

# **TOWN OF SWAN RIVER**

**Consolidated Financial Statements  
For the Year Ended December 31, 2015**



# THE TOWN OF SWAN RIVER

Phone: (204) 734-4586; Fax: (204) 734-5166  
PO Box 879, Swan River MB R0L 1Z0

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## STATEMENT OF RESPONSIBILITY

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

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

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

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

  
\_\_\_\_\_  
Mrs. Julie Fothergill  
Chief Administrative Officer

# PACAK KOWAL HARDIE & COMPANY

## CHARTERED ACCOUNTANTS

LINDA COLE, CGA\* (ASSOCIATE)

*\* denotes professional corporation*

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### 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, 2015 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, 2015, 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  
September 6, 2016

*Pacak Kowal Hardie & Company*  
Chartered Accountants

**TOWN OF SWAN RIVER**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2015**

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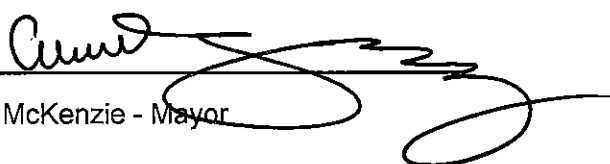
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**TOWN OF SWAN RIVER  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2015**

	<u>2015</u>	<u>2014</u> <i>(Restated)</i>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 3,305,870	\$ 3,818,456
Amounts receivable (Note 4)	1,639,094	1,457,709
Real estate properties held for sale	406,556	470,007
Other inventories for sale (Note 5)	12,348	18,626
Swan Valley Credit Union patronage equity shares	<u>992</u>	<u>996</u>
	<u>\$ 5,364,860</u>	<u>\$ 5,765,794</u>
<b>LIABILITIES</b>		
Bank indebtedness (Note 6)	\$ 5,747,199	\$ 6,059,588
Accounts payable and accrued liabilities (Note 7)	694,428	1,041,616
Pre-retirement bonus entitlement (Note 8)	327,558	217,131
Deferred revenue (Note 9)	255,372	275,080
Prepaid local improvement district levies (Note 10)	323,357	-
Landfill closure liability (Note 11)	37,368	34,349
Long-term debt (Note 12)	2,200,772	2,344,428
Deferred government transfers (Note 13)	<u>5,800,000</u>	<u>5,300,000</u>
	<u>15,386,054</u>	<u>15,272,192</u>
<b>NET DEBT</b>	<u>\$ (10,021,194)</u>	<u>\$ (9,506,398)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 35,232,988	\$ 35,119,473
Inventories (Note 5)	394,633	351,721
Prepaid expenses	<u>68,600</u>	<u>59,587</u>
	<u>35,696,221</u>	<u>35,530,781</u>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<u>\$ 25,675,027</u>	<u>\$ 26,024,383</u>

COMMITMENTS (Note 15)

Approved on behalf of Council:

  
Glen McKenzie - Mayor

  
Jason Delaurier - Councillor

*The accompanying notes are an integral part of this financial statement.*

**TOWN OF SWAN RIVER  
CONSOLIDATED STATEMENT OF OPERATIONS  
For the Year Ended December 31, 2015**

	2015 Budget (Note 18)	2015 Actual	2014 Actual (Restated)
<b>REVENUE</b>			
Property taxes	\$ 4,113,215	\$ 4,117,231	\$ 4,062,275
Grants in lieu of taxation	214,021	217,406	175,808
User fees	993,349	958,127	814,177
Permits, licences and fines	46,647	46,863	47,100
Investment income	17,566	25,810	41,807
Other revenue	121,899	436,011	899,114
Water and sewer	1,130,775	1,307,875	1,066,468
Grants - Province of Manitoba	800,440	907,248	828,284
Grants - other	509,008	504,243	579,729
Total revenue (Schedules 2, 4 and 5)	<u>7,946,920</u>	<u>8,520,814</u>	<u>8,514,762</u>
<b>EXPENSES</b>			
General government services	1,008,611	923,588	906,606
Protective services	1,504,182	1,486,187	1,464,222
Transportation services	1,351,555	1,423,755	1,384,512
Environmental health services	870,500	941,596	735,646
Public health and welfare services	183,405	220,088	186,810
Regional planning and development	41,364	43,101	34,211
Resource conservation and industrial development services	188,943	196,340	210,006
Recreation and cultural services	1,943,021	2,374,211	2,178,111
Water and sewer services	1,179,677	1,261,304	1,205,637
Total expenses (Schedules 3, 4 and 5)	<u>8,271,258</u>	<u>8,870,170</u>	<u>8,305,761</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (324,338)</u>	<u>(349,356)</u>	209,001
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>26,024,383</u>	<u>25,815,382</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 25,675,027</u>	<u>\$ 26,024,383</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, 2015**

	2015 Budget (Note 18)	2015 Actual	2014 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (324,338)</b>	<b>\$ (349,356)</b>	<b>\$ 209,001</b>
Acquisition of tangible capital assets	(612,502)	<b>(1,692,503)</b>	(1,854,865)
Amortization of tangible capital assets	1,413,175	<b>1,507,929</b>	1,414,907
Loss (gain) on sale of tangible capital assets	-	<b>32,253</b>	(32,253)
Proceeds on sale of tangible capital assets	-	<b>38,806</b>	108,840
Increase in inventories	-	<b>(42,912)</b>	(28,354)
Increase in prepaid expense	-	<b>(9,013)</b>	(13,001)
	<u>800,673</u>	<u><b>(165,440)</b></u>	<u>(404,726)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u>\$ 476,335</u></b>	<b>(514,796)</b>	(195,725)
<b>NET DEBT, BEGINNING OF YEAR</b>		<b><u>(9,506,398)</u></b>	<b><u>(9,310,673)</u></b>
<b>NET DEBT, END OF YEAR</b>		<b><u><u>\$ (10,021,194)</u></u></b>	<b><u><u>\$ (9,506,398)</u></u></b>

*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, 2015**

	<u>2015</u>	<u>2014</u> <i>(Restated)</i>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ (349,356)	\$ 209,001
Changes in non-cash items:		
Amounts receivable	(181,385)	(154,089)
Inventories	(36,634)	(32,729)
Prepaid expenses	(9,013)	(13,001)
Accounts payable and accrued liabilities	(347,188)	(1,047,616)
Deferred revenue	(19,708)	(4,362,688)
Pre-retirement bonus entitlement	110,427	2,811
Prepaid local improvement district levies	323,357	-
Landfill closure liability	3,019	2,797
Loss (gain) on sale of tangible capital assets	32,253	(32,253)
Gain on sale of real estate properties	(49,006)	(4,309)
Amortization	1,507,929	1,414,907
Cash provided by (applied to) operating transactions	<u>984,695</u>	<u>(4,017,169)</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	38,806	108,840
Cash used to acquire tangible capital assets	<u>(1,692,503)</u>	<u>(1,854,865)</u>
Cash applied to capital transactions	<u>(1,653,697)</u>	<u>(1,746,025)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	169,678	5,360
Change in Swan Valley Credit Union Limited patronage shares	4	(562)
Acquisition of real estate properties	<u>(57,221)</u>	<u>-</u>
Cash provided by investing transactions	<u>112,461</u>	<u>4,798</u>
<b>FINANCING TRANSACTIONS</b>		
Increase in bank indebtedness	-	392,220
Proceeds of long-term debt	-	870,453
Debt repayment	(456,045)	(1,627,553)
Increase in deferred government transfers	<u>500,000</u>	<u>5,300,000</u>
Cash provided by financing transactions	<u>43,955</u>	<u>4,935,120</u>
<b>DECREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>(512,586)</b>	<b>(823,276)</b>
Cash and temporary investments, beginning of year	<u>3,818,456</u>	<u>4,641,732</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 3,305,870</u></b>	<b><u>\$ 3,818,456</u></b>

*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, 2015**

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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 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:

*Richardson Recreation and Wellness Centre*  
*Swan River Centennial Arena*  
*Swan River Handi Transit Van*  
*Swan River Municipal Developers Ltd.*  
*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 35.0%, 2014 - 42.0%)*  
*North-West Regional Library (consolidated 54.0%, 2014 - 54.0%)*  
*Swan Valley District Recreation Commission (consolidated 46.0%, 2014 - 46.0%)*  
*Swan Valley Emergency Measures District (consolidated 62.0%, 2014 - 16.7%)*  
*Swan Valley Municipal Airport Commission (consolidated 37.0%, 2014 - 37.0%)*  
*Swan Valley Planning District (consolidated 14.3%, 2014 - 14.3%)*  
*Swan Valley Regional Initiative for a Strong Economy (consolidated 45.0%, 2014 - 45.0%)*

The Town also has several shared services agreements in place with the Municipality of Swan Valley West. 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 Swan Valley West reported as sales of service revenue. The shared services agreements are as follows:

*Swan River Fire Department (65.0% share with Swan Valley West, 2014 - 65.0%)*  
*Swan River Landfill Site (74.0% share with Swan Valley West, 2014 - 74.0%)*  
*Birchwood Cemetery (75.0% share with Swan Valley West, 2014 - 75.0%)*  
*Swan River Centennial Arena (72.0% share with Swan Valley West, 2014 - 70.0%)*

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, 2015**

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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 internal finance charges as part of the cost of its tangible capital assets.

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**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

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

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

**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

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.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

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

**k) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

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

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

**l) Measurement Uncertainty**

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

Measurement uncertainty in these financial statements exists in the amortization of tangible capital assets and 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.

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2015</u>	<u>2014</u>
Cash	\$ 3,296,999	\$ 3,808,713
Temporary investments	<u>8,871</u>	<u>9,743</u>
	<u>\$ 3,305,870</u>	<u>\$ 3,818,456</u>

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

The Town has designated \$1,513,299 (2014 \$1,623,962) to reserves for debt principal repayments and tangible capital asset acquisitions.

The balance of cash reported above includes \$199,549 (2014 \$195,898) held by controlled organizations and \$424,769 (2014 \$376,005) held by government partnerships.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2015</u>	<u>2014</u>
Taxes on roll ( <i>Schedule 11</i> )	\$ 360,160	\$ 563,357
Government grants	871,154	451,197
Utility customers	209,345	205,281
Organizations and individuals	115,961	125,706
Other governments	82,465	112,164
Accrued interest	9	4
	<u>1,639,094</u>	<u>1,457,709</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,639,094</u>	<u>\$ 1,457,709</u>

**5. Inventories**

	<u>2015</u>	<u>2014</u>
<b>Inventories for sale:</b>		
Airport fuel	\$ 11,901	\$ 17,683
Concession supplies	447	943
	<u>\$ 12,348</u>	<u>\$ 18,626</u>

**Inventories for use:**

General

Fuel	\$ 3,490	\$ 3,490
Granulars	32,574	42,733
Dust control	27,286	11,504
Sidewalk unistone	12,936	12,013
Culverts	15,310	17,040
Traffic services	9,619	14,444
Janitorial supplies	686	873
Landfill cover material	17,591	-
	<u>119,492</u>	<u>102,097</u>

Utility

Connections	34,074	31,106
Water treatment chemicals	11,220	11,014
Sewage collection	87,884	82,743
Water meters	25,849	30,955
Transmission and distribution	116,114	93,806
	<u>275,141</u>	<u>249,624</u>
	<u>\$ 394,633</u>	<u>\$ 351,721</u>

**6. Bank Indebtedness**

	<u>2015</u>	<u>2014</u>
<b>General Authority:</b>		
Swan Valley Credit Union line of credit for construction of Richardson Recreation and Wellness Centre, authorized limit \$10,000,000, principal payable on demand, interest payable monthly at 2.75%	<u>\$ 5,747,199</u>	<u>\$ 6,059,588</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

**7. Accounts Payable and Accrued Liabilities**

	<u>2015</u>	<u>2014</u>
Trade accounts payable	\$ 217,030	\$ 523,249
Employee remittances payable	2,084	2,002
Other governments	187,165	278,386
Contractor holdbacks	51,709	-
Accrued vacation liability	178,982	188,887
Accrued salaries and wages payable	35,132	26,817
Other accrued expenses	<u>22,326</u>	<u>22,275</u>
	<u>\$ 694,428</u>	<u>\$ 1,041,616</u>

**8. Pre-Retirement Bonus Entitlement**

Each employee of the Town will be 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 1.0% 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 6.5%.

	<u>2015</u>	<u>2014</u>
Beginning balance	\$ 217,131	\$ 214,320
Earned during the year	137,960	16,720
Paid out during the year	(16,224)	(13,909)
Relinquished on termination of employment	<u>(11,309)</u>	<u>-</u>
Ending balance	<u>\$ 327,558</u>	<u>\$ 217,131</u>

**9. Deferred Revenue**

	<u>2015</u>	<u>2014</u>
Prepaid taxes	\$ 39,339	\$ 38,274
Prepaid utility	80,038	80,402
Water meter deposits	106,406	106,401
Unused grants <i>(See following explanation)</i>	23,982	45,344
Rental prepayments and deposits	<u>5,607</u>	<u>4,659</u>
	<u>\$ 255,372</u>	<u>\$ 275,080</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.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

**10. 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:

	<u>2015</u>	<u>2014</u>
Beginning balance	\$ -	\$ -
Prepayments	323,357	-
Amortization	-	-
Ending balance	<u>\$ 323,357</u>	<u>\$ -</u>

**11. 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>2015</u>	<u>2014</u>
Estimated closure costs over the next 71 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>\$ 105,397</u>	<u>\$ 99,431</u>
Expected year capacity will be reached	<u>2086</u>	<u>2086</u>
Capacity (years):		
Used to date	39	38
Remaining	<u>71</u>	<u>72</u>
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>35.45%</u>	<u>34.55%</u>
<b>Liability based on percentage</b>	<u>\$ 37,368</u>	<u>\$ 34,349</u>

**12. Long Term Debt**

	<u>2015</u>	<u>2014</u>
<b>General Authority:</b>		
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	\$ 1,359,158	\$ 1,413,573
<b>Utility Fund:</b>		
Debenture for Main Street water and sewer renewal, demand loan held by Royal Bank of Canada, issued December 31, 2011, payable at \$64,187 annually including interest at 4.06%, maturing December 31, 2015	-	60,402
Debenture for Ross Street wastewater pumping station, demand loan held by RBC Royal Bank, issued December 31, 2014 payable at \$64,789 annually including interest at 4.13%, maturing December 31, 2034	<u>841,614</u>	<u>870,453</u>
	<u>\$ 2,200,772</u>	<u>\$ 2,344,428</u>

(continues)

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

**12. Long Term Debt (continued)**

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

2016	\$ 86,698
2017	90,285
2018	94,019
2019	97,909
2020	101,958
Thereafter	<u>1,729,903</u>
	<u>\$ 2,200,772</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.

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

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

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

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

(continues)



**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

**13. Deferred Government Transfers (continued)**

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

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

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

	2015	2014
Canada-Manitoba Building Canada Fund Communities Component	\$ 4,000,000	\$ 4,000,000
Canada-Manitoba Municipal Rural Infrastructure Fund	800,000	800,000
Province of Manitoba – Building Manitoba Fund	1,000,000	500,000
	<u>\$ 5,800,000</u>	<u>\$ 5,300,000</u>

**14. Accumulated Surplus**

	2015	2014
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,079,023	\$ 1,198,151
Utility operating fund - Nominal surplus	204,164	670,036
Tangible capital assets net of related borrowings (see below)	18,531,332	17,768,900
Reserve funds (Schedule 6)	<u>1,513,299</u>	<u>1,623,962</u>
Accumulated surplus of municipality unconsolidated	21,327,818	21,261,049
Accumulated surpluses of consolidated entities	<u>4,347,209</u>	<u>4,763,334</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 25,675,027</u>	<u>\$ 26,024,383</u>

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

Tangible capital assets	\$ 20,732,104	\$ 20,113,328
Long term debt (Note 12)	<u>(2,200,772)</u>	<u>(2,344,428)</u>
	<u>\$ 18,531,332</u>	<u>\$ 17,768,900</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

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**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 2015 fiscal year of \$1,014,578 (2014 - \$1,056,800).

**Swan Valley Employment and Training Project**

The Town entered into an agreement dated May 27, 2015 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 receipts of financial contributions from the Province and the disbursements for Eligible Costs are presented in Schedule 7 - *Schedule of Trust Funds*.

**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 requires that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Town on behalf of its employees amounted to \$147,705 (2014 - \$138,224) 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, 2014 indicated the plan was 95.2% funded on a going concern basis and had an unfunded solvency liability of \$237.2 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, 2014.

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, 2015**

**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 \$50,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2015:

a) Compensation paid to members of council amounted to \$97,589 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	\$ 18,331	\$ 4,292	\$ 22,623
Councillor - Jason Delaurier	12,888	1,497	14,385
Councillor - Phyllis Friesen	12,920	1,809	14,729
Councillor - Lance Jacobson	13,780	1,531	15,311
Councillor - David Moriaux	13,497	2,396	15,893
Councillor - Jason Sakal	12,687	1,948	14,635
Councillor - Duane Whyte	13,486	2,085	15,571
	<u>\$ 97,589</u>	<u>\$ 15,558</u>	<u>\$ 113,147</u>

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

**20. 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.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

**21. 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 2015</u>	<u>Total 2014</u>
<b>Financial Position</b>				
Financial assets	\$ 1,583,149	\$ (597,470)	\$ 985,679	\$ 1,031,560
Liabilities	12,152,589	(597,470)	11,555,119	11,621,605
Net financial assets	(10,569,440)	-	(10,569,440)	(10,590,045)
Non-financial assets	13,756,406	-	13,756,406	14,167,757
Accumulated surplus	<u>\$ 3,186,966</u>	<u>\$ -</u>	<u>\$ 3,186,966</u>	<u>\$ 3,577,712</u>
<b>Results of Operations</b>				
Revenue	\$ 1,682,636	\$ (927,726)	\$ 754,910	\$ 1,222,370
Expenses	2,073,382	(927,726)	1,145,656	1,014,186
Annual surplus (deficit)	<u>\$ (390,746)</u>	<u>\$ -</u>	<u>\$ (390,746)</u>	<u>\$ 208,184</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 2015</u>	<u>Total 2014</u>
<b>Financial Position</b>				
Financial assets	\$ 450,600	\$ (13,896)	\$ 436,704	\$ 412,489
Liabilities	443,314	(389,212)	54,102	82,487
Net financial assets	7,286	375,316	382,602	330,002
Non-financial assets	777,642	-	777,641	855,620
Accumulated surplus	<u>\$ 784,928</u>	<u>\$ 375,316</u>	<u>\$ 1,160,243</u>	<u>\$ 1,185,622</u>
<b>Results of Operations</b>				
Revenue	\$ 372,716	\$ (121,033)	\$ 251,683	\$ 251,173
Expenses	393,191	(116,126)	277,065	295,218
Annual deficit	<u>\$ (20,475)</u>	<u>\$ (4,907)</u>	<u>\$ (25,382)</u>	<u>\$ (44,045)</u>

**22. Comparative Amounts**

Certain comparative amounts have been restated to conform to the current year's presentation.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2015**

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**23. Public Utilities Board**

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

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

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

		<u>Water Services</u>	<u>Sewer Services</u>
Unamortized balance, beginning, as previously reported		\$ 2,335,675	\$ 1,271,844
<u>2014 Addition missed</u>	<u>Source of Grant or Contribution</u>		
Currie Road	Developer	72,795	78,561
Amortization re above		(606)	(655)
Unamortized balance, beginning, as restated		<u>2,407,864</u>	<u>1,349,750</u>
<u>Additions during the year</u>	<u>Source of Grant or Contribution</u>		
Heyes Lift Station upgrade	Federal Gas Tax Funding	-	50,000
		<u>-</u>	<u>50,000</u>
Amortization during the year		<u>(67,372)</u>	<u>(37,961)</u>
Unamortized balance, ending		<u>\$ 2,340,492</u>	<u>\$ 1,361,789</u>

TOWN OF SWAN RIVER

SCHEDULE 1

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2015

	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	2015	2014
<b>Cost</b>										
Opening balance	\$ 2,805,212	\$ 19,561,562	\$ 4,556,268	\$ 117,387	\$ 182,645	\$ 8,359,401	\$ 20,345,132	\$ 148,738	\$ 56,076,345	\$ 54,766,805
Additions during the year	347,046	63,821	193,607	14,154	33,220	206,891	305,580	869,429	2,033,748	17,847,368
Disposals and write downs	-	(135,565)	(149,958)	(162)	(215,865)	(12,000)	-	(125,380)	(638,930)	(16,537,828)
Closing balance	3,152,258	19,489,818	4,599,917	131,379	-	8,554,292	20,650,712	892,787	57,471,163	56,076,345
<b>Accumulated Amortization</b>										
Opening balance	658,822	2,445,925	2,380,663	63,261	-	6,424,907	8,983,294	-	20,956,872	20,010,703
Amortization	82,770	521,128	275,713	19,463	-	205,011	403,844	-	1,507,929	1,414,907
Disposals and write downs	-	(135,565)	(79,061)	-	-	(12,000)	-	-	(226,626)	(468,738)
Closing balance	741,592	2,831,488	2,577,315	82,724	-	6,617,918	9,387,138	-	22,238,175	20,956,872
<b>Net Book Value of Tangible Capital Assets</b>	\$ 2,410,666	\$ 16,658,330	\$ 2,022,602	\$ 48,655	\$ -	\$ 1,936,374	\$ 11,263,574	\$ 892,787	\$ 35,232,988	\$ 35,119,473

TOWN OF SWAN RIVER  
CONSOLIDATED SCHEDULE OF REVENUES  
For the Year Ended December 31, 2015

SCHEDULE 2

	2015 Actual	2014 Actual (Restated)
<b>Property taxes</b>		
Municipal taxes levied ( <i>Schedule 12</i> )	\$ 4,018,532	\$ 3,970,729
Taxes added	97,296	91,458
Excess of school tax levy over requirement	1,403	88
	<u>4,117,231</u>	<u>4,062,275</u>
<b>Grants in lieu of taxation</b>		
Federal government enterprises	14,938	16,055
Provincial government	43,663	45,529
Provincial government enterprises	158,805	114,224
	<u>217,406</u>	<u>175,808</u>
<b>User fees</b>		
Sales of service	613,131	460,964
Sales of goods	38,165	38,502
Rentals	93,993	38,679
Trailer park	2,469	6,628
Development charges	3,697	1,432
Facility use fees	203,819	261,400
Concessions	2,853	6,572
	<u>958,127</u>	<u>814,177</u>
<b>Permits, licences and fines</b>		
Permits	19,299	14,949
Licences	10,548	10,841
Fines	11,405	15,763
Fees	5,611	5,547
	<u>46,863</u>	<u>47,100</u>
<b>Investment income</b>		
Cash and temporary investments	25,810	41,807
<b>Other revenue</b>		
Gain on sale of tangible capital assets	482	43,932
Gain (loss) on sale of real estate held for sale	49,007	4,978
Contributed assets	34,244	48,566
Donations and contributions	258,413	669,465
Administration fees	465	867
Penalties and interest	66,011	78,451
Supplier rebates	27,389	52,855
	<u>436,011</u>	<u>899,114</u>
<b>Water and sewer (<i>Schedule 9</i>)</b>	<u>1,307,875</u>	<u>1,066,468</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	619,778	619,778
General support grant	37,737	24,372
Municipal programs grant ( <i>formerly VLT revenues</i> )	61,589	61,589
Conditional grants	188,144	122,545
	<u>907,248</u>	<u>828,284</u>
<b>Grants - other</b>		
Federal government - gas tax funding	200,954	200,980
Federal government - other	11,880	85,155
Other local governments	291,409	293,594
	<u>504,243</u>	<u>579,729</u>
<b>Total revenue</b>	<u>\$ 8,520,814</u>	<u>\$ 8,514,762</u>

TOWN OF SWAN RIVER  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended December 31, 2015

SCHEDULE 3

	2015 Actual	2014 Actual
<b>General government services</b>		
Legislative	\$ 101,874	\$ 82,265
General administrative	789,834	730,198
Other	31,880	94,143
	<u>923,588</u>	<u>906,606</u>
<b>Protective services</b>		
Police	1,014,578	1,056,800
Fire	282,453	241,919
Emergency measures	6,822	4,920
Flood control	-	915
Building, electrical and plumbing inspections	50,348	43,769
Bylaw enforcement	21,627	18,154
Animal and pest control	29,294	23,367
Safety officer	81,065	74,378
	<u>1,486,187</u>	<u>1,464,222</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	116,279	76,519
Road and street maintenance	227,401	367,960
Sidewalk and boulevard maintenance	55,070	49,026
Ditches and road drainage maintenance	22,696	10,881
Storm sewer maintenance	67,414	81,476
Street cleaning	20,130	25,858
Snow and ice removal	115,489	133,380
Street lighting	75,981	74,721
Traffic services	28,598	31,285
Unallocated workshop and yard	95,690	180,808
Unallocated equipment and operators	423,487	165,426
Other	-	486
Air transport	117,784	130,526
Public transit	57,736	56,160
	<u>1,423,755</u>	<u>1,384,512</u>
<b>Environmental health services</b>		
Garbage collection	231,229	209,969
Nuisance grounds	446,311	319,265
Recycling	263,739	206,412
Other	317	-
	<u>941,596</u>	<u>735,646</u>
<b>Public health and welfare services</b>		
Cemeteries	93,291	92,757
Physician retention and recruitment	81,742	48,298
Social welfare and assistance	43,755	43,755
Other	1,300	2,000
	<u>220,088</u>	<u>186,810</u>
<b>Regional planning and development</b>		
Planning and zoning	10,291	7,262
Beautification and land rehabilitation	4,126	2,087
Urban area weed control	16,350	16,276
Christmas lights, decorations, flags	12,334	8,586
	<u>43,101</u>	<u>34,211</u>
<b>Subtotals forward</b>	<u>\$ 5,038,315</u>	<u>\$ 4,712,007</u>



**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2015**

**SCHEDULE 3**

<b>Subtotals forward</b>	<b><u>\$ 5,038,315</u></b>	<b><u>\$ 4,712,007</u></b>
<b>Resource conservation and industrial development</b>		
Veterinary services	5,586	5,423
Water resources and conservation	16,952	16,952
Regional development	63,075	98,027
Industrial development	8,594	7,335
Incentive program for construction development	47,545	43,779
Trailer court	36,263	20,009
Tourism	14,081	14,616
Public receptions	4,244	3,865
	<b><u>196,340</u></b>	<b><u>210,006</u></b>
<b>Recreation and cultural services</b>		
Recreation commission and administration	61,024	103,365
Community centers and halls	112,704	97,689
Swimming pools and beaches	1,383,081	1,179,752
Skating and curling rinks and arenas	498,288	440,881
Parks and playgrounds	143,403	153,924
Other recreational facilities	-	40,810
Museums	4,000	4,000
Libraries	171,711	157,690
	<b><u>2,374,211</u></b>	<b><u>2,178,111</u></b>
<b>Water and sewer services (Schedule 9)</b>	<b><u>1,261,304</u></b>	<b><u>1,205,637</u></b>
<b>Total expenses</b>	<b><u>\$ 8,870,170</u></b>	<b><u>\$ 8,305,761</u></b>

TOWN OF SWAN RIVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2015

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>										
Property taxes	\$ 4,117,231	\$ 4,062,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	217,406	175,808	-	-	-	-	-	-	-	-
User fees	50,036	36,633	87,443	83,487	150,533	110,041	238,521	161,173	63,838	63,413
Permits, licences and fines	14,896	15,352	31,016	31,748	-	-	-	-	-	-
Investment income	10,598	20,372	257	1,618	8,074	10,958	166	161	1,763	1,893
Other revenue	155,454	101,549	8,266	7,500	3,822	42,152	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	719,104	705,739	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	1,174	1,155	122,593	35,175	-	-	-	-
Grants - other	-	-	1,784	79,788	216,834	214,220	-	-	35,495	42,023
<b>Total revenue</b>	<b>5,284,725</b>	<b>5,117,728</b>	<b>129,940</b>	<b>205,296</b>	<b>501,856</b>	<b>412,546</b>	<b>238,687</b>	<b>161,334</b>	<b>101,096</b>	<b>107,329</b>
<b>EXPENSES</b>										
Personnel services	450,411	425,420	287,931	267,720	635,592	574,914	187,941	179,705	57,994	59,611
Contract services	145,865	161,519	1,026,426	1,046,538	61,204	70,427	570,361	449,858	59,976	61,159
Utilities	26,957	31,989	42,096	38,626	105,483	104,590	8,899	10,013	883	886
Maintenance materials and supplies	74,652	57,550	68,990	47,143	321,404	335,758	15,830	15,062	9,081	8,242
Grants and contributions	-	-	2,055	3,048	13,536	15,325	-	-	44,349	39,634
Amortization	93,198	85,516	58,362	60,220	394,709	411,358	14,891	12,737	4,967	4,653
Equipment cost allocation	1,681	1,781	324	927	(140,980)	(131,951)	73,098	65,474	8,366	12,625
Interest on long term debt	58,522	92,552	-	-	-	-	-	-	-	-
Bad debts	39,255	15,029	-	-	-	-	67,557	-	2,030	-
Other	33,047	35,250	3	-	32,807	4,091	3,019	2,797	32,442	-
<b>Total expenses</b>	<b>923,588</b>	<b>906,606</b>	<b>1,486,187</b>	<b>1,464,222</b>	<b>1,423,755</b>	<b>1,384,512</b>	<b>941,596</b>	<b>735,646</b>	<b>220,088</b>	<b>186,810</b>
<b>Annual surplus (deficit)</b>	<b>\$ 4,361,137</b>	<b>\$ 4,211,122</b>	<b>\$ (1,356,247)</b>	<b>\$ (1,258,926)</b>	<b>\$ (921,899)</b>	<b>\$ (971,966)</b>	<b>\$ (702,909)</b>	<b>\$ (574,312)</b>	<b>\$ (118,992)</b>	<b>\$ (79,481)</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, 2015

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total
	2015	2014	2015	2014	2015	2014	2015	2014	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,062,275
Grants in lieu of taxation	-	-	-	-	-	-	-	-	175,808
User fees	3,697	1,432	2,469	6,628	361,590	351,370	958,127	814,177	47,100
Permits, licences and fines	-	-	-	-	951	-	-	46,863	41,807
Investment income	28	17	246	1,418	947	1,389	3,731	25,810	899,114
Other revenue	1,406	-	(27,444)	35,243	294,507	712,670	436,011	1,307,875	1,066,468
Water and sewer	-	-	-	-	-	-	1,307,875	1,066,468	705,739
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	122,545
Prov of MB - Conditional Grants	-	-	5,063	5,718	59,314	80,497	-	-	579,729
Grants - other	3,564	858	34,862	21,016	211,704	221,824	-	-	
<b>Total revenue</b>	<b>8,695</b>	<b>2,307</b>	<b>15,196</b>	<b>70,023</b>	<b>929,013</b>	<b>1,367,750</b>	<b>1,311,606</b>	<b>1,070,449</b>	<b>8,514,762</b>
<b>EXPENSES</b>									
Personnel services	14,290	11,204	24,830	29,590	1,003,692	855,376	390,781	383,545	2,787,085
Contract services	6,127	2,342	40,569	28,831	268,013	156,633	139,685	121,027	2,098,334
Utilities	175	82	4,575	6,215	239,247	243,154	53,517	52,894	488,449
Maintenance materials and supplies	9,147	6,412	5,732	3,900	115,258	177,109	184,449	201,937	853,113
Grants and contributions	3,551	4,812	115,783	114,049	54,659	83,815	-	-	260,683
Amortization	3,083	3,083	3,638	2,358	531,238	444,531	403,843	390,451	1,414,907
Equipment cost allocation	6,728	6,276	1,213	-	3,336	5,430	46,234	39,438	-
Interest on long term debt	-	-	-	-	157,975	163,525	38,344	4,861	260,938
Bad debts	-	-	-	-	-	-	4,451	-	15,029
Other	-	-	-	25,063	793	48,538	-	11,484	127,223
<b>Total expenses</b>	<b>43,101</b>	<b>34,211</b>	<b>196,340</b>	<b>210,006</b>	<b>2,374,211</b>	<b>2,178,111</b>	<b>1,261,304</b>	<b>1,205,637</b>	<b>8,305,761</b>
<b>Annual surplus (deficit)</b>	<b>\$ (34,406)</b>	<b>\$ (31,904)</b>	<b>\$ (181,144)</b>	<b>\$ (139,983)</b>	<b>\$ (1,445,198)</b>	<b>\$ (810,361)</b>	<b>\$ 50,302</b>	<b>\$ (135,188)</b>	<b>\$ 209,001</b>

**SCHEDULE 5**

**TOWN OF SWAN RIVER  
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS  
For the Year Ended December 31, 2015**

	Core Government		Controlled Entities		Government Partnerships		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE</b>								
Property taxes	\$ 4,117,231	\$ 4,062,275	\$ -	\$ -	\$ -	\$ -	\$ 4,117,231	\$ 4,062,275
Grants in lieu of taxation	217,406	175,808	-	-	-	-	217,406	175,808
User fees	596,378	441,295	338,711	338,792	23,038	34,090	958,127	814,177
Permits, licences and fines	45,912	47,100	-	-	951	-	46,863	47,100
Investment income	22,026	36,162	1,653	3,417	2,131	2,228	25,810	41,807
Other revenue	188,941	214,921	234,599	676,929	12,471	7,264	436,011	899,114
Water and sewer	1,307,875	1,066,468	-	-	-	-	1,307,875	1,066,468
Prov of MB - Unconditional Grants	719,104	705,739	-	-	-	-	719,104	705,739
Prov of MB - Conditional Grants	98,394	11,671	26,550	33,835	63,200	77,039	188,144	122,545
Grants - other	200,954	279,780	153,397	169,397	149,892	130,552	504,243	579,729
<b>Total revenue</b>	<b>7,514,221</b>	<b>7,041,219</b>	<b>754,910</b>	<b>1,222,370</b>	<b>251,683</b>	<b>251,173</b>	<b>8,520,814</b>	<b>8,514,762</b>
<b>EXPENSES</b>								
Personnel services	2,040,124	1,929,012	859,589	714,557	153,749	143,516	3,053,462	2,787,085
Contract services	2,000,579	1,891,324	249,568	113,415	68,079	93,595	2,318,226	2,098,334
Utilities	244,557	248,320	226,745	228,940	10,530	11,189	481,832	488,449
Maintenance materials and supplies	685,687	667,628	93,049	152,927	25,807	32,558	804,543	853,113
Grants and contributions	1,254,167	1,155,381	(916,426)	(795,649)	(103,808)	(99,049)	233,933	260,683
Amortization	948,374	943,467	470,065	384,023	89,490	87,417	1,507,929	1,414,907
Interest on long term debt	96,866	97,413	157,975	163,525	-	-	254,841	260,938
Bad debts	113,293	15,029	-	-	-	-	113,293	15,029
Other	63,802	48,783	5,091	52,448	33,219	25,992	102,112	127,223
<b>Total expenses</b>	<b>7,447,449</b>	<b>6,996,357</b>	<b>1,145,656</b>	<b>1,014,186</b>	<b>277,065</b>	<b>295,218</b>	<b>8,870,170</b>	<b>8,305,761</b>
<b>Annual surplus (deficit)</b>	<b>\$ 66,772</b>	<b>\$ 44,862</b>	<b>\$ (390,746)</b>	<b>\$ 208,184</b>	<b>\$ (25,382)</b>	<b>\$ (44,045)</b>	<b>\$ (349,356)</b>	<b>\$ 209,001</b>

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
For the Year Ended December 31, 2015

	2015						
	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	\$ 1,828	\$ 3,062	\$ 1,608	\$ 242	\$ -	\$ -	\$ -
<b>TRANSFERS</b>							
Transfers from general operating fund	2,500	140,000	5,000	20,000	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(98,777)	-	(6,200)	-	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	4,328	44,285	6,608	14,042	-	-	6
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	203,964	331,308	179,277	25,510	29	-	653
<b>FUND SURPLUS, END OF YEAR</b>	\$ 208,292	\$ 375,593	\$ 185,885	\$ 39,552	\$ 29	\$ -	\$ 659

**SCHEDULE 6**

**TOWN OF SWAN RIVER  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 For the Year Ended December 31, 2015**

	2015					2014
	Federal Gas Tax Funding BL 02/2006	Utility Replacement BL 25/1995	Handi Transit Replacement	Landfill Closure BL 14/2012	Total	Total
<b>REVENUE</b>						
Investment income	\$ 2,511	\$ 3,730	\$ 1,710	\$ 166	\$ 14,863	\$ 19,937
<b>TRANSFERS</b>						
Transfers from general operating fund	200,954	-	5,000	6,000	379,454	399,480
Transfers from utility operating fund	-	80,000	-	-	80,000	80,000
Transfers to utility operating fund	(127,585)	-	-	-	(127,585)	(64,187)
Acquisition of tangible capital assets	(221,718)	(125,000)	(5,700)	-	(457,395)	(396,673)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(145,838)	(41,270)	1,010	6,166	(110,663)	38,557
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	263,289	410,612	191,148	18,172	1,623,962	1,585,405
<b>FUND SURPLUS, END OF YEAR</b>	\$ 117,451	\$ 369,342	\$ 192,158	\$ 24,338	\$ 1,513,299	\$ 1,623,962

TOWN OF SWAN RIVER

SCHEDULE OF TRUST FUNDS

For the Year Ended December 31, 2015

SCHEDULE 7

	Birchwood Cemetery Perpetual Care	Swan Valley Community Round Table	Swan Valley Employment & Training Project	Swan Valley Christmas Cheer Board	Swan River Skateboard Union	Total
						2015
						2014
						(Restated)
<b>ASSETS</b>						
Cash and temporary investments	\$ 165,315	\$ 1,550	\$ -	\$ -	\$ 2,470	\$ 169,335
<b>FUND BALANCES</b>	165,315	1,550	-	-	2,470	169,335
<b>REVENUES</b>						
Contributions and donations	\$ -	\$ -	\$ 265,392	\$ 2,445	\$ -	\$ 267,837
Cemetery plot sales	16,068	-	-	-	-	16,068
Investment income	1,398	14	-	-	-	1,412
	17,466	14	265,392	2,445	-	285,317
<b>EXPENDITURES</b>						
Cemetery maintenance	8,319	-	-	-	-	8,319
Distribution to beneficiaries	-	-	265,392	2,745	110	268,247
	8,319	-	265,392	2,745	110	276,566
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	9,147	14	-	(300)	(110)	8,751
<b>FUND BALANCE, BEGINNING OF YEAR</b>	156,168	1,536	-	300	2,580	160,584
<b>FUND BALANCE, END OF YEAR</b>	\$ 165,315	\$ 1,550	\$ -	\$ -	\$ 2,470	\$ 169,335
						\$ 160,584

TOWN OF SWAN RIVER  
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES  
As at December 31, 2015

**SCHEDULE 8**

	<u>2015</u>	<u>2014 (Restated)</u>
<b>FINANCIAL ASSETS</b>		
Amounts receivable	\$ 559,345	\$ 205,281
Due from General Operating Fund	-	489,183
	<u>\$ 559,345</u>	<u>\$ 694,464</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 99,072	\$ 80,036
Pre-retirement bonus entitlement	14,147	12,264
Deferred revenue	186,444	186,803
Long-term debt (Note 12)	841,614	930,855
Due to General Operating Fund	344,767	-
	<u>1,486,044</u>	<u>1,209,958</u>
<b>NET DEBT</b>	<u>\$ (926,699)</u>	<u>\$ (515,494)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets ( <i>Schedule 1</i> )	\$ 12,156,361	\$ 11,510,575
Inventories (Note 5)	275,141	249,624
Prepaid expenses	14,108	5,050
	<u>12,445,610</u>	<u>11,765,249</u>
<b>FUND SURPLUS</b>	<u>\$ 11,518,911</u>	<u>\$ 11,249,755</u>



TOWN OF SWAN RIVER  
 SCHEDULE OF UTILITY OPERATIONS  
 For the Year Ended December 31, 2015

SCHEDULE 9

	2015 Budget	2015 Actual	2014 Actual (Restated)
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 531,000	\$ 506,595	\$ 516,579
<b>Sewer</b>			
Sewer fees	266,000	250,711	257,648
Lagoon tipping fees	10,225	3,787	6,660
	<u>276,225</u>	<u>254,498</u>	<u>264,308</u>
<b>Government transfers</b>			
Operating	11,200	3,900	-
Capital	175,000	350,000	-
	<u>186,200</u>	<u>353,900</u>	<u>-</u>
<b>Other</b>			
Hydrant rentals	13,650	13,650	13,650
Connection charges	50,000	105,792	50,767
Installation service	1,500	1,600	1,500
Penalties	2,300	2,190	2,196
Contributed tangible capital assets	-	-	151,356
Investment income	5,000	4,735	1,980
Administration fees	63,000	63,940	62,890
Other income	1,900	975	1,242
	<u>137,350</u>	<u>192,882</u>	<u>285,581</u>
<b>Total revenue</b>	<u>1,130,775</u>	<u>1,307,875</u>	<u>1,066,468</u>

TOWN OF SWAN RIVER  
 SCHEDULE OF UTILITY OPERATIONS  
 For the Year Ended December 31, 2015

SCHEDULE 9

	2015 Budget	2015 Actual	2014 Actual (Restated)
<b>EXPENSES</b>			
<b>General</b>			
Administration	171,900	188,890	121,330
Training costs	6,950	10,335	4,876
Billing and collection	9,500	12,643	14,557
	<u>188,350</u>	<u>211,868</u>	<u>140,763</u>
<b>Water General</b>			
Purification and treatment	121,000	130,671	120,329
Transmission and distribution	116,000	139,519	171,311
Service of supply	14,725	9,655	9,715
Connection costs	120,000	174,490	157,013
Water meters	21,500	22,232	56,275
	<u>393,225</u>	<u>476,567</u>	<u>514,643</u>
<b>Water Amortization and Interest</b>			
Amortization	213,500	218,356	213,612
Interest on long term debt	2,452	2,394	4,861
	<u>215,952</u>	<u>220,750</u>	<u>218,473</u>
<b>Sewer General</b>			
Collection system costs	55,000	52,583	54,517
Treatment and disposal costs	41,000	34,560	18,522
Lift station costs	73,200	43,540	81,880
	<u>169,200</u>	<u>130,683</u>	<u>154,919</u>
<b>Sewer Amortization and Interest</b>			
Amortization	177,000	185,486	176,839
Interest on long term debt	35,950	35,950	-
	<u>212,950</u>	<u>221,436</u>	<u>176,839</u>
<b>Total expenses</b>	<u>1,179,677</u>	<u>1,261,304</u>	<u>1,205,637</u>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	(48,902)	46,571	(139,169)
<b>TRANSFERS</b>			
Transfers from reserve funds	127,643	302,585	169,521
Transfers to reserve funds	(80,000)	(80,000)	(80,000)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ (1,259)</u>	<u>269,156</u>	<u>(49,648)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>11,249,755</u>	<u>11,299,403</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 11,518,911</u>	<u>\$ 11,249,755</u>

TOWN OF SWAN RIVER

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2015

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 4,113,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,113,215
Grants in lieu of taxation	214,021	-	-	-	-	-	-	214,021
User fees	485,208	-	-	-	-	-	508,141	993,349
Permits, licences and fines	46,647	-	-	-	-	-	-	46,647
Investment income	15,000	-	-	-	-	-	2,566	17,566
Other revenue	95,850	-	-	-	-	-	26,049	121,899
Water and sewer	-	1,130,775	-	-	-	-	-	1,130,775
Grants - Province of Manitoba	714,997	-	-	-	-	-	85,443	800,440
Grants - other	200,980	-	-	-	-	-	308,028	509,008
Transfers from general operating	-	-	-	-	-	-	-	-
Transfers from reserves	17,000	127,643	-	-	(144,643)	-	-	-
Transfers from accumulated surplus	146,334	-	-	-	(146,334)	-	-	-
<b>Total revenue</b>	<b>6,049,252</b>	<b>1,258,418</b>	<b>-</b>	<b>-</b>	<b>(290,977)</b>	<b>-</b>	<b>930,227</b>	<b>7,946,920</b>
<b>EXPENSES</b>								
General government services	770,458	-	85,500	58,522	69,131	25,000	-	1,008,611
Protective services	1,443,682	-	60,500	-	-	-	-	1,504,182
Transportation services	869,486	-	329,500	-	-	-	152,569	1,351,555
Environmental health services	858,000	-	12,500	-	-	-	-	870,500
Public health and welfare services	183,805	-	4,500	-	-	-	(4,900)	183,405
Regional planning and development	33,355	-	3,000	-	-	-	5,009	41,364
Resource conservation & industrial development	145,483	-	1,500	-	-	-	41,960	188,943
Recreation and cultural services	743,101	-	55,500	-	-	-	1,144,420	1,943,021
Water and sewer services	-	750,775	390,500	38,402	-	-	-	1,179,677
Fiscal services:								
Transfer to capital	299,000	300,000	(599,000)	-	-	-	-	-
Debt charges	112,937	127,643	-	(240,580)	-	-	-	-
Tax discount and short term interest	67,000	-	-	-	(67,000)	-	-	-
Transfers to reserves	374,480	80,000	-	-	(454,480)	-	-	-
Transfers to prior year's deficit	146,334	-	-	-	(146,334)	-	-	-
Allowance for tax assets	2,131	-	-	-	(2,131)	-	-	-
<b>Total expenses</b>	<b>6,049,252</b>	<b>1,258,418</b>	<b>344,000</b>	<b>(143,656)</b>	<b>(600,814)</b>	<b>25,000</b>	<b>1,339,058</b>	<b>8,271,258</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (344,000)</b>	<b>\$ 143,656</b>	<b>\$ 309,837</b>	<b>\$ (25,000)</b>	<b>\$ (408,831)</b>	<b>\$ (324,338)</b>

TOWN OF SWAN RIVER  
ANALYSIS OF TAXES ON ROLL  
For the Year Ended December 31, 2015

SCHEDULE 11

	<u>2015</u>	<u>2014</u>
<b>Balance, beginning of year</b>	<b>\$ 563,357</b>	<b>\$ 601,374</b>
<b>Add:</b>		
Tax levy ( <i>Schedule 12</i> )	6,651,602	6,542,855
Taxes added	97,296	91,458
Penalties or interest	66,011	78,451
Other accounts added	9,465	132,000
Taxes overpaid	11,650	10,524
Tax sale costs	8,728	6,915
Other adjustments	763	-
	<u>6,845,515</u>	<u>6,862,203</u>
<b>Deduct:</b>		
Cash collections - current	5,711,216	5,665,062
Cash collections - arrears	417,829	458,198
Cancellations and writeoffs	103,987	15,029
Tax discounts	35,871	34,625
Manitoba Education Property Tax Credit - cash advance	723,195	723,392
Manitoba Education Property Tax Credit - additional	-	4,190
Transfers re tax sale	56,614	-
Other adjustments	-	(276)
	<u>7,048,712</u>	<u>6,900,220</u>
<b>Balance, end of year</b>	<b>\$ 360,160</b>	<b>\$ 563,357</b>

TOWN OF SWAN RIVER  
ANALYSIS OF TAX LEVY  
For the Year Ended December 31, 2015

SCHEDULE 12

	2015		2014	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Mill Rate (At Large)	\$ 137,975,390	0.773	\$ 106,655	\$ 108,001
Mill Rate (L.I.D.)	-	0.000	-	-
Frontage			-	-
			<u>106,655</u>	<u>108,001</u>
Intergovernmental Affairs	137,975,390	0.390	<u>53,810</u>	<u>54,482</u>
Reserves:				
General (20/1983)	137,975,390	0.018	2,484	2,476
Machinery replacement (01/1997)	137,975,390	0.958	132,180	133,728
Employee benefits (09/1993)	137,975,390	0.035	4,829	4,815
Fire truck replacement (05/1997)	137,975,390	0.137	18,903	38,247
Landfill closure (14/2012)	137,975,390	0.042	5,795	-
			<u>164,191</u>	<u>179,266</u>
General Municipal	137,975,390	13.296	<u>1,834,521</u>	<u>2,741,841</u>
Special levies:				
Police, fire and street services	171,689,440	8.254	1,417,125	823,881
Residential garbage collection		per parcel	194,958	-
Commercial garbage collection	79,685,520	2.230	177,699	-
			<u>1,789,782</u>	<u>823,881</u>
Business tax (rate%)	4,969,513	1.40%	<u>69,573</u>	<u>63,258</u>
<b>Total municipal taxes (Schedule 2)</b>			<u><b>4,018,532</b></u>	<u>3,970,729</u>
Education support levy	40,412,020	11.620	469,588	463,793
Special levy:				
Swan Valley School Division	129,705,180	16.680	<u>2,163,482</u>	<u>2,108,333</u>
<b>Total education taxes</b>			<u><b>2,633,070</b></u>	<u>2,572,126</u>
<b>Total tax levy (Schedule 11)</b>			<u><b>\$ 6,651,602</b></u>	<u>\$ 6,542,855</u>

TOWN OF SWAN RIVER  
 ANALYSIS OF SCHOOL ACCOUNTS  
 For the Year Ended December 31, 2015

SCHEDULE 13

	2015			2014	
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ -	\$ 510,039	\$ 510,039	\$ -	\$ -
Special levies					
Swan Valley School Division	-	2,298,738	2,298,738	-	-
Total	\$ -	\$ 2,808,777	\$ 2,808,777	\$ -	\$ -

**TOWN OF SWAN RIVER**  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**For the Year Ended December 31, 2015**

**SCHEDULE 14**

	<u>2015</u> Actual	<u>2014</u> Actual
<b>General government services</b>		
Legislative	\$ 101,874	\$ 82,265
General administrative	789,834	730,198
Other	31,880	94,143
	<u>923,588</u>	<u>906,606</u>
<b>Protective services</b>		
Police	1,014,578	1,056,800
Fire	282,453	241,919
Emergency measures	5,925	4,177
Flood control	-	915
Building, electrical and plumbing inspections	50,348	43,769
Bylaw enforcement	21,627	18,154
Animal and pest control	29,294	23,367
Safety officer	81,065	74,378
	<u>1,485,290</u>	<u>1,463,479</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	116,279	76,519
Roads and streets	227,401	367,960
Sidewalks and boulevards	55,070	49,026
Ditches and road drainage	22,696	10,881
Storm sewers	67,414	81,476
Street cleaning	20,130	25,858
Snow and ice removal	115,489	133,380
Street lighting	75,981	74,721
Traffic services	28,598	31,285
Unallocated workshop and yard	95,690	180,808
Unallocated equipment and operators	423,487	157,384
Other	-	486
Air transport	21,486	22,916
Public transit	21,750	22,000
	<u>1,291,471</u>	<u>1,234,700</u>
<b>Environmental health services</b>		
Garbage collection	231,229	209,969
Nuisance grounds	446,311	319,265
Recycling	263,739	206,412
Other	317	-
	<u>941,596</u>	<u>735,646</u>
<b>Public health and welfare services</b>		
Cemeteries	93,291	92,757
Physician retention and recruitment	54,307	54,307
Social welfare and assistance	43,755	43,755
Other	1,300	2,000
	<u>192,653</u>	<u>192,819</u>
<b>Regional planning and development</b>		
Planning and zoning	5,300	4,955
Beautification and land rehabilitation	4,126	2,087
Urban area weed control	16,350	16,276
Christmas lights, decorations, flags	12,334	8,586
	<u>38,110</u>	<u>31,904</u>
<b>Subtotals forward</b>	<u>\$ 4,872,708</u>	<u>\$ 4,565,154</u>

TOWN OF SWAN RIVER  
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
 For the Year Ended December 31, 2015

**SCHEDULE 14**

<b>Subtotals forward</b>	<u>\$ 4,872,708</u>	<u>\$ 4,565,154</u>
<b>Resource conservation and industrial development</b>		
Veterinary services	5,586	5,423
Water resources and conservation	16,952	16,952
Regional development	53,917	52,741
Industrial development	2,229	2,786
Incentive program for construction development	47,545	43,779
Trailer court	36,263	20,009
Tourism	14,081	14,616
Public receptions	4,244	3,865
	<u>180,817</u>	<u>160,171</u>
<b>Recreation and cultural services</b>		
Recreation commission and administration	28,431	288,577
Community centers and halls	38,020	49,297
Swimming pools and beaches	628,631	472,461
Skating and curling rinks and arenas	229,117	-
Parks and playgrounds	143,403	152,203
Other recreational facilities	-	30,000
Museums	4,000	4,000
Libraries	66,017	64,094
	<u>1,137,619</u>	<u>1,060,632</u>
<b>Total expenses</b>	<u>\$ 6,191,144</u>	<u>\$ 5,785,957</u>



TOWN OF SWAN RIVER  
 SCHEDULE OF DEBENTURES PENDING  
 As at December 31, 2015

SCHEDULE 16

Authority	Purpose	Source of Funds	Authorized	Expended
By-Law 04/2015	Construction of an indoor aquatic centre in the new Richardson Recreation and Wellness Centre	Royal Bank of Canada fixed rate term loan over 20 years at 6.5% annual interest rate	\$ 6,170,000	\$ 12,771,923
By-Law 13/2015	To upgrade the mechanical piping and pumping and fully replace electrical components plus installation of additional monitoring equipment at the Heyes Street Wastewater Pumping Station	Royal Bank of Canada fixed rate term loan over 20 years at 5.5% annual interest rate	440,000	742,914
			\$ 6,610,000	\$ 13,514,837

**SCHEDULE 17**

**TOWN OF SWAN RIVER**  
**RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)**  
**For the Year Ended December 31, 2015**

	2015		2014	
	General	Utility	Total	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ (119,128)	\$ (465,872)	\$ (585,000)	\$ 515,567
<b>Add: Adjustments to revenue for reporting under public sector accounting standards</b>				
Eliminate transfers from reserves	(282,395)	(302,585)	(584,980)	(460,859)
Add reserve funds interest	11,133	3,730	14,863	19,937
Eliminate proceeds from dispositions of tangible capital assets	(38,482)	-	(38,482)	(112,390)
Add gain on sale of tangible capital assets	482	-	482	47,806
	<u>(309,262)</u>	<u>(298,855)</u>	<u>(608,117)</u>	<u>(505,506)</u>
<b>Less: Adjustments to expenses for reporting under public sector accounting standards</b>				
Eliminate transfers to reserves	(379,454)	(80,000)	(459,454)	(474,480)
Add amortization of tangible capital assets	544,531	403,843	948,374	943,468
Eliminate principal portion of debenture debt payments	(54,415)	(89,241)	(143,656)	(111,579)
Add loss on dispositions of tangible capital assets	32,736	-	32,736	11,370
Eliminate acquisitions of tangible capital assets	(588,259)	(1,049,630)	(1,637,889)	(1,167,181)
	<u>(444,861)</u>	<u>(815,028)</u>	<u>(1,259,889)</u>	<u>(798,402)</u>
<b>Less: Adjustments for financing of tangible capital assets</b>				
Add borrowing toward tangible capital assets	-	-	-	870,453
Add accounts receivable received for tangible capital assets	-	-	-	87,224
Add accounts payable (repaid) for tangible capital assets	-	-	-	(194,076)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>763,601</u>
<b>Add: Net surplus (deficit) of consolidated entities</b>	<u>(416,128)</u>	<u>-</u>	<u>(416,128)</u>	<u>164,139</u>
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<u>\$ (399,657)</u>	<u>\$ 50,301</u>	<u>\$ (349,356)</u>	<u>\$ 209,001</u>