

TOWN OF SWAN RIVER

**Consolidated Financial Statements
For the Year Ended December 31, 2020**



THE TOWN OF SWAN RIVER

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PO Box 879, Swan River MB R0L 1Z0

STATEMENT OF RESPONSIBILITY

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

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

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

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

Derek Poole
Chief Administrative Officer

PKHC

Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Town of Swan River ("the Town"), which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

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Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Swan River, Manitoba
July 20, 2021



Chartered Professional Accountants

TOWN OF SWAN RIVER

Consolidated Financial Statements

For the Year Ended December 31, 2020

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**TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020**

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 3,669,869	\$ 2,049,306
Amounts receivable (Note 4)	1,235,118	1,482,648
Portfolio investments (Note 5)	8,804	2,573
Real estate properties held for sale	486,203	485,908
Other inventories for sale (Note 6)	11,568	14,405
	<u>\$ 5,411,562</u>	<u>\$ 4,034,841</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	1,121,894	1,135,473
Pre-retirement bonus entitlement (Note 8)	360,728	382,498
Unearned revenue (Note 9)	445,165	225,718
Landfill closure liability (Note 10)	98,536	52,015
Long-term debt (Note 11)	8,009,246	6,799,320
Prepaid local improvement district levies (Note 12)	242,518	258,686
Deferred government transfers (Note 13)	3,190,000	3,190,000
	<u>13,468,087</u>	<u>12,043,710</u>
NET DEBT	<u>\$ (8,056,525)</u>	<u>\$ (8,008,869)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 35,896,153	\$ 35,622,372
Inventories (Note 6)	450,495	431,661
Prepaid expenses	115,254	122,521
	<u>36,461,902</u>	<u>36,176,554</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 28,405,377</u>	<u>\$ 28,167,685</u>

COMMITMENTS (Note 15)

Approved on behalf of Council:


Lance Jacobson - Mayor


Johnny Wintoniw - Deputy Mayor

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, 2020

	2020 Budget <u>(Note 18)</u>	2020 Actual	2019 Actual
REVENUE			
Property taxes	\$ 4,610,888	\$ 4,583,964	\$ 4,737,691
Grants in lieu of taxation	224,580	224,580	238,608
User fees	1,430,258	1,294,964	997,721
Permits, licences and fines	37,250	46,982	44,178
Investment income	13,464	34,386	67,631
Other revenue	57,060	139,946	122,967
Water and sewer	1,316,670	1,498,011	1,402,015
Grants - Province of Manitoba	891,151	879,176	876,848
Grants - other	547,926	485,896	792,554
Total revenue (Schedules 2, 4 and 5)	<u>9,129,247</u>	<u>9,187,905</u>	<u>9,280,213</u>
EXPENSES			
General government services	980,161	983,382	894,305
Protective services	1,743,189	1,635,891	1,652,982
Transportation services	1,403,601	1,411,528	1,420,753
Environmental health services	1,282,355	1,215,797	1,121,010
Public health and welfare services	201,139	163,978	170,919
Regional planning and development	40,427	42,557	40,444
Resource conservation and industrial development	157,351	132,643	147,809
Recreation and cultural services	2,222,248	1,948,530	2,308,922
Water and sewer services	1,363,229	1,415,907	1,457,171
Total expenses (Schedules 3, 4 and 5)	<u>9,393,700</u>	<u>8,950,213</u>	<u>9,214,315</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (264,453)</u>	237,692	65,898
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>28,167,685</u>	<u>28,101,787</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 28,405,377</u>	<u>\$ 28,167,685</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, 2020

	2020 Budget (Note 18)	2020 Actual	2019 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (264,453)	\$ 237,692	\$ 65,898
Acquisition of tangible capital assets	(2,792,300)	(2,050,849)	(1,483,768)
Amortization of tangible capital assets	1,605,658	1,674,336	1,658,186
Gain on sale of tangible capital assets	-	(3,677)	-
Loss on sale of tangible capital assets	-	24,018	5,000
Proceeds on sale of tangible capital assets	-	82,391	-
Decrease (increase) in inventories	-	(18,834)	1,947
Decrease (increase) in prepaid expense	-	7,267	(41,472)
	<u>(1,186,642)</u>	<u>(285,348)</u>	<u>139,893</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (1,451,095)</u>	<u>(47,656)</u>	205,791
NET DEBT, BEGINNING OF YEAR		<u>(8,008,869)</u>	<u>(8,214,660)</u>
NET DEBT, END OF YEAR		<u>\$ (8,056,525)</u>	<u>\$ (8,008,869)</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, 2020

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 237,692	\$ 65,898
Changes in non-cash items:		
Amounts receivable	247,530	572,307
Inventories	(15,997)	915
Prepaid expenses	7,267	(41,472)
Accounts payable and accrued liabilities	(13,579)	(105,831)
Unearned revenue	219,447	7,449
Pre-retirement bonus entitlement	(21,770)	32,786
Prepaid local improvement district levies	(16,168)	(16,168)
Landfill closure liability	46,522	4,086
Gain on sale of tangible capital assets	(3,677)	-
Loss on sale of tangible capital assets	24,018	5,000
Gain on sale of real estate properties	(5,400)	(500)
Amortization	<u>1,674,336</u>	<u>1,658,186</u>
Cash provided by operating transactions	<u>2,380,221</u>	<u>2,182,656</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	82,391	-
Cash used to acquire tangible capital assets	<u>(2,050,849)</u>	<u>(1,483,768)</u>
Cash applied to capital transactions	<u>(1,968,458)</u>	<u>(1,483,768)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	5,600	500
Acquisition of real estate properties	(495)	(33,837)
Acquisition of portfolio investments	(6,387)	(1,269)
Disposition of portfolio investments	156	66
Cash applied to investing transactions	<u>(1,126)</u>	<u>(34,540)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	1,658,779	64,470
Debt repayment	<u>(448,853)</u>	<u>(323,661)</u>
Cash provided by (applied to) financing transactions	<u>1,209,926</u>	<u>(259,191)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	1,620,563	405,157
Cash and temporary investments, beginning of year	<u>2,049,306</u>	<u>1,644,149</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 3,669,869</u>	<u>\$ 2,049,306</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, 2020

1. Status of the Town of Swan River

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

2. Significant Accounting Policies

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

a) Reporting Entity

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

Swan River Handi Transit Van
Swan River Municipal Developers Ltd.

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

G7 Physician Retention and Recruitment Fund (consolidated 40%, 2019 - 40%)
North-West Regional Library (consolidated 54%, 2019 - 54%)
Swan Valley District Recreation Commission (consolidated 46%, 2019 - 46%)
Swan Valley Municipal Airport Commission (consolidated 37%, 2019 - 37%)
Swan Valley Planning District (consolidated 40%, 2019 - 40%)
Swan Valley Regional Initiative for a Strong Economy (consolidated 45%, 2019 - 45%)

The taxation with respect to the operations of the school division is not reflected in the Municipal surplus of these financial statements.

Trust funds and their related operations administered by the Town are not consolidated in these financial statements.

b) Basis of Accounting

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

c) Cash and Temporary Investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

2. Significant Accounting Policies (continued)

e) Real Estate Properties Held for Sale

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

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

f) Landfill Closure and Post Closure Liabilities

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

g) Non-Financial Assets

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

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

h) Tangible Capital Assets

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

General Tangible Capital Assets

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

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

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

2. Significant Accounting Policies *(continued)*

h) Tangible Capital Assets *(continued)*

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

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.

Unearned 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 amounts are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

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

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

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

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 3,663,713	\$ 1,992,646
Temporary investments	6,156	56,660
	<u>\$ 3,669,869</u>	<u>\$ 2,049,306</u>

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

The Town has designated \$2,477,871 (2019 \$2,209,573) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 - *Schedule of Change in Reserve Fund Balances*.

The balance of cash reported above includes \$660,896 (2019 \$634,368) held by controlled entities and government partnerships.

The Town has an authorized \$500,000 revolving demand facility by way of overdrafts with the Royal Bank of Canada. The facility was not used at any time during the fiscal year.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2020</u>	<u>2019</u>
Taxes on roll (<i>Schedule 11</i>)	\$ 419,038	\$ 530,270
Government grants	36,423	68,189
Utility customers	343,485	299,362
Organizations and individuals	189,940	178,368
Other governments	254,003	435,926
Accrued interest	12,892	4,356
	<u>1,255,781</u>	<u>1,516,471</u>
Less allowances for doubtful amounts	<u>(20,663)</u>	<u>(33,823)</u>
	<u>\$ 1,235,118</u>	<u>\$ 1,482,648</u>

5. Portfolio Investments

Term deposits

TD Canada Trust non-redeemable, issued August 12, 2020, matures August 12, 2021, interest at 0.45% per annum	\$ 4,982	\$ -
Patronage shares		
Swan Valley Consumers Co-operative	39	196
Swan Valley Credit Union	874	712
Westman Communications Group	2,909	1,666
	<u>\$ 8,804</u>	<u>\$ 2,573</u>

6. Inventories

	<u>2020</u>	<u>2019</u>
Inventories for sale:		
Airport fuel	\$ 10,588	\$ 13,368
Concession supplies	58	531
Swimming supplies	922	506
	<u>\$ 11,568</u>	<u>\$ 14,405</u>

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

6. Inventories (continued)

Inventories for use:

General

Fuel	\$ 2,846	\$ 3,492
Granulars	52,700	43,492
Dust control	1,379	1,788
Sidewalk unistone	4,036	12,936
Culverts	14,826	12,741
Traffic services	9,435	10,247
Janitorial supplies	5,012	4,985
Landfill cover material	11,199	11,199
Chemicals and reagents	4,874	5,022
Programming supplies	1,928	1,724
	<u>108,235</u>	<u>107,626</u>

Utility

Connections	39,400	33,088
Water treatment chemicals	11,492	7,592
Sewage collection	121,271	97,008
Water meters	26,432	33,323
Transmission and distribution	143,665	153,024
	<u>342,260</u>	<u>324,035</u>
	<u>\$ 450,495</u>	<u>\$ 431,661</u>

7. Accounts Payable and Accrued Liabilities

	<u>2020</u>	<u>2019</u>
Trade accounts payable	\$ 716,220	\$ 192,224
Contractor holdbacks	37,996	134,478
Employee remittances payable	5,444	1,911
Other governments	36,600	304,971
Accrued vacation liability	157,541	185,063
Accrued salaries and wages payable	8,637	58,429
Other accrued expenses	56,997	50,865
School levies	102,459	207,532
	<u>\$ 1,121,894</u>	<u>\$ 1,135,473</u>

8. Pre-Retirement Bonus Entitlement

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

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

Each employee's entitlement liability has been calculated as the net present value of his or her entitlement upon retiring at the later of age 55 or five years of seniority, assuming 1.5% inflation applied to his or her current daily rate of pay, discounted to the end of the current fiscal year using an assumed long term average borrowing rate of 4.0%.

	<u>2020</u>	<u>2019</u>
Beginning balance	\$ 382,498	\$ 349,712
Earned during the year	34,415	41,219
Paid out during the year	(29,095)	(8,433)
Relinquished on termination of employment	(27,090)	-
Ending balance	<u>\$ 360,728</u>	<u>\$ 382,498</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

9. Unearned Revenue

	<u>2020</u>	<u>2019</u>
Prepaid taxes	\$ 27,098	\$ 33,052
Prepaid utility	2,804	1,978
Water meter deposits	125,648	126,269
Unused grants <i>(See following explanation)</i>	272,497	52,834
Rental prepayments and deposits	17,118	11,585
	<u>\$ 445,165</u>	<u>\$ 225,718</u>

Unused grants consists of government transfers towards programs that have not yet commenced or tangible capital assets that have not yet been put into use. The grants will be recognized as revenue in the year when the programs are undertaken or the tangible capital assets are put into use, respectively.

10. Landfill Closure Liability

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

	<u>2020</u>	<u>2019</u>
Estimated closure costs over the next 66 years	<u>\$ 6,600,000</u>	<u>\$ 6,600,000</u>
Discount rate	<u>4.50%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 246,341</u>	<u>\$ 133,061</u>
Expected year capacity will be reached	2086	2086
Capacity (years):		
Used to date	44	43
Remaining	66	67
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>40.00%</u>	<u>39.09%</u>
Liability based on percentage	<u>\$ 98,536</u>	<u>\$ 52,015</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

11. Long Term Debt

	<u>2020</u>	<u>2019</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	\$ 1,051,366	\$ 1,118,017
Debenture for Richardson Recreation & Wellness Centre, held by RBC Life Insurance Company, issued February 29, 2016, payable \$368,322 annually including interest at 3.79%, maturing December 31, 2035	4,155,941	4,359,055
Debenture for fire fighter equipment, held by Province of Manitoba, issued November 30, 2017, payable \$16,977 annually including interest at 3.875%, maturing December 31, 2032	160,680	171,049
Debenture for 12th Avenue and 3rd St South local improvement, held by Birchwood Cemetery Perpetual Care Fund, issued February 6, 2019, payable \$5,849 annually including interest at 4.125%, maturing December 31, 2033	57,959	61,280
Debenture for Centennial Arena temporary ice floor, held by Swan Valley Credit Union Limited, issued March 31, 2020, payable \$65,488 annually including interest at 2.99%, maturing December 31, 2024	243,482	-
Debenture for Incident Command Vehicle, held by Birchwood Cemetery Perpetual Care Fund, issued December 31, 2020, payable \$9,935 annually including interest at 1.875%, maturing December 31, 2025	47,000	-
Debenture for Loader-Backhoe, held by Province of Manitoba, issued November 30, 2020, payable \$20,716 annually including interest at 1.875%, maturing December 31, 2025	98,000	-
Utility Fund:		
Debenture for Ross Street wastewater pumping station, demand loan held by RBC Royal Bank, issued December 31, 2014, payable \$64,789 annually including interest at 4.13%, maturing December 31, 2034	678,537	713,844
Debenture for Heyes Street wastewater pumping station, demand loan held by RBC Royal Bank, issued February 29, 2016, payable \$31,777 annually including interest at 3.79%, maturing December 31, 2035	358,552	376,075
Debenture for 6th Ave wastewater pumping station, held by Swan Valley Credit Union Limited, issued February 28, 2020, payable \$29,593 annually including interest at 3.19%, maturing December 31, 2029	228,382	-
Debenture for Well Control Building, held by RBC Life Insurance Company, issued March 31, 2020, payable \$67,200 annually including interest at 3.40%, maturing December 31, 2039	929,347	-
	<u>\$ 8,009,246</u>	<u>\$ 6,799,320</u>

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

11. Long Term Debt (continued)

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

2021	\$ 493,454
2022	511,272
2023	529,748
2024	548,906
2025	503,286
Thereafter	<u>5,422,580</u>
	<u>\$ 8,009,246</u>

Schedule of Debentures Pending

Authority	Purpose	Amount Authorized
Utility	Main Street water and sewer renewal	\$ 400,000
General	Recreation & Wellness Centre repair & renovation	600,000

12. Prepaid Local Improvement District Levies

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

	2020	2019
Beginning balance	\$ 258,686	\$ 274,854
Amortization	<u>(16,168)</u>	<u>(16,168)</u>
Ending balance	<u>\$ 242,518</u>	<u>\$ 258,686</u>

13. Deferred Government Transfers

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

According to the terms of the Contribution Agreements with The Government of Manitoba under the Communities Component of the Canada-Manitoba Building Canada Fund and under the Canada-Manitoba Municipal Rural Infrastructure Fund for the Swan Valley Recreation and Wellness Centre Project, the Town must own, use or permit to be used, operate and maintain the Wellness Centre for ten years after the project completion date of December 31, 2015 or else repay The Government of Manitoba as follows:

Date of Disposition or Ceasing to Operate, Maintain and Use the Wellness Centre	Reimbursed Costs to be Repaid	
	Percentage	Amount
Before December 31, 2017	100%	\$ 5,800,000
On or after December 31, 2017 but before December 31, 2020	55%	3,190,000
On or after December 31, 2020 but before December 31, 2025	10%	580,000

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

	2020	2019
Canada-Manitoba		
Building Canada Fund Communities Component	\$ 4,000,000	\$ 4,000,000
Municipal Rural Infrastructure Fund	800,000	800,000
Province of Manitoba – Building Manitoba Fund	<u>1,000,000</u>	<u>1,000,000</u>
	<u>5,800,000</u>	<u>5,800,000</u>
Revenue recognized upon settlement of liability	<u>(2,610,000)</u>	<u>(2,610,000)</u>
	<u>\$ 3,190,000</u>	<u>\$ 3,190,000</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

14. Accumulated Surplus

	<u>2020</u>	<u>2019</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,356,314	\$ 1,116,116
Utility operating fund - Nominal surplus	85,962	85,962
Tangible capital assets net of related borrowings (<i>see below</i>)	22,909,555	23,196,863
Reserve funds (<i>Schedule 6</i>)	<u>2,477,871</u>	<u>2,209,573</u>
Accumulated surplus of municipality unconsolidated	26,829,702	26,608,514
Accumulated surpluses of consolidated entities	<u>1,575,675</u>	<u>1,559,171</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 28,405,377</u></u>	<u><u>\$ 28,167,685</u></u>

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

Tangible capital assets	\$ 35,326,559	\$ 35,032,495
Long term debt (Note 11)	(8,009,246)	(6,799,320)
Accounts payable	(974,704)	(1,535,611)
Accounts receivable	98,000	-
Deferred government transfers (Note 13)	(3,190,000)	(3,190,000)
Prepaid local improvement district levies (Note 12)	(242,518)	(258,686)
Landfill closure liability (Note 10)	<u>(98,536)</u>	<u>(52,015)</u>
	<u><u>\$ 22,909,555</u></u>	<u><u>\$ 23,196,863</u></u>

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

	<u>2020</u>	<u>2019</u>
Excess brought forward	\$ 412,948	\$ 690,755
Property taxes and grants-in-lieu from special service levy	600,062	414,778
Policing fines	6,617	5,778
Province of Manitoba Urban Policing Grant	451,288	451,288
Actual cost of police protection and bylaw enforcement	<u>(1,192,458)</u>	<u>(1,149,651)</u>
Excess carried forward to next year	<u><u>\$ 278,457</u></u>	<u><u>\$ 412,948</u></u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

15. Commitments

Municipal Police Service

The Town entered into an agreement dated April 1, 2012 with the Government of Canada to provide and maintain a Municipal Police Service within the Town until March 31, 2032. Under the terms of the agreement, the Town is responsible to pay, on a quarterly basis, 70 percent of the cost of operating and maintaining the Municipal Police Service, including salaries and wages, transportation and travel, information, professional services, rentals, repairs, utilities and supplies as well as providing accommodation of office space, jail cell facilities and garage space. Under the agreement, the Town incurred costs in the 2020 fiscal year of \$1,190,624 (2019 - \$1,148,726).

Swan Valley Employment and Training Project

The Town entered into agreements expiring June 30, 2021 with The Government of Manitoba – Ministry of Jobs and the Economy to act as the "Service Provider" for the *Swan Valley Employment and Training Project* Employment Partnership. The objective of the partnership is to provide work experience, job search assistance and employment supports for individuals in the Swan Valley area.

Since the Province pays a financial contribution to the Town equal to the Eligible Costs incurred by the Town in carrying out the Project and the Town has not made any financial investment in the Partnership, the assets, liabilities, revenues and expenses of the Project have not been consolidated into these financial statements. The Town received financial contributions from the Province and disbursed the contributions to the Partnership for Eligible Costs in the amount of \$244,612 (2019 \$287,475).

Water Treatment Plant Upgrade

The Town entered into a cost sharing agreement dated September 23, 2020 with The Manitoba Water Services Board for its Water Treatment Plant Upgrade Project. The project will commence in 2021 and is expected to cost \$350,000. The Manitoba Water Services Board has agreed to provide a grant in the amount of \$175,000 from the Manitoba Restart Program.

16. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Town on behalf of its employees are expected to be \$151,991 (2019 - \$149,618) 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, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of \$288.8 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, 2019.

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.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

17. Financial Instruments

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

18. Budget

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

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

19. Public Sector Compensation Disclosure

It is a requirement of *The Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually, to any member of council, officer or employee of the Town. For the year ended December 31, 2020:

- a) There were no members of council receiving compensation in excess of \$75,000 individually.
- b) The following officers received compensation in excess of \$75,000:

<u>Employee</u>	<u>Position</u>	<u>Amount</u>
Derek Poole	Director of Public Works	\$ 97,397
Terence Gnida	Chief Financial Officer	88,849
Jordan Rooks	Utility Operator II	87,759
Patricia Henkelman	Assistant and Acting Chief Administrative Officer	83,252
Charles Croll	Town Manager / Chief Administrative Officer	77,360

It is a requirement of *The Municipal Act* that the annual financial statements disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of council of the Town. For the year ended December 31, 2020:

- c) Compensation paid to members of council amounted to \$92,625 in aggregate.

<u>Council Member</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor Lance Jacobson	\$ 16,335	\$ 631	\$ 16,966
Councillor Jason Delaurier	12,519	711	13,230
Councillor Phyllis Friesen	12,519	610	13,129
Councillor David Gray	12,519	610	13,129
Councillor David Moriaux	12,646	1,131	13,777
Councillor Duane Whyte	12,749	1,110	13,859
Councillor Johnny Wintoniw	13,338	585	13,923
	<u>\$ 92,625</u>	<u>\$ 5,388</u>	<u>\$ 98,013</u>

20. Trust Funds

The Town of Swan River administers the following trust funds:

	<u>Balance, Beginning of Year</u>	<u>Excess of Receipts over Disbursements</u>	<u>Balance, End of Year</u>
Birchwood Cemetery Perpetual Care	\$ 202,480	\$ 5,004	\$ 207,484
Swan Valley Christmas Cheer Board	2,854	(2,854)	-
Swan River Skateboard Union	396	-	396
Swan River Fire Department	3,895	(2,500)	1,395
Swan Valley Splash Park Committee	5,100	(5,100)	-
	<u>\$ 214,725</u>	<u>\$ (5,450)</u>	<u>\$ 209,275</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

21. Segmented Information

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

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

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

22. Condensed Supplementary Financial Information for Consolidated Entities

Controlled Organizations

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

	<u>Unadjusted</u>	<u>Adjustments</u>	<u>Total 2020</u>	<u>Total 2019</u>
Financial Position				
Financial assets	\$ 357,043	\$ -	\$ 357,043	\$ 344,045
Liabilities	3,309	-	3,309	3,374
Net financial assets	353,734	-	353,734	340,671
Non-financial assets	126,995	-	126,995	137,953
Accumulated surplus	<u>\$ 480,729</u>	<u>\$ -</u>	<u>\$ 480,729</u>	<u>\$ 478,624</u>
Results of Operations				
Revenue	\$ 55,355	\$ (37,686)	\$ 17,669	\$ 33,746
Expenses	52,750	(37,686)	15,064	54,011
Annual surplus (deficit)	<u>\$ 2,605</u>	<u>\$ -</u>	<u>\$ 2,605</u>	<u>\$ (20,265)</u>

Government Partnerships

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

	<u>Unadjusted</u>	<u>Adjustments</u>	<u>Total 2020</u>	<u>Total 2019</u>
Financial Position				
Financial assets	\$ 708,497	\$ (4,379)	\$ 704,118	\$ 693,349
Liabilities	369,005	(300,899)	68,106	95,229
Net financial assets	339,492	296,520	636,012	598,120
Non-financial assets	446,591	12,343	458,934	482,427
Accumulated surplus	<u>\$ 786,083</u>	<u>\$ 308,863</u>	<u>\$ 1,094,946</u>	<u>\$ 1,080,547</u>
Results of Operations				
Revenue	\$ 388,239	\$ (120,970)	\$ 267,269	\$ 212,781
Expenses	358,134	(105,265)	252,869	244,009
Annual surplus (deficit)	<u>\$ 30,105</u>	<u>\$ (15,705)</u>	<u>\$ 14,400</u>	<u>\$ (31,228)</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

23. Contingent Assets

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset (PS 3320.03).

The existence of a contingent asset at the date of the financial statements must be disclosed when the occurrence of the confirming future event is likely, provided that the sensitivity or confidentiality of the information should also be considered to avoid adverse effect.

Disclosures of the contingent assets should include the nature, including a description of the circumstances giving rise to the uncertainty and information about the anticipated resolution of the uncertainty; the extent, including an estimate of the amount or a range of possible amounts; the reason(s), if the extent can't be disclosed; and the basis for the estimate.

The Town is a plaintiff in a certain legal action in which a monetary award has been sought. The amount sought has not been disclosed as doing so could be expected to have an adverse effect on the outcome. The settlement will be recognized as revenue in the year in which the amount is determinable.

24. Related Party Disclosures (PS 2200)

A related party exists when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include key management personnel and close family members and the entities they control.

Related Party Transactions are transfers of economic resources or obligations between related parties, or the provision of services by one party to a related party. These transfers are related party transactions whether or not there is an exchange of considerations or transactions have been given accounting recognition. The parties to the transaction are related prior to the transaction. When the relationship arises as a result of the transaction, the transaction is not one between related parties.

Disclosure is generally required when:

- A transaction occurs between related parties at a value different from that which would have been arrived at if the parties were unrelated; and
- The transaction has or could have a material financial effect on the financial statements.

Determining which items to disclose is based on an assessment of the terms and conditions underlying the transactions, the financial materiality of the transactions, relevance of the information to the decisions of users, and the need for the information to enable users' understanding of the financial statements and for making comparisons to other entities.

As per *PS 2200.17* a municipality should disclose the following where a transaction meets the requirements for disclosure.

- Adequate information about the nature of the relationship with related parties involved in related party transactions;
- The types of related party transactions that have been recognized;
- The amounts of the transactions recognized classified by financial statement category;
- The basis of measurement used;
- The amount of outstanding balances and the terms and conditions attached to them;
- Contractual obligations with related parties, separate from other contractual obligations;
- Contingent liabilities involving related parties, separate from other contingent liabilities; and
- The types of related party transactions that have occurred for which no amount has been recognized.

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2020

24. Related Party Disclosures *(continued)*

Following is a list of significant related party transactions:

<u>Description of Transaction</u>	<u>Type of Transaction</u>	<u>Basis of Measurement</u>	<u>Amount before Consolidation</u>	<u>Net after Consolidation</u>
Swan Valley Municipal Airport Commission (government partnership)				
• Administration fee	Revenue	As tendered	\$ 18,000	\$ 11,340
• Sale of service	Revenue	Stipulated rate	60,934	38,388
• Funding	Expense	Assessment	29,211	18,403
• Amount receivable	Asset	As invoiced	11,001	6,931
Swan Valley District Recreation Commission (government partnership)				
• Administration fee	Revenue	As tendered	\$ 7,700	\$ 4,158
North-West Regional Library (government partnership)				
• Funding	Expense	Population	\$ 93,566	\$ 43,040
Swan Valley Regional Initiative for a Strong Economy (government partnership)				
• Funding	Expense	Funding formula	\$ 36,407	\$ 20,024
G7 Physician Retention and Recruitment Fund (government partnership)				
• Funding	Expense	Population	\$ 64,224	\$ 38,534

25. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The PUB's prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

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

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

The following table provides historical information on capital grants for tangible or contributed capital assets with a remaining Net Book Value.

	<u>Water Services</u>	<u>Sewer Services</u>
Unamortized beginning balance	\$ 2,461,090	\$ 2,129,816
<u>Additions during the year</u>	<u>Source of Grant or Contribution</u>	
Well control building	Manitoba Water Services Board	136,850
Amortization during the year	(91,942)	(58,813)
Unamortized ending balance	<u>\$ 2,505,998</u>	<u>\$ 2,071,003</u>

SCHEDULE 1

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2020

	General Tangible Capital Assets				Infrastructure Tangible Capital Assets			Totals		
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles, Equipment and Furniture	Computer Hardware & Software	Assets under Construction	Roads, Streets and Bridges	Water and Sewer	Assets under Construction	2020	2019
Cost										
Opening balance	\$ 3,282,290	\$ 20,272,954	\$ 5,345,964	\$ 168,500	\$ 91,347	\$ 9,499,576	\$ 23,904,061	\$ 1,071,566	\$ 63,636,258	\$ 62,220,685
Additions during the year	28,215	673,344	685,392	16,171	-	6,152	621,855	19,720	2,050,849	1,483,768
Transfers during the year	-	6,908	1,609	5,691	(14,208)	-	1,056,566	(1,056,566)	-	-
Disposals and write downs	(28,174)	-	(153,080)	(1,184)	-	-	(24,881)	-	(207,319)	(68,195)
Closing balance	3,282,331	20,953,206	5,879,885	189,178	77,139	9,505,728	25,557,601	34,720	65,479,788	63,636,258
Accumulated Amortization										
Opening balance	1,127,982	4,961,929	3,416,888	145,862	-	7,343,970	11,017,255	-	28,013,886	26,418,895
Amortization	98,271	589,604	303,481	16,130	-	144,089	522,761	-	1,674,336	1,658,186
Disposals and write downs	-	-	(80,932)	(1,184)	-	-	(22,471)	-	(104,587)	(63,195)
Closing balance	1,226,253	5,551,533	3,639,437	160,808	-	7,488,059	11,517,545	-	29,583,635	28,013,886
Net Book Value of Tangible Capital Assets	\$ 2,056,078	\$ 15,401,673	\$ 2,240,448	\$ 28,370	\$ 77,139	\$ 2,017,669	\$ 14,040,056	\$ 34,720	\$ 35,896,153	\$ 35,622,372

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2020

SCHEDULE 2

	2020 Actual	2019 Actual
Property taxes		
Municipal taxes levied (<i>Schedule 12</i>)	\$ 4,564,496	\$ 4,698,963
Taxes added	19,410	38,663
Excess of school tax levy over requirement	58	65
	<u>4,583,964</u>	<u>4,737,691</u>
Grants in lieu of taxation		
Federal government enterprises	12,526	13,889
Provincial government	45,024	46,211
Provincial government enterprises	167,030	178,508
	<u>224,580</u>	<u>238,608</u>
User fees		
Sales of service	1,056,755	657,847
Sales of goods	77,298	35,431
Rentals	73,787	123,801
Development charges	1,800	1,910
Facility use fees	85,324	178,732
	<u>1,294,964</u>	<u>997,721</u>
Permits, licences and fines		
Permits	22,199	21,608
Licences	7,271	6,644
Fines	11,177	9,446
Fees	6,335	6,480
	<u>46,982</u>	<u>44,178</u>
Investment income		
Cash and temporary investments	28,573	67,631
Portfolio investments	5,813	-
	<u>34,386</u>	<u>67,631</u>
Other revenue		
Gain on sale of tangible capital assets	3,676	2,512
Gain on sale of real estate held for sale	5,400	500
Contributed assets	-	6,174
Penalties and interest	62,457	43,260
Other		
Donations and contributions	37,546	27,959
Administration fees	-	302
Amortization of prepaid local improvement district levies	16,168	16,168
Supplier rebates	14,699	26,092
	<u>139,946</u>	<u>122,967</u>
Water and sewer (<i>Schedule 9</i>)	<u>1,498,011</u>	<u>1,402,015</u>
Grants - Province of Manitoba		
Municipal operating grants	324,830	324,830
Conditional grants	554,346	552,018
	<u>879,176</u>	<u>876,848</u>
Grants - other		
Federal government - gas tax funding	216,020	430,571
Federal government - other	3,500	21,115
Other municipal governments	266,376	340,868
	<u>485,896</u>	<u>792,554</u>
Total revenue	<u>\$ 9,187,905</u>	<u>\$ 9,280,213</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	2020 Actual	2019 Actual
General government services		
Legislative	\$ 121,234	\$ 133,498
General administrative	799,440	732,812
Elections, liability insurance, website, etc.	62,708	27,995
	<u>983,382</u>	<u>894,305</u>
Protective services		
Police	1,192,458	1,149,651
Fire	320,063	306,136
Emergency measures	18,383	8,190
Pandemic	7,150	-
Building, electrical and plumbing inspections	34,440	35,036
Bylaw enforcement	20,286	21,244
Animal and pest control	6,325	29,110
Safety inspections	36,786	103,615
	<u>1,635,891</u>	<u>1,652,982</u>
Transportation services		
Road transport		
Administration and engineering	135,325	102,464
Unallocated equipment and operators	399,392	416,810
Unallocated workshop and yard operations	113,129	110,072
Road and streets	253,552	252,468
Sidewalks	37,431	25,374
Boulevards	3,650	3,713
Tree trimming	18,773	18,634
Ditches and road drainage	16,171	23,181
Storm sewers	40,194	36,436
Street cleaning	15,670	19,050
Snow and ice removal	110,765	97,999
Street lighting	77,282	75,804
Traffic services	24,360	28,718
Other	344	477
Air transport	135,505	144,507
Public transit	29,985	65,046
	<u>1,411,528</u>	<u>1,420,753</u>
Environmental health services		
Garbage collection	337,098	339,264
Nuisance grounds	353,440	356,847
Recycling	525,259	424,899
	<u>1,215,797</u>	<u>1,121,010</u>
Public health and welfare services		
Cemeteries	71,226	104,405
Physician retention and recruitment	46,854	19,309
Social welfare and assistance	43,755	43,755
Other	2,143	3,450
	<u>163,978</u>	<u>170,919</u>
Regional planning and development		
Planning and zoning	13,242	12,847
Beautification and land rehabilitation	10,286	8,078
Urban area weed control	8,403	11,850
Christmas lights, decorations, flags	10,626	7,669
	<u>42,557</u>	<u>40,444</u>
Subtotals forward	<u>\$ 5,453,133</u>	<u>\$ 5,300,413</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

Subtotals forward	<u>\$ 5,453,133</u>	<u>\$ 5,300,413</u>
Resource conservation and industrial development		
Veterinary services	7,112	5,983
Water resources and conservation	13,442	13,442
Regional development	61,689	57,696
Industrial development	14,765	12,063
Incentive program for construction development	22,394	43,243
Tourism	12,876	11,237
Public receptions	365	4,145
	<u>132,643</u>	<u>147,809</u>
Recreation and cultural services		
District recreation commission	53,475	41,599
Community centers and halls	190,357	147,363
Swimming pools and beaches	844,009	1,209,182
Skating and curling rinks and arenas	511,854	525,065
Parks and playgrounds	143,033	188,760
Other recreational programs or facilities	4,397	2,839
Museums	4,000	4,000
Libraries	185,308	183,155
Other cultural programs or facilities	12,097	6,959
	<u>1,948,530</u>	<u>2,308,922</u>
Water and sewer services (Schedule 9)	<u>1,415,907</u>	<u>1,457,171</u>
Total expenses	<u><u>\$ 8,950,213</u></u>	<u><u>\$ 9,214,315</u></u>

TOWN OF SWAN RIVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2020

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ 4,583,964	\$ 4,737,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	224,580	238,608	-	-	-	(Restated)	-	-	-	-
User fees	37,849	45,584	110,892	104,607	165,813	78,989	759,889	341,675	45,377	62,861
Permits, licences and fines	6,485	11,850	40,250	31,585	-	-	-	-	-	-
Investment income	12,971	31,106	316	535	11,240	20,944	331	765	4,395	8,201
Other revenue	75,894	68,396	10,926	-	291	25	150	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	258,132	258,132	-	-	61,500	61,500	-	-	-	-
Prov of MB - Conditional Grants	-	-	461,188	453,758	11,690	24,761	-	-	-	-
Grants - other	-	-	-	-	243,037	452,291	-	-	34,944	29,131
Total revenue	5,199,875	5,391,367	623,572	590,485	493,571	638,510	760,370	342,440	84,716	100,193
EXPENSES										
Personnel services	469,471	407,654	294,269	325,713	595,161	564,214	221,257	255,041	49,404	71,987
Contract services	242,883	220,692	1,150,789	1,140,120	126,209	129,525	848,452	741,180	53,301	59,918
Utilities	30,778	29,264	48,932	47,049	103,290	106,863	19,780	19,274	790	1,087
Maintenance materials and supplies	33,002	41,628	59,868	56,835	294,822	315,712	5,116	10,072	3,109	7,851
Grants and contributions	-	-	-	-	18,403	17,361	-	-	45,580	14,961
Amortization	100,297	95,135	75,086	75,216	371,130	421,859	24,432	24,353	5,944	5,980
Equipment cost allocation	199	166	319	2,218	(102,703)	(139,514)	50,239	67,004	5,850	9,135
Loss on disposal of capital assets	19,009	2,700	-	-	2,598	2,300	-	-	-	-
Interest on long term debt	46,286	48,936	6,628	7,015	2,528	2,390	-	-	-	-
Bad debts (recovered)	41,051	47,145	-	(1,184)	-	-	-	-	-	-
Other	406	985	-	-	90	43	46,521	4,086	-	-
Total expenses	983,382	894,305	1,635,891	1,652,982	1,411,528	1,420,753	1,215,797	1,121,010	163,978	170,919
Annual surplus (deficit)	\$ 4,216,493	\$ 4,497,062	\$ (1,012,319)	\$ (1,062,497)	\$ (917,957)	\$ (782,243)	\$ (455,427)	\$ (778,570)	\$ (79,262)	\$ (70,726)

* 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, 2020

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total
	2020	2019	2020	2019	2020	2019	2020	2019	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,737,691
Grants in lieu of taxation	-	-	-	-	-	-	-	-	238,608
User fees	1,800	1,910	-	-	173,344	362,095	-	-	997,721
Permits, licences and fines	-	-	-	-	247	743	-	-	44,178
Investment income	47	149	(684)	112	529	443	5,241	5,376	67,631
Other revenue	-	1,600	5,400	46	47,285	52,900	-	-	122,967
Water and sewer	-	-	-	-	-	-	1,498,011	1,402,015	1,402,015
Prov of MB - Unconditional Grants	-	-	-	-	5,198	5,198	-	-	324,830
Prov of MB - Conditional Grants	-	-	-	750	81,468	72,749	-	-	552,018
Grants - other	4,164	3,832	24,848	20,032	178,903	287,268	-	-	792,554
Total revenue	6,011	7,491	29,564	20,940	486,974	781,396	1,503,252	1,407,391	9,280,213
EXPENSES									
Personnel services	13,752	13,996	31,458	18,791	572,098	913,289	381,474	431,573	3,002,258
Contract services	9,722	9,663	27,036	25,419	199,583	185,813	147,984	162,457	2,674,787
Utilities	254	220	1,141	722	189,271	235,743	55,958	54,362	494,584
Maintenance materials and supplies	2,740	4,272	348	3,070	130,225	175,863	206,354	207,227	822,530
Grants and contributions	9,344	4,091	63,842	92,408	90,547	78,224	-	-	207,045
Amortization	2,134	3,013	4,972	5,795	592,756	545,725	497,585	481,110	1,658,186
Equipment cost allocation	4,611	5,098	-	-	1,716	1,196	39,769	54,697	-
Loss on disposal of capital assets	-	-	-	-	-	-	2,411	-	5,000
Interest on long term debt	-	-	-	-	171,966	172,625	75,132	45,775	276,741
Bad debts	-	-	-	-	-	-	1,471	1,601	47,562
Other	-	91	3,846	1,604	368	444	7,769	18,369	25,622
Total expenses	42,557	40,444	132,643	147,809	1,948,530	2,308,922	1,415,907	1,457,171	8,950,213
Annual surplus (deficit)	\$ (36,546)	\$ (32,953)	\$ (103,079)	\$ (126,869)	\$ (1,461,556)	\$ (1,527,526)	\$ 87,345	\$ (49,780)	\$ 237,692
									\$ 65,898

SCHEDULE 5

TOWN OF SWAN RIVER
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2020

	Core Government		Controlled Entities		Government Partnerships		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
Property taxes	\$ 4,583,964	\$ 4,737,691	\$ -	\$ -	\$ -	\$ -	\$ 4,583,964	\$ 4,737,691
Grants in lieu of taxation	224,580	238,608	-	-	-	-	224,580	238,608
User fees	1,211,573	966,521	3,065	9,716	80,326	21,484	1,294,964	997,721
Permits, licences and fines	46,735	43,435	-	-	247	743	46,982	44,178
Investment income	29,901	57,667	(270)	1,041	4,755	8,923	34,386	67,631
Other revenue	130,247	113,330	5,404	4	4,295	9,633	139,946	122,967
Water and sewer	1,498,011	1,402,015	-	-	-	-	1,498,011	1,402,015
Prov of MB - Unconditional Grants	324,830	324,830	-	-	-	-	324,830	324,830
Prov of MB - Conditional Grants	491,468	472,500	9,914	22,985	52,964	56,533	554,346	552,018
Grants - other	357,813	677,090	3,402	-	124,681	115,464	485,896	792,554
Total revenue	8,899,122	9,033,687	21,515	33,746	267,268	212,780	9,187,905	9,280,213
EXPENSES								
Personnel services	2,483,425	2,863,734	13,296	28,264	131,623	110,260	2,628,344	3,002,258
Contract services	2,711,786	2,563,301	15,463	30,015	78,710	81,471	2,805,959	2,674,787
Utilities	438,387	481,488	505	997	11,302	12,099	450,194	494,584
Maintenance materials and supplies	668,669	771,666	682	4,196	66,233	46,668	735,584	822,530
Grants and contributions	310,211	324,696	(25,840)	(22,724)	(56,655)	(94,927)	227,716	207,045
Amortization	1,642,181	1,558,665	10,958	11,659	21,197	87,862	1,674,336	1,658,186
Equipment cost allocation	-	-	-	-	-	-	-	-
Loss on disposal of capital assets	24,018	5,000	-	-	-	-	24,018	5,000
Interest on long term debt	302,540	276,741	-	-	-	-	302,540	276,741
Bad debts	42,522	47,562	-	-	-	-	42,522	47,562
Other	54,696	23,443	3,846	1,604	458	575	59,000	25,622
Total expenses	8,678,435	8,916,296	18,910	54,011	252,868	244,008	8,950,213	9,214,315
Annual surplus (deficit)	\$ 220,687	\$ 117,391	\$ 2,605	\$ (20,265)	\$ 14,400	\$ (31,228)	\$ 237,692	\$ 65,898

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2020

	2020						
	General BL 20/1983	Equipment Replacement BL 01/1997	Employee Benefits BL 09/1993	Fire Truck Replacement BL 05/1997	Recreation Facilities BL 04/2000	Landfill Closure BL 14/2012	Federal Gas Tax Funding BL 02/2006
REVENUE							
Investment income	\$ 1,555	\$ 3,646	\$ 3,689	\$ 316	\$ 162	\$ 331	\$ 5,856
TRANSFERS							
Transfers from general operating fund	-	167,800	5,000	15,000	10,000	-	216,020
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to general operating fund	-	-	(7,325)	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(256,460)	-	(45,982)	-	-	(29,463)
CHANGE IN RESERVE FUND BALANCES	1,555	(85,014)	1,364	(30,666)	10,162	331	192,413
FUND SURPLUS, BEGINNING OF YEAR	179,962	489,223	45,666	40,695	18,170	38,293	657,191
FUND SURPLUS, END OF YEAR	\$ 181,517	\$ 404,209	\$ 47,030	\$ 10,029	\$ 28,332	\$ 38,624	\$ 849,604

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2020

	2020			2019
	Utility Replacement BL 25/1995	Handi Transit Replacement BL 30/1988	Rental Tables and Chairs BL 12/2020	Total
REVENUE				
Investment income	\$ 5,241	\$ 1,157	\$ -	\$ 21,953
				\$ 38,266
TRANSFERS				
Transfers from general operating fund	-	500	2,000	416,320
Transfers from utility operating fund	169,255	-	-	169,255
Transfers to general operating fund	-	-	-	(7,325)
Transfers to utility operating fund	-	-	-	-
Acquisition of tangible capital assets	-	-	-	(331,905)
				870,565
CHANGE IN RESERVE FUND BALANCES	174,496	1,657	2,000	268,298
FUND SURPLUS, BEGINNING OF YEAR	606,497	133,876	-	2,209,573
FUND SURPLUS, END OF YEAR	\$ 780,993	\$ 135,533	\$ 2,000	\$ 2,477,871
				\$ 2,209,573

TOWN OF SWAN RIVER
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2020

SCHEDULE 8

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Amounts receivable	\$ 352,751	\$ 299,362
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ 6,086
Unearned revenue	128,452	\$ 128,247
Long-term debt (Note 11)	2,194,819	1,089,920
Due to General Operating Fund	836,136	1,633,021
	<u>3,159,407</u>	<u>2,857,274</u>
NET DEBT	<u>\$ (2,806,656)</u>	<u>\$ (2,557,912)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (<i>Schedule 1</i>)	\$ 13,660,754	\$ 13,519,174
Inventories (Note 6)	342,260	324,035
	<u>14,003,014</u>	<u>13,843,209</u>
FUND SURPLUS	<u>\$ 11,196,358</u>	<u>\$ 11,285,297</u>

TOWN OF SWAN RIVER
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2020

SCHEDULE 9

	2020 Budget	2020 Actual	2019 Actual
REVENUE			
Water			
Water fees	\$ 573,000	\$ 576,157	\$ 590,811
Sewer			
Sewer fees	588,000	594,493	605,602
Lagoon tipping fees	10,000	9,695	9,930
	<u>598,000</u>	<u>604,188</u>	<u>615,532</u>
Government transfers			
Operating	-	-	-
Capital	-	136,850	-
	<u>-</u>	<u>136,850</u>	<u>-</u>
Other			
Hydrant rentals	14,170	14,170	14,170
Connection charges	35,000	44,193	55,341
Installation service	2,000	1,310	1,630
Penalties	-	480	2,595
Administration fees	108,000	117,954	118,295
Other income	4,500	2,709	3,641
	<u>163,670</u>	<u>180,816</u>	<u>195,672</u>
Total revenue	<u>1,334,670</u>	<u>1,498,011</u>	<u>1,402,015</u>

TOWN OF SWAN RIVER
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2020

SCHEDULE 9

	2020 Budget	2020 Actual	2019 Actual
EXPENSES			
General			
Administration	93,410	81,817	83,461
Training costs	10,500	3,246	6,797
Billing and collection	14,500	13,011	15,049
	<u>118,410</u>	<u>98,074</u>	<u>105,307</u>
Water General			
Administration and engineering	56,300	56,416	59,353
Purification and treatment	144,570	131,566	147,500
Transmission and distribution	103,300	105,161	145,318
Service of supply	15,250	16,932	11,726
Connection costs	135,100	188,093	192,969
Water meters	31,340	30,124	15,271
	<u>485,860</u>	<u>528,292</u>	<u>572,137</u>
Water Amortization and Interest			
Amortization	283,000	297,879	282,748
Interest on long term debt	25,000	24,688	-
	<u>308,000</u>	<u>322,567</u>	<u>282,748</u>
Sewer General			
Administration and engineering	56,300	56,416	59,353
Collection system costs	14,790	17,721	9,947
Treatment and disposal costs	96,318	69,987	122,055
Lift station costs	53,420	72,701	61,487
	<u>220,828</u>	<u>216,825</u>	<u>252,842</u>
Sewer Amortization and Interest			
Amortization	198,000	199,706	198,362
Interest on long term debt	50,000	50,443	45,775
	<u>248,000</u>	<u>250,149</u>	<u>244,137</u>
Total expenses	<u>1,381,098</u>	<u>1,415,907</u>	<u>1,457,171</u>
NET OPERATING SURPLUS (DEFICIT)	(46,428)	82,104	(55,156)
TRANSFERS			
Transfers from reserve funds	-	1,531	1,504
Transfers to reserve funds	(271,561)	(169,255)	(337,616)
Transfers to general capital fund	-	(3,319)	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ (317,989)</u>	<u>(88,939)</u>	<u>(391,268)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>11,285,297</u>	<u>11,676,565</u>
FUND SURPLUS, END OF YEAR		<u>\$ 11,196,358</u>	<u>\$ 11,285,297</u>

SCHEDULE 10

TOWN OF SWAN RIVER
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
REVENUE							
Property taxes	\$ 4,610,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,610,888
Grants in lieu of taxation	224,580	-	-	-	-	-	224,580
User fees	1,391,044	-	-	-	-	39,214	1,430,258
Permits, licences and fines	37,250	-	-	-	-	-	37,250
Investment income	5,000	-	-	-	-	8,464	13,464
Other revenue	50,000	-	-	-	-	7,060	57,060
Water and sewer	-	1,316,670	-	-	-	-	1,316,670
Grants - Province of Manitoba	808,330	-	-	-	-	82,821	891,151
Grants - other	416,020	-	-	-	-	131,906	547,926
Transfers from reserves	-	-	-	-	-	-	-
Transfers from accumulated surplus	-	-	-	-	-	-	-
Total revenue	7,543,112	1,316,670	-	-	-	269,465	9,129,247
EXPENSES							
General government services	797,824	-	95,000	46,286	41,051	-	980,161
Protective services	1,661,561	-	75,000	6,628	-	-	1,743,189
Transportation services	993,281	-	340,000	2,528	-	67,792	1,403,601
Environmental health services	1,258,355	-	24,000	-	-	-	1,282,355
Public health and welfare services	202,829	-	6,000	-	-	(7,690)	201,139
Regional planning and development	31,535	-	3,000	-	-	5,892	40,427
Resource conservation & industrial development	108,164	-	2,000	-	-	47,187	157,351
Recreation and cultural services	1,400,303	-	532,000	171,966	-	117,979	2,222,248
Water and sewer services	-	807,098	481,000	75,131	-	-	1,363,229
Fiscal services:							
Transfer to capital	30,000	54,000	(84,000)	-	-	-	-
Debt charges	567,381	184,011	-	(751,392)	-	-	-
Transfers to reserves	408,020	271,561	-	-	(679,581)	-	-
Transfers to prior year's deficit	42,808	-	-	-	(42,808)	-	-
Allowance for tax assets	41,051	-	-	-	(41,051)	-	-
Total expenses	7,543,112	1,316,670	1,474,000	(448,853)	(722,389)	231,160	9,393,700
Annual surplus (deficit)	\$ -	\$ -	\$ (1,474,000)	\$ 448,853	\$ 722,389	\$ 38,305	\$ (264,453)

TOWN OF SWAN RIVER
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2020

SCHEDULE 11

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 530,270	\$ 241,872
Add:		
Tax levy (<i>Schedule 12</i>)	7,232,491	7,410,950
Taxes added	19,410	38,663
Penalties or interest	58,715	40,706
Other accounts added	30,566	28,009
Taxes overpaid	4,116	59,155
Tax sale costs	7,343	11,583
Manitoba Education Property Tax Credit - cancelled	789	158
	<u>7,353,430</u>	<u>7,589,224</u>
Deduct:		
Cash collections - current	6,513,177	6,310,734
Cash collections - arrears	226,734	230,752
Cancellations and writeoffs	22,568	49,204
Manitoba Education Property Tax Credit - cash advance	702,183	693,327
Transfers re tax sale	-	16,809
	<u>7,464,662</u>	<u>7,300,826</u>
Balance, end of year	\$ 419,038	\$ 530,270

TOWN OF SWAN RIVER
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2020

SCHEDULE 12

	2020			2019
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Municipal Office (at large)	\$ 182,296,660	0.587	\$ 107,008	\$ 106,885
Wellness Centre (LID)	220,410,920	1.124	247,742	247,036
Wellness Centre (per parcel)			106,140	106,738
Fire fighter equipment (at large)	182,296,660	0.089	16,224	16,221
12th & 3rd (LID frontage/flankage)			5,850	5,580
Arena floor (at large)	182,296,660	0.329	59,976	-
			<u>542,940</u>	<u>482,459</u>
Intergovernmental Affairs	182,296,660	0.295	53,778	54,125
Watershed District (at large land)	24,572,730	0.526	12,925	-
Reserves:				
Machinery replacement (01/1997)	182,296,660	0.831	151,489	151,449
Employee benefits (09/1993)	182,296,660	0.026	4,740	-
Fire truck replacement (05/1997)	182,296,660	0.078	14,219	19,977
Recreation facilities (04/2000)	182,296,660	0.052	9,479	16,562
Tables and chairs (12/2020)	182,296,660	0.011	2,005	-
			<u>181,932</u>	<u>187,988</u>
General Municipal	182,296,660	12.449	2,269,411	2,421,646
Special levies:				
Police protection	220,410,920	2.610	575,273	397,667
Fire, streets, emergency, doctor	220,410,920	2.797	616,489	598,994
Garbage, recycling, landfill (per parcel)			237,336	482,906
			<u>1,429,098</u>	<u>1,479,567</u>
Business tax (rate%)	5,594,900	1.33%	74,412	73,178
Total municipal taxes (Schedule 2)			<u>4,564,496</u>	<u>4,698,963</u>
Education support levy	51,057,480	8.829	450,786	480,404
Special levy:				
Swan Valley School Division	172,451,470	12.857	2,217,209	2,231,583
Total education taxes			<u>2,667,995</u>	<u>2,711,987</u>
Total tax levy (Schedule 11)			<u>\$ 7,232,491</u>	<u>\$ 7,410,950</u>

TOWN OF SWAN RIVER

SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2020

	2020 Actual	2019 Actual
General government services		
Legislative	\$ 117,570	\$ 133,498
General administrative	666,862	581,991
Other	34,280	22,637
	<u>818,712</u>	<u>738,126</u>
Protective services		
Police	1,190,624	1,148,726
Fire	239,742	225,034
Emergency measures	18,383	8,190
Pandemic	7,150	-
Building, electrical and plumbing inspections	34,440	35,036
Bylaw enforcement	20,286	20,963
Animal and pest control	6,325	28,829
Safety inspections	34,257	100,681
	<u>1,551,207</u>	<u>1,567,459</u>
Transportation services		
Road transport		
Administration and engineering	131,960	100,465
Unallocated equipment and operators	229,590	262,596
Unallocated workshop and yard operations	104,300	101,655
Roads and streets	112,040	105,377
Sidewalks	13,912	2,927
Boulevards	3,650	3,713
Tree trimming	18,773	18,634
Ditches and road drainage	16,171	23,181
Storm sewers	15,017	11,259
Street cleaning	15,670	19,050
Snow and ice removal	110,765	97,999
Street lighting	74,774	73,527
Traffic services	21,764	26,122
Other	344	477
Air transport	62,545	27,557
Public transit	25,840	22,724
	<u>957,115</u>	<u>897,263</u>
Environmental health services		
Garbage collection	337,098	339,264
Nuisance grounds	292,874	338,795
Recycling	514,872	414,512
	<u>1,144,844</u>	<u>1,092,571</u>
Public health and welfare services		
Cemeteries	65,282	98,425
Physician retention and recruitment	64,224	8,182
Social welfare and assistance	43,755	43,755
Other	2,143	3,450
	<u>175,404</u>	<u>153,812</u>
Regional planning and development		
Planning and zoning	7,448	6,820
Beautification and land rehabilitation	10,286	8,078
Urban area weed control	8,403	11,850
Christmas lights, decorations, flags	8,492	4,656
	<u>34,629</u>	<u>31,404</u>
Subtotals forward	<u>\$ 4,681,911</u>	<u>\$ 4,480,635</u>

TOWN OF SWAN RIVER
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 13

Subtotals forward	<u>\$ 4,681,911</u>	<u>\$ 4,480,635</u>
Resource conservation and industrial development		
Veterinary services	7,112	5,983
Water resources and conservation	13,442	13,442
Regional development	15,422	58,270
Incentive program for construction development	22,394	43,243
Tourism	11,193	9,554
Public receptions	365	4,145
	<u>69,928</u>	<u>134,637</u>
Recreation and cultural services		
District recreation commission	-	27,373
Community centers and halls	93,794	40,649
Swimming pools and beaches	258,302	409,854
Skating and curling rinks and arenas	204,081	204,085
Parks and playgrounds	84,774	128,123
Other recreational facilities and programs	4,397	2,839
Museums	4,000	4,000
Libraries	93,566	86,903
Other cultural facilities and programs	12,097	6,959
	<u>755,011</u>	<u>910,785</u>
Total expenses	<u>\$ 5,506,850</u>	<u>\$ 5,526,057</u>

SCHEDULE 14

TOWN OF SWAN RIVER
RECONCILIATION OF ANNUAL SURPLUS
For the Year Ended December 31, 2020

	2020		2019	
	General	Utility	Total	Total (Restated)
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	\$ 197,391	\$ -	\$ 197,391	\$ -
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	415,820	169,255	585,075	974,487
Eliminate revenue - transfers from reserves	(337,699)	(1,531)	(339,230)	(142,688)
Eliminate expense - transfer to prior years' deficits	42,808	-	42,808	217,726
Increase revenue - reserve funds interest	16,712	5,241	21,953	38,266
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	17,005	-	17,005	(51,493)
Eliminate revenue and expense - contribution from utility to general operating fund	(3,320)	3,320	-	-
Increase expense - amortization of tangible capital assets	(1,144,596)	(497,585)	(1,642,181)	(1,558,665)
Decrease revenue - proceeds from long term debt	(666,165)	(1,299,598)	(1,965,763)	-
Decrease expense - principal portion of debenture debt payments	339,973	108,880	448,853	323,661
Decrease revenue - capital grants receivable	-	-	-	(436,850)
Eliminate expense - acquisitions of tangible capital assets	1,403,093	1,601,774	3,004,867	688,198
Increase revenue - contribution of tangible capital assets	-	-	-	6,174
Eliminate proceeds from dispositions of tangible capital assets	(81,894)	(497)	(82,391)	(2,512)
Increase revenue - gain on sale of tangible capital assets	3,179	497	3,676	2,512
Increase expense - loss on dispositions of tangible capital assets	(21,607)	(2,411)	(24,018)	(5,000)
Increase revenue - operating revenues in capital fund	16,168	-	16,168	16,168
Increase expense - operating expenses in capital fund	(46,521)	-	(46,521)	(4,086)
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 150,347	\$ 87,345	\$ 237,692	\$ 65,898