

# **TOWN OF SWAN RIVER**

**Consolidated Financial Statements  
For the Year Ended December 31, 2021**



# 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.

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.

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*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, 2021 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, 2021, 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)

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### 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  
October 4, 2022



Chartered Professional Accountants

**TOWN OF SWAN RIVER**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

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**TOWN OF SWAN RIVER  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2021**


	<u>2021</u>	<u>2020</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 5,776,805	\$ 3,669,869
Amounts receivable (Note 4)	1,244,638	1,235,118
Portfolio investments (Note 5)	9,836	8,804
Real estate properties held for sale	479,474	486,203
Other inventories for sale (Note 6)	12,128	11,568
	<u>\$ 7,522,881</u>	<u>\$ 5,411,562</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	1,247,404	1,121,894
Pre-retirement bonus entitlement (Note 8)	351,695	360,728
Unearned revenue (Note 9)	214,726	445,165
Landfill closure liability (Note 10)	105,311	98,536
Long-term debt (Note 11)	8,327,365	8,009,246
Prepaid local improvement district levies (Note 12)	226,350	242,518
Deferred government transfers (Note 13)	580,000	3,190,000
	<u>11,052,851</u>	<u>13,468,087</u>
<b>NET DEBT</b>	<u>\$ (3,529,970)</u>	<u>\$ (8,056,526)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 34,972,516	\$ 35,896,153
Inventories (Note 6)	443,022	450,495
Prepaid expenses	129,465	115,255
	<u>35,545,003</u>	<u>36,461,903</u>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<u>\$ 32,015,033</u>	<u>\$ 28,405,377</u>

COMMITMENTS (Note 15)

Approved on behalf of Council:



Lance Jacobson - Mayor



Johnny Wintoniw - Deputy Mayor

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

**TOWN OF SWAN RIVER**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2021**

	2021 Budget (Note 18)	2021 Actual	2020 Actual (Restated)
<b>REVENUE</b>			
Property taxes	\$ 4,724,055	\$ 4,759,872	\$ 4,583,964
Grants in lieu of taxation	231,231	231,232	224,580
User fees	1,386,050	1,453,324	1,434,757
Permits, licences and fines	44,335	47,350	46,982
Investment income	6,750	31,345	34,386
Other revenue	79,783	296,526	139,946
Water and sewer	1,321,865	1,304,773	1,498,011
Grants - Province of Manitoba	1,112,944	1,986,082	879,176
Grants - other	592,651	2,389,097	346,103
Total revenue (Schedules 2, 4 and 5)	<u>9,499,664</u>	<u>12,499,601</u>	<u>9,187,905</u>
<b>EXPENSES</b>			
General government services	999,230	921,752	983,382
Protective services	1,780,512	1,933,405	1,635,891
Transportation services	1,496,865	1,339,707	1,411,528
Environmental health services	1,290,738	1,139,299	1,215,797
Public health and welfare services	189,754	145,746	163,978
Regional planning and development	46,721	41,364	42,557
Resource conservation and industrial development	199,510	130,077	132,643
Recreation and cultural services	2,091,391	1,898,038	1,948,530
Water and sewer services	1,414,781	1,340,557	1,415,907
Total expenses (Schedules 3, 4 and 5)	<u>9,509,502</u>	<u>8,889,945</u>	<u>8,950,213</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ (9,838)</u>	<b>3,609,656</b>	237,692
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>28,405,377</u>	<u>28,167,685</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u><b>\$ 32,015,033</b></u>	<u><b>\$ 28,405,377</b></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, 2021**

	2021 Budget (Note 18)	2021 Actual	2020 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (9,838)	\$ 3,609,656	\$ 237,692
Acquisition of tangible capital assets	(2,286,424)	(870,501)	(2,050,849)
Amortization of tangible capital assets	1,696,800	1,744,570	1,674,336
Gain on sale of tangible capital assets	-	(60,864)	(3,676)
Loss on sale of tangible capital assets	-	7,063	24,018
Proceeds on sale of tangible capital assets	-	103,369	82,391
Decrease (increase) in inventories	-	7,473	(18,836)
Decrease (increase) in prepaid expense	-	(14,210)	7,267
	<u>(589,624)</u>	<u>916,900</u>	<u>(285,349)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<u>\$ (599,462)</u>	<b>4,526,556</b>	<b>(47,657)</b>
<b>NET DEBT, BEGINNING OF YEAR</b>		<u>(8,056,526)</u>	<u>(8,008,869)</u>
<b>NET DEBT, END OF YEAR</b>		<u><b>\$ (3,529,970)</b></u>	<u><b>\$ (8,056,526)</b></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, 2021**

	<u>2021</u>	<u>2020</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 3,609,656	\$ 237,692
Changes in non-cash items:		
Amounts receivable	(9,520)	247,530
Inventories	6,913	(15,997)
Prepaid expenses	(14,210)	7,267
Accounts payable and accrued liabilities	125,510	(13,579)
Unearned revenue	(230,439)	219,447
Pre-retirement bonus entitlement	(9,033)	(21,770)
Prepaid local improvement district levies	(16,168)	(16,168)
Landfill closure liability	6,775	46,522
Gain on sale of tangible capital assets	(60,864)	(3,676)
Loss on sale of tangible capital assets	7,063	24,018
Gain on sale of real estate properties	(30,071)	(5,400)
Amortization	1,744,570	1,674,336
Cash provided by operating transactions	<u>5,130,182</u>	<u>2,380,222</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	103,369	82,391
Cash used to acquire tangible capital assets	<u>(870,501)</u>	<u>(2,050,849)</u>
Cash applied to capital transactions	<u>(767,132)</u>	<u>(1,968,458)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	36,800	5,600
Acquisition of real estate properties	-	(495)
Acquisition of portfolio investments	(1,906)	(6,388)
Disposition of portfolio investments	874	156
Cash provided by (applied to) investing transactions	<u>35,768</u>	<u>(1,127)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	930,146	1,658,779
Debt repayment	(612,028)	(448,853)
Decrease in deferred government transfers	<u>(2,610,000)</u>	<u>-</u>
Cash provided by (applied to) financing transactions	<u>(2,291,882)</u>	<u>1,209,926</u>
<b>INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>2,106,936</b>	<b>1,620,563</b>
Cash and temporary investments, beginning of year	<u>3,669,869</u>	<u>2,049,306</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 5,776,805</u></b>	<b><u>\$ 3,669,869</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, 2021**

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**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%, 2020 - 40%)*  
*North-West Regional Library (consolidated 54%, 2020 - 54%)*  
*Swan Valley District Recreation Commission (consolidated 46%, 2020 - 46%)*  
*Swan Valley Municipal Airport Commission (consolidated 37%, 2020 - 37%)*  
*Swan Valley Planning District (consolidated 40%, 2020 - 40%)*  
*Swan Valley Regional Initiative for a Strong Economy (consolidated 45%, 2020 - 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, 2021**

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**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

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**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

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

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

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

**i) Leases**

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

**j) Inventories**

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

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

**k) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

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

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

**l) Measurement Uncertainty**

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

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

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

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

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2021</u>	<u>2020</u>
Cash	\$ 5,734,187	\$ 3,663,713
Temporary investments	42,618	6,156
	<u>\$ 5,776,805</u>	<u>\$ 3,669,869</u>

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

The Town has designated \$3,545,226 (2020 \$2,838,599) 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 \$675,062 (2020 \$660,896) held by controlled entities and government partnerships.

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

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2021</u>	<u>2020</u>
Taxes on roll ( <i>Schedule 11</i> )	\$ 397,643	\$ 419,038
Government grants	56,595	36,423
Utility customers	352,995	343,485
Organizations and individuals	205,508	189,940
Other governments	240,098	254,003
Accrued interest	26,683	12,892
	<u>1,279,522</u>	<u>1,255,781</u>
Less allowances for doubtful amounts	<u>(34,884)</u>	<u>(20,663)</u>
	<u>\$ 1,244,638</u>	<u>\$ 1,235,118</u>

**5. Portfolio Investments**

Term deposits		
TD Canada Trust non-redeemable, issued August 12, 2021, matures August 12, 2022, interest at 0.20% per annum	\$ 5,599	\$ 4,982
Patronage shares		
Swan Valley Consumers Co-operative	39	39
Swan Valley Credit Union	-	874
Westman Communications Group	4,198	2,909
	<u>\$ 9,836</u>	<u>\$ 8,804</u>

**6. Inventories**

	<u>2021</u>	<u>2020</u>
<b>Inventories for sale:</b>		
Airport fuel	\$ 11,583	\$ 10,588
Concession supplies	30	58
Swimming supplies	515	922
	<u>\$ 12,128</u>	<u>\$ 11,568</u>

(continues)

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

**6. Inventories (continued)**

**Inventories for use:**

General

Fuel	\$ 4,967	\$ 2,846
Granulars	71,592	52,700
Dust control	393	1,379
Sidewalk unistone	4,036	4,036
Culverts	9,615	14,826
Traffic services	8,302	9,435
Janitorial supplies	5,414	5,012
Landfill cover material	11,199	11,199
Chemicals and reagents	3,153	4,874
Programming supplies	895	1,928
	<u>119,566</u>	<u>108,235</u>

Utility

Connections	36,364	39,400
Water treatment chemicals	12,310	11,492
Sewage collection	114,533	121,271
Water meters	23,907	26,432
Transmission and distribution	136,342	143,665
	<u>323,456</u>	<u>342,260</u>
	<u>\$ 443,022</u>	<u>\$ 450,495</u>

**7. Accounts Payable and Accrued Liabilities**

	<u>2021</u>	<u>2020</u>
Trade accounts payable	\$ 511,357	\$ 716,220
Contractor holdbacks	37,996	37,996
Employee remittances payable	3,938	5,444
Other governments	22,797	36,600
Accrued vacation liability	145,347	157,541
Accrued salaries and wages payable	11,815	8,637
Other accrued expenses	393,720	56,997
School levies	120,434	102,459
	<u>\$ 1,247,404</u>	<u>\$ 1,121,894</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>2021</u>	<u>2020</u>
Beginning balance	\$ 360,728	\$ 382,498
Earned during the year	52,896	34,415
Paid out during the year	(49,739)	(29,095)
Relinquished on termination of employment	(12,190)	(27,090)
Ending balance	<u>\$ 351,695</u>	<u>\$ 360,728</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

**9. Unearned Revenue**

	<u>2021</u>	<u>2020</u>
Prepaid taxes	\$ 22,559	\$ 27,098
Prepaid utility	5,448	2,804
Water meter deposits	123,798	125,648
Unused grants <i>(See following explanation)</i>	42,306	272,497
Rental prepayments and deposits	<u>20,615</u>	<u>17,118</u>
	<u>\$ 214,726</u>	<u>\$ 445,165</u>

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

**10. Landfill Closure Liability**

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

	<u>2021</u>	<u>2020</u>
Estimated closure costs over the next 65 years	<u>\$ 6,600,000</u>	<u>\$ 6,600,000</u>
Discount rate	<u>4.50%</u>	<u>4.50%</u>
<b>Discounted costs</b>	<u>\$ 257,427</u>	<u>\$ 246,341</u>
Expected year capacity will be reached	2086	2086
Capacity (years):		
Used to date	45	44
Remaining	65	66
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>40.91%</u>	<u>40.00%</u>
<b>Liability based on percentage</b>	<u>\$ 105,311</u>	<u>\$ 98,536</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

**11. Long Term Debt**

	<u>2021</u>	<u>2020</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	\$ 981,955	\$ 1,051,366
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	3,945,129	4,155,941
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	149,909	160,680
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	54,500	57,959
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	185,275	243,482
Debenture for Incident Command Vehicle, held by Birchwood Cemetery Perpetual Care Fund, issued December 31, 2020, payable \$9,935 annually including interest at 1.875%, maturing December 31, 2025	37,946	47,000
Debenture for Loader-Backhoe, held by Province of Manitoba, issued November 30, 2020, payable \$20,716 annually including interest at 1.875%, maturing December 31, 2025	79,121	98,000
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	540,298	-
<b>Utility Fund:</b>		
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	641,772	678,537
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	340,364	358,552
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	206,075	228,382
Debenture for Well Control Building, held by RBC Life Insurance Company, issued March 31, 2020, payable \$67,200 annually including interest at 3.40%, maturing December 31, 2039	893,745	929,347
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	271,276	-
	<u>\$ 8,327,365</u>	<u>\$ 8,009,246</u>

(continues)



**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

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

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

2022	\$ 632,264
2023	653,209
2024	674,886
2025	631,836
2026	551,227
Thereafter	<u>5,183,943</u>
	<u>\$ 8,327,365</u>

**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>2021</u>	<u>2020</u>
Beginning balance	\$ 242,518	\$ 258,686
Amortization	<u>(16,168)</u>	<u>(16,168)</u>
Ending balance	<u>\$ 226,350</u>	<u>\$ 242,518</u>

**13. Deferred Government Transfers**

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

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

Date of Disposition or Ceasing to Operate, Maintain and Use the Wellness Centre	<u>Reimbursed Costs to be Repaid</u>	
	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>2021</u>	<u>2020</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	<u>1,000,000</u>	<u>1,000,000</u>
	5,800,000	5,800,000
Revenue recognized upon settlement of liability	<u>(5,220,000)</u>	<u>(2,610,000)</u>
	<u>\$ 580,000</u>	<u>\$ 3,190,000</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**14. Accumulated Surplus**

	<u>2021</u>	<u>2020</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,855,195	\$ 1,356,314
Utility operating fund - Nominal surplus	157,117	85,962
Tangible capital assets net of related borrowings ( <i>see below</i> )	25,147,709	22,909,555
Reserve funds ( <i>Schedule 6</i> )	<u>3,193,530</u>	<u>2,477,871</u>
Accumulated surplus of municipality unconsolidated	30,353,551	26,829,702
Accumulated surpluses of consolidated entities	<u>1,661,482</u>	<u>1,575,675</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 32,015,033</u>	<u>\$ 28,405,377</u>
Tangible capital assets net of related borrowings consists of the following:		
Tangible capital assets	\$ 34,432,211	\$ 35,326,559
Long term debt (Note 11)	(8,327,365)	(8,009,246)
Accounts payable	(45,476)	(974,704)
Accounts receivable	-	98,000
Deferred government transfers (Note 13)	(580,000)	(3,190,000)
Prepaid local improvement district levies (Note 12)	(226,350)	(242,518)
Landfill closure liability (Note 10)	<u>(105,311)</u>	<u>(98,536)</u>
	<u>\$ 25,147,709</u>	<u>\$ 22,909,555</u>

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

	<u>2021</u>	<u>2020</u>
Excess brought forward	\$ 278,457	\$ 412,948
Property taxes and grants-in-lieu from special service levy	600,171	600,062
Policing fines	11,897	6,617
Province of Manitoba Urban Policing Grant	451,288	451,288
Actual cost of police protection	<u>(1,435,255)</u>	<u>(1,192,458)</u>
Excess carried forward to next year	<u>\$ -</u>	<u>\$ 278,457</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

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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 2021 fiscal year of \$1,364,083 (2021 - \$1,190,624).

**Swan Valley Employment and Training Project**

The Town entered into agreements expiring June 30, 2022 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 \$267,631 (2020 \$244,612).

**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.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

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**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 \$120,064 (2020 - \$151,991) 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, 2020 indicated the plan was 96.7% funded on a going concern basis and had an unfunded solvency liability of \$333.3 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, 2020.

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, 2021**

**19. Public Sector Compensation Disclosure**

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

a) There were no members of council receiving compensation in excess of \$75,000 individually.

b) The following officers received compensation in excess of \$75,000:

<u>Employee</u>	<u>Position</u>	<u>Amount</u>
Derek Poole	Chief Administrative Officer	\$ 105,721
Jordan Rooks	Utility Operator II and Town Foreman	82,889
Terence Gnida	Chief Financial Officer	79,969
Darren Harvey	Director of Public Works	78,818

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, 2021:

c) Compensation paid to members of council amounted to \$90,378 in aggregate.

<u>Council Member</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor Lance Jacobson	\$ 17,083	\$ 1,655	\$ 18,738
Deputy Mayor Johnny Wintoniw	13,338	1,006	14,344
Councillor Don Bobick	5,255	1,776	7,031
Councillor Jason Delaurier	13,267	1,454	14,721
Councillor Phyllis Friesen	12,519	964	13,483
Councillor David Gray	3,130	143	3,273
Councillor David Moriaux	12,519	964	13,483
Councillor Duane Whyte	13,267	1,454	14,721
	<u>\$ 90,378</u>	<u>\$ 9,416</u>	<u>\$ 99,794</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	\$ 207,484	\$ 3,808	\$ 211,292
Swan River Skateboard Union	396	-	396
Swan River Fire Department	1,395	-	1,395
	<u>\$ 209,275</u>	<u>\$ 3,808</u>	<u>\$ 213,083</u>

**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.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

**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 2021</u>	<u>Total 2020</u>
<b>Financial Position</b>				
Financial assets	\$ 386,893	\$ -	\$ 386,893	\$ 357,043
Liabilities	14,285	-	14,285	3,309
Net financial assets	372,608	-	372,608	353,734
Non-financial assets	116,537	-	116,537	126,995
Accumulated surplus	<u>\$ 489,145</u>	<u>\$ -</u>	<u>\$ 489,145</u>	<u>\$ 480,729</u>
<b>Results of Operations</b>				
Revenue	\$ 54,640	\$ (19,875)	\$ 34,765	\$ 17,669
Expenses	46,224	(19,875)	26,349	15,064
Annual surplus	<u>\$ 8,416</u>	<u>\$ -</u>	<u>\$ 8,416</u>	<u>\$ 2,605</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 2021</u>	<u>Total 2020</u>
<b>Financial Position</b>				
Financial assets	\$ 794,171	\$ (4,421)	\$ 789,750	\$ 704,118
Liabilities	343,221	(287,194)	56,027	68,106
Net financial assets	450,950	282,773	733,723	636,012
Non-financial assets	426,270	12,344	438,614	458,934
Accumulated surplus	<u>\$ 877,220</u>	<u>\$ 295,117</u>	<u>\$ 1,172,337</u>	<u>\$ 1,094,946</u>
<b>Results of Operations</b>				
Revenue	\$ 393,465	\$ (151,501)	\$ 241,964	\$ 267,269
Expenses	302,327	(137,754)	164,573	252,869
Annual surplus (deficit)	<u>\$ 91,138</u>	<u>\$ (13,747)</u>	<u>\$ 77,391</u>	<u>\$ 14,400</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

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**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 passible 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, 2021**

**24. Related Party Disclosures (continued)**

Following is a list of significant related party transactions:

<u>Description of Transaction</u>	<u>Type of Transaction</u>	<u>Basis of Measurement</u>	<u>Amount before Consolidation</u>	<u>Net after Consolidation</u>
Swan Valley Municipal Airport Commission (government partnership)				
• Administration fee	Revenue	As tendered	\$ 18,000	\$ 11,340
• Sale of service	Revenue	Stipulated rate	70,136	44,186
• Funding	Expense	Assessment	29,540	18,610
• Amount receivable	Asset	As invoiced	11,948	7,527
North-West Regional Library (government partnership)				
• Funding	Expense	Population	\$ 94,249	\$ 43,355
Swan Valley Regional Initiative for a Strong Economy (government partnership)				
• Funding	Expense	Funding formula	\$ 47,330	\$ 26,032
G7 Physician Retention and Recruitment Fund (government partnership)				
• Funding	Expense	Population	\$ 64,224	\$ 38,534

**25. Comparative Amounts**

Contributions from neighbouring municipalities have been reported as *User Fees - Sales of Service*. They were previously reported as *Grants - Other*. Accordingly, amounts for the comparative year have been restated to conform to the current year's reporting.

**26. 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	\$ 2,505,998	\$ 2,071,003
<u>Additions during the year</u>	<u>Source of Grant or Contribution</u>	
Wastewater lagoon study	Manitoba Water Services Board	91
	-	
Amortization during the year	(93,938)	(58,188)
Unamortized ending balance	<u>\$ 2,412,060</u>	<u>\$ 2,012,906</u>



**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2021**

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**27. Other Matters**

The Covid-19 pandemic developed rapidly in 2020, with a significant number of cases. Measures taken by different level of governments to contain the virus caused significant disruption to economic activity through travel restrictions, business closures and isolation/quarantine orders.

The municipality took a number of measures to monitor and mitigate the effects of Covid-19, such as safety and health measures for its staff (social distancing and work from home setting), providing some municipal services virtually as an alternative mode of service delivery, and closing non-essential facilities, which resulted in a decline in recreation and cultural services. Due to the uncertainty of the duration of the temporary disruption and its effect on municipal operations, the financial impact cannot be reasonably estimated at this time.

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2021

	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	2021	2020
<b>Cost</b>										
Opening balance	\$ 3,282,331	\$ 20,953,206	\$ 5,879,885	\$ 189,178	\$ 77,139	\$ 9,505,728	\$ 25,557,601	\$ 34,720	\$ 65,479,788	\$ 63,636,258
Additions during the year	36,972	167,645	469,622	20,311	-	119,985	30,028	25,938	870,501	2,050,849
Transfers during the year	-	-	-	-	-	-	-	-	-	-
Disposals and write downs	(2,272)	-	(474,651)	(26,185)	-	(16,000)	-	-	(519,108)	(207,319)
Closing 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
<b>Accumulated Amortization</b>										
Opening balance	1,226,253	5,551,533	3,639,437	160,808	-	7,488,059	11,517,545	-	29,583,635	28,013,886
Amortization	98,451	612,975	337,144	13,696	-	139,204	543,100	-	1,744,570	1,674,336
Disposals and write downs	-	-	(427,355)	(26,185)	-	(16,000)	-	-	(469,540)	(104,587)
Closing balance	1,324,704	6,164,508	3,549,226	148,319	-	7,611,263	12,060,645	-	30,858,665	29,583,635
Net Book Value of Tangible Capital Assets	\$ 1,992,327	\$ 14,956,343	\$ 2,325,630	\$ 34,985	\$ 77,139	\$ 1,998,450	\$ 13,526,984	\$ 60,658	\$ 34,972,516	\$ 35,896,153

## CONSOLIDATED SCHEDULE OF REVENUES

For the Year Ended December 31, 2021

	2021 Actual	2020 Actual
<b>Property taxes</b>		
Municipal taxes levied ( <i>Schedule 12</i> )	\$ 4,703,980	\$ 4,564,496
Taxes added	55,816	19,410
Excess of school tax levy over requirement	76	58
	<u>4,759,872</u>	<u>4,583,964</u>
<b>Grants in lieu of taxation</b>		
Federal government enterprises	13,267	12,526
Provincial government	46,402	45,024
Provincial government enterprises	171,563	167,030
	<u>231,232</u>	<u>224,580</u>
<b>User fees</b>		
Sales of service	1,242,114	1,196,548
Sales of goods	65,405	77,298
Rentals	72,643	73,787
Development charges	2,020	1,800
Facility use fees	71,142	85,324
	<u>1,453,324</u>	<u>1,434,757</u>
<b>Permits, licences and fines</b>		
Permits	15,213	22,199
Licences	8,496	7,271
Fines	17,183	11,177
Fees	6,458	6,335
	<u>47,350</u>	<u>46,982</u>
<b>Investment income</b>		
Cash and temporary investments	27,335	28,573
Portfolio investments	4,010	5,813
	<u>31,345</u>	<u>34,386</u>
<b>Other revenue</b>		
Gain on sale of tangible capital assets	60,864	3,676
Gain on sale of real estate held for sale	30,071	5,400
Contributed assets	75,000	-
Penalties and interest	65,102	62,457
Other		
Donations and contributions	15,530	37,546
Amortization of prepaid local improvement district levies	16,168	16,168
Supplier rebates	33,791	14,699
	<u>296,526</u>	<u>139,946</u>
<b>Water and sewer (<i>Schedule 9</i>)</b>	<u>1,304,773</u>	<u>1,498,011</u>
<b>Grants - Province of Manitoba</b>		
Municipal operating grants	324,831	324,830
Federal Safe Restart Operating Grant	240,317	-
Conditional grants	1,420,934	554,346
	<u>1,986,082</u>	<u>879,176</u>
<b>Grants - other</b>		
Federal government - gas tax funding	441,859	216,020
Federal government - other	1,809,483	3,500
Other municipal governments	137,755	126,583
	<u>2,389,097</u>	<u>346,103</u>
<b>Total revenue</b>	<u>\$ 12,499,601</u>	<u>\$ 9,187,905</u>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2021**

**SCHEDULE 3**

	<u>2021</u> Actual	<u>2020</u> Actual
<b>General government services</b>		
Legislative	\$ 117,098	\$ 121,234
General administrative	760,676	799,440
Elections, liability insurance, website, etc.	43,978	62,708
	<u>921,752</u>	<u>983,382</u>
<b>Protective services</b>		
Police	1,435,255	1,192,458
Fire	365,027	320,063
Emergency measures	6,705	18,383
Pandemic	5,830	7,150
Building, electrical and plumbing inspections	34,351	34,440
Bylaw enforcement	20,423	20,286
Animal and pest control	8,303	6,325
Safety inspections	57,511	36,786
	<u>1,933,405</u>	<u>1,635,891</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	148,358	135,325
Unallocated equipment and operators	375,240	399,392
Unallocated workshop and yard operations	104,807	113,129
Roads and streets	215,282	253,552
Sidewalks	28,557	37,431
Boulevards	6,337	3,650
Tree trimming	10,725	18,773
Ditches and road drainage	8,297	16,171
Storm sewers	45,533	40,194
Street cleaning	16,379	15,670
Snow and ice removal	132,243	110,765
Street lighting	79,251	77,282
Traffic services	32,518	24,360
Other	-	344
Air transport	110,688	135,505
Public transit	25,492	29,985
	<u>1,339,707</u>	<u>1,411,528</u>
<b>Environmental health services</b>		
Garbage collection	342,022	337,098
Nuisance grounds	316,679	353,440
Recycling	480,598	525,259
	<u>1,139,299</u>	<u>1,215,797</u>
<b>Public health and welfare services</b>		
Cemeteries	60,902	71,226
Physician retention and recruitment	38,534	46,854
Social welfare and assistance	43,755	43,755
Other	2,555	2,143
	<u>145,746</u>	<u>163,978</u>
<b>Regional planning and development</b>		
Planning and zoning	13,448	13,242
Beautification and land rehabilitation	8,047	10,286
Urban area weed control	13,445	8,403
Christmas lights, decorations, flags	6,424	10,626
	<u>41,364</u>	<u>42,557</u>
<b>Subtotals forward</b>	<u>\$ 5,521,273</u>	<u>\$ 5,453,133</u>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2021**

**SCHEDULE 3**

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>Subtotals forward</b>	<b>\$ 5,521,273</b>	<b>\$ 5,453,133</b>
<b>Resource conservation and industrial development</b>		
Veterinary services	7,112	7,112
Water resources and conservation	13,442	13,442
Regional development	65,361	61,689
Industrial development	12,232	14,765
Incentive program for construction development	19,531	22,394
Tourism	11,437	12,876
Public receptions	962	365
	<u>130,077</u>	<u>132,643</u>
<b>Recreation and cultural services</b>		
District recreation commission	3,490	53,475
Community centers and halls	125,430	190,357
Swimming pools and beaches	885,673	844,009
Skating and curling rinks and arenas	473,281	511,854
Parks and playgrounds	132,673	143,033
Other recreational programs or facilities	64,043	4,397
Museums	4,015	4,000
Libraries	203,696	185,308
Other cultural programs or facilities	5,737	12,097
	<u>1,898,038</u>	<u>1,948,530</u>
<b>Water and sewer services (Schedule 9)</b>	<u>1,340,557</u>	<u>1,415,907</u>
<b>Total expenses</b>	<u><u>\$ 8,889,945</u></u>	<u><u>\$ 8,950,213</u></u>

## TOWN OF SWAN RIVER

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2021

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>REVENUE</b>										
Property taxes	\$ 4,759,872	\$ 4,583,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	231,232	224,580	-	-	-	-	-	-	-	-
User fees	29,892	37,849	129,963	110,892	120,784	165,813	876,042	759,889	37,599	45,377
Permits, licences and fines	6,583	6,485	40,683	40,250	-	-	-	-	-	-
Investment income	13,348	12,971	316	316	9,648	11,240	305	331	3,031	4,395
Other revenue	105,645	75,894	39,767	10,926	20,360	291	-	150	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	498,450	258,132	-	-	61,500	61,500	-	-	-	-
Prov of MB - Conditional Grants	-	-	508,936	461,188	16,544	11,690	-	-	-	-
Grants - other	-	-	-	-	474,930	243,037	-	-	34,944	34,944
<b>Total revenue</b>	<b>5,645,022</b>	<b>5,199,875</b>	<b>719,665</b>	<b>623,572</b>	<b>703,766</b>	<b>493,571</b>	<b>876,347</b>	<b>760,370</b>	<b>75,574</b>	<b>84,716</b>
<b>EXPENSES</b>										
Personnel services	435,887	469,471	275,217	294,269	491,654	595,161	223,372	221,257	41,454	49,404
Contract services	239,780	242,883	1,439,651	1,150,789	139,286	126,209	802,398	848,452	45,212	53,301
Utilities	31,668	30,778	47,915	48,932	105,630	103,290	19,462	19,780	809	790
Maintenance materials and supplies	28,965	33,002	72,914	59,868	283,376	294,822	11,732	5,116	3,427	3,109
Grants and contributions	20	-	1,090	-	18,610	18,403	-	-	44,897	45,580
Amortization	98,327	100,297	87,186	75,086	389,303	371,130	24,590	24,432	5,872	5,944
Equipment cost allocation	133	199	224	319	(99,046)	(102,703)	50,970	50,239	3,550	5,850
Loss on disposal of capital assets	-	19,009	-	-	6,019	2,598	-	-	-	-
Interest on long term debt	43,526	46,286	7,108	6,628	4,387	2,528	-	-	-	-
Bad debts (recovered)	41,921	41,051	2,100	-	-	-	-	-	525	-
Other	1,525	406	-	-	488	90	6,775	46,521	-	-
<b>Total expenses</b>	<b>921,752</b>	<b>983,382</b>	<b>1,933,405</b>	<b>1,635,891</b>	<b>1,339,707</b>	<b>1,411,528</b>	<b>1,139,299</b>	<b>1,215,797</b>	<b>145,746</b>	<b>163,978</b>
<b>Annual surplus (deficit)</b>	<b>\$ 4,723,270</b>	<b>\$ 4,216,493</b>	<b>\$ (1,213,740)</b>	<b>\$ (1,012,319)</b>	<b>\$ (635,941)</b>	<b>\$ (917,957)</b>	<b>\$ (262,952)</b>	<b>\$ (455,427)</b>	<b>\$ (70,172)</b>	<b>\$ (79,262)</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, 2021

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020 (Restated)	2021	2020	2021	2020 (Restated)
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,759,872	\$ 4,583,964
Grants in lieu of taxation	-	-	-	-	-	-	-	-	231,232	224,580
User fees	2,020	1,800	-	-	257,024	313,137	-	-	1,453,324	1,434,757
Permits, licences and fines	-	-	-	-	84	247	-	-	47,350	46,982
Investment income	96	47	(440)	(684)	791	529	4,250	5,241	31,345	34,386
Other revenue	-	-	23,800	5,400	106,954	47,285	-	-	296,526	139,946
Water and sewer	-	-	-	-	-	-	1,304,773	1,498,011	1,304,773	1,498,011
Prov of MB - Unconditional Grants	-	-	-	-	5,198	5,198	-	-	565,148	324,830
Prov of MB - Conditional Grants	-	-	-	-	895,454	81,468	-	-	1,420,934	554,346
Grants - other	4,069	4,164	32,641	24,848	1,842,513	39,110	-	-	2,389,097	346,103
<b>Total revenue</b>	<b>6,185</b>	<b>6,011</b>	<b>56,001</b>	<b>29,564</b>	<b>3,108,018</b>	<b>486,974</b>	<b>1,309,023</b>	<b>1,503,252</b>	<b>12,499,601</b>	<b>9,187,905</b>
<b>EXPENSES</b>										
Personnel services	12,548	13,752	27,234	31,458	538,257	572,098	366,242	381,474	2,411,865	2,628,344
Contract services	10,502	9,722	23,267	27,036	206,894	199,583	121,525	147,984	3,028,515	2,805,959
Utilities	264	254	137	1,141	215,711	189,271	58,185	55,958	479,781	450,194
Maintenance materials and supplies	2,671	2,740	1,350	348	99,066	130,225	155,751	206,354	659,252	735,584
Grants and contributions	9,487	9,344	73,016	63,842	51,731	90,547	-	-	198,851	227,716
Amortization	775	2,134	4,314	4,972	615,929	592,756	518,274	497,585	1,744,570	1,674,336
Equipment cost allocation	5,117	4,611	619	-	1,938	1,716	36,495	39,769	-	-
Loss on disposal of capital assets	-	-	-	-	1,044	-	-	2,411	7,063	24,018
Interest on long term debt	-	-	-	-	166,876	171,966	81,613	75,132	303,510	302,540
Bad debts (recovered)	-	-	-	-	-	-	(68)	1,471	44,478	42,522
Other	-	-	140	3,846	592	368	2,540	7,769	12,060	59,000
<b>Total expenses</b>	<b>41,364</b>	<b>42,557</b>	<b>130,077</b>	<b>132,643</b>	<b>1,898,038</b>	<b>1,948,530</b>	<b>1,340,557</b>	<b>1,415,907</b>	<b>8,889,945</b>	<b>8,950,213</b>
<b>Annual surplus (deficit)</b>	<b>\$ (35,179)</b>	<b>\$ (36,546)</b>	<b>\$ (74,076)</b>	<b>\$ (103,079)</b>	<b>\$ 1,209,980</b>	<b>\$ (1,461,556)</b>	<b>\$ (31,534)</b>	<b>\$ 87,345</b>	<b>\$ 3,609,656</b>	<b>\$ 237,692</b>

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2021

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020 <i>(Restated)</i>	2021	2020	2021	2020	2021	2020 <i>(Restated)</i>
<b>REVENUE</b>								
Property taxes	\$ 4,759,872	\$ 4,583,964	\$ -	\$ -	\$ -	\$ -	\$ 4,759,872	\$ 4,583,964
Grants in lieu of taxation	231,232	224,580	-	-	-	-	231,232	224,580
User fees	1,409,077	1,351,366	(2,009)	3,065	46,256	80,326	1,453,324	1,434,757
Permits, licences and fines	47,266	46,735	-	-	84	247	47,350	46,982
Investment income	27,899	29,901	69	(270)	3,377	4,755	31,345	34,386
Other revenue	272,014	130,247	23,800	5,404	712	4,295	296,526	139,946
Water and sewer	1,304,773	1,498,011	-	-	-	-	1,304,773	1,498,011
Prov of MB - Unconditional Grants	565,148	324,830	-	-	-	-	565,148	324,830
Prov of MB - Conditional Grants	1,355,731	491,468	8,638	9,914	56,565	52,964	1,420,934	554,346
Grants - other	2,249,860	218,020	4,267	3,402	134,970	124,681	2,389,097	346,103
Total revenue	<u>12,222,872</u>	<u>8,899,122</u>	<u>34,765</u>	<u>21,515</u>	<u>241,964</u>	<u>267,268</u>	<u>12,499,601</u>	<u>9,187,905</u>
<b>EXPENSES</b>								
Personnel services	2,284,254	2,483,425	7,699	13,296	119,912	131,623	2,411,865	2,628,344
Contract services	2,960,354	2,711,786	17,318	15,463	50,843	78,710	3,028,515	2,805,959
Utilities	466,348	438,387	500	505	12,933	11,302	479,781	450,194
Maintenance materials and supplies	590,497	668,669	1,200	682	67,555	66,233	659,252	735,584
Grants and contributions	319,040	310,211	(11,875)	(25,840)	(108,314)	(56,655)	198,851	227,716
Amortization	1,713,688	1,642,181	10,458	10,958	20,424	21,197	1,744,570	1,674,336
Equipment cost allocation	(549)	-	549	-	-	-	-	-
Loss on disposal of capital assets	7,063	24,018	-	-	-	-	7,063	24,018
Interest on long term debt	303,510	302,540	-	-	-	-	303,510	302,540
Bad debts	44,478	42,522	-	-	-	-	44,478	42,522
Other	10,840	54,696	-	3,846	1,220	458	12,060	59,000
Total expenses	<u>8,699,523</u>	<u>8,678,435</u>	<u>25,849</u>	<u>18,910</u>	<u>164,573</u>	<u>252,868</u>	<u>8,889,945</u>	<u>8,950,213</u>
<b>Annual surplus</b>	<u>\$ 3,523,349</u>	<u>\$ 220,687</u>	<u>\$ 8,916</u>	<u>\$ 2,605</u>	<u>\$ 77,391</u>	<u>\$ 14,400</u>	<u>\$ 3,609,656</u>	<u>\$ 237,692</u>



**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**For the Year Ended December 31, 2021**

	<b>2021</b>						
	General BL 20/1983	Equipment Replacement BL 01/1997	Employee Benefits BL 09/1993	Fire Truck Replacement BL 05/1997	Recreation Facilities BL 04/2000	Landfill Closure BL 14/2012	Federal Gas Tax Funding BL 02/2006
<b>REVENUE</b>							
Investment income	\$ 1,001	\$ 2,360	\$ 2,132	\$ 316	\$ 227	\$ 305	\$ 5,704
Province of Manitoba - conditional grants	-	-	-	40,654	-	-	-
<b>TRANSFERS</b>							
Transfers from general operating fund	-	177,800	5,000	40,000	113,163	40,000	441,859
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to general operating fund	-	(20,875)	(40,706)	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(298,894)	-	-	(40,000)	-	(151,972)
<b>CHANGE IN RESERVE FUND BALANCES</b>	1,001	(139,609)	(33,574)	80,970	73,390	40,305	295,591
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	181,517	404,209	47,030	10,029	28,332	38,624	849,604
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 182,518</u>	<u>\$ 264,600</u>	<u>\$ 13,456</u>	<u>\$ 90,999</u>	<u>\$ 101,722</u>	<u>\$ 78,929</u>	<u>\$ 1,145,195</u>

## SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2021

	2021					Total	2020
	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		Total
<b>REVENUE</b>							
Investment income	\$ 4,227	\$ 748	\$ 14	\$ 86	\$ 23	\$ 17,143	\$ 21,953
Province of Manitoba - conditional grants	-	-	-	-	-	40,654	-
<b>TRANSFERS</b>							
Transfers from general operating fund	-	500	2,000	184,500	-	1,004,822	416,320
Transfers from utility operating fund	155,487	-	-	-	50,000	205,487	169,255
Transfers to general operating fund	-	-	-	-	-	(61,581)	(7,325)
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	(490,866)	(331,905)
<b>CHANGE IN RESERVE FUND BALANCES</b>	159,714	1,248	2,014	184,586	50,023	715,659	268,298
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	780,993	135,533	2,000	-	-	2,477,871	2,209,573
<b>FUND SURPLUS, END OF YEAR</b>	\$ 940,707	\$ 136,781	\$ 4,014	\$ 184,586	\$ 50,023	\$ 3,193,530	\$ 2,477,871

**TOWN OF SWAN RIVER**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**As at December 31, 2021**

**SCHEDULE 8**

	<u>2021</u>	<u>2020</u>
<b>FINANCIAL ASSETS</b>		
Amounts receivable	<u>\$ 366,630</u>	<u>\$ 352,751</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ -	\$ -
Unearned revenue	129,246	\$ 128,452
Long-term debt (Note 11)	2,353,232	2,194,819
Due to General Operating Fund	<u>449,199</u>	<u>836,136</u>
	<u>2,931,677</u>	<u>3,159,407</u>
<b>NET DEBT</b>	<u>\$ (2,565,047)</u>	<u>\$ (2,806,656)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets ( <i>Schedule 1</i> )	\$ 13,198,446	\$ 13,660,754
Inventories (Note 6)	<u>323,456</u>	<u>342,260</u>
	<u>13,521,902</u>	<u>14,003,014</u>
<b>FUND SURPLUS</b>	<u>\$ 10,956,855</u>	<u>\$ 11,196,358</u>

TOWN OF SWAN RIVER  
**SCHEDULE OF UTILITY OPERATIONS**  
For the Year Ended December 31, 2021

**SCHEDULE 9**

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 575,000	\$ 565,606	\$ 576,157
<b>Sewer</b>			
Sewer fees	590,000	581,085	594,493
Lagoon tipping fees	10,000	8,995	9,695
	<u>600,000</u>	<u>590,080</u>	<u>604,188</u>
<b>Government transfers</b>			
Operating	-	-	-
Capital	-	91	136,850
	<u>-</u>	<u>91</u>	<u>136,850</u>
<b>Other</b>			
Hydrant rentals	14,365	14,170	14,170
Connection charges	35,000	13,094	44,193
Installation service	2,000	1,100	1,310
Penalties	-	940	480
Administration fees	110,000	118,032	117,954
Other income	4,000	1,660	2,709
	<u>165,365</u>	<u>148,996</u>	<u>180,816</u>
<b>Total revenue</b>	<u>1,340,365</u>	<u>1,304,773</u>	<u>1,498,011</u>

**TOWN OF SWAN RIVER**  
**SCHEDULE OF UTILITY OPERATIONS**  
**For the Year Ended December 31, 2021**

**SCHEDULE 9**

	2021 Budget	2021 Actual	2020 Actual
<b>EXPENSES</b>			
<b>General</b>			
Administration	93,020	65,892	81,817
Training costs	10,500	5,354	3,246
Billing and collection	14,000	15,556	13,011
	<u>117,520</u>	<u>86,802</u>	<u>98,074</u>
<b>Water General</b>			
Administration and engineering	45,680	45,541	56,416
Purification and treatment	161,970	165,728	131,566
Transmission and distribution	108,300	77,319	105,161
Service of supply	17,250	19,747	16,932
Connection costs	148,100	126,458	188,093
Water meters	16,840	22,073	30,124
	<u>498,140</u>	<u>456,866</u>	<u>528,292</u>
<b>Water Amortization and Interest</b>			
Amortization	298,000	319,981	297,879
Interest on long term debt	33,000	32,715	24,688
	<u>331,000</u>	<u>352,696</u>	<u>322,567</u>
<b>Sewer General</b>			
Administration and engineering	45,680	45,541	56,416
Collection system costs	12,590	29,629	17,721
Treatment and disposal costs	111,818	58,151	69,987
Lift station costs	65,920	63,682	72,701
	<u>236,008</u>	<u>197,003</u>	<u>216,825</u>
<b>Sewer Amortization and Interest</b>			
Amortization	200,000	198,292	199,706
Interest on long term debt	49,000	48,898	50,443
	<u>249,000</u>	<u>247,190</u>	<u>250,149</u>
<b>Total expenses</b>	<u>1,431,668</u>	<u>1,340,557</u>	<u>1,415,907</u>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	(91,303)	(35,784)	82,104
<b>TRANSFERS</b>			
Transfers from reserve funds	-	1,768	1,531
Transfers to reserve funds	(205,487)	(205,487)	(169,255)
Transfers to general capital fund	-	-	(3,319)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ (296,790)</u>	<u>(239,503)</u>	<u>(88,939)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>11,196,358</u>	<u>11,285,297</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 10,956,855</u>	<u>\$ 11,196,358</u>

TOWN OF SWAN RIVER  
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET  
For the Year Ended December 31, 2021

SCHEDULE 10

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 4,724,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,724,055
Grants in lieu of taxation	231,231	-	-	-	-	-	-	231,231
User fees	1,346,188	-	-	-	-	-	39,862	1,386,050
Permits, licences and fines	44,335	-	-	-	-	-	-	44,335
Investment income	2,000	-	-	-	-	-	4,750	6,750
Other revenue	79,500	-	-	-	-	-	283	79,783
Water and sewer	-	1,321,865	-	-	-	-	-	1,321,865
Grants - Province of Manitoba	1,051,247	-	-	-	-	-	61,697	1,112,944
Grants - other	458,240	-	-	-	-	-	134,411	592,651
Transfers from reserves	20,565	-	-	-	(20,565)	-	-	-
Transfers from accumulated surplus	95,000	-	-	-	(95,000)	-	-	-
<b>Total revenue</b>	<b>8,052,361</b>	<b>1,321,865</b>	<b>-</b>	<b>-</b>	<b>(115,565)</b>	<b>-</b>	<b>241,003</b>	<b>9,499,664</b>
<b>EXPENSES</b>								
General government services	811,782	-	100,000	43,527	41,921	2,000	-	999,230
Protective services	1,694,405	-	75,000	7,107	-	4,000	-	1,780,512
Transportation services	1,028,313	-	356,000	4,387	-	27,000	81,165	1,496,865
Environmental health services	1,266,238	-	24,500	-	-	-	-	1,290,738
Public health and welfare services	193,444	-	6,000	-	-	-	(9,690)	189,754
Regional planning and development	38,208	-	2,000	-	-	-	6,513	46,721
Resource conservation & industrial development	133,344	-	2,000	-	-	-	64,166	199,510
Recreation and cultural services	1,219,054	-	579,000	166,876	-	6,000	120,461	2,091,391
Water and sewer services	-	833,168	498,000	81,613	-	2,000	-	1,414,781
Fiscal services:								
Transfer to capital	214,744	-	(214,744)	-	-	-	-	-
Debt charges	674,068	283,210	-	(957,278)	-	-	-	-
Transfers to reserves	736,840	205,487	-	-	(942,327)	-	-	-
Allowance for tax assets	41,921	-	-	-	(41,921)	-	-	-
<b>Total expenses</b>	<b>8,052,361</b>	<b>1,321,865</b>	<b>1,427,756</b>	<b>(653,768)</b>	<b>(942,327)</b>	<b>41,000</b>	<b>262,615</b>	<b>9,509,502</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,427,756)</b>	<b>\$ 653,768</b>	<b>\$ 826,762</b>	<b>\$ (41,000)</b>	<b>\$ (21,612)</b>	<b>\$ (9,838)</b>

TOWN OF SWAN RIVER  
 ANALYSIS OF TAXES ON ROLL  
 For the Year Ended December 31, 2021

SCHEDULE 11

	<u>2021</u>	<u>2020</u>
<b>Balance, beginning of year</b>	<b>\$ 419,038</b>	<b>\$ 530,270</b>
<b>Add:</b>		
Tax levy ( <i>Schedule 12</i> )	7,378,388	7,232,491
Taxes added	55,816	19,410
Penalties or interest	64,442	58,715
Other accounts added	38,618	30,566
Taxes overpaid	10,442	4,116
Tax sale costs	8,781	7,343
Manitoba Education Property Tax Credit - cancelled	82	789
	<u>7,556,569</u>	<u>7,353,430</u>
<b>Deduct:</b>		
Cash collections - current	6,992,122	6,513,177
Cash collections - arrears	29,017	226,734
Cancellations and writeoffs	29,502	22,568
Manitoba Education Property Tax Credit - cash advance	527,323	702,183
Transfers re tax sale	-	-
	<u>7,577,964</u>	<u>7,464,662</u>
<b>Balance, end of year</b>	<b>\$ 397,643</b>	<b>\$ 419,038</b>

## TOWN OF SWAN RIVER

## SCHEDULE 12

## ANALYSIS OF TAX LEVY

For the Year Ended December 31, 2021

	2021			2020
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Municipal Office (at large)	\$ 183,482,210	0.583	\$ 106,970	\$ 107,008
Wellness Centre (LID)	221,558,260	1.123	248,810	247,742
Wellness Centre (per parcel)			105,065	106,140
Fire fighter equipment (at large)	183,482,210	0.088	16,146	16,224
12th & 3rd (LID frontage/flankage)			5,850	5,850
Arena floor (at large)	183,482,210	0.338	62,017	59,976
Incident Command (at large)	183,482,210	0.052	9,541	-
Loader-backhoe (at large)	183,482,210	0.107	19,633	-
Pool repairs (at large)	183,482,210	0.382	70,090	-
			<u>644,122</u>	<u>542,940</u>
Intergovernmental Affairs	183,482,210	0.292	53,577	53,778
Watershed District (at large land)	24,671,100	0.524	12,928	12,925
Reserves:				
Machinery replacement (01/1997)	183,482,210	0.918	168,437	151,489
Employee benefits (09/1993)	183,482,210	0.026	4,771	4,740
Fire truck replacement (05/1997)	183,482,210	0.207	37,981	14,219
Recreation facilities (04/2000)	183,482,210	0.207	37,981	9,479
Tables and chairs (12/2020)	183,482,210	0.011	2,018	2,005
Landfill closure (14/2012)	183,482,210	0.207	37,981	-
			<u>289,169</u>	<u>181,932</u>
General Municipal	183,482,210	11.828	2,170,228	2,269,411
Special levies:				
Police protection	221,558,260	2.597	575,387	575,273
Fire, streets, emergency, etc.	221,558,260	2.783	616,597	616,489
Garbage, recycling, landfill (per parcel)			267,368	237,336
			<u>1,459,352</u>	<u>1,429,098</u>
Business tax (rate%)	5,609,300	1.33%	74,604	74,412
<b>Total municipal taxes (Schedule 2)</b>			<u><b>4,703,980</b></u>	<u>4,564,496</u>
Education support levy	51,522,940	8.809	453,866	450,786
Special levy:				
Swan Valley School Division	173,574,760	12.793	2,220,542	2,217,209
<b>Total education taxes</b>			<u><b>2,674,408</b></u>	<u>2,667,995</u>
<b>Total tax levy (Schedule 11)</b>			<u><u><b>\$ 7,378,388</b></u></u>	<u><u>\$ 7,232,491</u></u>



## TOWN OF SWAN RIVER

## SCHEDULE 13

**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**For the Year Ended December 31, 2021**

	2021 Actual	2020 Actual
<b>General government services</b>		
Legislative	\$ 113,326	\$ 117,570
General administrative	627,027	666,862
Other	37,599	34,280
	<u>777,952</u>	<u>818,712</u>
<b>Protective services</b>		
Police	1,434,559	1,190,624
Fire	270,262	239,742
Emergency measures	6,705	18,383
Pandemic	5,830	7,150
Building, electrical and plumbing inspections	34,351	34,440
Bylaw enforcement	20,423	20,286
Animal and pest control	8,303	6,325
Safety inspections	54,773	34,257
	<u>1,835,206</u>	<u>1,551,207</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	134,241	131,960
Unallocated equipment and operators	176,625	229,590
Unallocated workshop and yard operations	96,418	104,300
Roads and streets	78,868	112,040
Sidewalks	4,235	13,912
Boulevards	6,337	3,650
Tree trimming	10,725	18,773
Ditches and road drainage	8,297	16,171
Storm sewers	20,706	15,017
Street cleaning	16,379	15,670
Snow and ice removal	132,243	110,765
Street lighting	76,667	74,774
Traffic services	29,922	21,764
Other	-	344
Air transport	53,364	62,545
Public transit	11,875	25,840
	<u>856,902</u>	<u>957,115</u>
<b>Environmental health services</b>		
Garbage collection	342,022	337,098
Nuisance grounds	258,342	292,874
Recycling	470,211	514,872
	<u>1,070,575</u>	<u>1,144,844</u>
<b>Public health and welfare services</b>		
Cemeteries	55,030	65,282
Medical professionals retention and recruitment	64,224	64,224
Social welfare and assistance	43,755	43,755
Other	2,555	2,143
	<u>165,564</u>	<u>175,404</u>
<b>Regional planning and development</b>		
Planning and zoning	7,478	7,448
Beautification and land rehabilitation	8,047	10,286
Urban area weed control	13,445	8,403
Christmas lights, decorations, flags	5,648	8,492
	<u>34,618</u>	<u>34,629</u>
<b>Subtotals forward</b>	<u>\$ 4,740,817</u>	<u>\$ 4,681,911</u>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2021

	2021 Actual	2020 Actual
<b>Subtotals forward</b>	<b>\$ 4,740,817</b>	<b>\$ 4,681,911</b>
<b>Resource conservation and industrial development</b>		
Veterinary services	7,112	7,112
Water resources and conservation	13,442	13,442
Regional development	51,329	15,422
Incentive program for construction development	19,531	22,394
Tourism	9,754	11,193
Public receptions	962	365
	<u>102,130</u>	<u>69,928</u>
<b>Recreation and cultural services</b>		
Community centers and halls	37,556	93,794
Swimming pools and beaches	243,218	258,302
Skating and curling rinks and arenas	241,235	204,081
Parks and playgrounds	70,217	84,774
Other recreational facilities and programs	63,372	4,397
Museums	4,015	4,000
Libraries	94,249	93,566
Other cultural facilities and programs	5,737	12,097
	<u>759,599</u>	<u>755,011</u>
<b>Total expenses</b>	<b>\$ 5,602,546</b>	<b>\$ 5,506,850</b>

## RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2021

	2021			2020
	General	Utility	Total	Total
<b>MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT</b>	\$ 593,880	\$ 71,155	\$ 665,035	\$ 197,391
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	971,813	205,487	1,177,300	585,075
Eliminate revenue - transfers from reserves	(550,679)	(1,768)	(552,447)	(339,230)
Eliminate expense - transfer to prior years' deficits	-	-	-	42,808
Eliminate revenue - transfer from accumulated surplus	(95,000)	-	(95,000)	-
Increase revenue - reserve funds interest	12,894	4,250	17,144	21,953
Increase revenue - net surplus of consolidated entities	86,307	-	86,307	17,005
Eliminate revenue and expense - contribution from utility to general operating fund	(1,768)	1,768	-	-
Increase expense - amortization of tangible capital assets	(1,195,414)	(518,274)	(1,713,688)	(1,642,181)
Decrease revenue - proceeds from long term debt	(594,328)	(335,819)	(930,147)	(1,965,763)
Decrease expense - principal portion of debenture debt payments	434,622	177,406	612,028	448,853
Decrease revenue - capital grants receivable	-	-	-	-
Eliminate expense - acquisitions of tangible capital assets	3,995,679	366,029	4,361,708	3,004,867
Increase revenue - contribution of tangible capital assets	75,000	-	75,000	-
Eliminate proceeds from dispositions of tangible capital assets	(103,369)	-	(103,369)	(82,391)
Increase revenue - gain on sale of tangible capital assets	60,864	-	60,864	3,676
Increase expense - loss on dispositions of tangible capital assets	(7,063)	-	(7,063)	(24,018)
Increase revenue - operating revenues in capital fund	16,168	-	16,168	16,168
Increase expense - operating expenses in capital fund	(60,184)	-	(60,184)	(46,521)
<b>NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<u>\$ 3,639,422</u>	<u>\$ (29,766)</u>	<u>\$ 3,609,656</u>	<u>\$ 237,692</u>