

# **TOWN OF SWAN RIVER**

**Consolidated Financial Statements  
For the Year Ended December 31, 2018**



# THE TOWN OF SWAN RIVER

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

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## 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.

PKHC Chartered Professional Accountants, 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.

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Mr. Charles Croll, C.E.T., Dipl. M.M.  
Chief Administrative Officer

# PKHC

## Chartered Professional Accountants

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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, 2018 and the consolidated statements of operations, change in net financial assets and cash flows 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 financial position of the Town as at December 31, 2018, and the results of its operations and its cash flows 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 these 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 or 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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## Independent Auditor's Report *(continued)*

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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.

Swan River, Manitoba  
November 5, 2019

  
Chartered Professional Accountants



**TOWN OF SWAN RIVER**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2018**

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**TOWN OF SWAN RIVER  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2018**

	<u>2018</u>	<u>2017</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 1,644,149	\$ 2,434,581
Amounts receivable (Note 4)	2,054,955	1,021,522
Portfolio investments (Note 5)	1,370	24,550
Real estate properties held for sale	452,072	417,225
Other inventories for sale (Note 6)	13,373	14,042
	<u>\$ 4,165,919</u>	<u>\$ 3,911,920</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	1,241,304	883,319
Pre-retirement bonus entitlement (Note 8)	349,712	324,490
Unearned revenue (Note 9)	218,269	176,748
Landfill closure liability (Note 10)	47,929	44,140
Long-term debt (Note 11)	7,058,511	7,176,317
Prepaid local improvement district levies (Note 12)	274,854	291,021
Deferred government transfers (Note 13)	3,190,000	3,190,000
	<u>12,380,579</u>	<u>12,086,035</u>
<b>NET DEBT</b>	<u>\$ (8,214,660)</u>	<u>\$ (8,174,115)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 35,801,790	\$ 35,192,297
Inventories (Note 6)	433,608	417,796
Prepaid expenses	81,049	68,129
	<u>36,316,447</u>	<u>35,678,222</u>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<u>\$ 28,101,787</u>	<u>\$ 27,504,107</u>

COMMITMENTS (Note 15)

Approved on behalf of Council:



Lance Jacobson - Mayor



Johnny Wintoniw - Deputy Mayor

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

**TOWN OF SWAN RIVER  
CONSOLIDATED STATEMENT OF OPERATIONS  
For the Year Ended December 31, 2018**

	2018 Budget (Note 18)	2018 Actual	2017 Actual
<b>REVENUE</b>			
Property taxes	\$ 4,195,565	\$ 4,188,836	\$ 4,137,662
Grants in lieu of taxation	202,917	202,917	196,690
User fees	1,161,891	1,071,187	1,089,064
Permits, licences and fines	41,460	55,350	56,244
Investment income	22,704	50,661	38,280
Other revenue	139,445	236,957	131,562
Water and sewer	1,440,216	2,537,812	1,333,496
Grants - Province of Manitoba	815,601	891,501	2,349,551
Grants - other	545,323	566,438	1,657,727
Total revenue (Schedules 2, 4 and 5)	<u>8,565,122</u>	<u>9,801,659</u>	<u>10,990,276</u>
<b>EXPENSES</b>			
General government services	920,759	933,492	879,834
Protective services	1,506,023	1,555,343	1,426,850
Transportation services	1,320,142	1,414,944	1,446,085
Environmental health services	1,077,350	1,076,626	932,050
Public health and welfare services	188,939	196,251	192,519
Regional planning and development	45,668	43,824	44,545
Resource conservation and industrial development	151,573	156,788	179,629
Recreation and cultural services	1,898,165	2,351,548	2,316,231
Water and sewer services	1,273,727	1,475,163	1,200,479
Total expenses (Schedules 3, 4 and 5)	<u>8,382,346</u>	<u>9,203,979</u>	<u>8,618,222</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 182,776</u>	<b>597,680</b>	2,372,054
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>27,504,107</u>	<u>25,132,053</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u><b>\$ 28,101,787</b></u>	<u>\$ 27,504,107</u>

*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, 2018**

	2018 Budget (Note 18)	2018 Actual	2017 Actual
<b>ANNUAL SURPLUS</b>	\$ 182,776	<b>\$ 597,680</b>	\$ 2,372,054
Acquisition of tangible capital assets	(1,839,585)	<b>(2,205,066)</b>	(1,752,190)
Amortization of tangible capital assets	1,475,000	<b>1,591,573</b>	1,570,783
Loss (gain) on sale of tangible capital assets	-	<b>2,300</b>	(8,551)
Proceeds on sale of tangible capital assets	-	<b>1,700</b>	128,304
Decrease (increase) in inventories	-	<b>(15,812)</b>	12,415
Increase in prepaid expense	-	<b>(12,920)</b>	(975)
	<u>(364,585)</u>	<u><b>(638,225)</b></u>	<u>(50,214)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<u>\$ (181,809)</u>	<b>(40,545)</b>	2,321,840
<b>NET DEBT, BEGINNING OF YEAR</b>		<u><b>(8,174,115)</b></u>	<u>(10,495,955)</u>
<b>NET DEBT, END OF YEAR</b>		<u><b>\$ (8,214,660)</b></u>	<u>\$ (8,174,115)</u>

*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, 2018**

	<u>2018</u>	<u>2017</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 597,680	\$ 2,372,054
Changes in non-cash items:		
Amounts receivable	(1,033,433)	179,230
Inventories	(15,143)	8,543
Prepaid expenses	(12,920)	(975)
Accounts payable and accrued liabilities	357,985	(1,010,198)
Unearned revenue	41,521	(72,481)
Pre-retirement bonus entitlement	25,222	1,784
Prepaid local improvement district levies	(16,167)	(16,168)
Landfill closure liability	3,789	3,514
Loss (gain) on sale of tangible capital assets	2,300	(8,551)
Loss (gain) on sale of real estate properties	7,792	(5,984)
Amortization	1,591,573	1,570,783
Cash provided by operating transactions	<u>1,550,199</u>	<u>3,021,551</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	1,700	128,304
Cash used to acquire tangible capital assets	<u>(2,205,066)</u>	<u>(1,752,190)</u>
Cash applied to capital transactions	<u>(2,203,366)</u>	<u>(1,623,886)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	35,400	24,000
Acquisition of real estate properties	(78,039)	(31,158)
Acquisition of portfolio investments	(445)	(23,548)
Disposition of portfolio investments	23,625	
Cash applied to investing transactions	<u>(19,459)</u>	<u>(30,706)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	190,640	-
Debt repayment	(308,446)	(287,624)
Decrease in deferred government transfers	-	(2,610,000)
Cash applied to financing transactions	<u>(117,806)</u>	<u>(2,897,624)</u>
<b>DECREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>(790,432)</b>	<b>(1,530,665)</b>
Cash and temporary investments, beginning of year	<u>2,434,581</u>	<u>3,965,246</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 1,644,149</u></b>	<b><u>\$ 2,434,581</u></b>

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

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

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**1. Status of the Town of Swan River**

The incorporated Town of Swan River ("the Town") is a municipal government that was created in 1908 pursuant to the Manitoba Municipal Act. The Town provides or funds municipal services such as police, fire, public works, urban planning, conservation, parks and recreation, and other general government operations. The Town owns a utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation, 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 following were presented as controlled entities in the comparative fiscal year, but have been incorporated into the core government amounts for the current fiscal year as they are now considered departments within the Town's operations.

*Richardson Recreation and Wellness Centre*  
*Swan River Centennial Arena*  
*Veterans Community Hall*

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%, 2017 - 35%)*  
*North-West Regional Library (consolidated 54%, 2017 - 54%)*  
*Swan Valley District Recreation Commission (consolidated 46%, 2017 - 46%)*  
*Swan Valley Municipal Airport Commission (consolidated 37%, 2017 - 37%)*  
*Swan Valley Planning District (consolidated 40%, 2017 - 33%)*  
*Swan Valley Regional Initiative for a Strong Economy (consolidated 45%, 2017 - 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.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

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**2. Significant Accounting Policies** *(continued)*

**c) Cash and Temporary Investments**

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

**d) Investments**

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

**e) Real Estate Properties Held for Sale**

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

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

**f) Landfill Closure and Post Closure Liabilities**

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

**g) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

**h) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The 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 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer hardware and software	4 years

*(continues)*

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

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**2. Significant Accounting Policies** *(continued)*

**h) Tangible Capital Assets** *(continued)*

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

**i) Leases**

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

**j) Inventories**

Inventories held for sale are recorded at the lower of cost and net realizable value.

Inventories held for consumption are recorded at the lower of cost and replacement value.

**k) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds be used only for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

Unearned revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

**2. Significant Accounting Policies** *(continued)*

**I) 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 and the accruals of the landfill closure liability and the 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 accrual of the landfill closure liability is based on estimated future cash flow using an assumed rate of inflation to the expected date of closure discounted to the financial statement date using an assumed long term average borrowing rate.
- 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 closure and retirement dates 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 numbers may differ significantly.

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2018</u>	<u>2017</u>
Cash	\$ 1,624,453	\$ 2,407,054
Temporary investments	<u>19,696</u>	<u>27,527</u>
	<u>\$ 1,644,149</u>	<u>\$ 2,434,581</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost.

The Town has designated \$1,339,008 (2017 \$1,557,486) 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 \$633,074 (2017 \$439,749) held by controlled entities and government partnerships.

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2018</u>	<u>2017</u>
Taxes on roll ( <i>Schedule 11</i> )	\$ 241,872	\$ 279,507
Government grants	1,213,090	214,527
Utility customers	306,957	272,693
Organizations and individuals	169,606	159,297
Other governments	152,868	91,324
Accrued interest	<u>3,356</u>	<u>4,174</u>
	<u>2,087,749</u>	<u>1,021,522</u>
Less allowances for doubtful amounts	<u>(32,794)</u>	<u>-</u>
	<u>\$ 2,054,955</u>	<u>\$ 1,021,522</u>



**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

**5. Portfolio Investments**

Swan Valley Credit Union Limited non-redeemable long term deposit for 12 months matured July 5, 2018 at 1.5% interest rate per annum, held by Swan Valley District Recreation Commission	\$	-	\$	23,000
TD Canada Trust guaranteed investment certificate for 12 months matured July 7, 2018 at 1.22% interest rate per annum, held by North-West Regional Library			-	572
Patronage shares				
Swan Valley Consumers Co-operative		156		147
Swan Valley Credit Union		778		831
Westman Communications Group		436		-
	<b>\$</b>	<b>1,370</b>	<b>\$</b>	<b>24,550</b>

**6. Inventories**

	<u>2018</u>	<u>2017</u>
<b>Inventories for sale:</b>		
Airport fuel	\$ 12,073	\$ 12,135
Concession supplies	569	336
Swimming supplies	731	1,571
	<b>\$ 13,373</b>	<b>\$ 14,042</b>

**Inventories for use:**

<u>General</u>		
Fuel	\$ 3,800	\$ 3,387
Granulars	47,567	33,909
Dust control	2,050	1,887
Sidewalk unistone	12,936	12,936
Culverts	15,122	13,548
Traffic services	8,944	9,354
Janitorial supplies	6,417	4,726
Landfill cover material	11,199	11,199
Chemicals and reagents	11,245	10,778
Programming supplies	1,137	2,123
	<b>120,417</b>	<b>103,847</b>
<u>Utility</u>		
Connections	40,418	38,512
Water treatment chemicals	5,813	7,535
Sewage collection	100,607	102,781
Water meters	27,603	30,926
Transmission and distribution	138,750	134,195
	<b>313,191</b>	<b>313,949</b>
	<b>\$ 433,608</b>	<b>\$ 417,796</b>

**7. Accounts Payable and Accrued Liabilities**

	<u>2018</u>	<u>2017</u>
Trade accounts payable	\$ 512,863	\$ 279,913
Contractor holdbacks	48,180	65,394
Employee remittances payable	1,856	3,623
Other governments	397	302,354
Accrued vacation liability	164,256	165,248
Accrued salaries and wages payable	76,964	41,199
Other accrued expenses	25,996	25,588
School levies	410,792	-
	<b>\$ 1,241,304</b>	<b>\$ 883,319</b>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

**8. Pre-Retirement Bonus Entitlement**

Each employee of the Town will be 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 retiring at age 55 or over, with at least five years of seniority.
- Four days per year of seniority for a permanent employee terminating employment after completing ten years of seniority.
- Pro-rata calculation as follows for a seasonal employee either retiring at age 55 or over with at least five years of seniority, or terminating employment after completing ten years of seniority:  
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%.

	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 324,490	\$ 322,706
Earned during the year	83,828	47,761
Paid out during the year	(20,889)	(38,828)
Relinquished on termination of employment	<u>(37,717)</u>	<u>(7,149)</u>
Ending balance	<u>\$ 349,712</u>	<u>\$ 324,490</u>

**9. Unearned Revenue**

	<u>2018</u>	<u>2017</u>
Prepaid taxes	\$ 39,320	\$ 31,741
Prepaid utility	2,231	2,720
Water meter deposits	122,952	114,305
Unused grants <i>(See following explanation)</i>	41,855	20,001
Rental prepayments and deposits	<u>11,911</u>	<u>7,981</u>
	<u>\$ 218,269</u>	<u>\$ 176,748</u>

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. Landfill Closure Liability**

The Town is currently operating a Class 2 landfill site together with, and located in, the Municipality of Swan Valley West. Legislation requires closure of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill.

	<u>2018</u>	<u>2017</u>
Estimated closure costs over the next 68 years	\$ 6,600,000	\$ 6,600,000
Discount rate	<u>6.00%</u>	<u>6.00%</u>
<b>Discounted costs</b>	<u>\$ 125,529</u>	<u>\$ 118,424</u>
Expected year capacity will be reached	<b>2086</b>	2086
Capacity (years):		
Used to date	42	41
Remaining	<u>68</u>	<u>69</u>
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>38.18%</u>	<u>37.27%</u>
<b>Liability based on percentage</b>	<u>\$ 47,929</u>	<u>\$ 44,140</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

**11. Long Term Debt**

	<u>2018</u>	<u>2017</u>
<b>General Authority:</b>		
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	<b>\$ 1,182,019</b>	\$ 1,243,476
Debenture for Richardson Recreation & Wellness Centre, held by RBC Life Insurance Company, issued February 29, 2016, payable \$368,322 annually including interest at 3.79%, maturing December 31, 2035	<b>4,554,752</b>	4,743,302
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	<b>181,030</b>	-
<b>Utility Fund:</b>		
Debenture for Ross Street wastewater pumping station, demand loan held by RBC Royal Bank, issued December 31, 2014 payable at \$64,789 annually including interest at 4.13%, maturing December 31, 2034	<b>747,751</b>	780,313
Debenture for Heyes Street wastewater pumping station, demand loan held by RBC Royal Bank, issued February 29, 2016 payable at \$31,777 annually including interest at 3.79%, maturing December 31, 2035	<b>392,959</b>	409,226
	<b><u>\$ 7,058,511</u></b>	<b><u>\$ 7,176,317</u></b>

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

2019	\$ 320,471
2020	332,965
2021	345,946
2022	359,434
2023	373,450
Thereafter	<u>5,326,245</u>
	<b><u>\$ 7,058,511</u></b>

**Schedule of Debentures Pending**

<u>Authority</u>	<u>Purpose</u>	<u>Amount Authorized</u>
Utility Fund	6th Ave N Lift Station upgrade	\$ 250,000
General	12th Ave and 3rd St S curb, gutter and paving	124,000

**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 of Swan River for construction of the Richardson Recreation and Wellness Centre. These prepayments will be amortized to revenue on a straight-line basis over the 20-year term of the debenture. The change in prepaid levies is as follows:

	<u>2018</u>	<u>2017</u>
Beginning balance	<b>\$ 291,021</b>	\$ 307,189
Amortization	<b>(16,167)</b>	(16,168)
Ending balance	<b><u>\$ 274,854</u></b>	<b><u>\$ 291,021</u></b>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

**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	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:

	<u>2018</u>	<u>2017</u>
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
	<u>5,800,000</u>	<u>5,800,000</u>
Revenue recognized upon settlement of liability	<u>(2,610,000)</u>	<u>(2,610,000)</u>
	<u>\$ 3,190,000</u>	<u>\$ 3,190,000</u>

**14. Accumulated Surplus**

	<u>2018</u>	<u>2017</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 898,391	\$ 1,179,506
Utility operating fund - Nominal surplus	85,962	85,962
Tangible capital assets net of related borrowings ( <i>see below</i> )	24,167,263	18,151,121
Reserve funds ( <i>Schedule 6</i> )	1,339,008	1,557,486
	<u>26,490,624</u>	<u>20,974,075</u>
Accumulated surplus of municipality unconsolidated		
Accumulated surpluses of consolidated entities	<u>1,611,163</u>	<u>6,530,032</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 28,101,787</u>	<u>\$ 27,504,107</u>

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

Tangible capital assets	\$ 35,119,241	\$ 21,278,790
Long term debt (Note 11)	(7,058,511)	(2,433,015)
Accounts payable	(380,684)	(650,514)
Deferred contributions (Note 13)	(3,190,000)	-
Prepaid local improvement district levies (Note 12)	(274,854)	-
Landfill closure liability (Note 10)	(47,929)	(44,140)
	<u>\$ 24,167,263</u>	<u>\$ 18,151,121</u>

(continues)

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

**14. Accumulated Surplus (continued)**

Section 324 of The Municipal Act states "If the taxes collected by a municipality to pay for a local improvement or special service exceed its actual cost of undertaking the improvement or providing the service, the municipality must: place the excess in a fund that may be used only for the benefit of the properties and businesses in respect of which they were imposed; or refund the excess to the taxpayers." Accordingly, since the taxes collected for the police protection special service exceeded the actual cost as indicated below, the excess will be used to reduce the special service levy in future years.

	<u>2018</u>	<u>2017 (Restated)</u>
Excess brought forward	\$ 288,549	\$ 101,802
Taxes collected by special service levy	921,967	1,100,458
Policing and bylaw enforcement fines	16,439	14,559
Province of Manitoba Urban Policing Grant	451,288	-
Actual cost of police protection and bylaw enforcement	<u>(1,040,233)</u>	<u>(928,270)</u>
Excess carried forward to next year	<u>\$ 638,010</u>	<u>\$ 288,549</u>

**15. Commitments**

**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 2018 fiscal year of \$1,018,829 (2017 - \$905,610).

**Municipal Services Agreements**

The Town entered into a Municipal Fire Protection Agreement dated December 13, 2016 with the Municipality of Swan Valley West. Under the terms of the agreement, Swan Valley West pays, in each of the fiscal years 2017 through 2019, a portion of the yearly Fire Department costs determined by using the percentage of total portioned assessment in Swan Valley West that is covered by the agreement multiplied by the previous fiscal year's net operating costs.

The Town entered into Purchased Services Agreements dated December 13, 2016 with the Municipality of Swan Valley West. Under the terms of the agreements, Swan Valley West pays, in each of the fiscal years 2017 through 2019, the following portions of the previous fiscal year's net operating costs:

Birchwood Cemetery	12% of net operating costs
Aquatics	25% of net operating costs to a maximum of \$100,000
Arena	Percentage of previous year's total usage times net operating costs
Parks	Percentage of previous year's total usage times net operating costs
Waste Disposal Site	Percentage of previous year's total usage times net operating costs

The Town entered into Municipal Fire Protection and Purchased Services Agreements dated October 4, 2017 with the Municipality of Minitonas-Bowsman. Under the terms of the agreements, Minitonas-Bowsman pays \$17,500 in 2017, \$35,900 in 2018 and \$36,800 in 2019 for services provided by the Town, including use of Swan River Waste Disposal Site, all Swan River Recreation Department services, various Public Works services and Municipal Finances services.

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**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

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**15. Commitments** *(continued)*

**Swan Valley Employment and Training Project**

The Town entered into agreements expiring June 28, 2019 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 \$234,956 (2017 \$289,989).

**Small Communities Fund Contribution Agreement**

The Town entered into an agreement dated November 27, 2017 with the Government of Manitoba under the Canada-Manitoba New Building Canada Fund - Small Communities Fund for the construction of the Veterans Community Hall Upgrades Project. Under the terms of the agreement, the project must be completed no later than June 30, 2019. The total costs of the project were estimated to be \$50,000.

The Town met the conditions for payment in the 2019 fiscal year. Accordingly, The Government of Manitoba reimbursed the Town \$16,667 (on its own behalf) and \$16,666 (on behalf of The Government of Canada) of the \$56,051 eligible costs incurred and paid to carry out and construct the project.

**16. 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 the Town on behalf of its employees are expected to be \$150,103 (2017 - \$152,276) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2017 indicated the plan was 100.8% funded on a going concern basis and had an unfunded solvency liability of \$246.8 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, 2017.

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.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

**17. 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.

**18. 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*.

**19. Public Sector Compensation Disclosure**

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2018:

- a) Compensation paid to members of council amounted to \$104,158 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:	Compensation	Expenses	Total
Mayor Lance Jacobson	\$ 15,741	\$ 2,489	\$ 18,230
Former Mayor Glen McKenzie	15,232	2,430	17,662
Councillor Jason Delaurier	14,015	1,807	15,822
Councillor Phyllis Friesen	13,582	2,811	16,393
Councillor David Gray	2,654	1,089	3,743
Councillor David Moriaux	14,589	2,326	16,915
Councillor Jason Sakal	10,798	1,032	11,830
Councillor Johnny Wintoniw	2,872	1,573	4,445
Councillor Duane Whyte	14,675	2,339	17,014
	<u>\$ 104,158</u>	<u>\$ 17,896</u>	<u>\$ 122,054</u>

- c) Employees who received compensation in excess of \$50,000 have been reported separately.

**20. Trust Funds**

The Town of Swan River administers the following trust funds:

	Balance, Beginning of Year	Excess of Receipts over Disbursements	Balance, End of Year
Birchwood Cemetery Perpetual Care	\$ 188,463	\$ 7,415	\$ 195,878
Swan Valley Christmas Cheer Board	1,990	(545)	1,445
Swan River Skateboard Union	396	-	396
Swan River Fire Department	1,395	-	1,395
Swan Valley Splash Park Committee	5,100	-	5,100
Swan Valley Youth Soccer	500	97	597
	<u>\$ 197,844</u>	<u>\$ 6,967</u>	<u>\$ 204,811</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

**21. 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.

**22. 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:

	<u>Unadjusted</u>	<u>Adjustments</u>	<u>Total 2018</u>	<u>Total 2017</u>
<b>Financial Position</b>				
Financial assets	\$ 353,086	\$ -	\$ 353,086	\$ 390,500
Liabilities	3,309	-	3,309	8,254,809
Net financial assets	349,777	-	349,777	(7,864,309)
Non-financial assets	149,612	-	149,612	13,323,560
Accumulated surplus	\$ 499,389	\$ -	\$ 499,389	\$ 5,459,251
<b>Results of Operations</b>				
Revenue	\$ 46,204	\$ (23,067)	\$ 23,137	\$ 3,827,483
Expenses	78,433	(23,067)	55,366	1,397,022
Annual surplus (deficit)	\$ (32,229)	\$ -	\$ (32,229)	\$ 2,430,461

**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:

	<u>Unadjusted</u>	<u>Adjustments</u>	<u>Total 2018</u>	<u>Total 2017</u>
<b>Financial Position</b>				
Financial assets	\$ 660,533	\$ (8,993)	\$ 651,540	\$ 511,143
Liabilities	404,247	(320,983)	83,264	54,445
Net financial assets	256,286	311,990	568,276	456,698
Non-financial assets	543,498	-	543,498	614,083
Accumulated surplus	\$ 799,784	\$ 311,990	\$ 1,111,774	\$ 1,070,781
<b>Results of Operations</b>				
Revenue	\$ 439,166	\$ (152,835)	\$ 286,331	\$ 218,404
Expenses	386,529	(141,194)	245,335	281,082
Annual surplus (deficit)	\$ 52,637	\$ (11,641)	\$ 40,996	\$ (62,678)

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

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**23. 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 passible 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.

**24. 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.

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.

*(continues)*

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2018**

**24. Related Party Disclosures** *(continued)*

Following is a list of significant related party transactions:

<u>Description of Transaction</u>	<u>Type of Transaction</u>	<u>Basis of Measurement</u>	<u>Amount before Consolidation</u>	<u>Net after Consolidation</u>
Swan Valley Municipal Airport Commission (government partnership)				
• Administration fee	Revenue	As tendered	\$ 18,000	\$ 11,340
• Sale of service	Revenue	Stipulated rate	61,728	38,889
• Funding	Expense	Assessment	23,521	14,818
• Amount receivable	Asset	As invoiced	24,262	15,285
Swan Valley District Recreation Commission (government partnership)				
• Facility/program grant	Revenue	Population	\$ 22,418	\$ 12,106
• Funding	Expense	Population	22,176	11,975
North-West Regional Library (government partnership)				
• Funding	Expense	Population	\$ 22,418	\$ 10,312
Swan Valley Regional Initiative for a Strong Economy (government partnership)				
• Funding	Expense	Funding formula	\$ 27,483	\$ 15,116
G7 Physician Retention and Recruitment Fund (government partnership)				
• Funding	Expense	Population	\$ 64,224	\$ 38,534

**25. Public Utilities Board**

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

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

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

	<u>Water Services</u>	<u>Sewer Services</u>
Unamortized balance, beginning	\$ 2,260,561	\$ 1,485,848
<u>Additions during the year</u>		
6th Ave Lift Station	-	750,000
Water supply well #4	167,590	-
Water plant distribution pump	196,189	-
	<u>363,779</u>	<u>750,000</u>
Amortization during the year	<u>(72,734)</u>	<u>(47,094)</u>
Unamortized balance, ending	<u>\$ 2,551,606</u>	<u>\$ 2,188,754</u>



## TOWN OF SWAN RIVER

## SCHEDULE 1

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2018

	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	2018	2017
<b>Cost</b>										
Opening balance	\$ 3,188,682	\$ 19,901,143	\$ 5,214,385	\$ 162,482	\$ 3,240	\$ 8,935,787	\$ 22,166,246	\$ 576,028	\$ 60,147,993	\$ 58,800,200
Additions during the year	53,097	12,270	129,824	10,218	74,275	506,392	774,952	644,038	2,205,066	1,752,190
Transfers during the year	-	-	-	-	-	-	1,037,703	(1,037,703)	-	-
Disposals and write downs	-	-	(52,721)	(1,653)	-	(73,000)	(5,000)	-	(132,374)	(404,397)
Closing balance	3,241,779	19,913,413	5,291,488	171,047	77,515	9,369,179	23,973,901	182,363	62,220,685	60,147,993
<b>Accumulated Amortization</b>										
Opening balance	932,787	3,888,543	2,944,323	126,359	-	6,985,820	10,077,864	-	24,955,696	23,669,557
Amortization	97,650	535,104	286,137	15,817	-	200,790	456,075	-	1,591,573	1,570,783
Disposals and write downs	-	-	(48,721)	(1,653)	-	(73,000)	(5,000)	-	(128,374)	(284,644)
Closing balance	1,030,437	4,423,647	3,181,739	140,523	-	7,113,610	10,528,939	-	26,418,895	24,955,696
Net Book Value of Tangible Capital Assets	\$ 2,211,342	\$ 15,489,766	\$ 2,109,749	\$ 30,524	\$ 77,515	\$ 2,255,569	\$ 13,444,962	\$ 182,363	\$ 35,801,790	\$ 35,192,297

**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**For the Year Ended December 31, 2018**

**SCHEDULE 2**

	<b>2018</b>	<b>2017</b>
	<b>Actual</b>	<b>Actual</b>
<b>Property taxes</b>		
Municipal taxes levied ( <i>Schedule 12</i> )	\$ 4,145,552	\$ 4,101,355
Taxes added	43,274	36,234
Excess of school tax levy over requirement	10	73
	<u>4,188,836</u>	<u>4,137,662</u>
<b>Grants in lieu of taxation</b>		
Federal government enterprises	11,836	11,862
Provincial government	39,612	38,633
Provincial government enterprises	151,469	146,195
	<u>202,917</u>	<u>196,690</u>
<b>User fees</b>		
Sales of service	710,665	728,595
Sales of goods	69,008	60,401
Rentals	115,119	107,126
Development charges	2,235	1,700
Facility use fees	174,160	191,242
	<u>1,071,187</u>	<u>1,089,064</u>
<b>Permits, licences and fines</b>		
Permits	21,100	23,735
Licences	10,553	11,182
Fines	17,237	15,627
Fees	6,460	5,700
	<u>55,350</u>	<u>56,244</u>
<b>Investment income</b>		
Cash and temporary investments	50,661	38,280
<b>Other revenue</b>		
Gain on sale of tangible capital assets	1,700	33,468
Gain (loss) on sale of real estate held for sale	(7,792)	5,984
Contributed assets	80,380	-
Penalties and interest	37,556	46,359
Donations and contributions	34,192	10,519
Administration fees	3,780	472
Amortization of prepaid local improvement district levies	16,168	16,168
Gain from increase in share of government partnership	40,666	-
Supplier rebates	30,307	18,592
	<u>236,957</u>	<u>131,562</u>
<b>Water and sewer (<i>Schedule 9</i>)</b>	<u>2,537,812</u>	<u>1,333,496</u>
<b>Grants - Province of Manitoba</b>		
Municipal operating grants	273,596	708,308
Conditional grants	617,905	1,641,243
	<u>891,501</u>	<u>2,349,551</u>
<b>Grants - other</b>		
Federal government - gas tax funding	221,050	213,565
Federal government - other	8,075	1,139,403
Other municipal governments	337,313	304,759
	<u>566,438</u>	<u>1,657,727</u>
<b>Total revenue</b>	<u>\$ 9,801,659</u>	<u>\$ 10,990,276</u>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2018**

**SCHEDULE 3**

	<b>2018</b>	2017
	<b>Actual</b>	Actual
<b>General government services</b>		
Legislative	\$ 133,576	\$ 127,560
General administrative	768,216	731,141
Elections, liability insurance, website, etc.	31,700	21,133
	<b>933,492</b>	<b>879,834</b>
<b>Protective services</b>		
Police	1,018,829	905,610
Fire	334,264	297,566
Emergency measures	8,959	20,251
Flood control	-	14,651
Building, electrical and plumbing inspections	35,615	36,222
Bylaw enforcement	21,404	22,660
Animal and pest control	28,698	26,455
Safety inspections	107,574	103,435
	<b>1,555,343</b>	<b>1,426,850</b>
<b>Transportation services</b>		
Road transport		
Administration and engineering	145,692	97,941
Unallocated equipment and operators	371,042	413,183
Unallocated workshop and yard operations	92,035	101,921
Road and streets	270,231	255,739
Sidewalks	29,078	40,320
Boulevards	5,373	13,159
Tree trimming	15,335	8,681
Ditches and road drainage	13,555	22,250
Storm sewers	46,476	92,514
Street cleaning	18,601	15,588
Snow and ice removal	95,472	112,187
Street lighting	74,402	66,254
Traffic services	39,886	33,033
Air transport	137,282	123,452
Public transit	60,484	49,863
	<b>1,414,944</b>	<b>1,446,085</b>
<b>Environmental health services</b>		
Garbage collection	322,390	335,686
Nuisance grounds	446,066	317,738
Recycling	308,170	278,626
	<b>1,076,626</b>	<b>932,050</b>
<b>Public health and welfare services</b>		
Cemeteries	89,218	89,470
Physician retention and recruitment	56,845	57,294
Social welfare and assistance	50,163	43,755
Other	25	2,000
	<b>196,251</b>	<b>192,519</b>
<b>Regional planning and development</b>		
Planning and zoning	12,805	10,737
Beautification and land rehabilitation	6,303	7,909
Urban area weed control	13,163	14,147
Christmas lights, decorations, flags	11,553	11,752
	<b>43,824</b>	<b>44,545</b>
<b>Subtotals forward</b>	<b>\$ 5,220,480</b>	<b>\$ 4,921,883</b>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2018**

**SCHEDULE 3**

<b>Subtotals forward</b>	<b><u>\$ 5,220,480</u></b>	<b><u>\$ 4,921,883</u></b>
<b>Resource conservation and industrial development</b>		
Veterinary services	5,983	5,983
Water resources and conservation	10,081	17,680
Regional development	70,783	87,488
Industrial development	12,722	12,637
Incentive program for construction development	40,866	41,867
Tourism	13,269	11,996
Public receptions	3,084	1,978
	<b><u>156,788</u></b>	<b><u>179,629</u></b>
<b>Recreation and cultural services</b>		
District recreation commission	37,143	36,081
Community centers and halls	128,566	121,507
Swimming pools and beaches	1,298,890	1,285,093
Skating and curling rinks and arenas	525,683	499,187
Parks and playgrounds	177,073	176,903
Other recreational programs or facilities	805	3,732
Museums	4,000	4,000
Libraries	167,724	180,545
Other cultural programs or facilities	11,664	9,183
	<b><u>2,351,548</u></b>	<b><u>2,316,231</u></b>
<b>Water and sewer services (Schedule 9)</b>	<b><u>1,475,163</u></b>	<b><u>1,200,479</u></b>
<b>Total expenses</b>	<b><u>\$ 9,203,979</u></b>	<b><u>\$ 8,618,222</u></b>

## TOWN OF SWAN RIVER

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2018

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>										
Property taxes	\$ 4,188,836	\$ 4,137,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	202,917	196,690	-	-	-	-	-	-	-	-
User fees	44,266	41,578	89,028	80,898	94,698	112,359	438,691	414,719	52,883	62,842
Permits, licences and fines	15,790	15,570	38,762	39,606	-	-	-	-	-	-
Investment income	23,496	20,053	409	373	12,632	7,445	630	347	5,867	2,727
Other revenue	68,372	98,214	3,700	-	66,356	4,117	-	-	40,666	1,000
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	273,596	708,308	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	454,898	5,708	89,244	50,582	-	-	-	-
Grants - other	-	-	-	-	241,447	282,142	-	-	35,702	32,340
<b>Total revenue</b>	<b>4,817,273</b>	<b>5,218,075</b>	<b>586,797</b>	<b>126,585</b>	<b>504,377</b>	<b>456,645</b>	<b>439,321</b>	<b>415,066</b>	<b>135,118</b>	<b>98,909</b>
<b>EXPENSES</b>										
Personnel services	416,058	454,070	321,132	333,731	571,899	585,660	238,121	209,456	57,145	60,908
Contract services	286,401	187,191	1,031,541	902,972	121,945	139,947	632,183	611,868	62,971	62,242
Utilities	28,151	28,729	47,277	46,366	103,106	91,294	20,738	19,418	1,040	1,017
Maintenance materials and supplies	36,063	39,546	68,746	61,024	321,569	289,929	6,925	5,359	13,248	4,625
Grants and contributions	14	653	-	-	14,818	11,536	56,042	-	49,740	51,942
Amortization	93,688	99,048	76,739	63,161	404,568	413,343	24,234	24,135	5,980	5,980
Equipment cost allocation	101	-	419	2,165	(127,001)	(92,409)	67,489	50,861	6,127	5,805
Loss on disposal of capital assets	-	-	-	2,184	4,000	6,754	-	170	-	-
Interest on long term debt	51,480	53,923	8,039	-	-	-	-	-	-	-
Bad debts	20,934	16,674	1,450	2,276	-	-	27,105	7,269	-	-
Other	602	-	-	12,971	40	31	3,789	3,514	-	-
<b>Total expenses</b>	<b>933,492</b>	<b>879,834</b>	<b>1,555,343</b>	<b>1,426,850</b>	<b>1,414,944</b>	<b>1,446,085</b>	<b>1,076,626</b>	<b>932,050</b>	<b>196,251</b>	<b>192,519</b>
<b>Annual surplus (deficit)</b>	<b>\$ 3,883,781</b>	<b>\$ 4,338,241</b>	<b>\$ (968,546)</b>	<b>\$ (1,300,265)</b>	<b>\$ (910,567)</b>	<b>\$ (989,440)</b>	<b>\$ (637,305)</b>	<b>\$ (516,984)</b>	<b>\$ (61,133)</b>	<b>\$ (93,610)</b>

\* 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, 2018

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,188,836	\$ 4,137,662
Grants in lieu of taxation	-	-	-	-	-	-	-	-	202,917	196,690
User fees	2,235	1,782	-	6,835	349,386	368,051	-	-	1,071,187	1,089,064
Permits, licences and fines	-	-	-	-	798	1,068	-	-	55,350	56,244
Investment income	87	57	135	133	671	728	6,734	6,417	50,661	38,280
Other revenue	1,165	141	(7,147)	-	63,845	28,090	-	-	236,957	131,562
Water and sewer	-	-	-	-	-	-	2,537,812	1,333,496	2,537,812	1,333,496
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	273,596	708,308
Prov of MB - Conditional Grants	-	-	10,602	-	63,161	1,584,953	-	-	617,905	1,641,243
Grants - other	3,868	3,482	21,030	21,253	264,391	1,318,510	-	-	566,438	1,657,727
<b>Total revenue</b>	<b>7,355</b>	<b>5,462</b>	<b>24,620</b>	<b>28,221</b>	<b>742,252</b>	<b>3,301,400</b>	<b>2,544,546</b>	<b>1,339,913</b>	<b>9,801,659</b>	<b>10,990,276</b>
<b>EXPENSES</b>										
Personnel services	13,935	11,405	25,331	25,009	940,121	944,813	424,898	335,335	3,008,640	2,960,387
Contract services	10,989	12,978	30,989	32,661	199,178	184,373	215,501	102,634	2,591,698	2,236,866
Utilities	260	198	612	562	235,774	220,796	56,640	58,809	493,598	467,189
Maintenance materials and supplies	6,865	7,614	2,335	2,069	169,703	146,703	245,235	178,176	870,689	735,045
Grants and contributions	3,977	4,752	90,353	112,374	73,444	70,784	-	-	288,388	252,041
Amortization	3,084	3,084	5,117	3,045	550,213	557,886	427,948	401,100	1,591,571	1,570,782
Equipment cost allocation	4,714	4,507	76	-	1,502	3,949	46,573	25,122	-	-
Loss on disposal of capital assets	-	-	-	3,218	-	-	-	12,590	4,000	24,916
Interest on long term debt	-	-	-	-	179,771	186,656	47,737	49,622	287,027	290,201
Bad debts	-	-	-	-	1,148	-	572	34,523	51,209	60,742
Other	-	7	1,975	691	694	271	10,059	2,568	17,159	20,053
<b>Total expenses</b>	<b>43,824</b>	<b>44,545</b>	<b>156,788</b>	<b>179,629</b>	<b>2,351,548</b>	<b>2,316,231</b>	<b>1,475,163</b>	<b>1,200,479</b>	<b>9,203,979</b>	<b>8,618,222</b>
<b>Annual surplus (deficit)</b>	<b>\$ (36,469)</b>	<b>\$ (39,083)</b>	<b>\$ (132,168)</b>	<b>\$ (151,408)</b>	<b>\$ (1,609,296)</b>	<b>\$ 985,169</b>	<b>\$ 1,069,383</b>	<b>\$ 139,434</b>	<b>\$ 597,680</b>	<b>\$ 2,372,054</b>

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2018

	Core Government		Controlled Entities		Government Partnerships		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>REVENUE</b>								
Property taxes	\$ 4,188,836	\$ 4,137,662	\$ -	\$ -	\$ -	\$ -	\$ 4,188,836	\$ 4,137,662
Grants in lieu of taxation	202,917	196,690	-	-	-	-	202,917	196,690
User fees	1,016,970	696,216	9,906	345,713	44,311	47,135	1,071,187	1,089,064
Permits, licences and fines	54,552	55,176	-	-	798	1,068	55,350	56,244
Investment income	43,774	34,280	310	696	6,577	3,304	50,661	38,280
Other revenue	195,787	104,890	(7,147)	24,727	48,317	1,945	236,957	131,562
Water and sewer	2,537,812	1,333,496	-	-	-	-	2,537,812	1,333,496
Prov of MB - Unconditional Grants	273,596	708,308	-	-	-	-	273,596	708,308
Prov of MB - Conditional Grants	534,182	8,775	20,068	1,578,806	63,655	53,662	617,905	1,641,243
Grants - other	443,765	216,565	-	1,329,872	122,673	111,290	566,438	1,657,727
Total revenue	<u>9,492,191</u>	<u>7,492,058</u>	<u>23,137</u>	<u>3,279,814</u>	<u>286,331</u>	<u>218,404</u>	<u>9,801,659</u>	<u>10,990,276</u>
<b>EXPENSES</b>								
Personnel services	2,878,191	2,040,532	26,894	804,248	103,555	115,607	3,008,640	2,960,387
Contract services	2,490,990	2,000,476	27,829	163,657	72,879	72,733	2,591,698	2,236,866
Utilities	480,777	251,923	1,038	205,644	11,783	9,622	493,598	467,189
Maintenance materials and supplies	807,001	569,073	4,556	117,858	59,132	48,114	870,689	735,045
Grants and contributions	396,820	1,028,136	(17,840)	(706,961)	(90,592)	(69,134)	288,388	252,041
Amortization	1,492,813	995,933	11,658	487,205	87,100	87,644	1,591,571	1,570,782
Equipment cost allocation	-	(2,328)	-	2,328	-	-	-	-
Loss on disposal of capital assets	4,000	21,698	-	-	-	3,218	4,000	24,916
Interest on long term debt	287,027	103,545	-	186,656	-	-	287,027	290,201
Bad debts	51,209	60,742	-	-	-	-	51,209	60,742
Other	14,450	6,083	1,231	691	1,478	13,279	17,159	20,053
Total expenses	<u>8,903,278</u>	<u>7,075,813</u>	<u>55,366</u>	<u>1,261,326</u>	<u>245,335</u>	<u>281,083</u>	<u>9,203,979</u>	<u>8,618,222</u>
<b>Annual surplus (deficit)</b>	<u>\$ 588,913</u>	<u>\$ 416,245</u>	<u>\$ (32,229)</u>	<u>\$ 2,018,488</u>	<u>\$ 40,996</u>	<u>\$ (62,679)</u>	<u>\$ 597,680</u>	<u>\$ 2,372,054</u>

## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2018

	2018						
	General BL 20/1983	Equipment Replacement BL 01/1997	Employee Benefits BL 09/1993	Fire Truck Replacement BL 05/1997	Fire Fighting Equipment BL 06/1992	Recreation Facilities BL 04/2000	Landfill Closure BL 14/2012
<b>REVENUE</b>							
Investment income	\$ 2,947	\$ 5,838	\$ 1,992	\$ 408	\$ -	\$ 301	\$ 630
<b>TRANSFERS</b>							
Transfers from general operating fund	2,500	153,418	-	29	(29)	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to general operating fund	-	-	(44,318)	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(62,333)	-	(13,500)	-	(28,000)	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	5,447	96,923	(42,326)	(13,063)	(29)	(27,699)	630
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	170,917	281,772	121,104	32,223	29	28,238	36,897
<b>FUND SURPLUS, END OF YEAR</b>	\$ 176,364	\$ 378,695	\$ 78,778	\$ 19,160	\$ -	\$ 539	\$ 37,527



TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2018

	2018					2017	
	Federal Gas Tax Funding BL 02/2006	Utility Replacement BL 25/1995	Handi Transit Replacement BL 30/1988			Total	Total
<b>REVENUE</b>							
Investment income	\$ 4,177	\$ 6,734	\$ 2,189	\$ -	\$ -	\$ 25,216	\$ 17,445
<b>TRANSFERS</b>							
Transfers from general operating fund	221,050		500	-	-	377,468	367,565
Transfers from utility operating fund	-	224,164	-	-	-	224,164	278,110
Transfers to general operating fund	-	-	-	-	-	(44,318)	(52,690)
Transfers to utility operating fund	-	(150,000)	-	-	-	(150,000)	(250,000)
Acquisition of tangible capital assets	(212,646)	(334,529)	-	-	-	(651,008)	(456,398)
<b>CHANGE IN RESERVE FUND BALANCES</b>	12,581	(253,631)	2,689	-	-	(218,478)	(95,968)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	241,152	517,137	128,017	-	-	1,557,486	1,653,454
<b>FUND SURPLUS, END OF YEAR</b>	\$ 253,733	\$ 263,506	\$ 130,706	\$ -	\$ -	\$ 1,339,008	\$ 1,557,486

**TOWN OF SWAN RIVER**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**As at December 31, 2018**

**SCHEDULE 8**

	<u>2018</u>	<u>2017</u>
<b>FINANCIAL ASSETS</b>		
Amounts receivable	<u>\$ 1,420,736</u>	<u>\$ 272,693</u>
<b>LIABILITIES</b>		
Unearned revenue	<u>\$ 125,183</u>	<u>\$ 117,025</u>
Long-term debt (Note 11)	<u>1,140,710</u>	<u>1,189,539</u>
Due to General Operating Fund	<u>1,838,994</u>	<u>843,531</u>
	<u>3,104,887</u>	<u>2,150,095</u>
<b>NET DEBT</b>	<u>\$ (1,684,151)</u>	<u>\$ (1,877,402)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets ( <i>Schedule 1</i> )	<u>\$ 13,162,950</u>	<u>\$ 12,171,908</u>
Inventories (Note 6)	<u>313,191</u>	<u>313,949</u>
	<u>13,476,141</u>	<u>12,485,857</u>
<b>FUND SURPLUS</b>	<u>\$ 11,791,990</u>	<u>\$ 10,608,455</u>

**TOWN OF SWAN RIVER**  
**SCHEDULE OF UTILITY OPERATIONS**  
**For the Year Ended December 31, 2018**

**SCHEDULE 9**

	2018 Budget	2018 Actual	2017 Actual
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 630,000	\$ 602,334	\$ 651,903
<b>Sewer</b>			
Sewer fees	638,000	617,562	513,344
Lagoon tipping fees	10,000	12,235	11,705
	<u>648,000</u>	<u>629,797</u>	<u>525,049</u>
<b>Government transfers</b>			
Operating	1,046	-	-
Capital	-	1,113,779	-
	<u>1,046</u>	<u>1,113,779</u>	<u>-</u>
<b>Other</b>			
Hydrant rentals	14,170	14,170	14,170
Connection charges	30,000	46,507	21,558
Installation service	1,500	2,100	1,930
Penalties	1,500	2,564	1,838
Administration fees	112,000	117,643	111,866
Other income	2,000	8,918	5,182
	<u>161,170</u>	<u>191,902</u>	<u>156,544</u>
<b>Total revenue</b>	<u>1,440,216</u>	<u>2,537,812</u>	<u>1,333,496</u>

**TOWN OF SWAN RIVER**  
**SCHEDULE OF UTILITY OPERATIONS**  
**For the Year Ended December 31, 2018**

**SCHEDULE 9**

	2018 Budget	2018 Actual	2017 Actual
<b>EXPENSES</b>			
<b>General</b>			
Administration	183,590	186,253	175,241
Training costs	13,000	9,564	10,907
Billing and collection	11,850	23,014	47,650
	<u>208,440</u>	<u>218,831</u>	<u>233,798</u>
<b>Water General</b>			
Purification and treatment	135,850	167,765	124,198
Transmission and distribution	105,500	83,642	82,760
Service of supply	13,400	30,065	10,802
Connection costs	114,750	169,690	88,773
Water meters	21,900	17,645	21,149
Local state of emergency	-	155,417	-
	<u>391,400</u>	<u>624,224</u>	<u>327,682</u>
<b>Water Amortization and Interest</b>			
Amortization	229,000	245,640	228,805
Interest on long term debt	-	-	-
	<u>229,000</u>	<u>245,640</u>	<u>228,805</u>
<b>Sewer General</b>			
Collection system costs	40,500	11,056	40,585
Treatment and disposal costs	110,650	99,878	89,282
Lift station costs	63,500	45,489	45,820
	<u>214,650</u>	<u>156,423</u>	<u>175,687</u>
<b>Sewer Amortization and Interest</b>			
Amortization	172,000	182,308	184,885
Interest on long term debt	58,237	47,737	49,622
	<u>230,237</u>	<u>230,045</u>	<u>234,507</u>
<b>Total expenses</b>	<u>1,273,727</u>	<u>1,475,163</u>	<u>1,200,479</u>
<b>NET OPERATING SURPLUS</b>	166,489	1,062,649	133,017
<b>TRANSFERS</b>			
Transfers from reserve funds	-	349,529	250,000
Transfers to reserve funds	(498,030)	(224,164)	(278,110)
Transfers to general operating fund	-	(4,479)	(113,824)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ (331,541)</u>	<u>1,183,535</u>	<u>(8,917)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>10,608,455</u>	<u>10,617,372</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 11,791,990</u>	<u>\$ 10,608,455</u>

**TOWN OF SWAN RIVER**  
**RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET**  
**For the Year Ended December 31, 2018**

**SCHEDULE 10**

	<u>Financial Plan General</u>	<u>Financial Plan Utility</u>	<u>Amortization (TCA)</u>	<u>Interest Expense</u>	<u>Transfers</u>	<u>Consolidated Entities</u>	<u>PSAB Budget</u>
<b>REVENUE</b>							
Property taxes	\$ 4,195,565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,195,565
Grants in lieu of taxation	202,917	-	-	-	-	-	202,917
User fees	1,140,274	-	-	-	-	21,617	1,161,891
Permits, licences and fines	41,460	-	-	-	-	-	41,460
Investment income	16,000	-	-	-	-	6,704	22,704
Other revenue	138,923	-	-	-	-	522	139,445
Water and sewer	-	1,440,216	-	-	-	-	1,440,216
Grants - Province of Manitoba	733,259	-	-	-	-	82,342	815,601
Grants - other	428,439	-	-	-	-	116,884	545,323
Transfers from reserves	44,318	-	-	-	(44,318)	-	-
Transfers from accumulated surplus	100,000	312,786	-	-	(412,786)	-	-
Total revenue	<u>7,041,155</u>	<u>1,753,002</u>	<u>-</u>	<u>-</u>	<u>(457,104)</u>	<u>228,069</u>	<u>8,565,122</u>
<b>EXPENSES</b>							
General government services	749,345	-	99,000	51,480	20,934	-	920,759
Protective services	1,434,984	-	63,000	8,039	-	-	1,506,023
Transportation services	931,461	-	336,000	-	-	52,681	1,320,142
Environmental health services	1,053,350	-	24,000	-	-	-	1,077,350
Public health and welfare services	188,539	-	6,000	-	-	(5,600)	188,939
Regional planning and development	36,300	-	3,000	-	-	6,368	45,668
Resource conservation & industrial development	110,523	-	2,000	-	-	39,050	151,573
Recreation and cultural services	1,550,645	-	62,000	179,771	-	105,749	1,898,165
Water and sewer services	-	814,490	401,000	58,237	-	-	1,273,727
Fiscal services:							
Transfer to capital	62,955	-	(62,955)	-	-	-	-
Debt charges	498,908	127,696	-	(626,604)	-	-	-
Transfers to reserves	363,502	498,030	-	-	(861,532)	-	-
Transfers to prior year's deficit	39,709	312,786	-	-	(352,495)	-	-
Allowance for tax assets	20,934	-	-	-	(20,934)	-	-
Total expenses	<u>7,041,155</u>	<u>1,753,002</u>	<u>933,045</u>	<u>(329,077)</u>	<u>(1,214,027)</u>	<u>198,248</u>	<u>8,382,346</u>
<b>Annual surplus (deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (933,045)</u>	<u>\$ 329,077</u>	<u>\$ 756,923</u>	<u>\$ 29,821</u>	<u>\$ 182,776</u>

**TOWN OF SWAN RIVER  
ANALYSIS OF TAXES ON ROLL  
For the Year Ended December 31, 2018**

**SCHEDULE 11**

	<u>2018</u>	<u>2017</u>
<b>Balance, beginning of year</b>	<b>\$ 279,507</b>	<b>\$ 257,927</b>
<b>Add:</b>		
Tax levy ( <i>Schedule 12</i> )	6,817,726	6,732,717
Taxes added	43,274	36,234
Penalties or interest	33,622	46,359
Other accounts added	855	14,973
Taxes overpaid	4,262	-
Tax sale costs	71,144	5,164
Manitoba Education Property Tax Credit - cancelled	1,400	-
	<u>6,972,283</u>	<u>6,835,447</u>
<b>Deduct:</b>		
Cash collections - current	5,931,442	5,867,793
Cash collections - arrears	254,401	185,893
Cancellations and writeoffs	18,817	16,674
Manitoba Education Property Tax Credit - cash advance	725,845	723,218
Manitoba Education Property Tax Credit - additional	-	5,600
Transfers re tax sale	79,413	14,689
	<u>7,009,918</u>	<u>6,813,867</u>
<b>Balance, end of year</b>	<b>\$ 241,872</b>	<b>\$ 279,507</b>

**TOWN OF SWAN RIVER**  
**ANALYSIS OF TAX LEVY**  
**For the Year Ended December 31, 2018**

**SCHEDULE 12**

	2018		2017	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Municipal Office (at large)	\$ 168,724,200	0.634	\$ 106,971	\$ 107,711
Wellness Centre (LID)	204,973,520	1.203	246,583	248,507
Wellness Centre (per parcel)			107,156	107,395
Fire fighter equipment (at large)	168,724,200	0.099	16,704	-
			<u>477,414</u>	<u>463,613</u>
Intergovernmental Affairs	168,724,200	0.321	<u>54,160</u>	<u>54,660</u>
Reserves:				
General (20/1983)	168,724,200	0.015	2,531	2,411
Machinery replacement (01/1997)	168,724,200	0.842	142,066	132,630
Employee benefits (09/1993)			-	4,823
Landfill closure (14/2012)			-	6,431
			<u>144,597</u>	<u>146,295</u>
General Municipal	168,724,200	8.576	<u>1,446,979</u>	<u>1,294,628</u>
Special levies:				
Police protection	204,973,520	4.310	883,436	1,055,169
Fire, streets, emergency, doctor	204,973,520	2.920	598,523	550,266
Garbage, recycling, landfill	per residence or dumpster		467,252	461,698
			<u>1,949,211</u>	<u>2,067,133</u>
Business tax (rate%)	5,503,100	1.33%	<u>73,191</u>	<u>75,026</u>
<b>Total municipal taxes (Schedule 2)</b>			<b><u>4,145,552</u></b>	<b><u>4,101,355</u></b>
Education support levy	49,166,700	9.770	480,359	498,272
Special levy:				
Swan Valley School Division	159,904,760	13.707	<u>2,191,815</u>	<u>2,133,090</u>
<b>Total education taxes</b>			<b><u>2,672,174</u></b>	<b><u>2,631,362</u></b>
<b>Total tax levy (Schedule 11)</b>			<b><u>\$ 6,817,726</u></b>	<b><u>\$ 6,732,717</u></b>

## TOWN OF SWAN RIVER

## SCHEDULE 13

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2018

	2018 Actual	2017 Actual
<b>General government services</b>		
Legislative	\$ 133,576	\$ 127,560
General administrative	623,049	578,170
Other	31,692	21,133
	<u>788,317</u>	<u>726,863</u>
<b>Protective services</b>		
Police	1,018,829	905,610
Fire	250,921	233,657
Emergency measures	8,959	7,280
Flood control	-	14,651
Building, electrical and plumbing inspections	35,615	36,222
Bylaw enforcement	21,404	22,660
Animal and pest control	28,698	26,455
Safety inspections	106,138	101,999
	<u>1,470,564</u>	<u>1,348,534</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	144,996	97,192
Unallocated equipment and operators	238,281	272,756
Unallocated workshop and yard operations	84,984	96,873
Roads and streets	106,129	154,051
Sidewalks	5,708	11,327
Boulevards	5,373	13,159
Tree trimming	15,335	8,681
Ditches and road drainage	13,555	22,250
Storm sewers	18,349	23,960
Street cleaning	18,601	15,588
Snow and ice removal	95,472	112,187
Street lighting	72,125	63,977
Traffic services	37,290	30,437
Air transport	23,637	19,324
Public transit	17,840	20,000
	<u>897,675</u>	<u>961,762</u>
<b>Environmental health services</b>		
Garbage collection	322,390	335,686
Nuisance grounds	428,268	300,215
Recycling	297,945	268,329
	<u>1,048,603</u>	<u>904,230</u>
<b>Public health and welfare services</b>		
Cemeteries	83,238	83,490
Physician retention and recruitment	64,224	62,082
Social welfare and assistance	50,163	43,755
Other	25	2,000
	<u>197,650</u>	<u>191,327</u>
<b>Regional planning and development</b>		
Planning and zoning	6,629	5,600
Beautification and land rehabilitation	6,303	7,909
Urban area weed control	13,163	14,147
Christmas lights, decorations, flags	8,469	8,668
	<u>34,564</u>	<u>36,324</u>
<b>Subtotals forward</b>	<u>\$ 4,437,373</u>	<u>\$ 4,169,040</u>



## TOWN OF SWAN RIVER

## SCHEDULE 13

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2018

<b>Subtotals forward</b>	<b><u>\$ 4,437,373</u></b>	<b><u>\$ 4,169,040</u></b>
<b>Resource conservation and industrial development</b>		
Veterinary services	5,983	5,983
Water resources and conservation	10,081	17,680
Regional development	37,740	40,044
Incentive program for construction development	40,866	41,867
Tourism	11,586	10,313
Public receptions	3,084	1,978
	<b><u>109,340</u></b>	<b><u>117,865</u></b>
<b>Recreation and cultural services</b>		
District recreation commission	22,176	22,176
Community centers and halls	33,554	38,625
Swimming pools and beaches	478,535	450,285
Skating and curling rinks and arenas	230,081	198,051
Parks and playgrounds	117,067	114,919
Other recreational facilities	805	3,731
Museums	4,000	4,000
Libraries	82,840	78,259
Other cultural facilities and programs	11,664	9,183
	<b><u>980,722</u></b>	<b><u>919,229</u></b>
<b>Total expenses</b>	<b><u><u>\$ 5,527,435</u></u></b>	<b><u><u>\$ 5,206,134</u></u></b>

## TOWN OF SWAN RIVER

## SCHEDULE 14

## RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

For the Year Ended December 31, 2018

	2018			2017
	General	Utility	Total	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ (220,825)	\$ -	\$ (220,825)	\$ 178,297
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	376,968	224,163	<b>601,131</b>	645,175
Eliminate revenue - transfers from reserves	(495,798)	(349,529)	<b>(845,327)</b>	(714,937)
Eliminate expense - transfer to prior years' deficits	39,709	312,786	<b>352,495</b>	237,805
Eliminate revenue - transfer from accumulated surplus	(100,000)	(312,786)	<b>(412,786)</b>	(317,224)
Increase revenue - reserve funds interest	18,483	6,734	<b>25,217</b>	17,445
Increase revenue - net surplus of consolidated entities	8,767	-	<b>8,767</b>	1,955,809
Decrease expense - transfer to consolidated entity	-	-	-	368,322
Eliminate revenue and expense - contribution from utility to general operating fund	(4,479)	4,479	-	-
Increase expense - amortization of tangible capital assets	(1,064,865)	(427,948)	<b>(1,492,813)</b>	(995,933)
Decrease revenue - proceeds from long term debt	(64,470)	(316,212)	<b>(380,682)</b>	(190,640)
Decrease expense - principal portion of debenture debt payments	259,618	48,829	<b>308,447</b>	105,958
Decrease expense - repayment of accounts payable	-	-	-	23,000
Decrease revenue - capital grants receivable	77,368	-	<b>77,368</b>	(459,876)
Eliminate expense - acquisitions of tangible capital assets	650,316	1,878,867	<b>2,529,183</b>	1,612,518
Increase revenue - contribution of tangible capital assets	73,135	-	<b>73,135</b>	-
Eliminate proceeds from dispositions of tangible capital assets	(1,700)	-	<b>(1,700)</b>	(99,313)
Increase revenue - gain on sale of tangible capital assets	1,700	-	<b>1,700</b>	33,468
Increase expense - loss on dispositions of tangible capital assets	(4,000)	-	<b>(4,000)</b>	(21,698)
Increase revenue - operating revenues in capital fund	16,168	-	<b>16,168</b>	-
Increase expense - operating expenses in capital fund	(37,798)	-	<b>(37,798)</b>	(6,122)
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ (471,703)</b>	<b>\$ 1,069,383</b>	<b>\$ 597,680</b>	<b>\$ 2,372,054</b>