

Town of Carman

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

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 9, 2022



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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, 2021, 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, 2021, 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 15, 2022

Town of Carman

Consolidated Financial Statements

For the Year Ended December 31, 2021

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Town of Carman
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and temporary investment (Note 3)	\$ 1,312,546	\$ 1,571,469
Amounts receivable (Note 4)	1,276,883	1,083,982
Other assets	7,304	6,746
	<u>2,596,733</u>	<u>2,662,197</u>
LIABILITIES		
Bank indebtedness (Note 3)	1,500,000	-
Accounts payable and accrued liabilities (Note 6)	1,409,691	2,112,847
Deferred revenue (Note 7)	535,621	1,133,366
Long-term debt (Note 8)	<u>3,086,792</u>	<u>3,259,015</u>
	<u>6,532,104</u>	<u>6,505,228</u>
NET DEBT	<u>(3,935,371)</u>	<u>(3,843,031)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	28,813,665	26,280,746
Inventories (Note 5)	119,118	176,745
Prepaid expenses	<u>40,690</u>	<u>52,130</u>
	<u>28,973,473</u>	<u>26,509,621</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 25,038,102</u>	<u>\$ 22,666,590</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, 2021

	<u>2021 Budget (Schedule 10)</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
REVENUE			
Property taxes	\$ 3,000,375	\$ 3,115,994	\$ 3,339,801
Grants in lieu of taxation	126,562	36,775	45,787
User fees	862,113	781,563	740,447
Permits, licences and fines	224,550	191,110	182,965
Investment income	19,657	14,426	19,461
Other revenue	191,781	237,286	363,962
Water and sewer	1,577,008	3,774,423	6,620,860
Grants - Province of Manitoba	6,873,501	1,045,874	1,192,345
Grants - other	1,010,795	1,216,786	875,667
	<u>13,886,342</u>	<u>10,414,237</u>	<u>13,381,295</u>
Total revenue (Schedules 2, 4 and 5)			
EXPENSES			
General government services	707,508	711,273	718,961
Protective services	1,027,251	990,006	960,067
Transportation services	1,660,382	1,535,753	1,461,532
Environmental health services	477,737	483,799	453,778
Public health and welfare services	269,148	267,703	240,192
Regional planning and development	105,920	119,800	114,533
Resource conservation and industrial development	194,641	187,122	409,627
Recreation and cultural services	1,760,946	1,667,191	1,551,187
Water and sewer services	1,592,472	2,080,078	1,232,918
Allowance for tax assets	(61,812)	-	-
Transfer to deferred surplus	2,009	-	-
Transfer to reserves	65,000	-	-
	<u>7,801,202</u>	<u>8,042,725</u>	<u>7,142,795</u>
Total expenses (Schedules 3, 4 and 5)			
ANNUAL SURPLUS	<u>\$ 6,085,140</u>	2,371,512	6,238,500
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>22,666,590</u>	<u>16,428,090</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$25,038,102</u>	<u>\$ 22,666,590</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, 2021

	<u>2021</u> <u>Budget</u> <u>(Note 11)</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
ANNUAL SURPLUS	\$ 6,085,140	\$ 2,371,512	\$ 6,238,500
Acquisition of tangible capital assets	(4,335,278)	(4,335,278)	(9,038,515)
Amortization of tangible capital assets	917,170	917,171	867,951
Loss (gain) on disposal of tangible capital assets	-	675,819	(4,944)
Proceeds on disposal of tangible capital assets	-	209,369	266,023
Increase in inventories	-	57,627	(5,527)
Increase in prepaid expense	-	11,440	(4,546)
	<u>(3,418,108)</u>	<u>(2,463,852)</u>	<u>(7,919,558)</u>
CHANGE IN NET FINANCIAL DEBT	<u>\$ 2,667,032</u>	(92,340)	(1,681,058)
NET DEBT, BEGINNING OF YEAR		<u>(3,843,031)</u>	<u>(2,161,973)</u>
NET DEBT, END OF YEAR		<u>\$ (3,935,371)</u>	<u>\$ (3,843,031)</u>

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

Town of Carman
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 2,371,512	\$ 6,238,500
Changes in non-cash items:		
Amounts receivable	(192,901)	(216,580)
Inventories	57,627	(5,527)
Prepays	11,440	(4,546)
Accounts payable and accrued liabilities	(703,156)	331,867
Other assets	(558)	1,691
Deferred revenue	(597,745)	(2,471,767)
Loss (gain) on sale of tangible capital asset	675,819	(4,944)
Amortization	917,171	867,951
Cash provided by operating transactions	<u>2,539,209</u>	<u>4,736,645</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	209,369	266,023
Cash used to acquire tangible capital assets	<u>(4,335,278)</u>	<u>(9,038,515)</u>
Cash applied to capital transactions	<u>(4,125,909)</u>	<u>(8,772,492)</u>
INVESTING TRANSACTIONS		
Purchase of portfolio investments	<u>-</u>	<u>-</u>
Cash applied to investing transactions	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Debt repayment	<u>(172,223)</u>	<u>(296,514)</u>
Cash applied to financing transactions	<u>(172,223)</u>	<u>(296,514)</u>
INCREASE IN CASH	(1,758,923)	(4,332,361)
CASH, BEGINNING OF YEAR	<u>1,571,469</u>	<u>5,903,830</u>
CASH, END OF YEAR	<u>\$ (187,454)</u>	<u>\$ 1,571,469</u>
Cash comprised of:		
Bank indebtedness	(1,500,000)	-
Cash and temporary investment	<u>1,312,546</u>	<u>1,571,469</u>
	<u>\$ (187,454)</u>	<u>\$ 1,571,469</u>

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

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

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%	(2020 - 50%)
Carman & Community Health Centre	50%	(2020 - 50%)
Pembina Valley Water Cooperative Inc.	4.54%	(2020 - 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, 2021

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, 2021

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, 2021, the balance was \$Nil (\$356,067 utilized in 2020).

In 2021, the town contracted a \$1.5 million credit facility bearing interest at prime minus 0.50% (1.95% effective rate) to finance the construction of the regional water treatment facility, secured by a general security agreement and pledge of taxes. As at December 31, 2021 the balance utilized was \$1.5 million.

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2021</u>	<u>2020</u>
Taxes on roll (Schedule 11)	\$ 125,905	\$ 122,455
Government grants	506,459	406,081
Utility customers	204,841	201,747
Organizations and individuals	438,512	146,574
Other governments	1,166	207,125
	<u>1,276,883</u>	<u>1,083,982</u>
Less allowances for doubtful amounts	<u>-</u>	<u>-</u>
	<u><u>\$ 1,276,883</u></u>	<u><u>\$ 1,083,982</u></u>

5. Inventories

	<u>2021</u>	<u>2020</u>
Water meters	\$ 35,044	\$ 85,136
Drain plates	41,489	41,489
Other supplies	42,585	50,120
	<u>\$ 119,118</u>	<u>\$ 176,745</u>

6. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 1,143,480	\$ 1,062,595
Accrued expenses	215,821	1,001,654
School levies	50,390	48,598
	<u>\$ 1,409,691</u>	<u>\$ 2,112,847</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 \$Nil (2020 - \$698,186) 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>2021</u>	<u>2020</u>
Property taxes	\$ 180,798	\$ 180,158
Regional Water Treatment Facility - Provincial Funding	-	785,458
Other	354,823	167,750
	<u>\$ 535,621</u>	<u>\$ 1,133,366</u>

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

8. Long-term Debt

	<u>2021</u>	<u>2020</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.	\$ 25,800	\$ 33,409
By-Law 07/1896 \$ 100,000 Debenture, interest at 5.50%, payable at \$8,892 annually including interest, maturing December, 2024.	 23,990	31,168
By-Law 09/1947 \$ 600,000 Debenture, interest at 5.42%, payable at \$61,240 annually including interest, maturing December, 2030.	 347,964	377,385
By-Law 16/2010 \$ 750,000 Debenture, interest at 2.90%, payable at \$87,475 annually including interest, maturing December, 2025.	 325,931	401,755
By-Law 19/2039 \$ 825,000 Debenture, interest at 3.56%, payable at \$71,937 annually including interest, maturing April 2034.	 738,351	782,433
Laycock - Industrial Park \$ 1,183,500 Long-term debt, interest free, payable at \$27,000 annually, maturing January 2036.	 406,500	433,500
	<u>\$ 1,868,536</u>	<u>\$ 2,059,650</u>
<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.	\$ 55,074	\$ 107,153
By-Law 08/1922 \$650,000 Debenture, interest at 5.50%, payable at \$54,392 annually including interest, maturing December, 2028.	 309,106	344,547
	<u>\$ 364,180</u>	<u>\$ 451,700</u>
<u>Pembina Valley Water Co-operative Inc.</u>		
Canadian Imperial Bank of Commerce		
CIBC Loan - demand facility with 30 day bankers' acceptances, repayable \$103,368 monthly including principal and interest. The outstanding loan is subject to an interest rate swap agreement with the bank on an original notional principal amount of \$14,400,000 whereby the Cooperative receives a floating interest rate while paying a fixed rate of 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.	\$ 533,906	\$ 570,504

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

8. Long-term Debt (continued)

	2021	2020
<u>Pembina Valley Water Co-operative Inc. (continued)</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 2.45% 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.	112,363	120,688
Canadian Imperial Bank of Commerce CIBC Loan - demand facility with 30 day bankers' acceptances, repayable \$8,077 monthly plus interest at the CIBC's bankers' acceptance floating rate 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. If not demanded, matures July 2033.	52,072	56,473

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

8. Long-term Debt (continued)

	2021	2020
<u>Pembina Valley Water Co-operative Inc. (continued)</u>		
Canadian Imperial Bank of Commerce CIBC Loan - demand facility with 30 day bankers' acceptances, repayable \$567.50 monthly plus interest. The outstanding loan is subject to an interest rate swap agreement with the bank on an original notional principal amount of \$136,200 whereby the Cooperative receives a floating interest rate while paying a fixed rate of 2.45% including a stamping fee of 0.81% until November 2041, amortized over 20 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded matures November 2041.	135,633	-
CIBC Loan - The advance is part of a revolving demand facility for \$590,200 for capital projects, 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 prime rate minus 0.25%. At December 31, 2021 the Cooperative had unutilized capacity under this facility of \$571,914. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.	18,286	-
Canada Emergency Business Account Loan – \$2,724 non-interest bearing until December 31, 2023. Repayment of 67% of the principal on or before December 31, 2023, will result in the remaining balance being forgiven. Beginning January 1, 2024, the loan will bear interest at 5% payable monthly, with the outstanding principal due in full by the maturity date, December 31, 2025. Secured by a government guarantee.	1,816	-
	854,076	747,665
	\$ 3,086,792	\$ 3,259,015

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

2021	\$	362,262
2022		319,936
2023		331,597
2024		276,093
2025		198,941

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, 2021

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>2021</u>	<u>2020</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 154,093	\$ 121,267
Utility operating fund - Nominal surplus	250,614	206,527
TCA net of related borrowings	21,876,156	19,783,771
Reserve funds	<u>1,497,904</u>	<u>1,352,758</u>
Accumulated surplus of municipality unconsolidated	23,778,767	21,464,323
Accumulated surpluses of consolidated entities	<u>1,259,335</u>	<u>1,202,267</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 25,038,102</u>	<u>\$ 22,666,590</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, 2021:

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	\$ 114,136
Joe Richardson	Public Works Superintendent	92,695

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, 2021:

c) Compensation paid to members of council amounted to \$120,383 in aggregate.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Brent Owen	\$ 20,985	\$ 2,250	\$ 23,235
Deputy Mayor - Brad Johnston	15,705	2,417	18,122
Councillor - Richard Dyck	13,920	2,401	16,321
Councillor - Jane Swanton	14,070	2,217	16,287
Councillor - Matt Gray	13,620	1,405	15,025
Councillor - Bernie Townsend	13,920	2,448	16,368
Councillor - Chris Hasell	<u>13,620</u>	<u>1,405</u>	<u>15,025</u>
	<u>\$ 105,840</u>	<u>\$ 14,543</u>	<u>\$ 120,383</u>

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

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 2020 by the municipality on behalf of its employees are expected to be \$36.5 million (2019 - \$35.2 million) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2020 indicated the plan was 96.7% funded on a going concern basis and had an unfunded solvency liability of \$333.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2020.

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

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2021

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, 2021

17. Comparative Amounts

Certain of the comparative amounts presented in the financial statements have been restated to conform to the current year's financial statement presentation.

18. Government Partnerships

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

	<u>2021</u>	<u>2020</u>
Financial Position		
Total assets	<u>\$ 2,258,186</u>	<u>\$ 1,938,562</u>
Total liabilities	<u>\$ 998,851</u>	<u>\$ 736,295</u>
Accumulated surplus	<u>1,259,335</u>	<u>1,202,267</u>
	<u>\$ 2,258,186</u>	<u>\$ 1,938,562</u>
Results of Operations		
Revenue	<u>\$ 729,752</u>	<u>\$ 675,331</u>
Expenses	<u>672,662</u>	<u>554,138</u>
Annual surplus	<u>\$ 57,090</u>	<u>\$ 121,193</u>

Town of Carman
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2021

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	2,021	2020
Cost										
Opening 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
Additions during the year	53,448	240,614	191,420	19,708	150,310	440,000	375,158	2,870,657	4,341,315	9,694,569
Disposals, write downs and transfers	(76,188)	-	(111,202)	(35,803)	(6,037)	-	(1,532,053)	-	(1,761,283)	(1,141,433)
Transfers	(32,652)	-	-	-	-	-	32,652	-	-	-
Closing costs	<u>2,906,613</u>	<u>6,031,044</u>	<u>3,778,801</u>	<u>627,731</u>	<u>671,126</u>	<u>8,913,661</u>	<u>7,011,835</u>	<u>10,510,439</u>	<u>40,418,598</u>	<u>37,838,566</u>
Accumulated Amortization										
Opening 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
Amortization	40,100	125,245	248,008	25,194	-	333,173	145,451	-	917,171	867,951
Disposals and write downs	-	-	(99,419)	(33,224)	-	-	(737,415)	-	(870,058)	(224,300)
Closing accum'd amortization	<u>448,929</u>	<u>2,536,450</u>	<u>2,334,977</u>	<u>379,467</u>	<u>-</u>	<u>3,157,497</u>	<u>2,747,613</u>	<u>-</u>	<u>11,604,933</u>	<u>11,557,820</u>
Net Book Value of tangible capital assets	<u>\$ 2,457,684</u>	<u>\$ 3,494,594</u>	<u>\$ 1,443,824</u>	<u>\$ 248,264</u>	<u>\$ 671,126</u>	<u>\$ 5,756,164</u>	<u>\$ 4,264,222</u>	<u>\$ 10,510,439</u>	<u>\$ 28,813,665</u>	<u>\$ 26,280,746</u>

Town of Carman
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2021

SCHEDULE 2

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 3,090,159	\$ 3,285,809
Taxes added	<u>25,835</u>	<u>53,992</u>
	<u>3,115,994</u>	<u>3,339,801</u>
Grants in lieu of taxation		
Federal government enterprises	7,181	8,504
Provincial government enterprises	<u>29,594</u>	<u>37,283</u>
	<u>36,775</u>	<u>45,787</u>
User fees		
Sales of service	731,879	726,353
Sales of goods	41,918	6,463
Rentals	<u>7,766</u>	<u>7,631</u>
	<u>781,563</u>	<u>740,447</u>
Grants - Province of Manitoba		
General assistance payment	590,631	780,059
Conditional grants	<u>455,243</u>	<u>412,286</u>
	<u>1,045,874</u>	<u>1,192,345</u>
Grants - other		
Federal government - gas tax funding	348,292	170,276
Federal government - other	82,006	27,014
Other local governments	<u>786,488</u>	<u>678,377</u>
	<u>1,216,786</u>	<u>875,667</u>
Permits, licences and fines		
Permits	72,296	68,393
Licences	118,794	114,572
Fines	<u>20</u>	<u>-</u>
	<u>191,110</u>	<u>182,965</u>
Investment income		
Cash and temporary investments	<u>14,426</u>	<u>19,461</u>
Other revenue		
(Loss) gain on sale of tangible capital assets	16,547	7,911
Penalties and interest	21,263	17,841
Miscellaneous	<u>199,476</u>	<u>338,210</u>
	<u>237,286</u>	<u>363,962</u>
Water and sewer	<u>3,390,415</u>	<u>6,280,766</u>
Consolidated water co-operatives	<u>384,008</u>	<u>340,094</u>
Total revenue	<u><u>\$ 10,414,237</u></u>	<u><u>\$ 13,381,295</u></u>

Town of Carman
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2021

SCHEDULE 3

	2021	2020
	Actual	Actual
General government services		
Legislative	\$ 121,133	\$ 112,044
General administrative	367,124	426,228
Other	223,016	180,689
	<u>711,273</u>	<u>718,961</u>
Protective services		
Police	492,123	536,779
Fire	483,944	398,715
Emergency measures	4,524	10,168
Other protection	9,415	14,405
	<u>990,006</u>	<u>960,067</u>
Transportation services		
Road transport		
Administration and engineering	855,163	769,422
Engineering	2,915	(4,945)
Road and street maintenance	87,457	109,571
Sidewalk and boulevard maintenance	22,211	92,970
Street lighting	81,771	84,399
Other	449,205	383,995
Air transport	7,031	6,120
Public transit	30,000	20,000
	<u>1,535,753</u>	<u>1,461,532</u>
Environmental health services		
Waste collection and disposal	329,811	153,165
Recycling	39,853	175,171
Other	114,135	125,442
	<u>483,799</u>	<u>453,778</u>
Public health and welfare services		
Public health	43,081	47,784
Medical care	221,043	188,829
Social assistance	3,579	3,579
	<u>267,703</u>	<u>240,192</u>
Regional planning and development		
Urban area weed control	1,568	4,318
Other	118,232	110,215
	<u>119,800</u>	<u>114,533</u>
Resource conservation and industrial development		
Water resources and conservation	3,010	3,010
Regional development	184,112	406,617
	<u>187,122</u>	<u>409,627</u>
Sub-totals forward	<u>\$ 4,295,456</u>	<u>\$ 4,358,690</u>

Town of Carman
CONSOLIDATED SCHEDULE OF EXPENSES
 Year Ended December 31, 2021

SCHEDULE 3

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Sub-totals forward	<u>\$ 4,295,456</u>	<u>\$ 4,358,690</u>
Recreation and cultural services		
Administration	868,162	817,343
Community centers and halls	365,902	372,244
Parks and playgrounds	79,594	25,530
Other recreational facilities	2,804	3,612
Museums	5,785	5,785
Libraries	196,897	164,670
Other cultural facilities	148,047	162,003
	<u>1,667,191</u>	<u>1,551,187</u>
Water and sewer services (Schedule 9)	<u>1,760,236</u>	<u>972,814</u>
Consolidated water co-operatives	<u>319,842</u>	<u>260,104</u>
Total expenses	<u><u>\$ 8,042,725</u></u>	<u><u>\$ 7,142,795</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2021

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ 3,003,362	\$ 3,227,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	36,775	45,787	-	-	-	-	-	-	-	-
User fees	27,518	4,682	13,045	10,119	2,741	3,120	197,327	211,868	200,704	225,881
Prov of MB - Unconditional Grants	590,631	780,059	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	414,713	367,528	-	-	-	-	-	-	7,813	10,979
Grants - other	384,289	185,078	250,980	212,459	-	-	163,828	159,918	-	-
Permits, licences and fines	119,389	114,747	-	-	-	-	-	-	-	-
Investment income	5,526	7,186	770	906	380	1,464	-	-	2,392	2,920
Other revenue	160,711	208,697	2,672	26,168	(3,163)	39,492	1,142	-	300	8,500
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	4,742,914	4,940,933	267,467	249,652	(42)	44,076	362,297	371,786	211,209	248,280
EXPENSES										
Personnel services	421,492	423,953	561,619	608,473	672,009	575,222	67,564	237,820	-	-
Contract services	71,781	50,203	151,747	156,924	40,279	12,745	364,584	108,339	203,270	162,134
Utilities	(46,326)	(46,110)	13,465	13,829	92,006	88,592	2,730	2,728	7,461	8,283
Maintenance materials and supplies	3,178	3,477	177,050	98,646	278,892	340,673	20,532	70,335	11,442	9,797
Grants and contributions	28,844	30,925	-	-	-	-	-	-	1,200	1,200
Amortization	5,467	3,144	80,051	78,942	449,205	383,995	27,737	31,667	19,055	20,276
Interest on long-term debt	77,091	124,520	-	-	-	-	-	-	-	-
Bad debt	5,870	10,254	-	-	-	-	-	-	-	-
Other	143,876	118,595	6,074	3,253	3,362	60,305	652	2,889	25,276	38,502
Total expenses	711,273	718,961	990,006	960,067	1,535,753	1,461,532	483,799	453,778	267,703	240,192
Surplus (Deficit)	\$ 4,031,641	\$ 4,221,972	\$ (722,539)	\$ (710,415)	\$ (1,535,795)	\$ (1,417,456)	\$ (121,502)	\$ (81,992)	\$ (56,494)	\$ 8,088

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

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2021

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,632	\$ 112,632	\$ 3,115,994	\$ 3,339,801
Grants in lieu of taxation	-	-	-	-	-	-	-	-	36,775	45,787
User fees	-	-	4,800	4,800	335,428	279,977	-	-	781,563	740,447
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	590,631	780,059
Prov of MB - Conditional Grants	2,613	5,174	-	-	30,104	28,605	-	-	455,243	412,286
Grants - other	-	-	320,263	255,098	97,426	63,114	-	-	1,216,786	875,667
Permits, licences and fines	71,721	68,218	-	-	-	-	-	-	191,110	182,965
Investment income	250	404	-	-	859	1,633	4,249	4,948	14,426	19,461
Other revenue	41,284	31,652	-	-	34,340	49,453	-	-	237,286	363,962
Water and sewer	-	-	-	-	-	-	3,774,423	6,620,860	3,774,423	6,620,860
Total revenue	115,868	105,448	325,063	259,898	498,157	422,782	3,891,304	6,738,440	10,414,237	13,381,295
EXPENSES										
Personnel services	58,980	54,155	94,624	83,171	1,030,365	1,001,975	206,445	233,770	3,113,097	3,218,539
Contract services	58,893	56,424	81,526	52,708	258,880	227,405	657,985	425,704	1,888,944	1,252,586
Utilities	-	-	729	729	22,669	22,217	64,296	64,112	157,029	154,380
Maintenance materials and supplies	1,543	3,377	3,772	942	94,390	60,610	235,129	277,539	825,927	865,396
Grants and contributions	-	-	6,000	271,700	44,822	36,098	-	-	80,866	339,923
Amortization	-	-	-	-	190,205	175,818	145,450	174,110	917,170	867,952
Interest on long-term debt	-	-	-	-	-	-	47,600	53,153	124,691	177,673
Bad debt	-	-	-	-	-	-	-	-	5,870	10,254
Other	384	577	471	377	25,862	27,064	723,173	4,530	929,130	256,092
Total expenses	119,800	114,533	187,122	409,627	1,667,191	1,551,187	2,080,078	1,232,918	8,042,725	7,142,795
Surplus (Deficit)	\$ (3,932)	\$ (9,085)	\$ 137,941	\$ (149,729)	\$ (1,169,034)	\$ (1,128,405)	\$ 1,811,226	\$ 5,505,522	\$ 2,371,512	\$ 6,238,500

Town of Carman

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2021

	Core Government		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020
REVENUE						
Property taxes	\$ 3,115,994	\$ 3,339,801	\$ -	\$ -	\$ 3,115,994	\$ 3,339,801
Grants in lieu of taxation	36,775	45,787	-	-	36,775	45,787
User fees	577,587	510,028	203,976	230,419	781,563	740,447
Prov of MB - Unconditional Grants	590,631	780,059	-	-	590,631	780,059
Prov of MB - Conditional Grants	425,139	383,681	30,104	28,605	455,243	412,286
Grants - other	1,119,360	812,553	97,426	63,114	1,216,786	875,667
Permits, licences and fines	191,110	182,965	-	-	191,110	182,965
Investment income	12,045	16,656	2,381	2,805	14,426	19,461
Other revenue	225,429	353,668	11,857	10,294	237,286	363,962
Water and sewer	3,390,415	6,280,766	384,008	340,094	3,774,423	6,620,860
Total revenue	<u>9,684,485</u>	<u>12,705,964</u>	<u>729,752</u>	<u>675,331</u>	<u>10,414,237</u>	<u>13,381,295</u>
EXPENSES						
Personnel services	2,929,956	3,049,791	183,141	168,748	3,113,097	3,218,539
Contract services	1,679,039	1,080,071	209,905	172,515	1,888,944	1,252,586
Utilities	118,158	117,272	38,871	37,108	157,029	154,380
Maintenance materials and supplies	695,023	784,464	130,904	80,932	825,927	865,396
Grants and contributions	112,901	368,993	(32,035)	(29,070)	80,866	339,923
Amortization	845,379	801,322	71,791	66,630	917,170	867,952
Interest on long-term debt	102,202	154,311	22,489	23,362	124,691	177,673
Other	887,405	232,433	47,595	33,913	935,000	266,346
Total expenses	<u>7,370,063</u>	<u>6,588,657</u>	<u>672,662</u>	<u>554,138</u>	<u>8,042,725</u>	<u>7,142,795</u>
Surplus	<u>\$ 2,314,422</u>	<u>\$ 6,117,307</u>	<u>\$ 57,090</u>	<u>\$ 121,193</u>	<u>\$ 2,371,512</u>	<u>\$ 6,238,500</u>

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

	2021													2020	
	General	Equipment Reserve	Storm Sewer	Industrial Park	Fire Reserve	Gas Tax Reserve	Memorial Hall Reserve	Greenwood Reserve	Community Hall Reserve	Recreation Reserve	Utility Reserve	Water Reservoir Reserve	CDPD Reserve	Total	Total
REVENUE															
Investment income	\$ 1,710	\$ 377	\$ 82	\$ 250	\$ 770	\$ 3	\$ -	\$ 267	\$ 12	\$ 591	\$ 4,167	\$ -	\$ -	\$ 8,229	\$ 13,933
Other income	-	-	-	-	2,612	-	-	-	-	-	-	-	-	2,612	31,918
Total revenue	1,710	377	82	250	3,381	3	-	267	12	591	4,167	-	-	10,841	45,851
EXPENSES															
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	45,384	-	-	-	45,384	-
Total expenses	-	-	-	-	-	-	-	-	-	45,384	-	-	-	45,384	-
NET REVENUES	1,710	377	82	250	3,381	3	-	267	12	(44,792)	4,167	-	-	(34,543)	45,851
TRANSFERS															
Transfers from (to) operating fund	60,000	30,000	-	80,053	53,690	-	-	7,650	-	27,613	-	-	-	259,006	272,575
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	-	35,000	-	-	35,000	235,000
Acquisition of tangible capital assets	-	-	-	-	(114,317)	-	-	-	-	-	-	-	-	(114,317)	(492,700)
CHANGE IN RESERVE FUND BALANCES	61,710	30,377	82	80,303	(57,246)	3	-	7,917	12	(17,180)	39,167	-	-	145,146	60,726
FUND SURPLUS, BEGINNING OF YEAR	604,112	74,678	18,205	56,126	183,232	602	0	55,089	2,767	134,798	223,148	-	-	1,352,758	1,292,032
FUND SURPLUS, END OF YEAR	\$ 665,822	\$ 105,055	\$ 18,287	\$ 136,429	\$ 125,986	\$ 605	\$ 0	\$ 63,006	\$ 2,780	\$ 117,618	\$ 262,316	\$ -	\$ -	\$ 1,497,904	\$ 1,352,758

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>
Revenue			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenue	-	-	-
	<hr/>	<hr/>	<hr/>
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Ditches and road drainage	-	-	-
Snow and ice removal	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenses	-	-	-
	<hr/>	<hr/>	<hr/>
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other - Transfer to capital	-	-	-
	<hr/>	<hr/>	<hr/>
Change in L.U.D. balances	<u>\$ -</u>	-	-
Unexpended balance , beginning of year		<hr/>	<hr/>
Unexpended balance , end of year		<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ 100	\$ 100
Amounts receivable	712,040	607,828
Due from other funds	-	-
	<u>712,140</u>	<u>607,928</u>
LIABILITIES		
Long-term debt (Note 8)	364,180	451,700
Due to other funds	<u>3,354,977</u>	<u>2,815,087</u>
	<u>3,719,157</u>	<u>3,266,787</u>
NET DEBT	<u>(3,007,017)</u>	<u>(2,658,859)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	12,867,053	10,728,337
Inventories	<u>35,044</u>	<u>85,139</u>
	<u>12,902,097</u>	<u>10,813,476</u>
FUND SURPLUS	<u>\$ 9,895,080</u>	<u>\$ 8,154,617</u>

SCHEDULE OF UTILITY OPERATIONS - Utility
Year Ended December 31, 2021

	2021 Budget	2021 Actual	2020 Actual
REVENUE			
Water			
Water fees	\$ 993,000	\$ 864,253	\$ 903,371
Sewer			
Sewer fees	200,000	160,431	169,618
Property taxes	112,632	112,632	112,632
Other			
Hydrant rentals	14,760	14,760	14,760
Connection charges	5,500	7,041	5,517
Penalties	1,100	1,460	809
Provincial and Federal grants	6,000,008	2,340,795	5,184,075
Other income	3,000	1,675	2,616
sub-total- other	<u>6,024,368</u>	<u>2,365,731</u>	<u>5,207,777</u>
Total revenue	<u>7,330,000</u>	<u>3,503,047</u>	<u>6,393,398</u>
EXPENSES			
General			
Administration	175,000	169,483	165,900
Water General			
Purification and treatment	246,960	230,929	347,505
Transmission and distribution	92,000	38,978	38,600
Water purchases	600,000	398,071	188,037
Connection costs	-	82,305	52,041
sub-total- water general	<u>938,960</u>	<u>750,283</u>	<u>626,183</u>
Water Amortization & Interest			
Amortization	73,659	73,659	107,480
Interest on long term debt	25,111	25,111	29,791
sub-total- water amortization & interest	<u>98,770</u>	<u>98,770</u>	<u>137,271</u>
Sewer General			
Collection system costs	35,800	31,380	29,232
Treatment and disposal cost	3,100	-	-
Lift Station costs	21,000	17,678	14,228
sub-total- sewer general	<u>59,900</u>	<u>49,058</u>	<u>43,460</u>
Other			
Loss on disposal of capital assets	-	692,642	-
Total expenses	<u>1,272,630</u>	<u>1,760,236</u>	<u>972,814</u>
NET REVENUES	6,057,370	1,742,811	5,420,584
TRANSFERS			
Transfers from (to) operating fund	(6,008,508)	32,652	-
Transfers from (to) reserve funds	(35,000)	(35,000)	(235,000)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 13,862</u>	1,740,463	5,185,584
FUND SURPLUS, BEGINNING OF YEAR		<u>8,154,617</u>	2,969,033
FUND SURPLUS, END OF YEAR		<u>\$ 9,895,080</u>	<u>\$ 8,154,617</u>

TOWN OF CARMAN

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2021

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,000,375	\$-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,375
Grants in lieu of taxation	126,562	-	-	-	-	-	-	126,562
User fees	658,137	-	-	-	-	-	203,976	862,113
Grants - Province of Manitoba	843,389	6,000,008	-	-	-	-	30,104	6,873,501
Grants - other	913,369	-	-	-	-	-	97,426	1,010,795
Permits, licences and fines	203,190	21,360	-	-	-	-	-	224,550
Investment income	17,276	-	-	-	-	-	2,381	19,657
Other revenue	64,292	115,632	-	-	-	-	11,857	191,781
Water and sewer	-	1,193,000	-	-	-	-	384,008	1,577,008
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	<u>5,826,590</u>	<u>7,330,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>729,751</u>	<u>13,886,342</u>
EXPENSES								
General government services	624,950	-	5,467	77,091	-	-	-	707,508
Protective services	947,200	-	80,051	-	-	-	-	1,027,251
Transportation services	1,211,177	-	449,205	-	-	-	-	1,660,382
Environmental health services	450,000	-	27,737	-	-	-	-	477,737
Public health and welfare services	29,050	-	19,055	-	-	-	221,043	269,148
Regional planning and development	105,920	-	-	-	-	-	-	105,920
Resource cons and industrial dev	194,641	-	-	-	-	-	-	194,641
Recreation and cultural services	1,438,964	-	190,205	-	-	-	131,777	1,760,946
Water and sewer services	-	1,173,860	73,659	25,111	-	-	319,842	1,592,472
Fiscal services:								
Transfer to capital	415,600	6,008,508	-	-	(6,424,108)	-	-	-
Transfer to utility	112,632	-	-	-	(112,632)	-	-	-
Debt charges	253,759	112,632	-	-	(366,391)	-	-	-
Short term interest	7,500	-	-	-	(7,500)	-	-	-
Transfer to deferred surplus	2,009	-	-	-	-	-	-	2,009
Transfer to reserves	30,000	35,000	-	-	-	-	-	65,000
Allowance for tax assets	3,188	-	-	-	(65,000)	-	-	(61,812)
Total expenses	<u>5,826,590</u>	<u>7,330,000</u>	<u>845,379</u>	<u>102,202</u>	<u>(6,975,631)</u>	<u>-</u>	<u>672,662</u>	<u>7,801,202</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (845,379)</u>	<u>\$ (102,202)</u>	<u>\$ 6,975,631</u>	<u>\$ -</u>	<u>\$ 57,089</u>	<u>\$ 6,085,140</u>

Town of Carman
ANALYSIS OF TAXES ON ROLL
 Year Ended December 31, 2021

SCHEDULE 11

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 122,455	\$ 117,723
Add:		
Tax levy (Schedule 12)	4,814,272	5,001,507
Taxes added	23,253	48,897
Penalties or interest	21,263	17,841
Tax Adjustments (specify)	2,582	4,095
Sub-total	4,861,370	5,072,340
Deduct:		
Cash collections - current	3,953,558	4,030,526
Cash collections - arrears	410,634	373,035
Writeoffs	5,870	10,254
M.P.T.C. - cash advance	487,858	653,793
Sub-total	4,857,920	5,067,608
Balance, end of year	\$ 125,905	\$ 122,455

Town of Carman
ANALYSIS OF TAX LEVY
Year Ended December 31, 2021

SCHEDULE 12

	2021			2020
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
General Debenture	-	0.000%	\$ -	\$ -
Utility Debenture	-	0.000%	-	-
Sewer Forcemain	167,492,430	0.342%	57,282	57,321
Water Plant Upgrade	167,492,430	0.320%	53,598	53,510
Transfer Station	167,492,430	0.263%	44,051	43,736
Arena	167,492,430	0.293%	49,075	49,037
Memorial Hall	167,492,430	0.514%	86,091	86,147
Personal Care Home	167,492,430	0.423%	70,849	70,740
Deferred surplus				
Reserves:				
Machinery Replacement	148,602,870	0.198%	29,423	29,438
Special levies:				
Waste Collection	-	0.000%	-	317,844
General municipal:				
At large	148,602,870	18.157%	2,698,182	2,576,428
Business Tax Fees	-	0.000%	1,608	1,608
Total municipal taxes (Schedule 2)			3,090,159	3,285,809
Education support levy	25,045,100	8.809%	220,622	215,791
Special levies				
Special - Prairie Rose	142,646,200	10.540%	1,503,491	1,499,907
Total education taxes			1,724,113	1,715,698
Total tax levy (Schedule 11)			\$ 4,814,272	\$ 5,001,507

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

	2021 Actual	2020 Actual
General government services		
Legislative	\$ 121,133	\$ 112,045
General administrative	367,124	426,228
Other	223,016	180,689
	<u>711,273</u>	<u>718,962</u>
Protective services		
Police	492,123	536,777
Fire	483,944	398,715
Emergency measures	4,524	10,168
Other protection	9,415	14,405
	<u>990,006</u>	<u>960,065</u>
Transportation services		
Road transport		
Administration and engineering	855,163	769,421
Engineering	2,915	(4,945)
Road and street maintenance	87,457	109,571
Sidewalk and boulevard maintenance	22,211	92,970
Street lighting	81,771	84,399
Other	449,205	383,995
Air transport	7,031	6,120
Public transit	30,000	20,000
	<u>1,535,753</u>	<u>1,461,531</u>
Environmental health services		
Waste collection and disposal	329,811	153,166
Recycling	39,853	175,171
Other	114,135	125,442
	<u>483,799</u>	<u>453,779</u>
Public health and welfare services		
Public health	43,081	47,784
Medical care	-	-
Social assistance	3,579	3,579
	<u>46,660</u>	<u>51,363</u>
Regional planning and development		
Urban area weed control	1,568	4,318
Other	118,232	110,216
	<u>119,800</u>	<u>114,534</u>
Resource conservation and industrial development		
Water resources and conservation	3,010	3,010
Regional development	184,112	406,617
	<u>187,122</u>	<u>409,627</u>
Recreation and cultural services		
Administration	868,162	817,343
Community centers and halls	365,902	372,244
Parks and playgrounds	34,210	25,530
Other recreational facilities	2,804	3,612
Museums	5,785	5,785
Libraries	65,120	59,465
Other cultural facilities	148,047	162,004
	<u>1,490,030</u>	<u>1,445,983</u>
Total expenses	<u>\$ 5,564,443</u>	<u>\$ 5,615,844</u>

Town of Carman
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2021

SCHEDULE 14
(Unaudited)

	General	2021 Utility	Total	2020 Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	\$ 17,224	\$ 40,478	\$ 57,702	\$ 41,003
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	259,006	35,000	294,006	507,575
Eliminate revenue - transfers from reserves	(114,317)	-	(114,317)	(492,700)
Decrease expense - reserve funds expenses	(45,384)	-	(45,384)	-
Decrease expense - reserve funds expenses	-	-	-	-
Increase revenue - reserve funds interest and other revenue	6,674	4,167	10,841	45,851
Increase (decrease) revenue - Net surplus of controlled entities	57,089	-	57,089	121,193
Increase expense - amortization of tangible capital assets	(771,721)	(73,659)	(845,380)	(801,323)
Decrease expense - principal portion of debenture debt (net of new debt)	198,919	87,521	286,440	275,362
Debenture pending	-	(529,862)	(529,862)	(2,241,197)
Net book value of disposed tangible capital assets	(90,550)	(691,491)	(782,041)	(96,056)
Eliminate expense - acquisitions of tangible capital assets	1,095,500	2,870,657	3,966,157	8,770,693
Eliminate internally funded capital assets	-	-	-	-
Investment in own funds - paydown of debt	-	-	-	100,189
Increase revenue - gain on sale of tangible capital assets	16,261	-	16,261	7,910
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 628,701	\$ 1,742,811	\$ 2,371,512	\$ 6,238,500