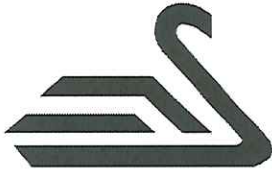


# **TOWN OF SWAN RIVER**

**Consolidated Financial Statements  
For the Year Ended December 31, 2016**



# THE TOWN OF SWAN RIVER

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

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## STATEMENT OF RESPONSIBILITY

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

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

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

Pacak Kowal Hardie & Company, 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.



Mrs. Julie Fothergill  
Chief Administrative Officer

# PACAK KOWAL HARDIE & COMPANY

## CHARTERED PROFESSIONAL ACCOUNTANTS

100 Fourth Avenue North  
P.O. Box 1660  
Swan River, Manitoba R0L 1Z0

Phone: 204-734-9331  
Fax: 204-734-4785  
Email: [pkhl@pkhl.ca](mailto:pkhl@pkhl.ca)

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### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of the Town of Swan River, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town of Swan River as at December 31, 2016, and the results of its operations, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Swan River, Manitoba  
June 28, 2017

*Pacak Kowal Hardie & Company*  
Chartered Professional Accountants

# TOWN OF SWAN RIVER

## Consolidated Financial Statements

### For the Year Ended December 31, 2016

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**TOWN OF SWAN RIVER  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at December 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 3,965,246	\$ 3,305,870
Amounts receivable (Note 4)	1,200,751	1,639,094
Real estate properties held for sale	404,083	406,556
Other inventories for sale (Note 5)	10,171	12,348
Swan Valley Credit Union patronage equity shares	1,001	992
	<u>\$ 5,581,252</u>	<u>\$ 5,364,860</u>
<b>LIABILITIES</b>		
Bank indebtedness (Note 6)	\$ -	\$ 5,747,199
Accounts payable and accrued liabilities (Note 7)	1,893,517	694,428
Pre-retirement bonus entitlement (Note 8)	322,706	327,558
Deferred revenue (Note 9)	249,229	255,372
Prepaid local improvement district levies (Note 10)	307,189	323,357
Landfill closure liability (Note 11)	40,626	37,368
Long-term debt (Note 12)	7,463,941	2,200,772
Deferred government transfers (Note 13)	5,800,000	5,800,000
	<u>16,077,208</u>	<u>15,386,054</u>
<b>NET DEBT</b>	<u>\$ (10,495,955)</u>	<u>\$ (10,021,194)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 35,130,643	\$ 35,232,988
Inventories (Note 5)	430,210	394,633
Prepaid expenses	67,154	68,600
	<u>35,628,007</u>	<u>35,696,221</u>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<u>\$ 25,132,052</u>	<u>\$ 25,675,027</u>

COMMITMENTS (Note 15)

Approved on behalf of Council:

  
Glen McKenzie - Mayor

  
Jason Delaurier - Councillor

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

**TOWN OF SWAN RIVER**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2016**

	2016 Budget (Note 20)	2016 Actual	2015 Actual (Restated)
<b>REVENUE</b>			
Property taxes	\$ 4,197,132	<b>\$ 4,144,706</b>	\$ 4,117,231
Grants in lieu of taxation	196,259	<b>196,868</b>	217,406
User fees	1,044,090	<b>1,050,312</b>	958,127
Permits, licences and fines	47,111	<b>70,344</b>	46,863
Investment income	10,548	<b>43,988</b>	25,810
Other revenue	487,267	<b>261,716</b>	436,011
Water and sewer	1,954,525	<b>922,892</b>	1,307,875
Grants - Province of Manitoba	835,592	<b>913,177</b>	907,248
Grants - other	512,945	<b>612,212</b>	504,243
Total revenue (Schedules 2, 4 and 5)	<u>9,285,469</u>	<u><b>8,216,215</b></u>	<u>8,520,814</u>
<b>EXPENSES</b>			
General government services	924,527	<b>866,036</b>	923,588
Protective services	1,550,400	<b>1,478,205</b>	1,486,187
Transportation services	1,234,511	<b>1,438,745</b>	1,453,468
Environmental health services	1,056,360	<b>970,388</b>	941,596
Public health and welfare services	206,898	<b>183,308</b>	220,088
Regional planning and development	44,332	<b>38,411</b>	43,101
Resource conservation and industrial development	154,228	<b>159,502</b>	196,340
Recreation and cultural services	2,281,303	<b>2,318,749</b>	2,374,211
Water and sewer services	1,396,181	<b>1,305,846</b>	1,231,591
Total expenses (Schedules 3, 4 and 5)	<u>8,848,740</u>	<u><b>8,759,190</b></u>	<u>8,870,170</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u><b>\$ 436,729</b></u>	<u><b>(542,975)</b></u>	<u>(349,356)</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u><b>25,675,027</b></u>	<u>26,024,383</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u><b>\$ 25,132,052</b></u>	<u>\$ 25,675,027</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, 2016**

	2016 Budget (Note 20)	2016 Actual	2015 Actual
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 436,729</b>	<b>\$ (542,975)</b>	<b>\$ (349,356)</b>
Acquisition of tangible capital assets	(2,196,851)	<b>(1,452,916)</b>	(1,692,503)
Amortization of tangible capital assets	1,429,780	<b>1,542,183</b>	1,507,929
Loss (gain) on sale of tangible capital assets	-	<b>(12,125)</b>	32,253
Proceeds on sale of tangible capital assets	-	<b>25,203</b>	38,806
Increase in inventories	-	<b>(35,577)</b>	(42,912)
Decrease (increase) in prepaid expense	-	<b>1,446</b>	(9,013)
	<u>(767,071)</u>	<u><b>68,214</b></u>	<u>(165,440)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<u><b>\$ (330,342)</b></u>	<b>(474,761)</b>	(514,796)
<b>NET DEBT, BEGINNING OF YEAR</b>		<u><b>(10,021,194)</b></u>	<u>(9,506,398)</u>
<b>NET DEBT, END OF YEAR</b>		<u><b>\$ (10,495,955)</b></u>	<u>\$ (10,021,194)</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, 2016**

	<u>2016</u>	<u>2015</u>
<b>OPERATING TRANSACTIONS</b>		
Annual deficit	\$ (542,975)	\$ (349,356)
Changes in non-cash items:		
Amounts receivable	438,343	(181,385)
Inventories	(33,400)	(36,634)
Prepaid expenses	1,446	(9,013)
Accounts payable and accrued liabilities	1,199,089	(347,188)
Deferred revenue	(6,143)	(19,708)
Pre-retirement bonus entitlement	(4,852)	110,427
Prepaid local improvement district levies	(16,168)	323,357
Landfill closure liability	3,258	3,019
Loss (gain) on sale of tangible capital assets	(12,125)	32,253
Gain on sale of real estate properties	(82,946)	(49,006)
Amortization	<u>1,542,183</u>	<u>1,507,929</u>
Cash provided by operating transactions	<u>2,485,710</u>	<u>984,695</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	25,203	38,806
Cash used to acquire tangible capital assets	<u>(1,452,916)</u>	<u>(1,692,503)</u>
Cash applied to capital transactions	<u>(1,427,713)</u>	<u>(1,653,697)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	90,500	169,678
Change in Swan Valley Credit Union Limited patronage shares	(9)	4
Acquisition of real estate properties	<u>(5,081)</u>	<u>(57,221)</u>
Cash provided by investing transactions	<u>85,410</u>	<u>112,461</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	5,540,000	-
Debt repayment	(6,024,031)	(456,045)
Increase in deferred government transfers	-	500,000
Cash provided by (applied to) financing transactions	<u>(484,031)</u>	<u>43,955</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>659,376</b>	<b>(512,586)</b>
Cash and temporary investments, beginning of year	<u>3,305,870</u>	<u>3,818,456</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 3,965,246</u></b>	<b><u>\$ 3,305,870</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, 2016**

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

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

**2. Significant Accounting Policies**

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

**a) Reporting Entity**

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

*Richardson Recreation and Wellness Centre*  
*Swan River Centennial Arena*  
*Swan River Handi Transit Van*  
*Swan River Municipal Developers Ltd.*  
*Veterans Community Hall*

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

*G7 Physician Retention and Recruitment Fund (consolidated 35%, 2015 - 35%)*  
*North-West Regional Library (consolidated 54%, 2015 - 54%)*  
*Swan Valley District Recreation Commission (consolidated 46%, 2015 - 46%)*  
*Swan Valley Emergency Measures District (consolidated 62%, 2015 - 62%)*  
*Swan Valley Municipal Airport Commission (consolidated 37%, 2015 - 37%)*  
*Swan Valley Planning District (consolidated 33%, 2015 - 33%)*  
*Swan Valley Regional Initiative for a Strong Economy (consolidated 45%, 2015 - 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. The trust funds administered by the Town are presented in Schedule 7 - *Schedule of Trust Funds*.

**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.

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

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

**d) Investments**

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

Portfolio investments are accounted for at cost.

**e) Real Estate Properties Held for Sale**

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

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

(continues)

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

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

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

**Infrastructure Assets**

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

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

**i) Leases**

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

**j) Inventories**

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

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

**k) Revenue Recognition**

Revenues are recognized as they are earned and measurable.

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

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

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

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

**I) Measurement Uncertainty**

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

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

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

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

**3. Cash and Temporary Investments**

Cash and temporary investments are comprised of the following:

	<u>2016</u>	<u>2015</u>
Cash	\$ 3,956,372	\$ 3,296,999
Temporary investments	8,874	8,871
	<u>\$ 3,965,246</u>	<u>\$ 3,305,870</u>

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

The Town has designated \$1,653,454 (2015 \$1,513,299) to reserves for debt principal repayments and tangible capital asset acquisitions.

The balance of cash reported above includes \$220 (2015 \$199,549) held by controlled organizations and \$484,874 (2015 \$424,769) held by government partnerships.

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2016</u>	<u>2015</u>
Taxes on roll <i>(Schedule 11)</i>	\$ 257,927	\$ 360,160
Government grants	391,273	871,154
Utility customers	159,117	209,345
Organizations and individuals	225,614	115,961
Other governments	167,011	82,465
Accrued interest	2,506	9
	<u>1,203,448</u>	<u>1,639,094</u>
Less allowances for doubtful amounts	<u>(2,697)</u>	<u>-</u>
	<u>\$ 1,200,751</u>	<u>\$ 1,639,094</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

**5. Inventories**

	<u>2016</u>	<u>2015</u>
<b>Inventories for sale:</b>		
Airport fuel	\$ 7,390	\$ 11,901
Concession supplies	601	447
Swimming supplies	<u>2,180</u>	<u>-</u>
	<u>\$ 10,171</u>	<u>\$ 12,348</u>
<b>Inventories for use:</b>		
<u>General</u>		
Fuel	\$ 2,270	\$ 3,490
Granulars	38,160	32,574
Dust control	5,765	27,286
Sidewalk unistone	12,936	12,936
Culverts	15,310	15,310
Traffic services	8,695	9,619
Janitorial supplies	2,913	686
Landfill cover material	11,199	17,591
Chemicals and reagents	5,367	-
Programming supplies	794	-
	<u>103,409</u>	<u>119,492</u>
<u>Utility</u>		
Connections	35,087	34,074
Water treatment chemicals	7,339	11,220
Sewage collection	122,032	87,884
Water meters	40,258	25,849
Transmission and distribution	122,085	116,114
	<u>326,801</u>	<u>275,141</u>
	<u>\$ 430,210</u>	<u>\$ 394,633</u>

**6. Bank Indebtedness**

	<u>2016</u>	<u>2015</u>
<b>General Authority:</b>		
Swan Valley Credit Union line of credit for construction of Richardson Recreation and Wellness Centre, authorized limit \$10,000,000, principal payable on demand, interest payable monthly at 2.75%	\$ -	\$ 5,747,199
	<u>\$ -</u>	<u>\$ 5,747,199</u>

**7. Accounts Payable and Accrued Liabilities**

	<u>2016</u>	<u>2015</u>
Trade accounts payable	\$ 633,196	\$ 217,030
Employee remittances payable	1,996	2,084
Other governments	442,528	187,165
Contractor holdbacks	23,814	51,709
Debenture instalments payable	542,830	-
Accrued vacation liability	181,553	178,982
Accrued salaries and wages payable	46,363	35,132
Other accrued expenses	21,237	22,326
	<u>\$ 1,893,517</u>	<u>\$ 694,428</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

**8. Pre-Retirement Bonus Entitlement**

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

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

Each employee's entitlement liability has been calculated as the net present value of his or her entitlement upon retiring at the later of age 55 or five years of seniority, assuming 1.0% inflation applied to his or her current daily rate of pay, discounted to the end of the current fiscal year using an assumed long term average borrowing rate of 6.5%.

	<u>2016</u>	<u>2015</u>
Beginning balance	\$ 327,558	\$ 217,131
Earned during the year	41,194	137,960
Paid out during the year	(46,046)	(16,224)
Relinquished on termination of employment	-	(11,309)
Ending balance	<u>\$ 322,706</u>	<u>\$ 327,558</u>

**9. Deferred Revenue**

	<u>2016</u>	<u>2015</u>
Prepaid taxes	\$ 36,325	\$ 39,339
Prepaid utility	82,102	80,038
Water meter deposits	108,417	106,406
Unused grants ( <i>See following explanation</i> )	16,175	23,982
Rental prepayments and deposits	6,210	5,607
	<u>\$ 249,229</u>	<u>\$ 255,372</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. 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>2016</u>	<u>2015</u>
Beginning balance	\$ 323,357	\$ -
Prepayments	-	323,357
Amortization	(16,168)	-
Ending balance	<u>\$ 307,189</u>	<u>\$ 323,357</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

**11. Landfill Closure Liability**

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

	<u>2016</u>	<u>2015</u>
Estimated closure costs over the next 70 years	<u>\$ 6,600,000</u>	<u>\$ 6,600,000</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
<b>Discounted costs</b>	<u>\$ 111,721</u>	<u>\$ 105,397</u>
Expected year capacity will be reached	<u>2086</u>	<u>2086</u>
Capacity (years):		
Used to date	40	39
Remaining	70	71
Total	<u>110</u>	<u>110</u>
Percent utilized	<u>36.36%</u>	<u>35.45%</u>
<b>Liability based on percentage</b>	<u>\$ 40,626</u>	<u>\$ 37,368</u>

**12. Long Term Debt**

	<u>2016</u>	<u>2015</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	<u>\$ 1,302,490</u>	<u>\$ 1,359,158</u>
Debenture for Richardson Recreation & Wellness Centre, held by RBC Life Insurance Company, issued February 29, 2016, payable \$368,322 annually including interest at 3.79%, maturing December 31, 2035	<u>4,924,968</u>	-
<b>Utility Fund:</b>		
Debenture for Ross Street wastewater pumping station, demand loan held by RBC Royal Bank, issued December 31, 2014 payable at \$64,789 annually including interest at 4.13%, maturing December 31, 2034	<u>811,584</u>	<u>841,614</u>
Debenture for Heyes Street wastewater pumping station, demand loan held by RBC Royal Bank, issued February 29, 2016 payable at \$31,777 annually including interest at 3.79%, maturing December 31, 2035	<u>424,899</u>	-
	<u>\$ 7,463,941</u>	<u>\$ 2,200,772</u>

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

2017	\$ 287,623
2018	298,837
2019	310,489
2020	322,596
2021	335,176
Thereafter	<u>5,909,220</u>
	<u>\$ 7,463,941</u>

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

**13. Deferred Government Transfers**

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

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

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

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

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

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

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

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

	<u>2016</u>	<u>2015</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>



**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

**14. Accumulated Surplus**

	<u>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,098,023	\$ 1,079,023
Utility operating fund - Nominal surplus	27,940	204,164
Tangible capital assets net of related borrowings (see below)	18,190,387	18,531,332
Reserve funds (Schedule 6)	<u>1,653,454</u>	<u>1,513,299</u>
Accumulated surplus of municipality unconsolidated	20,969,804	21,327,818
Accumulated surpluses of consolidated entities	<u>4,162,248</u>	<u>4,347,209</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 25,132,052</u>	<u>\$ 25,675,027</u>
Tangible capital assets net of related borrowings consists of the following:		
Tangible capital assets	\$ 20,781,351	\$ 20,732,104
Long term debt (Note 12)	(2,538,973)	(2,200,772)
Accounts payable	<u>(51,991)</u>	<u>-</u>
	<u>\$ 18,190,387</u>	<u>\$ 18,531,332</u>

**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 2016 fiscal year of \$991,736 (2015 - \$1,014,578).

**Swan Valley Employment and Training Project**

The Town entered into an agreement dated June 29, 2016 with The Government of Manitoba – Ministry of Jobs and the Economy to act as the "Service Provider" for the *Swan Valley Employment and Training Project* Employment Partnership. The objective of the partnership is to provide work experience, job search assistance and employment supports for individuals in the Swan Valley area.

Since the Province pays a financial contribution to the Town equal to the Eligible Costs incurred by the Town in carrying out the Project and the Town has not made any financial investment in the Partnership, the assets, liabilities, revenues and expenses of the Project have not been consolidated into these financial statements. The receipts of financial contributions from the Province and the disbursements for Eligible Costs are presented in Schedule 7 - *Schedule of Trust Funds*.

**16. Significant Event**

The Town completed its Heyes Street Waste Water Lift Station upgrade in the 2016 fiscal year at a total cost of \$914,983, which is included in *Water and sewer infrastructure* on Schedule 1 - *Consolidated Schedule of Tangible Capital Assets*.

**17. Comparative Amounts**

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

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

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**18. Retirement Benefits**

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP requires that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Town on behalf of its employees amounted to \$148,306 (2015 - \$147,705) 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, 2015 indicated the plan was 96.1% funded on a going concern basis and had an unfunded solvency liability of \$251.7 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, 2015.

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.

**19. 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.

**20. 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, 2016**

**21. Public Sector Compensation Disclosure**

It is a requirement of the *Public Sector Compensation Disclosure Act* that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$50,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2016:

- a) Compensation paid to members of council amounted to \$99,874 in aggregate.
- b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:	Compensation	Expenses	Total
Mayor - Glen McKenzie	\$ 17,786	\$ 2,453	\$ 20,239
Councillor - Jason Delaurier	13,265	1,469	14,734
Councillor - Phyllis Friesen	13,822	2,459	16,281
Councillor - Lance Jacobson	14,118	1,468	15,586
Councillor - David Moriaux	13,823	2,354	16,177
Councillor - Jason Sakal	13,828	2,807	16,635
Councillor - Duane Whyte	13,232	1,631	14,863
	<u>\$ 99,874</u>	<u>\$ 14,641</u>	<u>\$ 114,515</u>

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

**22. 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.

**23. 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:

	Unadjusted	Adjustments	Total 2016	Total 2015
<b>Financial Position</b>				
Financial assets	\$ 472,738	\$ -	\$ 472,738	\$ 985,679
Liabilities	11,113,867	-	11,113,867	11,555,119
Net financial assets	(10,641,129)	-	(10,641,129)	(10,569,440)
Non-financial assets	13,669,919	-	13,669,919	13,756,406
Accumulated surplus	<u>\$ 3,028,790</u>	<u>\$ -</u>	<u>\$ 3,028,790</u>	<u>\$ 3,186,966</u>
<b>Results of Operations</b>				
Revenue	\$ 2,255,347	\$ (1,552,047)	\$ 703,300	\$ 754,910
Expenses	2,413,522	(1,199,286)	1,214,236	1,145,656
Annual deficit	<u>\$ (158,175)</u>	<u>\$ (352,761)</u>	<u>\$ (510,936)</u>	<u>\$ (390,746)</u>

(continues)

**TOWN OF SWAN RIVER**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2016**

**23. Condensed Supplementary Financial Information for Consolidated Entities (continued)**

**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 2016</u>	<u>Total 2015</u>
<b>Financial Position</b>				
Financial assets	\$ 516,671	\$ (17,912)	\$ 498,759	\$ 436,704
Liabilities	431,410	(372,449)	58,961	54,102
Net financial assets	85,261	354,537	439,798	382,602
Non-financial assets	693,660	-	693,660	777,641
Accumulated surplus	<u>\$ 778,921</u>	<u>\$ 354,537</u>	<u>\$ 1,133,458</u>	<u>\$ 1,160,243</u>
<b>Results of Operations</b>				
Revenue	\$ 359,119	\$ (152,646)	\$ 206,473	\$ 251,683
Expenses	365,125	(131,868)	233,257	277,065
Annual deficit	<u>\$ (6,006)</u>	<u>\$ (20,778)</u>	<u>\$ (26,784)</u>	<u>\$ (25,382)</u>

**24. Public Utilities Board**

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

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

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

		<u>Water Services</u>	<u>Sewer Services</u>
Unamortized balance, beginning		\$ 2,340,492	\$ 1,361,789
<u>Additions during the year</u>	<u>Source of Grant or Contribution</u>		
Main St W&S debenture	Federal Gas Tax Funding	31,398	31,398
Ross St lift debenture	Federal Gas Tax Funding	-	129,578
Water hydrant	Private business	6,368	-
Currie Rd water & sewer	Residents	16,136	16,136
Heyes St lift debenture	Federal Gas Tax Funding	-	28,997
		<u>53,902</u>	<u>206,109</u>
Amortization during the year		<u>(67,734)</u>	<u>(41,074)</u>
Unamortized balance, ending		<u>\$ 2,326,660</u>	<u>\$ 1,526,824</u>

**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**For the Year Ended December 31, 2016**

	General Tangible Capital Assets				Infrastructure Tangible Capital Assets			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles, Equipment and Furniture	Computer Hardware and Software	Roads, Streets and Bridges	Water and Sewer	Assets under Construction	2016	2015
<b>Cost</b>									
Opening balance	\$ 3,152,258	\$ 19,489,818	\$ 4,599,917	\$ 131,379	\$ 8,554,292	\$ 20,650,712	\$ 892,787	\$ 57,471,163	\$ 56,076,345
Additions during the year	39,295	283,762	273,715	641	309,442	401,064	144,997	1,452,916	2,033,748
Transfers during the year	-	-	-	-	-	914,983	(914,983)	-	-
Disposals and write downs	(4,500)	-	(78,379)	-	(41,000)	-	-	(123,879)	(638,930)
Closing balance	3,187,053	19,773,580	4,795,253	132,020	8,822,734	21,966,759	122,801	58,800,200	57,471,163
<b>Accumulated Amortization</b>									
Opening balance	741,592	2,831,488	2,577,315	82,724	6,617,918	9,387,138	-	22,238,175	20,956,872
Amortization	96,294	525,085	281,538	19,785	206,794	412,687	-	1,542,183	1,507,929
Disposals and write downs	-	-	(69,801)	-	(41,000)	-	-	(110,801)	(226,626)
Closing balance	837,886	3,356,573	2,789,052	102,509	6,783,712	9,799,825	-	23,669,557	22,238,175
Net Book Value of Tangible Capital Assets	\$ 2,349,167	\$ 16,417,007	\$ 2,006,201	\$ 29,511	\$ 2,039,022	\$ 12,166,934	\$ 122,801	\$ 35,130,643	\$ 35,232,988

TOWN OF SWAN RIVER  
**CONSOLIDATED SCHEDULE OF REVENUES**  
For the Year Ended December 31, 2016

**SCHEDULE 2**

	<b>2016 Actual</b>	2015 Actual (Restated)
<b>Property taxes</b>		
Municipal taxes levied ( <i>Schedule 12</i> )	\$ 4,100,217	\$ 4,018,532
Taxes added	44,435	97,296
Excess of school tax levy over requirement	54	1,403
	<u>4,144,706</u>	<u>4,117,231</u>
<b>Grants in lieu of taxation</b>		
Federal government enterprises	12,027	14,938
Provincial government	37,306	43,663
Provincial government enterprises	147,535	158,805
	<u>196,868</u>	<u>217,406</u>
<b>User fees</b>		
Sales of service	722,699	613,131
Sales of goods	32,969	38,165
Rentals	97,603	93,993
Trailer park	-	2,469
Development charges	1,733	3,697
Facility use fees	195,308	203,819
Concessions	-	2,853
	<u>1,050,312</u>	<u>958,127</u>
<b>Permits, licences and fines</b>		
Permits	37,588	19,299
Licences	10,236	10,548
Fines	16,694	11,405
Fees	5,826	5,611
	<u>70,344</u>	<u>46,863</u>
<b>Investment income</b>		
Cash and temporary investments	43,988	25,810
<b>Other revenue</b>		
Gain on sale of tangible capital assets	24,708	482
Gain on sale of real estate held for sale	82,946	49,007
Contributed assets	40,124	34,244
Donations and contributions	40,831	258,413
Administration fees	600	465
Penalties and interest	35,718	66,011
Amortization of prepaid local improvement district levies	16,168	-
Supplier rebates	20,621	27,389
	<u>261,716</u>	<u>436,011</u>
<b>Water and sewer (<i>Schedule 9</i>)</b>	<u>922,892</u>	<u>1,307,875</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	619,778	619,778
General support grant	45,476	37,737
Municipal programs grant ( <i>formerly VLT revenues</i> )	61,589	61,589
Conditional grants	186,334	188,144
	<u>913,177</u>	<u>907,248</u>
<b>Grants - other</b>		
Federal government - gas tax funding	211,002	200,954
Federal government - other	93,875	11,880
Other local governments	307,335	291,409
	<u>612,212</u>	<u>504,243</u>
<b>Total revenue</b>	<u>\$ 8,216,215</u>	<u>\$ 8,520,814</u>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2016**

**SCHEDULE 3**

	<b>2016</b> <b>Actual</b>	<b>2015</b> <b>Actual</b> <i>(Restated)</i>
<b>General government services</b>		
Legislative	\$ 119,798	\$ 101,874
General administrative	727,736	789,834
Other	18,502	31,880
	<b>866,036</b>	<b>923,588</b>
<b>Protective services</b>		
Police	991,736	1,014,578
Fire	289,351	282,453
Emergency measures	7,359	6,822
Building, electrical and plumbing inspections	45,555	50,348
Bylaw enforcement	21,108	21,627
Animal and pest control	21,154	29,294
Safety inspections	101,942	81,065
	<b>1,478,205</b>	<b>1,486,187</b>
<b>Transportation services</b>		
Road transport		
Administration and engineering	114,953	116,279
Unallocated equipment and operators	443,962	423,487
Unallocated workshop and yard operations	91,161	95,690
Road and streets	208,567	227,401
Sidewalks	30,189	35,997
Boulevards	6,296	7,091
Tree trimming	15,367	11,982
Ditches and road drainage	12,281	22,696
Storm sewers	108,039	97,127
Street cleaning	20,251	20,130
Snow and ice removal	94,389	115,489
Street lighting	86,040	75,981
Traffic services	37,692	28,598
Other	17	-
Air transport	113,370	117,784
Public transit	56,171	57,736
	<b>1,438,745</b>	<b>1,453,468</b>
<b>Environmental health services</b>		
Garbage collection	310,107	231,229
Nuisance grounds	377,227	446,311
Recycling	282,940	263,739
Other	114	317
	<b>970,388</b>	<b>941,596</b>
<b>Public health and welfare services</b>		
Cemeteries	76,876	93,291
Physician retention and recruitment	60,377	81,742
Social welfare and assistance	43,755	43,755
Other	2,300	1,300
	<b>183,308</b>	<b>220,088</b>
<b>Regional planning and development</b>		
Planning and zoning	10,238	10,291
Beautification and land rehabilitation	10,779	4,126
Urban area weed control	8,820	16,350
Christmas lights, decorations, flags	8,574	12,334
	<b>38,411</b>	<b>43,101</b>
<b>Subtotals forward</b>	<b>\$ 4,975,093</b>	<b>\$ 5,068,028</b>

**TOWN OF SWAN RIVER**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2016**

**SCHEDULE 3**

<b>Subtotals forward</b>	<b><u>\$ 4,975,093</u></b>	<b><u>\$ 5,068,028</u></b>
<b>Resource conservation and industrial development</b>		
Veterinary services	5,983	5,586
Water resources and conservation	16,952	16,952
Regional development	66,562	63,075
Industrial development	13,351	8,594
Incentive program for construction development	33,082	47,545
Trailer court	5,436	36,263
Tourism	14,699	14,081
Public receptions	3,437	4,244
	<b><u>159,502</u></b>	<b><u>196,340</u></b>
<b>Recreation and cultural services</b>		
Recreation commission and administration	37,393	61,024
Community centers and halls	124,696	112,704
Swimming pools and beaches	1,293,607	1,383,081
Skating and curling rinks and arenas	538,958	498,288
Parks and playgrounds	143,579	143,403
Museums	4,000	4,000
Libraries	176,516	171,711
	<b><u>2,318,749</u></b>	<b><u>2,374,211</u></b>
<b>Water and sewer services (Schedule 9)</b>	<b><u>1,305,846</u></b>	<b><u>1,231,591</u></b>
<b>Total expenses</b>	<b><u>\$ 8,759,190</u></b>	<b><u>\$ 8,870,170</u></b>



TOWN OF SWAN RIVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
For the Year Ended December 31, 2016

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>										
Property taxes	\$ 4,144,706	\$ 4,117,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	196,868	217,406	-	-	-	-	-	-	-	-
User fees	39,692	50,036	101,755	87,443	107,018	150,533	387,990	238,521	46,809	63,838
Permits, licences and fines	14,671	14,896	54,743	31,016	-	-	-	-	-	-
Investment income	19,016	10,598	343	257	6,417	8,074	212	166	1,941	1,763
Other revenue	116,329	155,454	9	8,266	64,935	3,822	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	726,843	719,104	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	1,873	-	-	1,174	128,868	122,593	-	-	-	-
Grants - other	-	-	2,056	1,784	232,306	216,834	-	-	35,495	35,495
<b>Total revenue</b>	<b>5,259,998</b>	<b>5,284,725</b>	<b>158,906</b>	<b>129,940</b>	<b>539,544</b>	<b>501,856</b>	<b>388,202</b>	<b>238,687</b>	<b>84,245</b>	<b>101,096</b>
<b>EXPENSES</b>										
Personnel services	408,718	450,411	293,627	287,931	602,597	635,592	203,832	187,941	53,306	57,994
Contract services	208,649	145,865	1,008,190	1,026,426	100,325	61,204	648,709	570,361	66,218	59,976
Utilities	28,465	26,957	44,975	42,096	117,372	105,483	13,039	8,899	891	883
Maintenance materials and supplies	37,062	74,652	67,170	68,990	285,728	321,404	15,339	15,830	8,751	9,081
Grants and contributions	-	-	2,055	2,055	18,455	13,536	-	-	43,427	44,349
Amortization	96,677	93,198	59,678	58,362	420,199	424,422	24,156	14,891	5,681	4,967
Equipment cost allocation	184	1,681	1,163	324	(106,681)	(140,980)	59,358	73,098	5,034	8,366
Loss on disposal of capital assets	4,500	-	1,183	-	750	32,736	-	-	-	-
Interest on long term debt	56,269	58,522	-	-	-	-	-	-	-	-
Bad debts	25,050	39,255	-	-	-	-	2,697	67,557	-	2,030
Other	462	33,047	164	3	-	71	3,258	3,019	-	32,442
<b>Total expenses</b>	<b>866,036</b>	<b>923,588</b>	<b>1,478,205</b>	<b>1,486,187</b>	<b>1,438,745</b>	<b>1,453,468</b>	<b>970,388</b>	<b>941,596</b>	<b>183,308</b>	<b>220,088</b>
<b>Annual surplus (deficit)</b>	<b>\$ 4,393,962</b>	<b>\$ 4,361,137</b>	<b>\$ (1,319,299)</b>	<b>\$ (1,356,247)</b>	<b>\$ (899,201)</b>	<b>\$ (951,612)</b>	<b>\$ (582,186)</b>	<b>\$ (702,909)</b>	<b>\$ (99,063)</b>	<b>\$ (118,992)</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, 2016

	Regional Planning and Development		Resource Conservation and Industrial Development		Recreation and Cultural Services		Water and Sewer Services		Total
	2016	2015	2016	2015	2016	2015	2016	2015	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,144,706
Grants in lieu of taxation	-	-	-	-	-	-	-	-	196,868
User fees	1,733	3,697	5,046	2,469	360,269	361,590	-	-	1,050,312
Permits, licences and fines	-	-	-	-	930	951	-	-	70,344
Investment income	26	28	156	246	12,609	947	3,268	3,731	43,988
Other revenue	-	1,406	21,272	(27,444)	59,171	294,507	-	-	261,716
Water and sewer	-	-	-	-	-	-	922,892	1,307,875	922,892
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	726,843
Prov of MB - Conditional Grants	-	-	-	5,063	55,593	59,314	-	-	186,334
Grants - other	3,564	3,564	31,842	34,862	306,949	211,704	-	-	612,212
Total revenue	5,323	8,695	58,316	15,196	795,521	929,013	926,160	1,311,606	8,216,215
<b>EXPENSES</b>									
Personnel services	13,281	14,290	17,811	24,830	953,586	1,003,692	407,279	390,781	2,954,037
Contract services	10,068	6,127	32,627	40,569	183,331	268,013	172,387	139,685	2,430,504
Utilities	197	175	1,221	4,575	228,915	239,247	60,846	53,517	495,921
Maintenance materials and supplies	4,382	9,147	3,841	5,732	140,093	115,258	185,699	184,449	748,065
Grants and contributions	3,551	3,551	98,933	115,783	64,312	54,659	-	-	230,733
Amortization	3,084	3,083	4,141	3,638	544,668	531,238	383,899	374,130	1,542,183
Equipment cost allocation	3,848	6,728	458	1,213	3,967	3,336	32,669	46,234	-
Loss on disposal of capital assets	-	-	-	-	559	-	3,042	-	10,034
Interest on long term debt	-	-	-	-	198,622	157,975	48,655	38,344	303,546
Bad debts	-	-	-	-	140	-	9,422	4,451	37,309
Other	-	-	470	-	556	793	1,948	-	6,858
Total expenses	38,411	43,101	159,502	196,340	2,318,749	2,374,211	1,305,846	1,231,591	8,759,190
Annual surplus (deficit)	\$ (33,088)	\$ (34,406)	\$ (101,186)	\$ (181,144)	\$ (1,523,228)	\$ (1,445,198)	\$ (379,686)	\$ 80,015	\$ (542,975)
									\$ (349,356)

## TOWN OF SWAN RIVER

## SCHEDULE 5

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2016

	Core Government		Controlled Entities		Government Partnerships		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>								
Property taxes	\$ 4,144,706	\$ 4,117,231	\$ -	\$ -	\$ -	\$ -	\$ 4,144,706	\$ 4,117,231
Grants in lieu of taxation	196,868	217,406	-	-	-	-	196,868	217,406
User fees	701,923	596,378	341,188	338,711	7,201	23,038	1,050,312	958,127
Permits, licences and fines	69,414	45,912	-	-	930	951	70,344	46,863
Investment income	29,277	22,026	12,372	1,653	2,339	2,131	43,988	25,810
Other revenue	181,814	188,941	73,187	234,599	6,715	12,471	261,716	436,011
Water and sewer	922,892	1,307,875	-	-	-	-	922,892	1,307,875
Prov of MB - Unconditional Grants	726,843	719,104	-	-	-	-	726,843	719,104
Prov of MB - Conditional Grants	106,132	98,394	25,884	26,550	54,318	63,200	186,334	188,144
Grants - other	226,573	200,954	250,669	153,397	134,970	149,892	612,212	504,243
Total revenue	7,306,442	7,514,221	703,300	754,910	206,473	251,683	8,216,215	8,520,814
<b>EXPENSES</b>								
Personnel services	1,997,654	2,040,124	844,037	859,589	112,346	153,749	2,954,037	3,053,462
Contract services	2,181,913	2,000,579	170,635	249,568	77,956	68,079	2,430,504	2,318,226
Utilities	270,833	244,557	214,819	226,745	10,269	10,530	495,921	481,832
Maintenance materials and supplies	608,173	685,687	113,648	93,049	26,244	25,807	748,065	804,543
Grants and contributions	1,121,617	1,254,167	(806,366)	(916,426)	(84,518)	(103,808)	230,733	233,933
Amortization	976,436	948,374	475,647	470,065	90,100	89,490	1,542,183	1,507,929
Equipment cost allocation	(2,165)	-	2,165	-	-	-	-	-
Loss on disposal of capital assets	9,475	32,736	559	-	-	-	10,034	32,736
Interest on long term debt	104,924	96,866	198,622	157,975	-	-	303,546	254,841
Bad debts	37,169	113,293	-	-	140	-	37,309	113,293
Other	5,668	31,065	470	5,091	720	33,219	6,858	69,375
Total expenses	7,311,697	7,447,448	1,214,236	1,145,656	233,257	277,065	8,759,190	8,870,170
<b>Annual surplus (deficit)</b>	\$ (5,255)	\$ 66,773	\$ (510,936)	\$ (390,746)	\$ (26,784)	\$ (25,382)	\$ (542,975)	\$ (349,356)

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2016

	2016						
	General BL 20/1983	Equipment Replacement BL 01/1997	Employee Benefits BL 09/1993	Fire Truck Replacement BL 05/1997	Fire Fighting Equipment BL 06/1992	Recreation Facilities BL 04/2000	Landfill Closure BL 14/2012
<b>REVENUE</b>							
Investment income	\$ 1,592	\$ 3,187	\$ 1,484	\$ 319	\$ -	\$ 655	\$ 212
<b>TRANSFERS</b>							
Transfers from general operating fund	2,500	140,000	5,000	-	-	240,186	6,000
Transfers from utility operating fund	-	-	-	-	-	-	-
Transfers to general operating fund	-	-	(38,963)	-	-	(45,017)	-
Transfers to utility operating fund	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(27,371)	(45,000)	-	-	-	(150,931)	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	(23,279)	98,187	(32,479)	319	-	44,893	6,212
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	208,292	375,593	185,885	39,552	29	659	24,338
<b>FUND SURPLUS, END OF YEAR</b>	\$ 185,013	\$ 473,780	\$ 153,406	\$ 39,871	\$ 29	\$ 45,552	\$ 30,550

TOWN OF SWAN RIVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
For the Year Ended December 31, 2016

	2016				2015
	Federal Gas Tax Funding BL 02/2006	Utility Replacement BL 25/1995	Handi Transit Replacement BL 30/1988	Total	Total
<b>REVENUE</b>					
Investment income	\$ 1,212	\$ 3,268	\$ 1,408	\$ 13,337	\$ 14,863
<b>TRANSFERS</b>					
Transfers from general operating fund	211,002	-	500	605,188	379,454
Transfers from utility operating fund	-	110,000	-	110,000	80,000
Transfers to general operating fund	-	-	(41,650)	(125,630)	-
Transfers to utility operating fund	(93,786)	-	-	(93,786)	(127,585)
Acquisition of tangible capital assets	(145,652)	-	-	(368,954)	(457,395)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(27,224)	113,268	(39,742)	140,155	(110,663)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	117,451	369,342	192,158	1,513,299	1,623,962
<b>FUND SURPLUS, END OF YEAR</b>	\$ 90,227	\$ 482,610	\$ 152,416	\$ 1,653,454	\$ 1,513,299

TOWN OF SWAN RIVER

SCHEDULE OF TRUST FUNDS

For the Year Ended December 31, 2016

SCHEDULE 7

	Birchwood Cemetery Perpetual Care	Swan Valley Community Round Table	Swan Valley Employment & Training Project	Swan Valley Christmas Cheer Board	Swan River Skateboard Union	Swan Valley Stampede Junior "A" Hockey Club	Swan River Dolyna Dancers	Swan Valley Refugee Committee	Swan River Fire Department	Total	
										2016	2015
<b>ASSETS</b>											
Cash and temporary investments	\$ 178,874	\$ 1,563	\$ -	\$ 820	\$ 396	\$ -	\$ -	\$ 2,830	\$ 50	\$ 184,533	\$ 169,335
<b>REVENUES</b>											
Contributions and donations	\$ -	\$ -	\$ 285,239	\$ 2,100	\$ -	\$ 1,000	\$ 1,000	\$ 9,180	\$ 50	\$ 298,569	\$ 267,837
Cemetery plot sales	19,044	-	-	-	-	-	-	-	-	19,044	16,068
Investment income	1,339	13	-	-	-	-	-	-	-	1,352	1,412
	20,383	13	285,239	2,100	-	1,000	1,000	9,180	50	318,965	285,317
<b>EXPENDITURES</b>											
Cemetery maintenance	6,824	-	-	-	-	-	-	-	-	6,824	8,319
Distribution to beneficiaries	-	-	285,239	1,280	2,074	1,000	1,000	6,350	-	296,943	268,247
	6,824	-	285,239	1,280	2,074	1,000	1,000	6,350	-	303,767	276,566
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	13,559	13	-	820	(2,074)	-	-	2,830	50	15,198	8,751
Fund balances, beginning of year	165,315	1,550	-	-	2,470	-	-	-	-	169,335	160,584
<b>FUND BALANCES, END OF YEAR</b>	\$ 178,874	\$ 1,563	\$ -	\$ 820	\$ 396	\$ -	\$ -	\$ 2,830	\$ 50	\$ 184,533	\$ 169,335

**TOWN OF SWAN RIVER**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**As at December 31, 2016**

**SCHEDULE 8**

	<u>2016</u>	<u>2015</u> <i>(Restated)</i>
<b>FINANCIAL ASSETS</b>		
Amounts receivable	<u>\$ 351,617</u>	<u>\$ 559,345</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>\$ 103,611</u>	<u>\$ 99,072</u>
Deferred revenue	<u>190,519</u>	<u>186,444</u>
Long-term debt (Note 12)	<u>1,236,483</u>	<u>841,614</u>
Due to General Operating Fund	<u>356,348</u>	<u>358,914</u>
	<u>1,886,961</u>	<u>1,486,044</u>
<b>NET DEBT</b>	<u>\$ (1,535,344)</u>	<u>\$ (926,699)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets <i>(Schedule 1)</i>	<u>\$ 11,825,915</u>	<u>\$ 11,716,825</u>
Inventories (Note 5)	<u>326,801</u>	<u>275,141</u>
Prepaid expenses	<u>-</u>	<u>14,108</u>
	<u>12,152,716</u>	<u>12,006,074</u>
<b>FUND SURPLUS</b>	<u><u>\$ 10,617,372</u></u>	<u><u>\$ 11,079,375</u></u>

TOWN OF SWAN RIVER  
 SCHEDULE OF UTILITY OPERATIONS  
 For the Year Ended December 31, 2016

SCHEDULE 9

	2016 Budget	2016 Actual	2015 Actual (Restated)
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 572,000	\$ 478,927	\$ 506,595
<b>Sewer</b>			
Sewer fees	283,000	234,279	250,711
Lagoon tipping fees	10,000	15,160	3,787
	<u>293,000</u>	<u>249,439</u>	<u>254,498</u>
<b>Government transfers</b>			
Operating	-	-	3,900
Capital	850,000	-	350,000
	<u>850,000</u>	<u>-</u>	<u>353,900</u>
<b>Other</b>			
Hydrant rentals	13,650	13,975	13,650
Connection charges	75,000	62,874	105,792
Installation service	1,500	1,576	1,600
Penalties	2,000	1,747	2,190
Contributed tangible capital assets	-	38,640	-
Investment income	5,000	1,019	4,735
Administration fees	72,100	63,810	63,940
Other income	70,275	10,885	975
	<u>239,525</u>	<u>194,526</u>	<u>192,882</u>
<b>Total revenue</b>	<u>1,954,525</u>	<u>922,892</u>	<u>1,307,875</u>



TOWN OF SWAN RIVER  
**SCHEDULE OF UTILITY OPERATIONS**  
For the Year Ended December 31, 2016

**SCHEDULE 9**

	2016 Budget	2016 Actual	2015 Actual (Restated)
<b>EXPENSES</b>			
<b>General</b>			
Administration	201,400	193,136	188,890
Training costs	10,650	10,043	10,335
Billing and collection	11,000	33,447	12,643
	<u>223,050</u>	<u>236,626</u>	<u>211,868</u>
<b>Water General</b>			
Purification and treatment	153,200	136,791	130,671
Transmission and distribution	137,500	84,544	139,519
Service of supply	14,725	10,855	9,655
Connection costs	138,000	117,308	174,490
Water meters	17,000	13,487	22,232
	<u>460,425</u>	<u>362,985</u>	<u>476,567</u>
<b>Water Amortization and Interest</b>			
Amortization	220,828	220,828	218,356
Interest on long term debt	-	-	2,394
	<u>220,828</u>	<u>220,828</u>	<u>220,750</u>
<b>Sewer General</b>			
Collection system costs	55,500	74,470	52,583
Treatment and disposal costs	135,000	139,731	34,560
Lift station costs	69,550	56,438	43,540
	<u>260,050</u>	<u>270,639</u>	<u>130,683</u>
<b>Sewer Amortization and Interest</b>			
Amortization	166,113	166,113	155,773
Interest on long term debt	48,655	48,655	35,950
	<u>214,768</u>	<u>214,768</u>	<u>191,723</u>
<b>Total expenses</b>	<u>1,379,121</u>	<u>1,305,846</u>	<u>1,231,591</u>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	575,404	(382,954)	76,284
<b>TRANSFERS</b>			
Transfers from reserve funds	293,786	93,786	302,585
Transfers to reserve funds	(110,000)	(110,000)	(80,000)
Transfers to general operating fund	-	(62,835)	-
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ 759,190</u>	<u>(462,003)</u>	<u>298,869</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>			
As previously reported		11,079,375	11,249,755
Prior period adjustment			
Storm sewer infrastructure moved to General Fund		-	(469,249)
As restated		<u>11,079,375</u>	<u>10,780,506</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 10,617,372</u>	<u>\$ 11,079,375</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET  
For the Year Ended December 31, 2016

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAB Budget
<b>REVENUE</b>							
Property taxes	\$ 4,197,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,197,132
Grants in lieu of taxation	196,259	-	-	-	-	-	196,259
User fees	663,206	-	-	-	-	380,884	1,044,090
Permits, licences and fines	47,111	-	-	-	-	-	47,111
Investment income	8,000	-	-	-	-	2,548	10,548
Other revenue	443,169	-	-	-	-	44,098	487,267
Water and sewer	-	1,954,525	-	-	-	-	1,954,525
Grants - Province of Manitoba	757,867	-	-	-	-	77,725	835,592
Grants - other	211,002	-	-	-	-	301,943	512,945
Transfers from reserves	50,274	293,786	-	-	(344,060)	-	-
Transfers from accumulated surplus	165,000	175,228	-	-	(340,228)	-	-
<b>Total revenue</b>	<b>6,739,020</b>	<b>2,423,539</b>	<b>-</b>	<b>-</b>	<b>(684,288)</b>	<b>807,198</b>	<b>9,285,469</b>
<b>EXPENSES</b>							
General government services	773,776	-	93,000	56,269	1,482	-	924,527
Protective services	1,489,815	-	58,500	-	-	2,085	1,550,400
Transportation services	854,008	-	312,500	-	-	68,003	1,234,511
Environmental health services	1,041,360	-	15,000	-	-	(5,007)	1,056,360
Public health and welfare services	206,905	-	5,000	-	-	5,132	206,898
Regional planning and development	36,200	-	3,000	-	-	-	44,332
Resource conservation & industrial development	125,142	-	1,500	-	-	27,586	154,228
Recreation and cultural services	966,786	-	56,000	161,075	-	1,097,442	2,281,303
Water and sewer services	-	943,525	404,000	48,656	-	-	1,396,181
Fiscal services:							
Transfer to capital	200,000	1,101,000	(1,301,000)	-	-	-	-
Debt charges	449,044	93,786	-	(542,830)	-	-	-
Tax discount and short term interest	600	-	-	-	(600)	-	-
Transfers to reserves	594,502	110,000	-	-	(704,502)	-	-
Transfers to prior year's deficit	-	175,228	-	-	(175,228)	-	-
Allowance for tax assets	882	-	-	-	(882)	-	-
<b>Total expenses</b>	<b>6,739,020</b>	<b>2,423,539</b>	<b>(352,500)</b>	<b>(276,830)</b>	<b>(879,730)</b>	<b>1,195,241</b>	<b>8,848,740</b>
<b>Annual surplus (deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 352,500</b>	<b>\$ 276,830</b>	<b>\$ 195,442</b>	<b>\$ (388,043)</b>	<b>\$ 436,729</b>

TOWN OF SWAN RIVER  
ANALYSIS OF TAXES ON ROLL  
For the Year Ended December 31, 2016

SCHEDULE 11

	<u>2016</u>	<u>2015</u>
<b>Balance, beginning of year</b>	<b>\$ 360,160</b>	<b>\$ 563,357</b>
<b>Add:</b>		
Tax levy ( <i>Schedule 12</i> )	6,595,505	6,651,602
Taxes added	44,435	97,296
Penalties or interest	35,706	66,011
Other accounts added	14,697	9,465
Taxes overpaid	13,526	11,650
Tax sale costs	11,740	8,728
Other adjustments	-	763
	<u>6,715,609</u>	<u>6,845,515</u>
<b>Deduct:</b>		
Cash collections - current	5,726,900	5,711,216
Cash collections - arrears	334,364	417,829
Cancellations and writeoffs	24,348	103,987
Tax discounts	462	35,871
Manitoba Education Property Tax Credit - cash advance	722,661	723,195
Manitoba Education Property Tax Credit - additional	4,200	-
Transfers re tax sale	4,907	56,614
	<u>6,817,842</u>	<u>7,048,712</u>
<b>Balance, end of year</b>	<b><u>\$ 257,927</u></b>	<b><u>\$ 360,160</u></b>

**TOWN OF SWAN RIVER  
ANALYSIS OF TAX LEVY  
For the Year Ended December 31, 2016**

**SCHEDULE 12**

	2016		2015	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Mill Rate (At Large)	\$ 158,237,480	0.675	\$ 106,810	\$ 106,655
Mill Rate (At Large) Per Parcel	195,327,920	1.151	224,822	-
			100,082	-
			<u>431,714</u>	<u>106,655</u>
Intergovernmental Affairs	158,237,480	0.344	<u>54,434</u>	<u>53,810</u>
Reserves:				
General (20/1983)	158,237,480	0.015	2,374	2,484
Machinery replacement (01/1997)	158,237,480	0.837	132,445	132,180
Employee benefits (09/1993)	158,237,480	0.030	4,747	4,829
Fire truck replacement (05/1997)	158,237,480	0.000	-	18,903
Recreation facilities (04/2000)	158,237,480	1.375	217,577	-
Landfill closure (14/2012)	158,237,480	0.036	5,697	5,795
			<u>362,840</u>	<u>164,191</u>
General Municipal	158,237,480	7.000	<u>1,107,662</u>	<u>1,834,521</u>
Special levies:				
Fire, streets, emergency, doctor	195,327,920	5.399	1,054,575	1,417,125
Police protection	195,327,920	2.813	549,457	194,958
Garbage, recycling, landfill per residence or dumpster			464,278	177,699
			<u>2,068,310</u>	<u>1,789,782</u>
Business tax (rate%)	5,375,500	1.40%	<u>75,257</u>	<u>69,573</u>
<b>Total municipal taxes (Schedule 2)</b>			<u><b>4,100,217</b></u>	<u>4,018,532</u>
Education support levy	46,453,210	10.500	487,759	469,588
Special levy: Swan Valley School Division	149,414,210	13.436	<u>2,007,529</u>	<u>2,163,482</u>
<b>Total education taxes</b>			<u><b>2,495,288</b></u>	<u>2,633,070</u>
<b>Total tax levy (Schedule 11)</b>			<u><b>\$ 6,595,505</b></u>	<u>\$ 6,651,602</u>

**TOWN OF SWAN RIVER**  
**ANALYSIS OF SCHOOL ACCOUNTS**  
**For the Year Ended December 31, 2016**

**SCHEDULE 13**

	2016			2015
	Opening Balance	Current Requirement	Current Payment	Ending Balance
Education support levy	\$ -	\$ 527,625	\$ 527,625	\$ -
Special levies				
Swan Valley School Division	-	2,129,599	2,129,599	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,657,224</b>	<b>\$ 2,657,224</b>	<b>\$ -</b>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2016

	2016 Actual	2015 Actual (Restated)
<b>General government services</b>		
Legislative	\$ 119,798	\$ 101,874
General administrative	570,290	638,114
Other	18,502	31,880
	<u>708,590</u>	<u>771,868</u>
<b>Protective services</b>		
Police	991,736	1,014,578
Fire	230,074	225,823
Emergency measures	6,033	5,925
Building, electrical and plumbing inspections	45,555	50,348
Bylaw enforcement	21,108	21,627
Animal and pest control	21,154	29,294
Safety inspections	100,358	79,333
	<u>1,416,018</u>	<u>1,426,928</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	114,204	115,530
Unallocated equipment and operators	299,425	242,990
Unallocated workshop and yard operations	88,621	93,150
Roads and streets	102,986	117,384
Sidewalks	7,021	13,986
Boulevards	6,296	7,091
Tree trimming	15,367	11,982
Ditches and road drainage	12,281	22,696
Storm sewers	35,498	23,773
Street cleaning	20,251	20,130
Snow and ice removal	94,389	115,489
Street lighting	84,179	74,536
Traffic services	34,947	25,671
Other	17	-
Air transport	28,658	21,486
Public transit	20,750	21,750
	<u>964,890</u>	<u>927,644</u>
<b>Environmental health services</b>		
Garbage collection	310,107	231,229
Nuisance grounds	363,218	441,567
Recycling	272,793	253,592
Other	114	317
	<u>946,232</u>	<u>926,705</u>
<b>Public health and welfare services</b>		
Cemeteries	71,196	88,324
Physician retention and recruitment	63,273	54,307
Social welfare and assistance	43,755	43,755
Other	2,300	1,300
	<u>180,524</u>	<u>187,686</u>
<b>Regional planning and development</b>		
Planning and zoning	5,300	5,300
Beautification and land rehabilitation	10,779	4,126
Urban area weed control	8,820	16,350
Christmas lights, decorations, flags	5,490	9,251
	<u>30,389</u>	<u>35,027</u>
<b>Subtotals forward</b>	<u>\$ 4,246,643</u>	<u>\$ 4,275,858</u>

## SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2016

<b>Subtotals forward</b>	<b><u>\$ 4,246,643</u></b>	<b><u>\$ 4,275,858</u></b>
<b>Resource conservation and industrial development</b>		
Veterinary services	5,983	5,586
Water resources and conservation	16,952	16,952
Regional development	38,558	56,146
Incentive program for construction development	33,082	47,545
Trailer court	5,436	36,263
Tourism	13,016	12,398
Public receptions	3,437	4,244
	<b><u>116,464</u></b>	<b><u>179,134</u></b>
<b>Recreation and cultural services</b>		
Recreation commission and administration	21,488	28,431
Community centers and halls	48,461	38,020
Swimming pools and beaches	462,502	628,631
Skating and curling rinks and arenas	280,834	229,117
Parks and playgrounds	82,012	87,315
Museums	4,000	4,000
Libraries	75,249	66,017
	<b><u>974,546</u></b>	<b><u>1,081,531</u></b>
<b>Total expenses</b>	<b><u><u>\$ 5,337,653</u></u></b>	<b><u><u>\$ 5,536,523</u></u></b>

TOWN OF SWAN RIVER

SCHEDULE 17

RECONCILIATION OF ANNUAL DEFICIT  
For the Year Ended December 31, 2016

	2016		2015
	General	Utility	Total
<b>MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ 19,000	\$ (176,224)	\$ (157,224)
			\$ (585,000)
<b>Adjustments for reporting under public sector accounting standards</b>			
Eliminate expense - transfers to reserves	604,688	110,000	714,688
Eliminate revenue - transfers from reserves	(477,430)	(93,786)	(571,216)
Increase revenue - reserve funds interest	10,069	3,268	13,337
Decrease revenue - net deficit of consolidated entities	(537,720)	-	(537,720)
Decrease expense - transfer to consolidated entity	336,107	-	336,107
Eliminate revenue and expense - contribution from utility to general operating fund	(62,835)	62,835	-
Increase expense - amortization of tangible capital assets	(592,537)	(383,900)	(976,437)
Decrease revenue - proceeds from long term debt	-	(440,000)	(440,000)
Decrease expense - principal portion of debenture debt payments	56,668	45,131	101,799
Decrease revenue - proceeds from accounts payable	(51,990)	-	(51,990)
Eliminate expense - acquisitions of tangible capital assets	558,169	492,990	1,051,159
Decrease revenue - contribution of tangible capital assets	(5,590)	-	(5,590)
Eliminate proceeds from dispositions of tangible capital assets	(495)	-	(495)
Increase revenue - gain on sale of tangible capital assets	-	-	-
Increase expense - loss on dispositions of tangible capital assets	(6,433)	-	(6,433)
Increase expense - maintenance materials and supplies in capital fund	(12,960)	-	(12,960)
	\$ (163,289)	\$ (379,686)	\$ (542,975)
<b>NET DEFICIT PER CONSOLIDATED STATEMENT OF OPERATIONS</b>			\$ (349,356)