

# **TOWN OF SWAN RIVER**

**Consolidated Financial Statements  
For the Year Ended December 31, 2017**



# THE TOWN OF SWAN RIVER

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PO Box 879, Swan River MB R0L 1Z0

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## STATEMENT OF RESPONSIBILITY

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

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

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

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

  
\_\_\_\_\_  
Mrs. Julie Fothergill  
Chief Administrative Officer

# PKHC

## Chartered Professional Accountants

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P.O. Box 1660  
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### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of the Town of Swan River, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Swan River as at December 31, 2017, and the results of its operations, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Swan River, Manitoba  
June 19, 2018



Chartered Professional Accountants

# **TOWN OF SWAN RIVER**

## **Consolidated Financial Statements**

### **For the Year Ended December 31, 2017**

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Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	22
Schedule 2 - Consolidated Schedule of Revenues	23
Schedule 3 - Consolidated Schedule of Expenses	24
Schedule 4 - Consolidated Statement of Operations by Program	26
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	28
Schedule 6 - Schedule of Change in Reserve Fund Balances	29
Schedule 7 - Schedule of L.U.D. Operations	N/A
Schedule 8 - Schedule of Financial Position for Utilities	31
Schedule 9 - Schedule of Utility Operations	32
Schedule 10 - Reconciliation of the Financial Plan to the Budget	34
Schedule 11 - Analysis of Taxes on Roll	35
Schedule 12 - Analysis of Tax Levy	36
Schedule 13 - Schedule of General Operating Fund Expenses	37
Schedule 14 - Reconciliation of Annual Surplus (Deficit)	39

**TOWN OF SWAN RIVER  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2017**

	<u>2017</u>	<u>2016</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 2,434,581	\$ 3,965,246
Amounts receivable (Note 4)	1,021,522	1,200,751
Real estate properties held for sale	417,225	404,083
Other inventories for sale (Note 5)	14,042	10,171
Portfolio investments (Note 6)	24,550	1,001
	<u>\$ 3,911,920</u>	<u>\$ 5,581,252</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	883,319	1,893,517
Pre-retirement bonus entitlement (Note 8)	324,490	322,706
Deferred revenue (Note 9)	176,748	249,229
Prepaid local improvement district levies (Note 10)	291,021	307,189
Landfill closure liability (Note 11)	44,140	40,626
Long-term debt (Note 12)	7,176,317	7,463,941
Deferred government transfers (Note 13)	3,190,000	5,800,000
	<u>12,086,035</u>	<u>16,077,208</u>
<b>NET DEBT</b>	<u>\$ (8,174,115)</u>	<u>\$ (10,495,955)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 35,192,297	\$ 35,130,643
Inventories (Note 5)	417,796	430,210
Prepaid expenses	68,129	67,154
	<u>35,678,222</u>	<u>35,628,007</u>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<u>\$ 27,504,107</u>	<u>\$ 25,132,052</u>

COMMITMENTS (Note 15)

Approved on behalf of Council:

  
Glen McKenzie - Mayor

  
Lance Jacobson - Councillor

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

**TOWN OF SWAN RIVER**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2017**

	2017 Budget <u>(Note 18)</u>	2017 Actual	2016 Actual <i>(Restated)</i>
<b>REVENUE</b>			
Property taxes	\$ 4,167,232	\$ 4,137,662	\$ 4,144,706
Grants in lieu of taxation	194,950	196,690	196,868
User fees	1,053,356	1,089,064	1,050,312
Permits, licences and fines	59,626	56,244	70,344
Investment income	17,450	38,280	43,988
Other revenue	186,078	131,562	261,716
Water and sewer	1,840,476	1,333,496	922,892
Grants - Province of Manitoba	837,126	2,349,551	913,177
Grants - other	576,719	1,657,727	612,212
Total revenue (Schedules 2, 4 and 5)	<u>8,933,013</u>	<u>10,990,276</u>	<u>8,216,215</u>
<b>EXPENSES</b>			
General government services	889,256	879,834	866,036
Protective services	1,546,948	1,426,850	1,478,205
Transportation services	1,414,186	1,446,085	1,438,745
Environmental health services	1,040,000	932,050	970,388
Public health and welfare services	189,108	192,519	183,308
Regional planning and development	45,926	44,545	38,411
Resource conservation and industrial development	138,563	179,629	159,502
Recreation and cultural services	2,356,806	2,316,231	2,318,749
Water and sewer services	1,324,422	1,200,479	1,305,846
Total expenses (Schedules 3, 4 and 5)	<u>8,945,216</u>	<u>8,618,222</u>	<u>8,759,190</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (12,203)</u>	<b>2,372,054</b>	<b>(542,975)</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>25,132,052</u>	<u>25,675,027</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u><b>\$ 27,504,107</b></u>	<u><b>\$ 25,132,052</b></u>

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

**TOWN OF SWAN RIVER**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2017**

	2017 Budget (Note 18)	2017 Actual	2016 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (12,203)	\$ 2,372,054	\$ (542,975)
Acquisition of tangible capital assets	(1,987,400)	(1,752,190)	(1,452,916)
Amortization of tangible capital assets	1,673,500	1,570,783	1,542,183
Gain on sale of tangible capital assets	-	(8,551)	(12,125)
Proceeds on sale of tangible capital assets	-	128,304	25,203
Decrease (increase) in inventories	-	12,414	(35,577)
Decrease (increase) in prepaid expense	-	(975)	1,446
	<u>(313,900)</u>	<u>(50,215)</u>	<u>68,214</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<u>\$ (326,103)</u>	<b>2,321,839</b>	(474,761)
<b>NET DEBT, BEGINNING OF YEAR</b>		<u>(10,495,955)</u>	<u>(10,021,194)</u>
<b>NET DEBT, END OF YEAR</b>		<u>\$ (8,174,115)</u>	<u>\$ (10,495,955)</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, 2017**

	<u>2017</u>	<u>2016</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 2,372,054	\$ (542,975)
Changes in non-cash items:		
Amounts receivable	179,230	438,343
Inventories	8,543	(33,400)
Prepaid expenses	(975)	1,446
Accounts payable and accrued liabilities	(1,010,198)	1,199,089
Deferred revenue	(72,481)	(6,143)
Pre-retirement bonus entitlement	1,784	(4,852)
Prepaid local improvement district levies	(16,168)	(16,168)
Landfill closure liability	3,514	3,258
Gain on sale of tangible capital assets	(8,551)	(12,125)
Gain on sale of real estate properties	(5,984)	(82,946)
Amortization	1,570,783	1,542,183
Cash provided by operating transactions	<u>3,021,551</u>	<u>2,485,710</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	128,304	25,203
Cash used to acquire tangible capital assets	(1,752,190)	(1,452,916)
Cash applied to capital transactions	<u>(1,623,886)</u>	<u>(1,427,713)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	24,000	90,500
Acquisition of portfolio investments	(23,548)	(9)
Acquisition of real estate properties	(31,158)	(5,081)
Cash provided by (applied to) investing transactions	<u>(30,706)</u>	<u>85,410</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	-	5,540,000
Debt repayment	(287,624)	(6,024,031)
Decrease in deferred government transfers	(2,610,000)	-
Cash applied to financing transactions	<u>(2,897,624)</u>	<u>(484,031)</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>(1,530,665)</b>	<b>659,376</b>
Cash and temporary investments, beginning of year	<u>3,965,246</u>	<u>3,305,870</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 2,434,581</u></b>	<b><u>\$ 3,965,246</u></b>

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



**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

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

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

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada and reflect the following significant accounting policies:

**a) Reporting Entity**

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations are:

*Richardson Recreation and Wellness Centre*  
*Swan River Centennial Arena*  
*Swan River Handi Transit Van*  
*Swan River Municipal Developers Ltd.*  
*Veterans Community Hall*

The Town has several partnership agreements in place, and as such, consistent with Canadian public sector accounting standards for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Town's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships are:

*G7 Physician Retention and Recruitment Fund (consolidated 35%, 2016 - 35%)*  
*North-West Regional Library (consolidated 54%, 2016 - 54%)*  
*Swan Valley District Recreation Commission (consolidated 46%, 2016 - 46%)*  
*Swan Valley Municipal Airport Commission (consolidated 37%, 2016 - 37%)*  
*Swan Valley Planning District (consolidated 33%, 2016 - 33%)*  
*Swan Valley Regional Initiative for a Strong Economy (consolidated 45%, 2016 - 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) Cash and Temporary Investments**

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

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

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

**d) Investments**

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

Portfolio investments are accounted for at cost.

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

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

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

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

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

**g) Non-Financial Assets**

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

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

**h) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize internal finance charges as part of the cost of its tangible capital assets.

**General Tangible Capital Assets**

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

*(continues)*

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

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

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

**Infrastructure Assets**

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

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

**i) Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**j) Inventories**

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

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

**k) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

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

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

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

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

**l) Measurement Uncertainty**

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the amortization of tangible capital assets and the accruals of the landfill closure liability and the pre-retirement bonus entitlement, as follows:

- The amortization of tangible capital assets is based on estimates of useful lives for groupings of similar assets.
- The accrual of the landfill closure liability is based on estimated future cash flow using an assumed rate of inflation to the expected date of closure discounted to the financial statement date using an assumed long term average borrowing rate.
- The accrual of the pre-retirement bonus entitlement is based on estimated future cash flows using an assumed rate of inflation to the expected dates of retirement, discounted to the financial statement date using an assumed long term average borrowing rate.

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

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2017</u>	<u>2016</u>
Cash	\$ 2,407,054	\$ 3,956,372
Temporary investments	<u>27,527</u>	<u>8,874</u>
	<u>\$ 2,434,581</u>	<u>\$ 3,965,246</u>

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

The Town has designated \$1,557,486 (2016 \$1,653,454) to reserves for debt principal repayments and tangible capital asset acquisitions.

The balance of cash reported above includes \$439,749 (2016 \$484,874) held by government partnerships.

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2017</u>	<u>2016</u>
Taxes on roll (Schedule 11)	\$ 279,507	\$ 257,927
Government grants	214,527	391,273
Utility customers	272,693	159,117
Organizations and individuals	159,297	225,614
Other governments	91,324	167,011
Accrued interest	<u>4,174</u>	<u>2,506</u>
	<u>1,021,522</u>	<u>1,203,448</u>
Less allowances for doubtful amounts	<u>-</u>	<u>(2,697)</u>
	<u>\$ 1,021,522</u>	<u>\$ 1,200,751</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

**5. Inventories**

	<u>2017</u>	<u>2016</u>
<b>Inventories for sale:</b>		
Airport fuel	\$ 12,135	\$ 7,390
Concession supplies	336	601
Swimming supplies	1,571	2,180
	<u>\$ 14,042</u>	<u>\$ 10,171</u>
<b>Inventories for use:</b>		
<u>General</u>		
Fuel	\$ 3,387	\$ 2,270
Granulars	33,909	38,160
Dust control	1,887	5,765
Sidewalk unistone	12,936	12,936
Culverts	13,548	15,310
Traffic services	9,354	8,695
Janitorial supplies	4,726	2,913
Landfill cover material	11,199	11,199
Chemicals and reagents	10,778	5,367
Programming supplies	2,123	794
	<u>103,847</u>	<u>103,409</u>
<u>Utility</u>		
Connections	38,512	35,087
Water treatment chemicals	7,535	7,339
Sewage collection	102,781	122,032
Water meters	30,926	40,258
Transmission and distribution	134,195	122,085
	<u>313,949</u>	<u>326,801</u>
	<u>\$ 417,796</u>	<u>\$ 430,210</u>

**6. Portfolio Investments**

Swan Valley Credit Union Limited non-redeemable long term deposit for 12 months maturing July 5, 2018 at 1.5% interest rate per annum, held by Swan Valley District Recreation Commission	\$ 23,000	\$ -
TD Canada Trust guaranteed investment certificate for 12 months maturing July 7, 2018 at 1.22% interest rate per annum, held by North-West Regional Library	572	-
Patronage shares held by Swan Valley District Recreation Commission		
Swan Valley Credit Union	831	862
Swan Valley Consumers Co-operative	147	139
	<u>\$ 24,550</u>	<u>\$ 1,001</u>

**7. Accounts Payable and Accrued Liabilities**

	<u>2017</u>	<u>2016</u>
Trade accounts payable	\$ 279,913	\$ 633,196
Contractor holdbacks	65,394	23,814
Employee remittances payable	3,623	1,996
Accrued vacation liability	165,248	181,553
Accrued salaries and wages payable	41,199	46,363
Other accrued expenses	25,588	21,237
Debenture instalments payable	-	542,830
Other governments	302,354	442,528
	<u>\$ 883,319</u>	<u>\$ 1,893,517</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

**8. Pre-Retirement Bonus Entitlement**

Each employee of the Town will be receive a pre-retirement bonus in a lump sum to a maximum of 100 days upon his or her death, retirement or termination of service, calculated as follows:

- Four days per year of seniority for a permanent employee retiring at age 55 or over, with at least five years of seniority.
- Four days per year of seniority for a permanent employee terminating employment after completing ten years of seniority.
- Pro-rata calculation as follows for a seasonal employee either retiring at age 55 or over with at least five years of seniority, or terminating employment after completing ten years of seniority:  
Average annual hours actually worked from last date of employment,  
divided by annual full-time hours, multiplied by entitlement of a permanent employee.

Each employee's entitlement liability has been calculated as the net present value of his or her entitlement upon retiring at the later of age 55 or five years of seniority, assuming 1.0% 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 6.0%.

	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 322,706	\$ 327,558
Earned during the year	47,761	41,194
Paid out during the year	(38,828)	(46,046)
Relinquished on termination of employment	(7,149)	-
Ending balance	<u>\$ 324,490</u>	<u>\$ 322,706</u>

**9. Deferred Revenue**

	<u>2017</u>	<u>2016</u>
Prepaid taxes	\$ 31,741	\$ 36,325
Prepaid utility	2,720	82,102
Water meter deposits	114,305	108,417
Unused grants <i>(See following explanation)</i>	20,001	16,175
Rental prepayments and deposits	7,981	6,210
	<u>\$ 176,748</u>	<u>\$ 249,229</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. Prepaid Local Improvement District Levies**

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

	<u>2017</u>	<u>2016</u>
Beginning balance	\$ 307,189	\$ 323,357
Amortization	(16,168)	(16,168)
Ending balance	<u>\$ 291,021</u>	<u>\$ 307,189</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

**11. Landfill Closure Liability**

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

	<u>2017</u>	<u>2016</u>
Estimated closure costs over the next 69 years	<u>\$ 6,600,000</u>	<u>\$ 6,600,000</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
<b>Discounted costs</b>	<u><b>\$ 118,424</b></u>	<u><b>\$ 111,721</b></u>
Expected year capacity will be reached	<u>2086</u>	<u>2086</u>
Capacity (years):		
Used to date	<u>41</u>	<u>40</u>
Remaining	<u>69</u>	<u>70</u>
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>37.27%</u>	<u>36.36%</u>
<b>Liability based on percentage</b>	<u><b>\$ 44,140</b></u>	<u><b>\$ 40,626</b></u>

**12. Long Term Debt**

	<u>2017</u>	<u>2016</u>
<b>General Authority:</b>		
Debenture for new municipal office building, held by RBC Life Insurance Company, issued December 31, 2013, payable \$112,937 annually including interest at 4.14%, maturing December 31, 2032	<u>\$ 1,243,476</u>	<u>\$ 1,302,490</u>
Debenture for Richardson Recreation & Wellness Centre, held by RBC Life Insurance Company, issued February 29, 2016, payable \$368,322 annually including interest at 3.79%, maturing December 31, 2035	<u>4,743,302</u>	<u>4,924,968</u>
<b>Utility Fund:</b>		
Debenture for Ross Street wastewater pumping station, demand loan held by RBC Royal Bank, issued December 31, 2014 payable at \$64,789 annually including interest at 4.13%, maturing December 31, 2034	<u>780,313</u>	<u>811,584</u>
Debenture for Heyes Street wastewater pumping station, demand loan held by RBC Royal Bank, issued February 29, 2016 payable at \$31,777 annually including interest at 3.79%, maturing December 31, 2035	<u>409,226</u>	<u>424,899</u>
	<u><b>\$ 7,176,317</b></u>	<u><b>\$ 7,463,941</b></u>

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

2018	\$ 298,837
2019	310,489
2020	322,596
2021	335,175
2022	348,247
Thereafter	<u>5,560,973</u>
	<u><b>\$ 7,176,317</b></u>

(continues)

**TOWN OF SWAN RIVER  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
As at December 31, 2017**

**12. Long Term Debt (continued)**

**Schedule of Debentures Pending**

Authority	Purpose	Amount Authorized
Utility Fund	6th Ave N Lift Station upgrade	\$ 250,000
General	Fire fighter equipment	190,640

**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:

	2017	2016
Canada-Manitoba		
Building Canada Fund Communities Component	\$ 4,000,000	\$ 4,000,000
Municipal Rural Infrastructure Fund	800,000	800,000
Province of Manitoba – Building Manitoba Fund	1,000,000	1,000,000
	<u>5,800,000</u>	<u>5,800,000</u>
Revenue recognized upon settlement of liability	<u>(2,610,000)</u>	<u>-</u>
	<u>\$ 3,190,000</u>	<u>\$ 5,800,000</u>

**14. Accumulated Surplus**

	2017	2016
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,179,506	\$ 1,098,023
Utility operating fund - Nominal surplus	85,962	27,940
Tangible capital assets net of related borrowings (see below)	18,151,121	18,190,387
Reserve funds (Schedule 6)	<u>1,557,486</u>	<u>1,653,454</u>
Accumulated surplus of municipality unconsolidated	<u>20,974,075</u>	<u>20,969,804</u>
Accumulated surpluses of consolidated entities	<u>6,530,032</u>	<u>4,162,248</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 27,504,107</u>	<u>\$ 25,132,052</u>

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

Tangible capital assets	\$ 21,278,790	\$ 20,781,351
Long term debt (Note 12)	(2,433,015)	(2,538,973)
Accounts payable	(650,514)	(51,991)
Landfill closure liability (Note 11)	<u>(44,140)</u>	<u>-</u>
	<u>\$ 18,151,121</u>	<u>\$ 18,190,387</u>

(continues)



**TOWN OF SWAN RIVER  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
As at December 31, 2017**

**14. Accumulated Surplus (continued)**

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

	<u>2017</u>	<u>2016</u>
Excess brought forward	\$ 87,243	\$ -
Taxes collected by special service levy	1,100,458	1,100,087
Actual cost of police protection and bylaw enforcement	<u>(928,270)</u>	<u>(1,012,844)</u>
Excess carried forward to next year	<u>\$ 259,431</u>	<u>\$ 87,243</u>

**15. Commitments**

**Municipal Police Service**

The Town entered into an agreement dated April 1, 2012 with the Government of Canada to provide and maintain a Municipal Police Service within the Town until March 31, 2032. Under the terms of the agreement, the Town is responsible to pay, on a quarterly basis, 70 percent of the cost of operating and maintaining the Municipal Police Service, including salaries and wages, transportation and travel, information, professional services, rentals, repairs, utilities and supplies as well as providing accommodation of office space, jail cell facilities and garage space. Under the agreement, the Town incurred costs in the 2017 fiscal year of \$905,610 (2016 - \$991,736).

**Municipal Services Agreements**

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

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

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

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

**Swan Valley Employment and Training Project**

The Town entered into agreements expiring June 29, 2018 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 \$289,989 (2016 \$285,239).

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**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

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**15. Commitments (continued)**

**Clean Water and Wastewater Fund Contribution Agreement**

The Town entered into an agreement dated July 10, 2017 with the Government of Manitoba under the Clean Water and Wastewater Fund for the construction of 6th Avenue wastewater pump station upgrades. Under the terms of the agreement, the project must be completed no later than May 31, 2018. The total costs of the project are estimated to be \$1,000,000.

If the Town meets the conditions for payment, The Government of Manitoba will reimburse the Town for up to \$250,000 (on its own behalf) and \$500,000 (on behalf of The Government of Canada) of eligible costs incurred and paid to carry out and construct the project.

Costs incurred to December 31, 2017 of \$459,876 have been included on Schedule 1 as *Additions during the year* under *Assets under Construction*.

**Public Transit Infrastructure Fund Contribution Agreement**

The Town entered into an agreement dated August 9, 2017 with the Government of Manitoba under the Public Transit Infrastructure Fund for the construction of the Swan River Handi-Van Storage Facility. Under the terms of the agreement, the project must be completed no later than March 31, 2018. The total costs of the project \$126,977 have been included on Schedule 1 as *Additions during the year* under *Buildings and Leasehold Improvements*.

If the Town meets the conditions for payment, The Government of Manitoba will reimburse the Town for up to \$26,400 (on its own behalf) and \$52,800 (on behalf of The Government of Canada) of eligible costs incurred and paid to carry out and construct the project. Accordingly, the Town has recorded an amount receivable from the Government of Manitoba for \$79,200.

**Small Communities Fund Contribution Agreement**

The Town entered into an agreement dated November 27, 2017 with the Government of Manitoba under the Canada-Manitoba New Building Canada Fund - Small Communities Fund for the construction of the Veterans Community Hall Upgrades Project. Under the terms of the agreement, the project must be completed no later than September 30, 2018. The total costs of the project are estimated to be \$50,000.

If the Town meets the conditions for payment, The Government of Manitoba will reimburse the Town for up to \$16,667 (on its own behalf) and \$16,666 (on behalf of The Government of Canada) of eligible costs incurred and paid to carry out and construct the project.

**16. Retirement Benefits**

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP requires that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Town on behalf of its employees amounted to \$152,276 (2015 - \$148,306) and are included in the statement of operations.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

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**16. Retirement Benefits (continued)**

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, 2016 indicated the plan was 98.0% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2016.

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. Financial Instruments**

The Town as part of its operations carries a number of financial instruments. It is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

**18. Budget**

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Town has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - *Reconciliation of the Financial Plan to the Budget*.

**19. Public Sector Compensation Disclosure**

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2017:

a) Compensation paid to members of council amounted to \$100,054 in aggregate.

b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Glen McKenzie	\$ 18,367	\$ 3,841	\$ 22,208
Councillor - Jason Delaurier	13,154	1,660	14,814
Councillor - Phyllis Friesen	13,592	2,505	16,097
Councillor - Lance Jacobson	14,160	1,745	15,905
Councillor - David Moriaux	13,926	2,622	16,548
Councillor - Jason Sakal	13,770	2,393	16,163
Councillor - Duane Whyte	13,085	1,040	14,125
	<u>\$ 100,054</u>	<u>\$ 15,809</u>	<u>\$ 115,863</u>

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

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

**20. Trust Funds**

The Town of Swan River administers the following trust funds:

	Balance, Beginning of Year	Excess of Receipts over Disbursements	Balance, End of Year
Birchwood Cemetery Perpetual Care	\$ 178,874	\$ 9,589	\$ 188,463
Swan Valley Community Round Table	1,563	(1,563)	-
Swan Valley Christmas Cheer Board	820	1,170	1,990
Swan River Skateboard Union	396	-	396
Swan Valley Refugee Committee	2,830	(2,830)	-
Swan River Fire Department	50	1,345	1,395
Swan Valley Splash Park Committee	-	5,100	5,100
Swan Valley Youth Soccer	-	500	500
	<u>\$ 184,533</u>	<u>\$ 13,311</u>	<u>\$ 197,844</u>

**21. Segmented Information**

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

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

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

**22. Condensed Supplementary Financial Information for Consolidated Entities**

**Controlled Organizations**

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

	Unadjusted	Adjustments	Total 2017	Total 2016
<b>Financial Position</b>				
Financial assets	\$ 390,500	\$ -	\$ 390,500	\$ 472,738
Liabilities	8,254,809	-	8,254,809	11,113,867
Net financial assets	(7,864,309)	-	(7,864,309)	(10,641,129)
Non-financial assets	13,323,560	-	13,323,560	13,669,919
Accumulated surplus	<u>\$ 5,459,251</u>	<u>\$ -</u>	<u>\$ 5,459,251</u>	<u>\$ 3,028,790</u>
<b>Results of Operations</b>				
Revenue	\$ 4,545,939	\$ (718,456)	\$ 3,827,483	\$ 703,300
Expenses	2,115,478	(718,456)	1,397,022	1,214,236
Annual surplus (deficit)	<u>\$ 2,430,461</u>	<u>\$ -</u>	<u>\$ 2,430,461</u>	<u>\$ (510,936)</u>

(continues)

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2017**

**22. Condensed Supplementary Financial Information for Consolidated Entities (continued)**

**Government Partnerships**

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

	<u>Unadjusted</u>	<u>Adjustments</u>	<u>Total 2017</u>	<u>Total 2016</u>
<b>Financial Position</b>				
Financial assets	\$ 513,784	\$ (2,641)	\$ 511,143	\$ 498,759
Liabilities	<u>380,716</u>	<u>(326,271)</u>	<u>54,445</u>	<u>58,961</u>
Net financial assets	133,068	323,630	456,698	439,798
Non-financial assets	<u>614,083</u>	<u>-</u>	<u>614,083</u>	<u>693,660</u>
Accumulated surplus	<u>\$ 747,151</u>	<u>\$ 323,630</u>	<u>\$ 1,070,781</u>	<u>\$ 1,133,458</u>
<b>Results of Operations</b>				
Revenue	\$ 392,311	\$ (173,907)	\$ 218,404	\$ 206,473
Expenses	<u>424,083</u>	<u>(143,001)</u>	<u>281,082</u>	<u>233,257</u>
Annual deficit	<u>\$ (31,772)</u>	<u>\$ (30,906)</u>	<u>\$ (62,678)</u>	<u>\$ (26,784)</u>

**23. Public Utilities Board**

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

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

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

	<u>Water Services</u>	<u>Sewer Services</u>
Unamortized balance, beginning	\$ 2,326,660	\$ 1,526,824
Amortization during the year	<u>(66,099)</u>	<u>(40,976)</u>
Unamortized balance, ending	<u>\$ 2,260,561</u>	<u>\$ 1,485,848</u>

## TOWN OF SWAN RIVER

## SCHEDULE 1

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2017

	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	2017	2016
<b>Cost</b>										
Opening balance	\$ 3,187,053	\$ 19,773,580	\$ 4,795,253	\$ 132,020	\$ -	\$ 8,822,734	\$ 21,966,759	\$ 122,801	\$ 58,800,200	\$ 57,471,163
Additions during the year	6,159	127,563	652,319	30,462	3,240	113,824	333,272	485,351	1,752,190	1,452,916
Transfers during the year	-	-	(5,229)	-	-	5,229	32,124	(32,124)	-	-
Disposals and write downs	(4,530)	-	(227,958)	-	-	(6,000)	(165,909)	-	(404,397)	(123,879)
Closing balance	3,188,682	19,901,143	5,214,385	162,482	3,240	8,935,787	22,166,246	576,028	60,147,993	58,800,200
<b>Accumulated Amortization</b>										
Opening balance	837,886	3,356,573	2,789,052	102,509	-	6,783,712	9,799,825	-	23,669,557	22,238,175
Amortization	96,190	531,970	279,351	23,850	-	208,064	431,358	-	1,570,783	1,542,183
Disposals and write downs	(1,289)	-	(124,080)	-	-	(5,956)	(153,319)	-	(284,644)	(110,801)
Closing balance	932,787	3,888,543	2,944,323	126,359	-	6,985,820	10,077,864	-	24,955,696	23,669,557
Net Book Value of Tangible Capital Assets	\$ 2,255,895	\$ 16,012,600	\$ 2,270,062	\$ 36,123	\$ 3,240	\$ 1,949,967	\$ 12,088,382	\$ 576,028	\$ 35,192,297	\$ 35,130,643

TOWN OF SWAN RIVER  
CONSOLIDATED SCHEDULE OF REVENUES  
For the Year Ended December 31, 2017

SCHEDULE 2

	2017 Actual	2016 Actual
<b>Property taxes</b>		
Municipal taxes levied ( <i>Schedule 12</i> )	\$ 4,101,355	\$ 4,100,217
Taxes added	36,234	44,435
Excess of school tax levy over requirement	73	54
	<u>4,137,662</u>	<u>4,144,706</u>
<b>Grants in lieu of taxation</b>		
Federal government enterprises	11,862	12,027
Provincial government	38,633	37,306
Provincial government enterprises	146,195	147,535
	<u>196,690</u>	<u>196,868</u>
<b>User fees</b>		
Sales of service	728,595	722,699
Sales of goods	60,401	32,969
Rentals	107,126	97,603
Development charges	1,700	1,733
Facility use fees	191,242	195,308
	<u>1,089,064</u>	<u>1,050,312</u>
<b>Permits, licences and fines</b>		
Permits	23,735	37,588
Licences	11,182	10,236
Fines	15,627	16,694
Fees	5,700	5,826
	<u>56,244</u>	<u>70,344</u>
<b>Investment income</b>		
Cash and temporary investments	38,280	43,988
	<u>38,280</u>	<u>43,988</u>
<b>Other revenue</b>		
Gain on sale of tangible capital assets	33,468	24,708
Gain on sale of real estate held for sale	5,984	82,946
Contributed assets	-	40,124
Donations and contributions	10,519	40,831
Administration fees	472	600
Penalties and interest	46,359	35,718
Amortization of prepaid local improvement district levies	16,168	16,168
Supplier rebates	18,592	20,621
	<u>131,562</u>	<u>261,716</u>
<b>Water and sewer (<i>Schedule 9</i>)</b>	<u>1,333,496</u>	<u>922,892</u>
<b>Grants - Province of Manitoba</b>		
Municipal operating grants	708,308	726,843
Conditional grants	1,641,243	186,334
	<u>2,349,551</u>	<u>913,177</u>
<b>Grants - other</b>		
Federal government - gas tax funding	213,565	211,002
Federal government - other	1,139,403	93,875
Other municipal governments	304,759	307,335
	<u>1,657,727</u>	<u>612,212</u>
<b>Total revenue</b>	<u>\$ 10,990,276</u>	<u>\$ 8,216,215</u>

TOWN OF SWAN RIVER  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2017

SCHEDULE 3

	2017 Actual	2016 Actual
<b>General government services</b>		
Legislative	\$ 127,560	\$ 119,798
General administrative	731,141	727,736
Other	21,133	18,502
	<u>879,834</u>	<u>866,036</u>
<b>Protective services</b>		
Police	905,610	991,736
Fire	297,566	289,351
Emergency measures	20,251	7,359
Flood control	14,651	-
Building, electrical and plumbing inspections	36,222	45,555
Bylaw enforcement	22,660	21,108
Animal and pest control	26,455	21,154
Safety inspections	103,435	101,942
	<u>1,426,850</u>	<u>1,478,205</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	97,941	114,953
Unallocated equipment and operators	413,183	443,962
Unallocated workshop and yard operations	101,921	91,161
Road and streets	255,739	208,567
Sidewalks	40,320	30,189
Boulevards	13,159	6,296
Tree trimming	8,681	15,367
Ditches and road drainage	22,250	12,281
Storm sewers	92,514	108,039
Street cleaning	15,588	20,251
Snow and ice removal	112,187	94,389
Street lighting	66,254	86,040
Traffic services	33,033	37,692
Other	-	17
Air transport	123,452	113,370
Public transit	49,863	56,171
	<u>1,446,085</u>	<u>1,438,745</u>
<b>Environmental health services</b>		
Garbage collection	335,686	310,107
Nuisance grounds	317,738	377,227
Recycling	278,626	282,940
Other	-	114
	<u>932,050</u>	<u>970,388</u>
<b>Public health and welfare services</b>		
Cemeteries	89,470	76,876
Physician retention and recruitment	57,294	60,377
Social welfare and assistance	43,755	43,755
Other	2,000	2,300
	<u>192,519</u>	<u>183,308</u>
<b>Regional planning and development</b>		
Planning and zoning	10,737	10,238
Beautification and land rehabilitation	7,909	10,779
Urban area weed control	14,147	8,820
Christmas lights, decorations, flags	11,752	8,574
	<u>44,545</u>	<u>38,411</u>
<b>Subtotals forward</b>	<u>\$ 4,921,883</u>	<u>\$ 4,975,093</u>



TOWN OF SWAN RIVER  
 CONSOLIDATED SCHEDULE OF EXPENSES  
 For the Year Ended December 31, 2017

SCHEDULE 3

<b>Subtotals forward</b>	<u>\$ 4,921,883</u>	<u>\$ 4,975,093</u>
<b>Resource conservation and industrial development</b>		
Veterinary services	5,983	5,983
Water resources and conservation	17,680	16,952
Regional development	87,488	66,562
Industrial development	12,637	13,351
Incentive program for construction development	41,867	33,082
Trailer court	-	5,436
Tourism	11,996	14,699
Public receptions	1,978	3,437
	<u>179,629</u>	<u>159,502</u>
<b>Recreation and cultural services</b>		
Recreation commission and administration	36,081	37,393
Community centers and halls	121,507	124,696
Swimming pools and beaches	1,285,093	1,293,607
Skating and curling rinks and arenas	499,187	538,958
Parks and playgrounds	176,903	143,579
Other recreational programs or facilities	3,732	-
Museums	4,000	4,000
Libraries	180,545	176,516
Other cultural programs or facilities	9,183	-
	<u>2,316,231</u>	<u>2,318,749</u>
<b>Water and sewer services (Schedule 9)</b>	<u>1,200,479</u>	<u>1,305,846</u>
<b>Total expenses</b>	<u><u>\$ 8,618,222</u></u>	<u><u>\$ 8,759,190</u></u>

**SCHEDULE 4**

**TOWN OF SWAN RIVER**  
**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**For the Year Ended December 31, 2017**

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>										
Property taxes	\$ 4,137,662	\$ 4,144,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	196,690	196,868	-	-	-	-	-	-	-	-
User fees	41,578	39,692	80,898	101,755	112,359	107,018	414,719	387,990	62,842	46,809
Permits, licences and fines	15,570	14,671	39,606	54,743	-	-	-	-	-	-
Investment income	20,053	19,016	373	343	7,445	6,417	347	212	2,727	1,941
Other revenue	98,214	116,329	-	9	4,117	64,935	-	-	1,000	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	708,308	726,843	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	1,873	5,708	-	50,582	128,868	-	-	-	-
Grants - other	-	-	-	2,056	282,142	232,306	-	-	32,340	35,495
<b>Total revenue</b>	<b>5,218,075</b>	<b>5,259,998</b>	<b>126,585</b>	<b>158,906</b>	<b>456,645</b>	<b>539,544</b>	<b>415,066</b>	<b>388,202</b>	<b>98,909</b>	<b>84,245</b>
<b>EXPENSES</b>										
Personnel services	454,070	408,718	333,731	293,627	585,660	602,597	209,456	203,832	60,908	53,306
Contract services	187,191	208,649	902,972	1,008,190	139,947	100,325	611,868	648,709	62,242	66,218
Utilities	28,729	28,465	46,366	44,975	91,294	117,372	19,418	13,039	1,017	891
Maintenance materials and supplies	39,546	37,062	61,024	67,170	289,929	285,728	5,359	15,339	4,625	8,751
Grants and contributions	653	-	-	2,055	11,536	18,455	-	-	51,942	43,427
Amortization	99,048	96,677	63,161	59,678	413,343	420,199	24,135	24,156	5,980	5,681
Equipment cost allocation	-	184	2,165	1,163	(92,409)	(106,681)	50,861	59,358	5,805	5,034
Loss on disposal of capital assets	-	4,500	2,184	1,183	6,754	750	170	-	-	-
Interest on long term debt	53,923	56,269	-	-	-	-	-	-	-	-
Bad debts	16,674	25,050	2,276	-	-	-	7,269	2,697	-	-
Other	-	462	12,971	164	31	-	3,514	3,258	-	-
<b>Total expenses</b>	<b>879,834</b>	<b>866,036</b>	<b>1,426,850</b>	<b>1,478,205</b>	<b>1,446,085</b>	<b>1,438,745</b>	<b>932,050</b>	<b>970,388</b>	<b>192,519</b>	<b>183,308</b>
<b>Annual surplus (deficit)</b>	<b>\$ 4,338,241</b>	<b>\$ 4,393,962</b>	<b>\$ (1,300,265)</b>	<b>\$ (1,319,299)</b>	<b>\$ (989,440)</b>	<b>\$ (899,201)</b>	<b>\$ (516,984)</b>	<b>\$ (582,186)</b>	<b>\$ (93,610)</b>	<b>\$ (99,063)</b>

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

## TOWN OF SWAN RIVER

## SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2017

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total
	2017	2016	2017	2016	2017	2016	2017	2016	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,144,706
Grants in lieu of taxation	-	-	-	-	-	-	-	-	196,868
User fees	1,782	1,733	6,835	5,046	368,051	360,269	-	-	1,089,064
Permits, licences and fines	-	-	-	-	1,068	930	-	-	56,244
Investment income	57	26	133	156	728	12,609	6,417	3,268	38,280
Other revenue	141	-	-	21,272	28,090	59,171	-	-	131,562
Water and sewer	-	-	-	-	-	-	1,333,496	922,892	1,333,496
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	708,308
Prov of MB - Conditional Grants	-	-	-	-	1,584,953	55,593	-	-	1,641,243
Grants - other	3,482	3,564	21,253	31,842	1,318,510	306,949	-	-	1,657,727
Total revenue	5,462	5,323	28,221	58,316	3,301,400	795,521	1,339,913	926,160	10,990,276
<b>EXPENSES</b>									
Personnel services	11,405	13,281	25,009	17,811	944,813	953,586	335,335	407,279	2,960,387
Contract services	12,978	10,068	32,661	32,627	184,373	183,331	102,634	172,387	2,236,866
Utilities	198	197	562	1,221	220,796	228,915	58,809	60,846	467,189
Maintenance materials and supplies	7,614	4,382	2,069	3,841	146,703	140,093	178,176	185,699	735,045
Grants and contributions	4,752	3,551	112,374	98,933	70,784	64,312	-	-	252,041
Amortization	3,084	3,084	3,045	4,141	557,886	544,668	401,100	383,899	1,570,782
Equipment cost allocation	4,507	3,848	-	458	3,949	3,967	25,122	32,669	-
Loss on disposal of capital assets	-	-	3,218	-	-	559	12,590	3,042	24,916
Interest on long term debt	-	-	-	-	186,656	198,622	49,622	48,655	290,201
Bad debts	-	-	-	-	-	140	34,523	9,422	60,742
Other	7	-	691	470	271	556	2,568	1,948	20,053
Total expenses	44,545	38,411	179,629	159,502	2,316,231	2,318,749	1,200,479	1,305,846	8,618,222
<b>Annual surplus (deficit)</b>	\$ (39,083)	\$ (33,088)	\$ (151,408)	\$ (101,186)	\$ 985,169	\$ (1,523,228)	\$ 139,434	\$ (379,686)	\$ (542,975)

**SCHEDULE 5**

**TOWN OF SWAN RIVER  
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS  
For the Year Ended December 31, 2017**

	Core Government		Controlled Entities		Government Partnerships		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>								
Property taxes	\$ 4,137,662	\$ 4,144,706	\$ -	\$ -	\$ -	\$ -	\$ 4,137,662	\$ 4,144,706
Grants in lieu of taxation	196,690	196,868	-	-	-	-	196,690	196,868
User fees	696,216	701,923	345,713	341,188	47,135	7,201	1,089,064	1,050,312
Permits, licences and fines	55,176	69,414	-	-	1,068	930	56,244	70,344
Investment income	34,280	29,277	696	12,372	3,304	2,339	38,280	43,988
Other revenue	104,890	181,814	24,727	73,187	1,945	6,715	131,562	261,716
Water and sewer	1,333,496	922,892	-	-	-	-	1,333,496	922,892
Prov of MB - Unconditional Grants	708,308	726,843	-	-	-	-	708,308	726,843
Prov of MB - Conditional Grants	8,775	106,132	1,578,806	25,884	53,662	54,318	1,641,243	186,334
Grants - other	216,565	226,573	1,329,872	250,669	111,290	134,970	1,657,727	612,212
<b>Total revenue</b>	<b>7,492,058</b>	<b>7,306,442</b>	<b>3,279,814</b>	<b>703,300</b>	<b>218,404</b>	<b>206,473</b>	<b>10,990,276</b>	<b>8,216,215</b>
<b>EXPENSES</b>								
Personnel services	2,040,532	1,997,654	804,248	844,037	115,607	112,346	2,960,387	2,954,037
Contract services	2,000,476	2,181,913	163,657	170,635	72,733	77,956	2,236,866	2,430,504
Utilities	251,923	270,833	205,644	214,819	9,622	10,269	467,189	495,921
Maintenance materials and supplies	569,073	608,173	117,858	113,648	48,114	26,244	735,045	748,065
Grants and contributions	1,028,136	1,121,617	(706,961)	(806,366)	(69,134)	(84,518)	252,041	230,733
Amortization	995,933	976,436	487,205	475,647	87,644	90,100	1,570,782	1,542,183
Equipment cost allocation	(2,328)	(2,165)	2,328	2,165	-	-	-	-
Loss on disposal of capital assets	21,698	9,475	-	559	3,218	-	24,916	10,034
Interest on long term debt	103,545	104,924	186,656	198,622	-	-	290,201	303,546
Bad debts	60,742	37,169	-	-	-	140	60,742	37,309
Other	6,083	5,668	691	470	13,279	720	20,053	6,858
<b>Total expenses</b>	<b>7,075,813</b>	<b>7,311,697</b>	<b>1,261,326</b>	<b>1,214,236</b>	<b>281,083</b>	<b>233,257</b>	<b>8,618,222</b>	<b>8,759,190</b>
<b>Annual surplus (deficit)</b>	<b>\$ 416,245</b>	<b>\$ (5,255)</b>	<b>\$ 2,018,488</b>	<b>\$ (510,936)</b>	<b>\$ (62,679)</b>	<b>\$ (26,784)</b>	<b>\$ 2,372,054</b>	<b>\$ (542,975)</b>

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
For the Year Ended December 31, 2017

	2017						
	General BL 20/1983	Equipment Replacement BL 01/1997	Employee Benefits BL 09/1993	Fire Truck Replacement BL 05/1997	Fire Fighting Equipment BL 06/1992	Recreation Facilities BL 04/2000	Landfill Closure BL 14/2012
<b>REVENUE</b>							
Investment income	\$ 1,691	\$ 3,640	\$ 1,527	\$ 373	\$ -	\$ 437	\$ 347
<b>TRANSFERS</b>							
Transfers from general operating fund	2,500	140,000	5,000	-	-	-	6,000
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to general operating fund	-	-	(38,829)	-	-	(13,861)	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(18,287)	(335,648)	-	(8,021)	-	(3,890)	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	(14,096)	(192,008)	(32,302)	(7,648)	-	(17,314)	6,347
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	185,013	473,780	153,406	39,871	29	45,552	30,550
<b>FUND SURPLUS, END OF YEAR</b>	\$ 170,917	\$ 281,772	\$ 121,104	\$ 32,223	\$ 29	\$ 28,238	\$ 36,897

**SCHEDULE 6**

**TOWN OF SWAN RIVER**  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**For the Year Ended December 31, 2017**

	2017				2016	
	Federal Gas Tax Funding BL 02/2006	Utility Replacement BL 25/1995	Handi Transit Replacement BL 30/1988	Total	Total	Total
<b>REVENUE</b>						
Investment income	\$ 1,512	\$ 6,417	\$ 1,501	\$ -	\$ -	\$ 13,337
<b>TRANSFERS</b>						
Transfers from general operating fund	213,565	-	500	-	367,565	605,188
Transfers from utility operating fund	-	278,110	-	-	278,110	110,000
Transfers to general operating fund	-	-	-	-	(52,690)	(125,630)
Transfers to utility operating fund	-	(250,000)	-	-	(250,000)	(93,786)
Acquisition of tangible capital assets	(64,152)	-	(26,400)	-	(456,398)	(368,954)
<b>CHANGE IN RESERVE FUND BALANCES</b>	150,925	34,527	(24,399)	-	(95,968)	140,155
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	90,227	482,610	152,416	-	1,653,454	1,513,299
<b>FUND SURPLUS, END OF YEAR</b>	\$ 241,152	\$ 517,137	\$ 128,017	\$ -	\$ 1,557,486	\$ 1,653,454

TOWN OF SWAN RIVER  
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES  
 As at December 31, 2017

SCHEDULE 8

	<u>2017</u>	<u>2016</u>
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 272,693	\$ 351,617
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ -	\$ 103,611
Deferred revenue	117,025	190,519
Long-term debt (Note 12)	1,189,539	1,236,483
Due to General Operating Fund	843,531	356,348
	<u>2,150,095</u>	<u>1,886,961</u>
<b>NET DEBT</b>	<u>\$ (1,877,402)</u>	<u>\$ (1,535,344)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets ( <i>Schedule 1</i> )	\$ 12,171,908	\$ 11,825,915
Inventories (Note 5)	313,949	326,801
	<u>12,485,857</u>	<u>12,152,716</u>
<b>FUND SURPLUS</b>	<u>\$ 10,608,455</u>	<u>\$ 10,617,372</u>

TOWN OF SWAN RIVER  
 SCHEDULE OF UTILITY OPERATIONS  
 For the Year Ended December 31, 2017

SCHEDULE 9

	2017 Budget	2017 Actual	2016 Actual
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 525,000	\$ 651,903	\$ 478,927
<b>Sewer</b>			
Sewer fees	425,000	513,344	234,279
Lagoon tipping fees	10,000	11,705	15,160
	<u>435,000</u>	<u>525,049</u>	<u>249,439</u>
<b>Government transfers</b>			
Operating	750,000	-	-
Capital	-	-	-
	<u>750,000</u>	<u>-</u>	<u>-</u>
<b>Other</b>			
Hydrant rentals	13,975	14,170	13,975
Connection charges	50,000	21,558	62,874
Installation service	1,500	1,930	1,576
Penalties	1,500	1,838	1,747
Contributed tangible capital assets	-	-	38,640
Investment income	-	-	1,019
Administration fees	51,501	111,866	63,810
Other income	12,000	5,182	10,885
	<u>130,476</u>	<u>156,544</u>	<u>194,526</u>
<b>Total revenue</b>	<u>1,840,476</u>	<u>1,333,496</u>	<u>922,892</u>



TOWN OF SWAN RIVER  
 SCHEDULE OF UTILITY OPERATIONS  
 For the Year Ended December 31, 2017

SCHEDULE 9

	2017 Budget	2017 Actual	2016 Actual
<b>EXPENSES</b>			
<b>General</b>			
Administration	207,700	175,241	193,136
Training costs	15,000	10,907	10,043
Billing and collection	18,100	47,650	33,447
	<u>240,800</u>	<u>233,798</u>	<u>236,626</u>
<b>Water General</b>			
Purification and treatment	132,500	124,198	136,791
Transmission and distribution	115,000	82,760	84,544
Service of supply	13,400	10,802	10,855
Connection costs	117,000	88,773	117,308
Water meters	18,000	21,149	13,487
	<u>395,900</u>	<u>327,682</u>	<u>362,985</u>
<b>Water Amortization and Interest</b>			
Amortization	218,000	228,805	220,828
Interest on long term debt	-	-	-
	<u>218,000</u>	<u>228,805</u>	<u>220,828</u>
<b>Sewer General</b>			
Collection system costs	45,000	40,585	74,470
Treatment and disposal costs	125,250	89,282	139,731
Lift station costs	83,850	45,820	56,438
	<u>254,100</u>	<u>175,687</u>	<u>270,639</u>
<b>Sewer Amortization and Interest</b>			
Amortization	166,000	184,885	166,113
Interest on long term debt	49,622	49,622	48,655
	<u>215,622</u>	<u>234,507</u>	<u>214,768</u>
<b>Total expenses</b>	<u>1,324,422</u>	<u>1,200,479</u>	<u>1,305,846</u>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	516,054	133,017	(382,954)
<b>TRANSFERS</b>			
Transfers from reserve funds	250,000	250,000	93,786
Transfers to reserve funds	(278,110)	(278,110)	(110,000)
Transfers to general operating fund	-	(113,824)	(62,835)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ 487,944</u>	<u>(8,917)</u>	<u>(462,003)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>10,617,372</u>	<u>11,079,375</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 10,608,455</u>	<u>\$ 10,617,372</u>

**SCHEDULE 10**

**TOWN OF SWAN RIVER  
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET  
For the Year Ended December 31, 2017**

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
<b>REVENUE</b>							
Property taxes	\$ 4,167,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,167,232
Grants in lieu of taxation	194,950	-	-	-	-	-	194,950
User fees	666,920	-	-	-	-	386,436	1,053,356
Permits, licences and fines	59,626	-	-	-	-	2,450	59,626
Investment income	15,000	-	-	-	-	11,734	17,450
Other revenue	174,344	-	-	-	-	-	186,078
Water and sewer	-	1,840,476	-	-	-	-	1,840,476
Grants - Province of Manitoba	730,367	-	-	-	-	106,759	837,126
Grants - other	229,572	-	-	-	-	347,147	576,719
Transfers from reserves	38,929	250,000	-	-	(288,929)	-	-
Transfers from accumulated surplus	119,028	198,096	-	-	(317,124)	-	-
<b>Total revenue</b>	<b>6,395,968</b>	<b>2,288,572</b>	-	-	<b>(606,053)</b>	<b>854,526</b>	<b>8,933,013</b>
<b>EXPENSES</b>							
General government services	732,979	-	97,000	53,923	5,354	-	889,256
Protective services	1,486,948	-	60,000	-	-	-	1,546,948
Transportation services	956,810	-	340,000	-	-	117,376	1,414,186
Environmental health services	1,016,000	-	24,000	-	-	-	1,040,000
Public health and welfare services	184,337	-	5,500	-	-	(729)	189,108
Regional planning and development	37,600	-	3,000	-	-	5,326	45,926
Resource conservation & industrial development	107,070	-	1,500	-	-	29,993	138,563
Recreation and cultural services	983,400	-	61,500	186,656	-	1,125,250	2,356,806
Water and sewer services	-	890,800	384,000	49,622	-	-	1,324,422
Fiscal services:							
Transfer to capital	-	825,000	(825,000)	-	-	-	-
Debt charges	481,259	96,566	-	(577,825)	-	-	-
Transfers to reserves	364,502	278,110	-	-	(642,612)	-	-
Transfers to prior year's deficit	39,709	198,096	-	-	(237,805)	-	-
Allowance for tax assets	5,354	-	-	-	(5,354)	-	-
<b>Total expenses</b>	<b>6,395,968</b>	<b>2,288,572</b>	<b>151,500</b>	<b>(287,624)</b>	<b>(880,417)</b>	<b>1,277,217</b>	<b>8,945,216</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (151,500)</b>	<b>\$ 287,624</b>	<b>\$ 274,364</b>	<b>\$ (422,691)</b>	<b>\$ (12,203)</b>

TOWN OF SWAN RIVER  
ANALYSIS OF TAXES ON ROLL  
For the Year Ended December 31, 2017

SCHEDULE 11

	<u>2017</u>	<u>2016</u>
<b>Balance, beginning of year</b>	<b>\$ 257,927</b>	<b>\$ 360,160</b>
<b>Add:</b>		
Tax levy ( <i>Schedule 12</i> )	6,732,717	6,595,505
Taxes added	36,234	44,435
Penalties or interest	46,359	35,706
Other accounts added	14,972	14,697
Taxes overpaid	-	13,526
Tax sale costs	5,164	11,740
	<u>6,835,446</u>	<u>6,715,609</u>
<b>Deduct:</b>		
Cash collections - current	5,867,793	5,726,900
Cash collections - arrears	185,893	334,364
Cancellations and writeoffs	16,674	24,348
Tax discounts	-	462
Manitoba Education Property Tax Credit - cash advance	723,218	722,661
Manitoba Education Property Tax Credit - additional	5,600	4,200
Transfers re tax sale	14,689	4,907
	<u>6,813,867</u>	<u>6,817,842</u>
<b>Balance, end of year</b>	<b>\$ 279,507</b>	<b>\$ 257,927</b>

TOWN OF SWAN RIVER  
ANALYSIS OF TAX LEVY  
For the Year Ended December 31, 2017

SCHEDULE 12

	2017			2016
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Mill Rate (At Large)	\$ 160,763,400	0.670	\$ 107,711	\$ 106,810
Mill Rate (At Large)	197,227,860	1.260	248,507	224,822
Per Parcel			107,395	100,082
			<u>463,613</u>	<u>431,714</u>
Intergovernmental Affairs	160,763,400	0.340	<u>54,660</u>	<u>54,434</u>
Reserves:				
General (20/1983)	160,763,400	0.015	2,411	2,374
Machinery replacement (01/1997)	160,763,400	0.825	132,630	132,445
Employee benefits (09/1993)	160,763,400	0.030	4,823	4,747
Recreation facilities (04/2000)	160,763,400	0.000	-	217,577
Landfill closure (14/2012)	160,763,400	0.040	6,431	5,697
			<u>146,295</u>	<u>362,840</u>
General Municipal	160,763,400	8.053	<u>1,294,628</u>	<u>1,107,662</u>
Special levies:				
Police protection	197,227,860	5.350	1,055,169	1,054,575
Fire, streets, emergency, doctor	197,227,860	2.790	550,266	549,457
Garbage, recycling, landfill	per residence or dumpster		461,698	464,278
			<u>2,067,133</u>	<u>2,068,310</u>
Business tax (rate%)	5,359,000	1.40%	<u>75,026</u>	<u>75,257</u>
<b>Total municipal taxes (Schedule 2)</b>			<b><u>4,101,355</u></b>	<b><u>4,100,217</u></b>
Education support levy	47,454,430	10.500	498,272	487,759
Special levy:				
Swan Valley School Division	151,929,460	14.040	<u>2,133,090</u>	<u>2,007,529</u>
<b>Total education taxes</b>			<b><u>2,631,362</u></b>	<b><u>2,495,288</u></b>
<b>Total tax levy (Schedule 11)</b>			<b><u>\$ 6,732,717</u></b>	<b><u>\$ 6,595,505</u></b>

## TOWN OF SWAN RIVER

## SCHEDULE 13

**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**For the Year Ended December 31, 2017**

	2017 Actual	2016 Actual
<b>General government services</b>		
Legislative	\$ 127,560	\$ 119,798
General administrative	578,170	570,290
Other	21,133	18,502
	<u>726,863</u>	<u>708,590</u>
<b>Protective services</b>		
Police	905,610	991,736
Fire	233,657	230,074
Emergency measures	7,280	6,033
Flood control	14,651	-
Building, electrical and plumbing inspections	36,222	45,555
Bylaw enforcement	22,660	21,108
Animal and pest control	26,455	21,154
Safety inspections	101,999	100,358
	<u>1,348,534</u>	<u>1,416,018</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	97,192	114,204
Unallocated equipment and operators	272,756	299,425
Unallocated workshop and yard operations	96,873	88,621
Roads and streets	154,051	102,986
Sidewalks	11,327	7,021
Boulevards	13,159	6,296
Tree trimming	8,681	15,367
Ditches and road drainage	22,250	12,281
Storm sewers	23,960	35,498
Street cleaning	15,588	20,251
Snow and ice removal	112,187	94,389
Street lighting	63,977	84,179
Traffic services	30,437	34,947
Other	-	17
Air transport	19,324	28,658
Public transit	20,000	20,750
	<u>961,762</u>	<u>964,890</u>
<b>Environmental health services</b>		
Garbage collection	335,686	310,107
Nuisance grounds	300,215	363,218
Recycling	268,329	272,793
Other	-	114
	<u>904,230</u>	<u>946,232</u>
<b>Public health and welfare services</b>		
Cemeteries	83,490	71,196
Physician retention and recruitment	62,082	63,273
Social welfare and assistance	43,755	43,755
Other	2,000	2,300
	<u>191,327</u>	<u>180,524</u>
<b>Regional planning and development</b>		
Planning and zoning	5,600	5,300
Beautification and land rehabilitation	7,909	10,779
Urban area weed control	14,147	8,820
Christmas lights, decorations, flags	8,668	5,490
	<u>36,324</u>	<u>30,389</u>
<b>Subtotals forward</b>	<u>\$ 4,169,040</u>	<u>\$ 4,246,643</u>

**TOWN OF SWAN RIVER**  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**For the Year Ended December 31, 2017**

**SCHEDULE 13**

<b>Subtotals forward</b>	<u>\$ 4,169,040</u>	<u>\$ 4,246,643</u>
<b>Resource conservation and industrial development</b>		
Veterinary services	5,983	5,983
Water resources and conservation	17,680	16,952
Regional development	40,044	38,558
Incentive program for construction development	41,867	33,082
Trailer court	-	5,436
Tourism	10,313	13,016
Public receptions	1,978	3,437
	<u>117,865</u>	<u>116,464</u>
<b>Recreation and cultural services</b>		
Recreation commission	22,176	21,488
Community centers and halls	38,625	48,461
Swimming pools and beaches	450,285	462,502
Skating and curling rinks and arenas	198,051	280,834
Parks and playgrounds	114,919	82,012
Other recreational facilities	3,731	-
Museums	4,000	4,000
Libraries	78,259	75,249
Other cultural facilities	9,183	-
	<u>919,229</u>	<u>974,546</u>
<b>Total expenses</b>	<u><u>\$ 5,206,134</u></u>	<u><u>\$ 5,337,653</u></u>

## TOWN OF SWAN RIVER

## SCHEDULE 14

## RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

For the Year Ended December 31, 2017

	2017		2016	
	General	Utility	Total	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 120,275	\$ 58,022	\$ 178,297	\$ (157,224)
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	367,065	278,110	645,175	714,688
Eliminate revenue - transfers from reserves	(464,937)	(250,000)	(714,937)	(571,216)
Eliminate expense - transfer to prior years' deficits	39,709	198,096	237,805	-
Eliminate revenue - transfer from accumulated surplus	(119,128)	(198,096)	(317,224)	-
Increase revenue - reserve funds interest	11,028	6,417	17,445	13,337
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	1,955,809	-	1,955,809	(537,720)
Decrease expense - transfer to consolidated entity	368,322	-	368,322	336,107
Eliminate revenue and expense - contribution from utility to general operating fund	(113,824)	113,824	-	-
Increase expense - amortization of tangible capital assets	(594,833)	(401,100)	(995,933)	(976,437)
Decrease revenue - proceeds from long term debt	(190,640)	-	(190,640)	(440,000)
Decrease expense - principal portion of debenture debt payments	59,014	46,944	105,958	101,799
Decrease revenue - proceeds from accounts payable	-	-	-	(51,990)
Decrease expense - repayment of accounts payable	23,000	-	23,000	-
Decrease revenue - capital grants receivable	-	(459,876)	(459,876)	-
Eliminate expense - acquisitions of tangible capital assets	852,835	759,683	1,612,518	1,051,159
Decrease revenue - contribution of tangible capital assets	-	-	-	(5,590)
Eliminate proceeds from dispositions of tangible capital assets	(99,313)	-	(99,313)	(495)
Increase revenue - gain on sale of tangible capital assets	33,468	-	33,468	-
Increase expense - loss on dispositions of tangible capital assets	(9,108)	(12,590)	(21,698)	(6,433)
Increase expense - operating expenses in capital fund	(6,122)	-	(6,122)	(12,960)
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 2,232,620</b>	<b>\$ 139,434</b>	<b>\$ 2,372,054</b>	<b>\$ (542,975)</b>