

# **TOWN OF SWAN RIVER**

**Consolidated Financial Statements  
For the Year Ended December 31, 2011**

## STATEMENT OF RESPONSIBILITY

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

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

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

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



Ms. Shirley Bateman  
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, 2011 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, 2011, 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 28, 2012

*Pacak Kowal Hurdie & Company*  
Chartered Accountants

# TOWN OF SWAN RIVER

## Consolidated Financial Statements

### For the Year Ended December 31, 2011

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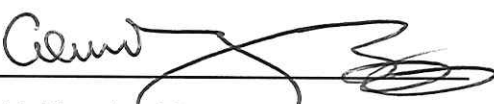


**TOWN OF SWAN RIVER  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 4,590,085	\$ 3,364,380
Amounts receivable (Note 4)	1,346,851	1,390,614
Real estate properties held for sale	545,750	176,586
Other inventories for sale (Note 5)	13,557	820
Swan Valley Credit Union patronage equity shares	1,457	912
	<u>\$ 6,497,700</u>	<u>\$ 4,933,312</u>
<b>LIABILITIES</b>		
Bank indebtedness (Note 6)	\$ 1,182,159	\$ -
Accounts payable and accrued liabilities (Note 7)	838,344	829,568
Pre-retirement bonus entitlement (Note 8)	187,805	180,797
Deferred revenue (Note 9)	277,101	185,541
Landfill closure liability (Note 10)	26,563	24,344
Long-term debt (Note 11)	363,177	256,353
	<u>2,875,149</u>	<u>1,476,603</u>
<b>NET FINANCIAL ASSETS</b>	<u>\$ 3,622,551</u>	<u>\$ 3,456,709</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 20,731,323	\$ 19,576,034
Inventories (Note 5)	352,158	291,443
Prepaid expenses	38,830	38,596
	<u>21,122,311</u>	<u>19,906,073</u>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<u>\$ 24,744,862</u>	<u>\$ 23,362,782</u>

COMMITMENTS (Note 13)  
CONTINGENCIES (Note 14)  
SIGNIFICANT EVENTS (Note 15)

Approved on behalf of Council:

  
\_\_\_\_\_  
Glen McKenzie - Mayor

  
\_\_\_\_\_  
Lance Jacobson - Councillor

**TOWN OF SWAN RIVER**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2011**

	2011 Budget (Note 18)	2011 Actual	2010 Actual
<b>REVENUE</b>			
Property taxes	\$ 3,212,270	\$ 3,270,587	\$ 3,113,534
Grants in lieu of taxation	141,916	142,030	141,900
User fees	517,504	773,809	572,613
Permits, licences and fines	38,837	39,439	43,535
Investment income	6,040	42,504	33,477
Other revenue	37,665	496,064	466,893
Water and sewer	880,850	1,343,510	1,120,101
Grants - Province of Manitoba	787,185	956,850	825,552
Grants - other	399,861	398,457	372,784
Total revenue (Schedules 2, 4 and 5)	<u>6,022,128</u>	<u>7,463,250</u>	<u>6,690,389</u>
<b>EXPENSES</b>			
General government services	618,697	574,608	592,492
Protective services	1,158,250	1,157,814	1,020,120
Transportation services	1,266,493	1,341,233	1,137,748
Environmental health services	581,600	568,453	510,909
Public health and welfare services	188,099	157,140	172,016
Regional planning and development services	59,476	58,758	48,947
Resource conservation and industrial development services	161,114	162,287	205,831
Recreation and cultural services	1,056,155	1,026,716	1,056,576
Water and sewer services	928,629	1,034,161	876,314
Total expenses (Schedules 3, 4 and 5)	<u>6,018,513</u>	<u>6,081,170</u>	<u>5,620,953</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 3,615</u>	<b>1,382,080</b>	1,069,436
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>23,362,782</u>	<u>22,293,346</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 24,744,862</u>	<u>\$ 23,362,782</u>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2011**

	<u>2011 Budget (Note 18)</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 3,615</b>	<b>\$ 1,382,080</b>	<b>\$ 1,069,436</b>
Acquisition of tangible capital assets	(5,413,600)	(2,195,775)	(2,854,077)
Amortization of tangible capital assets	816,000	1,027,681	951,254
Loss (gain) on sale of tangible capital assets	-	(41,344)	40,170
Proceeds on sale of tangible capital assets	-	54,149	45,194
Increase in inventories	-	(60,715)	(8,321)
Increase in prepaid expense	-	(234)	(4,801)
	<u>(4,597,600)</u>	<u>(1,216,238)</u>	<u>(1,830,581)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u>\$ (4,593,985)</u></b>	<b>165,842</b>	<b>(761,145)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b><u>3,456,709</u></b>	<b><u>4,217,854</u></b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b><u>\$ 3,622,551</u></b>	<b><u>\$ 3,456,709</u></b>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2011**

	<u>2011</u>	<u>2010</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 1,382,080	\$ 1,069,436
Changes in non-cash items:		
Amounts receivable	43,763	(353,629)
Inventories	(73,452)	(8,428)
Prepaid expenses	(234)	(4,800)
Accounts payable and accrued liabilities	8,776	181,520
Deferred revenue	91,560	2,471
Pre-retirement bonus entitlement	7,008	18,476
Landfill closure liability	2,219	2,053
Loss (gain) on sale of tangible capital assets	(41,344)	40,170
Gain on sale of real estate properties	(43,353)	(61,504)
Amortization	1,027,681	951,254
Cash provided by operating transactions	<u>2,404,703</u>	<u>1,837,019</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	54,149	45,194
Cash used to acquire tangible capital assets	<u>(2,195,775)</u>	<u>(2,854,077)</u>
Cash applied to capital transactions	<u>(2,141,626)</u>	<u>(2,808,883)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	57,592	78,666
Change in Swan Valley Credit Union Limited patronage shares	(545)	189
Acquisition of real estate properties	(383,403)	(48,505)
Loans and advances repaid	-	20,667
Cash provided by (applied to) investing transactions	<u>(326,356)</u>	<u>51,017</u>
<b>FINANCING TRANSACTIONS</b>		
Increase in bank indebtedness	1,182,159	-
Proceeds of long-term debt	289,500	-
Debt repayment	<u>(182,675)</u>	<u>(168,414)</u>
Cash provided by (applied to) financing transactions	<u>1,288,984</u>	<u>(168,414)</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>1,225,705</b>	<b>(1,089,261)</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u><b>3,364,380</b></u>	<u><b>4,453,641</b></u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u><u><b>\$ 4,590,085</b></u></u>	<u><u><b>\$ 3,364,380</b></u></u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2011**

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

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

**2. Significant Accounting Policies**

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

**a) Reporting Entity**

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

*Swan River Parks and Recreation Commission*  
*Swan River Municipal Developers Ltd.*  
*Swan River Handi Transit Van*  
*The War Veterans Community Hall Inc. (operating as Veterans Community Hall)*

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

*G7 Physician Retention and Recruitment Fund (consolidated 42.0%, 2010 - 42.0%)*  
*North-West Regional Library (consolidated 54.0%, 2010 - 54.0%)*  
*Swan Valley District Recreation Commission (consolidated 46.0%, 2010 - 46.0%)*  
*Swan Valley Emergency Measures District (consolidated 16.7%, 2010 - 0.0%)*  
*Swan Valley Municipal Airport Commission (consolidated 37.0%, 2010 - 37.0%)*  
*Swan Valley Planning District (consolidated 14.3%, 2010 - 14.3%)*  
*Swan Valley Regional Initiative for a Strong Economy (consolidated 45.0%, 2010 - 0.0%)*

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, 2010 - 65.0%)*  
*Swan River Landfill Site (74.0% share with RM, 2010 - 74.0%)*  
*Birchwood Cemetery (75.0% share with RM, 2010 - 75.0%)*  
*Swan River Centennial Arena (70.0% share with RM, 2010 - 70.0%)*  
*Swan River Kinsmen Pool (72.0% share with RM, 2010 - 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, 2011**

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**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 interest 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, 2011**

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

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

**Infrastructure Assets**

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

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

**i) Leases**

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

**j) Inventories**

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

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

**k) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

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

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

**l) Measurement Uncertainty**

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

Measurement uncertainty in these financial statements exists in the amortization of tangible capital assets and in the accrual of the landfill closure liability. The amortization of tangible capital assets is based on estimates of useful lives for groupings of similar assets. The accrual of the landfill closure liability is based on estimated future cash flow to close the landfill discounted to the financial statement date. The estimated useful lives of tangible capital assets and future cash flow and closure date of the landfill are based upon management's best estimates, which may differ significantly from actual results.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2011**

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2011</u>	<u>2010</u>
Cash	\$ 4,580,911	\$ 3,350,643
Temporary investments	9,174	13,737
	<u>\$ 4,590,085</u>	<u>\$ 3,364,380</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Town has designated \$3,596,905 (2010 \$3,292,943) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – *Schedule of Change in Reserve Fund Balances*.

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2011</u>	<u>2010</u>
Taxes on roll ( <i>Schedule 11</i> )	\$ 668,209	\$ 691,723
Government grants	286,257	302,964
Utility customers	188,974	177,684
Organizations and individuals	77,704	172,055
Other governments	44,234	73,011
Trust funds ( <i>Schedule 7</i> )	92,450	-
Accrued interest	-	37
	<u>1,357,828</u>	<u>1,417,474</u>
Less allowances for doubtful amounts	<u>(10,977)</u>	<u>(26,860)</u>
	<u>\$ 1,346,851</u>	<u>\$ 1,390,614</u>

**5. Inventories**

**Inventories for sale:**

	<u>2011</u>	<u>2010</u>
Airport fuel	\$ 12,544	\$ -
Concession supplies	1,013	820
	<u>\$ 13,557</u>	<u>\$ 820</u>

**Inventories for use:**

General

Fuel	\$ 4,449	\$ 10,736
Granulars	36,864	27,493
Dust control	32,469	7,246
Sidewalk unistone	15,713	16,160
Culverts	11,846	11,228
Traffic services	6,755	8,103
Janitorial supplies	449	63
	<u>108,545</u>	<u>81,029</u>

Utility

Connections	24,944	22,298
Water treatment chemicals	10,685	9,665
Sewage collection	59,339	53,314
Water meters	51,511	35,555
Transmission and distribution	97,134	89,582
	<u>243,613</u>	<u>210,414</u>
	<u>\$ 352,158</u>	<u>\$ 291,443</u>



**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2011**

**6. Bank Indebtedness**

	<u>2011</u>	<u>2010</u>
Swan Valley Credit Union line of credit, authorized limit \$10,000,000, principal payable on demand, interest payable monthly at prime less 0.75% (2.75% at December 31, 2011)	<u>\$ 1,182,159</u>	<u>\$ -</u>

**7. Accounts Payable and Accrued Liabilities**

	<u>2011</u>	<u>2010</u>
Trade accounts payable	\$ 267,876	\$ 248,817
Employee remittances payable	5,064	43,438
Other governments	197,062	199,401
Accrued vacation liability	156,529	147,644
Accrued salaries and wages payable	13,063	10,730
Other accrued expenses	20,105	20,882
Trust funds ( <i>Schedule 7</i> )	178,645	158,656
	<u>\$ 838,344</u>	<u>\$ 829,568</u>

**8. Pre-Retirement Bonus Entitlement**

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

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

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

	<u>2011</u>	<u>2010</u>
Opening balance	\$ 180,797	\$ 162,321
Earned during the year	7,008	18,476
Paid out during the year	-	-
Ending balance	<u>\$ 187,805</u>	<u>\$ 180,797</u>

**9. Deferred Revenue**

	<u>2011</u>	<u>2010</u>
Prepaid taxes	\$ 10,358	\$ 13,094
Prepaid utility	76,501	75,144
Water meter deposits	95,069	90,950
Unused grants	82,934	3,203
Rental prepayments and deposits	12,239	3,150
	<u>\$ 277,101</u>	<u>\$ 185,541</u>

**10. Landfill Closure Liability**

The Town is currently operating a Class 2 landfill site together with, and located in, the Rural Municipality of Swan River. Legislation requires closure of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill. The Town has reported the entire landfill closure liability in these financial statements, as the Rural Municipality has not yet accepted responsibility for its share since the liability was not addressed in either the joint-ownership or shared services agreements.

**TOWN OF SWAN RIVER  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
As at December 31, 2011**

**10. Landfill Closure Liability (continued)**

	<u>2011</u>	<u>2010</u>
Estimated closure costs over the next 75 years	<u>\$ 6,600,000</u>	<u>\$ 6,600,000</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
<b>Discounted costs</b>	<u><b>\$ 83,484</b></u>	<u><b>\$ 78,759</b></u>
Expected year capacity will be reached	<u>2086</u>	<u>2086</u>
Capacity (years):		
Used to date	<u>35</u>	<u>34</u>
Remaining	<u>75</u>	<u>76</u>
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>31.82%</u>	<u>30.91%</u>
<b>Liability based on percentage</b>	<u><b>\$ 26,563</b></u>	<u><b>\$ 24,344</b></u>

**11. Long Term Debt**

	<u>2011</u>	<u>2010</u>
<b>Utility Fund:</b>		
Debenture for water treatment plant and water/sewer system upgrade, demand loan held by Royal Bank of Canada, payable at \$138,982 annually including interest at 5.57%, maturing November 30, 2012	<u>\$ 131,649</u>	<u>\$ 256,353</u>
Debenture for Main Street water and sewer renewal, demand loan held by Royal Bank of Canada, payable at \$64,187 annually including interest at 4.06%, maturing December 31, 2015	<u>231,528</u>	<u>-</u>
	<u><b>\$ 363,177</b></u>	<u><b>\$ 256,353</b></u>

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

2012	\$ 186,437
2013	57,012
2014	59,326
2015	60,402

**12. Accumulated Surplus**

	<u>2011</u>	<u>2010</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	<u>\$ 703,058</u>	<u>\$ 109,362</u>
Utility operating fund - Nominal surplus	<u>711,067</u>	<u>180,470</u>
Tangible capital assets net of related borrowings	<u>17,747,307</u>	<u>17,759,622</u>
Reserve funds (Schedule 6)	<u>3,601,828</u>	<u>3,302,532</u>
Accumulated surplus of municipality unconsolidated	<u>22,763,260</u>	<u>21,351,986</u>
Accumulated surpluses of consolidated entities	<u>1,981,602</u>	<u>2,010,796</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><b>\$ 24,744,862</b></u>	<u><b>\$ 23,362,782</b></u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2011**

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**13. Commitments**

**Swan Valley Employment and Training Project**

The Town has entered into an agreement with The Government of Manitoba - *Competitiveness, Training and Trade* - dated June 25, 2011 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 up to 20 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*.

**Swan Valley Recreation and Wellness Centre**

The Town has committed to construct the Swan Valley Recreation and Wellness Centre to serve the residents of the Swan River Valley. The project is expected to cost \$11.8 million.

The Town has received approval for grants under the Province of Manitoba - *Building Canada Fund* for \$6.0 million expiring September 30, 2015 and *Infrastructure Canada - Municipal Rural Infrastructure Fund* for \$1.2 million expiring March 31, 2013, both of which are to be funded one-third each by the Government of Canada, Government of Manitoba and the Town. The Town is also pursuing \$4.6 million from a community fundraising campaign. In 2010, the Town obtained land for the site valued at \$235,000 by donation with the condition that it be used for a recreation and wellness centre by December 31, 2014.

Up to December 31, 2011, the Town has incurred costs of \$1,252,805, including geotechnical investigation, architectural design fees, and project management and consulting fees, which are included in *Assets under Construction* on Schedule 1 - *Consolidated Schedule of Tangible Capital Assets*.

On September 16, 2011, Town Council passed By-Law 6/2011 to provide for the expenditure and borrowing of funds for construction of Phase One, being an indoor aquatic centre. The amount of borrowing is \$2.4 million, payable in each of the years 2012 through 2031 at 6.5% interest per annum. The borrowing will be financed by a special rate of \$75 per parcel of land and a special mill rate on all property in each of the years 2012 through 2031.

**New Municipal Office Building**

The Town has committed to construct a new municipal office building, expected to cost \$2.5 million. It has hired a Project Manager and passed By-Law 5/2010 dated July 20, 2010 to authorize the construction and borrowing of \$1.5 million, with the remainder of the cost to be funded from the Office Building Reserve Fund. Costs incurred to December 31, 2011, including geotechnical analysis and architectural design, total \$66,597 and are included in *Assets under Construction* on Schedule 1 - *Consolidated Schedule of Tangible Capital Assets*. Costs incurred subsequent to the yearend total \$322,991.

**14. Contingencies**

During the 2006 fiscal year, the Town incurred costs of \$28,997 to bring certain equipment up to required standards. Management believed the costs would be reimbursed by the installation contractor under warranty, and setup an account receivable from the contractor. However, the account receivable has not yet been collected. The Town's engineering consultant is attempting to seek reconciliation with the contractor. As well, the Town has a holdback payable to the contractor for \$5,000.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2011**

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**15. Significant Events**

The following significant events occurred during the fiscal year:

**Skate Park Construction**

The Town constructed a skate park together with the Swan River Skateboard Union. The cost of \$399,820 is included in *Additions during the year* to Land and Land Improvements on the Consolidated Schedule of Tangible Capital Assets (*Schedule 1*). The Town received grants from the Province of Manitoba under the Community Places Program for \$22,000 and the Building Manitoba Fund for \$100,000, which are included in *Grants - Province of Manitoba* on the Consolidated Statement of Operations. The Skateboard Union raised funds totalling \$111,369 to, and \$92,450 after, December 31, 2011, which are included in *Other revenue* on the Consolidated Statement of Operations.

**Infrastructure Contributed by Developers**

The Town received transportation infrastructure costing \$151,792 from developers. The cost is included in *Additions during the year* to Roads, Streets and Bridges on the Consolidated Schedule of Tangible Capital Assets (*Schedule 1*). The contribution is included in *Other revenue* on the Consolidated Statement of Operations.

The Town received water and sewer infrastructure costing \$434,652 from developers. The cost is included in *Additions during the year* to Water and Sewer Infrastructure on the Consolidated Schedule of Tangible Capital Assets (*Schedule 1*). The contribution is included in *Water and sewer revenue* on the Consolidated Statement of Operations.

**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 Canadian Institute of Chartered Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP requires that employees contribute 6.3% of basic annual earnings up to the CPP ceiling plus 7.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Town on behalf of its employees amounted to \$86,461 (2010 - \$82,281) and are included in the statement of operations.

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

**17. Financial Instruments**

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

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2011**

**18. Budget**

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

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

**19. Public Sector Compensation Disclosure**

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2011:

- a) Compensation paid to members of council amounted to \$62,998 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	\$ 12,388	\$ 2,951	\$ 15,339
Councillor - Don Bobick	8,774	2,097	10,871
Councillor - Jason Delaurier	8,868	1,633	10,501
Councillor - Phyllis Friesen	8,743	2,001	10,744
Councillor - Lance Jacobson	8,532	1,719	10,251
Councillor - Jason Sakal	8,473	1,721	10,194
Councillor - Brent Scales	5,666	722	6,388
Councillor - Duane Whyte	1,554	1,058	2,612
	<u>\$ 62,998</u>	<u>\$ 13,902</u>	<u>\$ 76,900</u>

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

**20. Public Utilities Board**

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

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

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

	<u>Water Services</u>	<u>Sewer Services</u>
Unamortized balance, beginning	\$ 2,351,814	\$ 712,918
<u>Additions during the year</u>		
3rd St N	Development Agreement 61,200	76,500
Riverbend Subdivision	Development Agreement 156,721	140,231
Wastewater treatment study	Federation Canadian Municipalities -	10,131
Main Street debenture	Federal Gas Tax Funding 32,094	32,094
	<u>250,015</u>	<u>258,956</u>
Amortization during the year	<u>(95,361)</u>	<u>(22,029)</u>
Unamortized balance, ending	<u>\$ 2,506,468</u>	<u>\$ 949,845</u>



## TOWN OF SWAN RIVER

## SCHEDULE 1

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2011

Cost	General Tangible Capital Assets					Infrastructure Tangible Capital Assets			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles, Equipment and Furniture	Computer Hardware and Software	Assets under Construction	Roads, Streets and Bridges	Water and Sewer	Assets under Construction	2011	2010
Opening balance	\$ 2,315,558	\$ 3,690,950	\$ 4,101,251	\$ 134,637	\$ 429,697	\$ 8,086,317	\$ 17,969,870	\$ 424,541	\$ 37,152,821	\$ 34,451,443
Additions during the year	428,308	2,754	325,960	8,017	1,289,524	189,391	686,183	264,354	3,194,491	2,854,077
Disposals and write downs	-	-	(181,314)	(4,743)	(399,819)	-	(71,628)	(598,897)	(1,256,401)	(152,699)
Closing balance	<u>2,743,866</u>	<u>3,693,704</u>	<u>4,245,897</u>	<u>137,911</u>	<u>1,319,402</u>	<u>8,275,708</u>	<u>18,584,425</u>	<u>89,998</u>	<u>39,090,911</u>	<u>37,152,821</u>
<b>Accumulated Amortization</b>										
Opening balance	470,272	1,649,881	2,130,644	112,067	-	5,541,955	7,671,968	-	17,576,787	16,692,868
Amortization	64,445	124,487	258,402	13,555	-	227,444	339,348	-	1,027,681	951,254
Disposals and write downs	-	-	(168,509)	(4,743)	-	-	(71,628)	-	(244,880)	(67,335)
Closing balance	<u>534,717</u>	<u>1,774,368</u>	<u>2,220,537</u>	<u>120,879</u>	<u>-</u>	<u>5,769,399</u>	<u>7,939,688</u>	<u>-</u>	<u>18,359,588</u>	<u>17,576,787</u>
Net Book Value of Tangible Capital Assets	\$ <u>2,209,149</u>	\$ <u>1,919,336</u>	\$ <u>2,025,360</u>	\$ <u>17,032</u>	\$ <u>1,319,402</u>	\$ <u>2,506,309</u>	\$ <u>10,644,737</u>	\$ <u>89,998</u>	\$ <u>20,731,323</u>	\$ <u>19,576,034</u>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**For the Year Ended December 31, 2011**

**SCHEDULE 2**

	2011 Actual	2010 Actual
<b>Property taxes</b>		
Municipal taxes levied ( <i>Schedule 12</i> )	\$ 3,137,508	\$ 2,996,146
Taxes added	66,075	53,252
Discounts	(23,399)	(24,567)
Penalties and interest	90,403	86,398
Excess of school tax levy over requirement	-	2,305
	<u>3,270,587</u>	<u>3,113,534</u>
<b>Grants in lieu of taxation</b>		
Federal government enterprises	14,203	13,691
Provincial government	33,069	31,872
Provincial government enterprises	94,758	96,337
	<u>142,030</u>	<u>141,900</u>
<b>User fees</b>		
Sales of service	547,262	367,459
Sales of goods	35,148	25,817
Rentals	15,764	16,021
Trailer park	14,649	14,536
Development charges	452	2,056
Facility use fees	153,964	141,181
Concessions	6,570	5,543
	<u>773,809</u>	<u>572,613</u>
<b>Permits, licences and fines</b>		
Permits	10,446	10,132
Licences	9,625	11,657
Fines	14,056	16,669
Fees	5,312	5,077
	<u>39,439</u>	<u>43,535</u>
<b>Investment income</b>		
Cash and temporary investments	42,504	33,477
<b>Other revenue</b>		
Gain on sale of tangible capital assets	41,344	524
Gain on sale of real estate held for sale	43,353	61,504
Contributed assets	155,293	341,495
Donations and contributions	222,092	43,175
Administration fees	600	1,078
Supplier rebates	33,382	19,117
	<u>496,064</u>	<u>466,893</u>
<b>Water and sewer (<i>Schedule 9</i>)</b>	<u>1,343,510</u>	<u>1,120,101</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	635,837	617,136
General support grant	17,219	17,578
VLT revenues	59,084	58,653
Conditional grants	244,710	132,185
	<u>956,850</u>	<u>825,552</u>
<b>Grants - other</b>		
Federal government - gas tax funding	210,621	210,621
Federal government - other	3,840	3,566
Other local governments	183,996	158,597
	<u>398,457</u>	<u>372,784</u>
<b>Total revenue</b>	<u>\$ 7,463,250</u>	<u>\$ 6,690,389</u>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2011**

**SCHEDULE 3**

	<u>2011</u> Actual	<u>2010</u> Actual
<b>General government services</b>		
Legislative	\$ 64,052	\$ 64,838
General administrative	433,469	450,613
Other	77,087	77,041
	<u>574,608</u>	<u>592,492</u>
<b>Protective services</b>		
Police	800,325	702,211
Fire	212,290	198,052
Emergency measures	7,271	1,700
Flood control	18,177	-
Building, electrical and plumbing inspections	20,665	20,400
Bylaw enforcement	15,265	15,474
Animal and pest control	23,730	22,915
Safety officer	60,091	59,368
	<u>1,157,814</u>	<u>1,020,120</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	104,747	103,196
Road and street maintenance	413,227	331,311
Sidewalk and boulevard maintenance	54,854	38,410
Ditches and road drainage maintenance	14,998	16,436
Storm sewer maintenance	67,042	50,854
Street cleaning	34,667	24,358
Snow and ice removal	183,219	135,772
Street lighting	67,886	67,508
Traffic services	30,436	28,313
Unallocated workshop and yard	156,527	141,551
Unallocated equipment and operators	22,093	30,611
Other	1,233	1,346
Air transport	138,963	118,836
Public transit	51,341	49,246
	<u>1,341,233</u>	<u>1,137,748</u>
<b>Environmental health services</b>		
Garbage collection	215,679	195,159
Nuisance grounds	263,493	243,220
Recycling	89,233	71,234
Other	48	1,296
	<u>568,453</u>	<u>510,909</u>
<b>Public health and welfare services</b>		
Cemeteries	91,473	91,642
Physician retention and recruitment	20,912	35,619
Social welfare and assistance	43,755	43,755
Other	1,000	1,000
	<u>157,140</u>	<u>172,016</u>
<b>Regional planning and development services</b>		
Planning and zoning	5,323	6,627
Beautification and land rehabilitation	10,132	13,440
Urban area weed control	31,803	19,216
Christmas lights, decorations, flags	11,500	9,664
	<u>58,758</u>	<u>48,947</u>
<b>Subtotals forward</b>	<u>\$ 3,858,006</u>	<u>\$ 3,482,232</u>



**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2011**

**SCHEDULE 3**

<b>Subtotals forward</b>	<b><u>\$ 3,858,006</u></b>	<b><u>\$ 3,482,232</u></b>
<b>Resource conservation and industrial development services</b>		
Veterinary services	5,423	5,423
Water resources and conservation	16,952	16,952
Regional development	56,170	55,767
Industrial development	3,842	7,668
Incentive program for construction development	49,845	82,304
Trailer court	12,413	19,699
Tourism	13,105	14,392
Public receptions	4,537	3,626
	<b><u>162,287</u></b>	<b><u>205,831</u></b>
<b>Recreation and cultural services</b>		
Recreation commission and administration	36,109	72,362
Community centers and halls	92,300	83,760
Swimming pools and beaches	100,832	88,101
Skating and curling rinks and arenas	395,854	402,675
Parks and playgrounds	183,385	172,474
Other recreational facilities	41,916	61,173
Museums	7,400	7,400
Libraries	166,420	161,131
Other cultural facilities	2,500	7,500
	<b><u>1,026,716</u></b>	<b><u>1,056,576</u></b>
<b>Water and sewer services (Schedule 9)</b>	<b><u>1,034,161</u></b>	<b><u>876,314</u></b>
<b>Total expenses</b>	<b><u><u>\$ 6,081,170</u></u></b>	<b><u><u>\$ 5,620,953</u></u></b>

## TOWN OF SWAN RIVER

## SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2011

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
<b>REVENUE</b>										
Property taxes	\$ 3,131,605	\$ 2,974,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	142,030	141,900	-	-	-	-	-	-	-	-
User fees	10,015	12,232	82,740	82,718	98,009	75,780	284,971	126,856	59,969	46,935
Permits, licences and fines	14,032	25,944	25,407	17,591	-	-	-	-	-	-
Investment income	14,866	16,343	844	2,684	10,585	5,630	-	-	420	239
Other revenue	23,102	50,096	6,502	-	173,476	19,140	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	712,140	693,367	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	-	-	21,457	21,038	-	-	-	-
Grants - other	-	-	3,445	-	221,893	221,190	-	-	15,953	15,073
<b>Total revenue</b>	<b>4,047,790</b>	<b>3,914,434</b>	<b>118,938</b>	<b>102,993</b>	<b>525,420</b>	<b>342,778</b>	<b>284,971</b>	<b>126,856</b>	<b>76,342</b>	<b>62,247</b>
<b>EXPENSES</b>										
Personnel services	324,189	348,910	221,492	206,137	215,295	162,791	185,429	158,740	60,450	60,574
Contract services	183,899	181,136	792,461	704,916	224,574	174,234	350,745	326,951	62,394	78,697
Utilities	16,706	12,003	38,405	37,526	95,625	94,227	8,918	8,643	798	699
Maintenance materials and supplies	30,396	24,707	34,312	23,838	370,103	261,215	14,650	8,305	3,124	5,988
Grants and contributions	5,449	6,530	2,666	1,700	11,474	10,757	-	-	26,045	22,244
Amortization	7,369	7,326	68,471	46,003	424,162	396,503	4,492	5,589	4,329	3,814
Interest on long term debt	-	-	-	-	-	-	-	-	-	-
Bad debts	2,985	10,728	-	-	-	-	-	-	-	-
Other	3,615	1,152	7	-	-	38,021	4,219	2,681	-	-
<b>Total expenses</b>	<b>574,608</b>	<b>592,492</b>	<b>1,157,814</b>	<b>1,020,120</b>	<b>1,341,233</b>	<b>1,137,748</b>	<b>568,453</b>	<b>510,909</b>	<b>157,140</b>	<b>172,016</b>
<b>Annual surplus (deficit)</b>	<b>\$ 3,473,182</b>	<b>\$ 3,321,942</b>	<b>\$ (1,038,876)</b>	<b>\$ (917,127)</b>	<b>\$ (815,813)</b>	<b>\$ (794,970)</b>	<b>\$ (283,482)</b>	<b>\$ (384,053)</b>	<b>\$ (80,798)</b>	<b>\$ (109,769)</b>

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

## TOWN OF SWAN RIVER

## SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2011

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total
	2011	2010	2011	2010	2011	2010	2011	2010	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,982	\$ 138,982	\$ 3,270,587
Grants in lieu of taxation	-	-	-	-	-	-	-	-	142,030
User fees	452	2,056	14,649	14,536	223,004	211,500	-	-	773,809
Permits, licences and fines	-	-	-	-	-	-	-	-	39,439
Investment income	23	10	2,150	927	10,210	5,180	3,406	2,464	42,504
Other revenue	3,067	5,340	43,353	27,984	246,564	364,333	-	-	496,064
Water and sewer	-	-	-	-	-	-	1,343,510	1,120,101	1,343,510
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	712,140
Prov of MB - Conditional Grants	-	-	-	-	223,253	111,147	-	-	244,710
Grants - other	1,416	858	37,947	-	117,803	135,663	-	-	398,457
Total revenue	4,958	8,264	98,099	43,447	820,834	827,823	1,485,898	1,261,547	7,463,250
<b>EXPENSES</b>									
Personnel services	31,518	22,661	2,997	-	440,883	461,218	344,601	300,640	1,826,854
Contract services	17,857	14,440	10,757	9,465	97,258	95,076	200,709	110,333	1,940,654
Utilities	88	154	8,573	15,679	122,880	122,771	43,583	41,828	335,576
Maintenance materials and supplies	4,416	6,348	5,101	3,626	92,417	84,769	85,425	83,324	639,944
Grants and contributions	2,514	4,387	132,840	171,742	86,304	120,849	-	-	267,292
Amortization	2,307	950	1,683	1,683	175,519	166,847	339,349	319,331	1,027,681
Interest on long term debt	-	-	-	3,591	-	-	20,494	20,858	20,494
Bad debts	-	-	-	-	-	-	-	-	2,985
Other	58	7	336	45	11,455	5,046	-	-	19,690
Total expenses	58,758	48,947	162,287	205,831	1,026,716	1,056,576	1,034,161	876,314	6,081,170
<b>Annual surplus (deficit)</b>	\$ (53,800)	\$ (40,683)	\$ (64,188)	\$ (162,384)	\$ (205,882)	\$ (228,753)	\$ 451,737	\$ 385,233	\$ 1,382,080
									\$ 1,069,436

TOWN OF SWAN RIVER

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS  
For the Year Ended December 31, 2011

	Core Government		Controlled Entities		Government Partnerships		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
<b>REVENUE</b>								
Property taxes	\$ 3,270,587	\$ 3,113,534	\$ -	\$ -	\$ -	\$ -	\$ 3,270,587	\$ 3,113,534
Grants in lieu of taxation	142,030	141,900	-	-	-	-	142,030	141,900
User fees	508,725	328,742	216,031	199,936	49,053	43,935	773,809	572,613
Permits, licences and fines	39,439	43,535	-	-	-	-	39,439	43,535
Investment income	38,954	31,595	2,927	1,316	623	566	42,504	33,477
Other revenue	434,218	419,931	54,606	39,467	7,240	7,495	496,064	466,893
Water and sewer	1,343,510	1,120,101	-	-	-	-	1,343,510	1,120,101
Prov of MB - Unconditional Grants	712,140	693,367	-	-	-	-	712,140	693,367
Prov of MB - Conditional Grants	165,992	47,743	20,711	29,672	58,007	54,770	244,710	132,185
Grants - other	210,621	210,621	72,772	91,605	115,064	70,558	398,457	372,784
<b>Total revenue</b>	<b>6,866,216</b>	<b>6,151,069</b>	<b>367,047</b>	<b>361,996</b>	<b>229,987</b>	<b>177,324</b>	<b>7,463,250</b>	<b>6,690,389</b>
<b>EXPENSES</b>								
Personnel services	1,439,743	1,317,806	262,493	291,224	124,618	112,641	1,826,854	1,721,671
Contract services	1,825,138	1,579,175	56,663	51,246	58,853	64,827	1,940,654	1,695,248
Utilities	216,707	215,425	109,612	108,679	9,257	9,426	335,576	333,530
Maintenance materials and supplies	531,047	411,078	65,112	59,975	43,785	31,067	639,944	502,120
Grants and contributions	506,079	622,745	(177,975)	(230,974)	(60,812)	(53,562)	267,292	338,209
Amortization	907,873	828,744	27,648	27,135	92,160	92,167	1,027,681	948,046
Interest on long term debt	20,494	24,449	-	-	-	-	20,494	24,449
Bad debts	2,985	10,728	-	-	-	-	2,985	10,728
Other	4,876	41,812	12,244	2,995	2,570	2,145	19,690	46,952
<b>Total expenses</b>	<b>5,454,942</b>	<b>5,051,962</b>	<b>355,797</b>	<b>310,280</b>	<b>270,431</b>	<b>258,711</b>	<b>6,081,170</b>	<b>5,620,953</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,411,274</b>	<b>\$ 1,099,107</b>	<b>\$ 11,250</b>	<b>\$ 51,716</b>	<b>\$ (40,444)</b>	<b>\$ (81,387)</b>	<b>\$ 1,382,080</b>	<b>\$ 1,069,436</b>

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
For the Year Ended December 31, 2011

	2011						
	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
<b>REVENUE</b>							
Investment income	\$ 2,551	\$ 3,961	\$ 1,708	\$ 810	\$ 28	\$ 10,607	\$ 10,103
<b>TRANSFERS</b>							
Transfers from general operating fund	-	140,000	5,000	20,000	-	60,000	104,000
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to general operating fund	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(213,173)	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	2,551	(69,212)	6,708	20,810	28	70,607	114,103
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	192,141	358,950	151,991	63,243	2,504	929,304	861,542
<b>FUND SURPLUS, END OF YEAR</b>	\$ 194,692	\$ 289,738	\$ 158,699	\$ 84,053	\$ 2,532	\$ 999,911	\$ 975,645

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
For the Year Ended December 31, 2011

	2011				2010	
	Federal Gas Tax Funding BL 02/2006	Utility Replacement BL 25/1995	Handi Transit Replacement		Total	Total
<b>REVENUE</b>						
Investment income	\$ 4,474	\$ 3,406	\$ 1,834	\$ -	\$ 39,482	\$ 26,086
<b>TRANSFERS</b>						
Transfers from operating fund	210,621	-	5,000	-	544,621	598,621
Transfers from utility operating fund	-	80,000	-	-	80,000	75,000
Transfers to general operating fund	-	-	-	-	-	(42,000)
Transfers to utility operating fund	(64,187)	-	-	-	(64,187)	-
Acquisition of tangible capital assets	(47,447)	(40,000)	-	-	(300,620)	(850,528)
<b>CHANGE IN RESERVE FUND BALANCES</b>	103,461	43,406	6,834	-	299,296	(192,821)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	308,277	271,229	163,351	-	3,302,532	3,495,353
<b>FUND SURPLUS, END OF YEAR</b>	\$ 411,738	\$ 314,635	\$ 170,185	\$ -	\$ 3,601,828	\$ 3,302,532

**SCHEDULE 7**

**TOWN OF SWAN RIVER**  
**SCHEDULE OF TRUST FUNDS**  
**For the Year Ended December 31, 2011**

	Birchwood Cemetery Perpetual Care	Swan Valley Community Round Table	Swan Valley Recreation & Wellness Centre Inc.	Swan Valley Christmas Cheer Board	Swan Valley Employment & Training Project	Swan Valley Stampede Junior "A" Hockey	Swan River Skateboard Union	Valley Lions Recycling Inc.	Total
									2011
									2010
<b>ASSETS</b>									
Due from municipality	\$ 138,655	\$ 1,487	\$ 16,422	\$ 3,712	\$ 17,369	\$ -	\$ -	\$ 1,000	\$ 178,645
									\$ 158,656
<b>LIABILITIES AND FUND BALANCES</b>									
Due to municipality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,450	\$ -	\$ 92,450
Fund balance	138,655	1,487	16,422	3,712	17,369	-	(92,450)	1,000	86,195
	\$ 138,655	\$ 1,487	\$ 16,422	\$ 3,712	\$ 17,369	\$ -	\$ -	\$ 1,000	\$ 178,645
									\$ 158,656
<b>REVENUES</b>									
Contributions and donations	\$ 50	\$ -	\$ 8,821	\$ 3,712	\$ 268,870	\$ 3,075	\$ 97,910	\$ 2,310	\$ 384,748
Cemetery plot sales	16,010	-	-	-	-	-	-	-	16,010
Investment income	1,434	16	-	-	-	-	-	-	1,450
	17,494	16	8,821	3,712	268,870	3,075	97,910	2,310	402,208
									173,811
									12,925
									850
									187,586
<b>EXPENDITURES</b>									
Cemetery maintenance	7,817	-	-	-	-	-	-	-	7,817
Distribution to beneficiaries	-	-	4,006	3,140	251,501	3,075	203,820	1,310	466,852
	7,817	-	4,006	3,140	251,501	3,075	203,820	1,310	474,669
									145,604
									154,004
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	9,677	16	4,815	572	17,369	-	(105,910)	1,000	(72,461)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	128,978	1,471	11,607	3,140	-	-	13,460	-	158,656
									125,074
<b>FUND BALANCE, END OF YEAR</b>	\$ 138,655	\$ 1,487	\$ 16,422	\$ 3,712	\$ 17,369	\$ -	\$ (92,450)	\$ 1,000	\$ 86,195
									\$ 158,656

TOWN OF SWAN RIVER  
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES  
 As at December 31, 2011

SCHEDULE 8

	<u>2011</u>	<u>2010</u>
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 188,974	\$ 177,684
Due from General Operating Fund	<u>450,050</u>	<u>-</u>
	<u>\$ 639,024</u>	<u>\$ 177,684</u>
<b>LIABILITIES</b>		
Deferred revenue	\$ 171,570	\$ 166,094
Long-term debt (Note 11)	363,177	256,353
Due to General Operating Fund	<u>-</u>	<u>41,534</u>
	<u>534,747</u>	<u>463,981</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ 104,277</u>	<u>\$ (286,297)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets ( <i>Schedule 1</i> )	\$ 10,734,734	\$ 10,685,989
Inventories (Note 5)	<u>243,613</u>	<u>210,414</u>
	<u>10,978,347</u>	<u>10,896,403</u>
<b>FUND SURPLUS</b>	<u>\$ 11,082,624</u>	<u>\$ 10,610,106</u>



TOWN OF SWAN RIVER  
 SCHEDULE OF UTILITY OPERATIONS  
 For the Year Ended December 31, 2011

SCHEDULE 9

	2011 Budget	2011 Actual	2010 Actual
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 520,000	\$ 509,744	\$ 522,210
<b>Sewer</b>			
Sewer fees	263,000	253,871	263,493
Lagoon tipping fees	8,200	5,305	8,255
	<u>271,200</u>	<u>259,176</u>	<u>271,748</u>
<b>Property taxes</b>	<u>138,982</u>	<u>138,982</u>	<u>138,982</u>
<b>Government transfers</b>			
Capital	<u>-</u>	<u>-</u>	<u>163,514</u>
<b>Other</b>			
Hydrant rentals	12,800	12,800	12,800
Connection charges	10,000	46,548	33,142
Installation service	1,500	1,730	1,500
Penalties	1,500	1,747	1,951
Contributed tangible capital assets	-	434,652	48,953
Investment income	-	3,180	1,361
Administration fees	62,000	62,050	62,070
Other income	1,850	11,883	852
	<u>89,650</u>	<u>574,590</u>	<u>162,629</u>
<b>Total revenue</b>	<u>1,019,832</u>	<u>1,482,492</u>	<u>1,259,083</u>

TOWN OF SWAN RIVER  
SCHEDULE OF UTILITY OPERATIONS  
For the Year Ended December 31, 2011

SCHEDULE 9

	2011 Budget	2011 Actual	2010 Actual
<b>EXPENSES</b>			
<b>General</b>			
Administration	98,100	81,211	74,185
Training costs	-	8,653	3,138
Billing and collection	11,600	8,562	7,171
	<u>109,700</u>	<u>98,426</u>	<u>84,494</u>
<b>Water General</b>			
Purification and treatment	128,600	137,366	116,067
Transmission and distribution	107,000	90,035	105,674
Service of supply	10,525	8,003	8,536
Connection costs	81,000	84,436	70,641
Other	27,000	25,478	22,825
	<u>354,125</u>	<u>345,318</u>	<u>323,743</u>
<b>Water Amortization and Interest</b>			
Amortization	187,500	198,599	187,278
Interest on long term debt	14,279	20,494	20,858
	<u>201,779</u>	<u>219,093</u>	<u>208,136</u>
<b>Sewer General</b>			
Collection system costs	63,000	158,074	55,933
Treatment and disposal costs	26,500	29,950	9,225
Lift station costs	41,525	42,550	62,730
	<u>131,025</u>	<u>230,574</u>	<u>127,888</u>
<b>Sewer Amortization</b>	<u>132,000</u>	<u>140,750</u>	<u>132,053</u>
<b>Total expenses</b>	<u>928,629</u>	<u>1,034,161</u>	<u>876,314</u>
<b>NET OPERATING SURPLUS</b>	91,203	448,331	382,769
<b>TRANSFERS</b>			
Transfers from reserve funds	-	104,187	144,369
Transfers to reserve funds	(80,000)	(80,000)	(75,000)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ 11,203</u>	<u>472,518</u>	452,138
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>10,610,106</u>	<u>10,157,968</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 11,082,624</u>	<u>\$ 10,610,106</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2011

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 3,097,538	\$ 138,982	\$ -	\$ -	\$ (24,250)	\$ -	\$ -	\$ 3,212,270
Grants in lieu of taxation	141,916	-	-	-	-	-	-	141,916
User fees	277,260	-	-	-	-	-	240,244	517,504
Permits, licences and fines	38,837	-	-	-	-	-	-	38,837
Investment income	5,750	-	-	(527)	-	-	817	6,040
Other revenue	22,000	-	-	-	-	-	15,665	37,665
Water and sewer	-	880,850	-	-	-	-	-	880,850
Grants - Province of Manitoba	711,849	-	-	-	-	-	75,336	787,185
Grants - other	210,621	-	-	-	-	-	189,240	399,861
Transfers from accumulated surplus	165,000	-	-	-	(165,000)	-	-	-
Transfers from reserves	25,000	-	-	-	(25,000)	-	-	-
<b>Total revenue</b>	<b>4,695,771</b>	<b>1,019,832</b>	<b>-</b>	<b>(527)</b>	<b>(214,250)</b>	<b>-</b>	<b>521,302</b>	<b>6,022,128</b>
<b>EXPENSES</b>								
General government services	583,212	-	7,500	-	2,985	25,000	-	618,697
Protective services	1,111,061	-	46,000	-	-	-	1,189	1,158,250
Transportation services	804,182	-	319,000	-	-	-	143,311	1,266,493
Environmental health services	577,100	-	4,500	-	-	-	-	581,600
Public health and welfare services	168,559	-	4,000	-	-	-	15,540	188,099
Regional planning and development	56,300	-	1,000	-	-	-	2,176	59,476
Resource conservation and industrial development services	136,675	-	1,500	-	-	-	22,939	161,114
Recreation and cultural services	465,632	-	129,000	-	-	-	461,523	1,056,155
Water and sewer services	-	594,850	319,500	14,279	-	-	-	928,629
Fiscal services:								
Transfer to capital	221,000	206,000	(427,000)	-	-	-	-	-
Debt charges	5,194	138,982	-	(144,176)	-	-	-	-
Tax discount and short term interest	24,250	-	-	-	(24,250)	-	-	-
Transfers to reserves	539,621	80,000	-	-	(619,621)	-	-	-
Allowance for tax assets	2,985	-	-	-	(2,985)	-	-	-
<b>Total expenses</b>	<b>4,695,771</b>	<b>1,019,832</b>	<b>405,000</b>	<b>(129,897)</b>	<b>(643,871)</b>	<b>25,000</b>	<b>646,678</b>	<b>6,018,513</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (405,000)</b>	<b>\$ 129,370</b>	<b>\$ 429,621</b>	<b>\$ (25,000)</b>	<b>\$ (125,376)</b>	<b>\$ 3,615</b>

TOWN OF SWAN RIVER  
 ANALYSIS OF TAXES ON ROLL  
 For the Year Ended December 31, 2011

SCHEDULE 11

	<u>2011</u>	<u>2010</u>
<b>Balance, beginning of year</b>	<b>\$ 691,723</b>	<b>\$ 596,971</b>
<b>Add:</b>		
Tax levy ( <i>Schedule 12</i> )	5,773,375	5,597,229
Taxes added	66,075	53,252
Penalties or interest	90,403	86,398
Other accounts added	8,477	3,951
Taxes overpaid	19,268	13,529
Tax sale costs	5,753	7,132
	<u><b>5,963,351</b></u>	<u>5,761,491</u>
<b>Deduct:</b>		
Cash collections - current	5,157,939	4,529,703
Cash collections - arrears	67,945	423,337
Cancellations and writeoffs	18,867	20,637
Tax discounts	23,399	24,567
Manitoba Education Property Tax Credit - cash advance	718,015	657,172
Manitoba Education Property Tax Credit - additional	700	9,855
Transfers re tax sale	-	1,468
	<u><b>5,986,865</b></u>	<u>5,666,739</u>
<b>Balance, end of year</b>	<b>\$ 668,209</b>	<b>\$ 691,723</b>

TOWN OF SWAN RIVER  
ANALYSIS OF TAX LEVY  
For the Year Ended December 31, 2011

SCHEDULE 12

	2011			2010
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Mill Rate (At Large)	\$ 147,097,600	0.910	\$ 133,859	\$ 190,025
Mill Rate (L.I.D.)	-	0.000	-	-
Frontage			5,194	5,194
			<u>139,053</u>	<u>195,219</u>
Intergovernmental Affairs	110,835,980	0.500	<u>55,418</u>	<u>59,873</u>
Reserves:				
Machinery replacement (01/1997)	110,835,980	1.210	134,112	95,796
Employee benefits (09/1993)	110,835,980	0.050	5,542	5,443
Fire truck replacement (05/1997)	110,835,980	0.180	19,950	38,101
Office building (18/1997)	110,835,980	0.520	57,635	57,695
Recreation facilities (04/2000)	110,835,980	0.900	99,752	47,898
			<u>316,991</u>	<u>244,933</u>
General Municipal	110,835,980	19.300	<u>2,139,134</u>	<u>2,013,894</u>
Special levies:				
Police, fire and street services	147,097,600	2.800	<u>411,873</u>	<u>407,611</u>
Business tax (rate%)	4,689,900	1.60%	<u>75,038</u>	<u>74,616</u>
<b>Total municipal taxes (Schedule 2)</b>			<u><b>3,137,508</b></u>	<u>2,996,146</u>
Education support levy	35,802,580	12.330	441,446	436,869
Special levy:				
Swan Valley School Division	103,461,660	21.210	<u>2,194,422</u>	<u>2,164,214</u>
<b>Total education taxes</b>			<u><b>2,635,868</b></u>	<u>2,601,083</u>
<b>Total tax levy (Schedule 11)</b>			<u><b>\$ 5,773,375</b></u>	<u>\$ 5,597,229</u>

TOWN OF SWAN RIVER  
 ANALYSIS OF SCHOOL ACCOUNTS  
 For the Year Ended December 31, 2011

SCHEDULE 13

	2011			2010
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 470,509	\$ 470,509	\$ -
Special levies				
Swan Valley School Division	-	2,308,555	2,308,555	-
Total	\$ -	\$ 2,779,064	\$ 2,779,064	\$ -

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2011

	2011 Actual	2010 Actual
<b>General government services</b>		
Legislative	\$ 64,052	\$ 64,838
General administrative	433,469	450,613
Other	77,087	77,041
	<u>574,608</u>	<u>592,492</u>
<b>Protective services</b>		
Police	800,325	702,211
Fire	212,290	198,052
Emergency measures	6,390	1,700
Flood control	18,177	-
Building, electrical and plumbing inspections	20,665	20,400
Bylaw enforcement	15,265	15,474
Animal and pest control	23,730	22,915
Safety officer	60,091	59,368
	<u>1,156,933</u>	<u>1,020,120</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	104,747	103,196
Road and street maintenance	413,755	332,082
Sidewalk and boulevard maintenance	54,854	38,410
Ditches and road drainage maintenance	14,998	16,436
Storm sewer maintenance	67,042	50,853
Street cleaning	34,667	24,358
Snow and ice removal	183,219	135,772
Street lighting	67,886	67,508
Traffic services	30,436	28,313
Unallocated workshop and yard	156,527	141,551
Unallocated equipment and operators	22,093	30,611
Other	1,233	1,346
Air transport	18,212	17,074
Public transit	20,000	20,000
	<u>1,189,669</u>	<u>1,007,510</u>
<b>Environmental health services</b>		
Garbage collection	215,679	195,159
Nuisance grounds	263,493	243,220
Recycling	89,233	71,234
Other	48	1,296
	<u>568,453</u>	<u>510,909</u>
<b>Public health and welfare services</b>		
Cemeteries	91,473	91,642
Physician retention and recruitment	29,055	28,735
Social welfare and assistance	43,755	43,755
Other	1,000	1,000
	<u>165,283</u>	<u>165,132</u>
<b>Regional planning and development services</b>		
Planning and zoning	2,933	4,530
Beautification and land rehabilitation	10,132	13,440
Urban area weed control	31,803	19,216
Christmas lights, decorations, flags	11,500	9,664
	<u>56,368</u>	<u>46,850</u>
<b>Subtotals forward</b>	<u>\$ 3,711,314</u>	<u>\$ 3,343,013</u>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2011

<b>Subtotals forward</b>	<b>\$ 3,711,314</b>	<b>\$ 3,343,013</b>
<b>Resource conservation and industrial development services</b>		
Veterinary services	5,423	5,423
Water resources and conservation	16,952	16,952
Regional development	52,125	55,767
Industrial development	-	3,591
Incentive program for construction development	49,845	82,304
Trailer court	9,913	17,640
Tourism	15,605	16,451
Public receptions	4,537	3,626
	<u>154,400</u>	<u>201,754</u>
<b>Recreation and cultural services</b>		
Recreation commission and administration	168,722	192,967
Community centers and halls	17,623	58,768
Swimming pools and beaches	317	318
Skating and curling rinks and arenas	91,696	91,951
Parks and playgrounds	183,385	172,474
Other recreational facilities	33,035	52,035
Museums	7,400	7,400
Libraries	55,917	53,238
Other cultural facilities	2,500	7,500
	<u>560,595</u>	<u>636,651</u>
<b>Total expenses</b>	<b>4,426,309</b>	<b>4,181,418</b>
<b>Transfers to</b>		
Utility fund	138,982	138,982
Reserves	539,621	593,621
	<u>5,104,912</u>	<u>\$ 4,914,021</u>



TOWN OF SWAN RIVER  
 SCHEDULE OF DEBENTURES PENDING

SCHEDULE 16

As at December 31, 2011

Authority	Purpose	Source of Funds	Authorized	Expended
By-Law 05/2010	Construction of a new municipal office	Special mill rate on all rateable property in the years 2010 to 2030	1,516,000	66,597
By-Law 06/2011	Construction of an indoor aquatic centre in the new Recreation and Wellness Centre	Local improvement tax calculated as a per parcel rate of \$827 lump sum or \$75 annually for 20 years and a special mill rate on all rateable property for 20 years	2,400,000	1,252,805
			\$ 3,916,000	\$ 1,319,402

TOWN OF SWAN RIVER

SCHEDULE 17

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

For the Year Ended December 31, 2011

	2011		2010
	General	Utility	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 758,696	\$ 530,597	\$ 1,289,293
<b>Adjustments to revenue for reporting under public sector accounting standards</b>			
Eliminate transfers from reserves	(260,620)	(104,187)	(364,807)
Add reserve funds interest	36,076	3,406	39,482
Eliminate transfer(s) from nominal surplus(es)	(165,000)	-	(165,000)
Add gain on sale of tangible capital assets	41,344	-	41,344
	<u>(348,200)</u>	<u>(100,781)</u>	<u>(448,981)</u>
			<u>(866,442)</u>
<b>Adjustments to expenses for reporting under public sector accounting standards</b>			
Eliminate transfers to reserves	(544,621)	(80,000)	(624,621)
Add amortization of tangible capital assets	568,524	339,349	907,873
Add borrowing toward tangible capital assets	1,182,159	289,500	1,471,659
Eliminate principal portion of debenture debt payments	(4,666)	(182,676)	(187,342)
Add proceeds from dispositions of tangible capital assets	54,150	-	54,150
Add loss on dispositions of tangible capital assets	-	-	-
Eliminate acquisitions of tangible capital assets	(1,804,587)	(388,094)	(2,192,681)
	<u>(549,041)</u>	<u>(21,921)</u>	<u>(570,962)</u>
			<u>(3,070,519)</u>
<b>Add net deficit of consolidated entities</b>	<u>(29,194)</u>	<u>-</u>	<u>(29,194)</u>
<b>NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<u>\$ 930,343</u>	<u>\$ 451,737</u>	<u>\$ 1,382,080</u>
			<u>\$ 1,069,436</u>