

TOWN OF SWAN RIVER

**Consolidated Financial Statements
For the Year Ended December 31, 2013**

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.

Pacak Kowal Hardie & Company, as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The 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
Assistant Chief Administrative Officer

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, 2013 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, 2013, 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 26, 2014

Pacak Kowal Hardie & Company

Chartered Accountants

TOWN OF SWAN RIVER

Consolidated Financial Statements

For the Year Ended December 31, 2013

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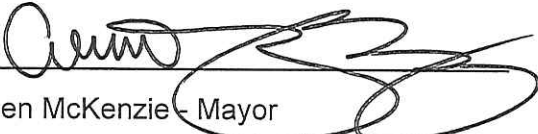
**TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2013**

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 4,641,732	\$ 6,523,153
Amounts receivable (Note 4)	1,303,620	1,997,739
Real estate properties held for sale	469,934	548,815
Other inventories for sale (Note 5)	14,251	13,782
Swan Valley Credit Union patronage equity shares	1,558	1,554
	<u>\$ 6,431,095</u>	<u>\$ 9,085,043</u>
LIABILITIES		
Bank indebtedness (Note 6)	\$ 7,183,343	\$ 4,221,353
Accounts payable and accrued liabilities (Note 7)	2,089,232	2,967,137
Pre-retirement bonus entitlement (Note 8)	214,320	201,907
Deferred revenue (Note 9)	4,637,768	3,022,945
Landfill closure liability (Note 10)	31,552	28,961
Long-term debt (Note 11)	1,585,553	1,692,740
	<u>15,741,768</u>	<u>12,135,043</u>
NET DEBT	<u>\$ (9,310,673)</u>	<u>\$ (3,050,000)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 34,756,102	\$ 28,115,157
Inventories (Note 5)	323,367	360,904
Prepaid expenses	46,586	44,579
	<u>35,126,055</u>	<u>28,520,640</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 25,815,382</u>	<u>\$ 25,470,640</u>

COMMITMENT (Note 17)

SIGNIFICANT EVENTS (Note 18)

Approved on behalf of Council:


Glen McKenzie - Mayor


Phylis Friesen - 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, 2013

	2013 Budget (Note 21)	2013 Actual	2012 Actual
REVENUE			
Property taxes	\$ 3,582,611	\$ 3,610,213	\$ 3,291,962
Grants in lieu of taxation	158,603	158,691	136,841
User fees	663,218	745,909	852,919
Permits, licences and fines	33,532	41,896	39,567
Investment income	2,566	70,623	54,600
Other revenue	261,401	148,754	353,605
Water and sewer	901,185	948,283	944,938
Grants - Province of Manitoba	808,859	844,637	1,015,584
Grants - other	545,894	588,081	558,947
Total revenue (Schedules 2, 4 and 5)	<u>6,957,869</u>	<u>7,157,087</u>	<u>7,248,963</u>
EXPENSES			
General government services	778,910	786,823	687,641
Protective services	1,391,751	1,413,583	1,473,614
Transportation services	1,260,664	1,312,072	1,348,920
Environmental health services	634,162	643,287	613,801
Public health and welfare services	212,038	168,946	153,343
Regional planning and development services	45,670	44,914	48,694
Resource conservation and industrial development services	163,616	172,624	181,875
Recreation and cultural services	1,766,733	1,197,581	1,043,694
Water and sewer services	1,050,461	1,072,515	971,603
Total expenses (Schedules 3, 4 and 5)	<u>7,304,005</u>	<u>6,812,345</u>	<u>6,523,185</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (346,136)</u>	<u>344,742</u>	<u>725,778</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>25,470,640</u>	<u>24,744,862</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 25,815,382</u>	<u>\$ 25,470,640</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, 2013

	2013 Budget <u>(Note 21)</u>	2013 Actual	2012 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (346,136)	\$ 344,742	\$ 725,778
Acquisition of tangible capital assets	(7,807,412)	(7,727,727)	(8,641,750)
Amortization of tangible capital assets	1,043,580	1,046,213	1,047,086
Loss (gain) on sale of tangible capital assets	-	12,116	(318,458)
Proceeds on sale of tangible capital assets	-	28,453	529,288
Decrease (increase) in inventories	-	37,537	(8,746)
Increase in prepaid expense	-	(2,007)	(5,749)
	<u>(6,763,832)</u>	<u>(6,605,415)</u>	<u>(7,398,329)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (7,109,968)</u>	(6,260,673)	(6,672,551)
NET FINANCIAL ASSETS (NET DEBT),, BEGINNING OF YEAR		<u>(3,050,000)</u>	<u>3,622,551</u>
NET DEBT, END OF YEAR		<u>\$ (9,310,673)</u>	<u>\$ (3,050,000)</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, 2013

	<u>2013</u>	<u>2012</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 344,742	\$ 725,778
Changes in non-cash items:		
Amounts receivable	694,119	(650,888)
Inventories	37,068	(8,971)
Prepaid expenses	(2,007)	(5,749)
Accounts payable and accrued liabilities	(877,905)	2,128,793
Deferred revenue	1,614,823	2,745,844
Pre-retirement bonus entitlement	12,413	14,102
Landfill closure liability	2,591	2,398
Loss (gain) on sale of tangible capital assets	12,116	(318,458)
Loss (gain) on sale of real estate properties	40,903	(66,965)
Amortization	1,046,213	1,047,086
Cash provided by operating transactions	<u>2,925,076</u>	<u>5,612,970</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	28,453	529,288
Cash used to acquire tangible capital assets	<u>(7,727,727)</u>	<u>(8,641,750)</u>
Cash applied to capital transactions	<u>(7,699,274)</u>	<u>(8,112,462)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	37,978	83,831
Change in Swan Valley Credit Union Limited patronage shares	(4)	(97)
Acquisition of real estate properties	-	(19,931)
Cash provided by investing transactions	<u>37,974</u>	<u>63,803</u>
FINANCING TRANSACTIONS		
Increase in bank indebtedness	2,961,990	3,039,194
Proceeds of long-term debt	-	1,516,000
Debt repayment	<u>(107,187)</u>	<u>(186,437)</u>
Cash provided by financing transactions	<u>2,854,803</u>	<u>4,368,757</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	(1,881,421)	1,933,068
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>6,523,153</u>	<u>4,590,085</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 4,641,732</u>	<u>\$ 6,523,153</u>

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, 2013

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, airport, parks and recreation, library 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 and tourism.

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 Parks and Recreation Commission
Swan River Municipal Developers Ltd.
Swan River Handi Transit Van
The War Veterans Community Hall Inc. (operating as 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 42.0%, 2012 - 42.0%)
North-West Regional Library (consolidated 54.0%, 2012 - 54.0%)
Swan Valley District Recreation Commission (consolidated 46.0%, 2012 - 46.0%)
Swan Valley Emergency Measures District (consolidated 16.7%, 2012 - 16.7%)
Swan Valley Municipal Airport Commission (consolidated 37.0%, 2012 - 37.0%)
Swan Valley Planning District (consolidated 14.3%, 2012 - 14.3%)
Swan Valley Regional Initiative for a Strong Economy (consolidated 45.0%, 2012 - 45.0%)

The Town also has several shared services agreements in place with the Rural Municipality of Swan River. Jointly-owned tangible capital assets have been reported at only the Town's portion. Shared operating expenses have been reported in total, with the portion recovered from the RM reported as sales of service revenue. The shared services agreements are as follows:

Swan River Fire Department (65.0% share with RM, 2012 - 65.0%)
Swan River Landfill Site (74.0% share with RM, 2012 - 74.0%)
Birchwood Cemetery (75.0% share with RM, 2012 - 75.0%)
Swan River Centennial Arena (70.0% share with RM, 2012 - 70.0%)
Swan River Kinsmen Pool (72.0% share with RM, 2012 - 72.0%)

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. The trust funds administered by the Town are presented in Schedule 7 - *Schedule of Trust Funds*.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

2. Significant Accounting Policies *(continued)*

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Cash and Temporary Investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

e) 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 balance sheet 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

**TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013**

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.

The Town prospectively adopted the new standard on *Government Transfers* in the CPA Canada Public Sector Accounting Handbook PS3410. Previously, government transfers were recognized in the financial statements in the period which the events giving rise to the transfer occurred, eligibility criteria were met, and reasonable estimates of the amount could be made.

Now, 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, 2013

2. Significant Accounting Policies *(continued)*

I) 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 in the accrual of the landfill closure liability. 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 to close the landfill discounted to the financial statement date. The estimated useful lives of tangible capital assets and future cash flow and closure date of the landfill are based upon management's best estimates, which may differ significantly from actual results.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2013</u>	<u>2012</u>
Cash	\$ 3,116,549	\$ 4,997,974
Temporary investments	<u>1,525,183</u>	<u>1,525,179</u>
	<u>\$ 4,641,732</u>	<u>\$ 6,523,153</u>

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

The Town has designated \$1,585,405 (2012 \$4,025,293) to reserves for debt principal repayments and tangible capital asset acquisitions.

The Town has also pledged a \$1,516,000 GIC with the Royal Bank of Canada as collateral for a line of credit for the construction of a new municipal office building.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2013</u>	<u>2012</u>
Taxes on roll <i>(Schedule 11)</i>	\$ 601,374	\$ 614,171
Government grants	84,563	139,759
Utility customers	203,989	192,602
Organizations and individuals	233,660	782,203
Other governments	201,272	272,951
Trust funds <i>(Schedule 7)</i>	6,800	2,539
Accrued interest	959	2,381
	<u>1,332,617</u>	<u>2,006,606</u>
Less allowances for doubtful amounts	<u>(28,997)</u>	<u>(8,867)</u>
	<u>\$ 1,303,620</u>	<u>\$ 1,997,739</u>

**TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013**

5. Inventories	2013	2012
Inventories for sale:		
Airport fuel	\$ 13,278	\$ 13,251
Concession supplies	973	531
	<u>\$ 14,251</u>	<u>\$ 13,782</u>
Inventories for use:		
<u>General</u>		
Fuel	\$ 4,197	\$ 4,608
Granulars	50,424	51,694
Dust control	15,631	21,945
Sidewalk unistone	12,013	15,713
Culverts	11,272	11,272
Traffic services	12,816	6,749
Janitorial supplies	692	1,000
	<u>107,045</u>	<u>112,981</u>
<u>Utility</u>		
Connections	31,549	30,795
Water treatment chemicals	10,638	12,299
Sewage collection	64,782	68,869
Water meters	20,319	47,646
Transmission and distribution	89,034	88,314
	<u>216,322</u>	<u>247,923</u>
	<u>\$ 323,367</u>	<u>\$ 360,904</u>
6. Bank Indebtedness		
	2013	2012
General Authority:		
Swan Valley Credit Union line of credit for construction of Richardson Recreation and Wellness Centre, authorized limit \$10,000,000, principal payable on demand, interest payable monthly at 2.75%	\$ 5,667,368	\$ 3,422,844
Royal Bank of Canada line of credit for construction of new municipal office building, authorized limit \$1,516,000, secured by Royal Bank of Canada GIC, principal payable on completion of construction, interest payable monthly at prime less 0.25% (3.00% at December 31, 2013)	1,515,975	798,509
	<u>\$ 7,183,343</u>	<u>\$ 4,221,353</u>
7. Accounts Payable and Accrued Liabilities		
	2013	2012
Trade accounts payable	\$ 437,742	\$ 1,727,659
Employee remittances payable	2,347	22,463
Other governments	259,790	253,196
Contractor holdbacks	1,033,518	610,062
Accrued vacation liability	161,332	164,497
Accrued salaries and wages payable	18,133	16,557
Other accrued expenses	22,429	21,483
Accrued interest payable	-	2,789
Trust funds (<i>Schedule 7</i>)	153,941	148,431
	<u>\$ 2,089,232</u>	<u>\$ 2,967,137</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

8. Pre-Retirement Bonus Entitlement

Each employee of the Town will be paid 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.

The change in pre-retirement bonus entitlement during the year is shown below.

	<u>2013</u>	<u>2012</u>
Opening balance	\$ 201,907	\$ 187,805
Earned during the year	12,413	28,689
Paid out during the year	-	(14,587)
Ending balance	<u>\$ 214,320</u>	<u>\$ 201,907</u>

9. Deferred Revenue

	<u>2013</u>	<u>2012</u>
Prepaid taxes	\$ 34,555	\$ 13,708
Prepaid utility	79,419	80,250
Water meter deposits	102,309	100,289
Unused grants (<i>See following explanation</i>)	4,409,739	2,822,115
Rental prepayments and deposits	11,746	6,583
	<u>\$ 4,637,768</u>	<u>\$ 3,022,945</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. The unused grants are as follows:

	<u>2013</u>	<u>2012</u>
Government of Canada - Federal Police Officer Recruitment Fund	\$ 78,800	\$ 78,800
Richardson Recreation and Wellness Centre (Note 18)		
Canada-Manitoba Building Canada Fund	3,600,000	2,018,770
Canada-Manitoba Municipal Rural Infrastructure Fund	720,000	720,000
Community Foundation of Swan Valley - Aquatic Centre	3,000	-
Province of Manitoba - Age-Friendly Manitoba Initiative	2,000	-
North-West Regional Library - Province of Manitoba		
Rural Library Technological Sustainability	4,589	4,545
Swan Valley Regional Initiative for a Strong Economy		
Rural Municipality of Mountain - Signage Project	1,350	-
	<u>\$ 4,409,739</u>	<u>\$ 2,822,115</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

10. Landfill Closure Liability

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

	<u>2013</u>	<u>2012</u>
Estimated closure costs over the next 73 years	<u>\$ 6,600,000</u>	<u>\$ 6,600,000</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 93,803</u>	<u>\$ 88,493</u>
Expected year capacity will be reached	<u>2086</u>	<u>2086</u>
Capacity (years):		
Used to date	<u>37</u>	<u>36</u>
Remaining	<u>73</u>	<u>74</u>
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>33.64%</u>	<u>32.73%</u>
Liability based on percentage	<u>\$ 31,552</u>	<u>\$ 28,961</u>

11. Long Term Debt

	<u>2013</u>	<u>2012</u>
General Authority:		
Debenture for new municipal office building, held by RBC Life Insurance Company, payable \$112,937 annually including interest at 4.14%, maturing December 31, 2032	<u>\$ 1,465,825</u>	<u>\$ 1,516,000</u>
Utility Fund:		
Debenture for Main Street water and sewer renewal, demand loan held by Royal Bank of Canada, payable at \$64,187 annually including interest at 4.06%, maturing December 31, 2015	<u>119,728</u>	<u>176,740</u>
	<u>\$ 1,585,553</u>	<u>\$ 1,692,740</u>

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

2014	\$ 111,578
2015	114,817
2016	56,668
2017	59,014
2018	61,457
Thereafter	1,182,019

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

12. Accumulated Surplus

	2013	2012 (Restated)
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,426,777	\$ 910,014
Utility operating fund - Nominal surplus (deficit)	(74,157)	816,557
Tangible capital assets net of related borrowings (see below)	20,769,269	17,637,893
Reserve funds (Schedule 6)	1,585,405	4,025,293
Accumulated surplus of municipality unconsolidated	23,707,294	23,389,757
Accumulated surpluses of consolidated entities	2,108,088	2,080,883
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 25,815,382</u>	<u>\$ 25,470,640</u>
Tangible capital assets net of related borrowings consists of the following:		
Tangible capital assets	\$ 33,337,796	\$ 26,700,035
Long term debt (Note 11)	(1,585,553)	(1,692,740)
Bank indebtedness (Note 6)	(7,183,343)	(4,221,353)
Short term deposit pledged as collateral (Note 3)	1,516,000	1,516,000
Deferred grants (Note 9)	(4,320,000)	(2,738,770)
Accounts receivable for tangible capital assets	112,022	-
Accounts payable for tangible capital assets	(1,107,653)	(1,925,279)
	<u>\$ 20,769,269</u>	<u>\$ 17,637,893</u>

13. Prior Period Adjustment

During the 2012 fiscal year, the Town recorded \$450,202 insurance proceeds for a recycling building as *Other revenue - Gain on sale of tangible capital assets*. It also incurred costs of \$454,422 to construct a replacement building that it recorded as *Tangible capital assets - General assets under construction*. However, in the 2013 fiscal year, the Town credited the Rural Municipality of Swan River, being one-half joint owner of both buildings, with one-half of the insurance proceeds \$225,101 against its share of the costs to construct the replacement building. Therefore, the Town has recorded a prior period adjustment to the 2012 comparative figures as follows:

	Amount Previously Reported	Amount of Adjustment	Amount as Restated
Tangible capital assets	\$ 28,340,258	\$ (225,101)	\$ 28,115,157
Accumulated surplus	25,695,741	(225,101)	25,470,640
Other revenue	578,706	(225,101)	353,605

14. Comparative Figures

Comparative figures for *Personnel services, Contract services and Maintenance materials and supplies* have been restated to reflect the reclassification of equipment cost allocations.

15. Condensed Supplementary Financial Information for Consolidated Entities

	Unadjusted	Adjustments	Total 2013	Total 2012
<u>Controlled Organizations</u>				
Financial assets	\$ 542,862	\$ (210,819)	\$ 332,043	\$ 380,158
Liabilities	135,455	(190,819)	(55,364)	(56,025)
Net financial assets	407,407	(20,000)	387,407	436,183
Non-financial assets	491,013	-	491,013	403,602
Accumulated surplus	<u>\$ 898,420</u>	<u>\$ (20,000)</u>	<u>\$ 878,420</u>	<u>\$ 839,785</u>
Revenue	\$ 820,075	\$ (512,219)	\$ 307,856	\$ 481,404
Expenses	761,440	(492,219)	269,221	359,544
Annual surplus	<u>\$ 58,635</u>	<u>\$ (20,000)</u>	<u>\$ 38,635</u>	<u>\$ 121,860</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

15. Condensed Supplementary Financial Information for Consolidated Entities (continued)

Government Partnerships

Financial assets	\$ 337,551	\$ (2,237)	\$ 335,314	\$ 250,394
Liabilities	400,033	(364,374)	35,659	23,647
Net financial assets	(62,482)	362,137	299,655	226,747
Non-financial assets	930,013	-	930,013	1,014,351
Accumulated surplus	\$ 867,531	\$ 362,137	\$ 1,229,668	\$ 1,241,098
Revenue	\$ 364,545	\$ (122,799)	\$ 241,746	\$ 235,241
Expenses	363,927	(110,751)	253,176	257,820
Annual surplus	\$ 618	\$ (12,048)	\$ (11,430)	\$ (22,579)

16. Contingent Liability

The Town has been subjected with legal action arising from a dispute over a past contract. The likelihood of loss is not yet able to be determined.

17. Commitment

Swan Valley Employment and Training Project

The Town has entered into an agreement with The Government of Manitoba - *Competitiveness, Training and Trade* - dated June 28, 2013 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 receipts of financial contributions from the Province and the disbursements for Eligible Costs are presented in Schedule 7 - *Schedule of Trust Funds*.

18. Significant Events

Richardson Recreation and Wellness Centre

The Town has constructed the Richardson Recreation and Wellness Centre that opened in May 2014. Construction costs incurred to December 31, 2013 totaling \$12,190,950 have been included in *Assets under Construction* on Schedule 1 - *Consolidated Schedule of Tangible Capital Assets*.

The Town has received approval for grants toward the construction from the Canada-Manitoba Building Canada Fund for \$4,500,000, subject to the Town contributing \$2,000,000, and the Canada-Manitoba Municipal Rural Infrastructure Fund for \$800,000, subject to the Town contributing \$400,000. The grants advanced to December 31, 2013 total \$4,320,000 and have been reported as deferred revenue until commencement of operations in 2014. The Town is also pursuing \$4,600,000 from a community fundraising campaign.

On September 16, 2011, Town Council passed By-Law 6/2011 to provide for the expenditure up to \$11,800,000 and borrowing of \$2,400,000 for construction of Phase One, being an indoor aquatic centre. The By-Law also provides for temporary advances from time to time to meet expenditures for the construction pending the issue of the borrowing. The advances to December 31, 2013 from a line of credit with Swan Valley Credit Union Limited total \$5,667,368 and have been reported as bank indebtedness on the Statement of Financial Position.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2013

18. Significant Events *(continued)*

New Municipal Office Building

The Town has constructed a new municipal office building that opened in February 2014. Town Council passed By-Law 5/2010, amended by By-Law 15/2012 dated November 6, 2012, to authorize the construction and borrowing of \$1,516,000 with the remainder of the cost to be funded from the Office Building Reserve Fund. Construction costs incurred to December 31, 2013 total \$2,476,185 and are included in *Assets under Construction* on Schedule 1 - *Consolidated Schedule of Tangible Capital Assets*.

The borrowing of \$1,465,825 through a fixed rate term loan from RBC Life Insurance Company has been reported as long term debt on the Statement of Financial Position. Funds advanced during construction from a line of credit through Royal Bank of Canada totaling \$1,515,975 have been reported as bank indebtedness on the Statement of Financial Position. The Town has pledged a GIC from Royal Bank of Canada for \$1,516,000 as collateral for the line of credit, which has been reported under cash and temporary investments on the Statement of Financial Position.

19. 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 \$122,932 (2012 - \$97,072) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2012 indicated the plan was 94% funded on a going concern basis and had an unfunded solvency liability of \$220.5 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, 2012.

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.

20. 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.

21. 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, 2013

22. 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, 2012:

- a) Compensation paid to members of council amounted to \$83,628 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:	Compensation	Expenses	Total
Mayor - Glen McKenzie	\$ 15,164	\$ 2,240	\$ 17,404
Councillor - Don Bobick	11,110	1,356	12,466
Councillor - Jason Delaurier	11,590	1,294	12,884
Councillor - Phyllis Friesen	10,952	1,588	12,540
Councillor - Lance Jacobson	11,344	1,499	12,843
Councillor - Jason Sakal	11,280	1,729	13,009
Councillor - Duane Whyte	12,188	2,324	14,512
	<u>\$ 83,628</u>	<u>\$ 12,030</u>	<u>\$ 95,658</u>

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

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.

	Water Services	Sewer Services
Unamortized balance, beginning	\$ 2,452,742	\$ 968,899
<u>Additions during the year</u>		
Ross Street lift station	-	191,000
Main Street debenture	32,094	32,094
	<u>32,094</u>	<u>223,094</u>
Amortization during the year	(98,787)	(26,008)
Unamortized balance, ending	<u>\$ 2,386,049</u>	<u>\$ 1,165,985</u>

TOWN OF SWAN RIVER

SCHEDULE 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2013

	General Tangible Capital Assets					Infrastructure Tangible Capital Assets			Totals		
	Land and Land Improvements	Buildings and Leasehold Improvements	Equipment and Furniture	Hardware and Software	Computer	Assets under Construction	Roads, Streets and Bridges	Water and Sewer	Assets under Construction	2013	2012 (Restated)
Opening balance, as previously reported	\$ 2,756,853	\$ 3,671,081	\$ 4,228,886	\$ 139,927	\$ 9,488,058	\$ 8,275,708	\$ 18,822,877	\$ 154,610	\$ 47,538,000	\$ 47,538,000	\$ 39,090,911
Prior period adjustment (Note 13)	-	-	-	-	(225,101)	-	-	-	(225,101)	(225,101)	-
Opening balance, as restated	2,756,853	3,671,081	4,228,886	139,927	9,262,957	8,275,708	18,822,877	154,610	47,312,899	47,312,899	39,090,911
Additions during the year	93,511	433,326	351,156	10,422	6,047,879	85,059	148,290	1,019,140	8,188,783	8,188,783	8,641,750
Disposals and write downs	(101,941)	-	(157,186)	(1,694)	(461,056)	(13,000)	-	-	(734,877)	(734,877)	(419,762)
Closing balance	2,748,423	4,104,407	4,422,856	148,655	14,849,780	8,347,767	18,971,167	1,173,750	54,766,805	54,766,805	47,312,899
Accumulated Amortization											
Opening balance	607,856	1,877,591	2,304,188	124,926	-	5,999,385	8,283,796	-	19,197,742	19,197,742	18,359,588
Amortization	74,387	131,490	245,799	6,724	-	219,981	367,832	-	1,046,213	1,046,213	1,047,086
Disposals and write downs	(101,941)	-	(116,617)	(1,694)	-	(13,000)	-	-	(233,252)	(233,252)	(208,932)
Closing balance	580,302	2,009,081	2,433,370	129,956	-	6,206,366	8,651,628	-	20,010,703	20,010,703	19,197,742
Net Book Value of Tangible Capital Assets	\$ 2,168,121	\$ 2,095,326	\$ 1,989,486	\$ 18,699	\$ 14,849,780	\$ 2,141,401	\$ 10,319,539	\$ 1,173,750	\$ 34,756,102	\$ 34,756,102	\$ 28,115,157

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2013

SCHEDULE 2

	2013 Actual	2012 Actual (Restated)
Property taxes		
Municipal taxes levied (<i>Schedule 12</i>)	\$ 3,552,289	\$ 3,237,110
Taxes added	57,688	54,619
Excess of school tax levy over requirement	236	233
	<u>3,610,213</u>	<u>3,291,962</u>
Grants in lieu of taxation		
Federal government enterprises	15,355	13,880
Provincial government	42,282	31,619
Provincial government enterprises	101,054	91,342
	<u>158,691</u>	<u>136,841</u>
User fees		
Sales of service	507,258	607,972
Sales of goods	40,831	47,273
Rentals	27,108	23,568
Trailer park	10,313	10,692
Development charges	1,319	929
Facility use fees	152,571	158,195
Concessions	6,509	4,290
	<u>745,909</u>	<u>852,919</u>
Permits, licences and fines		
Permits	10,039	12,008
Licences	13,234	11,167
Fines	13,416	11,460
Fees	5,207	4,932
	<u>41,896</u>	<u>39,567</u>
Investment income		
Cash and temporary investments	70,623	54,600
Other revenue		
Gain on sale of tangible capital assets	20,453	138,251
Gain (loss) on sale of real estate held for sale	(40,903)	66,964
Contributed assets	28,711	9,548
Donations and contributions	14,926	25,200
Administration fees	877	366
Penalties and interest	83,615	92,764
Supplier rebates	41,075	20,512
	<u>148,754</u>	<u>353,605</u>
Water and sewer (<i>Schedule 9</i>)	<u>948,283</u>	<u>944,938</u>
Grants - Province of Manitoba		
General assistance payment	619,778	621,665
General support grant	24,330	21,448
VLT revenues	61,589	63,096
Conditional grants	138,940	309,375
	<u>844,637</u>	<u>1,015,584</u>
Grants - other		
Federal government - gas tax funding	210,621	210,620
Federal government - other	143,307	140,185
Other local governments	234,153	208,142
	<u>588,081</u>	<u>558,947</u>
Total revenue	<u>\$ 7,157,087</u>	<u>\$ 7,248,963</u>

TOWN OF SWAN RIVER
 CONSOLIDATED SCHEDULE OF EXPENSES
 For the Year Ended December 31, 2013

SCHEDULE 3

	2013 Actual	2012 Actual
General government services		
Legislative	\$ 83,979	\$ 89,414
General administrative	628,279	499,551
Other	74,565	98,676
	<u>786,823</u>	<u>687,641</u>
Protective services		
Police	1,031,082	1,008,321
Fire	224,473	217,413
Emergency measures	8,072	126,941
Flood control	21,339	233
Building, electrical and plumbing inspections	21,313	15,347
Bylaw enforcement	15,919	14,604
Animal and pest control	23,803	21,409
Safety officer	67,582	69,346
	<u>1,413,583</u>	<u>1,473,614</u>
Transportation services		
Road transport		
Administration and engineering	98,593	108,869
Road and street maintenance	366,357	376,816
Sidewalk and boulevard maintenance	66,080	53,954
Ditches and road drainage maintenance	13,021	10,188
Storm sewer maintenance	69,312	78,101
Street cleaning	27,084	31,134
Snow and ice removal	162,722	176,950
Street lighting	72,532	69,404
Traffic services	26,486	28,790
Unallocated workshop and yard	156,929	172,884
Unallocated equipment and operators	62,855	42,346
Other	79	128
Air transport	137,465	146,053
Public transit	52,557	53,303
	<u>1,312,072</u>	<u>1,348,920</u>
Environmental health services		
Garbage collection	218,792	226,259
Nuisance grounds	309,273	281,007
Recycling	114,736	106,235
Other	486	300
	<u>643,287</u>	<u>613,801</u>
Public health and welfare services		
Cemeteries	80,188	71,463
Physician retention and recruitment	44,003	37,125
Social welfare and assistance	43,755	43,755
Other	1,000	1,000
	<u>168,946</u>	<u>153,343</u>
Regional planning and development services		
Planning and zoning	8,142	5,318
Beautification and land rehabilitation	6,718	6,597
Urban area weed control	19,392	22,143
Christmas lights, decorations, flags	10,662	14,636
	<u>44,914</u>	<u>48,694</u>
Subtotals forward	<u>\$ 4,369,625</u>	<u>\$ 4,326,013</u>

TOWN OF SWAN RIVER
 CONSOLIDATED SCHEDULE OF EXPENSES
 For the Year Ended December 31, 2013

SCHEDULE 3

Subtotals forward	<u>\$ 4,369,625</u>	<u>\$ 4,326,013</u>
Resource conservation and industrial development services		
Veterinary services	5,423	5,423
Water resources and conservation	16,952	16,952
Regional development	67,547	68,654
Industrial development	2,708	3,306
Incentive program for construction development	54,348	52,858
Trailer court	9,789	11,054
Tourism	12,162	17,066
Public receptions	3,695	6,562
	<u>172,624</u>	<u>181,875</u>
Recreation and cultural services		
Recreation commission and administration	45,513	79,386
Community centers and halls	95,345	95,920
Swimming pools and beaches	243,095	84,731
Skating and curling rinks and arenas	454,815	392,241
Parks and playgrounds	148,049	183,532
Other recreational facilities	42,042	39,639
Museums	4,000	5,004
Libraries	164,722	163,241
	<u>1,197,581</u>	<u>1,043,694</u>
Water and sewer services (Schedule 9)	<u>1,072,515</u>	<u>971,603</u>
Total expenses	<u><u>\$ 6,812,345</u></u>	<u><u>\$ 6,523,185</u></u>

TOWN OF SWAN RIVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2013

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)
REVENUE										
Property taxes	\$ 3,610,213	\$ 3,153,601	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	158,691	136,841	-	-	-	-	-	-	-	-
User fees	32,930	31,145	88,078	75,772	109,246	110,364	250,899	349,441	39,718	57,215
Permits, licences and fines	17,077	15,177	24,819	24,390	-	-	-	-	-	-
Investment income	36,885	19,959	1,345	1,058	14,505	15,379	11	-	1,256	882
Other revenue	110,413	127,144	29,011	1	7,321	16,629	20,153	137,811	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	705,697	706,209	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	-	103,542	60,323	22,465	-	-	-	-
Grants - other	-	-	136,148	136,147	226,654	228,309	-	-	33,655	32,873
Total revenue	4,671,906	4,190,076	279,401	340,910	418,049	393,146	271,063	487,252	74,629	90,970
EXPENSES										
Personnel services	392,342	406,523	237,100	245,919	525,096	498,644	170,606	169,418	55,117	45,502
Contract services	138,871	144,939	1,011,729	1,093,893	72,338	73,473	339,428	331,617	57,196	50,618
Utilities	27,491	18,659	39,279	38,561	101,807	95,425	7,769	3,013	799	727
Maintenance materials and supplies	71,249	69,383	68,773	34,057	145,500	184,188	110,682	104,450	17,334	16,473
Grants and contributions	2,050	6,216	2,689	2,689	18,195	20,704	-	-	34,009	35,694
Amortization	5,080	6,401	52,692	58,478	415,976	431,176	11,611	2,905	4,491	4,329
Interest on long term debt	105,686	-	-	-	-	-	-	-	-	-
Bad debts	15,270	7,624	-	-	-	-	-	-	-	-
Other	28,784	27,896	1,321	17	33,160	45,310	3,191	2,398	-	-
Total expenses	786,823	687,641	1,413,583	1,473,614	1,312,072	1,348,920	643,287	613,801	168,946	153,343
Annual surplus (deficit)	\$ 3,885,083	\$ 3,502,435	\$ (1,134,182)	\$ (1,132,704)	\$ (894,023)	\$ (955,774)	\$ (372,224)	\$ (126,549)	\$ (94,317)	\$ (62,373)

* 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, 2013

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total
	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012 (Restated)	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,361	\$ 3,610,213
Grants in lieu of taxation	-	-	-	-	-	-	-	-	158,691
User fees	1,319	929	11,303	11,792	212,416	216,261	-	-	745,909
Permits, licences and fines	-	-	-	-	-	-	-	-	41,896
Investment income	10	16	1,497	2,067	11,831	11,526	3,283	3,713	70,623
Other revenue	691	-	(44,327)	48,630	25,492	23,390	-	-	148,754
Water and sewer	-	-	-	-	-	-	948,283	944,938	948,283
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	705,697
Prov of MB - Conditional Grants	-	-	-	-	78,617	183,368	-	-	138,940
Grants - other	858	858	23,911	21,016	166,855	139,744	-	-	588,081
Total revenue	2,878	1,803	(7,616)	83,505	495,211	574,289	951,566	1,087,012	7,157,087
EXPENSES									
Personnel services	17,280	18,984	24,502	24,800	527,948	465,871	346,776	331,789	2,296,767
Contract services	2,338	3,062	12,045	7,393	132,265	84,835	33,016	30,620	1,799,226
Utilities	76	-	7,592	9,152	132,648	117,873	50,715	45,886	368,176
Maintenance materials and supplies	16,325	21,028	6,515	8,532	103,635	89,094	267,001	189,088	807,014
Grants and contributions	5,812	2,437	120,159	129,365	82,059	94,683	-	-	264,973
Amortization	3,083	3,083	1,811	1,754	183,636	180,851	367,831	358,108	1,046,211
Interest on long term debt	-	-	-	-	-	-	7,176	16,112	112,862
Bad debts	-	-	-	-	29,477	824	-	-	44,747
Other	-	100	-	879	5,913	9,663	-	-	72,369
Total expenses	44,914	48,694	172,624	181,875	1,197,581	1,043,694	1,072,515	971,603	6,812,345
Annual surplus (deficit)	\$ (42,036)	\$ (46,891)	\$ (180,240)	\$ (98,370)	\$ (702,370)	\$ (469,405)	\$ (120,949)	\$ 115,409	\$ 344,742
									\$ 725,778

SCHEDULE 5

**TOWN OF SWAN RIVER
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2013**

	Core Government		Controlled Entities		Government Partnerships		Total	
	2013	2012 (Restated)	2013	2012 (Restated)	2013	2012	2013	2012 (Restated)
REVENUE								
Property taxes	\$ 3,610,213	\$ 3,291,962	\$ -	\$ -	\$ -	\$ -	\$ 3,610,213	\$ 3,291,962
Grants in lieu of taxation	158,691	136,841	-	-	-	-	158,691	136,841
User fees	502,917	608,826	202,240	204,998	40,752	39,095	745,909	852,919
Permits, licences and fines	41,896	39,567	-	-	-	-	41,896	39,567
Investment income	66,807	50,512	2,248	2,797	1,568	1,291	70,623	54,600
Other revenue	167,303	280,770	(32,512)	62,352	13,963	10,483	148,754	353,605
Water and sewer	948,283	944,938	-	-	-	-	948,283	944,938
Prov of MB - Unconditional Grants	705,697	706,209	-	-	-	-	705,697	706,209
Prov of MB - Conditional Grants	60,058	127,073	21,293	121,918	57,589	60,384	138,940	309,375
Grants - other	345,621	345,620	114,587	89,339	127,873	123,988	588,081	558,947
Total revenue	6,607,486	6,532,318	307,856	481,404	241,745	235,241	7,157,087	7,248,963
EXPENSES								
Personnel services	1,771,181	1,772,924	387,124	296,065	138,462	138,461	2,296,767	2,207,450
Contract services	1,619,097	1,691,961	107,355	56,853	72,774	71,636	1,799,226	1,820,450
Utilities	239,280	215,008	118,943	105,374	9,953	8,914	368,176	329,296
Maintenance materials and supplies	696,602	627,788	70,004	48,897	40,408	39,608	807,014	716,293
Grants and contributions	848,050	571,966	(485,119)	(186,789)	(97,958)	(93,389)	264,973	291,788
Amortization	926,008	928,908	33,520	30,781	86,683	87,396	1,046,211	1,047,085
Interest on long term debt	112,862	16,112	-	-	-	-	112,862	16,112
Bad debts	15,270	7,624	29,477	824	-	-	44,747	8,448
Other	61,599	73,530	7,917	7,539	2,853	5,194	72,369	86,263
Total expenses	6,289,949	5,905,821	269,221	359,544	253,175	257,820	6,812,345	6,523,185
Annual surplus (deficit)	\$ 317,537	\$ 626,497	\$ 38,635	\$ 121,860	\$ (11,430)	\$ (22,579)	\$ 344,742	\$ 725,778

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2013

	2013						
	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	Office Building BL 18/1997	Recreation Facilities BL 04/2000
REVENUE							
Investment income	\$ 2,179	\$ 4,251	\$ 1,867	\$ 1,310	\$ 28	\$ 12,232	\$ 11,705
TRANSFERS							
Transfers from general operating fund	-	140,000	5,000	20,000	-	60,000	104,000
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to general operating fund	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(142,814)	-	-	-	(1,243,075)	(1,206,000)
CHANGE IN RESERVE FUND BALANCES	2,179	1,437	6,867	21,310	28	(1,170,843)	(1,090,295)
FUND SURPLUS, BEGINNING OF YEAR	197,071	302,797	165,482	105,077	2,560	1,171,274	1,090,941
FUND SURPLUS, END OF YEAR	\$ 199,250	\$ 304,234	\$ 172,349	\$ 126,387	\$ 2,588	\$ 431	\$ 646

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2013

	2013					2012
	Federal Gas Tax Funding BL 02/2006	Utility Replacement BL 25/1995	Handi Transit Replacement	Landfill Closure BL 14/2012	Total	Total
REVENUE						
Investment income	\$ 7,339	\$ 3,283	\$ 1,995	\$ 11	\$ 46,200	\$ 46,349
TRANSFERS						
Transfers from operating fund	210,621	-	5,000	6,000	550,621	650,620
Transfers from utility operating fund	-	80,000	-	-	80,000	80,000
Transfers to general operating fund	-	-	-	-	-	-
Transfers to utility operating fund	(64,187)	-	-	-	(64,187)	(64,187)
Acquisition of tangible capital assets	(460,633)	-	-	-	(3,052,522)	(289,317)
CHANGE IN RESERVE FUND BALANCES	(306,860)	83,283	6,995	6,011	(2,439,888)	423,465
FUND SURPLUS, BEGINNING OF YEAR	563,649	243,348	177,094	6,000	4,025,293	3,601,828
FUND SURPLUS, END OF YEAR	\$ 256,789	\$ 326,631	\$ 184,089	\$ 12,011	\$ 1,585,405	\$ 4,025,293

SCHEDULE 7

TOWN OF SWAN RIVER
SCHEDULE OF TRUST FUNDS
For the Year Ended December 31, 2013

	Birchwood Cemetery Perpetual Care	Swan Valley Community Round Table	Swan Valley Recreation & Wellness Centre Inc.	Swan Valley Cheer Board	Swan Valley Employment & Training Project	Swan River Skateboard Union	Community Foundation of Swan Valley	Total
	2013	2013	2013	2013	2013	2013	2012	2012
ASSETS								
Due from municipality	\$ 148,094	\$ 1,520	\$ 300	\$ 1,260	\$ 2,767	\$ -	\$ -	\$ 153,941
	\$ -	\$ -	\$ -	\$ -	\$ 4,380	\$ 2,420	\$ -	\$ 6,800
Fund balance	148,094	1,520	300	1,260	(1,613)	(2,420)	-	147,141
	\$ 148,094	\$ 1,520	\$ 300	\$ 1,260	\$ 2,767	\$ -	\$ -	\$ 153,941
LIABILITIES AND FUND BALANCES								
Due to municipality	\$ 50	\$ -	\$ 1,200	\$ 3,000	\$ 273,404	\$ 2,000	\$ 4,000	\$ 283,654
Fund balance	9,175	-	-	-	-	-	-	9,175
	1,598	17	-	-	-	-	-	1,615
	10,823	17	1,200	3,000	273,404	2,000	4,000	294,444
REVENUES								
Contributions and donations	\$ 7,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,074
Cemetery plot sales	-	-	900	4,323	275,017	1,881	4,000	286,121
Investment income	7,074	-	900	4,323	275,017	1,881	4,000	293,195
EXPENDITURES								
Cemetery maintenance	3,749	17	300	(1,323)	(1,613)	119	-	59,697
Distribution to beneficiaries	-	-	-	2,583	-	(2,539)	-	86,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES								
FUND BALANCE, BEGINNING OF YEAR								
	\$ 148,094	\$ 1,520	\$ 300	\$ 1,260	\$ (1,613)	\$ (2,420)	\$ -	\$ 147,141
FUND BALANCE, END OF YEAR								
	\$ 148,094	\$ 1,520	\$ 300	\$ 1,260	\$ (1,613)	\$ (2,420)	\$ -	\$ 147,141

TOWN OF SWAN RIVER
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 As at December 31, 2013

SCHEDULE 8

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 203,989	\$ 192,602
Due from General Operating Fund	-	556,571
	<u>\$ 203,989</u>	<u>\$ 749,173</u>
LIABILITIES		
Accounts payable	\$ 71,611	\$ -
Deferred revenue	181,728	180,539
Long-term debt (Note 11)	119,728	176,740
Due to General Operating Fund	241,129	-
	<u>614,196</u>	<u>357,279</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (410,207)</u>	<u>\$ 391,894</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (<i>Schedule 1</i>)	\$ 11,493,288	\$ 10,693,690
Inventories (Note 5)	216,322	247,923
	<u>11,709,610</u>	<u>10,941,613</u>
FUND SURPLUS	<u>\$ 11,299,403</u>	<u>\$ 11,333,507</u>

TOWN OF SWAN RIVER
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2013

SCHEDULE 9

	2013 Budget	2013 Actual	2012 Actual
REVENUE			
Water			
Water fees	\$ 505,000	\$ 486,067	\$ 499,398
Sewer			
Sewer fees	252,000	241,966	248,542
Lagoon tipping fees	5,000	9,253	7,945
	<u>257,000</u>	<u>251,219</u>	<u>256,487</u>
Property taxes	<u>-</u>	<u>-</u>	<u>138,361</u>
Other			
Hydrant rentals	12,800	12,800	12,800
Connection charges	56,285	124,324	76,755
Installation service	1,700	1,500	2,030
Penalties	1,500	2,106	2,172
Contributed tangible capital assets	-	-	24,477
Investment income	-	6,572	6,689
Administration fees	63,000	62,680	62,010
Other income	3,900	1,015	2,120
	<u>139,185</u>	<u>210,997</u>	<u>189,053</u>
Total revenue	<u>901,185</u>	<u>948,283</u>	<u>1,083,299</u>

TOWN OF SWAN RIVER
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2013

SCHEDULE 9

	2013 Budget	2013 Actual	2012 Actual
EXPENSES			
General			
Administration	87,290	85,603	84,560
Training costs	6,100	5,325	4,454
Billing and collection	9,500	9,817	7,689
	<u>102,890</u>	<u>100,745</u>	<u>96,703</u>
Water General			
Purification and treatment	171,000	111,652	109,966
Transmission and distribution	62,520	67,618	103,897
Service of supply	12,575	10,452	15,106
Connection costs	107,000	165,973	95,093
Other	68,500	62,894	24,176
	<u>421,595</u>	<u>418,589</u>	<u>348,238</u>
Water Amortization and Interest			
Amortization	204,000	211,607	204,102
Interest on long term debt	7,176	7,176	16,111
	<u>211,176</u>	<u>218,783</u>	<u>220,213</u>
Sewer General			
Collection system costs	26,000	47,021	71,627
Treatment and disposal costs	19,700	17,362	17,057
Lift station costs	72,100	70,304	63,759
Other	43,000	43,487	-
	<u>160,800</u>	<u>178,174</u>	<u>152,443</u>
Sewer Amortization	<u>154,000</u>	<u>156,224</u>	<u>154,006</u>
Total expenses	<u>1,050,461</u>	<u>1,072,515</u>	<u>971,603</u>
NET OPERATING SURPLUS (DEFICIT)	(149,276)	(124,232)	111,696
TRANSFERS			
Transfers from reserve funds	64,187	255,187	219,187
Transfers to General Operating Fund	-	(85,059)	-
Transfers to reserve funds	(80,000)	(80,000)	(80,000)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (165,089)</u>	<u>(34,104)</u>	250,883
FUND SURPLUS, BEGINNING OF YEAR		<u>11,333,507</u>	<u>11,082,624</u>
FUND SURPLUS, END OF YEAR		<u>\$ 11,299,403</u>	<u>\$ 11,333,507</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2013

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,582,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,582,611
Grants in lieu of taxation	158,603	-	-	-	-	-	-	158,603
User fees	414,899	-	-	-	-	-	248,319	663,218
Permits, licences and fines	33,532	-	-	-	-	-	-	33,532
Investment income	1,000	-	-	-	-	-	1,566	2,566
Other revenue	240,500	-	-	-	-	-	20,901	261,401
Water and sewer	-	901,185	-	-	-	-	-	901,185
Grants - Province of Manitoba	730,209	-	-	-	-	-	78,650	808,859
Grants - other	345,621	-	-	-	-	-	200,273	545,894
Transfers from reserves	25,000	64,187	-	-	(89,187)	-	-	-
Total revenue	5,531,975	965,372	-	-	(89,187)	-	549,709	6,957,869
EXPENSES								
General government services	641,848	-	6,500	73,223	32,339	25,000	-	778,910
Protective services	1,332,090	-	58,500	-	-	-	1,161	1,391,751
Transportation services	757,257	-	349,500	-	-	-	153,907	1,260,664
Environmental health services	631,162	-	3,000	-	-	-	-	634,162
Public health and welfare services	173,043	-	4,500	-	-	-	34,495	212,038
Regional planning and development	39,800	-	3,000	-	-	-	2,870	45,670
Resource conservation and industrial development services	136,925	-	1,500	-	-	-	25,191	163,616
Recreation and cultural services	749,392	-	144,500	-	-	-	872,841	1,766,733
Water and sewer services	-	685,285	358,000	7,176	-	-	-	1,050,461
Fiscal services:								
Transfer to capital	369,100	135,900	(505,000)	-	-	-	-	-
Debt charges	123,398	64,187	-	(187,585)	-	-	-	-
Tax discount and short term interest	27,000	-	-	-	(27,000)	-	-	-
Transfers to reserves	545,621	80,000	-	-	(625,621)	-	-	-
Allowance for tax assets	5,339	-	-	-	(5,339)	-	-	-
Total expenses	5,531,975	965,372	424,000	(107,186)	(625,621)	25,000	1,090,465	7,304,005
Annual surplus (deficit)	\$ -	\$ -	\$ (424,000)	\$ 107,186	\$ 536,434	\$ (25,000)	\$ (540,756)	\$ (346,136)

TOWN OF SWAN RIVER
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2013

SCHEDULE 11

	2013	2012 (Restated)
Balance, beginning of year	\$ 614,171	\$ 668,209
Add:		
Tax levy (<i>Schedule 12</i>)	6,264,017	5,913,098
Taxes added	57,688	54,619
Penalties or interest	83,615	92,081
Other accounts added	23,024	383
Taxes overpaid	11,787	14,715
Tax sale costs	11,354	4,448
	<u>6,451,485</u>	<u>6,079,344</u>
Deduct:		
Cash collections - current	5,169,128	4,869,777
Cash collections - arrears	517,287	508,282
Cancellations and writeoffs	24,137	9,747
Tax discounts	28,785	27,895
Manitoba Education Property Tax Credit - cash advance	716,995	708,410
Manitoba Education Property Tax Credit - additional	7,919	5,568
Transfers re tax sale	-	3,673
Other adjustments	31	30
	<u>6,464,282</u>	<u>6,133,382</u>
Balance, end of year	\$ 601,374	\$ 614,171

TOWN OF SWAN RIVER
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2013

SCHEDULE 12

	2013			2012
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Mill Rate (At Large)	\$ 127,825,760	0.930	\$ 118,878	\$ 135,690
Mill Rate (L.I.D.)	-	0.000	-	-
Frontage			-	5,194
			<u>118,878</u>	<u>140,884</u>
Intergovernmental Affairs	127,825,760	0.440	<u>56,243</u>	<u>57,086</u>
Reserves:				
Machinery replacement (01/1997)	127,825,760	1.050	134,217	134,468
Employee benefits (09/1993)	127,825,760	0.040	5,113	5,074
Fire truck replacement (05/1997)	127,825,760	0.150	19,174	20,297
Office building (18/1997)	127,825,760	0.450	57,522	58,354
Recreation facilities (04/2000)	127,825,760	0.780	99,704	100,217
			<u>315,730</u>	<u>318,410</u>
General Municipal	127,825,760	19.740	<u>2,523,281</u>	<u>2,185,747</u>
Special levies:				
Police, fire and street services	161,052,690	2.850	<u>459,000</u>	<u>454,959</u>
Business tax (rate%)	4,947,300	1.60%	<u>79,157</u>	<u>80,024</u>
Total municipal taxes (Schedule 2)			<u>3,552,289</u>	<u>3,237,110</u>
Education support levy	39,373,580	11.830	465,789	448,144
Special levy:				
Swan Valley School Division	120,232,300	18.680	<u>2,245,939</u>	<u>2,227,844</u>
Total education taxes			<u>2,711,728</u>	<u>2,675,988</u>
Total tax levy (Schedule 11)			<u>\$ 6,264,017</u>	<u>\$ 5,913,098</u>

TOWN OF SWAN RIVER
 ANALYSIS OF SCHOOL ACCOUNTS
 For the Year Ended December 31, 2013

SCHEDULE 13

	2013			2012
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 498,591	\$ 498,591	\$ -
Special levies				
Swan Valley School Division	-	2,357,863	2,357,863	-
Total	\$ -	\$ 2,856,454	\$ 2,856,454	\$ -

TOWN OF SWAN RIVER

SCHEDULE 14

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2013

	2013 Actual	2012 Actual
General government services		
Legislative	\$ 83,979	\$ 89,414
General administrative	628,279	499,551
Other	74,565	98,676
	<u>786,823</u>	<u>687,641</u>
Protective services		
Police	1,031,082	1,008,321
Fire	224,473	217,413
Emergency measures	7,057	125,822
Flood control	21,339	233
Building, electrical and plumbing inspections	21,313	15,347
Bylaw enforcement	15,919	14,604
Animal and pest control	23,803	21,409
Safety officer	67,582	69,346
	<u>1,412,568</u>	<u>1,472,495</u>
Transportation services		
Road transport		
Administration and engineering	98,593	108,869
Road and street maintenance	366,357	377,087
Sidewalk and boulevard maintenance	66,080	53,954
Ditches and road drainage maintenance	13,021	10,188
Storm sewer maintenance	69,312	78,101
Street cleaning	27,084	31,134
Snow and ice removal	162,722	176,950
Street lighting	72,532	69,404
Traffic services	26,486	28,790
Unallocated workshop and yard	156,929	172,884
Unallocated equipment and operators	62,855	42,346
Other	79	128
Air transport	27,472	31,454
Public transit	20,000	20,000
	<u>1,169,522</u>	<u>1,201,289</u>
Environmental health services		
Garbage collection	218,792	226,259
Nuisance grounds	309,273	281,007
Recycling	114,736	106,235
Other	486	300
	<u>643,287</u>	<u>613,801</u>
Public health and welfare services		
Cemeteries	80,188	71,463
Physician retention and recruitment	53,288	52,784
Social welfare and assistance	43,755	43,755
Other	1,000	1,000
	<u>178,231</u>	<u>169,002</u>
Regional planning and development services		
Planning and zoning	5,955	2,580
Beautification and land rehabilitation	6,718	6,597
Urban area weed control	19,392	22,143
Christmas lights, decorations, flags	10,662	14,636
	<u>42,727</u>	<u>45,956</u>
Subtotals forward	<u>\$ 4,233,158</u>	<u>\$ 4,190,184</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2013

Subtotals forward	\$ 4,233,158	\$ 4,190,184
Resource conservation and industrial development services		
Veterinary services	5,423	5,423
Water resources and conservation	16,952	16,952
Regional development	51,067	55,154
Incentive program for construction development	54,348	52,858
Trailer court	9,789	11,054
Tourism	12,162	17,066
Public receptions	3,695	6,562
	<u>153,436</u>	<u>165,069</u>
Recreation and cultural services		
Recreation commission and administration	231,052	188,268
Community centers and halls	151,503	23,206
Swimming pools and beaches	118,723	3,066
Skating and curling rinks and arenas	91,471	91,059
Parks and playgrounds	148,049	183,532
Other recreational facilities	30,000	31,966
Museums	4,000	5,004
Libraries	61,042	58,135
	<u>835,840</u>	<u>584,236</u>
Total expenses	5,222,434	4,939,489
Transfers to		
Utility fund	-	138,361
Reserves	545,621	645,620
	<u>545,621</u>	<u>645,620</u>
	<u><u>\$ 5,768,055</u></u>	<u><u>\$ 5,723,470</u></u>

TOWN OF SWAN RIVER
 SCHEDULE OF DEBENTURES PENDING

SCHEDULE 16

As at December 31, 2013

Authority	Purpose	Source of Funds	Authorized	Expended
By-Law 06/2011	Construction of an indoor aquatic centre in the new Richardson Recreation and Wellness Centre	Royal Bank of Canada fixed rate term loan over 20 years at 6.5% annual interest rate	\$ 2,400,000	\$ 12,190,950
By-Law 11/2012	Supply and installation of a deck scale including road construction at the Swan River Landfill Site	Royal Bank of Canada fixed rate term loan over 10 years at 6.5% annual interest rate	165,000	182,643
By-Law 12/2012	To upgrade the mechanical piping and pumping and fully replace electrical components plus installation of additional monitoring equipment at the Ross Street Wastewater Pumping Station	Royal Bank of Canada fixed rate term loan over 20 years at 5.5% annual interest rate	900,000	1,038,878
By-Law 13/2012	To upgrade the mechanical piping and pumping and fully replace electrical components plus installation of additional monitoring equipment at the Heyes Street Wastewater Pumping Station	Royal Bank of Canada fixed rate term loan over 20 years at 5.5% annual interest rate	650,000	65,598
			\$ 4,115,000	\$ 13,478,069

TOWN OF SWAN RIVER

SCHEDULE 17

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

For the Year Ended December 31, 2013

	2013		2012 (Restated)
	General	Utility	
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 516,763	\$ (890,713)	\$ 87,345
Add: Adjustments to revenue for reporting under public sector accounting standards			
Eliminate transfers from reserves	(2,861,522)	(255,187)	(3,116,709)
Eliminate transfers between funds	(85,059)	-	(85,059)
Add reserve funds interest	42,917	3,283	46,349
Eliminate proceeds from dispositions of tangible capital assets	(28,453)	-	(28,453)
Add gain on sale of tangible capital assets	20,453	-	20,453
	<u>(2,911,664)</u>	<u>(251,904)</u>	<u>(3,163,568)</u>
Less: Adjustments to expenses for reporting under public sector accounting standards			
Eliminate transfers to reserves	(550,621)	(80,000)	(630,621)
Eliminate transfers between funds	-	(85,059)	(85,059)
Add amortization of tangible capital assets	558,177	367,831	926,008
Eliminate principal portion of debenture debt payments	(50,175)	(57,012)	(107,187)
Add loss on dispositions of tangible capital assets	32,569	-	32,569
Eliminate acquisitions of tangible capital assets	(6,548,931)	(1,167,428)	(7,716,359)
	<u>(6,558,981)</u>	<u>(1,021,668)</u>	<u>(7,580,649)</u>
Less: Adjustments for financing of tangible capital assets			
Add borrowing toward tangible capital assets	2,961,990	-	2,961,990
Add deferred grants for tangible capital assets	1,581,230	-	1,581,230
Add accounts payable (repaid) for tangible capital assets	(817,626)	-	(817,626)
	<u>3,725,594</u>	<u>-</u>	<u>3,725,594</u>
Add: Net surplus of consolidated entities	27,205	-	27,205
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 465,691</u>	<u>\$ (120,949)</u>	<u>\$ 725,778</u>