply	26,350	**19,975**	20,396
Connection costs	176,100	**178,292**	199,079
Water meters	18,250	**30,510**	14,754
	568,300	**535,548**	558,928
Water Amortization, Acretion and Interest			
Amortization	322,000	**322,599**	322,193
Accretion	-	**448**	429
Interest on long term debt	33,224	**33,224**	35,786
	355,224	**356,271**	358,408
Sewer General			
Administration and engineering	47,200	**43,391**	41,613
Collection system costs	24,950	**26,026**	18,055
Treatment and disposal costs	87,700	**92,098**	89,955
Lift station costs	76,600	**49,710**	63,260
	236,450	**211,225**	212,883
Sewer Amortization, Acretion and Interest			
Amortization	198,000	**203,266**	203,218
Accretion	-	**18,625**	17,823
Interest on long term debt	42,948	**42,948**	45,979
	240,948	**264,839**	267,020
Total expenses	1,527,872	**1,505,411**	1,511,725
NET OPERATING DEFICIT	(183,022)	**(32,835)**	(182,934)
TRANSFERS			
Transfers from reserve funds	-	**412,729**	28,474
Transfers to reserve funds	-	**(152,489)**	(138,339)
CHANGE IN UTILITY FUND BALANCE	$ (183,022)	**227,405**	(292,799)
FUND SURPLUS, BEGINNING OF YEAR		**10,283,261**	10,956,855
Prior period adjustment for asset retirement obligations		**-**	(380,795)
FUND SURPLUS, END OF YEAR		**$ 10,510,666**	$ 10,283,261

TOWN OF SWAN RIVER

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2023

	Financial Plan General	Financial Plan Utility	Amortization and Accretion	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	$ 5,147,958	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,147,958
Grants in lieu of taxation	251,133	-	-	-	-	-	-	251,133
User fees	1,578,060	-	-	-	-	-	9,538	1,587,598
Permits, licences and fines	37,181	-	-	-	-	-	-	37,181
Investment income	2,000	-	-	-	-	-	771	2,771
Other revenue	100,600	-	-	-	-	-	557	101,157
Water and sewer	-	1,344,850	-	-	-	-	-	1,344,850
Grants - Province of Manitoba	990,380	-	-	-	-	-	73,530	1,063,910
Grants - other	227,000	-	-	-	-	-	92,006	319,006
Transfers from reserves	20,716	-	-	-	(20,716)	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Total revenue	**8,355,028**	**1,344,850**	**-**	**-**	**(20,716)**	**-**	**176,402**	**9,855,564**
EXPENSES								
General government services	847,450	-	101,000	37,660	142,307	-	-	1,128,417
Protective services	1,896,744	-	90,000	5,914	-	2,000	-	1,994,658
Transportation services	965,465	-	407,000	3,222	-	9,000	56,425	1,441,112
Environmental health services	1,274,130	-	18,000	-	-	-	-	1,292,130
Public health and welfare services	192,684	-	6,000	-	-	-	-	198,684
Regional planning and development	52,950	-	1,000	-	-	-	33,363	87,313
Resource conservation & industrial development	82,450	-	2,000	-	-	-	15,000	99,450
Recreation and cultural services	1,514,992	-	597,000	155,163	-	5,000	105,329	2,377,484
Water and sewer services	-	931,700	520,000	76,172	-	-	-	1,527,872
Fiscal services:								
Transfer to capital	97,000	-	(97,000)	-	-	-	-	-
Debt charges	666,756	264,585	-	(931,341)	-	-	-	-
Transfers to reserves	622,100	148,565	-	-	(770,665)	-	-	-
Allowance for tax assets	142,307	-	-	-	(142,307)	-	-	-
Total expenses	**8,355,028**	**1,344,850**	**1,645,000**	**(653,210)**	**(770,665)**	**16,000**	**210,117**	**10,147,120**
Annual surplus (deficit)	**$ -**	**$ -**	**$ (1,645,000)**	**$ 653,210**	**$ 749,949**	**$ (16,000)**	**$ (33,715)**	**$ (291,556)**

TOWN OF SWAN RIVER
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2023

SCHEDULE 11

	2023	2022
Balance, beginning of year	**$ 496,262**	$ 397,643
Add:		
Tax levy *(Schedule 12)*	**7,646,170**	7,610,377
Taxes added	**65,843**	19,069
Penalties or interest	**83,144**	73,227
Other accounts added	**105,488**	61,435
Taxes overpaid	**812**	2,708
Tax sale costs	**13,044**	13,020
	7,914,501	7,779,836
Deduct:		
Cash collections - current	**7,299,087**	7,205,074
Cash collections - arrears	**(3,105)**	1,998
Cancellations and writeoffs	**15,369**	17,271
Manitoba Education Property Tax Credit - cash advance	**346,057**	438,246
Transfers re tax sale	**-**	18,628
	7,657,408	7,681,217
Balance, end of year	**$ 753,355**	$ 496,262

TOWN OF SWAN RIVER **SCHEDULE 12**

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2023

	2023			2022
	Assessment	**Mill Rate**	**Levy**	Levy
Debt charges:				
Municipal Office (at large)	$ 186,768,890	0.573	$ 107,019	$ 107,137
Wellness Centre (LID)	227,522,810	1.094	248,910	248,956
Wellness Centre (per parcel)			104,766	105,006
Fire fighter equipment (at large)	186,768,890	0.087	16,249	16,255
12th & 3rd (LID frontage/flankage)			5,849	5,850
Arena floor (at large)	186,768,890	0.332	62,007	62,066
Incident Command (at large)	186,768,890	0.051	9,525	9,421
Loader-backhoe (at large)	186,768,890	0.105	19,611	19,765
Pool repairs (at large)	186,768,890	0.338	63,128	63,174
			637,064	637,629
Reserves:				
Machinery replacement (01/1997)	186,768,890	0.952	177,804	168,464
Road improvement (15/2021)	186,768,890	0.312	58,272	58,371
Tax stabilization (08/2022)	186,768,890	0.000	-	248,262
Crime prevention (17/2022)	186,768,890	0.000	-	47,473
Employee benefits (09/1993)	186,768,890	0.026	4,856	4,803
Fire truck replacement (05/1997)	186,768,890	0.229	42,770	38,052
Recreation facilities (04/2000)	186,768,890	0.229	42,770	38,052
Tables and chairs (12/2020)	186,768,890	0.011	2,054	2,032
Landfill closure (14/2012)	186,768,890	0.203	37,914	19,026
Recreation equipment (11/2022)	186,768,890	0.051	9,525	-
			375,965	624,535
General Municipal	186,768,890	11.528	2,153,072	1,748,734
Special levies:				
Intergovernmental Affairs	186,768,890	0.286	53,416	53,384
Watershed District (at large land)	24,785,480	0.531	13,161	12,933
Police protection	227,522,810	3.582	814,987	815,315
Fire, streets, emergency, etc.	227,522,810	2.866	652,080	652,252
Residential waste and recycling			370,882	308,228
			1,904,526	1,842,112
Business tax (rate%)	5,802,900	1.33%	77,179	75,382
Total municipal taxes (Schedule 2)			**5,147,806**	4,928,392
Education support levy	53,638,580	8.140	436,618	454,062
Special levy:				
Swan Valley School Division	176,700,930	11.668	2,061,746	2,227,923
Total education taxes			**2,498,364**	2,681,985
Total tax levy (Schedule 11)			**$ 7,646,170**	$ 7,610,377

TOWN OF SWAN RIVER **SCHEDULE 13**

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2023

	2023 Actual	2022 Actual
General government services		
Legislative	$ 163,408	$ 146,644
General administrative	771,476	671,046
Other	45,428	36,355
	980,312	854,045
Protective services		
Police	1,395,384	1,516,084
Fire	267,465	287,319
Emergency measures	7,246	3,371
Pandemic	-	34
Building, electrical and plumbing inspections	39,908	40,504
Bylaw enforcement	39,750	25,709
Animal and pest control	7,278	10,635
Safety inspections	39,080	16,959
	1,796,111	1,900,615
Transportation services		
Road transport		
Administration and engineering	121,170	111,568
Unallocated equipment and operators	277,329	208,159
Unallocated workshop and yard operations	112,401	125,918
Roads and streets	67,055	178,068
Sidewalks	6,156	2,514
Boulevards	10,239	4,124
Tree trimming	10,932	10,510
Ditches and road drainage	6,509	19,221
Storm sewers	27,665	26,745
Street cleaning	23,074	18,319
Snow and ice removal	148,563	291,604
Street lighting	78,035	77,631
Traffic services	26,661	25,872
Other	-	35
Air transport	67,061	54,197
Public transit	6,425	7,550
	989,275	1,162,035
Environmental health services		
Garbage collection	373,661	353,872
Nuisance grounds	301,116	298,049
Recycling	581,921	505,614
	1,256,698	1,157,535
Public health and welfare services		
Cemeteries	88,763	81,841
Recruitment and retention of medical professionals	64,875	64,784
Social welfare and assistance	43,755	43,755
Other	1,000	4,656
	198,393	195,036
Regional planning and development		
Planning and zoning	16,756	7,533
Beautification and land rehabilitation	7,464	8,845
Urban area weed control	13,473	11,627
Christmas lights, decorations, flags	6,911	8,245
	44,604	36,250
Subtotals forward	$ 5,265,393	$ 5,305,516

TOWN OF SWAN RIVER **SCHEDULE 13**

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2023

	2023 Actual	2022 Actual
Subtotals forward	$ 5,265,393	$ 5,305,516
Resource conservation and industrial development		
Veterinary services	7,205	7,112
Water resources and conservation	13,698	13,634
Regional development	4,000	5,000
Incentive program for construction development	3,308	6,924
Tourism	9,017	8,600
Public receptions	933	1,240
	38,161	42,510
Recreation and cultural services		
Community centers and halls	57,011	36,006
Swimming pools and beaches	348,135	307,923
Skating and curling rinks and arenas	294,946	249,745
Parks and playgrounds	89,134	81,951
Other recreational programs	71,154	56,472
Museums	4,000	4,000
Libraries	98,142	98,142
Other cultural programs	11,199	12,541
	973,721	846,780
Total expenses	$ 6,277,275	$ 6,194,806

TOWN OF SWAN RIVER
RECONCILIATION OF ANNUAL SURPLUS
For the Year Ended December 31, 2023

SCHEDULE 14

	2023			2022
	General	**Utility**	**Total**	**Total**
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	$ -	$ -	**$ -**	$ -
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,374,939	152,489	**1,527,428**	1,687,028
Eliminate revenue - transfers from reserves	(605,802)	(412,730)	**(1,018,532)**	(612,281)
Eliminate revenue - transfer from accumulated surplus	-	-	**-**	(436,638)
Increase revenue - reserve funds interest	193,823	59,519	**253,342**	86,009
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	(45,444)	-	**(45,444)**	30,874
Increase expense - amortization of tangible capital assets	(1,222,381)	(525,865)	**(1,748,246)**	(1,751,250)
Increase expense - accretion for asset retirement obligations	(28,151)	(19,073)	**(47,224)**	(45,190)
Decrease revenue - proceeds from long term debt	-	-	**-**	-
Decrease expense - principal portion of debenture debt payments	464,796	188,413	**653,209**	632,265
Decrease revenue - deferred capital grants	(15,878)	-	**(15,878)**	(162,941)
Eliminate expense - acquisitions of tangible capital assets	992,425	712,815	**1,705,240**	1,165,740
Increase revenue - contribution of tangible capital assets	-	-	**-**	-
Eliminate proceeds from dispositions of tangible capital assets	(11,554)	-	**(11,554)**	(150,000)
Increase revenue - gain on sale of tangible capital assets	8,845	-	**8,845**	44,200
Increase expense - loss on dispositions of tangible capital assets	(1,305)	-	**(1,305)**	(3,300)
Increase expenses - additions to capital construction in progress	(446,426)	(128,884)	**(575,310)**	(134,178)
Increase revenue - operating revenues in capital fund	16,168	-	**16,168**	16,168
Increase expense - operating expenses in capital fund	-	-	**-**	(7,185)
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	$ 674,055	$ 26,684	**$ 700,739**	$ 359,321