

# **Town of Carman**

**Consolidated Financial Statements  
For the Year Ended December 31, 2019**

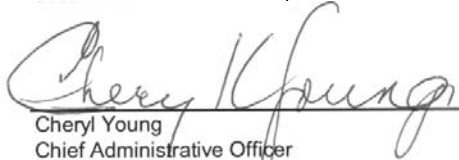
## STATEMENT OF RESPONSIBILITY

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.



Cheryl Young  
Chief Administrative Officer



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## 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 group reporting entities (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2019 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, 2019, 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
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Town 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

June 11, 2020

**Town of Carman**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2019**

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**Town of Carman**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	<b>\$ 5,903,830</b>	\$ 2,484,206
Amounts receivable (Note 4)	<b>867,402</b>	803,787
Portfolio investments	-	43,052
Other assets	<b>8,437</b>	9,097
	<u><b>6,779,669</b></u>	<u>3,340,142</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	<b>1,780,980</b>	1,001,719
Deferred revenue (Note 7)	<b>3,605,133</b>	544,710
Long-term debt (Note 8)	<u><b>3,555,529</b></u>	<u>2,888,669</u>
	<u><b>8,941,642</b></u>	<u>4,435,098</u>
<b>NET DEBT</b>	<u><b>(2,161,973)</b></u>	<u>(1,094,956)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	<b>18,371,261</b>	16,572,252
Inventories (Note 5)	<b>171,218</b>	112,366
Prepaid expenses	<u><b>47,584</b></u>	<u>27,576</u>
	<u><b>18,590,063</b></u>	<u>16,712,194</u>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<u><b>\$ 16,428,090</b></u>	<u>\$ 15,617,238</u>

**COMMITMENTS (Note 9)**

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, 2019**

	<u>2019 Budget (Schedule 10)</u>	<u>2019 Actual</u>	<u>2018 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 3,060,000	\$ 3,191,729	\$ 3,054,972
Grants in lieu of taxation	133,086	35,140	46,507
User fees	939,108	917,105	867,135
Permits, licences and fines	171,115	172,506	164,394
Investment income	15,665	55,258	48,224
Other revenue	82,688	804,379	205,666
Water and sewer	1,492,943	1,351,808	1,426,901
Grants - Province of Manitoba	789,242	852,764	1,074,162
Grants - other	1,216,115	891,580	954,378
Total revenue (Schedules 2, 4 and 5)	<u>7,899,962</u>	<u>8,272,269</u>	<u>7,842,339</u>
<b>EXPENSES</b>			
General government services	625,244	646,170	585,974
Protective services	1,391,144	617,332	694,795
Transportation services	1,446,339	1,456,183	1,218,604
Environmental health services	524,371	434,025	555,236
Public health and welfare services	262,795	1,081,531	265,032
Regional planning and development	91,500	86,464	105,710
Resource conservation and industrial development	212,400	174,499	177,905
Recreation and cultural services	1,538,709	1,616,461	1,534,258
Water and sewer services	1,443,337	1,348,752	1,432,786
Total expenses (Schedules 3, 4 and 5)	<u>7,535,839</u>	<u>7,461,417</u>	<u>6,570,300</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 364,123</u>	<u>810,852</u>	<u>1,272,039</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>15,617,238</u>	<u>14,345,199</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$16,428,090</u>	<u>\$ 15,617,238</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, 2019**

	<u>2019</u> <u>Budget</u> <u>(Note 11)</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 364,123</b>	<b>\$ 810,852</b>	<b>\$ 1,272,039</b>
Acquisition of tangible capital assets	(2,659,698)	(2,659,698)	(1,728,038)
Amortization of tangible capital assets	821,919	821,409	784,194
Loss (gain) on disposal of tangible capital assets	-	4,612	(2,555)
Proceeds on disposal of tangible capital assets	-	34,668	5,511
Increase in inventories	-	(58,852)	(45,034)
Increase in prepaid expense	-	(20,008)	3,570
	<u>(1,837,779)</u>	<u>(1,877,869)</u>	<u>(982,352)</u>
<b>CHANGE IN NET FINANCIAL DEBT</b>	<b><u>\$ (1,473,657)</u></b>	<b>(1,067,017)</b>	289,687
<b>NET DEBT, BEGINNING OF YEAR</b>		<b><u>(1,094,956)</u></b>	<b><u>(1,384,643)</u></b>
<b>NET DEBT, END OF YEAR</b>		<b><u>\$ (2,161,973)</u></b>	<b><u>\$ (1,094,956)</u></b>

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



**Town of Carman**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 810,852	\$ 1,272,039
Changes in non-cash items:		
Amounts receivable	(63,615)	212,304
Inventories	(58,852)	(45,034)
Prepays	(20,008)	3,570
Accounts payable and accrued liabilities	779,261	363,436
Other assets	660	(724)
Deferred revenue	3,060,423	(180,915)
Loss (gain) on sale of tangible capital asset	4,612	(2,555)
Amortization	821,409	784,194
	<u>5,334,742</u>	<u>2,406,315</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	34,668	5,511
Cash used to acquire tangible capital assets	(2,659,698)	(1,728,038)
	<u>(2,625,030)</u>	<u>(1,722,527)</u>
Cash applied to capital transactions		
	<u>43,052</u>	<u>(1,003)</u>
<b>INVESTING TRANSACTIONS</b>		
Purchase of portfolio investments	43,052	(1,003)
	<u>43,052</u>	<u>(1,003)</u>
Cash applied to investing transactions		
	<u>666,860</u>	<u>(292,871)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	825,000	-
Debt repayment	(158,140)	(292,871)
	<u>666,860</u>	<u>(292,871)</u>
Cash applied to financing transactions		
	<u>3,419,624</u>	<u>389,914</u>
<b>INCREASE IN CASH</b>	<b>3,419,624</b>	<b>389,914</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>2,484,206</b>	<b>2,094,292</b>
<b>CASH, END OF YEAR</b>	<b>\$ 5,903,830</b>	<b>\$ 2,484,206</b>

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

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**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 generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants and reflect the following significant accounting policies:

**a) Reporting Entity**

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%	(2018 - 50%)
Carman & Community Health Centre	50%	(2018 - 50%)
Pembina Valley Water Cooperative Inc.	4.54%	(2018 - 4.54%)

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) 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.

**d) 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.

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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

General Tangible Capital Assets

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

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights 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.

**e) 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.

**f) Inventories**

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

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

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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

**g) 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.

**h) 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 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.

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.

**i) Measurement Uncertainty**

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues 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.

**3. Cash**

	<u>2019</u>	<u>2018</u>
Cash	<u>\$ 5,903,830</u>	<u>\$ 2,484,206</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.

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2019</u>	<u>2018</u>
Taxes on roll (Schedule 11)	\$ 117,723	\$ 94,091
Government grants	53,527	3,500
Utility customers	206,082	264,699
Organizations and individuals	148,899	257,575
Other governments	341,171	183,922
	<u>867,402</u>	<u>803,787</u>
Less allowances for doubtful amounts	<u>-</u>	<u>-</u>
	<u>\$ 867,402</u>	<u>\$ 803,787</u>

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

**5. Inventories**

	<u>2019</u>	<u>2018</u>
Water meters	\$ 85,136	\$ 43,268
Drain plates	41,489	41,489
Other supplies	44,593	27,609
	<u>\$ 171,218</u>	<u>\$ 112,366</u>

**6. Accounts Payable and Accrued Liabilities**

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 926,696	\$ 807,366
Accrued expenses	824,457	170,160
School levies	29,827	24,193
	<u>\$ 1,780,980</u>	<u>\$ 1,001,719</u>

On October 5, 2016, the Town committed to contribute \$825,000 towards the expansion of a new personal care home - the Boyne Regional Care Home Development. Accrued expenses include \$443,636 of outstanding liability. Cost incurred to date consists of the Town's acquisition of a property to be transferred to Boyne Care Holdings 2016 Inc.. This property is held in trust and is not recorded in these financial statements.

**7. Deferred Revenue**

	<u>2019</u>	<u>2018</u>
Property taxes	\$ 164,500	\$ 157,349
Regional Water Treatment Facility - Provincial Funding	3,297,728	-
Boyne Regional Library Project	137,674	383,006
Other	5,231	4,355
	<u>\$ 3,605,133</u>	<u>\$ 544,710</u>

Transactions related to the Boyne Regional Library Project during the year are as follows:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 383,006	\$ 187,125
Funding received during the year	718,834	274,607
Recognized as revenue during the year	(487,120)	(41,489)
Asset transferred to the Rural Municipality of Dufferin	(487,120)	(41,489)
Interest earned	10,074	4,252
	<u>\$ 137,674</u>	<u>\$ 383,006</u>

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

**8. Long-term Debt**

	<u>2019</u>	<u>2018</u>
<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.	<b>\$     40,570</b>	\$    46,905
By-Law 07/1896                      \$    100,000 Debenture, interest at 5.50%, payable at \$8,892 annually including interest, maturing December, 2024.	<b>37,971</b>	44,420
By-Law 09/1947                      \$    600,000 Debenture, interest at 5.42%, payable at \$61,239.79 annually including interest, maturing December, 2030.	<b>405,293</b>	431,766
By-Law 16/2010                      \$    750,000 Debenture, interest at 2.90%, payable at \$87,474.76 annually including interest, maturing December, 2025.	<b>475,442</b>	547,052
By-Law 19/2039                      \$    825,000 Debenture, interest at 3.56%, payable at \$71,936.68 annually including interest, maturing April 2034 with payments beginning April 2020.	<b>825,000</b>	-
Laycock - Industrial Park        \$   1,183,500 Long-term debt, interest free, payable at \$27,000 annually.	<b>460,500</b>	487,500
	<b><u>\$   2,244,776</u></b>	<b><u>\$   1,557,643</u></b>
<u>Utility Funds</u>		
By-Law 07/1905                      \$575,000 Debenture, interest at 5.75%, payable at \$58,240 annually including interest, maturing December, 2022.	<b>\$     156,400</b>	\$    202,970
By-Law 08/1922                      \$650,000 Debenture, interest at 5.50%, payable at \$54,392 annually including interest, maturing December, 2028.	<b>378,141</b>	409,983
	<b><u>\$    534,541</u></b>	<b><u>\$    612,953</u></b>
<u>Pembina Valley Water Co-operative Inc.</u>		
Canadian Imperial Bank of Commerce Demand facility with 30 day Bankers' Acceptances reducing by \$4,693 principal and interest installments per month, with monthly interest payments fixed through interest rate swaps at 3.56% including stamping fee of 0.81% until July 2023, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033.	<b>\$     605,824</b>	\$    639,911
Canadian Imperial Bank of Commerce Demand facility with 30 day Bankers' Acceptances reducing by \$367 principal installments per month, plus interest at the CIBC Bankers' Acceptance floating rate (2.07% at December 31, 2019) plus stamping fee of 0.81%, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033.	<b>60,873</b>	65,273

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

**8. Long-term Debt (continued)**

	<u>2019</u>	<u>2018</u>
<u>Pembina Valley Water Co-operative Inc. (continued)</u>		
Canadian Imperial Bank of Commerce Revolving demand facility with interest only payments until the earlier of twelve months after the initial advance and completion of each discrete project, at which time repayment terms will be set. Interest is charged at the prime rate (3.95% at December 31, 2019) minus 0.25%. At December 31, 2019, the Cooperative had unutilized capacity under this facility of \$358,660. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.	<b>95,340</b>	-
Derivative Contract Interest rate swap locked in a fixed interest rate of through July 2023.	<u>14,175</u>	<u>12,889</u>
	<u>776,212</u>	<u>718,073</u>
	<u><b>\$ 3,555,529</b></u>	<u><b>\$ 2,888,669</b></u>

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

2020	\$ 415,091
2021	334,085
2022	349,123
2023	306,661
2024	319,870

**9. Commitments**

The Town has entered into a contract with Pembina Valley Water Co-operative Inc. that expires in 2021. The contract identifies the annual amount of water the Town has committed to purchase from the co-operative and is volume based.

The Town has entered into an agreement with the Government of Manitoba and the Government of Canada to replace the existing Carman treatment plant with a reservoir/pump station and water distribution upgrades in order to source the Towns total water demands from the Pembina Valley Water Co-op Regional System.

**10. Financial Instruments**

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 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.

**11. 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 Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

**12. Accumulated Surplus**

	<u>2019</u>	<u>2018</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 676,693	\$ 672,160
Utility operating fund - Nominal surplus	193,905	180,529
TCA net of related borrowings	13,718,550	12,601,874
Reserve funds	<u>757,867</u>	<u>1,156,540</u>
Accumulated surplus of municipality unconsolidated	15,347,015	14,611,103
Accumulated surpluses of consolidated entities	<u>1,081,075</u>	1,006,135
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 16,428,090</u>	<u>\$ 15,617,238</u>

**13. Public Sector Compensation Disclosure**

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2019:

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Cheryl Young	Chief Administrative Officer	\$ 113,038
Joe Richardson	Public Works Superintendent	92,914

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, 2019:

c) Compensation paid to members of council amounted to \$118,460 in aggregate.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Brent Owen	\$ 21,840	\$ 1,284	\$ 23,124
Deputy Mayor - Brad Johnston	16,650	1,109	17,759
Councillor - Richard Dyck	14,875	1,142	16,017
Councillor - Matt Gray	14,760	914	15,674
Councillor - Chris Hasell	14,235	1,034	15,269
Councillor - Jane Swanton	14,610	1,266	15,876
Councillor - Bernie Townsend	<u>14,610</u>	<u>131</u>	<u>14,741</u>
	<u>\$ 111,580</u>	<u>\$ 6,880</u>	<u>\$ 118,460</u>



**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**14. 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.

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

**15. 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.

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 amounted to \$109,066 (\$100,840 in 2018) 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, 2018 indicated the plan was 101.3% funded on a going concern basis and had an unfunded solvency liability of \$229.8 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, 2018.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2019**

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**16. Segmented Information**

The Municipality is a diversified municipal government institution that provides a wide range of

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. As well, Carman-Dufferin Recreation Commission, Carman Memorial Hall, and Carman & District Hall Inc. are operated by the Municipality for recreational purposes.

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, 2019**

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**17. 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>2019</u>	<u>2018</u>
Financial Position		
Total assets	<u>\$ 1,867,957</u>	<u>\$ 1,706,179</u>
Total liabilities	<u>\$ 786,882</u>	<u>\$ 700,049</u>
Accumulated surplus	<u>1,081,075</u>	<u>1,006,131</u>
	<u>\$ 1,867,957</u>	<u>\$ 1,706,179</u>
Results of Operations		
Revenue	<u>\$ 609,863</u>	<u>\$ 464,423</u>
Expenses	<u>534,924</u>	<u>544,768</u>
Annual surplus	<u>\$ 74,939</u>	<u>\$ (80,345)</u>

**18. COVID-19**

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impact on the Town, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Town's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Town is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Town's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Town will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

**SCHEDULE 1**

**Town of Carman  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
Year Ended December 31, 2019**

	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	2019	2018
<b>Cost</b>										
Opening costs	\$ 2,816,624	\$ 5,169,376	\$ 3,098,463	\$ 595,623	\$ 215,049	\$ 6,853,333	\$ 7,709,797	\$ 214,510	\$ 26,672,775	\$ 24,955,488
Additions during the year	118,890	-	467,703	22,564	902,489	636,059	543,601	93,392	2,784,698	2,686,324
Disposals, write downs and transfers	-	-	(47,043)	-	(125,000)	-	-	-	(172,043)	(969,037)
Closing costs	2,935,514	5,169,376	3,519,123	618,187	992,538	7,489,392	8,253,398	307,902	29,285,430	26,672,775
<b>Accumulated Amortization</b>										
Opening accum'd amortization	330,714	2,166,010	1,943,458	328,942	-	2,312,886	3,018,513	-	10,100,523	9,324,124
Amortization	38,015	124,850	201,002	33,997	-	250,450	173,095	-	821,409	784,194
Disposals and write downs	-	-	(7,763)	-	-	-	-	-	(7,763)	(7,795)
Closing accum'd amortization	368,729	2,290,860	2,136,697	362,939	-	2,563,336	3,191,608	-	10,914,169	10,100,523
Net Book Value of tangible capital assets	\$ 2,566,785	\$ 2,878,516	\$ 1,382,426	\$ 255,248	\$ 992,538	\$ 4,926,056	\$ 5,061,790	\$ 307,902	\$ 18,371,261	\$ 16,572,252

Town of Carman  
**CONSOLIDATED SCHEDULE OF REVENUES**  
Year Ended December 31, 2019

**SCHEDULE 2**

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 3,157,946	\$ 3,010,329
Taxes added	33,783	44,643
Taxes discount	-	-
	<u>3,191,729</u>	<u>3,054,972</u>
<b>Grants in lieu of taxation:</b>		
Federal government	-	-
Federal government enterprises	6,660	8,016
Provincial government	-	-
Provincial government enterprises	28,480	38,491
Other local governments	-	-
Non-government organizations	-	-
	<u>35,140</u>	<u>46,507</u>
<b>User fees</b>		
Parking meters	-	-
Sales of service	902,740	840,442
Sales of goods	6,920	19,248
Rentals	7,445	7,445
Development charges	-	-
Facility use fees	-	-
	<u>917,105</u>	<u>867,135</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	590,631	522,839
General support grant	-	-
VLT revenues	-	-
Conditional grants	262,133	551,323
	<u>852,764</u>	<u>1,074,162</u>
<b>Grants - other</b>		
Federal government - gas tax funding	339,394	171,261
Federal government - other	13,949	37,856
Other local governments	538,237	745,261
	<u>891,580</u>	<u>954,378</u>
<b>Permits, licences and fines</b>		
Permits	55,970	52,159
Licences	115,259	112,195
Fines	1,277	40
	<u>172,506</u>	<u>164,394</u>
<b>Investment income:</b>		
Cash and temporary investments	55,258	48,224
<b>Other revenue:</b>		
(Loss) gain on sale of tangible capital assets	(4,612)	2,555
Gain on sale of real estate held for sale	-	-
Penalties and interest	17,388	18,223
Miscellaneous	791,603	184,888
	<u>804,379</u>	<u>205,666</u>
<b>Water and sewer</b>	<u>1,049,407</u>	<u>1,137,346</u>
<b>Consolidated water co-operatives</b>	<u>302,401</u>	<u>289,555</u>
<b>Total revenue</b>	<u>\$ 8,272,269</u>	<u>\$ 7,842,339</u>

Town of Carman  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
Year Ended December 31, 2019

**SCHEDULE 3**

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>General government services:</b>		
Legislative	\$ 143,034	\$ 110,209
General administrative	318,207	290,243
Other	184,929	185,522
	<u>646,170</u>	<u>585,974</u>
<b>Protective services:</b>		
Police	252,187	369,969
Fire	351,518	317,919
Emergency measures	4,616	2,277
Other protection	9,011	4,630
	<u>617,332</u>	<u>694,795</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	830,569	710,437
Engineering	(5,939)	(8,795)
Road and street maintenance	105,789	75,272
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	33,709	34,505
Street lighting	72,410	71,709
Other	370,739	306,570
Air transport	8,906	8,906
Public transit	40,000	20,000
	<u>1,456,183</u>	<u>1,218,604</u>
<b>Environmental health services:</b>		
Waste collection and disposal	140,103	210,777
Recycling	155,071	162,278
Other	138,851	182,181
	<u>434,025</u>	<u>555,236</u>
<b>Public health and welfare services:</b>		
Public health	54,826	50,742
Medical care	1,023,126	210,711
Social assistance	3,579	3,579
	<u>1,081,531</u>	<u>265,032</u>
<b>Regional planning and development:</b>		
Urban area weed control	3,173	8,671
Other	83,291	97,039
	<u>86,464</u>	<u>105,710</u>
<b>Resource conservation and industrial development:</b>		
Water resources and conservation	15,000	15,000
Regional development	159,499	162,905
	<u>174,499</u>	<u>177,905</u>
<b>Sub-totals forward</b>	<u>\$ 4,496,204</u>	<u>\$ 3,603,256</u>

Town of Carman  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
Year Ended December 31, 2019

**SCHEDULE 3**

	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>Sub-totals forward</b>	<b><u>\$ 4,496,204</u></b>	<b><u>\$ 3,603,256</u></b>
<b>Recreation and cultural services:</b>		
Administration	894,612	853,734
Community centers and halls	392,785	358,565
Parks and playgrounds	34,346	24,710
Other recreational facilities	3,632	3,460
Museums	7,126	4,968
Libraries	134,419	148,011
Other cultural facilities	149,541	140,810
	<u>1,616,461</u>	<u>1,534,258</u>
<b>Water and sewer services (Schedule 9)</b>	<b><u>1,093,076</u></b>	<b><u>1,151,504</u></b>
<b>Consolidated water co-operatives</b>	<b><u>255,676</u></b>	<b><u>281,282</u></b>
<b>Total expenses</b>	<b><u>\$ 7,461,417</u></b>	<b><u>\$ 6,570,300</u></b>

**SCHEDULE 4**

**Town of Carman  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
Year Ended December 31, 2019**

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>REVENUE</b>										
Property taxes	\$ 3,079,097	\$ 2,942,340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	35,140	46,507	-	-	-	-	-	-	-	-
User fees	4,296	4,521	15,584	15,398	5,238	5,740	231,377	217,164	223,121	188,615
Prov of MB - Unconditional Grants	590,631	522,839	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	218,379	501,203	(3,419)	249,389	-	-	161,741	158,817	8,328	8,427
Grants - other	349,960	223,724	-	-	-	-	-	-	-	-
Permits, licences and fines	117,036	112,460	-	-	-	-	-	-	-	-
Investment income	29,270	25,974	5,922	1,142	4,917	5,147	-	-	3,834	3,515
Other revenue	708,926	214,845	52,582	700	113	9,679	-	-	4,050	8,525
Water and sewer	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>5,132,735</b>	<b>4,594,413</b>	<b>70,669</b>	<b>266,629</b>	<b>10,268</b>	<b>20,566</b>	<b>393,118</b>	<b>375,981</b>	<b>239,333</b>	<b>209,082</b>
<b>EXPENSES</b>										
Personnel services	399,281	346,136	327,223	424,638	636,245	546,205	211,536	261,674	-	-
Contract services	80,163	70,727	156,358	142,324	71,330	31,805	128,066	132,263	171,778	184,466
Utilities	(46,433)	(48,268)	14,250	13,331	82,170	78,023	2,909	2,960	8,224	6,992
Maintenance materials and supplies	9,204	6,154	77,453	72,431	268,637	255,055	56,046	78,376	12,768	10,282
Grants and contributions	36,321	35,856	-	-	-	-	-	-	825,900	900
Amortization	4,104	2,149	38,824	39,462	370,739	306,570	34,371	79,132	29,669	25,980
Interest on long-term debt	8,203	2,499	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	113,837	107,760	3,224	2,609	27,062	946	1,097	831	33,192	36,412
<b>Total expenses</b>	<b>646,170</b>	<b>585,974</b>	<b>617,332</b>	<b>694,795</b>	<b>1,456,183</b>	<b>1,218,604</b>	<b>434,025</b>	<b>555,236</b>	<b>1,081,531</b>	<b>265,032</b>
<b>Surplus (Deficit)</b>	<b>\$ 4,486,565</b>	<b>\$ 4,008,439</b>	<b>\$ (546,663)</b>	<b>\$ (428,166)</b>	<b>\$ (1,445,915)</b>	<b>\$ (1,198,038)</b>	<b>\$ (40,907)</b>	<b>\$ (179,255)</b>	<b>\$ (842,198)</b>	<b>\$ (55,950)</b>

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



**SCHEDULE 4**

**Town of Carman  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
Year Ended December 31, 2019**

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2019	2018	2019	2018	2019	2018	2019	2018	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,632	\$ 112,632	\$ 3,191,729
Grants in lieu of taxation	-	-	-	-	-	-	-	-	35,140
User fees	-	-	4,800	4,800	432,689	430,897	-	-	917,105
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	590,631
Prov of MB - Conditional Grants	9,317	17,897	-	-	26,109	23,796	-	-	262,133
Grants - other	-	-	340,552	282,232	42,746	40,216	-	-	891,580
Permits, licences and fines	55,470	51,934	-	-	-	-	-	-	172,506
Investment income	896	2,012	-	-	3,379	3,373	7,040	7,061	55,258
Other revenue	12,947	31,952	-	-	25,761	(60,138)	-	103	804,379
Water and sewer	-	-	-	-	-	-	1,351,808	1,426,901	1,351,808
<b>Total revenue</b>	<b>78,630</b>	<b>103,795</b>	<b>345,352</b>	<b>287,032</b>	<b>530,684</b>	<b>438,142</b>	<b>1,471,480</b>	<b>1,546,697</b>	<b>8,272,269</b>
<b>EXPENSES</b>									
Personnel services	36,452	51,255	80,293	77,392	1,044,460	998,164	227,092	211,576	2,917,040
Contract services	46,001	52,533	87,276	92,641	257,952	232,873	524,536	542,258	1,523,460
Utilities	-	-	723	792	23,047	24,073	65,051	61,306	149,941
Maintenance materials and supplies	2,159	1,922	1,407	2,265	59,274	52,624	294,994	349,214	781,942
Grants and contributions	-	-	4,700	4,700	35,039	36,710	-	-	901,960
Amortization	-	-	-	-	171,117	157,867	173,095	172,997	821,919
Interest on long-term debt	-	-	-	-	-	-	58,100	76,942	99,590
Bad debt	-	-	-	-	-	-	-	-	8,203
Other	1,852	-	100	115	25,572	31,947	5,884	18,493	211,820
<b>Total expenses</b>	<b>86,464</b>	<b>105,710</b>	<b>174,499</b>	<b>177,905</b>	<b>1,616,461</b>	<b>1,534,258</b>	<b>1,348,752</b>	<b>1,432,786</b>	<b>7,461,417</b>
<b>Surplus (Deficit)</b>	<b>\$ (7,834)</b>	<b>\$ (1,915)</b>	<b>\$ 170,853</b>	<b>\$ 109,127</b>	<b>\$ (1,085,777)</b>	<b>\$ (1,096,116)</b>	<b>\$ 122,728</b>	<b>\$ 113,911</b>	<b>\$ 810,852</b>
									<b>\$ 1,272,039</b>

**SCHEDULE 5**

**Town of Carman  
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS  
Year Ended December 31, 2019**

	Core Government		Government Partnerships		Total
	2019	2018	2019	2018	
<b>REVENUE</b>					
Property taxes	\$ 3,191,729	\$ 3,054,972	\$ -	\$ -	\$ 3,191,729
Grants in lieu of taxation	35,140	46,507	-	-	35,140
User fees	685,151	669,796	231,954	197,339	917,105
Prov of MB - Unconditional Grants	590,631	522,839	-	-	590,631
Prov of MB - Conditional Grants	236,024	527,527	26,109	23,796	262,133
Grants - other	848,834	914,162	42,746	40,216	891,580
Permits, licences and fines	172,506	164,394	-	-	172,506
Investment income	51,593	44,079	3,665	4,145	55,258
Other revenue	801,391	296,294	2,988	(90,628)	804,379
Water and sewer	1,049,407	1,137,346	302,401	289,555	1,351,808
Total revenue	<b>7,662,406</b>	<b>7,377,916</b>	<b>609,863</b>	<b>464,423</b>	<b>8,272,269</b>
<b>EXPENSES</b>					
Personnel services	2,811,102	2,780,446	151,480	136,594	2,962,582
Contract services	1,340,837	1,308,398	182,623	173,492	1,523,460
Utilities	112,825	105,235	37,116	33,974	149,941
Maintenance materials and supplies	704,625	743,546	77,317	84,777	781,942
Grants and contributions	927,757	112,222	(25,797)	(34,056)	901,960
Amortization	759,355	724,064	62,564	60,093	821,919
Interest on long-term debt	75,710	101,374	23,880	38,529	99,590
Other	194,282	150,247	25,741	51,365	220,023
Total expenses	<b>6,926,493</b>	<b>6,025,532</b>	<b>534,924</b>	<b>544,768</b>	<b>7,461,417</b>
<b>Surplus</b>	<b>\$ 735,913</b>	<b>\$ 1,352,384</b>	<b>\$ 74,939</b>	<b>\$ (80,345)</b>	<b>\$ 810,852</b>
					<b>\$ 1,272,039</b>

**SCHEDULE 6**

Town of Carman  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
 Year Ended December 31, 2019

	2019											2018	
General	Equipment Reserve	Storm Sewer	Industrial Park	Fire Reserve	Gas Tax Reserve	Memorial Hall Reserve	Greenwood Reserve	Community Hall Reserve	Recreation Reserve	Utility Reserve	CDPD Reserve	Total	Total
REVENUE													
Investment income	\$ 4,906	\$ 347	\$ 897	\$ 5,922	\$ 11	\$ -	\$ 905	\$ 53	\$ 2,590	\$ 6,693	\$ -	\$ 32,610	\$ 28,509
Other income	-	-	5,143	52,582	-	-	3,050	-	-	-	-	60,775	31,867
Total revenue	4,906	347	6,040	58,504	11	-	3,955	53	2,590	6,693	-	93,385	60,376
EXPENSES													
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
NET REVENUES	10,286	347	6,040	58,504	11	-	3,955	53	2,590	6,693	-	93,385	60,376
TRANSFERS													
Transfers from (to) operating fund	312,000	-	-	-	-	-	-	-	40,000	-	(12)	381,988	690,000
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	(40,000)	-	(40,000)	-
Acquisition of tangible capital assets	(389,783)	-	-	(289,155)	-	-	-	-	-	-	-	(834,046)	(684,511)
CHANGE IN RESERVE FUND BALANCES	(67,497)	347	6,040	(230,651)	11	-	3,955	53	42,590	(33,307)	(12)	(398,673)	65,865
FUND SURPLUS, BEGINNING OF YEAR	219,983	338,121	42,107	342,809	586	-	44,988	2,693	130,876	16,646	12	1,156,540	1,090,675
FUND SURPLUS, END OF YEAR	\$ 152,486	\$ 217,919	\$ 48,147	\$ 112,158	\$ 597	\$ -	\$ 48,943	\$ 2,746	\$ 173,466	\$ (16,661)	\$ -	\$ 757,867	\$ 1,156,540

Town of Carman  
**SCHEDULE OF L.U.D. OPERATIONS**  
**Year Ended December 31, 2019**

**SCHEDULE 7**

	2019 Budget	2019 Actual	2018 Actual
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
Total revenue	-	-	-
<b>Expenses</b>			
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	-	-	-
<b>Net revenues (expenses)</b>	-	-	-
<b>Transfers:</b>			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other - Transfer to capital	-	-	-
<b>Change in L.U.D. balances</b>	<u>\$ -</u>	-	-
<b>Unexpended balance</b> , beginning of year		-	-
<b>Unexpended balance</b> , end of year		<u>\$ -</u>	<u>\$ -</u>

Town of Carman  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
Year Ended December 31, 2019

**SCHEDULE 8**

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ 100	\$ 100
Amounts receivable	206,082	264,699
Due from other funds	<u>150,616</u>	<u>150,616</u>
	<u>356,798</u>	<u>415,415</u>
<b>LIABILITIES</b>		
Long-term debt (Note 9)	534,541	612,953
Due to other funds	<u>633,743</u>	<u>365,504</u>
	<u>1,168,284</u>	<u>978,457</u>
<b>NET DEBT</b>	<u>(811,486)</u>	<u>(563,042)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	3,695,380	3,379,842
Inventories	<u>85,139</u>	<u>43,270</u>
	<u>3,780,519</u>	<u>3,423,112</u>
<b>FUND SURPLUS</b>	<u>\$ 2,969,033</u>	<u>\$ 2,860,070</u>

Town of Carman  
**SCHEDULE OF UTILITY OPERATIONS - Utility**  
**Year Ended December 31, 2019**

**SCHEDULE 9**

	<u>2019</u> <u>Budget</u>	<u>2019</u> <u>Actual</u>	<u>2018</u> <u>Actual</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 854,150	\$ 863,159	\$ 832,913
<b>Sewer</b>			
Sewer fees	180,000	164,023	173,111
<b>Property taxes</b>	<b>112,632</b>	<b>112,632</b>	112,632
<b>Other</b>			
Hydrant rentals	14,760	14,760	14,760
Connection charges	25,000	3,538	14,766
Penalties	1,500	2,090	1,413
Other income	2,500	1,837	100,383
sub-total- other	<u>43,760</u>	<u>22,225</u>	<u>131,322</u>
<b>Total revenue</b>	<b>1,190,542</b>	<b>1,162,039</b>	1,249,978
<b>EXPENSES</b>			
<b>General</b>			
Administration	168,885	166,515	164,030
<b>Water General</b>			
Purification and treatment	351,425	346,333	336,098
Transmission and distribution	258,250	83,511	137,244
Water purchases	190,000	211,625	180,738
Connection costs	-	20,138	112,959
sub-total- water general	<u>799,675</u>	<u>661,607</u>	<u>767,039</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	110,531	110,531	112,904
Interest on long term debt	34,220	34,220	38,412
sub-total- water amortization & interest	<u>144,751</u>	<u>144,751</u>	<u>151,316</u>
<b>Sewer General</b>			
Collection system costs	50,750	99,315	48,175
Treatment and disposal cost	1,500	-	-
Lift Station costs	22,100	20,888	20,944
sub-total- sewer general	<u>74,350</u>	<u>120,203</u>	<u>69,119</u>
<b>Total expenses</b>	<b>1,187,661</b>	<b>1,093,076</b>	1,151,504
<b>NET REVENUES</b>	<b>2,881</b>	<b>68,963</b>	98,474
<b>TRANSFERS</b>			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	<u>(35,000)</u>	<u>40,000</u>	<u>(25,000)</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>	<b>\$ (32,119)</b>	<b>108,963</b>	73,474
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>2,860,070</u>	2,786,596
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 2,969,033</u>	<u>\$ 2,860,070</u>

**SCHEDULE 10**

**TOWN OF CARMAN  
RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET  
Year Ended December 31, 2019**

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 3,060,000	-	\$ -	\$ -	-	\$ -	-	\$ 3,060,000
Grants in lieu of taxation	133,086	-	-	-	-	-	-	133,086
User fees	707,154	-	-	-	-	-	231,954	939,108
Grants - Province of Manitoba	763,133	-	-	-	-	-	26,109	789,242
Grants - other	1,173,369	-	-	-	-	-	42,746	1,216,115
Permits, licences and fines	171,115	-	-	-	-	-	-	171,115
Investment income	12,000	-	-	-	-	-	3,665	15,665
Other revenue	79,700	-	-	-	-	-	2,988	82,688
Water and sewer	-	1,190,542	-	-	-	-	-	-
Transfers from accumulated surplus	980,520	85,000	-	-	(1,065,520)	-	302,401	1,492,943
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	7,080,077	1,275,542	-	-	(1,065,520)	-	609,863	7,899,962
<b>EXPENSES</b>								
General government services	579,650	-	4,104	41,490	-	-	-	625,244
Protective services	1,352,320	-	38,824	-	-	-	-	1,391,144
Transportation services	1,075,600	-	370,739	-	-	-	-	1,446,339
Environmental health services	490,000	-	34,371	-	-	-	-	524,371
Public health and welfare services	35,000	-	29,669	-	-	-	198,126	262,795
Regional planning and development	91,500	-	-	-	-	-	-	91,500
Resource cons and industrial dev	212,400	-	-	-	-	-	-	212,400
Recreation and cultural services	1,286,470	-	171,117	-	-	-	81,122	1,538,709
Water and sewer services	-	1,042,910	110,531	34,220	-	-	255,676	1,443,337
Fiscal services:								
LUD of La Broquerie	-	-	-	-	-	-	-	-
Transfer to capital	1,916,307	85,000	-	-	(2,001,307)	-	-	-
Transfer to utility	-	-	-	-	-	-	-	-
Debt charges	-	112,632	-	-	(112,632)	-	-	-
Short term interest	-	-	-	-	-	-	-	-
Transfer to deferred surplus	-	-	-	-	-	-	-	-
Transfer to reserves	30,000	35,000	-	-	(65,000)	-	-	-
Allowance for tax assets	10,830	-	-	-	(10,830)	-	-	-
Total expenses	7,080,077	1,275,542	759,355	75,710	(2,189,769)	-	534,924	7,535,839
Surplus (Deficit)	\$ -	\$ -	\$ (759,355)	\$ (75,710)	\$ 1,124,249	\$ -	\$ 74,939	\$ 364,123

Town of Carman  
**ANALYSIS OF TAXES ON ROLL**  
**Year Ended December 31, 2019**

**SCHEDULE 11**

	<u>2019</u>	<u>2018</u>
<b>Balance, beginning of year</b>	<b>\$ 94,091</b>	<b>\$ 119,338</b>
<b>Add:</b>		
Tax levy (Schedule 12)	4,908,247	4,710,658
Taxes added	27,869	35,753
Penalties or interest	17,388	18,222
Tax Adjustments (specify)	5,914	8,890
<b>Sub-total</b>	<b><u>4,959,418</u></b>	<b><u>4,773,523</u></b>
<b>Deduct:</b>		
Cash collections - current	3,942,411	3,822,858
Cash collections - arrears	341,065	307,236
Writeoffs	8,203	2,499
M.P.T.C. - cash advance	644,107	666,177
<b>Sub-total</b>	<b><u>4,935,786</u></b>	<b><u>4,798,770</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 117,723</u></u></b>	<b><u><u>\$ 94,091</u></u></b>



Town of Carman  
**ANALYSIS OF TAX LEVY**  
**Year Ended December 31, 2019**

**SCHEDULE 12**

	2019			2018
	Assessment	Mill Rate	Levy	Levy
<b>Debt charges:</b>				
General Debenture	156,663,730	1.140%	\$ 178,597	\$ 201,698
Utility Debenture Debt	156,663,730	0.710%	111,231	95,541
Bridge Road - P3	-	0.000%	-	13,902
Bridge Road - P4	1,281,000	14.605%	18,709	18,709
Other	-	0.000%	-	48,882
<b>Deferred surplus</b>				
<b>Reserves:</b>				
Machinery Replacement	140,436,070	0.210%	29,492	35,962
<b>Special levies:</b>				
Waste Collection	132,722,560	0.230%	305,890	297,880
<b>General municipal:</b>				
At large	140,436,070	17.890%	2,512,401	2,296,062
Business Tax Fees	-	0.000%	1,626	1,693
<b>Total municipal taxes (Schedule 2)</b>			<u>3,157,946</u>	<u>3,010,329</u>
Education support levy	23,230,280	9.770%	226,960	219,899
Special levies				
Special - Prairie Rose	134,808,910	11.300%	<u>1,523,341</u>	<u>1,480,430</u>
<b>Total education taxes</b>			<u>1,750,301</u>	<u>1,700,329</u>
<b>Total tax levy (Schedule 11)</b>			<u>\$ 4,908,247</u>	<u>\$ 4,710,658</u>

Town of Carman  
 SCHEDULE OF GENERAL OPERATING FUND EXPENSES  
 Year Ended December 31, 2019

SCHEDULE 13

	2019 Actual	2018 Actual
<b>General government services:</b>		
Legislative	\$ 143,034	\$ 110,209
General administrative	318,207	290,243
Other	184,929	185,522
	<u>646,170</u>	<u>585,974</u>
<b>Protective services:</b>		
Police	252,187	369,969
Fire	351,518	317,919
Emergency measures	4,616	2,277
Other protection	9,011	4,630
	<u>617,332</u>	<u>694,795</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	830,569	710,437
Engineering	(5,939)	(8,795)
Road and street maintenance	105,789	75,272
Sidewalk and boulevard maintenance	33,709	34,505
Street lighting	72,410	71,709
Other	370,739	306,570
Air transport	8,906	8,906
Public transit	40,000	20,000
	<u>1,456,183</u>	<u>1,218,604</u>
<b>Environmental health services:</b>		
Waste collection and disposal	140,103	210,777
Recycling	155,071	162,278
Other	138,851	182,181
	<u>434,025</u>	<u>555,236</u>
<b>Public health and welfare services:</b>		
Public health	54,826	50,742
Medical care	825,000	30,000
Social assistance	3,579	3,579
	<u>883,405</u>	<u>84,321</u>
<b>Regional planning and development</b>		
Urban area weed control	3,173	8,671
Other	83,291	97,039
	<u>86,464</u>	<u>105,710</u>
<b>Resource conservation and industrial development</b>		
Water resources and conservation	15,000	15,000
Regional development	159,498	162,905
	<u>174,498</u>	<u>177,905</u>
<b>Recreation and cultural services:</b>		
Administration	894,612	853,734
Community centers and halls	392,785	358,565
Parks and playgrounds	34,346	24,710
Other recreational facilities	3,632	3,460
Museums	7,126	4,968
Libraries	53,297	65,236
Other cultural facilities	149,540	140,810
	<u>1,535,338</u>	<u>1,451,483</u>
<b>Total expenses</b>	<u>\$ 5,833,415</u>	<u>\$ 4,874,028</u>

**SCHEDULE 14**  
**(Unaudited)**

**Town of Carman**  
**RECONCILIATION OF ANNUAL SURPLUS**  
**December 31, 2019**

	General	2019 Utility	Total	2018 Total
<b>MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT</b>	<b>\$ 4,534</b>	<b>\$ 13,376</b>	<b>\$ 17,910</b>	<b>\$ 19,908</b>
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	381,988	-	381,988	690,000
Eliminate revenue - transfers from reserves	(834,046)	(40,000)	(874,046)	(684,511)
Increase revenue - reserve funds interest and other revenue	93,385	-	93,385	60,376
Increase (decrease) revenue - Net surplus (deficit) of consolidated entities	74,939	-	74,939	(80,345)
Increase expense - amortization of tangible capital assets	(648,314)	(110,531)	(758,845)	(724,100)
Decrease expense - principal portion of debenture debt (net of new debt)	(612,386)	78,412	(533,974)	270,016
Debenture pending	-	-	-	(76,336)
Increase revenue - net book value of disposed tangible capital assets	(39,280)	-	(39,280)	(2,942)
Eliminate expense - acquisitions of tangible capital assets	2,022,706	426,069	2,448,775	1,698,573
Decrease revenue - contribution of tangible capital assets from partnerships	-	-	-	-
Eliminate internally funded capital assets	298,363	(298,363)	-	-
Prior year deferred revenue from grants recognized in current year	-	-	-	142,888
Inventory transferred from capital project	-	-	-	(41,489)
<b>NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 741,889</b>	<b>\$ 68,963</b>	<b>\$ 810,852</b>	<b>\$ 1,272,039</b>