

Town of Carman

**Consolidated Financial Statements
For the Year Ended December 31, 2024**


STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Carman 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 Town 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.

BDO Canada LLP as the Town's appointed external auditors, have audited the consolidated financial statements. The auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Town in accordance with Canadian Public Sector Accounting Standards.



Susan Stein, CMMA, CLGED, Chief Administrative Officer

October 8, 2025

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Members of Council of the Town of Carman

Opinion

We have audited the consolidated financial statements of the Town of Carman and its controlled entities (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of operations, change in net debt, 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 consolidated financial position of the Town as at December 31, 2024, and its consolidated results of operations, its consolidated change in net debt, and its consolidated 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 misstatement, 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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP

Chartered Professional Accountants

Winnipeg, Manitoba
October 8, 2025

Town of Carman
Consolidated Financial Statements
For the Year Ended December 31, 2024

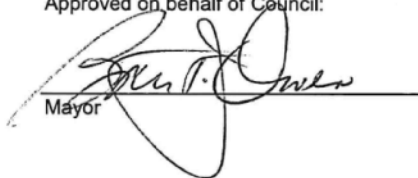
Statement of Responsibility	2
Independent Auditor's Report	3
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Debt	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9
Schedule 1 - Consolidated Schedule of Tangible Capital Assets	22
Schedule 2 - Consolidated Schedule of Revenues	23
Schedule 3 - Consolidated Schedule of Expenses	24
Schedule 4 - Consolidated Statement of Operations by Program	26
Schedule 5 - Consolidated Details and Reconciliation to Core Government Results	28
Schedule 6 - Schedule of Change in Reserve Fund Balances	29
Schedule 7 - Schedule of L.U.D. Operations	30
Schedule 8 - Schedule of Financial Position for Utilities	31
Schedule 9 - Schedule of Utility Operations	32
Schedule 10 - Reconciliation of the Financial Plan to the Budget	33
Schedule 11 - Analysis of Taxes on Roll	34
Schedule 12 - Analysis of Tax Levy	35
Schedule 13 - Schedule of General Operating Fund Expenses	36
Schedule 14 - Reconciliation of Annual Surplus (Deficit)	37

Town of Carman
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	<u>2024</u>	<u>2023</u>
FINANCIAL ASSETS		
Cash and temporary investment (Note 3)	\$ 3,616,357	\$ 3,416,509
Amounts receivable (Note 4)	1,268,560	1,265,098
Other assets	17,446	44,132
	<u>4,902,363</u>	<u>4,725,739</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	972,314	1,275,881
Deferred revenue (Note 7)	736,994	1,062,135
Asset retirement obligation (Note 8)	13,423	147,305
Long-term debt (Note 9)	<u>5,182,238</u>	<u>5,535,978</u>
	<u>6,904,969</u>	<u>8,021,299</u>
NET DEBT	<u>(2,002,606)</u>	<u>(3,295,560)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	30,922,362	31,370,738
Inventories (Note 5)	115,733	115,733
Prepaid expenses	<u>36,638</u>	<u>97,250</u>
	<u>31,074,733</u>	<u>31,583,721</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 29,072,127</u>	<u>\$ 28,288,161</u>

COMMITMENTS (Note 10)

Approved on behalf of Council:


 Mayor


 Deputy Mayor

The accompanying notes are an integral part of these financial statements.

Town of Carman
CONSOLIDATED STATEMENT OF OPERATIONS
Year Ended December 31, 2024

	2024 Budget (Schedule 10)	2024 Actual	2023 Actual
REVENUE			
Property taxes	\$ 3,729,234	\$ 4,140,603	\$ 3,900,939
Grants in lieu of taxation	129,957	40,773	44,562
User fees	1,045,821	1,077,250	993,886
Permits, licenses and fines	257,598	226,769	218,393
Investment income	16,701	115,229	146,422
Other revenue	506,311	87,328	152,096
Water and sewer	1,692,590	1,896,235	1,989,252
Grants - Province of Manitoba	832,663	1,512,120	1,292,015
Grants - other	1,111,487	1,254,601	1,073,328
Total revenue (Schedules 2, 4 and 5)	<u>9,322,362</u>	<u>10,350,908</u>	<u>9,810,893</u>
EXPENSES			
General government services	815,752	1,047,533	950,368
Protective services	1,080,799	1,023,516	1,120,456
Transportation services	1,673,797	1,686,199	1,545,853
Environmental health services	477,782	485,180	523,556
Public health and welfare services	319,368	336,179	336,006
Regional planning and development	290,930	233,902	250,076
Resource conservation and industrial development	176,190	340,315	181,803
Recreation and cultural services	1,937,733	2,332,257	2,019,774
Water and sewer services	1,958,198	2,081,861	1,869,223
Allowance for tax assets	-	-	-
Transfer to reserves	-	-	-
Total expenses (Schedules 3, 4 and 5)	<u>8,730,549</u>	<u>9,566,942</u>	<u>8,797,115</u>
ANNUAL SURPLUS	<u>\$ 591,813</u>	<u>783,966</u>	<u>1,013,778</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>28,288,161</u>	<u>27,274,383</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 29,072,127</u>	<u>\$ 28,288,161</u>

The accompanying notes are an integral part of these financial statements.

Town of Carman
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
Year Ended December 31, 2024

	2024 Budget (Note 12)	2024 Actual	2023 Actual
ANNUAL SURPLUS	<u>\$ 591,813</u>	<u>\$ 783,966</u>	<u>\$ 1,013,778</u>
Acquisition of tangible capital assets	(1,425,976)	(1,425,976)	(1,675,732)
Amortization of tangible capital assets	1,230,565	1,229,802	1,184,204
Loss (gain) on disposal of tangible capital assets	-	-	(12,967)
Proceeds on disposal of tangible capital assets	-	644,550	145,947
Increase in prepaid expense	<u>-</u>	<u>60,612</u>	<u>(66,615)</u>
	<u>(195,411)</u>	<u>508,988</u>	<u>(425,163)</u>
CHANGE IN NET FINANCIAL DEBT	<u><u>\$ 396,402</u></u>	<u>1,292,954</u>	<u>588,615</u>
NET DEBT, BEGINNING OF YEAR		<u>(3,295,560)</u>	<u>(3,884,175)</u>
NET DEBT, END OF YEAR		<u><u>\$ (2,002,606)</u></u>	<u><u>\$ (3,295,560)</u></u>

The accompanying notes are an integral part of these financial statements.

Town of Carman
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 783,966	\$ 1,013,778
Changes in non-cash items:		
Amounts receivable	(3,462)	447,780
Prepays	60,612	(66,615)
Accounts payable and accrued liabilities	(303,567)	(185,308)
Asset retirement obligation	(133,883)	6,227
Other assets	26,686	22,728
Deferred revenue	(325,141)	711,070
Loss (gain) on sale of tangible capital asset	-	(12,967)
Amortization	1,229,802	1,184,204
Cash provided by operating transactions	<u>1,335,013</u>	<u>3,120,897</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	644,550	145,947
Cash used to acquire tangible capital assets	<u>(1,425,976)</u>	<u>(1,675,732)</u>
Cash applied to capital transactions	<u>(781,426)</u>	<u>(1,529,785)</u>
INVESTING TRANSACTIONS		
Cash applied to investing transactions	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	3,011,942
Debt repayment	<u>(353,740)</u>	<u>(331,332)</u>
Cash applied to financing transactions	<u>(353,740)</u>	<u>2,680,610</u>
INCREASE IN CASH	199,847	4,271,722
CASH, BEGINNING OF YEAR	<u>3,416,509</u>	<u>(855,213)</u>
CASH, END OF YEAR	<u>\$ 3,616,356</u>	<u>\$ 3,416,509</u>
CASH COMPRISED OF:		
Bank indebtedness	\$ -	\$ -
Cash and temporary investment	<u>3,616,357</u>	<u>3,416,509</u>
	<u>\$ 3,616,357</u>	<u>\$ 3,416,509</u>

The accompanying notes are an integral part of these financial statements.

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

1. Status of the Town of Carman

The incorporated Town of Carman (the Town) is a municipal government that was created in 1905 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 one 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 ("PSAS") as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, accumulated surplus, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of 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 of 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-company balances and transactions have been eliminated. At December 31, 2024, the Municipality has no controlled organizations.

The Town has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment 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 include:

Boyne Regional Library	50%	(50% in 2023)
Carman & Community Health Centre	50%	(50% in 2023)
Pembina Valley Water Cooperative Inc.	4.54%	(4.54% in 2023)

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of 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) Financial Instruments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition are measured at fair value. Amounts receivable, portfolio investment, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the Consolidated Statement of Financial Position.

Interest and dividends attributable to financial instruments are reported in the Consolidated Statement of Operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

2. Significant Accounting Policies (continued)

c) Financial Instruments (continued)

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated Statement of Operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

As the Town has no remeasurement gains or losses, this statement has not been presented.

d) 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.

e) 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 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

2. Significant Accounting Policies (continued)

e) Tangible Capital Assets (continued)

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.

f) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or 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.

g) 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.

h) Employee Future Benefits

The Municipality pays the employer portion of a multi-employer defined benefit pension plan handled by the Municipal Employees' Pension Plan ("MEPP") for its employees. Under this plan, specific fixed amounts are contributed by the Municipality each period for services rendered by the employees matching employee contributions.

For those defined benefit obligations that vest such as a portion of sick pay, the benefit costs are recognized and recorded as an expense and a liability in the period in which employees render services to the Municipality in return for the benefits.

For those defined benefit plans that accumulate but do not vest such as the non-vesting portion of sick pay, the benefit costs are recognized and recorded only in the period when the employee is sick given that the liability for sick pay benefits has been determined to be insignificant at year end.

i) Revenue Recognition

Taxation revenue is recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

User fees are recognized as revenue when services are rendered or when consumption occurs.

Permits and licenses are recognized as revenue when issued. Fines are recognized as revenue when assessed.

Investment revenue is recognized in the period earned.

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 only be used 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.

2. Significant Accounting Policies (continued)

i) Revenue Recognition (continued)

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.

j) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

k) Measurement Uncertainty

Estimates are used by management to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated 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. Actual results could differ from management's best estimates as additional information becomes available in the future.

Measurement uncertainty in these financial statements exists in the estimate of asset retirement obligations. The liability associated with asset retirement obligations reflects the best estimates by management of the amount required to remediate such liabilities, the timing when such remediation will occur, and the estimated future cash flows associated with asset retirement discounted to the financial statement date. The actual future cash flows and timing of obligations arising from asset retirement may differ significantly from these estimates.

l) Future Changes in Accounting Standards

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

- The Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of PSAS 1000 (Financial Statement Concepts) and PSAS 1100 (Financial Statement Objectives) for fiscal years beginning on or after January 1, 2027. The Conceptual Framework is applied prospectively.
- PSAS 1202, Financial Statement Presentation, replaces PSAS 1201 for fiscal years beginning January 1, 2027.

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

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

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

3. Cash

	<u>2024</u>	<u>2023</u>
Cash	<u>\$ 3,616,357</u>	<u>\$ 3,416,509</u>

The Town has designated funds to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 - Schedule of Change in Reserve Fund Balances.

The Town has a \$1.5 million line of credit bearing interest at prime minus 0.50% (4.95% effective rate), and secured by a general security agreement and pledge of taxes. As at December 31, 2024 and 2023, the balance was unutilized.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2024</u>	<u>2023</u>
Taxes on roll (Schedule 11)	\$ 329,957	\$ 317,013
Government grants	24,000	-
Utility customers	292,867	232,172
Organizations and individuals	619,833	688,095
Other governments	1,903	27,818
	<u>1,268,560</u>	<u>1,265,098</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,268,560</u>	<u>\$ 1,265,098</u>

5. Inventories

	<u>2024</u>	<u>2023</u>
Water meters	\$ 36,885	\$ 36,885
Drain plates	65,758	65,758
Other supplies	13,090	13,090
	<u>\$ 115,733</u>	<u>\$ 115,733</u>

6. Accounts Payable and Accrued Liabilities

	<u>2024</u>	<u>2023</u>
Accounts payable	\$ 633,555	\$ 995,180
Accrued expenses	333,894	221,837
School levies	4,865	58,864
	<u>\$ 972,314</u>	<u>\$ 1,275,881</u>

7. Deferred Revenue

	<u>2024</u>	<u>2023</u>
Regional Water Treatment Facility - Provincial Funding	\$ 505,666	\$ 462,846
Building Sustainable Communities - Province of Manitoba	-	400,272
Property taxes	231,328	199,017
	<u>\$ 736,994</u>	<u>\$ 1,062,135</u>

8. Asset Retirement Obligations

The Town's consolidated financial statements include asset retiring obligations retiring asbestos on its buildings.

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 147,305	\$ 141,078
Additions	-	-
Retirement expense	-	-
Change in estimates	(134,493)	-
Accretion expense	611	6,227
Closing balance	<u>\$ 13,423</u>	<u>\$ 147,305</u>

The asset retirement liability has been estimated using a net present value technique using the assumptions as described below. The related asset retirement costs are being amortized on a straight-line basis over the remaining useful lives of the assets.

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

8. Asset Retirement Obligations (continued)

a) Asbestos

Legislation requires the municipality to appropriately handle and dispose of any material containing asbestos and lead paint when renovating or demolishing a municipal structure. The municipality owns memorial hall and arena which contain asbestos. The estimated total liability related to the memorial hall and arena amount to \$13,423 (\$12,813 in 2023) which is based on the sum of discounted future cash flows of \$11,622 using a discount rate of 5%. The asset cost capitalized has an estimated useful life of 24 to 30 years. The estimated total undiscounted future expenditure is \$29,367, which will be incurred at the end of the assets' useful lives.

9. Long-term Debt

	2024	2023
<u>General Authority</u>		
By-Law 04/1875 \$ 100,000 Debenture, interest at 6.25%, payable at \$8,433 annually including interest, maturing December, 2024.	\$ -	\$ 9,126
By-Law 07/1896 \$ 100,000 Debenture, interest at 5.50%, payable at \$8,892 annually including interest, maturing December, 2024.	-	8,428
By-Law 09/1947 \$ 600,000 Debenture, interest at 5.42%, payable at \$61,240 annually including interest, maturing December, 2030.	249,785	284,253
By-Law 16/2010 \$ 750,000 Debenture, interest at 2.90%, payable at \$87,475 annually including interest, maturing December, 2025.	85,010	167,623
By-Law 19/2039 \$ 825,000 Debenture, interest at 3.56%, payable at \$71,937 annually including interest, maturing April 2034.	596,464	645,423
Laycock - Industrial Park \$ 1,183,500 Long-term debt, interest free, payable at \$27,000 annually, maturing January 2036.	325,500	352,500
	<u>\$ 1,256,759</u>	<u>\$ 1,467,353</u>
<u>Utility Funds</u>		
By-Law 23/2063 \$2,960,000 Debenture, interest at 5.25%, payable at \$290,012 annually including interest, maturing December, 2037.	\$ 2,683,708	\$ 2,825,388
By-Law 08/1922 \$650,000 Debenture, interest at 5.50%, payable at \$54,392 annually including interest, maturing December, 2028.	190,651	232,268
	<u>\$ 2,874,359</u>	<u>\$ 3,057,656</u>

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

9. Long-term Debt (continued)

Pembina Valley Water Co-operative Inc.

CIBC demand facility bearing interest at 2.49% per annum, repayable in monthly payments consisting of principal of \$3,609 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-op receives/pays the difference between the floating rate and the fixed rate of 2.49% less a stamping fee of 0.30%. The loan matures on July 29, 2033, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-op.	\$ 413,130	\$ 455,774
CIBC demand facility bearing interest at 4.09% per annum, repayable in monthly payments consisting of principal of \$1,296 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-op receives/pays the difference between the floating rate and the fixed rate of 4.09% less a stamping fee of 0.30%. The loan matures on May 31, 2028, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-op.	278,645	294,197
CIBC demand facility bearing interest at 4.09% per annum, repayable in monthly payments consisting of principal of \$367 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-op receives/pays the difference between the floating rate and the fixed rate of 4.09% less a stamping fee of 0.30%. The loan matures on May 31, 2028, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-op.	38,871	43,271
CIBC demand facility bearing interest at 2.45% per annum, repayable in monthly payments consisting of principal of \$568 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-op receives/pays the difference between the floating rate and the fixed rate of 2.49% less a stamping fee of 0.30%. The loan matures on November 29, 2041, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-op.	115,203	122,013
CIBC demand facility bearing interest at 4.09% per annum, repayable in monthly payments consisting of principal of \$694 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-op receives/pays the difference between the floating rate and the fixed rate of 4.09% less a stamping fee of 0.30%. The loan matures on May 31, 2028, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-op.	87,390	95,714
CIBC demand facility bearing interest at 3.6% per annum, repayable in monthly payments consisting of principal of \$670 and interest at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-op receives/pays the difference between the floating rate and the fixed rate of 4.09%. The loan matures on July 21, 2034, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Co-op.	117,881	-
	<u>1,051,120</u>	<u>1,010,969</u>
	<u>\$ 5,182,238</u>	<u>\$ 5,535,978</u>

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

2025	\$ 451,914
2026	382,024
2027	397,885
2028	414,527
2029	377,598

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

10. Commitments

The Town entered into a contract with Pembina Valley Water Co-operative Inc. that expires in 2034. The contract identifies the annual amount of water the Town has committed to purchase from the co-operative and is volume based.

11. Financial Instruments Risk Management

The Town as part of its operations carries a number of financial instruments. It is management's opinion the Town is not exposed to significant credit, liquidity, interest, currency and market risk arising from these financial instruments, except as otherwise disclosed.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Town is exposed to credit risk through its cash and accounts receivable. The Town holds its cash and bank at a credit union with deposits guaranteed. The Town is not exposed to significant credit risk relating to the accounts receivable as the amounts due are spread among a broad base of ratepayers, payment in full is typically collected when it is due, and balances are secured by real property, and grants are paid pursuant to signed agreements.

Liquidity Risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to liquidity risk through its accounts payable and debt. The Town manages its cash flow to maintain adequate levels of working capital to ensure all its obligations can be met when they fall due.

12. 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.

13. Accumulated Surplus

	<u>2024</u>	<u>2023</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 377,482	\$ 156,989
Utility operating fund - Nominal surplus	598,151	566,144
TCA net of related borrowings	24,505,692	24,079,752
Reserve funds	<u>1,527,746</u>	<u>1,673,460</u>
Accumulated surplus of municipality unconsolidated	27,009,071	26,476,345
Accumulated surpluses of consolidated entities	<u>2,063,056</u>	<u>1,811,816</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 29,072,127</u>	<u>\$ 28,288,161</u>

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

14. 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 \$85,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2024:

a) There were no members of council receiving compensation in excess of \$85,000 individually.

d) The following officers received compensation in excess of \$85,000:

Name	Position	Amount
Annette Middleton	Chief Financial Officer	\$ 87,204
Joe Richardson	Town Foreman/Maintenance	106,902
Susan Stein	Chief Administration Officer	136,590

It is a requirement of The Municipal Act that the annual financial statement 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, 2024:

c) Compensation paid to members of council amounted to \$128,155 in aggregate.

Council Members:

	Compensation	Expenses	Total
Mayor - Brent Owen	\$ 24,045	\$ 2,356	\$ 26,401
Deputy Mayor - Robert Bryson	16,800	1,200	18,000
Councillor - Carly Boklaschuk	15,120	1,200	16,320
Councillor - Lindsay Boeve	15,120	1,914	17,034
Councillor - Richard Dyck	15,645	1,552	17,197
Councillor - Erin Lemky	15,495	1,388	16,883
Councillor - Dale Reimer	15,120	1,200	16,320
	<u>\$ 117,345</u>	<u>\$ 10,810</u>	<u>\$ 128,155</u>

15. 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 Municipality 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 asset.

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

The following table provides historical information on capital grants for tangible with a remaining net book value.

Water Services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water Treatment Plant	\$ 8,858,989	\$ -	\$ 185,347	\$ 8,673,642
	<u>\$ 8,858,989</u>	<u>\$ -</u>	<u>\$ 185,347</u>	<u>\$ 8,673,642</u>

16. Retirement Benefits

The majority of the employees of the Municipality 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) earnings times years of service, plus 2% 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 of Canada Handbook section PS3250 Retirement Benefits.

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 was \$133,465 (\$128,825 in 2023) 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, 2023, indicated the plan was 111.4% funded on a going concern basis and had an unfunded solvency liability of \$24.3 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, 2023.

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. Segmented Information

The Municipality is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government

This relates to the revenues and expenses that relate to the operations of the Town itself and cannot be directly attributed to a specific segment.

Protective Services

Protection is comprised of fire protection, building inspection, emergency operations and animal control services. The fire department is comprised of paid on-call volunteers who provide fire suppression services, fire prevention programs, training and education. The fire department also responds to motor vehicle accidents. The building inspector inspects residential buildings for compliance with the Manitoba Building Code. Emergency operations include the emergency services coordinator as well as the emergency operations centres when required.

Transportation Services

Transportation services is responsible for snow clearing and cleaning streets. The department maintains boulevards and parks as well as maintenance. The department is also responsible for paying for utility costs for street lights.

Environmental Health

The Town operates a waste transfer station for waste disposal.

Public Health

The Town pays the Province of Manitoba an annual levy to administer social assistance to their residents. The Town also assists in the operation of numerous cemeteries.

Regional Planning and Development

The Town is responsible for final decisions on subdivision applications and for its Zoning By-Laws.

Recreation and Cultural Services

The Town provides services in order to improve the health and development of its citizens. Library services are provided by Boyne Regional Library.

Economic Development

The Town's economic development department is responsible for encouraging development within the Town.

Water and Sewer Services

This department maintains the water and sewer utility in the Town, processing and cleaning sewage and ensuring the water and sewer systems meet all provincial standards.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The revenues and expenses that are directly attributable to a particular segment are allocated to that segment.

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2024

18. Government Partnerships

The Town has entered into partnership agreements for municipal services as disclosed in Note 2a. The condensed supplementary financial information of all government partnerships, in aggregate, is as follows:

	<u>2024</u>	<u>2023</u>
Financial Position		
Total assets	<u>\$ 3,631,606</u>	<u>\$ 3,505,834</u>
Total liabilities	<u>\$ 1,568,533</u>	<u>\$ 1,694,017</u>
Accumulated surplus	<u>2,063,073</u>	<u>1,811,817</u>
	<u>\$ 3,631,606</u>	<u>\$ 3,505,834</u>
Results of Operations		
Revenue	<u>\$ 1,036,277</u>	<u>\$ 981,273</u>
Expenses	<u>784,922</u>	<u>761,393</u>
Annual surplus	<u>\$ 251,355</u>	<u>\$ 219,880</u>

Town of Carman
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2024

SCHEDULE 1

	General Capital Assets					Infrastructure				Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2024	2023	
COST											
Opening costs	\$ 2,945,887	\$ 5,985,841	\$ 3,901,021	\$ 724,840	\$ 898,501	\$ 10,200,341	\$ 20,193,596	\$ -	\$ 44,850,027	\$ 43,328,417	
Additions during the year	25,192	455,596	42,277	37,014	270,186	418,569	805,118	-	2,053,952	1,885,401	
Disposals, write downs and transfers	-	-	-	-	(627,976)	-	(648,083)	-	(1,276,059)	(363,791)	
Transfers	-	-	-	-	-	-	-	-	-	-	
Closing costs	2,971,079	6,441,437	3,943,298	761,854	540,711	10,618,910	20,350,631	-	45,627,920	44,850,027	
ACCUMULATED AMORTIZATION											
Opening accum'd amortization	531,512	2,792,861	2,715,244	422,289	-	3,723,605	3,293,778	-	13,479,289	12,316,226	
Amortization	43,029	130,525	252,177	38,397	-	356,293	409,381	-	1,229,802	1,184,204	
Disposals and write downs	-	-	-	-	-	-	(3,533)	-	(3,533)	(21,141)	
Closing accum'd amortization	574,541	2,923,386	2,967,421	460,686	-	4,079,898	3,699,626	-	14,705,558	13,479,289	
Net Book Value of tangible capital assets	\$ 2,396,538	\$ 3,518,051	\$ 975,877	\$ 301,168	\$ 540,711	\$ 6,539,012	\$ 16,651,005	\$ -	\$ 30,922,362	\$ 31,370,738	

Town of Carman
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2024

SCHEDULE 2

	2024 Actual	2023 Actual
PROPERTY TAXES		
Municipal taxes levied (Schedule 12)	\$ 4,096,508	\$ 3,814,631
Taxes added	44,095	86,308
	<u>4,140,603</u>	<u>3,900,939</u>
GRANTS IN LIEU OF TAXATION		
Federal government enterprises	7,692	8,498
Provincial government enterprises	33,081	36,064
	<u>40,773</u>	<u>44,562</u>
USER FEES		
Sales of service	1,051,470	980,341
Sales of goods	7,790	8,244
Rentals	5,300	5,301
Development charges	12,690	-
	<u>1,077,250</u>	<u>993,886</u>
GRANTS - PROVINCE OF MANITOBA		
General assistance payment	861,950	837,389
Conditional grants	650,170	454,626
	<u>1,512,120</u>	<u>1,292,015</u>
GRANTS - OTHER		
Federal government - gas tax funding	178,280	185,755
Federal government - other	104,905	47,903
Other local governments	971,416	839,670
	<u>1,254,601</u>	<u>1,073,328</u>
PERMITS, LICENSES, AND FINES		
Permits	97,646	89,272
Licenses	129,103	129,101
Fines	20	20
	<u>226,769</u>	<u>218,393</u>
INVESTMENT INCOME		
Cash and temporary investments	115,229	146,422
OTHER REVENUE		
Gain on sale of tangible capital assets	-	12,453
Penalties and interest	40,837	25,969
Miscellaneous	46,491	113,674
	<u>87,328</u>	<u>152,096</u>
WATER AND SEWER	<u>1,323,301</u>	<u>1,371,139</u>
CONSOLIDATED WATER CO-OPERATIVES	<u>572,934</u>	<u>618,113</u>
TOTAL REVENUE	<u><u>\$ 10,350,908</u></u>	<u><u>\$ 9,810,893</u></u>

Town of Carman
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2024

SCHEDULE 3

	2024 Actual	2023 Actual
GENERAL GOUVERNMENT SERVICES		
Legislative	\$ 138,224	\$ 132,812
General administrative	423,369	425,824
Other	485,940	391,732
	<u>1,047,533</u>	<u>950,368</u>
PROTECTIVE SERVICES		
Police	535,681	625,802
Fire	462,047	482,166
Emergency measures	17,524	4,659
Other protection	8,264	7,829
	<u>1,023,516</u>	<u>1,120,456</u>
TRANSPORTATION SERVICES		
Road transport		
Administration and engineering	914,239	910,610
Engineering	(3,616)	(4,883)
Road and street maintenance	105,907	49,415
Sidewalk and boulevard maintenance	73,255	41,776
Street lighting	91,764	73,939
Other	479,557	450,714
Air transport	5,092	5,109
Public transit	20,001	19,173
	<u>1,686,199</u>	<u>1,545,853</u>
ENVIRONMENTAL HEALTH SERVICES		
Waste collection and disposal	375,058	405,519
Recycling	-	13
Other	110,122	118,024
	<u>485,180</u>	<u>523,556</u>
PUBLIC HEALTH AND WELFARE SERVICES		
Public health	82,253	74,415
Medical care	250,346	258,013
Social assistance	3,580	3,578
	<u>336,179</u>	<u>336,006</u>
REGIONAL PLANNING AND DEVELOPMENT		
Urban area weed control	-	977
Other	233,902	249,099
	<u>233,902</u>	<u>250,076</u>
Resource Conservation and Industrial Development		
Water resources and conservation	3,019	3,096
Regional development	337,296	178,707
	<u>340,315</u>	<u>181,803</u>
SUB-TOTALS FORWARD	<u>\$ 5,152,824</u>	<u>\$ 4,908,118</u>

Town of Carman
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2024

SCHEDULE 3

	2024	2023
	Actual	Actual
SUB-TOTALS FORWARD	\$ 5,152,824	\$ 4,908,118
RECREATION AND CULTURAL SERVICES		
Administration	769,465	706,268
Community centers and halls	824,264	680,016
Swimming pools and beaches	127,967	63,016
Golf courses	-	-
Skating rinks	-	7,128
Parks and playgrounds	71,673	74,151
Other recreational facilities	23,007	15,246
Museums	6,400	5,835
Libraries	238,317	234,165
Other cultural facilities	271,164	233,949
	<u>2,332,257</u>	<u>2,019,774</u>
WATER AND SEWER SERVICES (SCHEDULE 9)	1,712,473	1,493,052
CONSOLIDATED WATER CO-OPERATIVES	369,388	376,171
TOTAL EXPENSES	\$ 9,566,942	\$ 8,797,115

Town of Carman
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2024

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE										
Property taxes	\$ 3,796,199	\$ 3,582,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	40,773	44,562	-	-	-	-	-	-	-	-
User fees	14,683	2,179	30,277	31,844	2,137	1,490	164,677	173,093	320,682	235,950
Prov of MB - Unconditional Grants	861,950	837,389	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	548,690	295,561	-	-	-	-	-	-	18,504	15,964
Grants - other	248,813	201,869	241,372	178,993	-	-	143,469	168,255	-	-
Permits, licenses and fines	226,769	129,921	-	-	-	-	-	-	-	-
Investment income	66,542	104,632	3,677	3,993	7,335	6,984	-	-	6,222	8,053
Other revenue	58,566	46,648	15,125	18,163	1	48,788	-	12,453	(5,704)	7,253
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	5,862,985	5,245,083	290,451	232,993	9,473	57,262	308,146	353,801	339,704	267,220
EXPENSES										
Personnel services	504,929	462,411	621,233	708,233	698,031	699,929	20,779	18,159	-	-
Contract services	214,772	184,926	191,187	163,965	50,642	16,774	429,866	469,172	222,339	210,740
Utilities	(45,108)	(45,866)	16,198	14,692	107,869	86,756	3,896	3,748	7,204	7,263
Maintenance materials and supplies	4,845	4,938	102,801	144,623	348,001	286,550	9,776	12,697	19,864	25,002
Grants and contributions	135,792	31,220	-	-	-	-	-	-	1,200	1,400
Amortization	5,875	3,654	84,179	83,694	479,557	450,714	20,737	19,471	33,097	33,097
Interest on long-term debt	45,098	56,017	-	-	-	-	-	-	-	-
Bad debt	-	12,862	-	-	-	-	-	-	-	-
Other	181,329	240,206	7,918	5,249	2,099	5,130	126	309	52,475	58,504
Total expenses	1,047,532	950,368	1,023,516	1,120,456	1,686,199	1,545,853	485,180	523,556	336,179	336,006
Surplus (Deficit)	\$ 4,815,453	\$ 4,294,715	\$ (733,065)	\$ (887,463)	\$ (1,676,726)	\$ (1,488,591)	\$ (177,034)	\$ (169,755)	\$ 3,525	\$ (68,786)

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

Town of Carman
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
Year Ended December 31, 2024

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2024	2023	2024	2023	2024	2023	2024	2023	
REVENUE									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 344,404	\$ 318,617	\$ 4,140,603
Grants in lieu of taxation	-	-	-	-	-	-	-	-	40,773
User fees	-	-	4,800	4,800	539,994	544,530	-	-	1,077,250
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	861,950
Prov of MB - Conditional Grants	41,313	114,557	-	-	41,663	28,544	-	-	650,170
Grants - other	86,680	35,973	443,698	395,564	90,569	92,674	-	-	1,254,601
Permits, licenses and fines	-	88,472	-	-	-	-	-	-	226,769
Investment income	2,689	2,657	-	-	13,460	5,464	15,304	14,639	115,229
Other revenue	-	18,510	-	-	19,340	281	-	-	87,328
Water and sewer	-	-	-	-	-	-	1,896,235	1,989,252	1,896,235
Total revenue	130,682	260,169	448,498	400,364	705,026	671,493	2,255,943	2,322,508	10,350,908
EXPENSES									
Personnel services	91,355	74,501	47,924	129,905	928,366	878,490	224,873	228,073	3,137,490
Contract services	67,481	50,616	36,841	39,830	65,454	64,655	847,734	774,645	2,126,316
Utilities	-	-	50	1,042	259,692	215,237	66,264	54,226	416,065
Maintenance materials and supplies	2,452	4,959	-	5,126	550,343	314,215	172,463	107,194	1,210,545
Grants and contributions	-	-	255,500	5,500	78,518	111,492	-	-	471,010
Amortization	-	-	-	-	197,640	193,442	409,480	400,839	1,230,565
Interest on long-term debt	-	-	-	-	-	-	197,079	133,857	242,177
Bad debt	-	-	-	-	-	-	-	-	-
Other	72,614	120,000	-	400	252,244	242,242	163,969	170,390	732,774
TOTAL EXPENSES	233,902	250,076	340,315	181,803	2,332,257	2,019,773	2,081,862	1,869,224	9,566,942
SURPLUS (DEFICIT)	\$ (103,220)	\$ 10,093	\$ 108,183	\$ 218,561	\$ (1,627,231)	\$ (1,348,281)	\$ 174,081	\$ 453,284	\$ 783,966

Town of Carman
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
Year Ended December 31, 2024

SCHEDULE 5

	Core Government		Government Partnerships		Total
	2024	2023	2024	2023	
REVENUE					
Property taxes	\$ 4,140,603	\$ 3,900,939	\$ -	\$ -	\$ 4,140,603
Grants in lieu of taxation	40,773	44,562	-	-	40,773
User fees	756,809	754,052	320,441	239,834	1,077,250
Prov of MB - Unconditional Grants	861,950	837,389	-	-	861,950
Prov of MB - Conditional Grants	608,507	426,082	41,663	28,544	650,170
Grants - other	1,164,032	980,654	90,569	92,674	1,254,601
Permits, licenses and fines	226,769	218,393	-	-	226,769
Investment income	112,528	141,075	2,701	5,347	115,229
Other revenue	79,359	155,336	7,969	(3,241)	87,328
Water and sewer	1,323,301	1,371,139	572,934	618,113	1,896,235
Total revenue	9,314,631	8,829,621	1,036,277	981,271	10,350,908
EXPENSES					
Personnel services	2,999,801	3,055,509	137,689	144,193	3,137,490
Contract services	1,879,450	1,742,347	246,866	232,976	2,126,316
Utilities	373,840	295,806	42,225	41,292	416,065
Maintenance materials and supplies	1,063,329	790,429	147,216	114,875	1,210,545
Grants and contributions	471,010	149,612	-	-	471,010
Amortization	1,136,631	1,099,749	93,934	85,162	1,230,565
Interest on long-term debt	206,206	148,633	35,971	41,241	242,177
Other	651,755	753,637	81,019	101,654	732,774
TOTAL EXPENSES	8,782,022	8,035,722	784,920	761,393	9,566,942
SURPLUS	\$ 532,609	\$ 793,899	\$ 251,357	\$ 219,878	\$ 783,966
					\$ 1,013,778

Town of Carman
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2024

SCHEDULE 6

	2024												2023		
	General	Equipment Reserve	Storm Sewer	Industrial Park	Fire Reserve	Gas Tax Reserve	Memorial Hall Reserve	Greenwood Reserve	Community Hall Reserve	Recreation Reserve	Utility Reserve	Water Reservoir Reserve	CDPD Reserve	Total	Total
REVENUE															
Investment income	\$ 12,972	\$ 7,303	\$ 1,223	\$ 2,689	\$ 3,677	\$ 32	\$ 715	\$ 3,931	\$ 145	\$ 12,190	\$ 14,081	\$ -	\$ -	\$ 58,958	\$ 56,111
Other income	-	-	-	-	15,125	-	-	-	-	-	-	-	-	15,125	25,416
Total revenue	12,972	7,303	1,223	2,689	18,802	32	715	3,931	145	12,190	14,081	-	-	74,083	81,527
EXPENSES															
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36
TOTAL EXPENSES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36
NET REVENUES	12,972	7,303	1,223	2,689	18,802	32	715	3,931	145	12,190	14,081	-	-	74,083	81,491
TRANSFERS															
Transfers from (to) operating fund	49,000	25,000	25,000	-	100,000	-	20,000	-	-	(237,547)	-	-	-	(18,547)	224,734
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	-	35,000	-	-	35,000	35,000
Acquisition of tangible capital assets	(236,250)	-	-	-	-	-	-	-	-	-	-	-	-	(236,250)	(128,236)
CHANGE IN RESERVE FUND BALANCES	(174,278)	32,303	26,223	2,689	118,802	32	20,715	3,931	145	(225,357)	49,081	-	-	(145,714)	212,989
FUND SURPLUS, BEGINNING OF YEAR	620,271	90,452	19,624	153,907	28,791	649	0	86,441	144	355,082	318,135	(36)	-	1,673,460	1,460,471
FUND SURPLUS, END OF YEAR	\$ 445,993	\$ 122,755	\$ 45,847	\$ 156,596	\$ 147,593	\$ 681	\$ 20,715	\$ 90,372	\$ 289	\$ 129,725	\$ 367,216	\$ (36)	\$ -	\$ 1,527,746	\$ 1,673,460

Town of Carman
SCHEDULE OF L.U.D. OPERATIONS
Year Ended December 31, 2024

SCHEDULE 7

	2024 Budget	2024 Actual	2023 Actual
REVENUE			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
Total revenue	-	-	-
EXPENSES			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Ditches and road drainage	-	-	-
Snow and ice removal	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
TOTAL EXPENSES	-	-	-
NET REVENUES (EXPENSES)	-	-	-
TRANSFERS:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other - Transfer to capital	-	-	-
CHANGE IN L.U.D. BALANCES	\$ -	-	-
UNEXPENDED BALANCE, BEGINNING OF YEAR		-	-
UNEXPECTED BALANCE, END OF YEAR		\$ -	\$ -

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and temporary investments	\$ 100	\$ 100
Amounts receivable	292,885	232,189
Due from other funds	184,787	209,621
	<u>477,772</u>	<u>441,910</u>
LIABILITIES		
Accounts payable and accrued liabilities	3,856	-
Long-term debt (Note 9)	2,874,359	3,057,656
Due to other funds	-	-
	<u>2,878,215</u>	<u>3,057,656</u>
NET DEBT	<u>(2,400,443)</u>	<u>(2,615,746)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	13,848,699	14,143,770
Inventories	36,885	36,885
	<u>13,885,584</u>	<u>14,180,655</u>
FUND SURPLUS	<u>\$ 11,485,141</u>	<u>\$ 11,564,909</u>

Town of Carman
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2024

SCHEDULE 9

	2024 Budget	2024 Actual	2023 Actual
REVENUE			
Water			
Water fees	\$ 930,000	\$ 1,111,958	\$ 992,931
SEWER			
Sewer fees	189,656	184,269	174,800
PROPERTY TAXES	319,284	344,404	318,617
OTHER			
Hydrant rentals	15,000	15,000	15,000
Connection charges	7,000	4,850	11,449
Penalties	2,500	5,902	2,865
Provincial and Federal grants	-	-	169,188
Other income	3,000	1,322	4,906
sub-total- other	27,500	27,074	203,408
TOTAL REVENUE	1,466,440	1,667,705	1,689,756
EXPENSES			
GENERAL			
Administration	77,296	56,930	58,058
WATER GENERAL			
Purification and treatment	-	141,980	141,300
Transmission and distribution	348,560	175,170	151,910
Water purchases	625,000	769,908	638,018
Connection costs	-	26,519	68,530
sub-total- water general	973,560	1,113,577	999,758
WATER AMORTIZATION & INTEREST			
Amortization	315,546	315,546	315,677
Interest on long term debt	161,108	161,108	92,616
sub-total- water amortization & interest	476,654	476,654	408,293
SEWER GENERAL			
Collection system costs	24,400	13,345	11,528
Treatment and disposal cost	4,900	-	-
Lift Station costs	32,000	51,967	15,415
sub-total- sewer general	61,300	65,312	26,943
OTHER			
Loss on disposal of capital assets	-	-	-
TOTAL EXPENSES	1,588,810	1,712,473	1,493,052
NET REVENUES	(122,370)	(44,768)	196,704
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	(35,000)	(35,000)	(35,000)
CHANGE IN UTILITY FUND BALANCE	\$ (157,370)	(79,768)	161,704
FUND SURPLUS, BEGINNING OF YEAR		11,564,909	11,403,205
FUND SURPLUS, END OF YEAR		\$11,485,141	\$11,564,909

TOWN OF CARMAN
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
Year Ended December 31, 2024

SCHEDULE 10

	Financial Plan General	Financial Plan Utility/(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,729,234	\$ -	\$ -	\$ -	\$ -	-	-	\$ 3,729,234
Grants in lieu of taxation	129,957	-	-	-	-	-	-	129,957
User fees	725,380	-	-	-	-	-	320,441	1,045,821
Grants - Province of Manitoba	791,000	-	-	-	-	-	41,663	832,663
Grants - other	1,020,918	-	-	-	-	-	90,569	1,111,487
Permits, licenses and fines	233,098	24,500	-	-	-	-	-	257,598
Investment income	14,000	-	-	-	-	-	2,701	16,701
Other revenue	176,058	322,284	-	-	-	-	7,969	506,311
Water and sewer	-	1,119,656	-	-	-	-	572,934	1,692,590
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	6,819,645	1,466,440	-	-	-	-	1,036,277	9,322,362
EXPENSES								
General government services	767,000	-	3,654	45,098	-	-	-	815,752
Protective services	996,620	-	84,179	-	-	-	-	1,080,799
Transportation services	1,194,240	-	479,557	-	-	-	-	1,673,797
Environmental health services	457,045	-	20,737	-	-	-	-	477,782
Public health and welfare services	35,925	-	33,097	-	-	-	250,346	319,368
Regional planning and development	290,930	-	-	-	-	-	-	290,930
Resource cons and industrial dev	176,190	-	-	-	-	-	-	176,190
Recreation and cultural services	1,574,905	-	197,640	-	-	-	165,188	1,937,733
Water and sewer services	-	1,112,156	315,546	161,108	-	-	369,388	1,958,198
Fiscal services:								
Transfer to capital	732,403	-	-	-	(732,403)	-	-	-
Transfer to utility	319,284	-	-	-	(319,284)	-	-	-
Debt charges	253,759	319,284	-	-	(573,043)	-	-	-
Short term interest	7,500	-	-	-	(7,500)	-	-	-
Transfer to deferred surplus	5,001	-	-	-	(5,001)	-	-	-
Transfer to reserves	-	35,000	-	-	(35,000)	-	-	-
Allowance for tax assets	8,843	-	-	-	(8,843)	-	-	-
TOTAL EXPENSES	6,819,645	1,466,440	1,134,410	206,206	(1,681,074)	-	784,922	8,730,549
SURPLUS (DEFICIT)	\$ -	\$ -	\$ (1,134,410)	\$ (206,206)	\$ 1,681,074	\$ -	\$ 251,355	\$ 591,813

Town of Carman
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2024

SCHEDULE 11

	<u>2024</u>	<u>2023</u>
BALANCE, BEGINNING OF YEAR	<u>\$ 317,013</u>	<u>\$ 160,052</u>
ADD:		
Tax levy (Schedule 12)	5,939,110	5,560,630
Taxes added	41,972	82,735
Penalties or interest	37,005	25,969
Tax Adjustments (specify)	<u>2,124</u>	<u>8,432</u>
SUB-TOTAL	<u>6,020,211</u>	<u>5,677,766</u>
DEDUCT:		
Cash collections - current	4,308,410	4,656,406
Cash collections - arrears	664,818	529,482
Writeoffs	-	12,861
M.P.T.C. - cash advance	323,831	322,056
Other credits - M.P.T.C. adjustment	<u>710,208</u>	<u>-</u>
SUB-TOTAL	<u>6,007,267</u>	<u>5,520,805</u>
BALANCE, END OF YEAR	<u><u>\$ 329,957</u></u>	<u><u>\$ 317,013</u></u>

Town of Carman
ANALYSIS OF TAX LEVY
Year Ended December 31, 2024

SCHEDULE 12

	2024			2023
	Assessment	Mill Rate	Levy	Levy
DEBT CHANGES:				
General Debenture	-	0.000%	\$ -	\$ -
Sewer Forcemain	200,585,170	1.425%	285,834	261,293
Water Plant Upgrade	200,585,170	0.267%	53,556	54,599
Transfer Station	200,585,170	0.211%	42,323	44,849
Arena	200,585,170	0.245%	49,143	50,699
Memorial Hall	200,585,170	0.430%	86,252	87,748
Personal Care Home	200,585,170	0.353%	70,807	72,148
DEFERRED SURPLUS				
RESERVES:				
Machinery Replacement	-	0.000%	-	-
SPECIAL LEVIES:				
Waste Collection	-	0.000%	-	-
GENERAL MUNICIPAL:				
At large	179,959,020	19.465%	3,502,902	3,237,791
Business Tax Fees	-	0.000%	5,691	5,504
TOTAL MUNICIPAL TAXES (SCHEDULE 2)			4,096,508	3,814,631
Education support levy	29,108,670	8.128%	236,595	237,113
SPECIAL LEVIES:				
Special - Prairie Rose	160,568,550	10.002%	1,606,007	1,508,886
TOTAL EDUCATION TAXES			1,842,602	1,745,999
TOTAL TAX LEVY (SCHEDULE 11)			\$ 5,939,110	\$ 5,560,630

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
Year Ended December 31, 2024

	2024 Actual	2023 Actual
GENERAL GOVERNMENT SERVICES		
Legislative	\$ 138,224	\$ 132,812
General administrative	423,369	425,824
Other	485,938	391,730
	<u>1,047,531</u>	<u>950,366</u>
PROTECTIVE SERVICES		
Police	535,681	625,802
Fire	462,047	482,166
Emergency measures	17,524	4,659
Other protection	8,264	7,829
	<u>1,023,516</u>	<u>1,120,456</u>
TRANSPORTATION SERVICES		
Road transport		
Administration and engineering	914,239	910,610
Engineering	(3,616)	(4,883)
Road and street maintenance	105,907	49,415
Sidewalk and boulevard maintenance	73,255	41,776
Street lighting	91,764	73,939
Other	479,557	450,714
Air transport	5,092	5,109
Public transit	20,000	19,171
	<u>1,686,198</u>	<u>1,545,851</u>
ENVIRONMENTAL HEALTH SOLUTIONS		
Waste collection and disposal	375,058	405,519
Recycling	-	13
Other	110,122	118,024
	<u>485,180</u>	<u>523,556</u>
PUBLIC HEALTH AND WELFARE SERVICES		
Public health	82,253	74,415
Medical care	-	-
Social assistance	3,579	3,579
	<u>85,832</u>	<u>77,994</u>
REGIONAL PLANNING AND DEVELOPMENT		
Urban area weed control	-	977
Other	233,901	249,099
	<u>233,901</u>	<u>250,076</u>
RESOURCE CONSERVATION AND INDUSTRIAL DEVELOPMENT		
Water resources and conservation	3,019	3,096
Regional development	337,296	178,705
	<u>340,315</u>	<u>181,801</u>
RECREATION AND CULTURAL SERVICES		
Administration	769,465	706,268
Community centers and halls	824,264	680,016
Swimming pools and beaches	127,967	63,016
Skating and curling rinks	-	7,128
Parks and playgrounds	71,673	74,151
Other recreational facilities	23,007	15,246
Museums	6,400	5,835
Libraries	73,129	106,956
Other cultural facilities	271,168	233,950
	<u>2,167,073</u>	<u>1,892,566</u>
TOTAL EXPENSES	<u>\$ 7,069,546</u>	<u>\$ 6,542,666</u>

Town of Carman
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2024

SCHEDULE 14
(Unaudited)

	General	Utility	2024 Total	2023 Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT				
	\$ 220,379	\$ 32,007	\$ 252,386	\$ 326,135
Adjustments for Reporting Under Public Sector Accounting Standards				
Eliminate expense - transfers to reserves	(18,547)	35,000	16,453	259,734
Eliminate revenue - transfers from reserves	(236,250)	-	(236,250)	(128,236)
Decrease expense - reserve funds expenses	74,083	-	-	(36)
Increase revenue - reserve funds interest and other revenue	251,355	-	74,083	81,527
Increase (decrease) revenue - Net surplus of controlled entities	(820,422)	(315,546)	251,355	219,879
Increase expense - amortization of tangible capital assets	219,778	183,297	(1,135,968)	(1,099,140)
Decrease expense - principal portion of debenture debt (net of new debt)	-	-	403,075	235,357
Net book value of disposed tangible capital assets	-	-	-	(34,867)
Eliminate expense - acquisitions of tangible capital assets	620,858	20,474	641,332	1,127,473
Transfer from capital	517,500	-	517,500	-
Investment in own funds - paydown of debt	-	-	-	13,499
Increase revenue - gain on sale of tangible capital assets	-	-	-	12,453
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 828,734	\$ (44,768)	\$ 783,966	\$ 1,013,778