

Town of Carman

**Consolidated Financial Statements
For the Year Ended December 31, 2023**

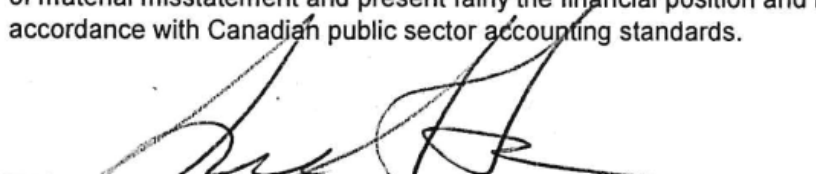
STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Carman and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the Town met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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



Susan Stein, CMMA, CLGED, Chief Administrative Officer
March 7, 2025

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Town of Carman and its controlled entities (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2023, 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, 2023, 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
March 7, 2025

Town of Carman

Consolidated Financial Statements

For the Year Ended December 31, 2023

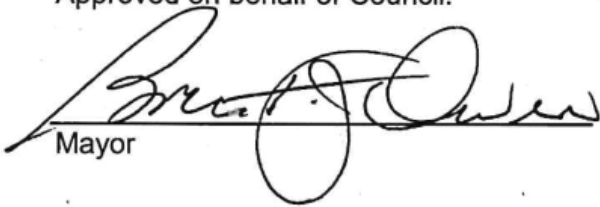
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**Town of Carman
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2023**

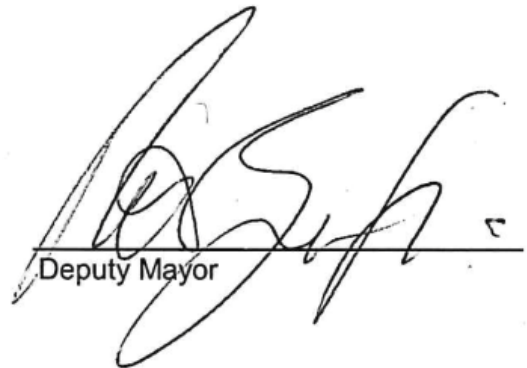
	<u>2023</u>	<u>2022</u> <small>(As restated - Note 3)</small>
FINANCIAL ASSETS		
Cash and temporary investment (Note 4)	\$ 3,416,509	\$ 644,787
Amounts receivable (Note 5)	1,265,098	1,712,878
Other assets	44,132	66,860
	<u>4,725,739</u>	<u>2,424,525</u>
LIABILITIES		
Bank indebtedness (Note 4)	-	1,500,000
Accounts payable and accrued liabilities (Note 7)	1,275,881	1,461,189
Deferred revenue (Note 8)	1,062,135	351,064
Asset retirement obligation (Note 9)	147,305	141,078
Long-term debt (Note 10)	5,535,978	2,855,368
	<u>8,021,298</u>	<u>6,308,699</u>
NET DEBT	<u>(3,295,559)</u>	<u>(3,884,174)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	31,370,738	31,012,190
Inventories (Note 6)	115,733	115,733
Prepaid expenses	97,249	30,634
	<u>31,583,720</u>	<u>31,158,557</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 28,288,161</u>	<u>\$ 27,274,383</u>

COMMITMENTS (Note 11)

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, 2023

	2023 Budget (Schedule 10)	2023 Actual	2022 Actual (As restated - Note 3)
REVENUE			
Property taxes	\$ 3,729,234	\$ 3,900,939	\$ 3,580,591
Grants in lieu of taxation	129,957	44,562	38,227
User fees	965,215	993,887	943,662
Permits, licenses and fines	257,598	218,393	204,377
Investment income	19,347	146,422	39,198
Other revenue	495,101	152,095	34,154
Water and sewer	1,737,769	1,989,252	3,332,664
Grants - Province of Manitoba	819,544	1,292,015	1,012,981
Grants - other	1,113,592	1,073,328	1,295,130
Total revenue (Schedules 2, 4 and 5)	<u>9,267,357</u>	<u>9,810,893</u>	<u>10,480,984</u>
EXPENSES			
General government services	826,671	950,368	794,620
Protective services	1,080,314	1,120,456	1,062,863
Transportation services	1,644,954	1,545,853	1,722,374
Environmental health services	476,516	523,556	479,427
Public health and welfare services	327,035	336,006	291,115
Regional planning and development	290,930	250,076	186,927
Resource conservation and industrial development	176,190	181,803	183,426
Recreation and cultural services	1,895,556	2,019,774	1,932,079
Water and sewer services	1,896,620	1,869,223	1,463,584
Allowance for tax assets	(26,157)	-	-
Transfer to reserves	35,000	-	-
Total expenses (Schedules 3, 4 and 5)	<u>8,628,630</u>	<u>8,797,115</u>	<u>8,116,415</u>
ANNUAL SURPLUS	<u>\$ 638,727</u>	1,013,778	2,364,568
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>27,274,383</u>	<u>24,909,815</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$28,288,161</u>	<u>\$ 27,274,383</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, 2023

	<u>2023</u> <u>Budget</u> <u>(Note 13)</u>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u> <small>(As restated - Note 3)</small>
ANNUAL SURPLUS	\$ 638,727	\$ 1,013,778	\$ 2,364,568
Acquisition of tangible capital assets	(1,675,732)	(1,675,732)	(3,149,843)
Amortization of tangible capital assets	1,184,911	1,184,204	813,280
Loss (gain) on disposal of tangible capital assets	-	(12,967)	119,079
Proceeds on disposal of tangible capital assets	-	145,947	25,783
Increase in inventories	-	-	3,385
Increase in prepaid expense	-	(66,615)	10,056
	<u>(490,821)</u>	<u>(425,163)</u>	<u>(2,178,260)</u>
CHANGE IN NET FINANCIAL DEBT	\$ 147,906	588,615	186,308
NET DEBT, BEGINNING OF YEAR		<u>(3,884,174)</u>	<u>(4,070,482)</u>
NET DEBT, END OF YEAR		<u>\$ (3,295,559)</u>	<u>\$ (3,884,174)</u>

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

Town of Carman
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
		(As restated - Note 3)
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,013,778	\$ 2,364,568
Changes in non-cash items:		
Amounts receivable	447,780	(435,995)
Inventories	-	3,385
Prepays	(66,615)	10,056
Accounts payable and accrued liabilities	(185,308)	51,498
Asset retirement obligation	6,227	5,967
Other assets	22,728	(59,556)
Deferred revenue	711,070	(184,557)
Loss (gain) on sale of tangible capital asset	(12,967)	119,079
Amortization	1,184,204	813,280
	<u>3,120,897</u>	<u>2,687,725</u>
Cash provided by operating transactions		
	<u>3,120,897</u>	<u>2,687,725</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	145,947	25,783
Cash used to acquire tangible capital assets	(1,675,732)	(3,149,843)
	<u>(1,529,785)</u>	<u>(3,124,060)</u>
Cash applied to capital transactions		
	<u>(1,529,785)</u>	<u>(3,124,060)</u>
INVESTING TRANSACTIONS		
Cash applied to investing transactions	-	-
	<u>-</u>	<u>-</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	3,011,942	-
Debt repayment	(331,332)	(231,424)
	<u>2,680,610</u>	<u>(231,424)</u>
Cash applied to financing transactions		
	<u>2,680,610</u>	<u>(231,424)</u>
INCREASE IN CASH	4,271,722	(667,759)
CASH, BEGINNING OF YEAR	(855,213)	(187,454)
CASH, END OF YEAR	<u>\$ 3,416,509</u>	<u>\$ (855,213)</u>
Cash comprised of:		
Bank indebtedness	\$ -	\$ (1,500,000)
Cash and temporary investment	3,416,509	644,787
	<u>\$ 3,416,509</u>	<u>\$ (855,213)</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, 2023

1. Status of the Town of Carman

The incorporated Town of Carman (the Town) is a municipal government that was created in 1905 pursuant to the Manitoba Municipal Act. The Town provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The Town owns one utility, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada and reflect the following significant accounting policies:

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, accumulated surplus, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits of risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-company balances and transactions have been eliminated. At December 31, 2023, the Municipality has no controlled organizations.

The Town has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards and commissions are accounted on a proportionate consolidation basis whereby the Town's pro-rata share of each of the assets, liabilities, revenues, and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Boyne Regional Library	50%	(50% in 2022)
Carman & Community Health Centre	50%	(50% in 2022)
Pembina Valley Water Cooperative Inc.	4.54%	(4.54% in 2022)

The taxation with respect to the operations of the school divisions are not reflected in the Municipal surplus of these financial statements.

b) Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

c) Financial Instruments

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

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

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

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

2. Significant Accounting Policies (continued)

c) Financial Instruments (continued)

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

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

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

d) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

e) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize internal finance charges as part of the cost of its tangible capital assets.

General Tangible Capital Assets

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

Infrastructure Assets

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

2. Significant Accounting Policies (continued)

e) Tangible Capital Assets (continued)

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands that have not been purchased by the town, forests, water, and other natural resources are not recognized as tangible capital assets.

f) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

g) Inventories

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

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

h) Employee Future Benefits

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

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

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

i) Revenue Recognition

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

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

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

Investment revenue is recognized in the period earned.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulations by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulations an equivalent amount of revenue is recognized as the liability is settled.

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

2. Significant Accounting Policies (continued)

i) Revenue Recognition (continued)

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

j) Asset Retirement Obligations

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

k) Measurement Uncertainty

Estimates are used by management to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used. Actual results could differ from management's best estimates as additional information becomes available in the future.

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

l) Future Changes in Accounting Standards

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

- 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.
- PSG - 8 Purchased intangibles (effective January 1, 2024) provides guidelines on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

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

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

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

3. Adoption of New Accounting Standards

Asset Retirement Obligations

On January 1, 2023, the Town has adopted Public Sector Accounting Standards PS 3280, Asset Retirement Obligations. This standard was adopted using the modified retrospective approach. In accordance with the provisions of the standard, the Town has made changes to its Consolidated Statement of Financial Position, Consolidated Statement of Operations, Consolidated Statement of Change in Net Financial Assets, Consolidated Statement of Cash Flow, and Schedule of Tangible Capital Asset as previously reported for the year ended December 31, 2023. The significant adjustments to comparative amounts presented in these consolidated financial statements are as follows:

	<u>As Previously Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
<u>Consolidated Statement of Financial Position</u>			
Tangible capital assets	\$ 31,005,723	\$ 6,467	\$ 31,012,190
Asset retirement obligations	-	141,078	141,078
Accumulated surplus	27,408,994	(134,611)	27,274,383
<u>Consolidated Statement of Revenue, Expenses and Accumulated Surplus</u>			
Accretion of asset retirement obligations	\$ -	\$ 5,967	\$ 5,967
Amortization	812,923	357	813,280
Annual surplus	2,370,892	(6,324)	2,364,568
Opening accumulated surplus	25,038,102	(128,287)	24,909,815
Closing accumulated surplus	27,408,994	(134,611)	27,274,383

Financial Instruments

On January 1, 2023, the Town adopted Public Sector Accounting Standard Section 3450, Financial Instruments. This standard was adopted using the prospective approach. First-time adoption of this basis of accounting had no impact on the Town's annual surplus for the year ended December 31, 2023 or on accumulated surplus as at December 31, 2022, the date of transition.

4. Cash

	<u>2023</u>	<u>2022</u>
Cash	<u>\$ 3,416,509</u>	<u>\$ 644,787</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% (6.7% effective rate), and secured by a general security agreement and pledge of taxes. As at December 31, 2023, the balance was unutilized (\$53,995 in 2022).

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

5. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2023</u>	<u>2022</u>
Taxes on roll (Schedule 11)	\$ 317,013	\$ 160,052
Government grants	-	429,132
Utility customers	232,172	202,546
Organizations and individuals	688,095	920,099
Other governments	27,818	1,049
	<u>1,265,098</u>	<u>1,712,878</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,265,098</u>	<u>\$ 1,712,878</u>

6. Inventories

	<u>2023</u>	<u>2022</u>
Water meters	\$ 36,885	\$ 36,885
Drain plates	65,758	65,758
Other supplies	13,090	13,090
	<u>\$ 115,733</u>	<u>\$ 115,733</u>

7. Accounts Payable and Accrued Liabilities

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 995,180	\$ 1,146,731
Accrued expenses	221,837	256,626
School levies	58,864	57,832
	<u>\$ 1,275,881</u>	<u>\$ 1,461,189</u>

8. Deferred Revenue

	<u>2023</u>	<u>2022</u>
Regional Water Treatment Facility - Provincial Funding	\$ 462,846	\$ -
Building Sustainable Communities - Province of Manitoba	400,272	-
Property taxes	199,017	201,114
Other	-	149,950
	<u>\$ 1,062,135</u>	<u>\$ 351,064</u>

9. Asset Retirement Obligations

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

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 141,078	\$ 135,110
Additions	-	-
Retirement expense	-	-
Change in estimates	-	-
Accretion expense	6,227	5,967
Closing balance	<u>\$ 147,305</u>	<u>\$ 141,078</u>

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

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

9. Asset Retirement Obligations (continued)

a) Asbestos

Legislation requires the municipality to appropriately handle and dispose of any material containing asbestos and lead paint when renovating or demolishing a municipal structure. The municipality owns memorial hall and arena which contain asbestos. The estimated total liability related to the memorial hall and arena amount to \$12,813 (\$12,204 in 2022) which is based on the sum of discounted future cash flows of \$11,622 using a discount rate of 5%. The asset cost capitalized has an estimated useful life of 24 to 30 years. The estimated total undiscounted future expenditure is \$29,367, which will be incurred at the end of the assets' useful lives.

Following the adoption of PS 3280 – Asset Retirement Obligations, one of the Town's government partnerships, Pembina Valley Water Cooperative Inc. (the "Cooperative"), has recognized an asset retirement obligation with respect to an old concrete pipeline containing asbestos. The Town has recognized their proportionate share of the Cooperative's asset retirement obligation. The estimated total liability amount to \$134,493 (\$128,874 in 2022) which is based on discounted future cash flows of \$123,490 using a discount rate of 4.66%. The asset cost an estimated useful life of 92 years. The estimated total undiscounted future expenditure is \$136,200, which will be incurred at the end of the asset's useful lives.

10. Long-term Debt

	<u>2023</u>	<u>2022</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.	\$ 9,126	\$ 17,716
By-Law 07/1896 \$ 100,000 Debenture, interest at 5.50%, payable at \$8,892 annually including interest, maturing December, 2024.	 8,428	 16,417
By-Law 09/1947 \$ 600,000 Debenture, interest at 5.42%, payable at \$61,240 annually including interest, maturing December, 2030.	 284,253	 316,949
By-Law 16/2010 \$ 750,000 Debenture, interest at 2.90%, payable at \$87,475 annually including interest, maturing December, 2025.	 167,623	 247,909
By-Law 19/2039 \$ 825,000 Debenture, interest at 3.56%, payable at \$71,937 annually including interest, maturing April 2034.	 645,423	 692,700
Laycock - Industrial Park \$ 1,183,500 Long-term debt, interest free, payable at \$27,000 annually, maturing January 2036.	 352,500	 379,500
	<u>\$ 1,467,354</u>	<u>\$ 1,671,191</u>
<u>Utility Funds</u>		
By-Law 23/2063 \$2,960,000 Debenture, interest at 5.25%, payable at \$290,012 annually including interest, maturing December, 2037.	\$ 2,825,388	\$ -
By-Law 08/1922 \$650,000 Debenture, interest at 5.50%, payable at \$54,392 annually including interest, maturing December, 2028.	 232,268	 271,715
	<u>\$ 3,057,655</u>	<u>\$ 271,715</u>

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

10. Long-term Debt (continued)

Pembina Valley Water Co-operative Inc.

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.

\$ 455,774 \$ 495,984

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.

294,197 135,944

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.

43,271 47,672

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.

122,013 128,823

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.

95,714 104,039

1,010,969 912,462

\$ 5,535,978 \$ 2,855,368

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

10. Long-term Debt (continued)

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

2024	\$	441,615
2025		417,607
2026		348,841
2027		365,908
2028		383,749

11. Commitments

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

12. Financial Instruments Risk Management

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

Credit Risk

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

Liquidity Risk

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

13. Budget

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

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

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

14. Accumulated Surplus

	<u>2023</u>	<u>2022</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 156,243	\$ 187,571
Utility operating fund - Nominal surplus	566,144	182,828
TCA net of related borrowings	24,080,498	23,851,675
Reserve funds	<u>1,673,459</u>	<u>1,460,471</u>
Accumulated surplus of municipality unconsolidated	26,476,344	25,682,545
Accumulated surpluses of consolidated entities	<u>1,811,817</u>	<u>1,591,837</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 28,288,161</u></u>	<u><u>\$ 27,274,383</u></u>

15. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$85,000 annually to any member of council, officer or employee of the Town. For the year ended December 31, 2023:

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

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Cheryl Young	Chief Administrative Officer	\$ 86,455
Joe Richardson	Public Works Superintendent	111,002

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, 2023:

c) Compensation paid to members of council amounted to \$126,980 in aggregate.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Brent Owen	\$ 23,010	\$ 2,312	\$ 25,322
Deputy Mayor - Robert Bryson	16,320	1,200	17,520
Councillor - Carly Boklaschuk	14,640	1,875	16,515
Councillor - Lindsay Boeve	14,640	1,600	16,240
Councillor - Richard Dyck	15,390	2,939	18,329
Councillor - Erin Lemky	15,090	2,124	17,214
Councillor - Dale Reimer	<u>14,640</u>	<u>1,200</u>	<u>15,840</u>
	<u><u>\$ 113,730</u></u>	<u><u>\$ 13,250</u></u>	<u><u>\$ 126,980</u></u>

Town of Carman
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2023

16. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and wastewater utilities, except the City of Winnipeg Utility and wholesale water rates set by the Manitoba Water Services Board. The PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. The PUB's prescribed accounting policies on tangible or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

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

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

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

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water Treatment Plant	\$ 8,871,734	\$ 169,188	\$ 181,963	\$ 8,858,959
	<u>\$ 8,871,734</u>	<u>\$ 169,188</u>	<u>\$ 181,963</u>	<u>\$ 8,858,959</u>

17. 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 \$128,825 (\$120,621 in 2022) 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, 2022 indicated the plan was 111.6% funded on a going concern basis and had an unfunded solvency liability of \$19.3 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, 2022.

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, 2023

18. 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, 2023

19. 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>2023</u>	<u>2022</u>
Financial Position		
Total assets	<u>\$ 3,505,834</u>	<u>\$ 2,888,196</u>
Total liabilities	<u>\$ 1,694,017</u>	<u>\$ 1,296,359</u>
Accumulated surplus	<u>1,811,817</u>	<u>1,591,837</u>
	<u>\$ 3,505,834</u>	<u>\$ 2,888,196</u>
Results of Operations		
Revenue	<u>\$ 981,272</u>	<u>\$ 1,146,563</u>
Expenses	<u>761,393</u>	<u>692,530</u>
Annual surplus	<u>\$ 219,879</u>	<u>\$ 454,032</u>

Town of Carman
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2023

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	2023	2022 <small>(As restated - Note 3)</small>
Cost										
Opening costs	\$ 2,919,593	\$ 5,945,329	\$ 3,744,076	\$ 650,106	\$ 849,545	\$ 9,541,354	\$ 19,678,414	\$ -	\$ 43,328,417	\$ 40,427,775
Additions during the year	26,294	40,512	206,746	74,734	258,625	658,987	619,503	-	1,885,401	15,256,788
Disposals, write downs and transfers	-	-	(49,801)	-	(209,669)	-	(104,321)	-	(363,791)	(12,356,147)
Transfers	-	-	-	-	-	-	-	-	-	-
Closing costs	<u>2,945,887</u>	<u>5,985,841</u>	<u>3,901,021</u>	<u>724,840</u>	<u>898,501</u>	<u>10,200,341</u>	<u>20,193,596</u>	<u>-</u>	<u>44,850,027</u>	<u>43,328,416</u>
Accumulated Amortization										
Opening accum'd amortization	489,599	2,665,183	2,480,838	386,113	-	3,395,249	2,899,244	-	12,316,226	11,605,570
Amortization	41,913	127,678	249,340	36,176	-	328,356	400,741	-	1,184,204	813,280
Disposals and write downs	-	-	(14,934)	-	-	-	(6,207)	-	(21,141)	(102,624)
Closing accum'd amortization	<u>531,512</u>	<u>2,792,861</u>	<u>2,715,244</u>	<u>422,289</u>	<u>-</u>	<u>3,723,605</u>	<u>3,293,778</u>	<u>-</u>	<u>13,479,289</u>	<u>12,316,226</u>
Net Book Value of tangible capital assets	<u>\$ 2,414,375</u>	<u>\$ 3,192,980</u>	<u>\$ 1,185,777</u>	<u>\$ 302,551</u>	<u>\$ 898,501</u>	<u>\$ 6,476,736</u>	<u>\$ 16,899,818</u>	<u>\$ -</u>	<u>\$ 31,370,738</u>	<u>\$ 31,012,190</u>

Town of Carman
CONSOLIDATED SCHEDULE OF REVENUES
Year Ended December 31, 2023

SCHEDULE 2

	2023 Actual	2022 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 3,814,631	\$ 3,453,868
Taxes added	86,308	126,723
	3,900,939	3,580,591
Grants in lieu of taxation		
Federal government enterprises	8,498	7,499
Provincial government enterprises	36,064	30,728
	44,562	38,227
User fees		
Sales of service	980,341	930,570
Sales of goods	8,245	7,091
Rentals	5,301	6,001
	993,887	943,662
Grants - Province of Manitoba		
General assistance payment	837,389	627,402
Conditional grants	454,626	385,579
	1,292,015	1,012,981
Grants - other		
Federal government - gas tax funding	185,755	228,016
Federal government - other	47,903	43,822
Other local governments	839,670	1,023,292
	1,073,328	1,295,130
Permits, licenses and fines		
Permits	89,272	82,326
Licenses	129,101	121,931
Fines	20	120
	218,393	204,377
Investment income		
Cash and temporary investments	146,422	39,198
Other revenue		
(Loss) gain on sale of tangible capital assets	12,453	(119,079)
Penalties and interest	25,969	25,343
Miscellaneous	113,673	127,890
	152,095	34,154
Water and sewer	1,371,139	2,543,989
Consolidated water co-operatives	618,113	788,675
Total revenue	\$ 9,810,893	\$ 10,480,984

Town of Carman
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2023

SCHEDULE 3

	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
General government services		
Legislative	\$ 132,812	\$ 138,059
General administrative	425,824	348,025
Other	391,732	308,536
	<u>950,368</u>	<u>794,620</u>
Protective services		
Police	625,802	574,181
Fire	482,166	456,391
Emergency measures	4,659	18,748
Other protection	7,829	13,543
	<u>1,120,456</u>	<u>1,062,863</u>
Transportation services		
Road transport		
Administration and engineering	910,610	1,078,478
Engineering	(4,883)	1,767
Road and street maintenance	49,415	106,273
Sidewalk and boulevard maintenance	41,776	74,794
Street lighting	73,939	87,888
Other	450,714	348,593
Air transport	5,109	4,581
Public transit	19,173	20,000
	<u>1,545,853</u>	<u>1,722,374</u>
Environmental health services		
Waste collection and disposal	405,519	394,679
Recycling	13	(1,026)
Other	118,024	85,774
	<u>523,556</u>	<u>479,427</u>
Public health and welfare services		
Public health	74,415	43,371
Medical care	258,013	244,165
Social assistance	3,578	3,579
	<u>336,006</u>	<u>291,115</u>
Regional planning and development		
Urban area weed control	977	15,523
Other	249,099	171,404
	<u>250,076</u>	<u>186,927</u>
Resource conservation and industrial development		
Water resources and conservation	3,096	3,161
Regional development	178,707	180,265
	<u>181,803</u>	<u>183,426</u>
Sub-totals forward	<u>\$ 4,908,118</u>	<u>\$ 4,720,752</u>

Town of Carman
CONSOLIDATED SCHEDULE OF EXPENSES
Year Ended December 31, 2023

SCHEDULE 3

	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
Sub-totals forward	<u>\$ 4,908,118</u>	<u>\$ 4,720,752</u>
Recreation and cultural services		
Administration	706,268	1,124,491
Community centers and halls	680,016	444,673
Parks and playgrounds	74,151	33,077
Other recreational facilities	15,246	4,618
Museums	5,835	5,785
Libraries	234,165	180,109
Other cultural facilities	<u>233,949</u>	<u>139,326</u>
	<u>2,019,774</u>	<u>1,932,079</u>
Water and sewer services (Schedule 9)	<u>1,493,052</u>	<u>1,148,496</u>
Consolidated water co-operatives	<u>376,171</u>	<u>315,088</u>
Total expenses	<u><u>\$ 8,797,115</u></u>	<u><u>\$ 8,116,415</u></u>

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

Year Ended December 31, 2023

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE										
Property taxes	\$ 3,582,322	\$ 3,467,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	44,562	38,227	-	-	-	-	-	-	-	-
User fees	2,179	2,583	31,844	14,429	1,490	21,754	173,093	165,823	235,950	263,368
Prov of MB - Unconditional Grants	837,389	627,402	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	295,561	329,357	-	-	-	-	-	-	15,964	6,223
Grants - other	201,869	295,276	178,993	357,365	-	-	168,255	174,866	-	-
Permits, licenses and fines	129,921	122,726	-	-	-	-	-	-	-	-
Investment income	104,632	19,770	3,993	1,661	6,984	2,374	-	-	8,053	4,418
Other revenue	46,648	65,487	18,163	-	48,788	(115,579)	12,453	(3,500)	7,253	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	5,245,083	4,968,787	232,993	373,455	57,262	(91,451)	353,801	337,189	267,220	274,009
EXPENSES										
Personnel services	462,411	420,032	708,233	652,264	699,929	755,251	18,159	11,837	-	-
Contract services	184,926	157,780	163,965	164,467	16,774	54,749	469,172	423,978	210,740	204,939
Utilities	(45,866)	(44,651)	14,692	98,205	86,756	93,885	3,748	3,942	7,263	6,394
Maintenance materials and supplies	4,938	1,130	144,623	63,647	286,550	465,039	12,697	14,734	25,002	25,806
Grants and contributions	31,220	31,127	-	-	-	-	-	-	1,400	1,200
Amortization	3,654	4,714	83,694	79,290	450,714	348,593	19,471	24,812	33,097	18,725
Interest on long-term debt	56,017	69,094	-	-	-	-	-	-	-	-
Bad debt	12,862	2,079	-	-	-	-	-	-	-	-
Other	240,206	153,315	5,249	4,990	5,130	4,857	309	124	58,504	34,051
Total expenses	950,368	794,620	1,120,456	1,062,863	1,545,853	1,722,374	523,556	479,427	336,006	291,115
Surplus (Deficit)	\$ 4,294,715	\$ 4,174,167	\$ (887,463)	\$ (689,408)	\$ (1,488,591)	\$ (1,813,825)	\$ (169,755)	\$ (142,238)	\$ (68,786)	\$ (17,107)

* 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, 2023

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,617	\$ 112,632	\$ 3,900,939	\$ 3,580,591
Grants in lieu of taxation	-	-	-	-	-	-	-	-	44,562	38,227
User fees	-	-	4,800	4,800	544,531	470,905	-	-	993,887	943,662
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	837,389	627,402
Prov of MB - Conditional Grants	114,557	22,200	-	-	28,544	27,799	-	-	454,626	385,579
Grants - other	35,973	-	395,564	400,908	92,674	66,715	-	-	1,073,328	1,295,130
Permits, licenses and fines	88,472	81,651	-	-	-	-	-	-	218,393	204,377
Investment income	2,657	1,105	-	-	5,464	2,353	14,639	7,517	146,422	39,198
Other revenue	18,510	45,353	-	15,900	280	26,493	-	-	152,095	34,154
Water and sewer	-	-	-	-	-	-	1,989,252	3,332,664	1,989,252	3,332,664
Total revenue	260,169	150,309	400,364	421,608	671,494	594,265	2,322,508	3,452,813	9,810,893	10,480,984
EXPENSES										
Personnel services	74,501	75,009	129,905	127,159	878,490	1,241,649	228,074	212,945	3,199,702	3,496,146
Contract services	50,616	108,877	39,830	49,733	64,655	298,726	774,645	734,203	1,975,323	2,197,452
Utilities	-	-	1,042	1,029	215,237	27,282	54,226	58,286	337,098	244,372
Maintenance materials and supplies	4,959	1,259	5,126	1,505	314,215	78,790	107,194	113,058	905,304	764,968
Grants and contributions	-	-	5,500	4,000	111,492	58,001	-	-	149,612	94,328
Amortization	-	218	-	-	193,442	184,158	400,839	152,770	1,184,911	813,280
Interest on long-term debt	-	-	-	-	-	-	133,857	52,048	189,874	121,142
Bad debt	-	-	-	-	-	-	-	-	12,862	2,079
Other	120,000	1,564	400	-	242,243	43,473	170,389	140,274	842,430	382,648
Total expenses	250,076	186,927	181,803	183,426	2,019,774	1,932,079	1,869,223	1,463,584	8,797,115	8,116,415
Surplus (Deficit)	\$ 10,093	\$ (36,618)	\$ 218,561	\$ 238,182	\$ (1,348,280)	\$ (1,337,814)	\$ 453,285	\$ 1,989,230	\$ 1,013,778	\$ 2,364,569

Town of Carman

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

Year Ended December 31, 2023

	Core Government		Government Partnerships		Total	
	2023	2022	2023	2022	2023	2022
REVENUE						
Property taxes	\$ 3,900,939	\$ 3,580,591	\$ -	\$ -	\$ 3,900,939	\$ 3,580,591
Grants in lieu of taxation	44,562	38,227	-	-	44,562	38,227
User fees	754,052	681,735	239,835	261,927	993,887	943,662
Prov of MB - Unconditional Grants	837,389	627,402	-	-	837,389	627,402
Prov of MB - Conditional Grants	426,082	357,780	28,544	27,799	454,626	385,579
Grants - other	980,654	1,228,415	92,674	66,715	1,073,328	1,295,130
Permits, licenses and fines	218,393	204,377	-	-	218,393	204,377
Investment income	141,075	35,824	5,347	3,374	146,422	39,198
Other revenue	155,336	36,082	(3,241)	(1,928)	152,095	34,154
Water and sewer	1,371,139	2,543,989	618,113	788,675	1,989,252	3,332,664
Total revenue	<u>8,829,621</u>	<u>9,334,422</u>	<u>981,272</u>	<u>1,146,562</u>	<u>9,810,893</u>	<u>10,480,984</u>
EXPENSES						
Personnel services	3,055,509	3,358,618	144,193	137,528	3,199,702	3,496,146
Contract services	1,742,347	1,972,744	232,976	224,708	1,975,323	2,197,452
Utilities	295,806	204,185	41,292	40,187	337,098	244,372
Maintenance materials and supplies	790,429	641,438	114,875	122,237	905,304	763,675
Grants and contributions	149,612	94,328	-	-	149,612	94,328
Amortization	1,099,749	735,865	85,162	78,708	1,184,911	814,573
Interest on long-term debt	148,633	89,262	41,241	31,880	189,874	121,142
Other	753,638	327,445	101,654	57,282	855,292	384,727
Total expenses	<u>8,035,722</u>	<u>7,423,885</u>	<u>761,393</u>	<u>692,530</u>	<u>8,797,115</u>	<u>8,116,415</u>
Surplus	<u>\$ 793,899</u>	<u>\$ 1,910,537</u>	<u>\$ 219,879</u>	<u>\$ 454,032</u>	<u>\$ 1,013,778</u>	<u>\$ 2,364,569</u>

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
Year Ended December 31, 2023

	2023													2022	
	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	\$ 19,668	\$ 6,953	\$ 945	\$ 2,657	\$ 3,993	\$ 31	\$ -	\$ 3,378	\$ 144	\$ 4,648	\$ 13,694	\$ -	\$ -	\$ 56,111	\$ 24,235
Other income	-	-	-	-	18,163	-	-	7,253	-	-	-	-	-	25,416	15,900
Total revenue	19,668	6,953	945	2,657	22,156	31	-	10,631	144	4,648	13,694	-	-	81,527	40,135
EXPENSES															
Investment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-	-	36	-	36	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-	36	-	36	-
NET REVENUES	19,668	6,953	945	2,657	22,156	31	-	10,631	144	4,648	13,694	(36)	-	81,491	40,135
TRANSFERS															
Transfers from (to) operating fund	-	-	-	-	(14,020)	-	-	-	-	238,754	-	-	-	224,734	3,909
Transfers from (to) utility fund	-	-	-	-	-	-	-	-	-	-	35,000	-	-	35,000	-
Acquisition of tangible capital assets	-	-	-	-	(128,236)	-	-	-	-	-	-	-	-	(128,236)	(81,477)
CHANGE IN RESERVE FUND BALANCES	19,668	6,953	945	2,657	(120,100)	31	-	10,631	144	243,402	48,694	(36)	-	212,989	(37,433)
FUND SURPLUS, BEGINNING OF YEAR	600,603	83,499	18,679	151,250	148,891	618	0	75,810	-	111,680	269,441	-	-	1,460,471	1,497,904
FUND SURPLUS, END OF YEAR	\$ 620,271	\$ 90,452	\$ 19,624	\$ 153,907	\$ 28,791	\$ 649	\$ 0	\$ 86,441	\$ 144	\$ 355,082	\$ 318,135	\$ (36)	\$ -	\$ 1,673,459	\$ 1,460,471

Town of Carman
SCHEDULE OF L.U.D. OPERATIONS
Year Ended December 31, 2023

SCHEDULE 7

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Ditches and road drainage	-	-	-
Snow and ice removal	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other - Transfer to capital	-	-	-
Change in L.U.D. balances	\$ -	-	-
Unexpended balance , beginning of year		-	-
Unexpended balance , end of year		\$ -	\$ -

SCHEDULE OF FINANCIAL POSITION FOR UTILITIES

Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and temporary investments	\$ 100	\$ 100
Amounts receivable	232,189	631,695
Due from other funds	209,621	-
	<u>441,910</u>	<u>631,795</u>
LIABILITIES		
Long-term debt (Note 8)	3,057,656	271,716
Due to other funds	-	3,381,963
	<u>3,057,656</u>	<u>3,653,679</u>
NET DEBT	<u>(2,615,746)</u>	<u>(3,021,884)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	14,143,770	14,388,204
Inventories	36,885	36,885
	<u>14,180,655</u>	<u>14,425,089</u>
FUND SURPLUS	<u>\$ 11,564,909</u>	<u>\$ 11,403,205</u>

Town of Carman
SCHEDULE OF UTILITY OPERATIONS
Year Ended December 31, 2023

SCHEDULE 9

	<u>2023 Budget</u>	<u>2023 Actual</u>	<u>2022 Actual</u>
REVENUE			
Water			
Water fees	\$ 930,000	\$ 992,931	\$ 817,021
Sewer			
Sewer fees	189,656	174,800	148,560
Property taxes	319,284	318,617	112,632
Other			
Hydrant rentals	15,000	15,000	15,000
Connection charges	7,000	11,449	6,779
Penalties	2,500	2,865	2,722
Provincial and Federal grants	-	169,188	1,550,803
Other income	3,000	4,906	3,104
sub-total- other	<u>27,500</u>	<u>203,408</u>	<u>1,578,408</u>
Total revenue	<u>1,466,440</u>	<u>1,689,756</u>	<u>2,656,621</u>
EXPENSES			
General			
Administration	77,296	58,058	75,247
Water General			
Purification and treatment	-	141,300	123,395
Transmission and distribution	348,560	151,910	138,991
Water purchases	625,000	638,018	592,641
Connection costs	-	68,530	79,683
sub-total- water general	<u>973,560</u>	<u>999,758</u>	<u>934,710</u>
Water Amortization & Interest			
Amortization	315,677	315,677	75,355
Interest on long term debt	92,616	92,616	20,168
sub-total- water amortization & interest	<u>408,293</u>	<u>408,293</u>	<u>95,523</u>
Sewer General			
Collection system costs	24,400	11,528	14,854
Treatment and disposal cost	4,900	-	-
Lift Station costs	32,000	15,415	28,162
sub-total- sewer general	<u>61,300</u>	<u>26,943</u>	<u>43,016</u>
Other			
Loss on disposal of capital assets	-	-	-
Total expenses	<u>1,520,449</u>	<u>1,493,052</u>	<u>1,148,496</u>
NET REVENUES	(54,009)	196,704	1,508,125
TRANSFERS			
Transfers from (to) operating fund	-	-	-
Transfers from (to) reserve funds	<u>(35,000)</u>	<u>(35,000)</u>	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ (89,009)</u>	161,704	1,508,125
FUND SURPLUS, BEGINNING OF YEAR		<u>11,403,205</u>	9,895,080
FUND SURPLUS, END OF YEAR		<u><u>\$11,564,909</u></u>	<u><u>\$11,403,205</u></u>

TOWN OF CARMAN

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2023

	Financial Plan General	Financial Plan Utility(ies)	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 3,729,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,729,234
Grants in lieu of taxation	129,957	-	-	-	-	-	-	129,957
User fees	725,380	-	-	-	-	-	239,835	965,215
Grants - Province of Manitoba	791,000	-	-	-	-	-	28,544	819,544
Grants - other	1,020,918	-	-	-	-	-	92,674	1,113,592
Permits, licenses and fines	233,098	24,500	-	-	-	-	-	257,598
Investment income	14,000	-	-	-	-	-	5,347	19,347
Other revenue	176,058	322,284	-	-	-	-	(3,241)	495,101
Water and sewer	-	1,119,656	-	-	-	-	618,113	1,737,769
Transfers from accumulated surplus	-	-	-	-	-	-	-	-
Transfers from reserves	-	-	-	-	-	-	-	-
Total revenue	<u>6,819,645</u>	<u>1,466,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>981,272</u>	<u>9,267,357</u>
EXPENSES								
General government services	767,000	-	3,654	56,017	-	-	-	826,671
Protective services	996,620	-	83,694	-	-	-	-	1,080,314
Transportation services	1,194,240	-	450,714	-	-	-	-	1,644,954
Environmental health services	457,045	-	19,471	-	-	-	-	476,516
Public health and welfare services	35,925	-	33,097	-	-	-	258,013	327,035
Regional planning and development	290,930	-	-	-	-	-	-	290,930
Resource cons and industrial dev	176,190	-	-	-	-	-	-	176,190
Recreation and cultural services	1,574,905	-	193,442	-	-	-	127,209	1,895,556
Water and sewer services	-	1,112,156	315,677	92,616	-	-	376,171	1,896,620
Fiscal services:								
Transfer to capital	732,403	-	-	-	(732,403)	-	-	-
Transfer to utility	319,284	-	-	-	(319,284)	-	-	-
Debt charges	253,759	319,284	-	-	(573,043)	-	-	-
Short term interest	7,500	-	-	-	(7,500)	-	-	-
Transfer to deferred surplus	5,001	-	-	-	-	-	-	5,001
Transfer to reserves	-	35,000	-	-	-	-	-	35,000
Allowance for tax assets	8,843	-	-	-	(35,000)	-	-	(26,157)
Total expenses	<u>6,819,645</u>	<u>1,466,440</u>	<u>1,099,749</u>	<u>148,633</u>	<u>(1,667,230)</u>	<u>-</u>	<u>761,393</u>	<u>8,628,630</u>
Surplus (Deficit)	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (1,099,749)</u>	<u>\$ (148,633)</u>	<u>\$ 1,667,230</u>	<u>\$ -</u>	<u>\$ 219,879</u>	<u>\$ 638,727</u>

Town of Carman
ANALYSIS OF TAXES ON ROLL
Year Ended December 31, 2023

SCHEDULE 11

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 160,052	\$ 125,903
Add:		
Tax levy (Schedule 12)	5,560,630	5,165,056
Taxes added	82,735	123,033
Penalties or interest	25,969	23,533
Tax Adjustments (specify)	8,432	3,690
Sub-total	5,677,766	5,315,312
Deduct:		
Cash collections - current	4,656,406	4,405,800
Cash collections - arrears	529,482	466,530
Writeoffs	12,861	2,078
M.P.T.C. - cash advance	322,056	406,755
Sub-total	5,520,805	5,281,163
Balance, end of year	\$ 317,013	\$ 160,052

Town of Carman
ANALYSIS OF TAX LEVY
Year Ended December 31, 2023

SCHEDULE 12

	<u>2023</u>			<u>2022</u>
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
General Debenture	-	0.000%	\$ -	\$ -
Sewer Forcemain	194,994,830	1.340%	261,293	58,774
Water Plant Upgrade	194,994,830	0.280%	54,599	55,212
Transfer Station	194,994,830	0.230%	44,849	44,526
Arena	194,994,830	0.260%	50,699	49,869
Memorial Hall	194,994,830	0.450%	87,748	87,271
Personal Care Home	194,994,830	0.370%	72,148	71,242
Deferred surplus				
Reserves:				
Machinery Replacement	-	0.000%	-	30,133
Special levies:				
Waste Collection	-	0.000%	-	-
General municipal:				
At large	174,356,000	18.570%	3,237,791	3,052,949
Business Tax Fees	-	0.000%	5,504	3,892
Total municipal taxes (Schedule 2)			<u>3,814,631</u>	<u>3,453,868</u>
Education support levy	29,129,330	8.140%	237,113	218,490
Special levies				
Special - Prairie Rose	158,563,080	9.516%	1,508,886	1,492,698
Total education taxes			<u>1,745,999</u>	<u>1,711,188</u>
Total tax levy (Schedule 11)			<u>\$ 5,560,630</u>	<u>\$ 5,165,056</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
Year Ended December 31, 2023

	2023 Actual	2022 Actual
General government services		
Legislative	\$ 132,812	\$ 138,059
General administrative	425,824	348,025
Other	391,730	308,535
	<u>950,366</u>	<u>794,619</u>
Protective services		
Police	625,802	574,181
Fire	482,166	456,391
Emergency measures	4,659	18,748
Other protection	7,829	13,543
	<u>1,120,456</u>	<u>1,062,863</u>
Transportation services		
Road transport		
Administration and engineering	910,610	1,078,478
Engineering	(4,883)	1,767
Road and street maintenance	49,415	106,273
Sidewalk and boulevard maintenance	41,776	74,794
Street lighting	73,939	87,888
Other	450,714	348,593
Air transport	5,109	4,581
Public transit	19,171	20,000
	<u>1,545,851</u>	<u>1,722,374</u>
Environmental health services		
Waste collection and disposal	405,519	394,679
Recycling	13	(1,026)
Other	118,024	85,774
	<u>523,556</u>	<u>479,427</u>
Public health and welfare services		
Public health	74,415	43,371
Medical care	-	-
Social assistance	3,579	3,579
	<u>77,994</u>	<u>46,950</u>
Regional planning and development		
Urban area weed control	977	15,523
Other	249,099	171,404
	<u>250,076</u>	<u>186,927</u>
Resource conservation and industrial development		
Water resources and conservation	3,096	3,161
Regional development	178,705	180,265
	<u>181,801</u>	<u>183,426</u>
Recreation and cultural services		
Administration	706,268	1,124,491
Community centers and halls	680,016	444,673
Parks and playgrounds	74,151	33,077
Other recreational facilities	15,246	4,618
Museums	5,835	5,785
Libraries	106,956	46,832
Other cultural facilities	233,950	139,326
	<u>1,892,566</u>	<u>1,798,802</u>
Total expenses	<u>\$ 6,542,666</u>	<u>\$ 6,275,388</u>

Town of Carman
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2023

SCHEDULE 14
(Unaudited)

	General	Utility	2023 Total	2022 Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	\$ (57,181)	\$ 383,316	\$ 326,135	\$ (41,651)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	224,734	35,000	259,734	3,909
Eliminate revenue - transfers from reserves	(128,236)	-	(128,236)	(81,477)
Decrease expense - reserve funds expenses	(36)	-	(36)	-
Decrease expense - reserve funds expenses	-			
Increase revenue - reserve funds interest and other revenue	81,527	-	81,527	40,135
Increase (decrease) revenue - Net surplus of controlled entities	219,879	-	219,879	459,515
Increase expense - amortization of tangible capital assets	(783,463)	(315,677)	(1,099,140)	(735,284)
Decrease expense - principal portion of debenture debt (net of new debt)	212,535	22,822	235,357	298,050
Debenture pending	-	-	-	(37,703)
Net book value of disposed tangible capital assets	(34,867)	-	(34,867)	(146,578)
Eliminate expense - acquisitions of tangible capital assets	1,056,230	71,243	1,127,473	2,592,155
Eliminate internally funded capital assets	-	-	-	-
Investment in own funds - paydown of debt	13,499	-	13,499	13,499
Increase revenue - gain on sale of tangible capital assets	12,453	-	12,453	-
NET SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 817,074	\$ 196,704	\$ 1,013,778	\$ 2,364,568