

TOWN OF SWAN RIVER

**Consolidated Financial Statements
For the Year Ended December 31, 2014**


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
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, 2014 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, 2014, 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
August 27, 2015

Pacak Kowal Hardie & Company

Chartered Accountants

TOWN OF SWAN RIVER

Consolidated Financial Statements

For the Year Ended December 31, 2014

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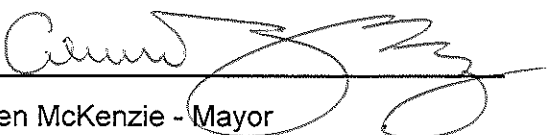
**TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2014**

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 3,979,040	\$ 4,641,732
Amounts receivable (Note 4)	1,457,709	1,303,620
Real estate properties held for sale	470,007	469,934
Other inventories for sale (Note 5)	18,626	14,251
Swan Valley Credit Union patronage equity shares	996	1,558
	<u>\$ 5,926,378</u>	<u>\$ 6,431,095</u>
LIABILITIES		
Bank indebtedness (Note 6)	\$ 6,059,588	\$ 7,183,343
Accounts payable and accrued liabilities (Note 7)	1,202,200	2,089,232
Pre-retirement bonus entitlement (Note 8)	217,131	214,320
Deferred revenue (Note 9)	275,080	4,637,768
Landfill closure liability (Note 10)	34,349	31,552
Long-term debt (Note 11)	2,344,428	1,585,553
Deferred contributions (Note 12)	5,300,000	-
	<u>15,432,776</u>	<u>15,741,768</u>
NET DEBT	<u>\$ (9,506,398)</u>	<u>\$ (9,310,673)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 35,119,473	\$ 34,756,102
Inventories (Note 5)	351,721	323,367
Prepaid expenses	59,587	46,586
	<u>35,530,781</u>	<u>35,126,055</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 26,024,383</u>	<u>\$ 25,815,382</u>

COMMITMENT (Note 16)

SIGNIFICANT EVENTS (Note 17)

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, 2014

	2014 Budget (Note 20)	2014 Actual	2013 Actual
REVENUE			
Property taxes	\$ 3,883,000	\$ 4,062,275	\$ 3,610,213
Grants in lieu of taxation	313,906	175,808	158,691
User fees	834,241	804,414	745,909
Permits, licences and fines	37,347	47,100	41,896
Investment income	11,999	41,807	70,623
Other revenue	91,730	899,114	148,754
Water and sewer	954,940	1,066,468	948,283
Grants - Province of Manitoba	1,081,519	828,284	844,637
Grants - other	442,187	579,729	588,081
Total revenue (Schedules 2, 4 and 5)	<u>7,650,869</u>	<u>8,504,999</u>	<u>7,157,087</u>
EXPENSES			
General government services	799,275	906,606	786,823
Protective services	1,414,110	1,464,222	1,413,583
Transportation services	1,225,903	1,376,470	1,312,072
Environmental health services	666,100	735,646	643,287
Public health and welfare services	189,812	186,810	168,946
Regional planning and development	43,300	34,211	44,914
Resource conservation and industrial development services	181,244	210,006	172,624
Recreation and cultural services	2,115,826	2,176,390	1,197,581
Water and sewer services	1,122,801	1,205,637	1,072,515
Total expenses (Schedules 3, 4 and 5)	<u>7,758,370</u>	<u>8,295,998</u>	<u>6,812,345</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (107,501)</u>	209,001	344,742
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>25,815,382</u>	<u>25,470,640</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 26,024,383</u>	<u>\$ 25,815,382</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, 2014

	2014 Budget (Note 20)	2014 Actual	2013 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (107,501)	\$ 209,001	\$ 344,742
Acquisition of tangible capital assets	(4,913,078)	(1,854,865)	(7,727,727)
Amortization of tangible capital assets	926,000	1,414,907	1,046,213
Loss (gain) on sale of tangible capital assets	-	(32,253)	12,116
Proceeds on sale of tangible capital assets	-	108,840	28,453
Decrease (increase) in inventories	-	(28,354)	37,537
Increase in prepaid expense	-	(13,001)	(2,007)
	<u>(3,987,078)</u>	<u>(404,726)</u>	<u>(6,605,415)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (4,094,579)</u>	<u>(195,725)</u>	<u>(6,260,673)</u>
NET DEBT, BEGINNING OF YEAR		<u>(9,310,673)</u>	<u>(3,050,000)</u>
NET DEBT, END OF YEAR		<u>\$ (9,506,398)</u>	<u>\$ (9,310,673)</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, 2014

	<u>2014</u>	<u>2013</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 209,001	\$ 344,742
Changes in non-cash items:		
Amounts receivable	(154,089)	694,119
Inventories	(32,729)	37,068
Prepaid expenses	(13,001)	(2,007)
Accounts payable and accrued liabilities	(887,032)	(877,905)
Deferred revenue	(4,362,688)	1,614,823
Pre-retirement bonus entitlement	2,811	12,413
Landfill closure liability	2,797	2,591
Loss (gain) on sale of tangible capital assets	(32,253)	12,116
Loss (gain) on sale of real estate properties	(4,309)	40,903
Amortization	1,414,907	1,046,213
Cash provided by (applied to) operating transactions	<u>(3,856,585)</u>	<u>2,925,076</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	108,840	28,453
Cash used to acquire tangible capital assets	<u>(1,854,865)</u>	<u>(7,727,727)</u>
Cash applied to capital transactions	<u>(1,746,025)</u>	<u>(7,699,274)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	5,360	37,978
Change in Swan Valley Credit Union Limited patronage shares	<u>(562)</u>	<u>(4)</u>
Cash provided by investing transactions	<u>4,798</u>	<u>37,974</u>
FINANCING TRANSACTIONS		
Increase in bank indebtedness	392,220	2,961,990
Proceeds of long-term debt	870,453	-
Debt repayment	(1,627,553)	(107,187)
Increase in deferred contributions	<u>5,300,000</u>	<u>-</u>
Cash provided by financing transactions	<u>4,935,120</u>	<u>2,854,803</u>
DECREASE IN CASH AND TEMPORARY INVESTMENTS	(662,692)	(1,881,421)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>4,641,732</u>	<u>6,523,153</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 3,979,040</u>	<u>\$ 4,641,732</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, 2014

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 Handi Transit Van
Swan River Municipal Developers Ltd.
Swan River Parks and Recreation Commission (2014 - consolidated, 2013 - included)
Richardson Recreation and Wellness Centre (2014 - consolidated, 2013 - included)
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%, 2013 - 42.0%)
North-West Regional Library (consolidated 54.0%, 2013 - 54.0%)
Swan Valley District Recreation Commission (consolidated 46.0%, 2013 - 46.0%)
Swan Valley Emergency Measures District (consolidated 16.7%, 2013 - 16.7%)
Swan Valley Municipal Airport Commission (consolidated 37.0%, 2013 - 37.0%)
Swan Valley Planning District (consolidated 14.3%, 2013 - 14.3%)
Swan Valley Regional Initiative for a Strong Economy (consolidated 45.0%, 2013 - 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, 2013 - 65.0%)
Swan River Landfill Site (74.0% share with RM, 2013 - 74.0%)
Birchwood Cemetery (75.0% share with RM, 2013 - 75.0%)
Swan River Centennial Arena (70.0% share with RM, 2013 - 70.0%)
Swan River Kinsmen Pool (72.0% share with RM, 2013 - 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, 2014

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, 2014

2. Significant Accounting Policies (continued)

h) Tangible Capital Assets (continued)

Infrastructure Assets

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

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

i) Leases

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

j) Inventories

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

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

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

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

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

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

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>2014</u>	<u>2013</u>
Cash	\$ 3,969,297	\$ 3,116,549
Temporary investments	9,743	1,525,183
	<u>\$ 3,979,040</u>	<u>\$ 4,641,732</u>

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

The Town has designated \$1,623,962 (2013 \$1,585,405) to reserves for debt principal repayments and tangible capital asset acquisitions.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2014</u>	<u>2013</u>
Taxes on roll <i>(Schedule 11)</i>	\$ 563,357	\$ 601,374
Government grants	451,197	84,563
Utility customers	205,281	203,989
Organizations and individuals	123,479	233,660
Other governments	112,164	201,272
Trust funds <i>(Schedule 7)</i>	2,227	6,800
Accrued interest	4	959
	<u>1,457,709</u>	<u>1,332,617</u>
Less allowances for doubtful amounts	-	(28,997)
	<u>\$ 1,457,709</u>	<u>\$ 1,303,620</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

5. Inventories

	<u>2014</u>	<u>2013</u>
Inventories for sale:		
Airport fuel	\$ 17,683	\$ 13,278
Concession supplies	943	973
	<u>\$ 18,626</u>	<u>\$ 14,251</u>
Inventories for use:		
<u>General</u>		
Fuel	\$ 3,490	\$ 4,197
Granulars	42,733	50,424
Dust control	11,504	15,631
Sidewalk unistone	12,013	12,013
Culverts	17,040	11,272
Traffic services	14,444	12,816
Janitorial supplies	873	692
	<u>102,097</u>	<u>107,045</u>
<u>Utility</u>		
Connections	31,106	31,549
Water treatment chemicals	11,014	10,638
Sewage collection	82,743	64,782
Water meters	30,955	20,319
Transmission and distribution	93,806	89,034
	<u>249,624</u>	<u>216,322</u>
	<u>\$ 351,721</u>	<u>\$ 323,367</u>

6. Bank Indebtedness

	<u>2014</u>	<u>2013</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 2.75%	\$ 6,059,588	\$ 5,667,368
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
	<u>\$ 6,059,588</u>	<u>\$ 7,183,343</u>

7. Accounts Payable and Accrued Liabilities

	<u>2014</u>	<u>2013</u>
Trade accounts payable	\$ 523,249	\$ 437,742
Employee remittances payable	2,002	2,347
Other governments	278,386	259,790
Contractor holdbacks	-	1,033,518
Accrued vacation liability	188,887	161,332
Accrued salaries and wages payable	26,817	18,133
Other accrued expenses	22,275	22,429
Accrued interest payable	-	-
Trust funds (<i>Schedule 7</i>)	160,584	153,941
	<u>\$ 1,202,200</u>	<u>\$ 2,089,232</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

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>2014</u>	<u>2013</u>
Opening balance	\$ 214,320	\$ 201,907
Earned during the year	16,720	12,413
Paid out during the year	<u>(13,909)</u>	<u>-</u>
Ending balance	<u>\$ 217,131</u>	<u>\$ 214,320</u>

9. Deferred Revenue

	<u>2014</u>	<u>2013</u>
Prepaid taxes	\$ 38,274	\$ 34,555
Prepaid utility	80,402	79,419
Water meter deposits	106,401	102,309
Unused grants (<i>See following explanation</i>)	45,344	4,409,739
Rental prepayments and deposits	<u>4,659</u>	<u>11,746</u>
	<u>\$ 275,080</u>	<u>\$ 4,637,768</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>2014</u>	<u>2013</u>
Government of Canada - Federal Police Officer Recruitment Fund	\$ -	\$ 78,800
Richardson Recreation and Wellness Centre (Note 12)		
Canada-Manitoba Building Canada Fund	-	3,600,000
Canada-Manitoba Municipal Rural Infrastructure Fund	-	720,000
Community Foundation of Swan Valley - Aquatic Centre	-	3,000
Province of Manitoba - Age-Friendly Manitoba Initiative	1,873	2,000
North-West Regional Library - Province of Manitoba		
Rural Library Technological Sustainability	3,874	4,589
Swan Valley Regional Initiative for a Strong Economy		
Municipal funding in advance for next fiscal year	31,477	-
Province of Manitoba - Partner for Growth	5,062	-
Community Futures Parkland - Tourism	675	-
Signage project	<u>2,383</u>	<u>1,350</u>
	<u>\$ 45,344</u>	<u>\$ 4,409,739</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

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>2014</u>	<u>2013</u>
Estimated closure costs over the next 72 years	<u>\$ 6,600,000</u>	<u>\$ 6,600,000</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 99,431</u>	<u>\$ 93,803</u>
Expected year capacity will be reached	2086	2086
Capacity (years):		
Used to date	38	37
Remaining	72	73
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>34.55%</u>	<u>33.64%</u>
Liability based on percentage	<u>\$ 34,349</u>	<u>\$ 31,552</u>

11. Long Term Debt

	<u>2014</u>	<u>2013</u>
General Authority:		
Debenture for new municipal office building, held by RBC Life Insurance Company, issued December 31, 2013, payable \$112,937 annually including interest at 4.14%, maturing December 31, 2032	\$ 1,413,573	\$ 1,465,825
Utility Fund:		
Debenture for Main Street water and sewer renewal, demand loan held by Royal Bank of Canada, issued December 31, 2011, payable at \$64,187 annually including interest at 4.06%, maturing December 31, 2015	60,402	119,728
Debenture for Ross Street wastewater pumping station, demand loan held by RBC Royal Bank, issued December 31, 2014 payable at \$64,789 annually including interest at 4.13%, maturing December 31, 2034	<u>870,453</u>	<u>-</u>
	<u>\$ 2,344,428</u>	<u>\$ 1,585,553</u>

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

2015	\$ 143,656
2016	86,698
2017	90,285
2018	94,019
2019	97,908
Thereafter	1,831,862

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

12. Deferred Contributions

Deferred contributions consist of government transfers for which there are stipulations by the transferor that give rise to an obligation that meets the definition of a liability. For transfers with stipulations, an equivalent amount of revenue is recognized as the liability is settled.

The Contribution Agreement under the Communities Component of the Canada-Manitoba Building Canada Fund states "The Recipient will own the Resulting Asset and will use or permit it to be used, operate, and maintain it for the benefit of the public at all times during the Mandatory Operating Period... If the Recipient ceases to use the Resulting Asset, or permit it to be used or to operate or maintain it, for the benefit of the public during the Mandatory Operating Period, the Recipient hereby undertakes to repay Manitoba, on demand, an amount equal to that percentage of the Contribution as is opposite the relevant date below:"

<u>Date of Ceasing to Operate/Maintain/Use Resulting Asset</u>	<u>Reimbursed Costs to be Repaid</u>	
	<u>Percentage</u>	<u>Amount</u>
Before the 2nd anniversary date of the Project Completion Date	100%	\$ 4,500,000
On or after the 2nd anniversary of the Project Completion Date but before the 5th anniversary of the Project Completion Date	55%	2,475,000
On or after the 5th anniversary of the Project Completion Date but before the end of the Mandatory Operating Period	10%	450,000
On or after the end of the Mandatory Operating Period	0%	-

The aforementioned Agreement also states, "If at any time before the 10th anniversary of the Project Completion Date, the Recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, the Resulting Asset or any part of it, other than to Canada, Manitoba, a Local Government or a Crown corporation of Manitoba that is the latter's agent for the purpose of implementing the Agreement, the Recipient hereby undertakes to repay Manitoba, on demand, an amount equal to that percentage of the Contribution as is opposite the relevant date below:"

<u>Date of Disposition of Resulting Asset</u>	<u>Reimbursed Costs to be Repaid</u>	
	<u>Percentage</u>	<u>Amount</u>
Before the 2nd anniversary date of the Project Completion Date	100%	\$ 4,500,000
On or after the 2nd anniversary of the Project Completion Date but before the 5th anniversary of the Project Completion Date	55%	2,475,000
On or after the 5th anniversary of the Project Completion Date but before the 10th anniversary of the Project Completion Date	10%	450,000
On or after the 10th anniversary of the Project Completion Date	0%	-

The Contribution Agreement under the Canada-Manitoba Municipal Rural Infrastructure Fund Agreement states "The Project Proponent shall own the Project and shall use, operate, and maintain the Project unless otherwise agreed in writing by Canada and Manitoba. Unless otherwise agreed to by Canada and Manitoba, the Project Proponent shall: retain title to, and ownership of, the infrastructure resulting from the Project for at least ten (10) years after the Project completion; and in the event that, any any time within ten (10) years from the date of completion of the Project, the Recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset constructed, rehabilitated or improved, in whole or in part, with funds contributed by Canada and/or Manitoba under the terms of this Agreement, other than to Canada, Manitoba, a Local Government or a Crown corporation of Manitoba that is the latter's agent for the purpose of implementing the Agreement, the Project Proponent hereby undertakes to repay Manitoba, on demand, a proportionate amount of the funds contributed by Canada and Manitoba, as follows:"

<u>Where Project asset is sold, leased, encumbered or disposed of:</u>	<u>Repayment of contribution</u>	
	<u>Percentage</u>	<u>Amount</u>
Within 2 Years after Project completion	100%	\$ 800,000
Between 2 and 5 Years after Project completion	55%	440,000
Between 5 and 10 Years after Project completion	10%	80,000

Accordingly, the aforementioned government transfers have been deferred as follows:

	<u>2014</u>	<u>2013</u>
Canada-Manitoba Building Canada Fund Communities Component	\$ 4,500,000	\$ -
Canada-Manitoba Municipal Rural Infrastructure Fund	800,000	-
	<u>\$ 5,300,000</u>	<u>\$ -</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

13. Accumulated Surplus

	<u>2014</u>	<u>2013</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,198,151	\$ 1,426,777
Utility operating fund - Nominal surplus (deficit)	670,036	(74,157)
Tangible capital assets net of related borrowings (see below)	17,768,900	20,769,269
Reserve funds (Schedule 6)	<u>1,623,962</u>	<u>1,585,405</u>
Accumulated surplus of municipality unconsolidated	21,261,049	23,707,294
Accumulated surpluses of consolidated entities	<u>4,763,334</u>	<u>2,108,088</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 26,024,383</u></u>	<u><u>\$ 25,815,382</u></u>
Tangible capital assets net of related borrowings consists of the following:		
Tangible capital assets	\$ 20,113,328	\$ 33,337,796
Long term debt (Note 11)	(2,344,428)	(1,585,553)
Bank indebtedness (Note 6)	-	(7,183,343)
Short term deposit pledged as collateral (Note 3)	-	1,516,000
Deferred grants (Note 9)	-	(4,320,000)
Accounts receivable for tangible capital assets	-	112,022
Accounts payable for tangible capital assets	-	(1,107,653)
	<u><u>\$ 17,768,900</u></u>	<u><u>\$ 20,769,269</u></u>

14. Condensed Supplementary Financial Information for Consolidated Entities

	<u>Unadjusted</u>	<u>Adjustments</u>	<u>Total 2014</u>	<u>Total 2013</u>
<u>Controlled Organizations</u>				
Financial assets	\$ 1,268,259	\$ (236,699)	\$ 1,031,560	\$ 332,043
Liabilities	<u>6,558,304</u>	<u>5,063,301</u>	<u>11,621,605</u>	<u>(55,364)</u>
Net financial assets	(5,290,045)	(5,300,000)	(10,590,045)	387,407
Non-financial assets	-	-	-	491,013
Accumulated surplus	<u><u>\$ (5,290,045)</u></u>	<u><u>\$ (5,300,000)</u></u>	<u><u>\$ (10,590,045)</u></u>	<u><u>\$ 878,420</u></u>
Revenue	\$ 7,327,519	\$ (6,105,149)	\$ 1,222,370	\$ 307,856
Expenses	<u>1,819,335</u>	<u>(805,149)</u>	<u>1,014,186</u>	<u>269,221</u>
Annual surplus	<u><u>\$ 5,508,184</u></u>	<u><u>\$ (5,300,000)</u></u>	<u><u>\$ 208,184</u></u>	<u><u>\$ 38,635</u></u>
<u>Government Partnerships</u>				
Financial assets	\$ 432,535	\$ (20,046)	\$ 412,489	\$ 335,314
Liabilities	<u>482,755</u>	<u>(400,268)</u>	<u>82,487</u>	<u>35,659</u>
Net financial assets	(50,220)	380,222	330,002	299,655
Non-financial assets	-	-	-	930,013
Accumulated surplus	<u><u>\$ (50,220)</u></u>	<u><u>\$ 380,222</u></u>	<u><u>\$ 330,002</u></u>	<u><u>\$ 1,229,668</u></u>
Revenue	\$ 364,766	\$ (113,593)	\$ 251,173	\$ 241,746
Expenses	<u>426,897</u>	<u>(131,678)</u>	<u>295,218</u>	<u>253,176</u>
Annual surplus	<u><u>\$ (62,131)</u></u>	<u><u>\$ 18,085</u></u>	<u><u>\$ (44,046)</u></u>	<u><u>\$ (11,430)</u></u>

15. 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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

16. 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, 2014 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*.

17. Significant Events

Richardson Recreation and Wellness Centre

In 2014, the Town completed construction of the Richardson Recreation & Wellness Centre (Swan Valley Credit Union Aquatic Centre) and opened the facility for public use on May 12th. The building cost of \$12,728,972 is included in *Buildings and Leasehold Improvements*, equipment and furniture costing \$91,131 are included in *Vehicles, Equipment and Furniture*, and computer hardware and software costing \$26,265 are included in *Computer Hardware and Software* on Schedule 1 - *Consolidated Schedule of Tangible Capital Assets*.

Grants toward the construction from the Canada-Manitoba Building Canada Fund for \$4,500,000 and the Canada-Manitoba Municipal Rural Infrastructure Fund for \$800,000 have been reported as deferred contributions (Note 12). Contributions from individuals, businesses and organizations towards construction totaling \$621,848 have been included in other revenue on Schedules 2, 3 and 4.

In 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, 2014 from a line of credit with Swan Valley Credit Union Limited total \$6,059,588 and have been reported as *Bank indebtedness* on the Statement of Financial Position.

In 2015, Town Council passed By-Law 4/2015 to amend By-Law 6/2011 to provide for an increase in project costs for the Richardson Recreation & Wellness Centre and to increase the authorized amount of borrowing to \$6,170,000. On August 20, 2015, The Municipal Board of Manitoba issued Order No. E-15-095 approving the By-Law.

New Municipal Office Building

The Town constructed a new municipal office building that opened in February 2014. In 2010, Town Council passed By-Law 5/2010, amended in 2012 by By-Law 15/2012, 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 of \$2,692,540 are included in *Buildings and Leasehold Improvements* on Schedule 1 - *Consolidated Schedule of Tangible Capital Assets*.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

18. 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 \$138,224 (2013 - \$122,932) 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, 2013 indicated the plan was 93.3% funded on a going concern basis and had an unfunded solvency liability of \$139.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2013.

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.

19. 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.

20. 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*.

21. Comparative Figures

The figures pertaining to *Swan River Parks & Recreation Commission* and *Richardson Recreation & Wellness Centre* were included in *Core Government* in 2013 and in *Controlled Entities* in 2014 on Schedule 5 - *Consolidated Details and Reconciliation to Core Government Results*.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2014

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, 2013:

- a) Compensation paid to members of council amounted to \$81,156 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	\$ 14,480	\$ 1,858	\$ 16,338
Councillor - Don Bobick	8,928	34	8,962
Councillor - Jason Delaurier	11,828	1,447	13,275
Councillor - Phyllis Friesen	10,820	1,868	12,688
Councillor - Lance Jacobson	11,087	1,439	12,526
Councillor - David Moriaux	1,672	100	1,772
Councillor - Jason Sakal	10,902	2,038	12,940
Councillor - Duane Whyte	11,439	1,793	13,232
	<u>\$ 81,156</u>	<u>\$ 10,577</u>	<u>\$ 91,733</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.

	<u>Water Services</u>	<u>Sewer Services</u>
Unamortized balance, beginning	<u>\$ 2,386,049</u>	<u>\$ 1,165,985</u>
<u>Additions during the year</u>		
5th Ave N storm sewer	-	21,333
Lift station radio system	-	84,000
Main Street debenture	32,094	32,094
	<u>32,094</u>	<u>137,427</u>
Amortization during the year	<u>(82,468)</u>	<u>(31,568)</u>
Unamortized balance, ending	<u>\$ 2,335,675</u>	<u>\$ 1,271,844</u>

TOWN OF SWAN RIVER

SCHEDULE 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2014

Cost	General Tangible Capital Assets					Infrastructure Tangible Capital Assets			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Equipment and Furniture	Computer Hardware and Software	Assets under Construction	Roads, Streets and Bridges	Water and Sewer	Assets under Construction	2014	2013
Opening 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	\$ 47,312,899
Additions during the year	57,265	15,457,155	529,720	51,769	216,355	11,634	1,439,469	84,001	17,847,368	8,188,783
Disposals and write downs	(476)	-	(396,308)	(83,037)	(14,883,490)	-	(65,504)	(1,109,013)	(16,537,828)	(734,877)
Closing balance	2,805,212	19,561,562	4,556,268	117,387	182,645	8,359,401	20,345,132	148,738	56,076,345	54,766,805
Accumulated Amortization										
Opening balance	580,302	2,009,081	2,433,370	129,956	-	6,206,366	8,651,628	-	20,010,703	19,197,742
Amortization	78,520	436,844	274,209	16,342	-	218,541	390,451	-	1,414,907	1,046,213
Disposals and write downs	-	-	(326,916)	(83,037)	-	-	(58,785)	-	(468,738)	(233,252)
Closing balance	658,822	2,445,925	2,380,663	63,261	-	6,424,907	8,983,294	-	20,956,872	20,010,703
Net Book Value of Tangible Capital Assets	\$ 2,146,390	\$ 17,115,637	\$ 2,175,605	\$ 54,126	\$ 182,645	\$ 1,934,494	\$ 11,361,838	\$ 148,738	\$ 35,119,473	\$ 34,756,102

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2014

SCHEDULE 2

	2014 Actual	2013 Actual
Property taxes		
Municipal taxes levied (<i>Schedule 12</i>)	\$ 3,970,729	\$ 3,552,289
Taxes added	91,458	57,688
Excess of school tax levy over requirement	88	236
	<u>4,062,275</u>	<u>3,610,213</u>
Grants in lieu of taxation		
Federal government enterprises	16,055	15,355
Provincial government	45,529	42,282
Provincial government enterprises	114,224	101,054
	<u>175,808</u>	<u>158,691</u>
User fees		
Sales of service	451,201	507,258
Sales of goods	38,502	40,831
Rentals	38,679	27,108
Trailer park	6,628	10,313
Development charges	1,432	1,319
Facility use fees	261,400	152,571
Concessions	6,572	6,509
	<u>804,414</u>	<u>745,909</u>
Permits, licences and fines		
Permits	14,949	10,039
Licences	10,841	13,234
Fines	15,763	13,416
Fees	5,547	5,207
	<u>47,100</u>	<u>41,896</u>
Investment income		
Cash and temporary investments	41,807	70,623
Other revenue		
Gain on sale of tangible capital assets	43,932	20,453
Gain (loss) on sale of real estate held for sale	4,978	(40,903)
Contributed assets	48,566	28,711
Donations and contributions	669,465	14,926
Administration fees	867	877
Penalties and interest	78,451	83,615
Supplier rebates	52,855	41,075
	<u>899,114</u>	<u>148,754</u>
Water and sewer (<i>Schedule 9</i>)	<u>1,066,468</u>	<u>948,283</u>
Grants - Province of Manitoba		
General assistance payment	619,778	619,778
General support grant	24,372	24,330
Municipal programs grant (<i>formerly VLT revenues</i>)	61,589	61,589
Conditional grants	122,545	138,940
	<u>828,284</u>	<u>844,637</u>
Grants - other		
Federal government - gas tax funding	200,980	210,621
Federal government - other	85,155	143,307
Other local governments	293,594	234,153
	<u>579,729</u>	<u>588,081</u>
Total revenue	<u>\$ 8,504,999</u>	<u>\$ 7,157,087</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2014

SCHEDULE 3

	2014 Actual	2013 Actual
General government services		
Legislative	\$ 82,265	\$ 83,979
General administrative	730,198	628,279
Other	94,143	74,565
	<u>906,606</u>	<u>786,823</u>
Protective services		
Police	1,056,800	1,031,082
Fire	241,919	224,473
Emergency measures	4,920	8,072
Flood control	915	21,339
Building, electrical and plumbing inspections	43,769	21,313
Bylaw enforcement	18,154	15,919
Animal and pest control	23,367	23,803
Safety officer	74,378	67,582
	<u>1,464,222</u>	<u>1,413,583</u>
Transportation services		
Road transport		
Administration and engineering	76,519	98,593
Road and street maintenance	367,960	366,357
Sidewalk and boulevard maintenance	49,026	66,080
Ditches and road drainage maintenance	10,881	13,021
Storm sewer maintenance	81,476	69,312
Street cleaning	25,858	27,084
Snow and ice removal	133,380	162,722
Street lighting	74,721	72,532
Traffic services	31,285	26,486
Unallocated workshop and yard	180,808	156,929
Unallocated equipment and operators	157,384	62,855
Other	486	79
Air transport	130,526	137,465
Public transit	56,160	52,557
	<u>1,376,470</u>	<u>1,312,072</u>
Environmental health services		
Garbage collection	209,969	218,792
Nuisance grounds	319,265	309,273
Recycling	206,412	114,736
Other	-	486
	<u>735,646</u>	<u>643,287</u>
Public health and welfare services		
Cemeteries	92,757	80,188
Physician retention and recruitment	48,298	44,003
Social welfare and assistance	43,755	43,755
Other	2,000	1,000
	<u>186,810</u>	<u>168,946</u>
Regional planning and development		
Planning and zoning	7,262	8,142
Beautification and land rehabilitation	2,087	6,718
Urban area weed control	16,276	19,392
Christmas lights, decorations, flags	8,586	10,662
	<u>34,211</u>	<u>44,914</u>
Subtotals forward	<u>\$ 4,703,965</u>	<u>\$ 4,369,625</u>

TOWN OF SWAN RIVER
 CONSOLIDATED SCHEDULE OF EXPENSES
 For the Year Ended December 31, 2014

SCHEDULE 3

Subtotals forward	<u>\$ 4,703,965</u>	<u>\$ 4,369,625</u>
Resource conservation and industrial development		
Veterinary services	5,423	5,423
Water resources and conservation	16,952	16,952
Regional development	98,027	67,547
Industrial development	7,335	2,708
Incentive program for construction development	43,779	54,348
Trailer court	20,009	9,789
Tourism	14,616	12,162
Public receptions	3,865	3,695
	<u>210,006</u>	<u>172,624</u>
Recreation and cultural services		
Recreation commission and administration	103,365	45,513
Community centers and halls	97,689	95,345
Swimming pools and beaches	1,179,752	243,095
Skating and curling rinks and arenas	440,881	454,815
Parks and playgrounds	152,203	148,049
Other recreational facilities	40,810	42,042
Museums	4,000	4,000
Libraries	157,690	164,722
	<u>2,176,390</u>	<u>1,197,581</u>
Water and sewer services (Schedule 9)	<u>1,205,637</u>	<u>1,072,515</u>
Total expenses	<u><u>\$ 8,295,998</u></u>	<u><u>\$ 6,812,345</u></u>

SCHEDULE 4

TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2014

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE										
Property taxes	\$ 4,062,275	\$ 3,610,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	175,808	158,691	-	-	-	-	-	-	-	-
User fees	36,633	32,930	83,487	88,078	101,999	109,246	161,173	250,899	63,413	39,718
Permits, licences and fines	15,352	17,077	31,748	24,819	-	-	-	-	-	-
Investment income	20,372	36,885	1,618	1,345	10,958	14,505	161	11	1,893	1,256
Other revenue	101,549	110,413	7,500	29,011	42,152	7,321	-	20,153	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	705,739	705,697	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	1,155	-	35,175	60,323	-	-	-	-
Grants - other	-	-	79,788	136,148	214,220	226,654	-	-	42,023	33,655
Total revenue	5,117,728	4,671,906	205,296	279,401	404,504	418,049	161,334	271,063	107,329	74,629
EXPENSES										
Personnel services	425,420	392,342	267,720	237,100	574,914	525,096	179,705	170,606	59,611	55,117
Contract services	148,840	138,871	1,046,442	1,011,729	67,490	72,338	431,209	339,428	60,987	57,196
Utilities	31,989	27,491	38,626	39,279	104,590	101,807	10,013	7,769	886	799
Maintenance materials and supplies	72,010	71,249	48,166	68,773	198,702	145,500	99,185	110,682	21,039	17,334
Grants and contributions	-	2,050	3,048	2,689	15,325	18,195	-	-	39,634	34,009
Amortization	85,516	5,080	60,220	52,692	411,358	415,976	12,737	11,611	4,653	4,491
Interest on long term debt	92,552	105,686	-	-	-	-	-	-	-	-
Bad debts	15,029	15,270	-	-	-	-	-	-	-	-
Other	35,250	28,784	-	1,321	4,091	33,160	2,797	3,191	-	-
Total expenses	906,606	786,823	1,464,222	1,413,583	1,376,470	1,312,072	735,646	643,287	186,810	168,946
Annual surplus (deficit)	\$ 4,211,122	\$ 3,885,083	\$ (1,258,926)	\$ (1,134,182)	\$ (971,966)	\$ (894,023)	\$ (574,312)	\$ (372,224)	\$ (79,481)	\$ (94,317)

* 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, 2014

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total
	2014	2013	2014	2013	2014	2013	2014	2013	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,610,213
Grants in lieu of taxation	-	-	-	-	-	-	-	-	158,691
User fees	1,432	1,319	6,628	11,303	349,649	212,416	804,414	47,100	745,909
Permits, licences and fines	-	-	-	-	-	-	-	-	41,896
Investment income	17	10	1,418	1,497	1,389	11,831	3,981	3,283	70,623
Other revenue	-	691	35,243	(44,327)	712,670	25,492	899,114	-	148,754
Water and sewer	-	-	-	-	-	-	1,066,468	948,283	948,283
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	705,697
Prov of MB - Conditional Grants	-	-	5,718	-	80,497	78,617	-	-	122,545
Grants - other	858	858	21,016	23,911	221,824	166,855	579,729	-	588,081
Total revenue	2,307	2,878	70,023	(7,616)	1,366,029	495,211	1,070,449	951,566	7,157,087
EXPENSES									
Personnel services	11,204	17,280	29,590	24,502	855,376	527,948	383,545	346,776	2,296,767
Contract services	2,342	2,338	28,831	12,045	150,578	132,265	35,078	33,016	1,799,226
Utilities	82	76	6,215	7,592	243,154	132,648	52,894	50,715	368,176
Maintenance materials and supplies	12,688	16,325	3,900	6,515	186,873	103,635	327,324	267,001	807,014
Grants and contributions	4,812	5,812	114,049	120,159	83,815	82,059	-	-	264,973
Amortization	3,083	3,083	2,358	1,811	444,531	183,636	390,451	367,831	1,046,211
Interest on long term debt	-	-	-	-	163,525	-	4,861	7,176	112,862
Bad debts	-	-	-	-	-	29,477	-	-	44,747
Other	-	-	25,063	-	48,538	5,913	11,484	-	72,369
Total expenses	34,211	44,914	210,006	172,624	2,176,390	1,197,581	1,205,637	1,072,515	6,812,345
Annual surplus (deficit)	\$ (31,904)	\$ (42,036)	\$ (139,983)	\$ (180,240)	\$ (810,361)	\$ (702,370)	\$ (135,188)	\$ (120,949)	\$ 344,742

TOWN OF SWAN RIVER
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2014

	Core Government		Controlled Entities		Government Partnerships		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
REVENUE								
Property taxes	\$ 4,062,275	\$ 3,610,213	\$ -	\$ -	\$ -	\$ -	\$ 4,062,275	\$ 3,610,213
Grants in lieu of taxation	175,808	158,691	-	-	-	-	175,808	158,691
User fees	431,532	502,917	338,792	202,240	34,090	40,752	804,414	745,909
Permits, licences and fines	47,100	41,896	-	-	-	-	47,100	41,896
Investment income	36,162	66,807	3,417	2,248	2,228	1,568	41,807	70,623
Other revenue	214,921	167,303	676,929	(32,512)	7,264	13,963	899,114	148,754
Water and sewer	1,066,468	948,283	-	-	-	-	1,066,468	948,283
Prov of MB - Unconditional Grants	705,739	705,697	-	-	-	-	705,739	705,697
Prov of MB - Conditional Grants	11,671	60,058	33,835	21,293	77,039	57,589	122,545	138,940
Grants - other	279,780	345,621	169,397	114,587	130,552	127,873	579,729	588,081
Total revenue	7,031,456	6,607,486	1,222,370	307,856	251,173	241,745	8,504,999	7,157,087
EXPENSES								
Personnel services	1,929,012	1,771,181	714,557	387,124	143,516	138,462	2,787,085	2,296,767
Contract services	1,764,787	1,619,097	113,415	107,355	93,595	72,774	1,971,797	1,799,226
Utilities	248,320	239,280	228,940	118,943	11,189	9,953	488,449	368,176
Maintenance materials and supplies	784,402	696,602	152,927	70,004	32,558	40,408	969,887	807,014
Grants and contributions	1,155,381	848,050	(795,649)	(485,119)	(99,049)	(97,958)	260,683	264,973
Amortization	943,467	926,008	384,023	33,520	87,417	86,683	1,414,907	1,046,211
Interest on long term debt	97,413	112,862	163,525	-	-	-	260,938	112,862
Bad debts	15,029	15,270	-	29,477	-	-	15,029	44,747
Other	48,783	61,599	52,448	7,917	25,992	2,853	127,223	72,369
Total expenses	6,986,594	6,289,949	1,014,186	269,221	295,218	253,175	8,295,998	6,812,345
Annual surplus (deficit)	\$ 44,862	\$ 317,537	\$ 208,184	\$ 38,635	\$ (44,045)	\$ (11,430)	\$ 209,001	\$ 344,742

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2014

	2014						
	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	\$ 2,214	\$ 4,010	\$ 1,928	\$ 1,582	\$ 29	\$ 5	\$ 7
TRANSFERS							
Transfers from general operating fund	2,500	140,000	5,000	40,000	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to general operating fund	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(116,936)	-	(142,459)	(2,588)	(436)	-
CHANGE IN RESERVE FUND BALANCES	4,714	27,074	6,928	(100,877)	(2,559)	(431)	7
FUND SURPLUS, BEGINNING OF YEAR	199,250	304,234	172,349	126,387	2,588	431	646
FUND SURPLUS, END OF YEAR	\$ 203,964	\$ 331,308	\$ 179,277	\$ 25,510	\$ 29	\$ -	\$ 653

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2014

	2014					2013
	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	\$ 3,961	\$ 3,981	\$ 2,059	\$ 161	\$ 19,937	\$ 46,200
TRANSFERS						
Transfers from operating fund	200,980	-	5,000	6,000	399,480	550,621
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	(134,254)	-	-	-	(396,673)	(3,052,522)
CHANGE IN RESERVE FUND BALANCES	6,500	83,981	7,059	6,161	38,557	(2,439,888)
FUND SURPLUS, BEGINNING OF YEAR	256,789	326,631	184,089	12,011	1,585,405	4,025,293
FUND SURPLUS, END OF YEAR	\$ 263,289	\$ 410,612	\$ 191,148	\$ 18,172	\$ 1,623,962	\$ 1,585,405

SCHEDULE 7

TOWN OF SWAN RIVER
SCHEDULE OF TRUST FUNDS
For the Year Ended December 31, 2014

	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	Swan Valley Stampede Hockey	Total	
								2014	2013
ASSETS									
Due from municipality	\$ 156,168	\$ 1,536	\$ -	\$ 300	\$ -	\$ 2,580	\$ -	\$ 160,584	\$ 153,941
LIABILITIES AND FUND BALANCES									
Due to municipality	\$ -	\$ -	\$ -	\$ -	\$ 2,127	\$ -	\$ 100	\$ 2,227	\$ 6,800
Fund balance	156,168	1,536	-	300	(2,127)	2,580	(100)	158,357	147,141
	\$ 156,168	\$ 1,536	\$ -	\$ 300	\$ -	\$ 2,580	\$ -	\$ 160,584	\$ 153,941
REVENUES									
Contributions and donations	\$ 300	\$ -	\$ -	\$ 2,678	\$ 269,731	\$ 5,000	\$ 1,400	\$ 279,109	\$ 283,654
Cemetery plot sales	14,332	-	-	-	-	-	-	14,332	9,175
Investment income	1,638	16	-	-	-	-	-	1,654	1,615
	16,270	16	-	2,678	269,731	5,000	1,400	295,095	294,444
EXPENDITURES									
Cemetery maintenance	8,196	-	-	-	-	-	-	8,196	7,074
Distribution to beneficiaries	-	-	300	3,638	270,245	-	1,500	275,683	286,121
	8,196	-	300	3,638	270,245	-	1,500	283,879	293,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,074	16	(300)	(960)	(514)	5,000	(100)	11,216	1,249
FUND BALANCE, BEGINNING OF YEAR	148,094	1,520	300	1,260	(1,613)	(2,420)	-	147,141	145,892
FUND BALANCE, END OF YEAR	\$ 156,168	\$ 1,536	\$ -	\$ 300	\$ (2,127)	\$ 2,580	\$ (100)	\$ 158,357	\$ 147,141

TOWN OF SWAN RIVER
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 As at December 31, 2014

SCHEDULE 8

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 205,281	\$ 203,989
Due from General Operating Fund	<u>476,919</u>	<u>-</u>
	<u>\$ 682,200</u>	<u>\$ 203,989</u>
LIABILITIES		
Accounts payable	\$ 80,036	\$ 71,611
Deferred revenue	186,803	181,728
Long-term debt (Note 11)	930,855	119,728
Due to General Operating Fund	<u>-</u>	<u>241,129</u>
	<u>1,197,694</u>	<u>614,196</u>
NET DEBT	<u>\$ (515,494)</u>	<u>\$ (410,207)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (<i>Schedule 1</i>)	\$ 11,510,575	\$ 11,493,288
Inventories (Note 5)	249,624	216,322
Prepaid expenses	<u>5,050</u>	<u>-</u>
	<u>11,765,249</u>	<u>11,709,610</u>
FUND SURPLUS	<u>\$ 11,249,755</u>	<u>\$ 11,299,403</u>

TOWN OF SWAN RIVER
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2014

SCHEDULE 9

	2014 Budget	2014 Actual	2013 Actual
REVENUE			
Water			
Water fees	\$ 541,100	\$ 516,579	\$ 486,067
Sewer			
Sewer fees	270,540	257,648	241,966
Lagoon tipping fees	7,500	6,660	9,253
	<u>278,040</u>	<u>264,308</u>	<u>251,219</u>
Other			
Hydrant rentals	13,650	13,650	12,800
Connection charges	50,000	50,767	124,324
Installation service	1,500	1,500	1,500
Penalties	2,000	2,196	2,106
Contributed tangible capital assets	-	151,356	-
Investment income	-	1,980	6,572
Administration fees	63,000	62,890	62,680
Other income	5,650	1,242	1,015
	<u>135,800</u>	<u>285,581</u>	<u>210,997</u>
Total revenue	<u>954,940</u>	<u>1,066,468</u>	<u>948,283</u>

TOWN OF SWAN RIVER
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2014

SCHEDULE 9

	2014 Budget	2014 Actual	2013 Actual
EXPENSES			
General			
Administration	94,740	83,784	85,603
Training costs	-	4,876	5,325
Billing and collection	9,500	14,557	9,817
	<u>104,240</u>	<u>103,217</u>	<u>100,745</u>
Water General			
Purification and treatment	148,100	120,329	111,652
Transmission and distribution	78,000	171,311	67,618
Service of supply	12,500	9,715	10,452
Connection costs	117,000	157,013	165,973
Other	68,500	56,275	62,894
	<u>424,100</u>	<u>514,643</u>	<u>418,589</u>
Water Amortization and Interest			
Amortization	212,000	213,612	211,607
Interest on long term debt	4,861	4,861	7,176
	<u>216,861</u>	<u>218,473</u>	<u>218,783</u>
Sewer General			
Collection system costs	48,000	54,517	47,021
Treatment and disposal costs	54,000	18,522	17,362
Lift station costs	76,600	81,880	70,304
Other	43,000	37,546	43,487
	<u>221,600</u>	<u>192,465</u>	<u>178,174</u>
Sewer Amortization	<u>156,000</u>	<u>176,839</u>	<u>156,224</u>
Total expenses	<u>1,122,801</u>	<u>1,205,637</u>	<u>1,072,515</u>
NET OPERATING DEFICIT	(167,861)	(139,169)	(124,232)
TRANSFERS			
Transfers from reserve funds	-	169,521	255,187
Transfers from General Operating Fund	64,187	-	-
Transfers to General Operating Fund	-	-	(85,059)
Transfers to reserve funds	(80,000)	(80,000)	(80,000)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (183,674)</u>	<u>(49,648)</u>	<u>(34,104)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>11,299,403</u>	<u>11,333,507</u>
FUND SURPLUS, END OF YEAR		<u>\$ 11,249,755</u>	<u>\$ 11,299,403</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2014

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,883,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,883,000
Grants in lieu of taxation	313,906	-	-	-	-	-	-	313,906
User fees	492,189	-	-	-	-	-	342,052	834,241
Permits, licences and fines	37,347	-	-	-	-	-	-	37,347
Investment income	11,000	-	-	-	-	-	999	11,999
Other revenue	80,900	-	-	-	-	-	10,830	91,730
Water and sewer	-	954,940	-	-	-	-	-	954,940
Grants - Province of Manitoba	1,006,997	-	-	-	-	-	74,522	1,081,519
Grants - other	210,621	-	-	-	-	-	231,566	442,187
Transfers from general operating	-	64,187	-	-	(64,187)	-	-	-
Transfers from reserves	25,000	-	-	-	(25,000)	-	-	-
Total revenue	6,060,960	1,019,127	-	-	(89,187)	-	659,969	7,650,869
EXPENSES								
General government services	681,032	-	5,000	60,685	27,558	25,000	-	799,275
Protective services	1,360,395	-	52,500	-	-	-	1,215	1,414,110
Transportation services	739,566	-	334,500	-	-	-	151,837	1,225,903
Environmental health services	654,600	-	11,500	-	-	-	-	666,100
Public health and welfare services	185,312	-	4,500	-	-	-	-	189,812
Regional planning and development	40,300	-	3,000	-	-	-	-	43,300
Resource conservation and industrial development	145,452	-	1,500	-	-	-	34,292	181,244
Recreation and cultural services	892,900	-	145,500	-	-	-	1,077,426	2,115,826
Water and sewer services	-	749,940	368,000	4,861	-	-	-	1,122,801
Fiscal services:								
Transfer to capital	752,600	125,000	(877,600)	-	-	-	-	-
Debt charges	112,937	64,187	-	(177,124)	-	-	-	-
Tax discount and short term interest	27,000	-	-	-	(27,000)	-	-	-
Transfers to utility operating	64,187	-	-	-	(64,187)	-	-	-
Transfers to reserves	404,121	80,000	-	-	(484,121)	-	-	-
Allowance for tax assets	558	-	-	-	(558)	-	-	-
Total expenses	6,060,960	1,019,127	48,400	(111,578)	(548,308)	25,000	1,264,769	7,758,370
Annual surplus (deficit)	\$ -	\$ -	\$ (48,400)	\$ 111,578	\$ 459,121	\$ (25,000)	\$ (604,800)	\$ (107,501)

TOWN OF SWAN RIVER
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2014

SCHEDULE 11

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 601,374	\$ 614,171
Add:		
Tax levy (<i>Schedule 12</i>)	6,542,855	6,264,017
Taxes added	91,458	57,688
Penalties or interest	78,451	83,615
Other accounts added	132,000	23,024
Taxes overpaid	10,524	11,787
Tax sale costs	6,915	11,354
	<u>6,862,203</u>	<u>6,451,485</u>
Deduct:		
Cash collections - current	5,665,062	5,169,128
Cash collections - arrears	458,198	517,287
Cancellations and writeoffs	15,029	24,137
Tax discounts	34,625	28,785
Manitoba Education Property Tax Credit - cash advance	723,392	716,995
Manitoba Education Property Tax Credit - additional	4,190	7,919
Transfers re tax sale	-	-
Other adjustments	(276)	31
	<u>6,900,220</u>	<u>6,464,282</u>
Balance, end of year	\$ <u>563,357</u>	\$ <u>601,374</u>

TOWN OF SWAN RIVER
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2014

SCHEDULE 12

	2014			2013
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Mill Rate (At Large)	\$ 137,580,450	0.785	\$ 108,001	\$ 118,878
Mill Rate (L.I.D.)	-	0.000	-	-
Frontage			-	-
			<u>108,001</u>	<u>118,878</u>
Intergovernmental Affairs	137,580,450	0.396	<u>54,482</u>	<u>56,243</u>
Reserves:				
General (20/1983)	137,580,450	0.018	2,476	-
Machinery replacement (01/1997)	137,580,450	0.972	133,728	134,217
Employee benefits (09/1993)	137,580,450	0.035	4,815	5,113
Fire truck replacement (05/1997)	137,580,450	0.278	38,247	19,174
Office building (18/1997)			-	57,522
Recreation facilities (04/2000)			-	99,704
			<u>179,266</u>	<u>315,730</u>
General Municipal	137,580,450	19.929	<u>2,741,841</u>	<u>2,523,281</u>
Special levies:				
Police, fire and street services	170,611,140	4.829	<u>823,881</u>	<u>459,000</u>
Business tax (rate%)	4,518,400	1.40%	<u>63,258</u>	<u>79,157</u>
Total municipal taxes (Schedule 2)			<u>3,970,729</u>	<u>3,552,289</u>
Education support levy	40,719,320	11.390	463,793	465,789
Special levy:				
Swan Valley School Division	129,313,850	16.304	<u>2,108,333</u>	<u>2,245,939</u>
Total education taxes			<u>2,572,126</u>	<u>2,711,728</u>
Total tax levy (Schedule 11)			<u>\$ 6,542,855</u>	<u>\$ 6,264,017</u>

TOWN OF SWAN RIVER
 ANALYSIS OF SCHOOL ACCOUNTS
 For the Year Ended December 31, 2014

SCHEDULE 13

	2014			2013
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 496,672	\$ 496,672	\$ -
Special levies				
Swan Valley School Division	-	2,213,463	2,213,463	-
Total	\$ -	\$ 2,710,135	\$ 2,710,135	\$ -

TOWN OF SWAN RIVER
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2014

SCHEDULE 14

	2014 Actual	2013 Actual
General government services		
Legislative	\$ 82,265	\$ 83,979
General administrative	730,198	628,279
Other	94,143	74,565
	<u>906,606</u>	<u>786,823</u>
Protective services		
Police	1,056,800	1,031,082
Fire	241,919	224,473
Emergency measures	4,177	7,057
Flood control	915	21,339
Building, electrical and plumbing inspections	43,769	21,313
Bylaw enforcement	18,154	15,919
Animal and pest control	23,367	23,803
Safety officer	74,378	67,582
	<u>1,463,479</u>	<u>1,412,568</u>
Transportation services		
Road transport		
Administration and engineering	76,519	98,593
Road and street maintenance	367,960	366,357
Sidewalk and boulevard maintenance	49,026	66,080
Ditches and road drainage maintenance	10,881	13,021
Storm sewer maintenance	81,476	69,312
Street cleaning	25,858	27,084
Snow and ice removal	133,380	162,722
Street lighting	74,721	72,532
Traffic services	31,285	26,486
Unallocated workshop and yard	180,808	156,929
Unallocated equipment and operators	157,384	62,855
Other	486	79
Air transport	22,916	27,472
Public transit	22,000	20,000
	<u>1,234,700</u>	<u>1,169,522</u>
Environmental health services		
Garbage collection	209,969	218,792
Nuisance grounds	319,265	309,273
Recycling	206,412	114,736
Other	-	486
	<u>735,646</u>	<u>643,287</u>
Public health and welfare services		
Cemeteries	92,757	80,188
Physician retention and recruitment	54,307	53,288
Social welfare and assistance	43,755	43,755
Other	2,000	1,000
	<u>192,819</u>	<u>178,231</u>
Regional planning and development		
Planning and zoning	4,955	5,955
Beautification and land rehabilitation	2,087	6,718
Urban area weed control	16,276	19,392
Christmas lights, decorations, flags	8,586	10,662
	<u>31,904</u>	<u>42,727</u>
Subtotals forward	<u>\$ 4,565,154</u>	<u>\$ 4,233,158</u>

TOWN OF SWAN RIVER
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2014

SCHEDULE 14

Subtotals forward	\$ 4,565,154	\$ 4,233,158
Resource conservation and industrial development		
Veterinary services	5,423	5,423
Water resources and conservation	16,952	16,952
Regional development	52,741	51,067
Industrial development	2,786	-
Incentive program for construction development	43,779	54,348
Trailer court	20,009	9,789
Tourism	14,616	12,162
Public receptions	3,865	3,695
	<u>160,171</u>	<u>153,436</u>
Recreation and cultural services		
Recreation commission and administration	288,577	231,052
Community centers and halls	49,297	151,503
Swimming pools and beaches	472,461	118,723
Skating and curling rinks and arenas	-	91,471
Parks and playgrounds	152,203	148,049
Other recreational facilities	30,000	30,000
Museums	4,000	4,000
Libraries	64,094	61,042
	<u>1,060,632</u>	<u>835,840</u>
Total expenses	5,785,957	5,222,434
Transfers to reserves	<u>394,480</u>	<u>545,621</u>
	<u>\$ 6,180,437</u>	<u>\$ 5,768,055</u>

TOWN OF SWAN RIVER
 SCHEDULE OF DEBENTURES PENDING
 As at December 31, 2014

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	\$ 12,728,792
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
			<u>\$ 3,050,000</u>	<u>\$ 12,794,390</u>

TOWN OF SWAN RIVER

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

For the Year Ended December 31, 2014

SCHEDULE 17

	2014		2013	
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ (228,625)	\$ 744,192	\$ 515,567	\$ (373,950)
Add: Adjustments to revenue for reporting under public sector accounting standards				
Eliminate transfers from reserves	(291,338)	(169,521)	(460,859)	(3,116,709)
Eliminate transfers between funds	-	-	-	(85,059)
Add reserve funds interest	15,956	3,981	19,937	46,200
Eliminate proceeds from dispositions of tangible capital assets	(112,390)	-	(112,390)	(28,453)
Add gain on sale of tangible capital assets	47,806	-	47,806	20,453
	<u>(339,966)</u>	<u>(165,540)</u>	<u>(505,506)</u>	<u>(3,163,568)</u>
Less: Adjustments to expenses for reporting under public sector accounting standards				
Eliminate transfers to reserves	(394,480)	(80,000)	(474,480)	(630,621)
Eliminate transfers between funds	-	-	-	(85,059)
Add amortization of tangible capital assets	553,017	390,451	943,468	926,008
Eliminate principal portion of debenture debt payments	(52,252)	(59,327)	(111,579)	(107,187)
Add loss on dispositions of tangible capital assets	4,651	6,719	11,370	32,569
Eliminate acquisitions of tangible capital assets	(752,725)	(414,456)	(1,167,181)	(7,716,359)
	<u>(641,789)</u>	<u>(156,613)</u>	<u>(798,402)</u>	<u>(7,580,649)</u>
Less: Adjustments for financing of tangible capital assets				
Add borrowing toward tangible capital assets	-	870,453	870,453	2,961,990
Add deferred grants for tangible capital assets	-	-	-	1,581,230
Add accounts receivable received for tangible capital assets	87,224	-	87,224	-
Add accounts payable (repaid) for tangible capital assets	(194,076)	-	(194,076)	(817,626)
	<u>(106,852)</u>	<u>870,453</u>	<u>763,601</u>	<u>3,725,594</u>
Add: Net surplus of consolidated entities	164,139	-	164,139	27,205
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 344,189	\$ (135,188)	\$ 209,001	\$ 344,742