

TOWN OF SWAN RIVER

**Consolidated Financial Statements
For the Year Ended December 31, 2022**



THE TOWN OF SWAN RIVER

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PO Box 879, Swan River MB R0L 1Z0


STATEMENT OF RESPONSIBILITY

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

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

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

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



Derek Poole
Chief Administrative Officer

PKHC

Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Town of Swan River ("the Town"), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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Independent Auditor's Report (continued)

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

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

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

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

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

Swan River, Manitoba
August 1, 2023


Chartered Professional Accountants

TOWN OF SWAN RIVER
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For the Year Ended December 31, 2022

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**TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2022**

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 6,382,069	\$ 5,776,805
Amounts receivable (Note 4)	1,610,128	1,244,638
Portfolio investments (Note 5)	10,202	9,836
Real estate properties held for sale	509,868	479,474
Other inventories for sale (Note 6)	17,362	12,128
	<u>\$ 8,529,628</u>	<u>\$ 7,522,881</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	1,462,402	1,247,404
Pre-retirement bonus entitlement (Note 8)	331,326	351,695
Unearned revenue (Note 9)	556,562	214,726
Landfill closure liability (Note 10)	112,496	105,311
Long-term debt (Note 11)	7,695,100	8,327,365
Prepaid local improvement district levies (Note 12)	210,182	226,350
Deferred government transfers (Note 13)	580,000	580,000
	<u>10,948,068</u>	<u>11,052,851</u>
NET DEBT	<u>\$ (2,418,439)</u>	<u>\$ (3,529,970)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 34,241,517	\$ 34,972,516
Inventories (Note 6)	469,182	443,022
Prepaid expenses	135,755	129,465
	<u>34,846,454</u>	<u>35,545,003</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 32,428,015</u>	<u>\$ 32,015,033</u>

COMMITMENTS (Note 15)

Approved on behalf of Council:


Lance Jacobson - Mayor


David Moriaux - Deputy Mayor

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

TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2022

	2022 Budget (Note 18)	2022 Actual	2021 Actual
REVENUE			
Property taxes	\$ 4,968,112	\$ 4,947,502	\$ 4,759,872
Grants in lieu of taxation	237,445	237,461	231,232
User fees	1,271,719	2,232,406	1,453,324
Permits, licences and fines	38,500	46,978	47,350
Investment income	6,661	135,166	31,345
Other revenue	92,427	188,806	296,526
Water and sewer	1,344,850	1,328,791	1,304,773
Grants - Province of Manitoba	845,225	905,696	1,986,082
Grants - other	340,170	328,852	2,389,097
Total revenue (Schedules 2, 4 and 5)	<u>9,145,109</u>	<u>10,351,658</u>	<u>12,499,601</u>
EXPENSES			
General government services	1,005,076	991,044	921,752
Protective services	1,865,736	1,997,487	1,933,405
Transportation services	1,410,176	1,672,386	1,339,707
Environmental health services	1,297,000	1,214,067	1,139,299
Public health and welfare services	189,410	174,994	145,746
Regional planning and development	48,496	43,483	41,364
Resource conservation and industrial development	100,300	60,647	130,077
Recreation and cultural services	2,030,678	2,296,056	1,898,038
Water and sewer services	1,459,764	1,488,513	1,340,557
Total expenses (Schedules 3, 4 and 5)	<u>9,406,636</u>	<u>9,938,677</u>	<u>8,889,945</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (261,527)</u>	412,981	3,609,656
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>32,015,033</u>	<u>28,405,377</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 32,428,015</u>	<u>\$ 32,015,033</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, 2022

	2022 Budget (Note 18)	2022 Actual	2021 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (261,527)	\$ 412,981	\$ 3,609,656
Acquisition of tangible capital assets	(1,854,770)	(1,167,430)	(870,501)
Amortization of tangible capital assets	1,759,500	1,773,385	1,744,570
Gain on sale of tangible capital assets	-	(44,200)	(60,864)
Loss on sale of tangible capital assets	-	19,244	7,063
Proceeds on sale of tangible capital assets	-	150,000	103,369
Decrease (increase) in inventories	-	(26,160)	7,473
Increase in prepaid expense	-	(6,290)	(14,210)
	<u>(95,270)</u>	<u>698,549</u>	<u>916,900</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (356,797)</u>	1,111,530	4,526,556
NET DEBT, BEGINNING OF YEAR		<u>(3,529,970)</u>	<u>(8,056,526)</u>
NET DEBT, END OF YEAR		<u>\$ (2,418,439)</u>	<u>\$ (3,529,970)</u>

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

TOWN OF SWAN RIVER
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 412,981	\$ 3,609,656
Changes in non-cash items:		
Amounts receivable	(365,489)	(9,520)
Inventories	(31,394)	6,913
Prepaid expenses	(6,290)	(14,210)
Accounts payable and accrued liabilities	214,998	125,510
Unearned revenue	341,836	(230,439)
Pre-retirement bonus entitlement	(20,369)	(9,033)
Prepaid local improvement district levies	(16,168)	(16,168)
Landfill closure liability	7,184	6,775
Gain on sale of tangible capital assets	(44,200)	(60,864)
Loss on sale of tangible capital assets	19,244	7,063
Gain on sale of real estate properties	(30,756)	(30,071)
Amortization	<u>1,773,385</u>	<u>1,744,570</u>
Cash provided by operating transactions	<u>2,254,962</u>	<u>5,130,182</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	150,000	103,369
Cash used to acquire tangible capital assets	<u>(1,167,430)</u>	<u>(870,501)</u>
Cash applied to capital transactions	<u>(1,017,430)</u>	<u>(767,132)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	34,200	36,800
Acquisition of real estate properties	(33,838)	-
Acquisition of portfolio investments	(967)	(1,906)
Disposition of portfolio investments	<u>601</u>	<u>874</u>
Cash provided by (applied to) investing transactions	<u>(4)</u>	<u>35,768</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	930,146
Debt repayment	(632,264)	(612,028)
Decrease in deferred government transfers	<u>-</u>	<u>(2,610,000)</u>
Cash applied to financing transactions	<u>(632,264)</u>	<u>(2,291,882)</u>
INCREASE IN CASH AND TEMPORARY INVESTMENTS	605,264	2,106,936
Cash and temporary investments, beginning of year	<u>5,776,805</u>	<u>3,669,869</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 6,382,069</u></u>	<u><u>\$ 5,776,805</u></u>

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

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

1. Status of the Town of Swan River

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

2. Significant Accounting Policies

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

a) Reporting Entity

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

Swan River Handi Transit Van
Swan River Municipal Developers Ltd.

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

G7 Physician Retention and Recruitment Fund (consolidated 40%, 2021 - 40%)
North-West Regional Library (consolidated 54%, 2021 - 54%)
Swan Valley District Recreation Commission (consolidated 46%, 2021 - 46%)
Swan Valley Municipal Airport Commission (consolidated 37%, 2021 - 37%)
Swan Valley Planning District (consolidated 40%, 2021 - 40%)
Swan Valley Regional Initiative for a Strong Economy (consolidated 45%, 2021 - 45%)

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

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

b) Basis of Accounting

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

c) Cash and Temporary Investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

2. Significant Accounting Policies (continued)

e) Real Estate Properties Held for Sale

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

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

f) Landfill Closure and Post Closure Liabilities

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

g) Non-Financial Assets

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

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

h) Tangible Capital Assets

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

General Tangible Capital Assets

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

Infrastructure Assets

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

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

2. Significant Accounting Policies *(continued)*

h) Tangible Capital Assets *(continued)*

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

i) Leases

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

j) Inventories

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

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

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

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

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

l) Measurement Uncertainty

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

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

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

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

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TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

2. Significant Accounting Policies *(continued)*

m) Future Changes in Accounting Standards

A number of new and amended Canadian public sector accounting standards have been issued and not applied in preparing these financial statements. These standards will come into effect as follows:

- PS 3450 Financial Instruments (effective January 1, 2023) defines and provides guidance for accounting and reporting all types of financial instruments including derivatives.
- PS 2601 Foreign Currency Translation (effective January 1, 2023) replaces PS 2600 with revised accounting and reporting principles for transactions that are denominated in a foreign currency.
- PS 1201 Financial Statement Presentation replaces PS 1200 with general reporting principles for disclosure of information and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3041 Portfolio Investments replaces PS 3040 with revised accounting and reporting principles for portfolio investments and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3280 Asset Retirement Obligations (effective January 1, 2023) defines and provides guidance for accounting and reporting retirement obligations associated with tangible capital assets and includes the withdrawal of PS 3270 Solid Waste Landfill Closure and Post-Closure Liability.
- PS 3400 Revenue (effective January 1, 2024), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.
- PS 3160 Public Private Partnerships (effective January 1, 2024), is a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships arrangements. Earlier adoption is permitted.

These new accounting standards have not been applied in preparing these consolidated financial statements.

The Municipality is currently assessing the impact of the new standards, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2022</u>	<u>2021</u>
Cash	\$ 6,381,460	\$ 5,734,187
Temporary investments	609	42,618
	<u>\$ 6,382,069</u>	<u>\$ 5,776,805</u>

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

The Town has designated \$4,686,112 (2021 \$3,545,226) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 - *Schedule of Change in Reserve Fund Balances*.

The balance of cash reported above includes \$786,289 (2021 \$675,062) held by controlled entities and government partnerships.

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

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2022</u>	<u>2021</u>
Taxes on roll (<i>Schedule 11</i>)	\$ 496,262	\$ 397,643
Government grants	119,519	56,595
Utility customers	341,971	352,995
Organizations and individuals	571,106	205,508
Other governments	102,670	240,098
Accrued interest	43,732	26,683
	<u>1,675,260</u>	<u>1,279,522</u>
Less allowances for doubtful amounts	(65,132)	(34,884)
	<u>\$ 1,610,128</u>	<u>\$ 1,244,638</u>

5. Portfolio Investments

Term deposits		
TD Canada Trust non-redeemable, issued August 12, 2022, matures August 12, 2023, interest at 2.25% per annum	\$ 5,004	\$ 5,599
Patronage shares		
Swan Valley Consumers Co-operative	33	39
Westman Communications Group	5,165	4,198
	<u>\$ 10,202</u>	<u>\$ 9,836</u>

6. Inventories

	<u>2022</u>	<u>2021</u>
Inventories for sale:		
Airport fuel	\$ 16,807	\$ 11,583
Concession supplies	456	30
Swimming supplies	99	515
	<u>\$ 17,362</u>	<u>\$ 12,128</u>

Inventories for use:

<u>General</u>		
Fuel	\$ 7,944	\$ 4,967
Granulars	70,297	71,592
Dust control	163	393
Sidewalk unistone	4,036	4,036
Culverts	9,031	9,615
Traffic services	9,822	8,302
Janitorial supplies	4,746	5,414
Landfill cover material	11,199	11,199
Chemicals and reagents	4,876	3,153
Programming supplies	798	895
	<u>122,912</u>	<u>119,566</u>
<u>Utility</u>		
Connections	33,821	36,364
Water treatment chemicals	31,758	12,310
Sewage collection	114,051	114,533
Water meters	27,962	23,907
Transmission and distribution	138,678	136,342
	<u>346,270</u>	<u>323,456</u>
	<u>\$ 469,182</u>	<u>\$ 443,022</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

7. Accounts Payable and Accrued Liabilities

	<u>2022</u>	<u>2021</u>
Trade accounts payable	\$ 714,235	\$ 511,357
Contractor holdbacks	37,996	37,996
Employee remittances payable	8,237	3,938
Other governments	19,939	22,797
Accrued vacation liability	159,463	145,347
Accrued salaries and wages payable	23,202	11,815
Other accrued expenses	366,669	393,720
School levies	132,661	120,434
	<u>\$ 1,462,402</u>	<u>\$ 1,247,404</u>

8. Pre-Retirement Bonus Entitlement

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

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

Each employee's entitlement liability has been calculated as the net present value of his or her entitlement upon retiring at the later of age 55 or five years of seniority, assuming 1.5% inflation applied to his or her current daily rate of pay, discounted to the end of the current fiscal year using an assumed long term average borrowing rate of 4.5%.

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 351,695	\$ 360,728
Earned during the year	19,268	52,896
Paid out during the year	(24,582)	(49,739)
Relinquished on termination of employment	(15,055)	(12,190)
Ending balance	<u>\$ 331,326</u>	<u>\$ 351,695</u>

9. Unearned Revenue

	<u>2022</u>	<u>2021</u>
Prepaid taxes	\$ 31,043	\$ 22,559
Prepaid utility	7,136	5,448
Water meter deposits	126,558	123,798
Unused grants <i>(See following explanation)</i>	375,922	42,306
Rental prepayments and deposits	15,903	20,615
	<u>\$ 556,562</u>	<u>\$ 214,726</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
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10. Landfill Closure Liability

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

	<u>2022</u>	<u>2021</u>
Estimated closure costs over the next 64 years	<u>\$ 6,600,000</u>	<u>\$ 6,600,000</u>
Discount rate	<u>4.50%</u>	<u>4.50%</u>
Discounted costs	<u>\$ 269,011</u>	<u>\$ 257,427</u>
Expected year capacity will be reached	2086	2086
Capacity (years):		
Used to date	46	45
Remaining	<u>64</u>	<u>65</u>
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>41.82%</u>	<u>40.91%</u>
Liability based on percentage	<u>\$ 112,496</u>	<u>\$ 105,311</u>

11. Long Term Debt

	<u>2022</u>	<u>2021</u>
General Authority:		
Debenture for new municipal office building, held by RBC Life Insurance Company, issued December 31, 2013, payable \$112,937 annually including interest at 4.14%, maturing December 31, 2032	<u>\$ 909,671</u>	<u>\$ 981,955</u>
Debenture for Richardson Recreation & Wellness Centre construction, held by RBC Life Insurance Company, issued February 29, 2016, payable \$368,322 annually including interest at 3.79%, maturing December 31, 2035	<u>3,726,327</u>	<u>3,945,129</u>
Debenture for fire fighter equipment, held by Province of Manitoba, issued November 30, 2017, payable \$16,977 annually including interest at 3.875%, maturing December 31, 2032	<u>138,721</u>	<u>149,909</u>
Debenture for 12th Avenue and 3rd St South local improvement, held by Birchwood Cemetery Perpetual Care Fund, issued February 6, 2019, payable \$5,849 annually including interest at 4.125%, maturing December 31, 2033	<u>50,899</u>	<u>54,500</u>
Debenture for Centennial Arena temporary ice floor, held by Swan Valley Credit Union Limited, issued March 31, 2020, payable \$65,488 annually including interest at 2.99%, maturing December 31, 2024	<u>125,327</u>	<u>185,275</u>
Debenture for Incident Command Vehicle, held by Birchwood Cemetery Perpetual Care Fund, issued December 31, 2020, payable \$9,935 annually including interest at 1.875%, maturing December 31, 2025	<u>28,722</u>	<u>37,946</u>
Debenture for Loader-Backhoe, held by Province of Manitoba, issued November 30, 2020, payable \$20,716 annually including interest at 1.875%, maturing December 31, 2025	<u>59,889</u>	<u>79,121</u>
Debenture for Richardson Recreation & Wellness Centre repairs, held by Swan Valley Credit Union Limited, issued October 22, 2021, payable \$66,511 annually including interest at 2.10%, maturing December 31, 2030	<u>485,133</u>	<u>540,298</u>

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

11. Long Term Debt (continued)

Utility Fund:

Debenture for Ross Street wastewater pumping station, demand loan held by RBC Royal Bank, issued December 31, 2014, payable \$64,789 annually including interest at 4.13%, maturing December 31, 2034	603,488	641,772
Debenture for Heyes Street wastewater pumping station, demand loan held by RBC Royal Bank, issued February 29, 2016, payable \$31,777 annually including interest at 3.79%, maturing December 31, 2035	321,487	340,364
Debenture for 6th Ave wastewater pumping station, held by Swan Valley Credit Union Limited, issued February 28, 2020, payable \$29,593 annually including interest at 3.19%, maturing December 31, 2029	183,057	206,075
Debenture for Well Control Building, held by RBC Life Insurance Company, issued March 31, 2020, payable \$67,200 annually including interest at 3.40%, maturing December 31, 2039	856,931	893,745
Debenture for Main Street Water & Sewer Renewal, held by Swan Valley Credit Union Limited, issued October 21, 2021, payable \$71,226 annually including interest at 1.99%, maturing December 31, 2025	205,448	271,276
	<u>\$ 7,695,100</u>	<u>\$ 8,327,365</u>

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

2023	\$ 653,209
2024	674,886
2025	631,836
2026	551,226
2027	571,260
Thereafter	<u>4,612,683</u>
	<u>\$ 7,695,100</u>

Schedule of Debentures Pending

Authority	Purpose	Amount Authorized
General	Fire Department Pumper 1 and equipment	\$ 900,000

12. Prepaid Local Improvement District Levies

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

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 226,350	\$ 242,518
Amortization	<u>(16,168)</u>	<u>(16,168)</u>
Ending balance	<u>\$ 210,182</u>	<u>\$ 226,350</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

13. Deferred Government Transfers

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

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

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

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

	<u>2022</u>	<u>2021</u>
Canada-Manitoba		
Building Canada Fund Communities Component	\$ 4,000,000	\$ 4,000,000
Municipal Rural Infrastructure Fund	800,000	800,000
Province of Manitoba – Building Manitoba Fund	1,000,000	1,000,000
	<u>5,800,000</u>	<u>5,800,000</u>
Revenue recognized upon settlement of liability	<u>(5,220,000)</u>	<u>(5,220,000)</u>
	<u>\$ 580,000</u>	<u>\$ 580,000</u>

14. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2022</u>	<u>2021</u>
General operating fund - Nominal surplus	\$ 1,418,557	\$ 1,855,195
Utility operating fund - Nominal surplus	157,117	157,117
Tangible capital assets net of related borrowings (<i>see below</i>)	24,805,698	25,147,709
Reserve funds (<i>Schedule 6</i>)	<u>4,354,786</u>	<u>3,193,530</u>
Accumulated surplus of municipality unconsolidated	30,736,158	30,353,551
Accumulated surpluses of consolidated entities	<u>1,691,857</u>	<u>1,661,482</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 32,428,015</u>	<u>\$ 32,015,033</u>

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

Tangible capital assets	\$ 33,730,126	\$ 34,432,211
Long term debt (Note 11)	(7,695,100)	(8,327,365)
Accounts payable	(163,709)	(45,476)
Unearned revenue (Note 9)	(162,941)	-
Deferred government transfers (Note 13)	(580,000)	(580,000)
Prepaid local improvement district levies (Note 12)	(210,182)	(226,350)
Landfill closure liability (Note 10)	<u>(112,496)</u>	<u>(105,311)</u>
	<u>\$ 24,805,698</u>	<u>\$ 25,147,709</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

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 2022 fiscal year of \$1,393,091 (2021 - \$1,364,083).

Swan Valley Employment and Training Project

The Town entered into agreements expiring June 30, 2023 with The Government of Manitoba – Ministry of Jobs and the Economy to act as the "Service Provider" for the *Swan Valley Employment and Training Project* Employment Partnership. The objective of the partnership is to provide work experience, job search assistance and employment supports for individuals in the Swan Valley area.

Since the Province pays a financial contribution to the Town equal to the Eligible Costs incurred by the Town in carrying out the Project and the Town has not made any financial investment in the Partnership, the assets, liabilities, revenues and expenses of the Project have not been consolidated into these financial statements. The Town received financial contributions from the Province and disbursed the contributions to the Partnership for Eligible Costs in the amount of \$263,046 (2021 \$267,631).

Water Treatment Plant Upgrade

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

Water Treatment Plant Generator

The Town entered into a cost sharing agreement dated July 30, 2021 with The Manitoba Water Services Board for its Water Treatment Plant Generator Project. The project is expected to cost \$350,000. The Manitoba Water Services Board has agreed to provide a grant in the amount of \$175,000.

Centennial Arena Renovation

The Town entered into a project development agreement dated July 7, 2022 with Johnson Controls Canada LP for its Centennial Arena Renovation Project at a cost of \$285,000. The amount was paid in the 2023 fiscal year.

The Town also entered into a project contribution agreement dated August 10, 2022 with the Government of Manitoba to provide a grant toward the Centennial Arena Renovation Project in the amount of \$300,000 from the Building Sustainable Communities Program. The initial payment of \$180,000 has been recorded as unearned revenue.

In the 2023 fiscal year, Town Council passed first reading of By-Law 1/2023 to provide for the expenditure and borrowing of funds for the Centennial Arena Retrofit as a local improvement at an estimated cost of \$7,500,000, including borrowing \$2,700,000 over 20 years at an estimated interest rate of 7.0% per annum. The Municipal Board has not yet approved the By-Law. At its meeting held March 28, 2023, Town Council defeated a resolution to enter into a construction contract with Johnson Controls to proceed with only the floor slab replacement portion of the Arena Retrofit. At its meeting held April 28, 2023, Town Council approved a Memorandum of Understanding with the Swan Valley Legacy Committee to pursue a joint venture to build a new arena, the cost of which has not yet been determined.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

16. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the municipality on behalf of its employees are expected to be \$134,761 (2021 - \$120,064) 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, 2021 indicated the plan was 101.4% funded on a going concern basis and had an unfunded solvency liability of \$249.0 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, 2021.

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.

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*.

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

19. Public Sector Compensation Disclosure

It is a requirement of *The Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually, to any member of council, officer or employee of the Town. For the year ended December 31, 2022:

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

<u>Employee</u>	<u>Position</u>	<u>Amount</u>
Derek Poole	Chief Administrative Officer	\$ 116,145
Jordan Rooks	Town Foreman	86,589
Darren Harvey	Director of Public Works	84,107
Paul Klein	Utility Operator II	82,584
Terence Gnida	Chief Financial Officer	81,705
Brendan Fedorchuk	Director of Recreation	79,499

It is a requirement of *The Municipal Act* that the annual financial statements disclose the amount of compensation, expenses and any other payment made to council or committee members by the type of each payment and the total amount of payment to each member of council of the Town. For the year ended December 31, 2022:

- c) Compensation paid to members of council amounted to \$106,440 in aggregate.

<u>Council Member</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor Lance Jacobson	\$ 18,398	\$ 2,618	\$ 21,016
Deputy Mayor David Moriaux	14,975	2,737	17,712
Deputy Mayor Johnny Wintoniw	11,802	555	12,357
Councillor Don Bobick	14,413	2,808	17,221
Councillor Tracy Boychuk	2,921	1,882	4,803
Councillor Jason Delaurier	11,625	1,484	13,109
Councillor Phyllis Friesen	11,078	843	11,921
Councillor Corinna Medwid	2,921	1,882	4,803
Councillor Tracy Powell	2,921	1,478	4,399
Councillor Duane Whyte	15,386	3,257	18,643
	<u>\$ 106,440</u>	<u>\$ 19,544</u>	<u>\$ 125,984</u>

20. Trust Funds

The Town of Swan River administers the following trust funds that are not consolidated in these financial statements:

	<u>Balance, Beginning of Year</u>	<u>Excess of Receipts over Disbursements</u>	<u>Balance, End of Year</u>
Birchwood Cemetery Perpetual Care	\$ 211,292	\$ 8,906	\$ 220,198
Swan River Skateboard Union	396	-	396
Swan River Fire Department	1,395	-	1,395
	<u>\$ 213,083</u>	<u>\$ 8,906</u>	<u>\$ 221,989</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

21. Segmented Information

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

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

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

22. Condensed Supplementary Financial Information for Consolidated Entities

Controlled Organizations

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

	<u>Unadjusted</u>	<u>Adjustments</u>	<u>Total 2022</u>	<u>Total 2021</u>
Financial Position				
Financial assets	\$ 379,000	\$ -	\$ 379,000	\$ 386,893
Liabilities	<u>4,285</u>	<u>-</u>	<u>4,285</u>	<u>14,285</u>
Net financial assets	374,715	-	374,715	372,608
Non-financial assets	<u>106,079</u>	<u>-</u>	<u>106,079</u>	<u>116,537</u>
Accumulated surplus	<u>\$ 480,794</u>	<u>\$ -</u>	<u>\$ 480,794</u>	<u>\$ 489,145</u>
Results of Operations				
Revenue	\$ 40,972	\$ (13,150)	\$ 27,822	\$ 34,765
Expenses	<u>49,323</u>	<u>(13,150)</u>	<u>36,173</u>	<u>26,349</u>
Annual surplus (deficit)	<u>\$ (8,351)</u>	<u>\$ -</u>	<u>\$ (8,351)</u>	<u>\$ 8,416</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 2022</u>	<u>Total 2021</u>
Financial Position				
Financial assets	\$ 853,639	\$ (9,895)	\$ 843,744	\$ 789,750
Liabilities	<u>341,499</u>	<u>(279,176)</u>	<u>62,323</u>	<u>56,027</u>
Net financial assets	512,140	269,281	781,421	733,723
Non-financial assets	<u>417,298</u>	<u>12,344</u>	<u>429,642</u>	<u>438,614</u>
Accumulated surplus	<u>\$ 929,438</u>	<u>\$ 281,625</u>	<u>\$ 1,211,063</u>	<u>\$ 1,172,337</u>
Results of Operations				
Revenue	\$ 328,589	\$ (143,328)	\$ 185,261	\$ 241,964
Expenses	<u>276,372</u>	<u>(129,836)</u>	<u>146,536</u>	<u>164,573</u>
Annual surplus (deficit)	<u>\$ 52,217</u>	<u>\$ (13,492)</u>	<u>\$ 38,725</u>	<u>\$ 77,391</u>

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

23. Contingent Assets

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

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

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

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

24. Related Party Disclosures (PS 2200)

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

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

Disclosure is generally required when:

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

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

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

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

(continues)

TOWN OF SWAN RIVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2022

24. Related Party Disclosures *(continued)*

Following is a list of significant related party transactions:

<u>Description of Transaction</u>	<u>Type of Transaction</u>	<u>Basis of Measurement</u>	<u>Amount before Consolidation</u>	<u>Net after Consolidation</u>
Swan Valley Municipal Airport Commission (government partnership)				
• Administration fee	Revenue	As tendered	\$ 24,000	\$ 15,120
• Sale of service	Revenue	Stipulated rate	75,128	47,331
• Funding	Expense	Assessment	30,366	19,131
• Amount receivable	Asset	As invoiced	26,742	16,847
North-West Regional Library (government partnership)				
• Funding	Expense	Population	\$ 98,142	\$ 45,145
G7 Physician Retention and Recruitment Fund (government partnership)				
• Funding	Expense	Population	\$ 64,784	\$ 38,870

25. Public Utilities Board

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

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

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

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

	<u>Water Services</u>	<u>Sewer Services</u>
Unamortized beginning balance	\$ 2,412,060	\$ 2,012,906
<u>Additions during the year</u>		
None	-	-
Amortization during the year	<u>(93,937)</u>	<u>(58,190)</u>
Unamortized ending balance	<u>\$ 2,318,123</u>	<u>\$ 1,954,716</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2022

SCHEDULE 1

	General Tangible Capital Assets					Infrastructure Tangible Capital Assets			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles, Equipment and Furniture	Computer Hardware & Software	Assets under Construction	Roads, Streets and Bridges	Water and Sewer	Assets under Construction	2022	2021
Cost										
Opening balance	\$ 3,317,031	\$ 21,120,851	\$ 5,874,856	\$ 183,304	\$ 77,139	\$ 9,609,713	\$ 25,587,629	\$ 60,658	\$ 65,831,181	\$ 65,479,788
Additions during the year	18,049	-	604,345	11,015	1,440	166,620	40,582	325,379	1,167,430	870,501
Transfers during the year	-	-	(14,220)	-	14,220	-	15,943	(15,943)	-	-
Disposals and write downs	-	-	(198,277)	(1,130)	-	(14,610)	(46,743)	-	(260,760)	(519,108)
Closing balance	<u>3,335,080</u>	<u>21,120,851</u>	<u>6,266,704</u>	<u>193,189</u>	<u>92,799</u>	<u>9,761,723</u>	<u>25,597,411</u>	<u>370,094</u>	<u>66,737,851</u>	<u>65,831,181</u>
Accumulated Amortization										
Opening balance	1,324,704	6,164,508	3,549,226	148,319	-	7,611,263	12,060,645	-	30,858,665	29,583,635
Amortization	99,247	612,028	362,480	15,534	-	139,168	544,928	-	1,773,385	1,744,570
Disposals and write downs	-	-	(89,976)	(1,130)	-	(14,610)	(30,000)	-	(135,716)	(469,540)
Closing balance	<u>1,423,951</u>	<u>6,776,536</u>	<u>3,821,730</u>	<u>162,723</u>	<u>-</u>	<u>7,735,821</u>	<u>12,575,573</u>	<u>-</u>	<u>32,496,334</u>	<u>30,858,665</u>
Net Book Value of Tangible Capital Assets	<u>\$ 1,911,129</u>	<u>\$ 14,344,315</u>	<u>\$ 2,444,974</u>	<u>\$ 30,466</u>	<u>\$ 92,799</u>	<u>\$ 2,025,902</u>	<u>\$ 13,021,838</u>	<u>\$ 370,094</u>	<u>\$ 34,241,517</u>	<u>\$ 34,972,516</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2022

SCHEDULE 2

	2022 Actual	2021 Actual
Property taxes		
Municipal taxes levied (<i>Schedule 12</i>)	\$ 4,928,392	\$ 4,703,980
Taxes added	19,069	55,816
Excess of school tax levy over requirement	41	76
	<u>4,947,502</u>	<u>4,759,872</u>
Grants in lieu of taxation		
Federal government enterprises	13,608	13,267
Provincial government	47,562	46,402
Provincial government enterprises	176,291	171,563
	<u>237,461</u>	<u>231,232</u>
User fees		
Sales of service	1,895,341	1,242,114
Sales of goods	50,212	65,405
Rentals	124,675	72,643
Development charges	2,398	2,020
Facility use fees	159,780	71,142
	<u>2,232,406</u>	<u>1,453,324</u>
Permits, licences and fines		
Permits	16,657	15,213
Licences	9,856	8,496
Fines	14,284	17,183
Fees	6,181	6,458
	<u>46,978</u>	<u>47,350</u>
Investment income		
Cash and temporary investments	132,727	27,335
Portfolio investments	2,439	4,010
	<u>135,166</u>	<u>31,345</u>
Other revenue		
Gain on sale of tangible capital assets	-	60,864
Gain on sale of real estate held for sale	30,755	30,071
Contributed assets	10,500	75,000
Penalties and interest	75,333	65,102
Other		
Donations and contributions	35,050	15,530
Amortization of prepaid local improvement district levies	16,168	16,168
Supplier rebates	21,000	33,791
	<u>188,806</u>	<u>296,526</u>
Water and sewer (<i>Schedule 9</i>)	<u>1,328,791</u>	<u>1,304,773</u>
Grants - Province of Manitoba		
Municipal operating grants	319,633	324,831
Federal Safe Restart Operating Grant	-	240,317
Conditional grants	586,063	1,420,934
	<u>905,696</u>	<u>1,986,082</u>
Grants - other		
Federal government - gas tax funding	225,839	441,859
Federal government - other	905	1,809,483
Other municipal governments	102,108	137,755
	<u>328,852</u>	<u>2,389,097</u>
Total revenue	<u>\$ 10,351,658</u>	<u>\$ 12,499,601</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2022

SCHEDULE 3

	2022 Actual	2021 Actual
General government services		
Legislative	\$ 150,416	\$ 117,098
General administrative	797,894	760,676
Elections, liability insurance, website, etc.	42,734	43,978
	<u>991,044</u>	<u>921,752</u>
Protective services		
Police	1,516,925	1,435,255
Fire	381,713	365,027
Emergency measures	3,371	6,705
Pandemic	34	5,830
Building, electrical and plumbing inspections	40,504	34,351
Bylaw enforcement	25,765	20,423
Animal and pest control	10,635	8,303
Safety inspections	18,540	57,511
	<u>1,997,487</u>	<u>1,933,405</u>
Transportation services		
Road transport		
Administration and engineering	118,332	148,358
Unallocated equipment and operators	416,672	375,240
Unallocated workshop and yard operations	140,363	104,807
Roads and streets	343,594	215,282
Sidewalks	27,684	28,557
Boulevards	4,124	6,337
Tree trimming	10,510	10,725
Ditches and road drainage	19,221	8,297
Storm sewers	51,222	45,533
Street cleaning	18,319	16,379
Snow and ice removal	291,604	132,243
Street lighting	80,215	79,251
Traffic services	28,468	32,518
Other	35	-
Air transport	91,727	110,688
Public transit	30,296	25,492
	<u>1,672,386</u>	<u>1,339,707</u>
Environmental health services		
Garbage collection	353,872	342,022
Nuisance grounds	351,739	316,679
Recycling	508,456	480,598
	<u>1,214,067</u>	<u>1,139,299</u>
Public health and welfare services		
Cemeteries	87,713	60,902
Physician retention and recruitment	38,870	38,534
Social welfare and assistance	43,755	43,755
Other	4,656	2,555
	<u>174,994</u>	<u>145,746</u>
Regional planning and development		
Planning and zoning	13,330	13,448
Beautification and land rehabilitation	10,281	8,047
Urban area weed control	11,627	13,445
Christmas lights, decorations, flags	8,245	6,424
	<u>43,483</u>	<u>41,364</u>
Subtotals forward	<u>\$ 6,093,461</u>	<u>\$ 5,521,273</u>

TOWN OF SWAN RIVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2022

SCHEDULE 3

	2022 Actual	2021 Actual
Subtotals forward	\$ 6,093,461	\$ 5,521,273
Resource conservation and industrial development		
Veterinary services	7,112	7,112
Water resources and conservation	13,634	13,442
Regional development	8,526	65,361
Industrial development	12,927	12,232
Incentive program for construction development	6,924	19,531
Tourism	10,283	11,437
Public receptions	1,241	962
	<u>60,647</u>	<u>130,077</u>
Recreation and cultural services		
District recreation commission	-	3,490
Community centers and halls	130,158	125,430
Swimming pools and beaches	1,120,961	885,673
Skating and curling rinks and arenas	601,958	473,281
Parks and playgrounds	145,594	132,673
Other recreational programs or facilities	57,106	64,043
Museums	4,000	4,015
Libraries	223,738	203,696
Other cultural programs or facilities	12,541	5,737
	<u>2,296,056</u>	<u>1,898,038</u>
Water and sewer services (Schedule 9)	<u>1,488,513</u>	<u>1,340,557</u>
Total expenses	<u><u>\$ 9,938,677</u></u>	<u><u>\$ 8,889,945</u></u>

TOWN OF SWAN RIVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2022

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE										
Property taxes	\$ 4,947,502	\$ 4,759,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	237,461	231,232	-	-	-	-	-	-	-	-
User fees	55,083	29,892	172,923	129,963	112,246	120,784	1,304,096	876,042	64,632	37,599
Permits, licences and fines	15,376	6,583	31,458	40,683	-	-	-	-	-	-
Investment income	54,117	13,348	3,765	316	40,151	9,648	2,132	305	10,722	3,031
Other revenue	114,672	105,645	-	39,767	-	20,360	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	319,633	498,450	-	-	-	61,500	-	-	-	-
Prov of MB - Conditional Grants	-	-	456,988	508,936	73,718	16,544	-	-	-	-
Grants - other	-	-	-	-	252,089	474,930	-	-	34,086	34,944
Total revenue	<u>5,743,844</u>	<u>5,645,022</u>	<u>665,134</u>	<u>719,665</u>	<u>478,204</u>	<u>703,766</u>	<u>1,306,228</u>	<u>876,347</u>	<u>109,440</u>	<u>75,574</u>
EXPENSES										
Personnel services	498,549	435,887	290,148	275,217	503,063	491,654	223,445	223,372	58,323	41,454
Contract services	233,238	239,780	1,477,131	1,439,651	265,733	139,286	895,543	802,398	45,221	45,212
Utilities	32,960	31,668	48,541	47,915	119,745	105,630	8,830	19,462	979	809
Maintenance materials and supplies	41,160	28,965	82,795	72,914	453,015	283,376	8,755	11,732	5,516	3,427
Grants and contributions	660	20	110	1,090	19,131	18,610	-	-	52,932	44,897
Amortization	101,044	98,327	88,404	87,186	420,776	389,303	16,047	24,590	5,872	5,872
Equipment cost allocation	144	133	1,501	224	(114,988)	(99,046)	54,262	50,970	6,151	3,550
Loss on disposal of capital assets	-	-	-	-	1,884	6,019	-	-	-	-
Interest on long term debt	40,653	43,526	6,521	7,108	3,732	4,387	-	-	-	-
Bad debts (recovered)	42,589	41,921	2,336	2,100	24	-	-	-	-	525
Other	47	1,525	-	-	271	488	7,185	6,775	-	-
Total expenses	<u>991,044</u>	<u>921,752</u>	<u>1,997,487</u>	<u>1,933,405</u>	<u>1,672,386</u>	<u>1,339,707</u>	<u>1,214,067</u>	<u>1,139,299</u>	<u>174,994</u>	<u>145,746</u>
Annual surplus (deficit)	<u>\$ 4,752,800</u>	<u>\$ 4,723,270</u>	<u>\$ (1,332,353)</u>	<u>\$ (1,213,740)</u>	<u>\$ (1,194,182)</u>	<u>\$ (635,941)</u>	<u>\$ 92,161</u>	<u>\$ (262,952)</u>	<u>\$ (65,554)</u>	<u>\$ (70,172)</u>

* 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, 2022

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,947,502	\$ 4,759,872
Grants in lieu of taxation	-	-	-	-	-	-	-	-	237,461	231,232
User fees	2,398	2,020	-	-	521,028	257,024	-	-	2,232,406	1,453,324
Permits, licences and fines	-	-	-	-	144	84	-	-	46,978	47,350
Investment income	240	96	(1,885)	(440)	3,229	791	22,695	4,250	135,166	31,345
Other revenue	-	-	6,300	23,800	67,834	106,954	-	-	188,806	296,526
Water and sewer	-	-	-	-	-	-	1,328,791	1,304,773	1,328,791	1,304,773
Prov of MB - Unconditional Grants	-	-	-	-	-	5,198	-	-	319,633	565,148
Prov of MB - Conditional Grants	-	-	-	-	55,357	895,454	-	-	586,063	1,420,934
Grants - other	4,420	4,069	-	32,641	38,257	1,842,513	-	-	328,852	2,389,097
Total revenue	7,058	6,185	4,415	56,001	685,849	3,108,018	1,351,486	1,309,023	10,351,658	12,499,601
EXPENSES										
Personnel services	15,126	12,548	1,730	27,234	784,945	538,257	418,346	366,242	2,793,675	2,411,865
Contract services	10,776	10,502	12,392	23,267	261,976	206,894	175,407	121,525	3,377,417	3,028,515
Utilities	264	264	86	137	268,132	215,711	64,419	58,185	543,956	479,781
Maintenance materials and supplies	1,865	2,671	1,011	1,350	139,225	99,066	174,565	155,751	907,907	659,252
Grants and contributions	9,520	9,487	40,670	73,016	54,892	51,731	-	-	177,915	198,851
Amortization	1,436	775	3,788	4,314	615,567	615,929	520,451	518,274	1,773,385	1,744,570
Equipment cost allocation	4,496	5,117	911	619	3,161	1,938	44,362	36,495	-	-
Loss on disposal of capital assets	-	-	-	-	1,416	1,044	-	-	3,300	7,063
Interest on long term debt	-	-	-	-	166,406	166,876	81,764	81,613	299,076	303,510
Bad debts (recovered)	-	-	-	-	-	-	5,991	(68)	50,940	44,478
Other	-	-	59	140	336	592	3,208	2,540	11,106	12,060
Total expenses	43,483	41,364	60,647	130,077	2,296,056	1,898,038	1,488,513	1,340,557	9,938,677	8,889,945
Annual surplus (deficit)	\$ (36,425)	\$ (35,179)	\$ (56,232)	\$ (74,076)	\$ (1,610,207)	\$ 1,209,980	\$ (137,027)	\$ (31,534)	\$ 412,981	\$ 3,609,656

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2022

	Core Government		Controlled Entities		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE								
Property taxes	\$ 4,947,502	\$ 4,759,872	\$ -	\$ -	\$ -	\$ -	\$ 4,947,502	\$ 4,759,872
Grants in lieu of taxation	237,461	231,232	-	-	-	-	237,461	231,232
User fees	2,214,335	1,409,077	2,283	(2,009)	15,788	46,256	2,232,406	1,453,324
Permits, licences and fines	46,834	47,266	-	-	144	84	46,978	47,350
Investment income	123,277	27,899	488	69	11,401	3,377	135,166	31,345
Other revenue	175,520	272,014	6,300	23,800	6,986	712	188,806	296,526
Water and sewer	1,328,791	1,304,773	-	-	-	-	1,328,791	1,304,773
Prov of MB - Unconditional Grants	319,633	565,148	-	-	-	-	319,633	565,148
Prov of MB - Conditional Grants	519,382	1,355,731	19,540	8,638	47,141	56,565	586,063	1,420,934
Grants - other	225,840	2,249,860	(789)	4,267	103,801	134,970	328,852	2,389,097
Total revenue	<u>10,138,575</u>	<u>12,222,872</u>	<u>27,822</u>	<u>34,765</u>	<u>185,261</u>	<u>241,964</u>	<u>10,351,658</u>	<u>12,499,601</u>
EXPENSES								
Personnel services	2,668,802	2,284,254	12,955	7,699	111,918	119,912	2,793,675	2,411,865
Contract services	3,314,454	2,960,354	15,048	17,318	47,915	50,843	3,377,417	3,028,515
Utilities	531,914	466,348	503	500	11,539	12,933	543,956	479,781
Maintenance materials and supplies	857,072	590,497	3,324	1,200	47,511	67,555	907,907	659,252
Grants and contributions	278,624	319,040	(7,550)	(11,875)	(93,159)	(108,314)	177,915	198,851
Amortization	1,742,781	1,713,688	10,458	10,458	20,146	20,424	1,773,385	1,744,570
Equipment cost allocation	(911)	(549)	911	549	-	-	-	-
Loss on disposal of capital assets	3,300	7,063	-	-	-	-	3,300	7,063
Interest on long term debt	299,076	303,510	-	-	-	-	299,076	303,510
Bad debts	50,916	44,478	24	-	-	-	50,940	44,478
Other	10,440	10,840	-	-	666	1,220	11,106	12,060
Total expenses	<u>9,756,468</u>	<u>8,699,523</u>	<u>35,673</u>	<u>25,849</u>	<u>146,536</u>	<u>164,573</u>	<u>9,938,677</u>	<u>8,889,945</u>
Annual surplus (deficit)	<u>\$ 382,107</u>	<u>\$ 3,523,349</u>	<u>\$ (7,851)</u>	<u>\$ 8,916</u>	<u>\$ 38,725</u>	<u>\$ 77,391</u>	<u>\$ 412,981</u>	<u>\$ 3,609,656</u>

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2022

	2022							
	General BL 20/1983	Equipment Replacement BL 01/1997	Employee Benefits BL 09/1993	Fire Truck Replacement BL 05/1997	Recreation Facilities BL 04/2000	Tax Stabilization BL 08/2002	Landfill Closure BL 14/2012	Federal Gas Tax Funding BL 02/2006
REVENUE								
Investment income	\$ 4,372	\$ 3,142	\$ 7,953	\$ 2,755	\$ 2,672	\$ 5,265	\$ 2,132	\$ 25,908
Province of Manitoba - conditional	-	-	-	-	-	-	-	-
TRANSFERS								
Transfers from general operating fund	35,000	177,800	5,000	40,000	40,000	474,550	437,000	225,839
Transfers from utility operating fund	-	-	-	-	-	-	-	-
Transfers to general operating fund	-	(20,716)	(3,998)	-	-	-	-	-
Transfers to utility operating fund	-	-	(215)	-	-	-	-	-
Acquisition of tangible capital assets	-	(320,133)	-	-	(25,000)	-	-	(213,959)
CHANGE IN RESERVE FUND	39,372	(159,907)	8,740	42,755	17,672	479,815	439,132	37,788
FUND SURPLUS, BEGINNING OF	182,518	264,600	13,456	90,999	101,722	-	78,929	1,145,195
FUND SURPLUS, END OF YEAR	<u>\$ 221,890</u>	<u>\$ 104,693</u>	<u>\$ 22,196</u>	<u>\$ 133,754</u>	<u>\$ 119,394</u>	<u>\$ 479,815</u>	<u>\$ 518,061</u>	<u>\$ 1,182,983</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2022

	2022						2021	
	Utility Replacement BL 25/1995	Handi Transit Replacement BL 30/1988	Rental Tables and Chairs BL 12/2020	Road Improvement BL 15/2021	Lagoon Improvement BL 16/2021	Crime Prevention BL 17/2022	Total	Total
REVENUE								
Investment income	\$ 21,251	\$ 3,099	\$ 125	\$ 5,245	\$ 1,319	\$ 771	\$ 86,009	\$ 17,143
Province of Manitoba - conditional	-	-	-	-	-	-	-	40,654
TRANSFERS								
Transfers from general operating fund	-	500	2,000	61,500	-	50,000	1,549,189	1,004,822
Transfers from utility operating fund	88,339	-	-	-	50,000	-	138,339	205,487
Transfers to general operating fund	-	-	-	-	-	-	(24,714)	(61,581)
Transfers to utility operating fund	-	-	-	-	-	-	(215)	-
Acquisition of tangible capital assets	(28,260)	-	-	-	-	-	(587,352)	(490,866)
CHANGE IN RESERVE FUND	81,330	3,599	2,125	66,745	51,319	50,771	1,161,256	715,659
FUND SURPLUS, BEGINNING OF	940,707	136,781	4,014	184,586	50,023	-	3,193,530	2,477,871
FUND SURPLUS, END OF YEAR	\$ 1,022,037	\$ 140,380	\$ 6,139	\$ 251,331	\$ 101,342	\$ 50,771	\$ 4,354,786	\$ 3,193,530

TOWN OF SWAN RIVER
 SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
 As at December 31, 2022

SCHEDULE 8

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Amounts receivable	<u>\$ 354,410</u>	<u>\$ 366,630</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ -
Unearned revenue	296,635	\$ 129,246
Long-term debt (Note 11)	2,170,411	2,353,232
Due to General Operating Fund	<u>573,579</u>	<u>449,199</u>
	<u>3,040,625</u>	<u>2,931,677</u>
NET DEBT	<u>\$ (2,686,215)</u>	<u>\$ (2,565,047)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (<i>Schedule 1</i>)	\$ 13,027,213	\$ 13,198,446
Inventories (Note 6)	<u>346,270</u>	<u>323,456</u>
	<u>13,373,483</u>	<u>13,521,902</u>
FUND SURPLUS	<u><u>\$ 10,687,268</u></u>	<u><u>\$ 10,956,855</u></u>

TOWN OF SWAN RIVER
 SCHEDULE OF UTILITY OPERATIONS
 For the Year Ended December 31, 2022

SCHEDULE 9

	2022 Budget	2022 Actual	2021 Actual
REVENUE			
Water			
Water fees	\$ 575,000	\$ 543,853	\$ 565,606
Sewer			
Sewer fees	590,000	561,183	581,085
Lagoon tipping fees	10,000	8,405	8,995
	<u>600,000</u>	<u>569,588</u>	<u>590,080</u>
Government transfers			
Operating	-	-	-
Capital	-	-	91
	<u>-</u>	<u>-</u>	<u>91</u>
Other			
Hydrant rentals	14,350	14,365	14,170
Connection charges	35,000	32,861	13,094
Installation service	2,000	1,430	1,100
Penalties	-	3,076	940
Administration fees	118,000	117,810	118,032
Other income	500	45,808	1,660
	<u>169,850</u>	<u>215,350</u>	<u>148,996</u>
Total revenue	<u>1,344,850</u>	<u>1,328,791</u>	<u>1,304,773</u>

TOWN OF SWAN RIVER
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2022

SCHEDULE 9

	2022 Budget	2022 Actual	2021 Actual
EXPENSES			
General			
Administration	74,750	79,314	65,892
Training costs	10,500	9,587	5,354
Billing and collection	27,300	25,585	15,556
	<u>112,550</u>	<u>114,486</u>	<u>86,802</u>
Water General			
Administration and engineering	45,000	41,613	45,541
Purification and treatment	170,000	176,433	165,728
Transmission and distribution	98,350	106,653	77,319
Service of supply	18,200	20,396	19,747
Connection costs	170,800	199,079	126,458
Water meters	17,950	14,754	22,073
	<u>520,300</u>	<u>558,928</u>	<u>456,866</u>
Water Amortization and Interest			
Amortization	320,000	322,193	319,981
Interest on long term debt	35,786	35,786	32,715
	<u>355,786</u>	<u>357,979</u>	<u>352,696</u>
Sewer General			
Administration and engineering	45,000	41,613	45,541
Collection system costs	23,900	18,055	29,629
Treatment and disposal costs	86,450	89,955	58,151
Lift station costs	69,800	63,260	63,682
	<u>225,150</u>	<u>212,883</u>	<u>197,003</u>
Sewer Amortization and Interest			
Amortization	198,000	198,258	198,292
Interest on long term debt	45,979	45,979	48,898
	<u>243,979</u>	<u>244,237</u>	<u>247,190</u>
Total expenses	<u>1,457,765</u>	<u>1,488,513</u>	<u>1,340,557</u>
NET OPERATING DEFICIT	(112,915)	(159,722)	(35,784)
TRANSFERS			
Transfers from reserve funds	-	28,474	1,768
Transfers to reserve funds	(222,250)	(138,339)	(205,487)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (335,165)</u>	<u>(269,587)</u>	<u>(239,503)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>10,956,855</u>	<u>11,196,358</u>
FUND SURPLUS, END OF YEAR		<u>\$ 10,687,268</u>	<u>\$ 10,956,855</u>

TOWN OF SWAN RIVER
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
For the Year Ended December 31, 2022

SCHEDULE 10

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 4,968,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,968,112
Grants in lieu of taxation	237,445	-	-	-	-	-	-	237,445
User fees	1,262,488	-	-	-	-	-	9,231	1,271,719
Permits, licences and fines	38,500	-	-	-	-	-	-	38,500
Investment income	2,000	-	-	-	-	-	4,661	6,661
Other revenue	86,800	-	-	-	-	-	5,627	92,427
Water and sewer	-	1,344,850	-	-	-	-	-	1,344,850
Grants - Province of Manitoba	785,350	-	-	-	-	-	59,875	845,225
Grants - other	228,800	-	-	-	-	-	111,370	340,170
Transfers from reserves	510,000	-	-	-	(510,000)	-	-	-
Transfers from accumulated surplus	20,716	-	-	-	(20,716)	-	-	-
Total revenue	8,140,211	1,344,850	-	-	(530,716)	-	190,764	9,145,109
EXPENSES								
General government services	821,900	-	98,000	40,653	42,523	2,000	-	1,005,076
Protective services	1,768,216	-	87,000	6,520	-	4,000	-	1,865,736
Transportation services	937,370	-	375,000	3,732	-	27,000	67,074	1,410,176
Environmental health services	1,272,000	-	25,000	-	-	-	-	1,297,000
Public health and welfare services	193,324	-	6,000	-	-	-	(9,914)	189,410
Regional planning and development	40,600	-	1,000	-	-	-	6,896	48,496
Resource conservation & industrial development	87,300	-	1,000	-	-	-	12,000	100,300
Recreation and cultural services	1,143,128	-	602,000	166,406	-	6,000	113,144	2,030,678
Water and sewer services	-	858,000	518,000	81,764	-	2,000	-	1,459,764
Fiscal services:								
Transfer to capital	283,000	-	(283,000)	-	-	-	-	-
Debt charges	666,750	264,600	-	(931,350)	-	-	-	-
Transfers to reserves	884,100	222,250	-	-	(1,106,350)	-	-	-
Allowance for tax assets	42,523	-	-	-	(42,523)	-	-	-
Total expenses	8,140,211	1,344,850	1,430,000	(632,275)	(1,106,350)	41,000	189,200	9,406,636
Annual surplus (deficit)	\$ -	\$ -	\$ (1,430,000)	\$ 632,275	\$ 575,634	\$ (41,000)	\$ 1,564	\$ (261,527)

TOWN OF SWAN RIVER
 ANALYSIS OF TAXES ON ROLL
 For the Year Ended December 31, 2022

SCHEDULE 11

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 397,643	\$ 419,038
Add:		
Tax levy (<i>Schedule 12</i>)	7,610,377	7,378,388
Taxes added	19,069	55,816
Penalties or interest	73,227	64,442
Other accounts added	61,435	38,618
Taxes overpaid	2,708	10,442
Tax sale costs	13,020	8,781
Manitoba Education Property Tax Credit - cancelled	-	82
	<u>7,779,836</u>	<u>7,556,569</u>
Deduct:		
Cash collections - current	7,205,075	6,992,122
Cash collections - arrears	1,998	29,017
Cancellations and writeoffs	17,271	29,502
Manitoba Education Property Tax Credit - cash advance	438,246	527,323
Transfers re tax sale	18,628	-
	<u>7,681,218</u>	<u>7,577,964</u>
Balance, end of year	<u>\$ 496,262</u>	<u>\$ 397,643</u>

TOWN OF SWAN RIVER
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2022

SCHEDULE 12

	2022			2021
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Municipal Office (at large)	\$ 184,718,880	0.580	\$ 107,137	\$ 106,970
Wellness Centre (LID)	223,680,340	1.113	248,956	248,810
Wellness Centre (per parcel)			105,006	105,065
Fire fighter equipment (at large)	184,718,880	0.088	16,255	16,146
12th & 3rd (LID frontage/flankage)			5,850	5,850
Arena floor (at large)	184,718,880	0.336	62,066	62,017
Incident Command (at large)	184,718,880	0.051	9,421	9,541
Loader-backhoe (at large)	184,718,880	0.107	19,765	19,633
Pool repairs (at large)	184,718,880	0.342	63,174	70,090
			<u>637,629</u>	<u>644,122</u>
Intergovernmental Affairs	184,718,880	0.289	53,384	53,577
Watershed District (at large land)	24,822,780	0.521	12,933	12,928
Reserves:				
Machinery replacement (01/1997)	184,718,880	0.912	168,464	168,437
Road improvement (15/2021)	184,718,880	0.316	58,371	-
Tax Stabilization (08/2022)	184,718,880	1.344	248,262	-
Crime Prevention (17/2022)	184,718,880	0.257	47,473	-
Employee benefits (09/1993)	184,718,880	0.026	4,803	4,771
Fire truck replacement (05/1997)	184,718,880	0.206	38,052	37,981
Recreation facilities (04/2000)	184,718,880	0.206	38,052	37,981
Tables and chairs (12/2020)	184,718,880	0.011	2,032	2,018
Landfill closure (14/2012)	184,718,880	0.103	19,026	37,981
			<u>624,535</u>	<u>289,169</u>
General Municipal	184,718,880	9.467	1,748,734	2,170,228
Special levies:				
Police protection	223,680,340	3.645	815,315	575,387
Fire, streets, emergency, etc.	223,680,340	2.916	652,252	616,597
Garbage, recycling, landfill (per parcel)			308,228	267,368
			<u>1,775,795</u>	<u>1,459,352</u>
Business tax (rate%)	5,667,800	1.33%	75,382	74,604
Total municipal taxes (Schedule 2)			<u>4,928,392</u>	<u>4,703,980</u>
Education support levy	52,113,140	8.713	454,062	453,866
Special levy:				
Swan Valley School Division	174,739,080	12.750	2,227,923	2,220,542
Total education taxes			<u>2,681,985</u>	<u>2,674,408</u>
Total tax levy (Schedule 11)			<u><u>\$ 7,610,377</u></u>	<u><u>\$ 7,378,388</u></u>

TOWN OF SWAN RIVER
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2022

SCHEDULE 13

	2022 Actual	2021 Actual
General government services		
Legislative	\$ 146,644	\$ 113,326
General administrative	671,046	627,027
Other	36,355	37,599
	<u>854,045</u>	<u>777,952</u>
Protective services		
Police	1,516,084	1,434,559
Fire	287,319	270,262
Emergency measures	3,371	6,705
Pandemic	34	5,830
Building, electrical and plumbing inspections	40,504	34,351
Bylaw enforcement	25,709	20,423
Animal and pest control	10,635	8,303
Safety inspections	16,959	54,773
	<u>1,900,615</u>	<u>1,835,206</u>
Transportation services		
Road transport		
Administration and engineering	111,568	134,241
Unallocated equipment and operators	208,159	176,625
Unallocated workshop and yard operations	125,918	96,418
Roads and streets	178,068	78,868
Sidewalks	2,514	4,235
Boulevards	4,124	6,337
Tree trimming	10,510	10,725
Ditches and road drainage	19,221	8,297
Storm sewers	26,745	20,706
Street cleaning	18,319	16,379
Snow and ice removal	291,604	132,243
Street lighting	77,631	76,667
Traffic services	25,872	29,922
Other	35	-
Air transport	54,197	53,364
Public transit	7,550	11,875
	<u>1,162,035</u>	<u>856,902</u>
Environmental health services		
Garbage collection	353,872	342,022
Nuisance grounds	298,049	258,342
Recycling	505,614	470,211
	<u>1,157,535</u>	<u>1,070,575</u>
Public health and welfare services		
Cemeteries	81,841	55,030
Medical professionals retention and recruitment	64,784	64,224
Social welfare and assistance	43,755	43,755
Other	4,656	2,555
	<u>195,036</u>	<u>165,564</u>
Regional planning and development		
Planning and zoning	7,533	7,478
Beautification and land rehabilitation	8,845	8,047
Urban area weed control	11,627	13,445
Christmas lights, decorations, flags	8,245	5,648
	<u>36,250</u>	<u>34,618</u>
Subtotals forward	<u>\$ 5,305,516</u>	<u>\$ 4,740,817</u>

TOWN OF SWAN RIVER
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES
 For the Year Ended December 31, 2022

SCHEDULE 13

	2022 Actual	2021 Actual
Subtotals forward	\$ 5,305,516	\$ 4,740,817
Resource conservation and industrial development		
Veterinary services	7,112	7,112
Water resources and conservation	13,634	13,442
Regional development	5,000	51,329
Incentive program for construction development	6,924	19,531
Tourism	8,600	9,754
Public receptions	1,240	962
	<u>42,510</u>	<u>102,130</u>
Recreation and cultural services		
Community centers and halls	36,006	37,556
Swimming pools and beaches	307,923	243,218
Skating and curling rinks and arenas	249,745	241,235
Parks and playgrounds	81,951	70,217
Other recreational facilities and programs	56,472	63,372
Museums	4,000	4,015
Libraries	98,142	94,249
Other cultural facilities and programs	12,541	5,737
	<u>846,780</u>	<u>759,599</u>
Total expenses	<u>\$ 6,194,806</u>	<u>\$ 5,602,546</u>

TOWN OF SWAN RIVER

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

For the Year Ended December 31, 2022

	2022			2021
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	\$ -	\$ -	\$ -	\$ 665,035
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	1,548,689	138,339	1,687,028	1,177,300
Eliminate revenue - transfers from reserves	(583,806)	(28,475)	(612,281)	(552,447)
Eliminate revenue - transfer from accumulated surplus	(436,638)	-	(436,638)	(95,000)
Increase revenue - reserve funds interest	63,440	22,569	86,009	17,144
Increase revenue - net surplus of consolidated entities	30,874	-	30,874	86,307
Increase expense - amortization of tangible capital assets	(1,222,329)	(520,451)	(1,742,780)	(1,713,688)
Decrease revenue - proceeds from long term debt	-	-	-	(930,147)
Decrease expense - principal portion of debenture debt payments	449,444	182,821	632,265	612,028
Decrease revenue - deferred capital grants	-	(162,941)	(162,941)	-
Eliminate expense - acquisitions of tangible capital assets	799,778	365,962	1,165,740	4,361,708
Increase revenue - contribution of tangible capital assets	-	-	-	75,000
Eliminate proceeds from dispositions of tangible capital assets	(105,000)	(45,000)	(150,000)	(103,369)
Increase revenue - gain on sale of tangible capital assets	-	44,200	44,200	60,864
Increase expense - loss on dispositions of tangible capital assets	(3,300)	-	(3,300)	(7,063)
Increase expenses - additions to capital construction in progress	-	(134,178)	(134,178)	-
Increase revenue - operating revenues in capital fund	16,168	-	16,168	16,168
Increase expense - operating expenses in capital fund	(7,185)	-	(7,185)	(60,184)
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	<u>\$ 550,135</u>	<u>\$ (137,154)</u>	<u>\$ 412,981</u>	<u>\$ 3,609,656</u>