

TOWN OF SWAN RIVER

**Consolidated Financial Statements
For the Year Ended December 31, 2024**



THE TOWN OF SWAN RIVER

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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.

Darren Harvey
Acting 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, 2024 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, 2024, and the results of its consolidated operations, change in net financial 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.

(continues)

Independent Auditor's Report (continued)

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.

Swan River, Manitoba
October 6, 2026



Chartered Professional Accountant Inc.

TOWN OF SWAN RIVER
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For the Year Ended December 31, 2024

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TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 7,106,840	\$ 7,123,864
Amounts receivable (Note 4)	1,402,628	1,625,617
Portfolio investments (Note 5)	108,602	11,152
Real estate properties held for sale	400,867	387,397
Other inventories for sale (Note 6)	16,887	14,560
	<u>\$ 9,035,824</u>	<u>\$ 9,162,590</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	1,259,352	1,624,552
Pre-retirement bonus entitlement (Note 8)	380,326	309,112
Unearned revenue (Note 9)	1,074,358	667,527
Long-term debt (Note 10)	6,367,006	7,041,892
Asset retirement obligations (Note 11)	1,149,084	1,104,686
Prepaid local improvement district levies (Note 12)	177,846	194,014
Deferred government transfers (Note 13)	580,000	580,000
	<u>10,987,972</u>	<u>11,521,783</u>
NET DEBT	<u>\$ (1,952,148)</u>	<u>\$ (2,359,193)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 33,874,259	\$ 33,981,097
Inventories (Note 6)	502,022	481,193
Prepaid expenses	312,195	150,285
	<u>34,688,476</u>	<u>34,612,575</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 32,736,328</u>	<u>\$ 32,253,382</u>

CONTRACTUAL OBLIGATIONS (Note 15)

Approved on behalf of Council:



Lance Jacobson - Mayor



David Moriaux - Deputy Mayor

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, 2024

	2024 Budget (Note 17)	2024 Actual	2023 Actual
REVENUE			
Property taxes	\$ 5,355,742	\$ 5,435,520	\$ 5,213,801
Grants in lieu of taxation	255,751	255,751	251,133
User fees	1,063,041	1,731,345	1,674,344
Permits, licences and fines	38,550	65,912	49,182
Investment income	5,085	311,048	322,538
Other revenue	103,536	166,096	75,224
Water and sewer	1,343,865	1,529,603	1,472,576
Grants - Province of Manitoba	1,184,399	1,351,498	1,193,981
Grants - other	483,175	862,291	551,869
Total revenue (Schedules 2, 4 and 5)	<u>9,833,144</u>	<u>11,709,064</u>	<u>10,804,648</u>
EXPENSES			
General government services	1,078,435	1,078,030	1,112,145
Protective services	2,398,191	2,251,935	1,896,323
Transportation services	1,635,818	1,677,409	1,507,769
Environmental health services	1,220,830	1,213,558	1,280,183
Public health and welfare services	186,525	602,691	189,538
Regional planning and development	80,406	87,562	52,451
Resource conservation and industrial development	110,580	157,209	59,958
Recreation and cultural services	2,098,560	2,473,632	2,500,131
Water and sewer services	<u>1,589,960</u>	<u>1,684,092</u>	<u>1,505,411</u>
Total expenses (Schedules 3, 4 and 5)	<u>10,399,304</u>	<u>11,226,118</u>	<u>10,103,909</u>
ANNUAL OPERATING SURPLUS (DEFICIT)	<u>\$ (566,160)</u>	482,946	700,739
ACCUMULATED OPERATING SURPLUS, BEGINNING OF YEAR		<u>32,253,382</u>	<u>31,552,643</u>
ACCUMULATED OPERATING SURPLUS, END OF YEAR		<u><u>\$ 32,736,328</u></u>	<u><u>\$ 32,253,382</u></u>

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, 2024

	2024	2023
ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	-	-
Foreign exchange	-	-
Derivatives	-	-
	-	-
Amounts reclassified 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, 2024

	2024 Budget (Note 17)	2024 Actual	2023 Actual
ANNUAL SURPLUS (DEFICIT)	<u>\$ (566,160)</u>	<u>\$ 482,946</u>	<u>\$ 700,739</u>
Acquisition of tangible capital assets	(4,337,795)	(1,699,132)	(1,448,294)
Amortization of tangible capital assets	1,837,000	1,803,605	1,774,295
Gain on sale of tangible capital assets	-	(17,299)	(8,845)
Loss on sale of tangible capital assets	-	2,366	1,305
Proceeds on sale of tangible capital assets	-	17,299	11,554
Increase in inventories	-	(20,830)	(12,011)
Increase in prepaid expense	<u>-</u>	<u>(161,910)</u>	<u>(14,530)</u>
	<u>(2,500,795)</u>	<u>(75,901)</u>	<u>303,474</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (3,066,955)</u>	407,045	1,004,213
NET DEBT, BEGINNING OF YEAR		<u>(2,359,193)</u>	<u>(3,363,406)</u>
NET DEBT, END OF YEAR		<u><u>\$ (1,952,148)</u></u>	<u><u>\$ (2,359,193)</u></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, 2024

	2024	2023
OPERATING TRANSACTIONS		
Annual surplus	\$ 482,946	\$ 700,739
Changes in non-cash items:		
Amounts receivable	222,989	(15,489)
Inventories	(23,156)	(9,209)
Prepaid expenses	(161,910)	(14,530)
Accounts payable and accrued liabilities	(365,200)	162,150
Unearned revenue	406,831	110,965
Pre-retirement bonus entitlement	71,214	(22,214)
Prepaid local improvement district levies	(16,168)	(16,168)
Asset retirement obligations	44,398	47,222
Gain on sale of tangible capital assets	(17,299)	(8,845)
Loss on sale of tangible capital assets	2,366	1,305
Loss on sale of real estate properties	80,158	109,090
Amortization	1,803,605	1,774,295
Cash provided by operating transactions	2,530,774	2,819,311
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	17,299	11,554
Cash used to acquire tangible capital assets	(1,699,132)	(1,448,294)
Cash applied to capital transactions	(1,681,833)	(1,436,740)
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	40,957	18,800
Purchase of portfolio investments	(97,450)	(950)
Acquisition of real estate properties	(134,586)	(5,419)
Cash provided by (applied to) investing transactions	(191,079)	12,431
FINANCING TRANSACTIONS		
Debt repayment	(674,886)	(653,208)
Cash applied to financing transactions	(674,886)	(653,208)
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(17,024)	741,794
Cash and temporary investments, beginning of year	7,123,864	6,382,070
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 7,106,840</u>	<u>\$ 7,123,864</u>
SUPPLEMENTARY INFORMATION:		
Interest received	\$ 311,048	\$ 322,538
Interest paid	256,454	278,132

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, 2024

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%, 2023 - 40%)
North-West Regional Library (consolidated 54%, 2023 - 54%)
Swan Valley Fire Board (consolidated 55%, 2023 - 0%)
Swan Valley Municipal Airport Commission (consolidated 37%, 2023 - 37%)
Swan Valley Planning District (consolidated 40%, 2023 - 40%)
Swan Valley Regional Initiative for a Strong Economy (consolidated 45%, 2023 - 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:

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

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.

Purchased intangible assets are identifiable non-monetary economic resources without physical substance, which are acquired through an arm's length transaction. Purchased intangible assets are recognized in the financial statements when they meet the definition of an asset and general criteria in PS 1000, Financial Statement Concepts. This guideline came into effect on January 1, 2024.

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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

2. Significant Accounting Policies (*continued*)

j) Revenue Recognition

Effective January 1, 2024, the Town adopted PS 3400 Revenue. PS 3400 addresses how to account for, and report on, revenues. The Town used prospective application in the adoption of PS 3400, and the accounting standard has not been applied retroactively. Under prospective application, prior periods are not restated, including the opening accumulated surplus. Adjustments are applied only to events and transactions from January 1, 2024 onwards.

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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

2. Significant Accounting Policies (*continued*)

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.

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 environmental 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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

2. Significant Accounting Policies (*continued*)

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:

- The Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of PSAS 1000 (Financial Statement Concepts) and PSAS 1100 (Financial Statement Objectives) for fiscal years beginning on or after **January 1, 2027**. The Conceptual Framework is applied prospectively.
- PSAS 1202, Financial Statement Presentation, replaces PSAS 1201 for fiscal years beginning **January 1, 2027**.

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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

3. Cash and Cash Equivalents

Cash and cash equivalents are comprised of the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 7,106,840	\$ 7,123,252
Cash equivalents	<u>-</u>	<u>612</u>
	<u><u>\$ 7,106,840</u></u>	<u><u>\$ 7,123,864</u></u>

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 \$5,206,780 (2023 \$5,426,637) 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 \$660,857 (2023 \$926,207) 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.

	<u>2024</u>	<u>2023</u>
Taxes on roll (<i>Schedule 11</i>)	\$ 457,455	\$ 753,355
Government grants	185,369	176,308
Utility customers	355,064	357,441
Organizations and individuals	295,369	317,104
Other governments	281,993	160,350
Accrued interest	38,903	47,313
	<u>1,614,153</u>	<u>1,811,871</u>
Less allowances for doubtful amounts	<u>(211,525)</u>	<u>(186,254)</u>
	<u><u>\$ 1,402,628</u></u>	<u><u>\$ 1,625,617</u></u>

5. Portfolio Investments

Term deposits held by government partnerships

TD Canada Trust nonredeemable, issued March 13, 2024, matures July 12, 2025, interest at 4.90% per annum	\$ 646	\$ -
TD Canada Trust redeemable, issued August 13, 2024, matures August 13, 2025, interest at 3.00% per annum	5,270	5,118
Swan Valley Credit Union nonredeemable, issued June 18, 2024, matures June 18, 2025, interest at 4.90% per annum	45,000	-
Royal Bank of Canada nonredeemable, issued August 1, 2024, matures August 1, 2025, interest at 4.25% per annum	50,970	-
Patronage shares		
Swan Valley Consumers Co-operative	24	34
Westman Communications Group	6,692	6,000
	<u><u>\$ 108,602</u></u>	<u><u>\$ 11,152</u></u>

6. Inventories

	<u>2024</u>	<u>2023</u>
Inventories for sale:		
Airport fuel	\$ 14,493	\$ 14,006
Concession supplies	927	280
Swimming supplies	1,467	274
	<u><u>\$ 16,887</u></u>	<u><u>\$ 14,560</u></u>

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

6. Inventories (continued)

Inventories for use:

General

Fuel	\$ 7,606	\$ 8,223
Granulars	77,155	86,446
Dust control	163	163
Sidewalk unistone	4,036	4,036
Culverts	9,031	9,031
Traffic services	7,387	8,917
Janitorial supplies	6,925	5,202
Landfill cover material	11,199	11,199
Chemicals and reagents	2,814	3,387
	<u>126,316</u>	<u>136,604</u>

Utility

Connections	49,966	39,582
Water treatment chemicals	17,600	19,138
Sewage collection	114,726	111,842
Water meters	18,145	21,097
Transmission and distribution	175,269	152,930
	<u>375,706</u>	<u>344,589</u>
	<u>\$ 502,022</u>	<u>\$ 481,193</u>

7. Accounts Payable and Accrued Liabilities

	<u>2024</u>	<u>2023</u>
Trade accounts payable	\$ 225,313	\$ 886,850
Contractor holdbacks	37,996	37,996
Employee remittances payable	4,158	2,485
School levies	70,863	168,727
Other governments	386,414	21,752
Accrued vacation liability	190,702	171,762
Accrued salaries and wages payable	50,888	45,250
Other accrued expenses	293,018	289,730
	<u>\$ 1,259,352</u>	<u>\$ 1,624,552</u>

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%.

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 309,112	\$ 331,326
Earned during the year	76,910	10,452
Paid out during the year	-	(22,718)
Relinquished on termination of employment	(5,696)	(9,948)
Ending balance	<u>\$ 380,326</u>	<u>\$ 309,112</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

9. Unearned Revenue

	<u>2024</u>	<u>2023</u>
Prepaid taxes	\$ 54,528	\$ 55,247
Prepaid utility	6,432	6,071
Water meter deposits	129,808	128,149
Unused grants (<i>See following explanation</i>)	827,709	462,106
Rental prepayments and deposits	55,881	15,954
	<u>\$ 1,074,358</u>	<u>\$ 667,527</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. Long Term Debt

	<u>2024</u>	<u>2023</u>
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	\$ 756,001	\$ 834,394
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	3,263,532	3,499,233
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	115,028	127,100
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	43,245	47,149
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%, matured December 31, 2024	-	63,587
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	9,752	19,325
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	20,335	40,295
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	371,303	428,810

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

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	522,112	563,623
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	281,560	301,895
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	134,793	159,304
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	779,508	818,867
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	69,837	138,310
	\$ 6,367,006	\$ 7,041,892

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

2025	\$ 631,836
2026	551,226
2027	571,260
2028	592,041
2029	613,597
Thereafter	<u>3,407,046</u>
	\$ 6,367,006

Schedule of Debentures Pending

<u>Authority</u>	<u>Purpose</u>	<u>Amount Authorized</u>
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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

11. Asset Retirement Obligations

	2024	2023
Balance, beginning of year	\$ 1,104,686	\$ 1,057,464
Liabilities settled during the year	-	-
Accretion expense	44,398	47,222
Change in assumptions	-	-
Estimated total liability	\$ 1,149,084	\$ 1,104,686

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 85% of the landfill's total estimated capacity of 200,590 square metres. The estimated remaining life of the landfill is 62 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 \$128,344 (prior year 2023 - \$127,554) 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 \$451,985 (prior year 2023 - \$432,521) 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 \$568,755 (prior year 2023 - \$544,611) 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:

	2024	2023
Beginning balance	\$ 194,014	\$ 210,182
Amortization	(16,168)	(16,168)
Ending balance	\$ 177,846	\$ 194,014

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

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:

	2024	2023
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)
	<u>\$ 580,000</u>	<u>\$ 580,000</u>

14. Accumulated Surplus

	2024	2023
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,418,557	\$ 1,418,557
Utility operating fund - Nominal surplus	96,818	157,117
Tangible capital assets net of related borrowings (<i>see below</i>)	24,995,789	23,922,318
Reserve funds (<i>Schedule 6</i>)	4,826,454	5,117,525
Accumulated surplus of municipality unconsolidated	31,337,618	30,615,517
Accumulated surpluses of consolidated entities	1,398,710	1,637,865
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 32,736,328</u>	<u>\$ 32,253,382</u>

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

Tangible capital assets	\$ 33,381,874	\$ 33,488,603
Long term debt (Note 10)	(6,367,006)	(7,041,892)
Prepaid expenses	-	(446,426)
Accounts payable	(104,319)	(80,533)
Unearned revenue (Note 9)	(15,878)	(126,782)
Deferred government transfers (Note 13)	(580,000)	(580,000)
Prepaid local improvement district levies (Note 12)	(177,846)	(194,014)
Asset retirement obligations (Note 11)	(1,141,036)	(1,096,638)
	<u>\$ 24,995,789</u>	<u>\$ 23,922,318</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

15. 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 2024 fiscal year of \$1,310,520 (2023 - \$1,214,776).

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 2024 fiscal year of \$318,000 (2023 - \$312,000).

Recycling Services

The Town entered into an agreement dated June 1, 2024 extending a previous agreement with Ottenbreit Sanitation Services (2002) Ltd. to collect and process recyclable material until May 31, 2026. 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 2024 fiscal year of \$498,999 (2023 - \$538,088).

Swan Valley Employment and Training Project

The Town entered into agreements expiring June 30, 2025 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 \$191,800 (2023 - \$192,008).

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, 2024 totaling \$103,364 (2023 - \$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.

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

15. Contractual Obligations (*continued*)

New Arena Construction

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 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.

The Town entered into an agreement dated May 21, 2024 with Swan Valley Legacy Committee Inc. appointing the Committee to provide design guidance and recommendations, leadership in fundraising support, public relations and stakeholder liaison throughout the development of a new community arena. In the agreement, the Town committed to provide \$3,163,000 in funding to the development, for which the Town intends to borrow. 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.

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 municipalities on behalf of their employees are expected to be \$45.2 million (2023 - \$43.8 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 111.4% funded on a going concern basis and had an unfunded solvency liability of \$24.3 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, 2023.

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.

17. 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*.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

18. 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, 2024:

- 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	\$ 122,225
Paul Klein	Utility Operator II	89,772
Darren Harvey	Director of Public Works	87,858
Terence Gnida	Chief Financial Officer	86,758
Jordan Rooks	Town Foreman	85,752

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, 2024:

- c) Compensation paid to members of council amounted to \$142,536 in aggregate.

Council Member	Compensation	Expenses	Total
Mayor Lance Jacobson	\$ 24,047	\$ 2,139	\$ 26,186
Deputy Mayor David Moriaux	20,523	4,478	25,001
Councillor Don Bobick	19,578	2,695	22,273
Councillor Tracy Boychuk	19,654	1,917	21,571
Councillor Corinna Medwid	19,578	2,683	22,261
Councillor Tanya Powell	19,578	2,443	22,021
Councillor Duane Whyte	19,578	3,133	22,711
	<u>\$ 142,536</u>	<u>\$ 19,488</u>	<u>\$ 162,024</u>

19. 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	\$ 228,253	\$ 9,614	\$ 237,867
Swan River Fire Department	1,395	(1,395)	-
	<u>\$ 229,648</u>	<u>\$ 8,219</u>	<u>\$ 237,867</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

20. 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.

21. 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 2024	Total 2023
Financial Position				
Financial assets	\$ 167,776	\$ -	\$ 167,776	\$ 252,140
Liabilities	4,606	-	4,606	4,445
Net financial assets	163,170	-	163,170	247,695
Non-financial assets	94,577	-	94,577	99,656
Accumulated surplus	\$ 257,747	\$ -	\$ 257,747	\$ 347,351
Results of Operations				
Revenue	\$ (30,750)	\$ (18,568)	\$ (49,318)	\$ (85,083)
Expenses	58,354	(18,568)	39,786	47,860
Annual deficit	\$ (89,104)	\$ -	\$ (89,104)	\$ (132,943)

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 2024	Total 2023
Financial Position				
Financial assets	\$ 834,649	\$ (31,811)	\$ 802,838	\$ 967,297
Liabilities	536,549	(278,187)	258,362	93,730
Net financial assets	298,100	246,376	544,476	873,567
Non-financial assets	584,143	12,344	596,487	416,947
Accumulated surplus	\$ 882,243	\$ 258,720	\$ 1,140,963	\$ 1,290,514
Results of Operations				
Revenue	\$ 698,962	\$ (268,972)	\$ 429,990	\$ 237,977
Expenses	834,473	(254,930)	579,543	150,478
Annual surplus (deficit)	\$ (135,511)	\$ (14,042)	\$ (149,553)	\$ 87,499

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

22. 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.

23. 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.

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.

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

24. 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	\$ 25,800	\$ 16,254
• Sale of service	Revenue	Stipulated rate	34,432	21,692
• Funding	Expense	Assessment	30,770	19,385
• Amount receivable	Asset	As invoiced	7,881	4,965
North-West Regional Library (government partnership)				
• Funding	Expense	Population	\$ 102,538	\$ 47,167
G7 Physician Retention and Recruitment Fund (government partnership)				
• Funding	Expense	Population	\$ 64,784	\$ 38,870
Swan Valley Fire Board (government partnership)				
• Funding	Expense	Population	\$ 234,705	\$ 105,617

25. 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	\$ 2,367,547	\$ 1,896,489
<u>Additions during the year</u>		
Water Plant backup generator	156,762	-
Source of Grant or Contribution		
Manitoba Water Services Board		
Amortization during the year	(108,274)	(57,888)
Unamortized ending balance	<u>\$ 2,416,035</u>	<u>\$ 1,838,601</u>

26. Public Private Partnerships (PS 3160)

The municipality is not a party to any public private partnerships.

TOWN OF SWAN RIVER

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2024

SCHEDULE 1

	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	2024	2023
Cost										
Opening 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
Additions during the year	33,795	-	823,999	6,231	109,134	462,395	221,138	42,440	1,699,132	1,448,294
Transfers during the year	-	-	462,086	-	(462,086)	-	161,067	(161,067)	-	-
Disposals and write downs	(2,366)	-	(39,588)	(23,035)	-	(40,000)	(10,416)	-	(115,405)	(63,921)
Closing balance	3,528,380	21,461,606	7,548,096	164,433	493,375	10,313,432	26,808,020	118,364	70,435,706	68,851,979
Accumulated Amortization										
Opening balance	1,607,516	7,719,897	4,172,327	152,100	-	7,856,116	13,362,926	-	34,870,882	33,156,494
Amortization	102,053	597,767	362,147	14,429	-	139,001	588,208	-	1,803,605	1,774,295
Disposals and write downs	-	-	(39,589)	(23,035)	-	(40,000)	(10,416)	-	(113,040)	(59,907)
Closing balance	1,709,569	8,317,664	4,494,885	143,494	-	7,955,117	13,940,718	-	36,561,447	34,870,882
Net Book Value of Tangible Capital Assets	\$ 1,818,811	\$ 13,143,942	\$ 3,053,211	\$ 20,939	\$ 493,375	\$ 2,358,315	\$ 12,867,302	\$ 118,364	\$ 33,874,259	\$ 33,981,097

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
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2024

SCHEDULE 2

	2024 Actual	2023 Actual
Property taxes		
Municipal taxes levied <i>(Schedule 12)</i>	\$ 5,335,577	\$ 5,147,806
Taxes added	99,779	65,843
Excess of school tax levy over requirement	164	152
	<u>5,435,520</u>	<u>5,213,801</u>
Grants in lieu of taxation		
Federal government enterprises	13,959	13,692
Provincial government	51,201	50,245
Provincial government enterprises	190,591	187,196
	<u>255,751</u>	<u>251,133</u>
User fees		
Sales of service	1,378,239	1,308,329
Sales of goods	45,460	45,469
Rentals	122,650	140,994
Development charges	1,770	2,040
Facility use fees	183,226	177,512
	<u>1,731,345</u>	<u>1,674,344</u>
Permits, licences and fines		
Permits	13,236	9,893
Licences	14,005	14,785
Fines	32,683	18,316
Fees	5,988	6,188
	<u>65,912</u>	<u>49,182</u>
Investment income		
Cash and temporary investments	304,244	321,176
Portfolio investments	6,804	1,362
	<u>311,048</u>	<u>322,538</u>
Other revenue		
Gain on sale of tangible capital assets	17,299	8,844
Loss on sale of real estate held for sale	(80,158)	(109,090)
Contributed assets	39,380	-
Penalties and interest	96,754	83,994
Other		
Donations and contributions	38,913	11,294
Administration fees	1,200	-
Amortization of prepaid local improvement district levies	16,168	16,168
Supplier rebates	36,540	64,014
	<u>166,096</u>	<u>75,224</u>
Water and sewer <i>(Schedule 9)</i>	<u>1,529,603</u>	<u>1,472,576</u>
Grants - Province of Manitoba		
Municipal operating grants	534,064	524,681
Conditional grants	817,434	669,300
	<u>1,351,498</u>	<u>1,193,981</u>
Grants - other		
Federal government - Canada Community Building Fund	225,158	237,578
Federal government - other	96,826	520
Other municipal governments	540,307	313,771
	<u>862,291</u>	<u>551,869</u>
Total revenue	<u>\$ 11,709,064</u>	<u>\$ 10,804,648</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2024

SCHEDULE 3

	2024 Actual	2023 Actual
General government services		
Legislative	\$ 196,452	\$ 167,283
General administrative	826,960	893,055
Elections, liability insurance, website, etc.	54,618	51,807
	<u>1,078,030</u>	<u>1,112,145</u>
Protective services		
Police	1,495,975	1,395,909
Fire	552,383	364,680
Emergency measures	6,071	7,246
Building, electrical and plumbing inspections	41,077	39,908
Bylaw enforcement	85,688	40,084
Animal and pest control	31,877	7,278
Safety inspections	38,864	41,218
	<u>2,251,935</u>	<u>1,896,323</u>
Transportation services		
Road transport		
Administration and engineering	122,960	126,517
Unallocated equipment and operators	560,607	484,317
Unallocated workshop and yard operations	117,352	131,343
Roads and streets	312,080	236,542
Sidewalks	30,669	31,628
Boulevards	9,258	10,239
Tree trimming	22,226	10,932
Ditches and road drainage	12,983	6,509
Storm sewers	52,780	51,992
Street cleaning	22,284	23,074
Snow and ice removal	172,109	148,563
Street lighting	80,610	80,619
Traffic services	30,297	29,257
Other	821	-
Air transport	87,660	98,994
Public transit	42,713	37,243
	<u>1,677,409</u>	<u>1,507,769</u>
Environmental health services		
Garbage collection	400,334	373,661
Nuisance grounds	263,357	321,518
Recycling	549,867	585,004
	<u>1,213,558</u>	<u>1,280,183</u>
Public health and welfare services		
Cemeteries	111,130	94,622
Recruitment and retention of medical professionals	444,528	50,161
Social welfare and assistance	43,755	43,755
Other	3,278	1,000
	<u>602,691</u>	<u>189,538</u>
Regional planning and development		
Planning and zoning	43,984	23,167
Beautification and land rehabilitation	9,651	8,900
Urban area weed control	21,877	13,473
Christmas lights, decorations, flags	12,050	6,911
	<u>87,562</u>	<u>52,451</u>
Subtotals forward	<u>\$ 6,911,185</u>	<u>\$ 6,038,409</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2024

SCHEDULE 3

	2024 Actual	2023 Actual
Subtotals forward	\$ 6,911,185	\$ 6,038,409
Resource conservation and industrial development		
Veterinary services	7,205	7,205
Water resources and conservation	13,698	13,698
Regional development	17,915	7,073
Industrial development	99,694	17,042
Incentive program for construction development	3,046	3,308
Tourism	11,347	10,700
Public receptions	4,304	932
	<u>157,209</u>	<u>59,958</u>
Recreation and cultural services		
Community centers and halls	142,876	150,413
Swimming pools and beaches	1,189,898	1,190,435
Skating and curling rinks and arenas	732,877	697,205
Parks and playgrounds	182,849	153,482
Other recreational programs	29,732	71,480
Museums	4,000	4,000
Libraries	183,890	221,917
Other cultural programs	7,510	11,199
	<u>2,473,632</u>	<u>2,500,131</u>
Water and sewer services (Schedule 9)	1,684,092	1,505,411
Total expenses	\$ 11,226,118	\$ 10,103,909

TOWN OF SWAN RIVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2024

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE										
Property taxes	\$ 5,435,520	\$ 5,213,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	255,751	251,133	-	-	-	-	-	-	-	-
User fees	33,724	31,756	49,567	127,243	119,651	136,049	1,082,740	914,782	76,288	72,266
Permits, licences and fines	19,199	20,288	46,122	28,395	-	-	-	-	-	-
Investment income	103,817	91,734	5,909	9,941	101,331	99,181	29,342	27,980	21,834	29,959
Other revenue	120,179	110,410	-	197	51,321	118	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	534,064	524,681	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	635,066	587,302	103,025	24,433	-	-	-	-
Grants - other	-	-	418,065	-	255,762	263,283	-	-	34,086	34,086
Total revenue	6,502,254	6,243,803	1,154,729	753,078	631,090	523,064	1,112,082	942,762	132,208	136,311
EXPENSES										
Personnel services	515,908	528,334	336,744	304,810	649,129	511,091	256,709	245,842	84,384	70,317
Contract services	327,954	237,171	1,440,571	1,297,191	138,071	149,693	852,425	920,805	51,195	56,390
Utilities	32,282	29,490	43,483	46,056	106,568	112,137	16,221	19,960	607	802
Maintenance materials and supplies	36,844	34,459	39,072	66,439	454,373	406,383	12,370	10,195	1,839	1,455
Grants and contributions	700	1,105	258,705	83,606	19,385	18,374	-	-	451,349	47,925
Amortization	83,956	101,249	115,053	90,190	408,530	417,077	17,945	17,992	6,009	5,859
Accretion	-	-	1,680	1,608	2,538	2,428	790	5,493	-	-
Equipment cost allocation	745	125	636	81	(104,221)	(113,397)	56,985	58,674	7,308	6,790
Loss on disposal of capital assets	2,366	-	-	628	-	676	-	-	-	-
Interest on long term debt	34,544	37,660	5,288	5,914	2,700	3,223	-	-	-	-
Bad debts (recovered)	42,486	142,307	10,703	(200)	-	28	113	1,222	-	-
Other	245	245	-	-	336	56	-	-	-	-
Total expenses	1,078,030	1,112,145	2,251,935	1,896,323	1,677,409	1,507,769	1,213,558	1,280,183	602,691	189,538
Annual surplus (deficit)	\$ 5,424,224	\$ 5,131,658	\$ (1,097,206)	\$ (1,143,245)	\$ (1,046,319)	\$ (984,705)	\$ (101,476)	\$ (337,421)	\$ (470,483)	\$ (53,227)

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2024

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,435,520	\$ 5,213,801
Grants in lieu of taxation	-	-	-	-	-	-	-	-	255,751	251,133
User fees	1,770	2,040	-	-	367,605	390,208	-	-	1,731,345	1,674,344
Permits, licences and fines	-	-	-	-	591	499	-	-	65,912	49,182
Investment income	665	725	(4,604)	(4,908)	6,691	8,406	46,063	59,520	311,048	322,538
Other revenue	-	1,000	(80,158)	(109,090)	74,754	72,589	-	-	166,096	75,224
Water and sewer	-	-	-	-	-	-	1,529,603	1,472,576	1,529,603	1,472,576
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	534,064	524,681
Prov of MB - Conditional Grants	28,500	-	-	-	50,843	57,565	-	-	817,434	669,300
Grants - other	5,254	4,817	104,568	-	44,556	249,683	-	-	862,291	551,869
Total revenue	36,189	8,582	19,806	(113,998)	545,040	778,950	1,575,666	1,532,096	11,709,064	10,804,648
EXPENSES										
Personnel services	24,446	15,118	56	4,472	907,583	861,164	443,854	402,826	3,218,813	2,943,974
Contract services	42,277	9,893	102,859	12,925	298,126	326,065	211,708	155,316	3,465,186	3,165,449
Utilities	264	264	-	-	260,052	270,213	62,089	60,961	521,566	539,883
Maintenance materials and supplies	3,296	1,277	5,365	495	182,245	193,718	233,558	199,576	968,962	913,997
Grants and contributions	10,433	19,804	45,644	36,211	59,759	62,998	-	-	845,975	270,023
Amortization	1,436	1,436	3,030	3,367	603,315	611,260	564,331	525,865	1,803,605	1,774,295
Accretion	-	-	-	-	19,458	18,622	19,932	19,073	44,398	47,224
Equipment cost allocation	5,410	4,659	214	2,460	(1,425)	(413)	34,348	41,021	-	-
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	2,366	1,304
Interest on long term debt	-	-	-	-	143,527	155,163	70,395	76,172	256,454	278,132
Bad debts (recovered)	-	-	-	-	-	1,094	27,158	3,602	80,460	148,053
Other	-	-	41	28	992	247	16,719	20,999	18,333	21,575
Total expenses	87,562	52,451	157,209	59,958	2,473,632	2,500,131	1,684,092	1,505,411	11,226,118	10,103,909
Annual surplus (deficit)	\$ (51,373)	\$ (43,869)	\$ (137,403)	\$ (173,956)	\$ (1,928,592)	\$ (1,721,181)	\$ (108,426)	\$ 26,685	\$ 482,946	\$ 700,739

TOWN OF SWAN RIVER

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2024

	Core Government		Controlled Entities		Government Partnerships		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE								
Property taxes	\$ 5,435,520	\$ 5,213,801	\$ -	\$ -	\$ -	\$ -	\$ 5,435,520	\$ 5,213,801
Grants in lieu of taxation	255,751	251,133	-	-	-	-	255,751	251,133
User fees	1,666,343	1,643,967	14,060	9,627	50,942	20,750	1,731,345	1,674,344
Permits, licences and fines	65,321	48,683	-	-	591	499	65,912	49,182
Investment income	286,045	290,943	568	234	24,435	31,361	311,048	322,538
Other revenue	224,778	154,625	(80,158)	(109,090)	21,476	29,689	166,096	75,224
Water and sewer	1,529,603	1,472,576	-	-	-	-	1,529,603	1,472,576
Prov of MB - Unconditional Grants	534,064	524,681	-	-	-	-	534,064	524,681
Prov of MB - Conditional Grants	725,140	604,324	16,212	14,146	76,082	50,830	817,434	669,300
Grants - other	605,827	447,021	-	-	256,464	104,848	862,291	551,869
Total revenue	11,328,392	10,651,754	(49,318)	(85,083)	429,990	237,977	11,709,064	10,804,648
EXPENSES								
Personnel services	3,042,152	2,824,409	23,411	25,636	153,250	93,929	3,218,813	2,943,974
Contract services	3,297,613	3,070,159	16,659	16,422	150,914	78,868	3,465,186	3,165,449
Utilities	504,760	528,695	629	551	16,177	10,637	521,566	539,883
Maintenance materials and supplies	892,393	869,424	6,976	4,067	69,593	40,506	968,962	913,997
Grants and contributions	691,587	371,168	(12,968)	(7,727)	167,356	(93,418)	845,975	270,023
Amortization	1,777,642	1,748,247	5,079	6,423	20,884	19,625	1,803,605	1,774,295
Accretion	44,398	47,224	-	-	-	-	44,398	47,224
Equipment cost allocation	-	(2,460)	-	2,460	-	-	-	-
Loss on disposal of capital assets	2,366	1,304	-	-	-	-	2,366	1,304
Interest on long term debt	256,454	278,132	-	-	-	-	256,454	278,132
Bad debts	80,460	148,025	-	28	-	-	80,460	148,053
Other	16,964	21,244	-	-	1,369	331	18,333	21,575
Total expenses	10,606,789	9,905,571	39,786	47,860	579,543	150,478	11,226,118	10,103,909
Annual surplus (deficit)	\$ 721,603	\$ 746,183	\$ (89,104)	\$ (132,943)	\$ (149,553)	\$ 87,499	\$ 482,946	\$ 700,739

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2024

	2024								
	General BL 20/1983	Machinery Replacement BL 01/1997	Employee Benefits BL 09/1993	Fire Hall BL 05/1997	Recreation Facilities BL 04/2000	Tax Stabilization BL 08/2002	Recreation Equipment BL 11/2022	Landfill Capital and Closure BL 14/2012	Federal Gas Tax Funding BL 02/2006
REVENUE									
Investment income	\$ 11,593	\$ 7,352	\$ 17,689	\$ 4,156	\$ 4,841	\$ 41,681	\$ 738	\$ 29,342	\$ 65,954
Province of Manitoba - conditional	-	-	-	-	-	-	-	-	225,158
TRANSFERS									
Transfers from general operating fund	-	193,900	5,000	5,000	90,000	265,191	10,000	10,000	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	-
Transfers to general operating fund	-	(20,716)	(71,213)	(72,649)	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(363,411)	-	(90,074)	(19,076)	(445,985)	-	-	(169,484)
CHANGE IN RESERVE FUND	11,593	(182,875)	(48,524)	(153,567)	75,765	(139,113)	10,738	39,342	121,628
FUND SURPLUS, BEGINNING OF	233,341	270,602	44,657	187,058	106,019	1,002,512	10,311	586,041	1,317,349
FUND SURPLUS, END OF YEAR	<u>\$ 244,934</u>	<u>\$ 87,727</u>	<u>\$ (3,867)</u>	<u>\$ 33,491</u>	<u>\$ 181,784</u>	<u>\$ 863,399</u>	<u>\$ 21,049</u>	<u>\$ 625,383</u>	<u>\$ 1,438,977</u>

TOWN OF SWAN RIVER

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2024

SCHEDULE 6

	2024							2023	
	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	Grants BL 9/2023	Total	Total
REVENUE									
Investment income	\$ 37,080	\$ 7,371	\$ 362	\$ 14,674	\$ 8,983	\$ 690	\$ (5)	\$ 252,501	\$ 253,342
Province of Manitoba - conditional	-	-	-	-	-	-	-	225,158	235,658
TRANSFERS									
Transfers from general operating fund	-	500	2,000	61,500	-	180,000	8,000	831,091	1,139,781
Transfers from utility operating fund	-	-	-	-	50,000	-	-	50,000	152,489
Transfers to general operating fund	-	-	-	-	-	-	(6,844)	(171,422)	(76,221)
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(301,769)	-	(10,372)	(78,228)	-	-	-	(1,478,399)	(942,310)
CHANGE IN RESERVE FUND	(264,689)	7,871	(8,010)	(2,054)	58,983	180,690	1,151	(291,071)	762,739
FUND SURPLUS, BEGINNING OF	764,750	148,140	8,518	277,689	158,129	2,409	-	5,117,525	4,354,786
FUND SURPLUS, END OF YEAR	\$ 500,061	\$ 156,011	\$ 508	\$ 275,635	\$ 217,112	\$ 183,099	\$ 1,151	\$ 4,826,454	\$ 5,117,525

TOWN OF SWAN RIVER
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2024

SCHEDULE 8

	2024	2023
FINANCIAL ASSETS		
Amounts receivable	\$ 365,110	\$ 368,684
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ -
Unearned revenue	136,240	245,124
Long-term debt (Note 10)	1,787,809	1,981,999
Asset retirement obligations (Note 11)	462,852	442,920
Due to General Operating Fund	507,758	502,469
	<u>2,894,659</u>	<u>3,172,512</u>
NET DEBT	<u>\$ (2,529,549)</u>	<u>\$ (2,803,828)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 12,669,152	\$ 12,969,905
Inventories (Note 6)	375,706	344,589
	<u>13,044,858</u>	<u>13,314,494</u>
FUND SURPLUS	<u>\$ 10,515,309</u>	<u>\$ 10,510,666</u>

TOWN OF SWAN RIVER
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2024

SCHEDULE 9

	2024 Budget	2024 Actual	2023 Actual
REVENUE			
Water			
Water fees	\$ 575,000	\$ 564,328	\$ 547,390
Sewer			
Sewer fees	590,000	582,638	565,439
Lagoon tipping fees	10,000	10,245	11,030
	600,000	592,883	576,469
Government transfers			
Operating	-	-	-
Capital	380,000	208,353	143,362
	380,000	208,353	143,362
Other			
Hydrant rentals	14,365	14,365	14,365
Connection charges	35,000	25,074	67,822
Installation service	1,000	1,390	1,190
Penalties	1,000	3,680	3,218
Administration fees	118,000	117,330	117,042
Other income	3,000	2,200	1,718
	172,365	164,039	205,355
Total revenue	1,727,365	1,529,603	1,472,576

TOWN OF SWAN RIVER
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2024

SCHEDULE 9

	2024 Budget	2024 Actual	2023 Actual
EXPENSES			
General			
Administration	85,060	93,022	104,364
Training costs	12,000	10,694	10,386
Billing and collection	52,850	45,039	22,778
	<u>149,910</u>	<u>148,755</u>	<u>137,528</u>
Water General			
Administration and engineering	48,850	45,036	43,391
Purification and treatment	189,750	204,594	169,793
Transmission and distribution	116,950	116,175	93,587
Service of supply	26,950	58,925	19,975
Connection costs	180,300	218,715	178,292
Water meters	20,650	18,255	30,510
	<u>583,450</u>	<u>661,700</u>	<u>535,548</u>
Water Amortization, Accretion and Interest			
Amortization	322,500	359,983	322,599
Accretion	500	468	448
Interest on long term debt	30,600	30,594	33,224
	<u>353,600</u>	<u>391,045</u>	<u>356,271</u>
Sewer General			
Administration and engineering	48,850	45,036	43,391
Collection system costs	25,950	11,347	26,026
Treatment and disposal costs	88,500	89,544	92,098
Lift station costs	77,800	73,052	49,710
	<u>241,100</u>	<u>218,979</u>	<u>211,225</u>
Sewer Amortization, Accretion and Interest			
Amortization	203,000	204,348	203,266
Accretion	19,000	19,464	18,625
Interest on long term debt	39,800	39,801	42,948
	<u>261,800</u>	<u>263,613</u>	<u>264,839</u>
Total expenses	<u>1,589,860</u>	<u>1,684,092</u>	<u>1,505,411</u>
NET OPERATING SURPLUS (DEFICIT)	137,505	(154,489)	(32,835)
TRANSFERS			
Transfers from reserve funds	410,000	209,132	412,729
Transfers to reserve funds	(62,820)	(50,000)	(152,489)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 484,685</u>	<u>4,643</u>	<u>227,405</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>10,510,666</u>	<u>10,283,261</u>
FUND SURPLUS, END OF YEAR		<u>\$ 10,515,309</u>	<u>\$ 10,510,666</u>

TOWN OF SWAN RIVER
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2024

SCHEDULE 10

	Financial Plan General	Financial Plan Utility	Amortization and Accretion	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 5,355,742	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,355,742
Grants in lieu of taxation	255,751	-	-	-	-	-	-	255,751
User fees	1,014,208	-	-	-	-	-	48,833	1,063,041
Permits, licences and fines	38,550	-	-	-	-	-	-	38,550
Investment income	2,000	-	-	-	-	-	3,085	5,085
Other revenue	96,900	-	-	-	-	-	6,636	103,536
Water and sewer	-	1,343,865	-	-	-	-	-	1,343,865
Grants - Province of Manitoba	1,114,330	-	-	-	-	-	70,069	1,184,399
Grants - other	237,650	-	-	-	-	-	245,525	483,175
Transfers from reserves	238,365	-	-	-	(238,365)	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Total revenue	8,353,496	1,343,865	-	-	(238,365)	-	374,148	9,833,144
EXPENSES								
General government services	900,450	-	101,000	34,500	42,485	-	-	1,078,435
Protective services	2,222,803	-	91,500	5,500	-	2,000	76,388	2,398,191
Transportation services	1,123,583	-	409,000	2,500	-	6,000	94,735	1,635,818
Environmental health services	1,197,830	-	23,000	-	-	-	-	1,220,830
Public health and welfare services	195,239	-	6,000	-	-	-	(14,714)	186,525
Regional planning and development	43,738	-	1,000	-	-	-	35,668	80,406
Resource conservation & industrial development	76,730	-	2,000	-	-	-	31,850	110,580
Recreation and cultural services	1,243,932	-	615,000	143,500	-	-	96,128	2,098,560
Water and sewer services	-	974,460	545,000	70,500	-	-	-	1,589,960
Fiscal services:								
Transfer to capital	60,000	42,000	(102,000)	-	-	-	-	-
Debt charges	666,756	264,585	-	(931,341)	-	-	-	-
Transfers to reserves	579,950	62,820	-	-	(642,770)	-	-	-
Allowance for tax assets	42,485	-	-	-	(42,485)	-	-	-
Total expenses	8,353,496	1,343,865	1,691,500	(674,841)	(642,770)	8,000	320,054	10,399,304
Annual surplus (deficit)	\$ -	\$ -	\$ (1,691,500)	\$ 674,841	\$ 404,405	\$ (8,000)	\$ 54,094	\$ (566,160)

TOWN OF SWAN RIVER
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2024

SCHEDULE 11

	2024	2023
Balance, beginning of year	\$ 753,355	\$ 496,262
Add:		
Tax levy (Schedule 12)	7,958,680	7,646,170
Taxes added	99,779	65,843
Penalties or interest	94,566	83,144
Other accounts added	23,367	105,488
Taxes overpaid	7,792	812
Tax sale costs	24,819	13,044
	8,209,003	7,914,501
Deduct:		
Cash collections - current	7,058,751	7,299,087
Cash collections - arrears	81,935	(3,105)
Cancellations and writeoffs	28,777	15,369
Manitoba Education Property Tax Credit advance	345,868	346,057
Manitoba School Tax Rebate advance	864,822	-
Transfers re tax sale	124,750	-
	8,504,903	7,657,408
Balance, end of year	\$ 457,455	\$ 753,355

TOWN OF SWAN RIVER

ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2024

SCHEDULE 12

		2024		2023
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Municipal Office (at large)	\$ 188,884,630	0.567	\$ 107,098	\$ 107,019
Wellness Centre (LID)	230,233,650	1.083	249,343	248,910
Wellness Centre (per parcel)			104,587	104,766
Fire fighter equipment (at large)	188,884,630	0.086	16,244	16,249
12th & 3rd (LID frontage/flankage)			5,849	5,849
Arena floor (at large)	188,884,630	0.329	62,143	62,007
Incident Command (at large)	188,884,630	0.050	9,444	9,525
Loader-backhoe (at large)	188,884,630	0.104	19,644	19,611
Pool repairs (at large)	188,884,630	0.334	63,087	63,128
			637,440	637,064
Reserves:				
Machinery replacement (01/1997)	188,884,630	0.992	187,374	177,804
Road improvement (15/2021)	188,884,630	0.309	58,365	58,272
Employee benefits (09/1993)	188,884,630	0.026	4,911	4,856
Fire hall (10/2024)	188,884,630	0.026	4,911	42,770
Recreation facilities (04/2000)	188,884,630	0.226	42,688	42,770
Tables and chairs (12/2020)	188,884,630	0.011	2,078	2,054
Landfill closure (14/2012)	188,884,630	0.051	9,633	37,914
Recreation equipment (11/2022)	188,884,630	0.051	9,633	9,525
Grants (9/2023)	188,884,630	0.041	7,744	-
			327,337	375,965
General Municipal	188,884,630	11.551	2,181,806	2,153,072
Special levies:				
Intergovernmental Affairs	188,884,630	0.282	53,265	53,416
Watershed District (at large land)	24,850,020	0.530	13,171	13,161
Police protection (7/2024)	230,233,650	3.583	824,927	814,987
Various other services (8/2024)	230,233,650	3.604	829,762	652,080
Residential waste and recycling			389,023	370,882
			2,110,148	1,904,526
Business tax (rate%)	5,928,300	1.33%	78,846	77,179
Total municipal taxes (Schedule 2)			5,335,577	5,147,806
Education support levy	55,027,330	8.128	447,262	436,618
Special levy:				
Swan Valley School Division	178,816,670	12.168	2,175,841	2,061,746
Total education taxes			2,623,103	2,498,364
Total tax levy (Schedule 11)			\$ 7,958,680	\$ 7,646,170

TOWN OF SWAN RIVER
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2024

SCHEDULE 13

	2024 Actual	2023 Actual
General government services		
Legislative	\$ 195,714	\$ 163,408
General administrative	714,071	771,476
Other	47,830	45,428
	<u>957,615</u>	<u>980,312</u>
Protective services		
Police	1,493,282	1,395,384
Fire	379,628	267,465
Emergency measures	6,071	7,246
Building, electrical and plumbing inspections	41,077	39,908
Bylaw enforcement	80,034	39,750
Animal and pest control	29,877	7,278
Safety inspections	36,821	39,080
	<u>2,066,790</u>	<u>1,796,111</u>
Transportation services		
Road transport		
Administration and engineering	115,291	121,170
Unallocated equipment and operators	324,598	277,329
Unallocated workshop and yard operations	97,479	112,401
Roads and streets	176,314	67,055
Sidewalks	5,278	6,156
Boulevards	9,258	10,239
Tree trimming	22,226	10,932
Ditches and road drainage	12,983	6,509
Storm sewers	28,903	27,665
Street cleaning	22,284	23,074
Snow and ice removal	172,109	148,563
Street lighting	78,026	78,035
Traffic services	27,701	26,661
Other	821	-
Air transport	56,574	67,061
Public transit	12,968	6,425
	<u>1,162,813</u>	<u>989,275</u>
Environmental health services		
Garbage collection	400,334	373,661
Nuisance grounds	247,658	301,116
Recycling	546,831	581,921
	<u>1,194,823</u>	<u>1,256,698</u>
Public health and welfare services		
Cemeteries	105,121	88,763
Recruitment and retention of medical professionals	64,785	64,875
Social welfare and assistance	43,755	43,755
Other	1,780	1,000
	<u>215,441</u>	<u>198,393</u>
Regional planning and development		
Planning and zoning	7,388	16,756
Beautification and land rehabilitation	8,216	7,464
Urban area weed control	21,877	13,473
Christmas lights, decorations, flags	12,050	6,911
	<u>49,531</u>	<u>44,604</u>
Subtotals forward	<u>\$ 5,647,013</u>	<u>\$ 5,265,393</u>

TOWN OF SWAN RIVER
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2024

SCHEDULE 13

	2024 Actual	2023 Actual
Subtotals forward	\$ 5,647,013	\$ 5,265,393
Resource conservation and industrial development		
Veterinary services	7,205	7,205
Water resources and conservation	13,698	13,698
Regional development	21,627	4,000
Industrial development	89,653	-
Incentive program for construction development	3,046	3,308
Tourism	9,664	9,017
Public receptions	4,305	933
	149,198	38,161
Recreation and cultural services		
Community centers and halls	55,040	57,011
Swimming pools and beaches	527,363	348,135
Skating and curling rinks and arenas	427,531	294,946
Parks and playgrounds	114,048	89,134
Other recreational programs	28,927	71,154
Museums	4,000	4,000
Libraries	102,538	98,142
Other cultural programs	6,653	11,199
	1,266,100	973,721
Total expenses	\$ 7,062,311	\$ 6,277,275

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

For the Year Ended December 31, 2024

	2024			2023
	General	Utility	Total	Total
MUNICIPAL NET DEFICIT UNDER THE MUNICIPAL ACT	\$ -	\$ (60,300)	\$ (60,300)	\$ -
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,055,749	50,000	1,105,749	1,527,428
Eliminate revenue - transfers from reserves	(1,440,688)	(209,132)	(1,649,820)	(1,018,532)
Eliminate revenue - transfer from accumulated surplus	-	-	-	-
Increase revenue - reserve funds interest	206,438	46,063	252,501	253,342
Decrease revenue - net deficit of consolidated entities	(238,657)	-	(238,657)	(45,444)
Increase expense - amortization of tangible capital assets	(1,213,311)	(564,331)	(1,777,642)	(1,748,246)
Increase expense - accretion for asset retirement obligations	(24,466)	(19,932)	(44,398)	(47,224)
Decrease revenue - proceeds from long term debt	-	-	-	-
Decrease expense - principal portion of debenture debt payments	480,696	194,190	674,886	653,209
Decrease revenue - deferred capital grants	-	30,371	30,371	(15,878)
Eliminate expense - acquisitions of tangible capital assets	1,871,787	454,850	2,326,637	1,705,240
Increase revenue - contribution of tangible capital assets	-	-	-	-
Eliminate proceeds from dispositions of tangible capital assets	(11,884)	-	(11,884)	(11,554)
Increase revenue - gain on sale of tangible capital assets	11,884	-	11,884	8,845
Increase expense - loss on dispositions of tangible capital assets	(2,366)	-	(2,366)	(1,305)
Increase expense - additions to capital construction in progress	(119,979)	-	(119,979)	(575,310)
Increase revenue - operating revenues in capital fund	16,168	-	16,168	16,168
Increase expense - operating expenses in capital fund	-	(30,204)	(30,204)	-
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 591,371</u>	<u>\$ (108,425)</u>	<u>\$ 482,946</u>	<u>\$ 700,739</u>