

TOWN OF SWAN RIVER

**Consolidated Financial Statements
For the Year Ended December 31, 2012**

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 Canadian Institute of Chartered Accountants.

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, 2012 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, 2012, 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
July 16, 2013

Pacak Lowal Hardie & Company

Chartered Accountants

TOWN OF SWAN RIVER

Consolidated Financial Statements

For the Year Ended December 31, 2012

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**TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2012**

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 6,523,153	\$ 4,590,085
Amounts receivable (Note 4)	1,997,739	1,346,851
Real estate properties held for sale	548,815	545,750
Other inventories for sale (Note 5)	13,782	13,557
Swan Valley Credit Union patronage equity shares	1,554	1,457
	<u>\$ 9,085,043</u>	<u>\$ 6,497,700</u>
LIABILITIES		
Bank indebtedness (Note 6)	\$ 4,221,353	\$ 1,182,159
Accounts payable and accrued liabilities (Note 7)	2,967,137	838,344
Pre-retirement bonus entitlement (Note 8)	201,907	187,805
Deferred revenue (Note 9)	3,022,945	277,101
Landfill closure liability (Note 10)	28,961	26,563
Long-term debt (Note 11)	1,692,740	363,177
	<u>12,135,043</u>	<u>2,875,149</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (3,050,000)</u>	<u>\$ 3,622,551</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 28,340,258	\$ 20,731,323
Inventories (Note 5)	360,904	352,158
Prepaid expenses	44,579	38,830
	<u>28,745,741</u>	<u>21,122,311</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 25,695,741</u>	<u>\$ 24,744,862</u>

COMMITMENTS (Note 15)

SIGNIFICANT EVENT (Note 16)

Approved on behalf of Council:


Glen McKenzie - Mayor


Jason Delaurier - 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, 2012

	2012 Budget (Note 19)	2012 Actual	2011 Actual (Restated) (Note 14)
REVENUE			
Property taxes	\$ 3,262,343	\$ 3,291,962	\$ 3,203,582
Grants in lieu of taxation	136,841	136,841	142,030
User fees	676,347	852,919	773,809
Permits, licences and fines	35,737	39,567	39,439
Investment income	1,416	54,600	42,504
Other revenue	565,773	578,706	586,468
Water and sewer	1,353,556	944,938	1,343,510
Grants - Province of Manitoba	788,836	1,015,584	956,850
Grants - other	562,862	558,947	398,457
Total revenue (Schedules 2, 4 and 5)	<u>7,383,711</u>	<u>7,474,064</u>	<u>7,486,649</u>
EXPENSES			
General government services	669,948	687,641	598,007
Protective services	1,393,278	1,473,614	1,157,814
Transportation services	1,314,216	1,348,920	1,341,233
Environmental health services	604,600	613,801	568,453
Public health and welfare services	175,820	153,343	157,140
Regional planning and development services	50,170	48,694	58,758
Resource conservation and industrial development services	172,489	181,875	162,287
Recreation and cultural services	1,127,214	1,043,694	1,026,716
Water and sewer services	960,268	971,603	1,034,161
Total expenses (Schedules 3, 4 and 5)	<u>6,468,003</u>	<u>6,523,185</u>	<u>6,104,569</u>
ANNUAL SURPLUS	<u>\$ 915,708</u>	950,879	1,382,080
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>24,744,862</u>	<u>23,362,782</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 25,695,741</u>	<u>\$ 24,744,862</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, 2012

	2012 Budget (Note 19)	2012 Actual	2011 Actual
ANNUAL SURPLUS	\$ 915,708	\$ 950,879	\$ 1,382,080
Acquisition of tangible capital assets	(6,844,000)	(8,866,851)	(2,195,775)
Amortization of tangible capital assets	908,000	1,047,086	1,027,681
Gain on sale of tangible capital assets	-	(318,458)	(41,344)
Proceeds on sale of tangible capital assets	-	529,288	54,149
Increase in inventories	-	(8,746)	(60,715)
Increase in prepaid expense	-	(5,749)	(234)
	<u>(5,936,000)</u>	<u>(7,623,430)</u>	<u>(1,216,238)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (5,020,292)</u>	<u>(6,672,551)</u>	165,842
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>3,622,551</u>	<u>3,456,709</u>
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR		<u>\$ (3,050,000)</u>	<u>\$ 3,622,551</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, 2012

	<u>2012</u>	<u>2011</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 950,879	\$ 1,382,080
Changes in non-cash items:		
Amounts receivable	(650,888)	43,762
Inventories	(8,971)	(73,452)
Prepaid expenses	(5,749)	(234)
Accounts payable and accrued liabilities	2,128,793	8,776
Deferred revenue	2,745,844	91,560
Pre-retirement bonus entitlement	14,102	7,008
Landfill closure liability	2,398	2,219
Gain on sale of tangible capital assets	(318,458)	(41,344)
Gain on sale of real estate properties	(66,965)	(43,353)
Amortization	1,047,086	1,027,681
Cash provided by operating transactions	<u>5,838,071</u>	<u>2,404,703</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	529,288	54,149
Cash used to acquire tangible capital assets	<u>(8,866,851)</u>	<u>(2,195,775)</u>
Cash applied to capital transactions	<u>(8,337,563)</u>	<u>(2,141,626)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	83,831	57,592
Change in Swan Valley Credit Union Limited patronage shares	(97)	(545)
Acquisition of real estate properties	<u>(19,931)</u>	<u>(383,403)</u>
Cash provided by (applied to) investing transactions	<u>63,803</u>	<u>(326,356)</u>
FINANCING TRANSACTIONS		
Increase in bank indebtedness	3,039,194	1,182,159
Proceeds of long-term debt	1,516,000	289,500
Debt repayment	<u>(186,437)</u>	<u>(182,675)</u>
Cash provided by financing transactions	<u>4,368,757</u>	<u>1,288,984</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	1,933,068	1,225,705
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>4,590,085</u>	<u>3,364,380</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 6,523,153</u></u>	<u><u>\$ 4,590,085</u></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, 2012

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 Canadian Institute of Chartered Accountants 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%, 2011 - 42.0%)
North-West Regional Library (consolidated 54.0%, 2011 - 54.0%)
Swan Valley District Recreation Commission (consolidated 46.0%, 2011 - 46.0%)
Swan Valley Emergency Measures District (consolidated 16.7%, 2011 - 16.7%)
Swan Valley Municipal Airport Commission (consolidated 37.0%, 2011 - 37.0%)
Swan Valley Planning District (consolidated 14.3%, 2011 - 14.3%)
Swan Valley Regional Initiative for a Strong Economy (consolidated 45.0%, 2011 - 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, 2011 - 65.0%)
Swan River Landfill Site (74.0% share with RM, 2011 - 74.0%)
Birchwood Cemetery (75.0% share with RM, 2011 - 75.0%)
Swan River Centennial Arena (70.0% share with RM, 2011 - 70.0%)
Swan River Kinsmen Pool (72.0% share with RM, 2011 - 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, 2012**

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, 2012

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 in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

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.

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 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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2012</u>	<u>2011</u>
Cash	\$ 4,997,974	\$ 4,580,911
Temporary investments	<u>1,525,179</u>	<u>9,174</u>
	<u>\$ 6,523,153</u>	<u>\$ 4,590,085</u>

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

The Town has designated \$4,025,293 (2011 \$3,596,905) 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>2012</u>	<u>2011</u>
Taxes on roll (<i>Schedule 11</i>)	\$ 614,171	\$ 668,209
Government grants	139,759	286,257
Utility customers	192,602	188,974
Organizations and individuals	782,203	77,704
Other governments	272,951	44,234
Trust funds (<i>Schedule 7</i>)	2,539	92,450
Accrued interest	2,381	-
	<u>2,006,606</u>	<u>1,357,828</u>
Less allowances for doubtful amounts	<u>(8,867)</u>	<u>(10,977)</u>
	<u>\$ 1,997,739</u>	<u>\$ 1,346,851</u>

5. Inventories

	<u>2012</u>	<u>2011</u>
Inventories for sale:		
Airport fuel	\$ 13,251	\$ 12,544
Concession supplies	531	1,013
	<u>\$ 13,782</u>	<u>\$ 13,557</u>
Inventories for use:		
<u>General</u>		
Fuel	\$ 4,608	\$ 4,449
Granulars	51,694	36,864
Dust control	21,945	32,469
Sidewalk unistone	15,713	15,713
Culverts	11,272	11,846
Traffic services	6,749	6,755
Janitorial supplies	1,000	449
	<u>112,981</u>	<u>108,545</u>
<u>Utility</u>		
Connections	30,795	24,944
Water treatment chemicals	12,299	10,685
Sewage collection	68,869	59,339
Water meters	47,646	51,511
Transmission and distribution	88,314	97,134
	<u>247,923</u>	<u>243,613</u>
	<u>\$ 360,904</u>	<u>\$ 352,158</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

6. Bank Indebtedness

	<u>2012</u>	<u>2011</u>
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 prime less 0.75% (2.75% at December 31, 2012)	\$ 3,422,844	\$ 1,182,159
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, 2012)	<u>798,509</u>	<u>-</u>
	<u>\$ 4,221,353</u>	<u>\$ 1,182,159</u>

7. Accounts Payable and Accrued Liabilities

	<u>2012</u>	<u>2011</u>
Trade accounts payable	\$ 1,727,659	\$ 267,876
Employee remittances payable	22,463	5,064
Other governments	253,196	197,062
Contractor holdbacks	610,062	-
Accrued vacation liability	164,497	156,529
Accrued salaries and wages payable	16,557	13,063
Other accrued expenses	21,483	20,105
Accrued interest payable	2,789	-
Trust funds (<i>Schedule 7</i>)	<u>148,431</u>	<u>178,645</u>
	<u>\$ 2,967,137</u>	<u>\$ 838,344</u>

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>2012</u>	<u>2011</u>
Opening balance	\$ 187,805	\$ 180,797
Earned during the year	28,689	7,008
Paid out during the year	<u>(14,587)</u>	<u>-</u>
Ending balance	<u>\$ 201,907</u>	<u>\$ 187,805</u>

9. Deferred Revenue

	<u>2012</u>	<u>2011</u>
Prepaid taxes	\$ 13,708	\$ 10,358
Prepaid utility	80,250	76,501
Water meter deposits	100,289	95,069
Unused grants (<i>See following explanation</i>)	2,822,115	82,934
Rental prepayments and deposits	<u>6,583</u>	<u>12,239</u>
	<u>\$ 3,022,945</u>	<u>\$ 277,101</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

9. Deferred Revenue (continued)

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>2012</u>	<u>2011</u>
Government of Canada Federal Police Officers Recruitment Fund	\$ 78,800	\$ 78,800
Province of Manitoba Rural Library Technological Sustainability	4,545	4,134
Richardson Recreation and Wellness Centre (Note 15)		
Canada-Manitoba Building Canada Fund	2,018,770	-
Canada-Manitoba Municipal Rural Infrastructure Fund	720,000	-
	<u>\$ 2,822,115</u>	<u>\$ 82,934</u>

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>2012</u>	<u>2011</u>
Estimated closure costs over the next 74 years	<u>\$ 6,600,000</u>	<u>\$ 6,600,000</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 88,493</u>	<u>\$ 83,484</u>
Expected year capacity will be reached	2086	2086
Capacity (years):		
Used to date	36	35
Remaining	74	75
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>32.73%</u>	<u>31.82%</u>
Liability based on percentage	<u>\$ 28,961</u>	<u>\$ 26,563</u>

11. Long Term Debt

	<u>2012</u>	<u>2011</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	\$ 1,516,000	\$ -
Utility Fund:		
Debenture for water treatment plant and water/sewer system upgrade, demand loan held by Royal Bank of Canada, payable at \$138,982 annually including interest at 5.57%, maturing November 30, 2012	-	131,649
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	176,740	231,528
	<u>\$ 1,692,740</u>	<u>\$ 363,177</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

11. Long Term Debt (continued)

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

2013	\$ 107,187
2014	111,578
2015	114,817
2016	56,668
2017	59,014
Thereafter	1,243,476

12. Accumulated Surplus

	<u>2012</u>	<u>2011</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 910,014	\$ 703,058
Utility operating fund - Nominal surplus	816,557	711,067
Tangible capital assets net of related borrowings (see below)	17,862,994	17,747,307
Reserve funds (Schedule 6)	<u>4,025,293</u>	<u>3,601,828</u>
Accumulated surplus of municipality unconsolidated	23,614,858	22,763,260
Accumulated surpluses of consolidated entities	<u>2,080,883</u>	<u>1,981,602</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 25,695,741</u>	<u>\$ 24,744,862</u>

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

Tangible capital assets	\$ 26,925,136	\$ 19,297,566
Long term debt (Note 11)	(1,692,740)	(363,177)
Bank indebtedness (Note 6)	(4,221,353)	(1,182,159)
Debenture held by General Reserve Fund	-	(4,923)
Short term deposit pledged as collateral (Note 3)	1,516,000	-
Deferred grants (Note 9)	(2,738,770)	-
Accounts payable for tangible capital assets	<u>(1,925,279)</u>	<u>-</u>
	<u>\$ 17,862,994</u>	<u>\$ 17,747,307</u>

13. Condensed Supplementary Financial Information for Consolidated Entities

	<u>Unadjusted</u>	<u>Adjustments</u>	<u>Total 2012</u>	<u>Total 2011</u>
<u>Controlled Organizations</u>				
Financial assets	\$ 626,091	\$ (245,933)	\$ 380,158	\$ 327,826
Liabilities	<u>189,908</u>	<u>(245,933)</u>	<u>(56,025)</u>	<u>(54,562)</u>
Net financial assets	436,183	-	436,183	382,388
Non-financial assets	<u>403,602</u>	<u>-</u>	<u>403,602</u>	<u>335,537</u>
Accumulated surplus	<u>\$ 839,785</u>	<u>\$ -</u>	<u>\$ 839,785</u>	<u>\$ 717,925</u>
Revenue	\$ 675,293	\$ (193,889)	\$ 481,404	\$ 367,047
Expenses	<u>553,433</u>	<u>(193,889)</u>	<u>359,544</u>	<u>355,797</u>
Annual surplus	<u>\$ 121,860</u>	<u>\$ -</u>	<u>\$ 121,860</u>	<u>\$ 11,250</u>
<u>Government Partnerships</u>				
Financial assets	\$ 257,704	\$ (7,310)	\$ 250,394	\$ 198,879
Liabilities	<u>405,142</u>	<u>(381,495)</u>	<u>23,647</u>	<u>35,638</u>
Net financial assets	(147,438)	374,185	226,747	163,241
Non-financial assets	<u>1,014,351</u>	<u>-</u>	<u>1,014,351</u>	<u>1,100,436</u>
Accumulated surplus	<u>\$ 866,913</u>	<u>\$ 374,185</u>	<u>\$ 1,241,098</u>	<u>\$ 1,263,677</u>
Revenue	\$ 368,821	\$ (133,580)	\$ 235,241	\$ 229,987
Expenses	<u>376,936</u>	<u>(119,116)</u>	<u>257,820</u>	<u>270,431</u>
Annual surplus	<u>\$ (8,115)</u>	<u>\$ (14,464)</u>	<u>\$ (22,579)</u>	<u>\$ (40,444)</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

14. Comparative Figures

Some of the comparative figures have been reclassified to conform to the current year's presentation of penalties and interest on property tax amounts owing as *Other revenue* instead of *Property taxes* revenue, and discounts on property taxes as *General Government Services* expense instead of *Property taxes* revenue, as was previously done.

15. Commitments

Swan Valley Employment and Training Project

The Town has entered into an agreement with The Government of Manitoba - *Competitiveness, Training and Trade* - dated June 23, 2012 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*.

Richardson Recreation and Wellness Centre

The Town has commenced construction of the Richardson Recreation and Wellness Centre expected to open in fall 2013. Construction costs incurred to December 31, 2012 total \$7,955,229 and 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 \$4,000,000, 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, 2012 total \$2,738,770 and have been reported as deferred revenue until construction has been completed. 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, 2012 from a line of credit with Swan Valley Credit Union Limited total \$3,422,844 and have been reported as bank indebtedness on the Statement of Financial Position.

New Municipal Office Building

The Town has commenced construction of a new municipal office building, expected to open in summer 2013. 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, 2012 total \$965,783 and are included in *Assets under Construction* on Schedule 1 - *Consolidated Schedule of Tangible Capital Assets*.

The borrowing of \$1,516,000 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 \$798,509 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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

16. Significant Event

In July 2012, the Town declared a local state of emergency due to potential lift station failure. The costs incurred totaling \$125,822 have been included in *Protective Services* expense on schedules 3, 4, 5 and 14. The Town expects to recover an estimated \$103,542 from the Province of Manitoba through the *Disaster Financial Assistance Program* and has recorded an amount receivable on the Statement of Financial Position and revenue under *Grants - Provincial of Manitoba - Conditional* on schedules 2, 4 and 5.

17. Retirement Benefits

The majority of the employees of the Town are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) pensionable earnings times years of service, plus 2.0% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Canadian Institute of Chartered Accountants 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 6.3% of basic annual earnings up to the CPP ceiling plus 7.5% 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 \$97,072 (2011 - \$86,461) 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, 2011 indicated the plan was 97.5% funded on a going concern basis and had an unfunded solvency liability of \$161.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2011. The valuation also disclosed that the existing contribution rate was insufficient to pay the minimum required contribution being the normal actuarial cost of the annual benefit accrued and the required amortization payment in respect of the going concern unfunded actuarial liability. The Board of Trustees amended the plan to increase the contribution rate by 1% effective July 1, 2012 and by another 1% effective January 1, 2013 to meet the minimum contribution requirement.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

18. 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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2012

19. Budget

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

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

20. Public Sector Compensation Disclosure

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$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 \$87,669 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	\$ 16,509	\$ 4,815	\$ 21,324
Councillor - Don Bobick	11,224	2,059	13,283
Councillor - Jason Delaurier	11,380	1,594	12,974
Councillor - Phyllis Friesen	11,464	2,196	13,660
Councillor - Lance Jacobson	11,784	2,638	14,422
Councillor - Jason Sakal	10,824	1,712	12,536
Councillor - Duane Whyte	14,484	3,505	17,989
	<u>\$ 87,669</u>	<u>\$ 18,519</u>	<u>\$ 106,188</u>

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

21. 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	\$ 2,506,468	\$ 949,845	
<u>Additions during the year</u>			
Currie Road North	Development Agreement	12,238	12,238
Main Street debenture	Federal Gas Tax Funding	32,094	32,094
		<u>44,332</u>	<u>44,332</u>
Amortization during the year	(98,058)	(25,278)	
Unamortized balance, ending	<u>\$ 2,452,742</u>	<u>\$ 968,899</u>	

TOWN OF SWAN RIVER

SCHEDULE 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2012

Cost	General Tangible Capital Assets					Infrastructure Tangible Capital Assets			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles, Equipment and Furniture	Computer Hardware and Software	Assets under Construction	Roads, Streets and Bridges	Water and Sewer	Assets under Construction	2012	2011
Opening balance	\$ 2,743,866	\$ 3,693,704	\$ 4,245,897	\$ 137,911	\$ 1,319,402	\$ 8,275,708	\$ 18,584,425	\$ 89,998	\$ 39,090,911	\$ 37,152,821
Additions during the year	12,987	90,471	270,454	7,219	8,168,656	-	252,452	64,612	8,866,851	3,194,491
Disposals and write downs	-	(113,094)	(287,465)	(5,203)	-	-	(14,000)	-	(419,762)	(1,256,401)
Closing balance	<u>2,756,853</u>	<u>3,671,081</u>	<u>4,228,886</u>	<u>139,927</u>	<u>9,488,058</u>	<u>8,275,708</u>	<u>18,822,877</u>	<u>154,610</u>	<u>47,538,000</u>	<u>39,090,911</u>
Accumulated Amortization										
Opening balance	534,717	1,774,368	2,220,537	120,879	-	5,769,399	7,939,688	-	18,359,588	17,576,787
Amortization	73,139	122,486	254,117	9,250	-	229,986	358,108	-	1,047,086	1,027,681
Disposals and write downs	-	(19,263)	(170,466)	(5,203)	-	-	(14,000)	-	(208,932)	(244,880)
Closing balance	<u>607,856</u>	<u>1,877,591</u>	<u>2,304,188</u>	<u>124,926</u>	<u>-</u>	<u>5,999,385</u>	<u>8,283,796</u>	<u>-</u>	<u>19,197,742</u>	<u>18,359,588</u>
Net Book Value of Tangible Capital Assets	<u>\$ 2,148,997</u>	<u>\$ 1,793,490</u>	<u>\$ 1,924,698</u>	<u>\$ 15,001</u>	<u>\$ 9,488,058</u>	<u>\$ 2,276,323</u>	<u>\$ 10,539,081</u>	<u>\$ 154,610</u>	<u>\$ 28,340,258</u>	<u>\$ 20,731,323</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2012

SCHEDULE 2

	2012 Actual	2011 Actual (Restated)
Property taxes		
Municipal taxes levied (<i>Schedule 12</i>)	\$ 3,237,110	\$ 3,137,507
Taxes added	54,619	66,075
Excess of school tax levy over requirement	233	-
	<u>3,291,962</u>	<u>3,203,582</u>
Grants in lieu of taxation		
Federal government enterprises	13,880	14,203
Provincial government	31,619	33,069
Provincial government enterprises	91,342	94,758
	<u>136,841</u>	<u>142,030</u>
User fees		
Sales of service	607,972	547,262
Sales of goods	47,273	35,148
Rentals	23,568	15,764
Trailer park	10,692	14,649
Development charges	929	452
Facility use fees	158,195	153,964
Concessions	4,290	6,570
	<u>852,919</u>	<u>773,809</u>
Permits, licences and fines		
Permits	12,008	10,446
Licences	11,167	9,625
Fines	11,460	14,056
Fees	4,932	5,312
	<u>39,567</u>	<u>39,439</u>
Investment income		
Cash and temporary investments	54,600	42,504
	<u>54,600</u>	<u>42,504</u>
Other revenue		
Gain on sale of tangible capital assets	363,352	41,344
Gain on sale of real estate held for sale	66,964	43,353
Contributed assets	9,548	155,293
Donations and contributions	25,200	222,092
Administration fees	366	600
Penalties and interest	92,764	90,403
Supplier rebates	20,512	33,383
	<u>578,706</u>	<u>586,468</u>
Water and sewer (<i>Schedule 9</i>)	<u>944,938</u>	<u>1,343,510</u>
Grants - Province of Manitoba		
General assistance payment	621,665	635,837
General support grant	21,448	17,219
VLT revenues	63,096	59,084
Conditional grants	309,375	244,710
	<u>1,015,584</u>	<u>956,850</u>
Grants - other		
Federal government - gas tax funding	210,620	210,621
Federal government - other	140,185	3,840
Other local governments	208,142	183,996
	<u>558,947</u>	<u>398,457</u>
Total revenue	<u>\$ 7,474,064</u>	<u>\$ 7,486,649</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2012

SCHEDULE 3

	2012 Actual	2011 Actual (Restated)
General government services		
Legislative	\$ 89,414	\$ 64,052
General administrative	499,551	456,868
Other	98,676	77,087
	<u>687,641</u>	<u>598,007</u>
Protective services		
Police	1,008,321	800,325
Fire	217,413	212,290
Emergency measures (Note 16)	126,941	7,271
Flood control	233	18,177
Building, electrical and plumbing inspections	15,347	20,665
Bylaw enforcement	14,604	15,265
Animal and pest control	21,409	23,730
Safety officer	69,346	60,091
	<u>1,473,614</u>	<u>1,157,814</u>
Transportation services		
Road transport		
Administration and engineering	108,869	104,747
Road and street maintenance	376,816	413,227
Sidewalk and boulevard maintenance	53,954	54,854
Ditches and road drainage maintenance	10,188	14,998
Storm sewer maintenance	78,101	67,042
Street cleaning	31,134	34,667
Snow and ice removal	176,950	183,219
Street lighting	69,404	67,886
Traffic services	28,790	30,436
Unallocated workshop and yard	172,884	156,527
Unallocated equipment and operators	42,346	22,093
Other	128	1,233
Air transport	146,053	138,963
Public transit	53,303	51,341
	<u>1,348,920</u>	<u>1,341,233</u>
Environmental health services		
Garbage collection	226,259	215,679
Nuisance grounds	281,007	263,493
Recycling	106,235	89,233
Other	300	48
	<u>613,801</u>	<u>568,453</u>
Public health and welfare services		
Cemeteries	71,463	91,473
Physician retention and recruitment	37,125	20,912
Social welfare and assistance	43,755	43,755
Other	1,000	1,000
	<u>153,343</u>	<u>157,140</u>
Regional planning and development services		
Planning and zoning	5,318	5,323
Beautification and land rehabilitation	6,597	10,132
Urban area weed control	22,143	31,803
Christmas lights, decorations, flags	14,636	11,500
	<u>48,694</u>	<u>58,758</u>
Subtotals forward	<u>\$ 4,326,013</u>	<u>\$ 3,881,405</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2012

SCHEDULE 3

Subtotals forward	<u>\$ 4,326,013</u>	<u>\$ 3,881,405</u>
Resource conservation and industrial development services		
Veterinary services	5,423	5,423
Water resources and conservation	16,952	16,952
Regional development	68,654	56,170
Industrial development	3,306	3,842
Incentive program for construction development	52,858	49,845
Trailer court	11,054	12,413
Tourism	17,066	13,105
Public receptions	6,562	4,537
	<u>181,875</u>	<u>162,287</u>
Recreation and cultural services		
Recreation commission and administration	79,386	36,109
Community centers and halls	95,920	92,300
Swimming pools and beaches	84,731	100,832
Skating and curling rinks and arenas	392,241	395,854
Parks and playgrounds	183,532	183,385
Other recreational facilities	39,639	41,916
Museums	5,004	7,400
Libraries	163,241	166,420
Other cultural facilities	-	2,500
	<u>1,043,694</u>	<u>1,026,716</u>
Water and sewer services (Schedule 9)	<u>971,603</u>	<u>1,034,161</u>
Total expenses	<u><u>\$ 6,523,185</u></u>	<u><u>\$ 6,104,569</u></u>

TOWN OF SWAN RIVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2012

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2012	2011 (Restated)	2012	2011	2012	2011	2012	2011	2012	2011
REVENUE										
Property taxes	\$ 3,153,601	\$ 3,064,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	136,841	142,030	-	-	-	-	-	-	-	-
User fees	31,145	10,015	75,772	82,740	110,364	98,009	349,441	284,971	57,215	59,969
Permits, licences and fines	15,177	14,032	24,390	25,407	-	-	-	-	-	-
Investment income	19,959	14,866	1,058	844	15,379	10,585	-	-	882	420
Other revenue	127,144	113,506	1	6,502	16,629	173,476	362,912	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	706,209	712,140	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	103,542	-	22,465	21,457	-	-	-	-
Grants - other	-	-	136,147	3,445	228,309	221,893	-	-	32,873	15,953
Total revenue	4,190,076	4,071,189	340,910	118,938	393,146	525,420	712,353	284,971	90,970	76,342
EXPENSES										
Personnel services	406,523	324,189	245,919	221,492	177,285	215,295	169,418	185,429	45,502	60,450
Contract services	174,912	183,899	1,097,922	792,461	235,058	224,574	415,794	350,745	63,011	62,394
Utilities	18,659	16,706	38,561	38,405	95,425	95,625	3,013	8,918	727	798
Maintenance materials and supplies	39,410	30,396	30,028	34,312	343,962	370,103	20,273	14,650	4,080	3,124
Grants and contributions	6,216	5,449	2,689	2,666	20,704	11,474	-	-	35,694	26,045
Amortization	6,401	7,369	58,478	68,471	431,176	424,162	2,905	4,492	4,329	4,329
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Bad debts	7,624	2,985	-	-	-	-	-	-	-	-
Other	27,896	27,014	17	7	45,310	-	2,398	4,219	-	-
Total expenses	687,641	598,007	1,473,614	1,157,814	1,348,920	1,341,233	613,801	568,453	153,343	157,140
Annual surplus (deficit)	\$ 3,502,435	\$ 3,473,182	\$ (1,132,704)	\$ (1,038,876)	\$ (955,774)	\$ (815,813)	\$ 98,552	\$ (283,482)	\$ (62,373)	\$ (80,798)

* 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, 2012

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total
	2012	2011	2012	2011	2012	2011	2012	2011	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,361	\$ 138,982	\$ 3,291,962
Grants in lieu of taxation	-	-	-	-	-	-	-	-	136,841
User fees	929	452	11,792	14,649	216,261	223,004	-	-	852,919
Permits, licences and fines	-	-	-	-	-	-	-	-	39,567
Investment income	16	23	2,067	2,150	11,526	10,210	3,713	3,406	54,600
Other revenue	-	3,067	48,630	43,353	23,390	246,564	-	-	578,706
Water and sewer	-	-	-	-	-	-	944,938	1,343,510	944,938
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	706,209
Prov of MB - Conditional Grants	-	-	-	-	183,368	223,253	-	-	309,375
Grants - other	858	1,416	21,016	37,947	139,744	117,803	-	-	558,947
Total revenue	1,803	4,958	83,505	98,099	574,289	820,834	1,087,012	1,485,898	7,474,064
EXPENSES									
Personnel services	18,984	31,518	24,800	2,997	456,213	440,883	331,789	344,601	1,876,433
Contract services	17,506	17,857	9,092	10,757	104,047	97,258	127,233	200,709	2,244,575
Utilities	-	88	9,152	8,573	117,873	122,880	45,886	43,583	329,296
Maintenance materials and supplies	6,584	4,416	6,833	5,101	79,540	92,417	92,475	85,425	623,185
Grants and contributions	2,437	2,514	129,365	132,840	94,683	86,304	-	-	291,788
Amortization	3,083	2,307	1,754	1,683	180,851	175,519	358,108	339,349	1,047,085
Interest on long term debt	-	-	-	-	-	-	16,112	20,494	16,112
Bad debts	-	-	-	-	824	-	-	-	8,448
Other	100	58	879	336	9,663	11,455	-	-	86,263
Total expenses	48,694	58,758	181,875	162,287	1,043,694	1,026,716	971,603	1,034,161	6,523,185
Annual surplus (deficit)	\$ (46,891)	\$ (53,800)	\$ (98,370)	\$ (64,188)	\$ (469,405)	\$ (205,882)	\$ 115,409	\$ 451,737	\$ 950,879
									\$ 1,382,080

(Restated)

TOWN OF SWAN RIVER

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2012

	Core Government		Controlled Entities		Government Partnerships		Total	
	2012	2011 (Restated)	2012	2011	2012	2011	2012	2011 (Restated)
REVENUE								
Property taxes	\$ 3,291,962	\$ 3,203,582	\$ -	\$ -	\$ -	\$ -	\$ 3,291,962	\$ 3,203,582
Grants in lieu of taxation	136,841	142,030	-	-	-	-	136,841	142,030
User fees	608,826	508,725	204,998	216,031	39,095	49,053	852,919	773,809
Permits, licences and fines	39,567	39,439	-	-	-	-	39,567	39,439
Investment income	50,512	38,954	2,797	2,927	1,291	623	54,600	42,504
Other revenue	505,871	524,622	62,352	54,606	10,483	7,240	578,706	586,468
Water and sewer	944,938	1,343,510	-	-	-	-	944,938	1,343,510
Prov of MB - Unconditional Grants	706,209	712,140	-	-	-	-	706,209	712,140
Prov of MB - Conditional Grants	127,073	165,992	121,918	20,711	60,384	58,007	309,375	244,710
Grants - other	345,620	210,621	89,339	72,772	123,988	115,064	558,947	398,457
Total revenue	6,757,419	6,889,615	481,404	367,047	235,241	229,987	7,474,064	7,486,649
EXPENSES								
Personnel services	1,451,565	1,439,743	286,407	262,493	138,461	124,618	1,876,433	1,826,854
Contract services	2,114,712	1,825,138	58,227	56,663	71,636	58,853	2,244,575	1,940,654
Utilities	215,008	216,707	105,374	109,612	8,914	9,257	329,296	335,576
Maintenance materials and supplies	526,396	531,047	57,181	65,112	39,608	43,785	623,185	639,944
Grants and contributions	571,966	506,079	(186,789)	(177,975)	(93,389)	(60,812)	291,788	267,292
Amortization	928,908	907,873	30,781	27,648	87,396	92,160	1,047,085	1,027,681
Interest on long term debt	16,112	20,494	-	-	-	-	16,112	20,494
Bad debts	7,624	2,985	824	-	-	-	8,448	2,985
Other	73,530	28,275	7,539	12,244	5,194	2,570	86,263	43,089
Total expenses	5,905,821	5,478,341	359,544	355,797	257,820	270,431	6,523,185	6,104,569
Annual surplus (deficit)	\$ 851,598	\$ 1,411,274	\$ 121,860	\$ 11,250	\$ (22,579)	\$ (40,444)	\$ 950,879	\$ 1,382,080

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2012

2012

	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	\$ 2,379	\$ 7,376	\$ 1,783	\$ 1,024	\$ 28	\$ 11,363	\$ 11,296
TRANSFERS							
Transfers from general operating fund	-	140,000	5,000	20,000	-	160,000	104,000
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to general operating fund	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(134,317)	-	-	-	-	-
CHANGE IN RESERVE FUND BALANCES	2,379	13,059	6,783	21,024	28	171,363	115,296
FUND SURPLUS, BEGINNING OF YEAR	194,692	289,738	158,699	84,053	2,532	999,911	975,645
FUND SURPLUS, END OF YEAR	\$ 197,071	\$ 302,797	\$ 165,482	\$ 105,077	\$ 2,560	\$ 1,171,274	\$ 1,090,941

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2012

	2012				2011
	Federal Gas Tax Funding BL 02/2006	Utility Replacement BL 25/1995	Handi Transit Replacement	Landfill Closure BL 14/2012	Total
REVENUE					
Investment income	\$ 5,478	\$ 3,713	\$ 1,909	\$ -	\$ 46,349
					\$ 39,482
TRANSFERS					
Transfers from operating fund	210,620	-	5,000	6,000	650,620
Transfers from utility operating fund	-	80,000	-	-	80,000
Transfers to general operating fund	-	-	-	-	-
Transfers to utility operating fund	(64,187)	-	-	-	(64,187)
Acquisition of tangible capital assets	-	(155,000)	-	-	(289,317)
CHANGE IN RESERVE FUND BALANCES	151,911	(71,287)	6,909	6,000	423,465
FUND SURPLUS, BEGINNING OF YEAR	411,738	314,635	170,185	-	3,601,828
FUND SURPLUS, END OF YEAR	\$ 563,649	\$ 243,348	\$ 177,094	\$ 6,000	\$ 4,025,293
					\$ 3,601,828

SCHEDULE 7

**TOWN OF SWAN RIVER
SCHEDULE OF TRUST FUNDS
For the Year Ended December 31, 2012**

	Birchwood Cemetery Perpetual Care	Swan Valley Community Round Table	Swan Valley Recreation & Wellness Centre Inc.	Swan Valley Christmas Cheer Board	Swan Valley Employment & Training Project	Swan Valley Stampede Junior "A" Hockey	Swan River Skateboard Union	Valley Lions Recycling Inc.	Total	
									2012	2011
ASSETS										
Due from municipality	\$ 144,345	\$ 1,503	\$ -	\$ 2,583	\$ -	\$ -	\$ -	\$ -	\$ 148,431	\$ 178,645
LIABILITIES AND FUND BALANCES										
Due to municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,539	\$ -	\$ 2,539	\$ 92,450
Fund balance	144,345	1,503	-	2,583	-	-	(2,539)	-	145,892	86,195
	\$ 144,345	\$ 1,503	\$ -	\$ 2,583	\$ -	\$ -	\$ -	\$ -	\$ 148,431	\$ 178,645
REVENUES										
Contributions and donations	\$ 70	\$ -	\$ 113,660	\$ 3,083	\$ 219,502	\$ 3,970	\$ 89,911	\$ -	\$ 430,196	\$ 384,748
Cemetery plot sales	10,385	-	-	-	-	-	-	-	10,385	16,010
Investment income	1,541	16	-	-	-	-	-	-	1,557	1,450
	11,996	16	113,660	3,083	219,502	3,970	89,911	-	442,138	402,208
EXPENDITURES										
Cemetery maintenance	6,306	-	-	-	-	-	-	-	6,306	7,817
Distribution to beneficiaries	-	-	130,082	4,212	236,871	3,970	-	1,000	376,135	466,852
	6,306	-	130,082	4,212	236,871	3,970	-	1,000	382,441	474,669
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,690	16	(16,422)	(1,129)	(17,369)	-	89,911	(1,000)	59,697	(72,461)
FUND BALANCE, BEGINNING OF YEAR	138,655	1,487	16,422	3,712	17,369	-	(92,450)	1,000	86,195	158,656
FUND BALANCE, END OF YEAR	\$ 144,345	\$ 1,503	\$ -	\$ 2,583	\$ -	\$ -	\$ (2,539)	\$ -	\$ 145,892	\$ 86,195

TOWN OF SWAN RIVER
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 As at December 31, 2012

SCHEDULE 8

	<u>2012</u>	<u>2011</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 192,602	\$ 188,974
Due from General Operating Fund	<u>556,571</u>	<u>450,050</u>
	<u>\$ 749,173</u>	<u>\$ 639,024</u>
LIABILITIES		
Deferred revenue	\$ 180,539	\$ 171,570
Long-term debt (Note 11)	<u>176,740</u>	<u>363,177</u>
	<u>357,279</u>	<u>534,747</u>
NET FINANCIAL ASSETS	<u>\$ 391,894</u>	<u>\$ 104,277</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (<i>Schedule 1</i>)	\$ 10,693,690	\$ 10,734,734
Inventories (Note 5)	<u>247,923</u>	<u>243,613</u>
	<u>10,941,613</u>	<u>10,978,347</u>
FUND SURPLUS	<u>\$ 11,333,507</u>	<u>\$ 11,082,624</u>

TOWN OF SWAN RIVER
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2012

SCHEDULE 9

	2012 Budget	2012 Actual	2011 Actual
REVENUE			
Water			
Water fees	\$ 522,000	\$ 499,398	\$ 509,744
Sewer			
Sewer fees	261,000	248,542	253,871
Lagoon tipping fees	3,000	7,945	5,305
	<u>264,000</u>	<u>256,487</u>	<u>259,176</u>
Property taxes	<u>138,982</u>	<u>138,361</u>	<u>138,982</u>
Government transfers			
Capital	<u>405,334</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	12,800	12,800	12,800
Connection charges	17,085	76,755	46,548
Installation service	1,500	2,030	1,730
Penalties	1,500	2,172	1,747
Contributed tangible capital assets	-	24,477	434,652
Investment income	-	6,689	3,180
Administration fees	62,000	62,010	62,050
Other income	3,150	2,120	11,883
	<u>98,035</u>	<u>189,053</u>	<u>574,590</u>
Total revenue	<u>1,428,351</u>	<u>1,083,299</u>	<u>1,482,492</u>

TOWN OF SWAN RIVER
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2012

SCHEDULE 9

	2012 Budget	2012 Actual	2011 Actual
EXPENSES			
General			
Administration	96,360	84,560	81,211
Training costs	-	4,454	8,653
Billing and collection	10,500	7,689	8,562
	<u>106,860</u>	<u>96,703</u>	<u>98,426</u>
Water General			
Purification and treatment	143,900	109,966	137,366
Transmission and distribution	100,000	103,897	90,035
Service of supply	9,750	15,106	8,003
Connection costs	81,000	95,093	84,436
Other	27,000	24,176	25,478
	<u>361,650</u>	<u>348,238</u>	<u>345,318</u>
Water Amortization and Interest			
Amortization	199,000	204,102	198,599
Interest on long term debt	16,733	16,111	20,494
	<u>215,733</u>	<u>220,213</u>	<u>219,093</u>
Sewer General			
Collection system costs	63,000	71,627	158,074
Treatment and disposal costs	24,000	17,057	29,950
Lift station costs	48,525	63,759	42,550
	<u>135,525</u>	<u>152,443</u>	<u>230,574</u>
Sewer Amortization	<u>140,500</u>	<u>154,006</u>	<u>140,750</u>
Total expenses	<u>960,268</u>	<u>971,603</u>	<u>1,034,161</u>
NET OPERATING SURPLUS	468,083	111,696	448,331
TRANSFERS			
Transfers from reserve funds	64,187	219,187	104,187
Transfers to reserve funds	(80,000)	(80,000)	(80,000)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 452,270</u>	<u>250,883</u>	472,518
FUND SURPLUS, BEGINNING OF YEAR		<u>11,082,624</u>	<u>10,610,106</u>
FUND SURPLUS, END OF YEAR		<u>\$ 11,333,507</u>	<u>\$ 11,082,624</u>

TOWN OF SWAN RIVER

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2012

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,123,361	\$ 138,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,262,343
Grants in lieu of taxation	136,841	-	-	-	-	-	-	136,841
User fees	415,048	-	-	-	-	-	261,299	676,347
Permits, licences and fines	35,737	-	-	-	-	-	-	35,737
Investment income	1,000	-	-	(271)	-	-	687	1,416
Other revenue	546,400	-	-	-	-	-	19,373	565,773
Water and sewer	-	1,353,556	-	-	-	-	-	1,353,556
Grants - Province of Manitoba	713,961	-	-	-	-	-	74,875	788,836
Grants - other	345,621	-	-	-	-	-	217,241	562,862
Transfers from reserves	27,540	-	-	-	(27,540)	-	-	-
Total revenue	5,345,509	1,492,538	-	(271)	(27,540)	-	573,475	7,383,711
EXPENSES								
General government services	605,574	-	7,500	-	31,874	25,000	-	669,948
Protective services	1,323,586	-	68,500	-	-	-	1,192	1,393,278
Transportation services	819,184	-	342,000	-	-	-	153,032	1,314,216
Environmental health services	600,100	-	4,500	-	-	-	-	604,600
Public health and welfare services	189,289	-	4,500	-	-	-	(17,969)	175,820
Regional planning and development	44,800	-	2,500	-	-	-	2,870	50,170
Resource conservation and industrial development services	148,050	-	1,500	-	-	-	22,939	172,489
Recreation and cultural services	497,238	-	137,500	-	-	-	492,476	1,127,214
Water and sewer services	-	604,035	339,500	16,733	-	-	-	960,268
Fiscal services:								
Transfer to capital	535,000	605,334	(1,140,334)	-	-	-	-	-
Debt charges	5,193	203,169	-	(208,362)	-	-	-	-
Tax discount and short term interest	24,250	-	-	-	(24,250)	-	-	-
Transfers to reserves	545,621	80,000	-	-	(625,621)	-	-	-
Allowance for tax assets	7,624	-	-	-	(7,624)	-	-	-
Total expenses	5,345,509	1,492,538	(232,334)	(191,629)	(625,621)	25,000	654,540	6,468,003
Annual surplus (deficit)	\$ -	\$ -	\$ 232,334	\$ 191,358	\$ 598,081	\$ (25,000)	\$ (81,065)	\$ 915,708

TOWN OF SWAN RIVER
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2012

SCHEDULE 11

	2012	2011 (Restated)
Balance, beginning of year	<u>\$ 668,209</u>	<u>\$ 691,723</u>
Add:		
Tax levy (Schedule 12)	5,913,098	5,773,375
Taxes added	54,619	66,075
Penalties or interest	92,081	90,403
Other accounts added	383	8,477
Taxes overpaid	14,715	19,268
Tax sale costs	4,448	5,753
	<u>6,079,344</u>	<u>5,963,351</u>
Deduct:		
Cash collections - current	4,869,777	4,652,944
Cash collections - arrears	508,282	572,940
Cancellations and writeoffs	9,747	18,867
Tax discounts	27,895	23,399
Manitoba Education Property Tax Credit - cash advance	708,410	718,015
Manitoba Education Property Tax Credit - additional	5,568	700
Transfers re tax sale	3,673	-
Other adjustments	30	-
	<u>6,133,382</u>	<u>5,986,865</u>
Balance, end of year	<u><u>\$ 614,171</u></u>	<u><u>\$ 668,209</u></u>

TOWN OF SWAN RIVER
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2012

SCHEDULE 12

	2012			2011
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Mill Rate (At Large)	\$ 159,634,910	0.850	\$ 135,690	\$ 133,859
Mill Rate (L.I.D.)	-	0.000	-	-
Frontage			5,194	5,194
			<u>140,884</u>	<u>139,053</u>
Intergovernmental Affairs	126,857,070	0.450	<u>57,086</u>	<u>55,418</u>
Reserves:				
Machinery replacement (01/1997)	126,857,070	1.060	134,468	134,112
Employee benefits (09/1993)	126,857,070	0.040	5,074	5,542
Fire truck replacement (05/1997)	126,857,070	0.160	20,297	19,950
Office building (18/1997)	126,857,070	0.460	58,354	57,635
Recreation facilities (04/2000)	126,857,070	0.790	100,217	99,752
			<u>318,410</u>	<u>316,991</u>
General Municipal	126,857,070	17.230	<u>2,185,747</u>	<u>2,139,134</u>
Special levies:				
Police, fire and street services	159,634,910	2.850	<u>454,959</u>	<u>411,873</u>
Business tax (rate%)	5,001,500	1.60%	<u>80,024</u>	<u>75,038</u>
Total municipal taxes (Schedule 2)			<u>3,237,110</u>	<u>3,137,507</u>
Education support levy	39,449,300	11.360	448,144	441,446
Special levy:				
Swan Valley School Division	119,263,610	18.680	<u>2,227,844</u>	<u>2,194,422</u>
Total education taxes			<u>2,675,988</u>	<u>2,635,868</u>
Total tax levy (Schedule 11)			<u>\$ 5,913,098</u>	<u>\$ 5,773,375</u>

TOWN OF SWAN RIVER
 ANALYSIS OF SCHOOL ACCOUNTS
 For the Year Ended December 31, 2012

SCHEDULE 13

	2012			2011
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 476,504	\$ 476,504	\$ -
Special levies				
Swan Valley School Division	-	2,334,610	2,334,610	-
Total	\$ -	\$ 2,811,114	\$ 2,811,114	\$ -

TOWN OF SWAN RIVER

SCHEDULE 14

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2012

	2012 Actual	2011 Actual (Restated)
General government services		
Legislative	\$ 89,414	\$ 64,052
General administrative	499,551	456,868
Other	98,676	77,087
	<u>687,641</u>	<u>598,007</u>
Protective services		
Police	1,008,321	800,325
Fire	217,413	212,290
Emergency measures	125,822	6,390
Flood control	233	18,177
Building, electrical and plumbing inspections	15,347	20,665
Bylaw enforcement	14,604	15,265
Animal and pest control	21,409	23,730
Safety officer	69,346	60,091
	<u>1,472,495</u>	<u>1,156,933</u>
Transportation services		
Road transport		
Administration and engineering	108,869	104,747
Road and street maintenance	377,087	413,755
Sidewalk and boulevard maintenance	53,954	54,854
Ditches and road drainage maintenance	10,188	14,998
Storm sewer maintenance	78,101	67,042
Street cleaning	31,134	34,667
Snow and ice removal	176,950	183,219
Street lighting	69,404	67,886
Traffic services	28,790	30,436
Unallocated workshop and yard	172,884	156,527
Unallocated equipment and operators	42,346	22,093
Other	128	1,233
Air transport	31,454	18,212
Public transit	20,000	20,000
	<u>1,201,289</u>	<u>1,189,669</u>
Environmental health services		
Garbage collection	226,259	215,679
Nuisance grounds	281,007	263,493
Recycling	106,235	89,233
Other	300	48
	<u>613,801</u>	<u>568,453</u>
Public health and welfare services		
Cemeteries	71,463	91,473
Physician retention and recruitment	52,784	29,055
Social welfare and assistance	43,755	43,755
Other	1,000	1,000
	<u>169,002</u>	<u>165,283</u>
Regional planning and development services		
Planning and zoning	2,580	2,933
Beautification and land rehabilitation	6,597	10,132
Urban area weed control	22,143	31,803
Christmas lights, decorations, flags	14,636	11,500
	<u>45,956</u>	<u>56,368</u>
Subtotals forward	<u>\$ 4,190,184</u>	<u>\$ 3,734,713</u>

TOWN OF SWAN RIVER
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2012

SCHEDULE 14

Subtotals forward	\$ 4,190,184	\$ 3,734,713
Resource conservation and industrial development services		
Veterinary services	5,423	5,423
Water resources and conservation	16,952	16,952
Regional development	55,154	52,125
Incentive program for construction development	52,858	49,845
Trailer court	11,054	9,913
Tourism	17,066	15,605
Public receptions	6,562	4,537
	<u>165,069</u>	<u>154,400</u>
Recreation and cultural services		
Recreation commission and administration	188,268	168,722
Community centers and halls	23,206	17,623
Swimming pools and beaches	3,066	317
Skating and curling rinks and arenas	91,059	91,696
Parks and playgrounds	183,532	183,385
Other recreational facilities	31,966	33,035
Museums	5,004	7,400
Libraries	58,135	55,917
Other cultural facilities	-	2,500
	<u>584,236</u>	<u>560,595</u>
Total expenses	4,939,489	4,449,708
Transfers to		
Utility fund	138,361	138,982
Reserves	645,620	539,621
	<u>645,620</u>	<u>539,621</u>
	<u><u>\$ 5,723,470</u></u>	<u><u>\$ 5,128,311</u></u>

TOWN OF SWAN RIVER
SCHEDULE OF DEBENTURES PENDING
As at December 31, 2012

SCHEDULE 16

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	\$ 3,422,843
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	112,623
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	47,560
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	-
			\$ 4,115,000	\$ 3,583,026

TOWN OF SWAN RIVER

SCHEDULE 17

RECONCILIATION OF ANNUAL SURPLUS
For the Year Ended December 31, 2012

	2012		2011
	General	Utility	Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	\$ 206,956	\$ 105,490	\$ 312,446
Add: Adjustments to revenue for reporting under public sector accounting standards			
Eliminate transfers from reserves	(134,317)	(219,187)	(364,807)
Add reserve funds interest	42,636	3,713	46,349
Eliminate transfer(s) from nominal surplus(es)	-	-	(165,000)
Eliminate proceeds from dispositions of tangible capital assets	(527,703)	-	(54,150)
Add gain on sale of tangible capital assets	361,769	-	41,344
	<u>(257,615)</u>	<u>(215,474)</u>	<u>(503,131)</u>
Less: Adjustments to expenses for reporting under public sector accounting standards			
Eliminate transfers to reserves	(650,621)	(80,000)	(624,621)
Add amortization of tangible capital assets	570,802	358,108	928,910
Eliminate principal portion of debenture debt payments	(4,923)	(186,436)	(187,342)
Add loss on dispositions of tangible capital assets	44,895	-	-
Eliminate acquisitions of tangible capital assets	(8,450,244)	(317,065)	(2,192,681)
	<u>(8,490,091)</u>	<u>(225,393)</u>	<u>(2,096,771)</u>
Less: Adjustments for financing of tangible capital assets			
Add borrowing toward tangible capital assets	3,039,194	-	1,471,659
Add deferred grants for tangible capital assets	2,738,770	-	-
Add accounts payable for tangible capital assets	1,925,279	-	-
	<u>7,703,243</u>	<u>-</u>	<u>1,471,659</u>
Add: Net surplus (deficit) of consolidated entities	99,281	-	(29,194)
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 835,470	\$ 115,409	\$ 950,879
			\$ 1,382,080