

# **Town of Carman**

**Consolidated Financial Statements  
For the Year Ended December 31, 2020**

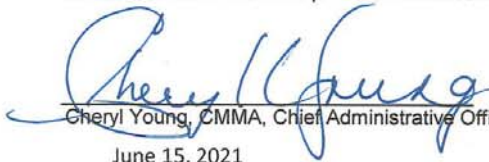
## STATEMENT OF RESPONSIBILITY

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, CMMA, Chief Administrative Officer

June 15, 2021

**Town of Carman**  
**Consolidated Financial Statements**  
**For the Year Ended December 31, 2020**

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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 controlled entities (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2020, 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, 2020, 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.
- 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

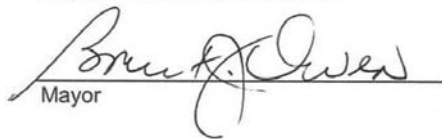
Winnipeg, Manitoba  
June 14, 2021

**Town of Carman**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 1,571,469	\$ 5,903,830
Amounts receivable (Note 4)	1,083,982	867,402
Other assets	6,746	8,437
	<u>2,662,197</u>	<u>6,779,669</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	2,112,847	1,780,980
Deferred revenue (Note 7)	1,133,366	3,605,133
Long-term debt (Note 8)	<u>3,259,015</u>	<u>3,555,529</u>
	<u>6,505,228</u>	<u>8,941,642</u>
<b>NET DEBT</b>	<u>(3,843,031)</u>	<u>(2,161,973)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	26,280,746	18,371,261
Inventories (Note 5)	176,745	171,218
Prepaid expenses	<u>52,130</u>	<u>47,584</u>
	<u>26,509,621</u>	<u>18,590,063</u>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<u>\$ 22,666,590</u>	<u>\$ 16,428,090</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, 2020**

	<u>2020 Budget (Schedule 10)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 3,196,654	\$ 3,339,801	\$ 3,191,729
Grants in lieu of taxation	134,943	45,787	35,140
User fees	917,094	740,447	917,105
Permits, licences and fines	237,300	182,965	172,506
Investment income	22,804	19,461	55,258
Other revenue	179,677	363,962	804,379
Water and sewer	1,380,094	6,620,860	1,351,808
Grants - Province of Manitoba	9,853,055	1,192,345	852,764
Grants - other	<u>966,144</u>	<u>875,667</u>	<u>891,580</u>
Total revenue (Schedules 2, 4 and 5)	<u>16,887,765</u>	<u>13,381,295</u>	<u>8,272,269</u>
<b>EXPENSES</b>			
General government services	743,264	718,961	646,170
Protective services	937,442	960,067	617,332
Transportation services	1,578,295	1,461,532	1,456,183
Environmental health services	456,667	453,778	434,025
Public health and welfare services	244,705	240,192	1,081,531
Regional planning and development	126,000	114,533	86,464
Resource conservation and industrial development	188,000	409,627	174,499
Recreation and cultural services	1,735,343	1,551,187	1,616,461
Water and sewer services	<u>1,426,235</u>	<u>1,232,918</u>	<u>1,348,752</u>
Total expenses (Schedules 3, 4 and 5)	<u>7,435,951</u>	<u>7,142,795</u>	<u>7,461,417</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 9,451,814</u>	6,238,500	810,852
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>16,428,090</u>	<u>15,617,238</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$22,666,590</u>	<u>\$ 16,428,090</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, 2020**

	<u>2020</u> <u>Budget</u> <u>(Note 11)</u>	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 9,451,814</b>	<b>\$ 6,238,500</b>	<b>\$ 810,852</b>
Acquisition of tangible capital assets	(9,038,515)	(9,038,515)	(2,659,698)
Amortization of tangible capital assets	867,952	867,951	821,409
Loss (gain) on disposal of tangible capital assets	-	(4,944)	4,612
Proceeds on disposal of tangible capital assets	-	266,023	34,668
Increase in inventories	-	(5,527)	(58,852)
Increase in prepaid expense	-	(4,546)	(20,008)
	<u>(8,170,563)</u>	<u>(7,919,558)</u>	<u>(1,877,869)</u>
<b>CHANGE IN NET FINANCIAL DEBT</b>	<b>\$ 1,281,251</b>	<b>(1,681,058)</b>	<b>(1,067,017)</b>
<b>NET DEBT, BEGINNING OF YEAR</b>		<u>(2,161,973)</u>	<u>(1,094,956)</u>
<b>NET DEBT, END OF YEAR</b>		<u><b>\$ (3,843,031)</b></u>	<u><b>\$ (2,161,973)</b></u>

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



**Town of Carman**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 6,238,500	\$ 810,852
Changes in non-cash items:		
Amounts receivable	(216,580)	(63,615)
Inventories	(5,527)	(58,852)
Prepays	(4,546)	(20,008)
Accounts payable and accrued liabilities	331,867	779,261
Other assets	1,691	660
Deferred revenue	(2,471,767)	3,060,423
Loss (gain) on sale of tangible capital asset	(4,944)	4,612
Amortization	867,951	821,409
Cash provided by operating transactions	<u>4,736,645</u>	<u>5,334,742</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	266,023	34,668
Cash used to acquire tangible capital assets	<u>(9,038,515)</u>	<u>(2,659,698)</u>
Cash applied to capital transactions	<u>(8,772,492)</u>	<u>(2,625,030)</u>
<b>INVESTING TRANSACTIONS</b>		
Purchase of portfolio investments	-	43,052
Cash applied to investing transactions	<u>-</u>	<u>43,052</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	-	825,000
Debt repayment	<u>(296,514)</u>	<u>(158,140)</u>
Cash applied to financing transactions	<u>(296,514)</u>	<u>666,860</u>
<b>INCREASE IN CASH</b>	<b>(4,332,361)</b>	<b>3,419,624</b>
<b>CASH, BEGINNING OF YEAR</b>	<b><u>5,903,830</u></b>	<b><u>2,484,206</u></b>
<b>CASH, END OF YEAR</b>	<b><u>\$ 1,571,469</u></b>	<b><u>\$ 5,903,830</u></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, 2020**

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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%	(2019 - 50%)
Carman & Community Health Centre	50%	(2019 - 50%)
Pembina Valley Water Cooperative Inc.	4.54%	(2019 - 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, 2020**

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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, 2020**

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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**

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.

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**

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% (1.95% effective rate), and secured by a general security agreement and pledge of taxes. As at December 31, 2020, the balance utilized was \$365,067.

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2020**

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 122,455	\$ 117,723
Government grants	406,081	53,527
Utility customers	201,747	206,082
Organizations and individuals	146,574	148,899
Other governments	207,125	341,171
	<u>1,083,982</u>	<u>867,402</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,083,982</u>	<u>\$ 867,402</u>

**5. Inventories**

	<u>2020</u>	<u>2019</u>
Water meters	\$ 85,136	\$ 85,136
Drain plates	41,489	41,489
Other supplies	50,120	44,593
	<u>\$ 176,745</u>	<u>\$ 171,218</u>

**6. Accounts Payable and Accrued Liabilities**

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 1,062,595	\$ 926,696
Accrued expenses	1,001,654	824,457
School levies	48,598	29,827
	<u>\$ 2,112,847</u>	<u>\$ 1,780,980</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 \$698,186 (2019 - \$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>2020</u>	<u>2019</u>
Property taxes	\$ 180,158	\$ 164,500
Regional Water Treatment Facility - Provincial Funding	785,458	3,297,728
Boyne Regional Library Project	-	137,674
Other	167,750	5,231
	<u>\$ 1,133,366</u>	<u>\$ 3,605,133</u>

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

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 137,674	\$ 383,006
Funding received during the year	-	718,834
Recognized as revenue during the year	(137,674)	(487,120)
Asset transferred to the Rural Municipality of Dufferin	-	(487,120)
Interest earned	-	10,074
	<u>\$ -</u>	<u>\$ 137,674</u>

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2020**

**8. Long-term Debt**

	<u>2020</u>	<u>2019</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>\$    33,409</b>	\$    40,570
By-Law 07/1896                      \$    100,000 Debenture, interest at 5.50%, payable at \$8,892 annually including interest, maturing December, 2024.	<b>31,168</b>	37,971
By-Law 09/1947                      \$    600,000 Debenture, interest at 5.42%, payable at \$61,240 annually including interest, maturing December, 2030.	<b>377,385</b>	405,293
By-Law 16/2010                      \$    750,000 Debenture, interest at 2.90%, payable at \$87,475 annually including interest, maturing December, 2025.	<b>401,755</b>	475,442
By-Law 19/2039                      \$    825,000 Debenture, interest at 3.56%, payable at \$71,937 annually including interest, maturing April 2034.	<b>782,433</b>	825,000
Laycock - Industrial Park        \$   1,183,500 Long-term debt, interest free, payable at \$27,000 annually, maturing January 2036.	<b>433,500</b>	460,500
	<b><u>\$   2,059,650</u></b>	<b><u>\$   2,244,776</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>\$    107,153</b>	\$    156,400
By-Law 08/1922                      \$650,000 Debenture, interest at 5.50%, payable at \$54,392 annually including interest, maturing December, 2028.	<b>344,547</b>	378,141
	<b><u>\$    451,700</u></b>	<b><u>\$    534,541</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>\$    570,504</b>	\$    605,824
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 (0.47% at December 31, 2020) 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>56,473</b>	60,873

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2020**

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

	<u>2020</u>	<u>2019</u>
<u>Pembina Valley Water Co-operative Inc. (continued)</u>		
Canadian Imperial Bank of Commerce Demand facility with 30 day Bankers' Acceptances reducing by \$694 principal and interest installments per month, with monthly interest at the CIBC Bankers' Acceptance floating rate (0.47% at December 31, 2020) and 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.	120,688	-
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 minus 0.25%. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.	-	95,340
Derivative Contract Interest rate swap locked in a fixed interest rate through July 2023.	-	14,175
	<u>747,665</u>	<u>776,212</u>
	<u>\$ 3,259,015</u>	<u>\$ 3,555,529</u>

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

2021	\$ 342,409
2022	357,448
2023	314,986
2024	328,195
2025	270,869

As of December 31, 2020, there is a pending debenture of \$2,241,197 in the utility reserve for the water reservoir project.

**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.

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2020**

**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.

**12. Accumulated Surplus**

	<u>2020</u>	<u>2019</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 655,432	\$ 518,948
Utility operating fund - Nominal surplus	206,527	193,905
TCA net of related borrowings	19,783,771	13,876,295
Reserve funds	<u>818,593</u>	<u>757,867</u>
Accumulated surplus of municipality unconsolidated	21,464,323	15,347,015
Accumulated surpluses of consolidated entities	<u>1,202,268</u>	<u>1,081,075</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 22,666,590</u>	<u>\$ 16,428,090</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, 2020:

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	\$ 113,623
Joe Richardson	Public Works Superintendent	92,905

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, 2020:

c) Compensation paid to members of council amounted to \$119,420 in aggregate.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Brent Owen	\$ 21,180	\$ 1,353	\$ 22,533
Deputy Mayor - Brad Johnston	15,960	1,300	17,260
Councillor - Richard Dyck	14,745	1,486	16,231
Councillor - Matt Gray	14,520	1,300	15,820
Councillor - Chris Hasell	14,595	1,341	15,936
Councillor - Jane Swanton	14,520	1,300	15,820
Councillor - Bernie Townsend	<u>14,520</u>	<u>1,300</u>	<u>15,820</u>
	<u>\$ 110,040</u>	<u>\$ 9,380</u>	<u>\$ 119,420</u>



**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2020**

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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 \$115,856 (\$109,066 in 2019) 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, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of \$288.8 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, 2019.

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, 2020**

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**16. 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, 2020**

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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>2020</u>	<u>2019</u>
Financial Position		
Total assets	<u>\$ 1,938,562</u>	<u>\$ 1,867,957</u>
Total liabilities	<u>\$ 736,295</u>	<u>\$ 786,882</u>
Accumulated surplus	<u>1,202,268</u>	<u>1,081,075</u>
	<u>\$ 1,938,562</u>	<u>\$ 1,867,957</u>
Results of Operations		
Revenue	<u>\$ 675,331</u>	<u>\$ 609,863</u>
Expenses	<u>554,138</u>	<u>534,924</u>
Annual surplus	<u>\$ 121,193</u>	<u>\$ 74,939</u>

Town of Carman  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
 Year Ended December 31, 2020

**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	2020	2019
<b>Cost</b>										
Opening 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
Additions during the year	1,414	621,054	428,561	25,639	190,369	779,299	316,353	7,331,880	9,694,569	2,784,698
Disposals, write downs and transfers	(7,575)	-	(249,101)	-	(656,054)	-	(228,703)	-	(1,141,433)	(172,043)
Transfers	-	-	-	-	-	204,970	(204,970)	-	-	-
Closing costs	2,929,353	5,790,430	3,698,583	643,826	526,853	8,473,661	8,136,078	7,639,782	37,838,566	29,285,430
<b>Accumulated Amortization</b>										
Opening 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
Amortization	40,100	120,345	247,850	24,558	-	260,988	174,110	-	867,951	821,409
Disposals and write downs	-	-	(198,159)	-	-	-	(26,141)	-	(224,300)	(7,763)
Closing accum'd amortization	408,829	2,411,205	2,186,388	387,497	-	2,824,324	3,339,577	-	11,557,820	10,914,169
Net Book Value of tangible capital assets	\$ 2,520,524	\$ 3,379,225	\$ 1,512,195	\$ 256,329	\$ 526,853	\$ 5,649,337	\$ 4,796,501	\$ 7,639,782	\$ 26,280,746	\$ 18,371,261

Town of Carman  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**Year Ended December 31, 2020**

**SCHEDULE 2**

	<b>2020</b>	2019
	<b>Actual</b>	Actual
<b>Property taxes</b>		
Municipal taxes levied (Schedule 12)	<b>\$ 3,285,809</b>	\$ 3,157,946
Taxes added	<b>53,992</b>	33,783
	<b>3,339,801</b>	3,191,729
<b>Grants in lieu of taxation</b>		
Federal government enterprises	<b>8,504</b>	6,660
Provincial government enterprises	<b>37,283</b>	28,480
	<b>45,787</b>	35,140
<b>User fees</b>		
Sales of service	<b>726,353</b>	902,740
Sales of goods	<b>6,463</b>	6,920
Rentals	<b>7,631</b>	7,445
	<b>740,447</b>	917,105
<b>Grants - Province of Manitoba</b>		
General assistance payment	<b>780,059</b>	590,631
Conditional grants	<b>412,286</b>	262,133
	<b>1,192,345</b>	852,764
<b>Grants - other</b>		
Federal government - gas tax funding	<b>170,276</b>	339,394
Federal government - other	<b>27,014</b>	13,949
Other local governments	<b>678,377</b>	538,237
	<b>875,667</b>	891,580
<b>Permits, licences and fines</b>		
Permits	<b>68,393</b>	55,970
Licences	<b>114,572</b>	115,259
Fines	<b>-</b>	1,277
	<b>182,965</b>	172,506
<b>Investment income</b>		
Cash and temporary investments	<b>19,461</b>	55,258
<b>Other revenue</b>		
(Loss) gain on sale of tangible capital assets	<b>7,911</b>	(4,725)
Penalties and interest	<b>17,841</b>	17,388
Miscellaneous	<b>338,210</b>	791,716
	<b>363,962</b>	804,379
<b>Water and sewer</b>	<b>6,280,766</b>	1,049,407
<b>Consolidated water co-operatives</b>	<b>340,094</b>	302,401
<b>Total revenue</b>	<b>\$ 13,381,295</b>	\$ 8,272,269

Town of Carman  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**Year Ended December 31, 2020**

**SCHEDULE 3**

	<b>2020</b>	2019
	<b>Actual</b>	Actual
<b>General government services</b>		
Legislative	\$ 112,044	\$ 143,034
General administrative	426,228	318,207
Other	180,689	184,929
	<u>718,961</u>	<u>646,170</u>
<b>Protective services</b>		
Police	536,779	252,187
Fire	398,715	351,518
Emergency measures	10,168	4,616
Other protection	14,405	9,011
	<u>960,067</u>	<u>617,332</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	769,422	830,569
Engineering	(4,945)	(5,939)
Road and street maintenance	109,571	105,789
Sidewalk and boulevard maintenance	92,970	33,709
Street lighting	84,399	72,410
Other	383,995	370,739
Air transport	6,120	8,906
Public transit	20,000	40,000
	<u>1,461,532</u>	<u>1,456,183</u>
<b>Environmental health services</b>		
Waste collection and disposal	153,165	140,103
Recycling	175,171	155,071
Other	125,442	138,851
	<u>453,778</u>	<u>434,025</u>
<b>Public health and welfare services</b>		
Public health	47,784	54,826
Medical care	188,829	1,023,126
Social assistance	3,579	3,579
	<u>240,192</u>	<u>1,081,531</u>
<b>Regional planning and development</b>		
Urban area weed control	4,318	3,173
Other	110,215	83,291
	<u>114,533</u>	<u>86,464</u>
<b>Resource conservation and industrial development</b>		
Water resources and conservation	3,010	15,000
Regional development	406,617	159,499
	<u>409,627</u>	<u>174,499</u>
<b>Sub-totals forward</b>	<b>\$ 4,358,690</b>	<b>\$ 4,496,204</b>

Town of Carman  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
 Year Ended December 31, 2020

**SCHEDULE 3**

	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>Sub-totals forward</b>	<b><u>\$ 4,358,690</u></b>	<b><u>\$ 4,496,204</u></b>
<b>Recreation and cultural services</b>		
Administration	817,343	894,612
Community centers and halls	372,244	392,785
Parks and playgrounds	25,530	34,346
Other recreational facilities	3,612	3,632
Museums	5,785	7,126
Libraries	164,670	134,419
Other cultural facilities	<u>162,003</u>	<u>149,541</u>
	<u>1,551,187</u>	<u>1,616,461</u>
<b>Water and sewer services (Schedule 9)</b>	<u>972,814</u>	<u>1,093,076</u>
<b>Consolidated water co-operatives</b>	<u>260,104</u>	<u>255,676</u>
<b>Total expenses</b>	<b><u>\$ 7,142,795</u></b>	<b><u>\$ 7,461,417</u></b>

**SCHEDULE 4**

**Town of Carman  
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM  
Year Ended December 31, 2020**

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>REVENUE</b>										
Property taxes	\$ 3,227,169	\$ 3,079,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	45,787	35,140	-	-	-	-	-	-	-	-
User fees	4,682	4,296	10,119	15,584	3,120	5,238	211,868	231,377	225,881	223,121
Prov of MB - Unconditional Grants	780,059	590,631	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	367,528	218,379	-	-	-	-	-	-	10,979	8,328
Grants - other	185,078	349,960	212,459	(3,419)	-	-	159,918	161,741	-	-
Permits, licences and fines	114,747	117,036	-	-	-	-	-	-	-	-
Investment income	7,186	29,270	906	5,922	1,464	4,917	-	-	2,920	3,834
Other revenue	208,697	708,926	26,168	52,582	39,492	113	-	-	8,500	4,050
Water and sewer	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>4,940,933</b>	<b>5,132,735</b>	<b>249,652</b>	<b>70,669</b>	<b>44,076</b>	<b>10,268</b>	<b>371,786</b>	<b>393,118</b>	<b>248,280</b>	<b>239,333</b>
<b>EXPENSES</b>										
Personnel services	423,953	399,281	608,473	327,223	575,222	636,245	237,820	211,536	-	-
Contract services	50,203	80,163	156,924	156,358	12,745	71,330	108,339	128,066	162,134	171,778
Utilities	(46,110)	(46,433)	13,829	14,250	88,592	82,170	2,728	2,909	8,283	8,224
Maintenance materials and supplies	3,477	9,204	98,646	77,453	340,673	268,637	70,335	56,046	9,797	12,768
Grants and contributions	30,925	36,321	-	-	-	-	-	-	1,200	825,900
Amortization	3,144	4,104	78,942	38,824	383,995	370,739	31,667	34,371	20,276	29,669
Interest on long-term debt	124,520	41,490	-	-	-	-	-	-	-	-
Bad debt	10,254	8,203	-	-	-	-	-	-	-	-
Other	118,595	113,837	3,253	3,224	60,305	27,062	2,889	1,097	38,502	33,192
<b>Total expenses</b>	<b>718,961</b>	<b>646,170</b>	<b>960,067</b>	<b>617,332</b>	<b>1,461,532</b>	<b>1,456,183</b>	<b>453,778</b>	<b>434,025</b>	<b>240,192</b>	<b>1,081,531</b>
<b>Surplus (Deficit)</b>	<b>\$ 4,221,972</b>	<b>\$ 4,486,565</b>	<b>\$ (710,415)</b>	<b>\$ (546,663)</b>	<b>\$ (1,417,456)</b>	<b>\$ (1,445,915)</b>	<b>\$ (81,992)</b>	<b>\$ (40,907)</b>	<b>\$ 8,088</b>	<b>\$ (842,198)</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, 2020**

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total
	2020	2019	2020	2019	2020	2019	2020	2019	
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,632	\$ 112,632	\$ 3,339,801
Grants in lieu of taxation	-	-	-	-	-	-	-	-	45,787
User fees	-	-	4,800	4,800	279,977	432,689	-	-	740,447
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	780,059
Prov of MB - Conditional Grants	5,174	9,317	-	-	28,605	26,109	-	-	412,286
Grants - other	-	-	255,098	340,552	63,114	42,746	-	-	875,667
Permits, licences and fines	68,218	55,470	-	-	1,633	3,379	4,948	7,040	182,965
Investment income	404	896	-	-	49,453	25,761	-	-	19,461
Other revenue	31,652	12,947	-	-	-	-	-	-	363,962
Water and sewer	-	-	-	-	-	-	6,620,860	1,351,808	6,620,860
<b>Total revenue</b>	<b>105,448</b>	<b>78,630</b>	<b>259,898</b>	<b>345,352</b>	<b>422,782</b>	<b>530,684</b>	<b>6,738,440</b>	<b>1,471,480</b>	<b>13,381,295</b>
<b>EXPENSES</b>									
Personnel services	54,155	36,452	83,171	80,293	1,001,975	1,044,460	233,770	227,092	3,218,539
Contract services	56,424	46,001	52,708	87,276	227,405	257,952	425,704	524,536	1,252,586
Utilities	-	-	729	723	22,217	23,047	64,112	65,051	154,380
Maintenance materials and supplies	3,377	2,159	942	1,407	60,610	59,274	277,539	294,994	865,396
Grants and contributions	-	-	271,700	4,700	36,098	35,039	-	-	339,923
Amortization	-	-	-	-	175,818	170,607	174,110	173,095	867,952
Interest on long-term debt	-	-	-	-	-	-	53,153	58,100	177,673
Bad debt	-	-	-	-	-	-	-	-	10,254
Other	577	1,852	377	100	27,064	26,082	4,530	5,884	256,092
<b>Total expenses</b>	<b>114,533</b>	<b>86,464</b>	<b>409,627</b>	<b>174,499</b>	<b>1,551,187</b>	<b>1,616,461</b>	<b>1,232,918</b>	<b>1,348,752</b>	<b>7,142,795</b>
<b>Surplus (Deficit)</b>	<b>\$ (9,085)</b>	<b>\$ (7,834)</b>	<b>\$ (149,729)</b>	<b>\$ 170,853</b>	<b>\$ (1,128,405)</b>	<b>\$ (1,085,777)</b>	<b>\$ 5,505,522</b>	<b>\$ 122,728</b>	<b>\$ 6,238,500</b>
									<b>\$ 810,852</b>

**SCHEDULE 5**

**Town of Carman  
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS  
Year Ended December 31, 2020**

	Core Government		Government Partnerships		Total
	2020	2019	2020	2019	
<b>REVENUE</b>					
Property taxes	\$ 3,339,801	\$ 3,191,729	\$ -	\$ -	\$ 3,339,801
Grants in lieu of taxation	45,787	35,140	-	-	45,787
User fees	510,028	685,151	230,419	231,954	740,447
Prov of MB - Unconditional Grants	780,059	590,631	-	-	780,059
Prov of MB - Conditional Grants	383,681	236,024	28,605	26,109	412,286
Grants - other	812,553	848,834	63,114	42,746	875,667
Permits, licences and fines	182,965	172,506	-	-	182,965
Investment income	16,656	51,593	2,805	3,665	19,461
Other revenue	353,668	801,391	10,294	2,988	363,962
Water and sewer	6,280,766	1,049,407	340,094	302,401	6,620,860
<b>Total revenue</b>	<b>12,705,964</b>	<b>7,662,406</b>	<b>675,331</b>	<b>609,863</b>	<b>13,381,295</b>
<b>EXPENSES</b>					
Personnel services	3,049,791	2,811,102	168,748	151,480	3,218,539
Contract services	1,080,071	1,340,837	172,515	182,623	1,252,586
Utilities	117,272	112,825	37,108	37,116	154,380
Maintenance materials and supplies	784,464	704,625	80,932	77,317	865,396
Grants and contributions	368,993	927,757	(29,070)	(25,797)	339,923
Amortization	801,322	758,845	66,630	62,564	867,952
Interest on long-term debt	154,311	75,710	23,362	23,880	177,673
Other	232,433	194,792	33,913	25,741	266,346
<b>Total expenses</b>	<b>6,588,657</b>	<b>6,926,493</b>	<b>554,138</b>	<b>534,924</b>	<b>7,142,795</b>
<b>Surplus</b>	<b>\$ 6,117,307</b>	<b>\$ 735,913</b>	<b>\$ 121,193</b>	<b>\$ 74,939</b>	<b>\$ 6,238,500</b>
					<b>\$ 810,852</b>

**SCHEDULE 6**

Town of Carman  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
 Year Ended December 31, 2020

	2020											2019			
	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
<b>REVENUE</b>															
Investment income	\$ 4,462	\$ 1,459	\$ 139	\$ 404	\$ 906	\$ 5	\$ -	\$ 396	\$ 21	\$ 1,332	\$ 4,809	\$ -	\$ -	\$ 13,933	\$ 32,610
Other income	-	-	-	-	26,168	-	-	5,750	-	-	-	-	-	31,918	60,775
Total revenue	<u>4,462</u>	<u>1,459</u>	<u>139</u>	<u>404</u>	<u>27,074</u>	<u>5</u>	<u>-</u>	<u>6,146</u>	<u>21</u>	<u>1,332</u>	<u>4,809</u>	<u>-</u>	<u>-</u>	<u>45,851</u>	<u>93,385</u>
<b>EXPENSES</b>															
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET REVENUES</b>	<u>4,462</u>	<u>1,459</u>	<u>139</u>	<u>404</u>	<u>27,074</u>	<u>5</u>	<u>-</u>	<u>6,146</u>	<u>21</u>	<u>1,332</u>	<u>4,809</u>	<u>-</u>	<u>-</u>	<u>45,851</u>	<u>93,385</u>
<b>TRANSFERS</b>															
Transfers from (to) operating fund	225,000	30,000	-	7,575	50,000	-	-	-	-	(40,000)	-	-	-	272,575	361,988
Transfers from (to) utility fund	(312,000)	(174,700)	-	-	(6,000)	-	-	-	-	235,000	-	-	-	235,000	(40,000)
Acquisition of tangible capital assets	(82,538)	(143,241)	139	7,979	71,074	5	-	6,146	21	(38,668)	239,809	-	-	60,726	(398,673)
CHANGE IN RESERVE FUND BALANCES	<u>152,486</u>	<u>217,919</u>	<u>18,066</u>	<u>48,147</u>	<u>112,158</u>	<u>597</u>	<u>-</u>	<u>48,943</u>	<u>2,746</u>	<u>173,466</u>	<u>(16,661)</u>	<u>-</u>	<u>-</u>	<u>757,867</u>	<u>1,156,540</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	\$ 69,948	\$ 74,678	\$ 18,205	\$ 56,126	\$ 183,232	\$ 602	\$ -	\$ 55,089	\$ 2,767	\$ 134,738	\$ 223,148	\$ -	\$ -	\$ 818,593	\$ 757,867
<b>FUND SURPLUS, END OF YEAR</b>															

Town of Carman  
**SCHEDULE OF L.U.D. OPERATIONS**  
**Year Ended December 31, 2020**

**SCHEDULE 7**

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>
<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	<u>-</u>	<u>-</u>	<u>-</u>
<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, beginning of year</b>		<u>-</u>	<u>-</u>
<b>Unexpended balance, end of year</b>		<u>\$ -</u>	<u>\$ -</u>

Town of Carman  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
Year Ended December 31, 2020

**SCHEDULE 8**

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ 100	\$ 100
Amounts receivable	607,828	206,082
Due from other funds	-	150,616
	<u>607,928</u>	<u>356,798</u>
<b>LIABILITIES</b>		
Long-term debt (Note 8)	451,700	534,541
Due to other funds	2,815,087	633,743
	<u>3,266,787</u>	<u>1,168,284</u>
<b>NET DEBT</b>	<u>(2,658,859)</u>	<u>(811,486)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	10,728,337	3,695,380
Inventories	85,139	85,139
	<u>10,813,476</u>	<u>3,780,519</u>
<b>FUND SURPLUS</b>	<u>\$ 8,154,617</u>	<u>\$ 2,969,033</u>

Town of Carman  
**SCHEDULE OF UTILITY OPERATIONS - Utility**  
**Year Ended December 31, 2020**

**SCHEDULE 9**

	2020 Budget	2020 Actual	2019 Actual
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 875,000	\$ 903,371	\$ 863,159
<b>Sewer</b>			
Sewer fees	165,000	169,618	164,023
<b>Property taxes</b>	112,632	112,632	112,632
<b>Other</b>			
Hydrant rentals	14,760	14,760	14,760
Connection charges	5,000	5,517	3,538
Penalties	2,100	809	2,090
Provincial and Federal grants	9,040,000	5,184,075	-
Other income	2,000	2,616	1,837
sub-total- other	<u>9,063,860</u>	<u>5,207,777</u>	<u>22,225</u>
<b>Total revenue</b>	<u>10,216,492</u>	<u>6,393,398</u>	<u>1,162,039</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	176,635	165,900	166,515
<b>Water General</b>			
Purification and treatment	349,125	347,505	346,333
Transmission and distribution	180,000	38,600	83,511
Water purchases	215,000	188,037	211,625
Connection costs	-	52,041	20,138
sub-total- water general	<u>744,125</u>	<u>626,183</u>	<u>661,607</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	107,480	107,480	110,531
Interest on long term debt	29,791	29,791	34,220
sub-total- water amortization & interest	<u>137,271</u>	<u>137,271</u>	<u>144,751</u>
<b>Sewer General</b>			
Collection system costs	81,850	29,232	99,315
Treatment and disposal cost	3,250	-	-
Lift Station costs	23,000	14,228	20,888
sub-total- sewer general	<u>108,100</u>	<u>43,460</u>	<u>120,203</u>
<b>Total expenses</b>	<u>1,166,131</u>	<u>972,814</u>	<u>1,093,076</u>
<b>NET REVENUES</b>	9,050,361	5,420,584	68,963
<b>TRANSFERS</b>			
Transfers from (to) operating fund	(9,040,000)	-	-
Transfers from (to) reserve funds	(35,000)	(235,000)	40,000
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ (24,639)</u>	5,185,584	108,963
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>2,969,033</u>	<u>2,860,070</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 8,154,617</u>	<u>\$ 2,969,033</u>

**TOWN OF CARMAN**  
**RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET**  
**Year Ended December 31, 2020**

**SCHEDULE 10**

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 3,196,654	\$ -	-	\$ -	-	\$ -	\$ -	\$ 3,196,654
Grants in lieu of taxation	134,943	-	-	-	-	-	-	134,943
User fees	686,675	-	-	-	-	-	230,419	917,094
Grants - Province of Manitoba	784,450	9,040,000	-	-	-	-	28,605	9,853,055
Grants - other	903,030	-	-	-	-	-	63,114	966,144
Permits, licences and fines	215,440	21,860	-	-	-	-	-	237,300
Investment income	20,000	-	-	-	-	-	2,804	22,804
Other revenue	54,750	114,632	-	-	-	-	10,295	179,677
Water and sewer	-	1,040,000	-	-	-	-	340,094	1,380,094
Transfers from accumulated surplus	-	-	-	-	(792,200)	-	-	-
Transfers from reserves	792,200	-	-	-	(792,200)	-	-	-
Total revenue	<u>6,788,142</u>	<u>10,216,492</u>	<u>-</u>	<u>-</u>	<u>(792,200)</u>	<u>-</u>	<u>675,331</u>	<u>16,387,765</u>
<b>EXPENSES</b>								
General government services	615,600	-	3,144	124,520	-	-	-	743,264
Protective services	858,500	-	78,942	-	-	-	-	937,442
Transportation services	1,194,300	-	383,995	-	-	-	-	1,578,295
Environmental health services	425,000	-	31,667	-	-	-	-	456,667
Public health and welfare services	35,600	-	20,276	-	-	-	188,829	244,705
Regional planning and development	126,000	-	-	-	-	-	-	126,000
Resource cons and industrial dev	188,000	-	-	-	-	-	-	188,000
Recreation and cultural services	1,454,320	-	175,818	-	-	-	105,205	1,735,343
Water and sewer services	-	1,028,860	107,480	29,791	-	-	260,104	1,426,235
Fiscal services:								
LUD of La Broquerie	-	-	-	-	-	-	-	-
Transfer to capital	1,489,959	9,040,000	-	-	(10,529,959)	-	-	-
Transfer to utility	112,632	-	-	-	(112,632)	-	-	-
Debt charges	253,759	112,632	-	-	(366,391)	-	-	-
Short term interest	2,000	-	-	-	(2,000)	-	-	-
Transfer to deferred surplus	-	-	-	-	-	-	-	-
Transfer to reserves	30,000	35,000	-	-	(65,000)	-	-	-
Allowance for tax assets	2,472	-	-	-	(2,472)	-	-	-
Total expenses	<u>6,788,142</u>	<u>10,216,492</u>	<u>801,322</u>	<u>154,311</u>	<u>(11,078,454)</u>	<u>-</u>	<u>554,138</u>	<u>7,435,951</u>
Surplus (Deficit)	\$ -	\$ -	\$ (801,322)	\$ (154,311)	\$ 10,286,254	\$ -	\$ 121,193	\$ 9,451,814

Town of Carman  
**ANALYSIS OF TAXES ON ROLL**  
**Year Ended December 31, 2020**

**SCHEDULE 11**

	<u>2020</u>	<u>2019</u>
<b>Balance, beginning of year</b>	<b>\$ 117,723</b>	<b>\$ 94,091</b>
<b>Add:</b>		
Tax levy (Schedule 12)	5,001,507	4,908,247
Taxes added	48,897	27,869
Penalties or interest	17,841	17,388
Tax Adjustments (specify)	<u>4,095</u>	<u>5,914</u>
<b>Sub-total</b>	<b><u>5,072,340</u></b>	<b><u>4,959,418</u></b>
<b>Deduct:</b>		
Cash collections - current	4,030,526	3,942,411
Cash collections - arrears	373,035	341,065
Writeoffs	10,254	8,203
M.P.T.C. - cash advance	<u>653,793</u>	<u>644,107</u>
<b>Sub-total</b>	<b><u>5,067,608</u></b>	<b><u>4,935,786</u></b>
<b>Balance, end of year</b>	<b><u><u>\$ 122,455</u></u></b>	<b><u><u>\$ 117,723</u></u></b>



Town of Carman  
**ANALYSIS OF TAX LEVY**  
**Year Ended December 31, 2020**

**SCHEDULE 12**

	2020			2019
	Assessment	Mill Rate	Levy	Levy
<b>Debt charges:</b>				
General Debenture	-	0.000%	\$ -	\$ 178,597
Utility Debenture	-	0.000%	-	111,231
Sewer Forcemain	165,666,960	0.346%	57,321	-
Water Plant Upgrade	165,666,960	0.323%	53,510	-
Transfer Station	165,666,960	0.264%	43,736	-
Arena	165,666,960	0.296%	49,037	-
Memorial Hall	165,666,960	0.520%	86,147	-
Personal Care Home	165,666,960	0.427%	70,740	18,709
<b>Deferred surplus</b>				
<b>Reserves:</b>				
Machinery Replacement	147,190,810	0.200%	29,438	29,492
<b>Special levies:</b>				
Waste Collection	162,012,080	0.196%	317,844	305,890
<b>General municipal:</b>				
At large	147,190,810	17.504%	2,576,428	2,512,401
Business Tax Fees	-	0.000%	1,608	1,626
<b>Total municipal taxes (Schedule 2)</b>			<b>3,285,809</b>	<b>3,157,946</b>
Education support levy	24,438,420	8.830%	215,791	226,960
Special levies				
Special - Prairie Rose	141,234,140	10.620%	1,499,907	1,523,341
<b>Total education taxes</b>			<b>1,715,698</b>	<b>1,750,301</b>
<b>Total tax levy (Schedule 11)</b>			<b>\$ 5,001,507</b>	<b>\$ 4,908,247</b>

Town of Carman  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
Year Ended December 31, 2020

**SCHEDULE 13**

	2020 Actual	2019 Actual
<b>General government services</b>		
Legislative	\$ 112,045	\$ 143,034
General administrative	426,228	318,207
Other	180,689	184,929
	<u>718,962</u>	<u>646,170</u>
<b>Protective services</b>		
Police	536,777	252,187
Fire	398,715	351,518
Emergency measures	10,168	4,616
Other protection	14,405	9,011
	<u>960,065</u>	<u>617,332</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	769,421	830,569
Engineering	(4,945)	(5,939)
Road and street maintenance	109,571	105,789
Sidewalk and boulevard maintenance	92,970	33,709
Street lighting	84,399	72,410
Other	383,995	370,739
Air transport	6,120	8,906
Public transit	20,000	40,000
	<u>1,461,531</u>	<u>1,456,183</u>
<b>Environmental health services</b>		
Waste collection and disposal	153,166	140,103
Recycling	175,171	155,071
Other	125,442	138,851
	<u>453,779</u>	<u>434,025</u>
<b>Public health and welfare services</b>		
Public health	47,784	54,826
Medical care	-	825,000
Social assistance	3,579	3,579
	<u>51,363</u>	<u>883,405</u>
<b>Regional planning and development</b>		
Urban area weed control	4,318	3,173
Other	110,216	83,291
	<u>114,534</u>	<u>86,464</u>
<b>Resource conservation and industrial development</b>		
Water resources and conservation	3,010	15,000
Regional development	406,617	159,498
	<u>409,627</u>	<u>174,498</u>
<b>Recreation and cultural services</b>		
Administration	817,343	894,612
Community centers and halls	372,244	392,785
Parks and playgrounds	25,530	34,346
Other recreational facilities	3,612	3,632
Museums	5,785	7,126
Libraries	59,465	53,297
Other cultural facilities	162,004	149,540
	<u>1,445,983</u>	<u>1,535,338</u>
<b>Total expenses</b>	<u>\$ 5,615,844</u>	<u>\$ 5,833,415</u>

**SCHEDULE 14  
(Unaudited)**

**Town of Carman  
RECONCILIATION OF ANNUAL SURPLUS  
December 31, 2020**

	General	2020 Utility	Total	2019 Total
<b>MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT</b>	<b>\$ 28,384</b>	<b>\$ 12,620</b>	<b>\$ 41,004</b>	<b>\$ 17,910</b>
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	272,575	235,000	507,575	381,988
Eliminate revenue - transfers from reserves	(492,700)	-	(492,700)	(874,046)
Increase revenue - reserve funds interest and other revenue	45,851	-	45,851	93,385
Increase (decrease) revenue - Net surplus of controlled entities	121,193	-	121,193	74,939
Increase expense - amortization of tangible capital assets	(693,843)	(107,480)	(801,323)	(758,845)
Decrease expense - principal portion of debenture debt (net of new debt)	192,521	82,841	275,362	(533,974)
Debenture pending	-	(2,241,197)	(2,241,197)	-
Increase revenue - net book value of disposed tangible capital assets	(96,056)	-	(96,056)	(39,280)
Eliminate expense - acquisitions of tangible capital assets	1,425,284	7,345,408	8,770,692	2,448,775
Eliminate internally funded capital assets	(93,392)	93,392	-	-
Investment in own funds - payoff of debt	100,189	-	100,189	-
Increase revenue - gain on sale of tangible capital assets	7,910	-	7,910	-
<b>NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 817,916</b>	<b>\$ 5,420,584</b>	<b>\$ 6,238,500</b>	<b>\$ 810,852</b>