

# **Town of Carman**

**Consolidated Financial Statements  
For the Year Ended December 31, 2022**

## 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.



Judy Duthie, CMMA, Interim Chief Administrative Officer  
June 20, 2023



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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, 2022, 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, 2022, 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 20, 2023

# **Town of Carman**

## **Consolidated Financial Statements**

### **For the Year Ended December 31, 2022**

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<b>Consolidated Statement of Financial Position</b>	<b>5</b>
<b>Consolidated Statement of Operations</b>	<b>6</b>
<b>Consolidated Statement of Change in Net Debt</b>	<b>7</b>
<b>Consolidated Statement of Cash Flows</b>	<b>8</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>9</b>
<b>Schedule 1 - Consolidated Schedule of Tangible Capital Assets</b>	<b>20</b>
<b>Schedule 2 - Consolidated Schedule of Revenues</b>	<b>21</b>
<b>Schedule 3 - Consolidated Schedule of Expenses</b>	<b>22</b>
<b>Schedule 4 - Consolidated Statement of Operations by Program</b>	<b>24</b>
<b>Schedule 5 - Consolidated Details and Reconciliation to Core Government Results</b>	<b>26</b>
<b>Schedule 6 - Schedule of Change in Reserve Fund Balances</b>	<b>27</b>
<b>Schedule 7 - Schedule of L.U.D. Operations</b>	<b>28</b>
<b>Schedule 8 - Schedule of Financial Position for Utilities</b>	<b>29</b>
<b>Schedule 9 - Schedule of Utility Operations</b>	<b>30</b>
<b>Schedule 10 - Reconciliation of the Financial Plan to the Budget</b>	<b>31</b>
<b>Schedule 11 - Analysis of Taxes on Roll</b>	<b>32</b>
<b>Schedule 12 - Analysis of Tax Levy</b>	<b>33</b>
<b>Schedule 13 - General Operating Fund Expenses</b>	<b>34</b>
<b>Schedule 14 - Reconciliation of Annual Surplus (Deficit)</b>	<b>35</b>


Town of Carman  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at December 31, 2022

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investment (Note 3)	\$ 644,787	\$ 1,312,546
Amounts receivable (Note 4)	1,712,878	1,276,883
Other assets	66,860	7,304
	<u>2,424,525</u>	<u>2,596,733</u>
<b>LIABILITIES</b>		
Bank indebtedness (Note 3)	1,500,000	1,500,000
Accounts payable and accrued liabilities (Note 6)	1,461,189	1,409,691
Deferred revenue (Note 7)	351,064	535,621
Long-term debt (Note 8)	<u>2,855,368</u>	<u>3,086,792</u>
	<u>6,167,621</u>	<u>6,532,104</u>
<b>NET DEBT</b>	<u>(3,743,096)</u>	<u>(3,935,371)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	31,005,723	28,813,665
Inventories (Note 5)	115,733	119,118
Prepaid expenses	<u>30,634</u>	<u>40,690</u>
	<u>31,152,090</u>	<u>28,973,473</u>
<b>ACCUMULATED SURPLUS (Note 12)</b>	<u>\$ 27,408,994</u>	<u>\$ 25,038,102</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, 2022**

	<u>2022 Budget (Schedule 10)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 3,286,343	\$ 3,580,591	\$ 3,115,994
Grants in lieu of taxation	128,040	38,227	36,775
User fees	897,028	943,662	781,563
Permits, licences and fines	248,900	204,377	191,110
Investment income	6,874	39,198	14,426
Other revenue	244,165	34,154	237,286
Water and sewer	1,934,943	3,332,664	3,774,423
Grants - Province of Manitoba	2,812,532	1,012,981	1,045,874
Grants - other	1,026,913	1,295,130	1,216,786
	<u>10,585,738</u>	<u>10,480,984</u>	<u>10,414,237</u>
Total revenue (Schedules 2, 4 and 5)			
<b>EXPENSES</b>			
General government services	812,970	793,781	711,273
Protective services	1,303,250	1,062,863	990,006
Transportation services	1,610,103	1,722,374	1,535,753
Environmental health services	435,812	479,427	483,799
Public health and welfare services	292,890	291,115	267,703
Regional planning and development	200,000	186,927	119,800
Resource conservation and industrial development	200,660	183,426	187,122
Recreation and cultural services	1,756,835	1,932,079	1,667,191
Water and sewer services	1,529,495	1,458,100	2,080,078
Allowance for tax assets	(57,503)	-	-
Transfer to reserves	65,000	-	-
	<u>8,149,512</u>	<u>8,110,092</u>	<u>8,042,725</u>
Total expenses (Schedules 3, 4 and 5)			
<b>ANNUAL SURPLUS</b>	<u>\$ 2,436,226</u>	<u>2,370,892</u>	<u>2,371,512</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>25,038,102</u>	<u>22,666,590</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u><u>\$27,408,994</u></u>	<u><u>\$ 25,038,102</u></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, 2022**

	<u>2022 Budget (Note 11)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>ANNUAL SURPLUS</b>	<b><u>\$ 2,436,226</u></b>	<b><u>\$ 2,370,892</u></b>	<b><u>\$ 2,371,512</u></b>
Acquisition of tangible capital assets	(3,149,843)	(3,149,843)	(4,335,278)
Amortization of tangible capital assets	813,636	812,923	917,171
Loss (gain) on disposal of tangible capital assets	-	119,079	675,819
Proceeds on disposal of tangible capital assets	-	25,783	209,369
Increase in inventories	-	3,385	57,627
Increase in prepaid expense	-	10,056	11,440
	<u>(2,336,207)</u>	<u>(2,178,617)</u>	<u>(2,463,852)</u>
<b>CHANGE IN NET FINANCIAL DEBT</b>	<b><u>\$ 100,019</u></b>	<b>192,275</b>	<b>(92,340)</b>
<b>NET DEBT, BEGINNING OF YEAR</b>		<b><u>(3,935,371)</u></b>	<b><u>(3,843,031)</u></b>
<b>NET DEBT, END OF YEAR</b>		<b><u>\$ (3,743,096)</u></b>	<b><u>\$ (3,935,371)</u></b>

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



**Town of Carman**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 2,370,892	\$ 2,371,512
Changes in non-cash items:		
Amounts receivable	(435,995)	(192,901)
Inventories	3,385	57,627
Prepays	10,056	11,440
Accounts payable and accrued liabilities	51,498	(703,156)
Other assets	(59,556)	(558)
Deferred revenue	(184,557)	(597,745)
Loss (gain) on sale of tangible capital asset	119,079	675,819
Amortization	812,923	917,171
	<u>2,687,725</u>	<u>2,539,209</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	25,783	209,369
Cash used to acquire tangible capital assets	(3,149,843)	(4,335,278)
	<u>(3,124,060)</u>	<u>(4,125,909)</u>
<b>INVESTING TRANSACTIONS</b>		
Purchase of portfolio investments	-	-
	<u>-</u>	<u>-</u>
Cash applied to investing transactions	-	-
	<u>-</u>	<u>-</u>
<b>FINANCING TRANSACTIONS</b>		
Debt repayment	(231,424)	(172,223)
	<u>(231,424)</u>	<u>(172,223)</u>
Cash applied to financing transactions	(231,424)	(172,223)
	<u>(231,424)</u>	<u>(172,223)</u>
<b>INCREASE IN CASH</b>	<b>(667,759)</b>	<b>(1,758,923)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>(187,454)</b>	<b>1,571,469</b>
<b>CASH, END OF YEAR</b>	<b>\$ (855,213)</b>	<b>\$ (187,454)</b>
Cash comprised of:		
Bank indebtedness	(1,500,000)	(1,500,000)
Cash and temporary investment	644,787	1,312,546
	<u>\$ (855,213)</u>	<u>\$ (187,454)</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, 2022**

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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%	(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, 2022**

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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.

**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.

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

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

**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) Future Changes in Accounting Standards**

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

- PS 3450 Financial Instruments (effective January 1, 2023) defines and provides guidance for accounting and reporting all types of financial instruments including derivatives.
- PS 2601 Foreign Currency Translation (effective January 1, 2023) replaces PS 2600 with revised accounting and reporting principles for transactions that are denominated in a foreign currency.
- PS 1201 Financial Statement Presentation replaces PS 1200 with general reporting principles for disclosure of information and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3041 Portfolio Investments replaces PS 3040 with revised accounting and reporting principles for portfolio investments and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3280 Asset Retirement Obligations (effective January 1, 2023) defines and provides guidance for accounting and reporting retirement obligations associated with tangible capital assets and includes the withdrawal of PS 3270 Solid Waste Landfill Closure and Post-Closure Liability.
- PS 3400 Revenue (effective January 1, 2024), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.
- PS 3160 Public Private Partnerships (effective January 1, 2024), is a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships arrangements. Earlier adoption is permitted.

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

**j) 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.

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

**3. Cash**

	<u>2022</u>	<u>2021</u>
Cash	<u>\$ 644,787</u>	<u>\$ 1,312,546</u>

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

The Town has a \$1.5 million line of credit bearing interest at prime minus 0.50% (5.95% effective rate), and secured by a general security agreement and pledge of taxes. As at December 31, 2022, the balance was \$53,995 (unutilized in 2021).

In 2021, the Town contracted a \$1.5 million credit facility bearing interest at prime minus 0.50% (5.95% effective rate) to finance the construction of the regional water treatment facility, secured by a general security agreement and pledge of taxes for capital purposes. As at December 31, 2021 the balance utilized was \$1.5 million.

**4. Amounts Receivable**

Amounts receivable are valued at their net realizable value.

	<u>2022</u>	<u>2021</u>
Taxes on roll (Schedule 11)	\$ 160,052	\$ 125,905
Government grants	429,132	506,459
Utility customers	202,546	204,841
Organizations and individuals	920,099	438,512
Other governments	1,049	1,166
	<u>1,712,878</u>	<u>1,276,883</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,712,878</u>	<u>\$ 1,276,883</u>

**5. Inventories**

	<u>2022</u>	<u>2021</u>
Water meters	\$ 36,885	\$ 35,044
Drain plates	65,758	41,489
Other supplies	13,090	42,585
	<u>\$ 115,733</u>	<u>\$ 119,118</u>

**6. Accounts Payable and Accrued Liabilities**

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 1,146,731	\$ 1,143,480
Accrued expenses	256,626	215,821
School levies	57,832	50,390
	<u>\$ 1,461,189</u>	<u>\$ 1,409,691</u>

**7. Deferred Revenue**

	<u>2022</u>	<u>2021</u>
Property taxes	\$ 201,114	\$ 180,798
Other	149,950	354,823
	<u>\$ 351,064</u>	<u>\$ 535,621</u>

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

8. Long-term Debt	2022	2021
<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.	\$ 17,716	\$ 25,800
By-Law 07/1896                      \$ 100,000 Debenture, interest at 5.50%, payable at \$8,892 annually including interest, maturing December, 2024.	16,417	23,990
By-Law 09/1947                      \$ 600,000 Debenture, interest at 5.42%, payable at \$61,240 annually including interest, maturing December, 2030.	316,949	347,964
By-Law 16/2010                      \$ 750,000 Debenture, interest at 2.90%, payable at \$87,475 annually including interest, maturing December, 2025.	247,909	325,931
By-Law 19/2039                      \$ 825,000 Debenture, interest at 3.56%, payable at \$71,937 annually including interest, maturing April 2034.	692,700	738,351
Laycock - Industrial Park        \$ 1,183,500 Long-term debt, interest free, payable at \$27,000 annually, maturing January 2036.	379,500	406,500
	\$ 1,671,191	\$ 1,868,536
<u>Utility Funds</u>		
By-Law 07/1905                      \$575,000 Debenture, interest at 5.75%, payable at \$58,240 annually including interest, matured December, 2022.	\$ -	\$ 55,074
By-Law 08/1922                      \$650,000 Debenture, interest at 5.50%, payable at \$54,392 annually including interest, maturing December, 2028.	271,715	309,106
	\$ 271,715	\$ 364,180
<u>Pembina Valley Water Co-operative Inc.</u>		
Canadian Imperial Bank of Commerce		
CIBC Loan - demand facility with 30 day bankers' acceptances, repayable \$4,965 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 \$653,760 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.	\$ 495,984	\$ 533,906
Canadian Imperial Bank of Commerce		
CIBC Loan - The advance is part of a revolving demand facility for \$726,400 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, 2022 the Cooperative had unutilized capacity under this facility of \$368,805. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.	135,944	112,363

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

8. Long-term Debt (continued)	2022	2021
<u>Pembina Valley Water Co-operative Inc. (continued)</u>		
Canadian Imperial Bank of Commerce CIBC Loan - demand facility with 30 day bankers' acceptances, repayable \$367 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.	47,672	52,072
Canadian Imperial Bank of Commerce CIBC Loan - demand facility with 30 day bankers' acceptances, repayable \$568 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.	128,823	135,633
Canadian Imperial Bank of Commerce - Demand facility with 30 day banker's acceptances, repayable \$694 monthly plus interest at the CIBC banker's acceptance floating rate and stamping fee of 0.81%, amortized over 15 years. Secured by a general security agreement over account receivable and all property owned by the Cooperative. If not demanded, matures July 2033.	104,039	18,286
Canada Emergency Business Account Loan – \$2,724 non-interest bearing until December 31, 2023. Repayment of \$1,816 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
	912,462	854,076
	<b>\$ 2,855,368</b>	<b>\$ 3,086,792</b>

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

2022	\$ 313,496
2023	326,888
2024	269,894
2025	192,882
2026	201,254

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

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**9. Commitments**

The Town entered into a contract with Pembina Valley Water Co-operative Inc. that expired in 2023. The contract identifies the annual amount of water the Town has committed to purchase from the co-operative and is volume based.

**10. Financial Instruments**

The Town as part of its operations carries a number of financial instruments. It is management's opinion the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

**11. Budget**

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Town has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these financial statements have been approved by council.

The reconciliation between the financial plan and the budget figures used in these statements is disclosed in Schedule 10 - Reconciliation of the Financial Plan to the Budget.

**12. Accumulated Surplus**

	<u>2022</u>	<u>2021</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 199,775	\$ 154,093
Utility operating fund - Nominal surplus	182,828	250,614
TCA net of related borrowings	23,847,054	21,876,156
Reserve funds	<u>1,460,471</u>	<u>1,497,904</u>
Accumulated surplus of municipality unconsolidated	25,690,128	23,778,767
Accumulated surpluses of consolidated entities	<u>1,718,866</u>	<u>1,259,335</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 27,408,994</u>	<u>\$ 25,038,102</u>



**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

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**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, 2022:

- 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:

Name	Position	Amount
Cheryl Young	Chief Administrative Officer	\$ 119,333
Joe Richardson	Public Works Superintendent	98,835

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, 2022:

- c) Compensation paid to members of council amounted to \$135,881 in aggregate.

Council Members:

	Compensation	Expenses	Total
Mayor - Brent Owen	\$ 20,940	\$ 4,873	\$ 25,813
Former Deputy Mayor - Brad Johnston	12,950	1,411	14,361
Councillor - Richard Dyck	13,980	4,697	18,677
Councillor - Jane Swanton	11,650	1,423	13,073
Councillor - Matt Gray	11,650	1,268	12,918
Councillor - Bernie Townsend	11,650	1,228	12,878
Councillor - Dale Reimer	2,330	1,607	3,937
Councillor - Erin Lemky	2,330	2,531	4,861
Councillor - Carly Boklaschuk	2,330	3,218	5,548
Councillor - Lindsay Boeve	2,330	3,774	6,104
Deputy Mayor - Robert Bryson	2,590	2,242	4,832
Councillor - Chris Hasell	11,650	1,228	12,878
	<u>\$ 106,380</u>	<u>\$ 29,500</u>	<u>\$ 135,880</u>

**Town of Carman**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2022**

**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.

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

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

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

**Water services:**

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water Treatment Plant	\$ 7,471,878	\$ 1,550,803	\$ 150,947	\$ 8,871,734
	<u>\$ 7,471,878</u>	<u>\$ 1,550,803</u>	<u>\$ 150,947</u>	<u>\$ 8,871,734</u>

**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 Retirement Benefits.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the municipality on behalf of its employees was \$120,621 (2021 - \$108,371) 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, 2021 indicated the plan was 101.4% funded on a going concern basis and had an unfunded solvency liability of \$249 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, 2021.

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, 2022**

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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, 2022**

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**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>2022</u>	<u>2021</u>
Financial Position		
Total assets	<u>\$ 2,886,350</u>	<u>\$ 2,258,186</u>
Total liabilities	<u>\$ 1,167,485</u>	<u>\$ 998,851</u>
Accumulated surplus	<u>1,718,866</u>	<u>1,259,335</u>
	<u>\$ 2,886,350</u>	<u>\$ 2,258,186</u>
Results of Operations		
Revenue	<u>\$ 1,146,562</u>	<u>\$ 729,752</u>
Expenses	<u>687,047</u>	<u>672,661</u>
Annual surplus	<u>\$ 459,515</u>	<u>\$ 57,091</u>

Town of Carman  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
Year Ended December 31, 2022

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	2022	2021
<b>Cost</b>										
Opening costs	\$ 2,873,961	\$ 6,031,044	\$ 3,778,800	\$ 627,730	\$ 671,123	\$ 8,913,661	\$ 7,011,835	\$ 10,510,439	\$ 40,418,593	\$ 37,838,568
Additions during the year	45,632	24,585	96,941	22,376	178,422	627,693	12,664,633	1,596,506	15,256,788	4,341,314
Disposals, write downs and transfers	-	(117,537)	(131,665)	-	-	-	-	(12,106,945)	(12,356,147)	(1,761,284)
Transfers	-	-	-	-	-	-	-	-	-	-
Closing costs	2,919,593	5,938,092	3,744,076	650,106	849,545	9,541,354	19,676,468	-	43,319,234	40,418,598
<b>Accumulated Amortization</b>										
Opening accum'd amortization	448,929	2,536,450	2,334,977	379,467	-	3,157,497	2,745,892	-	11,603,212	11,557,820
Amortization	40,670	128,077	246,526	6,646	-	237,752	153,252	-	812,923	917,171
Disposals and write downs	-	(1,959)	(100,665)	-	-	-	-	-	(102,624)	(870,058)
Closing accum'd amortization	489,599	2,662,568	2,480,838	386,113	-	3,395,249	2,899,144	-	12,313,511	11,604,933
Net Book Value of tangible capital assets	\$ 2,429,994	\$ 3,275,524	\$ 1,263,238	\$ 263,993	\$ 849,545	\$ 6,146,105	\$ 16,777,324	\$ -	\$ 31,005,723	\$ 28,813,665

Town of Carman  
**CONSOLIDATED SCHEDULE OF REVENUES**  
Year Ended December 31, 2022

**SCHEDULE 2**

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Property taxes</b>		
Municipal taxes levied (Schedule 12)	\$ 3,453,868	\$ 3,090,159
Taxes added	126,723	25,835
	<u>3,580,591</u>	<u>3,115,994</u>
<b>Grants in lieu of taxation</b>		
Federal government enterprises	7,499	7,181
Provincial government enterprises	30,728	29,594
	<u>38,227</u>	<u>36,775</u>
<b>User fees</b>		
Sales of service	930,570	731,879
Sales of goods	7,091	41,918
Rentals	6,001	7,766
	<u>943,662</u>	<u>781,563</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	627,402	590,631
Conditional grants	385,579	455,243
	<u>1,012,981</u>	<u>1,045,874</u>
<b>Grants - other</b>		
Federal government - gas tax funding	228,016	348,292
Federal government - other	43,822	82,006
Other local governments	1,023,292	786,488
	<u>1,295,130</u>	<u>1,216,786</u>
<b>Permits, licences and fines</b>		
Permits	82,326	72,296
Licences	121,931	118,794
Fines	120	20
	<u>204,377</u>	<u>191,110</u>
<b>Investment income</b>		
Cash and temporary investments	39,198	14,426
<b>Other revenue</b>		
(Loss) gain on sale of tangible capital assets	(119,079)	16,547
Penalties and interest	25,343	21,263
Miscellaneous	127,890	199,476
	<u>34,154</u>	<u>237,286</u>
<b>Water and sewer</b>	<u>2,543,989</u>	<u>3,390,415</u>
<b>Consolidated water co-operatives</b>	<u>788,675</u>	<u>384,008</u>
<b>Total revenue</b>	<u><u>\$ 10,480,984</u></u>	<u><u>\$ 10,414,237</u></u>

Town of Carman  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**Year Ended December 31, 2022**

**SCHEDULE 3**

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>General government services</b>		
Legislative	\$ 138,059	\$ 121,133
General administrative	348,025	367,124
Other	<u>307,697</u>	<u>223,016</u>
	<u>793,781</u>	<u>711,273</u>
<b>Protective services</b>		
Police	574,181	492,123
Fire	456,391	483,944
Emergency measures	18,748	4,524
Other protection	<u>13,543</u>	<u>9,415</u>
	<u>1,062,863</u>	<u>990,006</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	1,078,478	855,163
Engineering	1,767	2,915
Road and street maintenance	106,273	87,457
Sidewalk and boulevard maintenance	74,794	22,211
Street lighting	87,888	81,771
Other	348,593	449,205
Air transport	4,581	7,031
Public transit	<u>20,000</u>	<u>30,000</u>
	<u>1,722,374</u>	<u>1,535,753</u>
<b>Environmental health services</b>		
Waste collection and disposal	394,679	329,811
Recycling	(1,026)	39,853
Other	<u>85,774</u>	<u>114,135</u>
	<u>479,427</u>	<u>483,799</u>
<b>Public health and welfare services</b>		
Public health	43,371	43,081
Medical care	244,165	221,043
Social assistance	<u>3,579</u>	<u>3,579</u>
	<u>291,115</u>	<u>267,703</u>
<b>Regional planning and development</b>		
Urban area weed control	15,523	1,568
Other	<u>171,404</u>	<u>118,232</u>
	<u>186,927</u>	<u>119,800</u>
<b>Resource conservation and industrial development</b>		
Water resources and conservation	3,161	3,010
Regional development	<u>180,265</u>	<u>184,112</u>
	<u>183,426</u>	<u>187,122</u>
<b>Sub-totals forward</b>	<u>\$ 4,719,913</u>	<u>\$ 4,295,456</u>

Town of Carman  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
 Year Ended December 31, 2022

**SCHEDULE 3**

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>Sub-totals forward</b>	<b><u>\$ 4,719,913</u></b>	<b><u>\$ 4,295,456</u></b>
<b>Recreation and cultural services</b>		
Administration	1,124,491	868,162
Community centers and halls	444,673	365,902
Parks and playgrounds	33,077	79,594
Other recreational facilities	4,618	2,804
Museums	5,785	5,785
Libraries	180,109	196,897
Other cultural facilities	139,326	148,047
	<u>1,932,079</u>	<u>1,667,191</u>
<b>Water and sewer services (Schedule 9)</b>	<b><u>1,148,496</u></b>	<b><u>1,760,236</u></b>
<b>Consolidated water co-operatives</b>	<b><u>309,604</u></b>	<b><u>319,842</u></b>
<b>Total expenses</b>	<b><u><u>\$ 8,110,092</u></u></b>	<b><u><u>\$ 8,042,725</u></u></b>



**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2022**

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$ 3,467,959	\$ 3,003,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	38,227	36,775	-	-	-	-	-	-	-	-
User fees	2,583	27,518	14,429	13,045	21,754	2,741	165,823	197,327	263,368	200,704
Prov of MB - Unconditional Grants	627,402	590,631	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	329,357	414,713	-	-	-	-	-	-	6,223	7,813
Grants - other	295,276	384,289	357,365	250,980	-	-	174,866	163,828	-	-
Permits, licences and fines	122,726	119,389	-	-	-	-	-	-	-	-
Investment income	19,770	5,526	1,661	770	2,374	380	-	-	4,418	2,392
Other revenue	65,487	160,711	-	2,672	(115,579)	(3,163)	(3,500)	1,142	-	300
Water and sewer	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>4,968,787</b>	<b>4,742,914</b>	<b>373,455</b>	<b>267,467</b>	<b>(91,451)</b>	<b>(42)</b>	<b>337,189</b>	<b>362,297</b>	<b>274,009</b>	<b>211,209</b>
<b>EXPENSES</b>										
Personnel services	420,032	421,492	652,264	561,619	755,251	672,009	11,837	67,564	-	-
Contract services	157,780	71,781	164,467	151,747	54,749	40,279	423,978	364,584	204,939	203,270
Utilities	(44,652)	(46,326)	98,205	13,465	93,885	92,006	3,942	2,730	6,394	7,461
Maintenance materials and supplies	1,130	3,178	63,647	177,050	465,039	278,892	14,734	20,532	25,806	11,442
Grants and contributions	31,127	28,844	-	-	-	-	-	-	1,200	1,200
Amortization	3,876	5,467	79,290	80,051	348,593	449,205	24,812	27,737	18,725	19,055
Interest on long-term debt	69,094	77,091	-	-	-	-	-	-	-	-
Bad debt	2,079	5,870	-	-	-	-	-	-	-	-
Other	153,315	143,876	4,990	6,074	4,857	3,362	124	652	34,051	25,275
<b>Total expenses</b>	<b>793,781</b>	<b>711,273</b>	<b>1,062,863</b>	<b>990,006</b>	<b>1,722,374</b>	<b>1,535,753</b>	<b>479,427</b>	<b>483,799</b>	<b>291,115</b>	<b>267,703</b>
<b>Surplus (Deficit)</b>	<b>\$ 4,175,006</b>	<b>\$ 4,031,641</b>	<b>\$ (689,408)</b>	<b>\$ (722,539)</b>	<b>\$ (1,813,825)</b>	<b>\$ (1,535,795)</b>	<b>\$ (142,238)</b>	<b>\$ (121,502)</b>	<b>\$ (17,106)</b>	<b>\$ (56,494)</b>

\* 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, 2022**

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,632	\$ 112,632	\$ 3,580,591	\$ 3,115,994
Grants in lieu of taxation	-	-	-	-	-	-	-	-	38,227	36,775
User fees	-	-	4,800	4,800	470,905	335,428	-	-	943,662	781,563
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	627,402	590,631
Prov of MB - Conditional Grants	22,200	2,613	-	-	27,799	30,104	-	-	385,579	455,243
Grants - other	-	-	400,908	320,263	66,715	97,426	-	-	1,295,130	1,216,786
Permits, licences and fines	81,651	71,721	-	-	-	-	-	-	204,377	191,110
Investment income	1,105	250	-	-	2,353	859	7,517	4,249	39,198	14,426
Other revenue	45,353	41,284	15,900	-	26,493	34,340	-	-	34,154	237,286
Water and sewer	-	-	-	-	-	-	3,332,664	3,774,423	3,332,664	3,774,423
<b>Total revenue</b>	<b>150,309</b>	<b>115,868</b>	<b>421,608</b>	<b>325,063</b>	<b>594,265</b>	<b>498,157</b>	<b>3,452,813</b>	<b>3,891,304</b>	<b>10,480,984</b>	<b>10,414,237</b>
<b>EXPENSES</b>										
Personnel services	75,009	58,980	127,159	94,624	1,241,649	1,030,365	212,945	206,445	3,496,146	3,113,098
Contract services	108,877	58,893	49,733	81,526	298,726	258,880	734,203	657,985	2,197,452	1,888,945
Utilities	-	-	1,029	729	27,282	22,669	58,286	64,296	244,371	157,030
Maintenance materials and supplies	1,259	1,543	1,505	3,772	78,790	94,390	111,765	235,129	763,674	825,928
Grants and contributions	-	-	4,000	6,000	58,001	44,822	-	-	94,328	80,866
Amortization	218	-	-	-	184,158	190,205	153,964	145,450	813,636	917,170
Interest on long-term debt	-	-	-	-	-	-	52,048	47,600	121,142	124,691
Bad debt	-	-	-	-	-	-	-	-	2,079	5,870
Other	1,564	384	-	471	43,473	25,860	134,890	723,173	377,264	929,127
<b>Total expenses</b>	<b>186,927</b>	<b>119,800</b>	<b>183,426</b>	<b>187,122</b>	<b>1,932,079</b>	<b>1,667,191</b>	<b>1,458,100</b>	<b>2,080,078</b>	<b>8,110,092</b>	<b>8,042,725</b>
<b>Surplus (Deficit)</b>	<b>\$ (36,618)</b>	<b>\$ (3,932)</b>	<b>\$ 238,182</b>	<b>\$ 137,941</b>	<b>\$ (1,337,814)</b>	<b>\$ (1,169,034)</b>	<b>\$ 1,994,713</b>	<b>\$ 1,811,226</b>	<b>\$ 2,370,892</b>	<b>\$ 2,371,512</b>

## CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2022

	Core Government		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>						
Property taxes	\$ 3,580,591	\$ 3,115,994	\$ -	\$ -	\$ 3,580,591	\$ 3,115,994
Grants in lieu of taxation	38,227	36,775	-	-	38,227	36,775
User fees	681,735	577,587	261,927	203,976	943,662	781,563
Prov of MB - Unconditional Grants	627,402	590,631	-	-	627,402	590,631
Prov of MB - Conditional Grants	357,780	425,139	27,799	30,104	385,579	455,243
Grants - other	1,228,415	1,119,360	66,715	97,426	1,295,130	1,216,786
Permits, licences and fines	204,377	191,110	-	-	204,377	191,110
Investment income	35,824	12,045	3,374	2,381	39,198	14,426
Other revenue	36,082	225,429	(1,928)	11,857	34,154	237,286
Water and sewer	2,543,989	3,390,415	788,675	384,008	3,332,664	3,774,423
Total revenue	<u>9,334,422</u>	<u>9,684,485</u>	<u>1,146,562</u>	<u>729,752</u>	<u>10,480,984</u>	<u>10,414,237</u>
<b>EXPENSES</b>						
Personnel services	3,358,618	2,929,956	137,528	183,141	3,496,146	3,113,097
Contract services	1,972,744	1,679,039	224,708	209,905	2,197,452	1,888,944
Utilities	204,184	118,158	40,187	38,871	244,371	157,029
Maintenance materials and supplies	641,437	695,023	122,237	130,904	763,674	825,927
Grants and contributions	94,328	112,901	-	(32,035)	94,328	80,866
Amortization	735,027	845,379	78,609	71,791	813,636	917,170
Interest on long-term debt	89,262	102,202	31,880	22,489	121,142	124,691
Other	327,445	887,405	51,898	47,595	379,343	935,000
Total expenses	<u>7,423,045</u>	<u>7,370,063</u>	<u>687,047</u>	<u>672,661</u>	<u>8,110,092</u>	<u>8,042,725</u>
<b>Surplus</b>	<u>\$ 1,911,377</u>	<u>\$ 2,314,422</u>	<u>\$ 459,515</u>	<u>\$ 57,091</u>	<u>\$ 2,370,892</u>	<u>\$ 2,371,512</u>

Town of Carman  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
 Year Ended December 31, 2022

**SCHEDULE 6**

	2022													2021	
	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	\$ 8,181	\$ 2,361	\$ 392	\$ 1,105	\$ 1,661	\$ 13	\$ -	\$ 1,404	\$ 60	\$ 1,933	\$ 7,125	\$ -	\$ -	\$ 24,235	\$ 8,229
Other income	-	-	-	15,900	-	-	-	-	-	-	-	-	-	15,900	2,612
Total revenue	8,181	2,361	392	17,005	1,661	13	-	1,404	60	1,933	7,125	-	-	40,135	10,841
<b>EXPENSES</b>															
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,384
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,384
<b>NET REVENUES</b>	8,181	2,361	392	17,005	1,661	13	-	1,404	60	1,933	7,125	-	-	40,135	(34,543)
<b>TRANSFERS</b>															
Transfers from (to) operating fund	-	(23,917)	-	(2,184)	21,244	-	-	11,400	(2,840)	206	-	-	-	3,909	259,006
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,000
Acquisition of tangible capital assets	(73,400)	-	-	-	-	-	-	-	-	(8,077)	-	-	-	(81,477)	(114,317)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(65,219)	(21,556)	392	14,821	22,905	13	-	12,804	(2,780)	(5,938)	7,125	-	-	(37,433)	145,146
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	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
<b>FUND SURPLUS, END OF YEAR</b>	\$ 600,603	\$ 83,499	\$ 18,679	\$ 151,250	\$ 148,891	\$ 618	\$ 0	\$ 75,810	\$ (0)	\$ 111,680	\$ 269,441	\$ -	\$ -	\$ 1,460,471	\$ 1,497,904

Town of Carman  
**SCHEDULE OF L.U.D. OPERATIONS**  
**Year Ended December 31, 2022**

**SCHEDULE 7**

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
<b>Total revenue</b>	<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	-	-	-
<b>Total expenses</b>	<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>\$ -</u></u>	-	-
<b>Unexpended balance, beginning of year</b>		<u>-</u>	<u>-</u>
<b>Unexpended balance, end of year</b>		<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

## SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ 100	\$ 100
Amounts receivable	631,695	712,040
Due from other funds	-	-
	<u>631,795</u>	<u>712,140</u>
<b>LIABILITIES</b>		
Long-term debt (Note 8)	271,716	364,179
Due to other funds	3,381,963	3,354,981
	<u>3,653,679</u>	<u>3,719,160</u>
<b>NET DEBT</b>	<u>(3,021,884)</u>	<u>(3,007,020)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	14,388,204	12,867,053
Inventories	36,885	35,047
	<u>14,425,089</u>	<u>12,902,100</u>
<b>FUND SURPLUS</b>	<u>\$ 11,403,205</u>	<u>\$ 9,895,080</u>

Town of Carman  
**SCHEDULE OF UTILITY OPERATIONS - Utility**  
**Year Ended December 31, 2022**

**SCHEDULE 9**

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 966,268	\$ 817,021	\$ 864,253
<b>Sewer</b>			
Sewer fees	180,000	148,560	160,431
<b>Property taxes</b>	<u>112,640</u>	<u>112,632</u>	<u>112,632</u>
<b>Other</b>			
Hydrant rentals	15,000	15,000	14,760
Connection charges	7,000	6,779	7,041
Penalties	1,500	2,722	1,460
Provincial and Federal grants	1,766,000	1,550,803	2,340,795
Other income	1,600	3,104	1,675
sub-total- other	<u>1,791,100</u>	<u>1,578,408</u>	<u>2,365,731</u>
<b>Total revenue</b>	<u>3,050,008</u>	<u>2,656,621</u>	<u>3,503,047</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	153,446	75,247	169,483
<b>Water General</b>			
Purification and treatment	-	123,395	230,929
Transmission and distribution	224,294	138,991	38,978
Water purchases	690,500	592,641	398,071
Connection costs	-	79,683	82,305
sub-total- water general	<u>914,794</u>	<u>934,710</u>	<u>750,283</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	75,355	75,355	73,659
Interest on long term debt	20,168	20,168	25,111
sub-total- water amortization & interest	<u>95,523</u>	<u>95,523</u>	<u>98,770</u>
<b>Sewer General</b>			
Collection system costs	27,650	14,854	31,380
Treatment and disposal cost	13,700	-	-
Lift Station costs	14,778	28,162	17,678
sub-total- sewer general	<u>56,128</u>	<u>43,016</u>	<u>49,058</u>
<b>Other</b>			
Loss on disposal of capital assets	-	-	692,642
<b>Total expenses</b>	<u>1,219,891</u>	<u>1,148,496</u>	<u>1,760,236</u>
<b>NET REVENUES</b>	<u>1,830,117</u>	<u>1,508,125</u>	<u>1,742,811</u>
<b>TRANSFERS</b>			
Transfers from (to) operating fund	(1,778,000)	-	32,652
Transfers from (to) reserve funds	(35,000)	-	(35,000)
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ 17,117</u>	<u>1,508,125</u>	<u>1,740,463</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>9,895,080</u>	<u>8,154,617</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$11,403,205</u>	<u>\$ 9,895,080</u>

## TOWN OF CARMAN

## SCHEDULE 10

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2022

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 3,286,343	\$-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,286,343
Grants in lieu of taxation	128,040	-	-	-	-	-	-	128,040
User fees	635,100	-	-	-	-	-	261,928	897,028
Grants - Province of Manitoba	1,018,733	1,766,000	-	-	-	-	27,799	2,812,532
Grants - other	960,198	-	-	-	-	-	66,715	1,026,913
Permits, licences and fines	225,400	23,500	-	-	-	-	-	248,900
Investment income	3,500	-	-	-	-	-	3,374	6,874
Other revenue	131,853	114,240	-	-	-	-	(1,928)	244,165
Water and sewer	-	1,146,268	-	-	-	-	788,675	1,934,943
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	420,900	-	-	-	(420,900)	-	-	-
Total revenue	<u>6,810,067</u>	<u>3,050,008</u>	<u>-</u>	<u>-</u>	<u>(420,900)</u>	<u>-</u>	<u>1,146,563</u>	<u>10,585,738</u>
<b>EXPENSES</b>								
General government services	740,000	-	3,876	69,094	-	-	-	812,970
Protective services	1,223,960	-	79,290	-	-	-	-	1,303,250
Transportation services	1,261,510	-	348,593	-	-	-	-	1,610,103
Environmental health services	411,000	-	24,812	-	-	-	-	435,812
Public health and welfare services	30,000	-	18,725	-	-	-	244,165	292,890
Regional planning and development	200,000	-	-	-	-	-	-	200,000
Resource cons and industrial dev	200,660	-	-	-	-	-	-	200,660
Recreation and cultural services	1,439,400	-	184,158	-	-	-	133,277	1,756,835
Water and sewer services	-	1,124,368	75,355	20,168	-	-	309,604	1,529,495
Fiscal services:								
Transfer to capital	885,900	1,778,000	-	-	(2,663,900)	-	-	-
Transfer to utility	112,640	-	-	-	(112,640)	-	-	-
Debt charges	255,000	112,640	-	-	(367,640)	-	-	-
Short term interest	12,500	-	-	-	(12,500)	-	-	-
Transfer to deferred surplus	-	-	-	-	-	-	-	-
Transfer to reserves	30,000	35,000	-	-	-	-	-	65,000
Allowance for tax assets	7,497	-	-	-	(65,000)	-	-	(57,503)
Total expenses	<u>6,810,067</u>	<u>3,050,008</u>	<u>734,809</u>	<u>89,262</u>	<u>(3,221,680)</u>	<u>-</u>	<u>687,047</u>	<u>8,149,512</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (734,809)</u>	<u>\$ (89,262)</u>	<u>\$ 2,800,780</u>	<u>\$ -</u>	<u>\$ 459,516</u>	<u>\$ 2,436,226</u>



Town of Carman  
 ANALYSIS OF TAXES ON ROLL  
 Year Ended December 31, 2022

**SCHEDULE 11**

	<u>2022</u>	<u>2021</u>
<b>Balance, beginning of year</b>	<b>\$ 125,903</b>	<b>\$ 122,455</b>
<b>Add:</b>		
Tax levy (Schedule 12)	5,165,056	4,814,272
Taxes added	123,033	23,253
Penalties or interest	23,533	21,263
Tax Adjustments (specify)	3,690	2,582
<b>Sub-total</b>	<b>5,315,312</b>	<b>4,861,370</b>
<b>Deduct:</b>		
Cash collections - current	4,405,800	3,953,558
Cash collections - arrears	466,530	410,634
Writeoffs	2,078	5,870
M.P.T.C. - cash advance	406,755	487,858
<b>Sub-total</b>	<b>5,281,163</b>	<b>4,857,920</b>
<b>Balance, end of year</b>	<b>\$ 160,052</b>	<b>\$ 125,905</b>

Town of Carman  
**ANALYSIS OF TAX LEVY**  
**Year Ended December 31, 2022**

**SCHEDULE 12**

	2022			2021
	Assessment	Mill Rate	Levy	Levy
<b>Debt charges:</b>				
General Debenture	-	0.000%	\$ -	\$ -
Utility Debenture	-	0.000%	-	-
Sewer Forcemain	178,103,810	0.330%	58,774	57,282
Water Plant Upgrade	178,103,810	0.310%	55,212	53,598
Transfer Station	178,103,810	0.250%	44,526	44,051
Arena	178,103,810	0.280%	49,869	49,075
Memorial Hall	178,103,810	0.490%	87,271	86,091
Personal Care Home	178,103,810	0.400%	71,242	70,849
<b>Deferred surplus</b>				
<b>Reserves:</b>				
Machinery Replacement	158,594,730	0.190%	30,133	29,423
<b>Special levies:</b>				
Waste Collection	-	0.000%	-	-
<b>General municipal:</b>				
At large	158,594,730	19.250%	3,052,949	2,698,182
Business Tax Fees	-	0.000%	3,892	1,608
<b>Total municipal taxes (Schedule 2)</b>			<u>3,453,868</u>	<u>3,090,159</u>
Education support levy	25,076,310	8.713%	218,490	220,622
Special levies				
Special - Prairie Rose	143,528,700	10.400%	1,492,698	1,503,491
<b>Total education taxes</b>			<u>1,711,188</u>	<u>1,724,113</u>
<b>Total tax levy (Schedule 11)</b>			<u><u>\$ 5,165,056</u></u>	<u><u>\$ 4,814,272</u></u>

**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**Year Ended December 31, 2022**

	2022 Actual	2021 Actual
<b>General government services</b>		
Legislative	\$ 138,059	\$ 121,133
General administrative	348,025	367,124
Other	307,697	223,016
	<u>793,781</u>	<u>711,273</u>
<b>Protective services</b>		
Police	574,181	492,123
Fire	456,391	483,944
Emergency measures	18,748	4,524
Other protection	13,543	9,415
	<u>1,062,863</u>	<u>990,006</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	1,078,478	855,163
Engineering	1,767	2,915
Road and street maintenance	106,273	87,457
Sidewalk and boulevard maintenance	74,794	22,211
Street lighting	87,888	81,771
Other	348,593	449,205
Air transport	4,581	7,031
Public transit	20,000	30,000
	<u>1,722,374</u>	<u>1,535,753</u>
<b>Environmental health services</b>		
Waste collection and disposal	394,679	329,811
Recycling	(1,026)	39,853
Other	85,774	114,135
	<u>479,427</u>	<u>483,799</u>
<b>Public health and welfare services</b>		
Public health	43,371	43,081
Medical care	-	-
Social assistance	3,579	3,579
	<u>46,950</u>	<u>46,660</u>
<b>Regional planning and development</b>		
Urban area weed control	15,523	1,568
Other	171,404	118,232
	<u>186,927</u>	<u>119,800</u>
<b>Resource conservation and industrial development</b>		
Water resources and conservation	3,161	3,010
Regional development	180,265	184,112
	<u>183,426</u>	<u>187,122</u>
<b>Recreation and cultural services</b>		
Administration	1,124,491	868,162
Community centers and halls	444,673	365,902
Parks and playgrounds	33,077	34,210
Other recreational facilities	4,618	2,804
Museums	5,785	5,785
Libraries	46,832	65,120
Other cultural facilities	139,326	148,047
	<u>1,798,802</u>	<u>1,490,030</u>
<b>Total expenses</b>	<u>\$ 6,274,550</u>	<u>\$ 5,564,443</u>

Town of Carman  
**RECONCILIATION OF ANNUAL SURPLUS**  
 December 31, 2022

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

	General	2022 Utility	Total	2021 Total
<b>MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT</b>	<b>\$ 32,201</b>	<b>\$ (67,787)</b>	<b>\$ (35,586)</b>	<b>\$ 57,702</b>
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	3,909	-	3,909	294,006
Eliminate revenue - transfers from reserves	(81,477)	-	(81,477)	(114,317)
Decrease expense - reserve funds expenses	-	-	-	(45,384)
Decrease expense - reserve funds expenses	-	-	-	-
Increase revenue - reserve funds interest and other revenue	40,135	-	40,135	10,841
Increase (decrease) revenue - Net surplus of controlled entities	459,515	-	459,515	57,089
Increase expense - amortization of tangible capital assets	(659,672)	(75,355)	(735,027)	(845,380)
Decrease expense - principal portion of debenture debt (net of new debt)	205,586	92,464	298,050	286,440
Debenture pending	-	(37,703)	(37,703)	(529,862)
Net book value of disposed tangible capital assets	(146,578)	-	(146,578)	(782,041)
Eliminate expense - acquisitions of tangible capital assets	995,649	1,596,506	2,592,155	3,966,157
Eliminate internally funded capital assets	-	-	-	-
Investment in own funds - paydown of debt	13,499	-	13,499	-
Increase revenue - gain on sale of tangible capital assets	-	-	-	16,261
<b>NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 862,767</b>	<b>\$ 1,508,125</b>	<b>\$ 2,370,892</b>	<b>\$ 2,371,512</b>