

TOWN OF CARBERRY

**Consolidated Financial Statements
For the Year Ended December 31, 2018**

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Carberry 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 of 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.

The Council is composed of individuals who are neither management nor employees of the Municipality. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial information prepared by management and discussing relevant matters with management and external auditors. The Council is also responsible for recommending the appointment of the Municipality's external auditors.

MNP LLP as the Municipality'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 Municipality in accordance with Canadian public sector accounting standards.

Grady Stephenson
Chief Administrative Officer



INDEPENDENT AUDITOR'S REPORT

To the Mayor and members of Council of the
TOWN OF CARBERRY

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Town of Carberry, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, change in net financial assets, cash flows and supporting schedules 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 of Carberry as at December 31, 2018, and the results of its consolidated operations, change in net financial assets, cash flows and supporting schedules 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 of Carberry 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 the 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 of Carberry'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 of Carberry to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town of Carberry'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 of Carberry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

- 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 of Carberry'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 of Carberry 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

January 14, 2020
Brandon, Manitoba


Chartered Professional Accountants

TOWN OF CARBERRY

Consolidated Financial Statements

For the Year Ended December 31, 2018

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TOWN OF CARBERRY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2018

	<u>2018</u>	<u>2017</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 1,775,061	\$ 1,316,730
Amounts receivable (Note 4)	902,187	986,364
Real estate properties held for sale	206	206
	<u>\$ 2,677,454</u>	<u>\$ 2,303,300</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	\$ 634,368	\$ 491,657
Deferred revenue	6,857	72,829
Landfill closure and post closure liabilities (Note 6)	3,219	2,862
Long-term debt (Note 7)	222,692	314,820
	<u>867,136</u>	<u>882,168</u>
NET FINANCIAL ASSETS	<u>\$ 1,810,318</u>	<u>\$ 1,421,132</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 4,677,780	\$ 4,842,805
Prepaid expenses	22,278	27,023
	<u>4,700,058</u>	<u>4,869,828</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 6,510,376</u>	<u>\$ 6,290,960</u>

COMMITMENTS AND CONTINGENCIES (NOTES 8, 9 AND 10)

Approved on behalf of Council:

Mayor

Councillor

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

TOWN OF CARBERRY
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2018

	<u>2018 Budget (Note 13)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
REVENUE			
Property taxes	\$ 1,463,332	\$ 1,485,307	\$ 1,429,893
Grants in lieu of taxation	32,739	34,438	32,999
User fees	418,336	382,234	409,129
Permits, licences and fines	25,611	36,671	32,669
Investment income	10,533	27,557	20,455
Other revenue	88,119	184,277	243,068
Water and sewer	128,035	135,129	151,201
Grants - Province of Manitoba	422,692	364,713	399,413
Grants - other	159,455	181,108	198,170
Total revenue (Schedules 2, 4 and 5)	<u>2,748,852</u>	<u>2,831,434</u>	<u>2,916,997</u>
EXPENSES			
General government services	344,447	364,725	313,738
Protective services	373,930	388,041	399,740
Transportation services	528,419	520,475	678,872
Environmental health services	282,857	305,594	255,691
Public health and welfare services	104,451	92,573	87,935
Regional planning and development	51,628	54,226	49,180
Resource conservation and industrial development	29,000	40,113	33,798
Recreation and cultural services	586,711	672,875	694,523
Water and sewer services	120,496	173,396	121,031
Total expenses (Schedules 3, 4 and 5)	<u>2,421,939</u>	<u>2,612,018</u>	<u>2,634,508</u>
ANNUAL SURPLUS	<u>\$ 326,913</u>	219,416	282,489
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>6,290,960</u>	<u>6,008,471</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 6,510,376</u>	<u>\$ 6,290,960</u>

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

TOWN OF CARBERRY
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2018

	<u>2018 Budget (Note 13)</u>	<u>2018 Actual</u>	<u>2017 Actual</u>
ANNUAL SURPLUS	\$ 326,913	\$ 219,416	\$ 282,489
Acquisition of tangible capital assets	(170,000)	(155,311)	(483,423)
Amortization of tangible capital assets	295,405	295,405	275,223
Loss (Gain) on sale of tangible capital assets	-	(28,381)	29,524
Proceeds on sale of tangible capital assets	-	53,312	51,311
Change in ownership of gov't partnerships	-	-	(16)
Decrease in prepaid expense	-	4,745	2,517
	<u>125,405</u>	<u>169,770</u>	<u>(124,864)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 452,318</u>	389,186	157,625
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>1,421,132</u>	<u>1,263,507</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 1,810,318</u>	<u>\$ 1,421,132</u>

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

TOWN OF CARBERRY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 219,416	\$ 282,489
Changes in non-cash items:		
Amounts receivable	84,177	(338,141)
Prepays	4,745	2,517
Accounts payable and accrued liabilities	142,711	(69,451)
Unearned revenue	(65,972)	(5,617)
Landfill closure and post closure liabilities	357	327
Change in ownership of gov't partnerships	-	(16)
Loss (Gain) on sale of tangible capital asset	(28,381)	29,524
Amortization	295,405	275,223
	<u>652,458</u>	<u>176,855</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	53,312	51,311
Cash used to acquire tangible capital assets	(155,311)	(483,423)
	<u>(101,999)</u>	<u>(432,112)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	50,664
Debt repayment	(92,128)	(104,122)
	<u>(92,128)</u>	<u>(53,458)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	458,331	(308,715)
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>1,316,730</u>	<u>1,625,445</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 1,775,061</u>	<u>\$ 1,316,730</u>

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

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

1. Status of the Town of Carberry

The incorporated Town of Carberry is a Municipality that was formed in 1882 pursuant to The Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, planning, airport, parks and recreation, library and other general government operations. The Municipality 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 public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

a) Reporting Entity

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

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

Carberry Community Memorial Hall (50%) (2017 – 50%)
Carberry Plains Archives (50%) (2017 – 50%)
Carberry Plains Arts Council (50%) (2017 – 50%)
Carberry Plains Community Centre Capital Fund (50%) (2017 - 50%)
Carberry Plains Community Centre Operating Fund (50%) (2017 - 50%)
Carberry Plains Cemetery Inc. (50%) (2017 - 50%)
Carberry Plains Cultural Centre - Museum (50%) (2017 - 50%)
Carberry Plains Service for Seniors (50%) (2017 - 50%)
The Cypress Planning District (29.38%) (2017 - 29.38%)
Evergreen Environmental Technologies Ltd. (12.19%) (2017 - 12.19%)
Western Manitoba Regional Library (2.46%) (2017 - 2.46%)
Carberry Handi-Van Service (50%) (2017 - 50%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these consolidated 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) Cash and Temporary Investments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

2. Significant Accounting Policies (continued)

d) Investments

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

e) Real Estate Properties Held for Sale

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the statement of financial position date.

f) Landfill Closure and Post Closure Liabilities

The estimated costs to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

g) 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 revenue 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.

h) 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 Municipality 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 CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

2. Significant Accounting Policies (continued)

h) 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 Municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

i) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of 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.

j) 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.

k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the consolidated 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.

Unearned 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.

l) Measurement Uncertainty

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

Measurement uncertainty in these consolidated financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the consolidated financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

m) Recent Accounting Pronouncements

Portfolio Investments (PS 3041)

In March 2012, as a result of the issuance of PS 3450 Financial Instruments, the Public Sector Accounting Board (PSAB) issued new PS 3041 Portfolio Investments, which revises and replaces PS 3030 Temporary Investments and PS 3040 Portfolio Investments. The main features of the new standard are:

- PS 3041 does not make a distinction between temporary and portfolio investments, and is cross referenced and conformed to the requirements of PS 3450.
- Investments previously within the scope of PS 3030, which are not cash equivalents, are now accounted for within the scope of PS 3041.

This Section is effective in the same period PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation and PS 3450 are adopted. PS 1201, PS 2601 and PS 3450 are to be adopted together and are effective for fiscal years beginning on or after April 1, 2019. Early adoption is permitted.

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

2. Significant Accounting Policies (continued)

m) Recent Accounting Pronouncements (continued)

Financial Instruments (PS 3450)

In June 2011, the Public Sector Accounting Board (PSAB) issued new PS 3450 Financial Instruments. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. The main features of the new standard are:

- Financial instruments are classified into two measurement categories: fair value, or cost or amortized cost.
- Almost all derivatives, including embedded derivatives not closely related to the host contract, are measured at fair value.
- Portfolio investments in equity instruments quoted in an active market are measured at fair value.
- Other financial assets and financial liabilities are generally measured at cost or amortized cost.

- An entity may elect to measure any group of financial assets or financial liabilities (or both) at fair value when the entity has a risk management or investment strategy to manage those items on a fair value basis.
- Remeasurement gains and losses on financial instruments measured at fair value are reported in the statement of remeasurement gains and losses until the financial instrument is derecognized.

- Budget to actual comparisons are not required within the statement of remeasurement gains and losses.
- Financial liabilities are derecognized when, and only when, they are extinguished.
- Financial assets and financial liabilities are only offset and reported on a net basis if a legally enforceable right to set off the recognized amounts exists, and the entity intends to settle on a net basis or realize/settle the amounts simultaneously.

In May 2012, the transitional provisions for this Section were amended, effective at the time the standard is initially applied, to clarify that the measurement provisions are applied prospectively. Adjustments to previous carrying amounts are recognized in opening accumulated remeasurement gains or losses. Additionally, a new transitional provision has been added that applies to government organizations transitioning from the standards in Part V of the CPA Canada Handbook – Accounting with items classified as available for sale. Accumulated other comprehensive income (OCI) from items classified as available for sale is recognized in accumulated remeasurement gains or losses on transition.

In September 2015, the effective date for governments was extended by three years. PS 3450 is effective for fiscal years beginning on or after April 1, 2019. In the period that a public sector entity applies PS 3450, it also applies PS 1201, PS 2601 and PS 3041. Early adoption is permitted.

Asset Retirement Obligations, Proposed Section (PS 3280)

The Public Sector Accounting Board (PSAB) issued this Exposure Draft (ED) in March 2017 to propose a new Section on asset retirement obligations (ARO liabilities) and withdraw PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. The main features of this ED include the following:

- ARO liabilities represent a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic matter.
- Asset retirement costs are expensed when they are associated with an asset that is no longer in productive use.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- ARO liabilities include costs directly attributable to retirement activities, such as post-retirement operation, maintenance and monitoring.
- The best method to estimate the liability is often a present value technique.

The section is proposed to be effective for fiscal years beginning on or after April 1, 2021. Earlier adoption is permitted.

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2018</u>	<u>2017</u>
Cash	\$ 1,655,245	\$ 1,259,440
Temporary investments	<u>119,816</u>	<u>57,290</u>
	<u>\$ 1,775,061</u>	<u>\$ 1,316,730</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The Municipality has designated \$913,200 (2017 - \$829,465) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances. Included in the reserve is cash of \$923,153 (2017 - \$922,833).

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2018</u>	<u>2017</u>
Taxes on roll (Schedule 11)	\$ 187,390	\$ 147,771
Government grants	216,983	224,370
Utility customers	811	811
Accrued interest	1,166	302
Organizations and individuals	2,658	21,907
Other governments	<u>493,203</u>	<u>591,203</u>
	902,211	986,364
Less allowances for doubtful amounts	<u>(24)</u>	-
	<u>\$ 902,187</u>	<u>\$ 986,364</u>

5. Accounts Payable and Accrued Liabilities

	<u>2018</u>	<u>2017</u>
Accounts payable	\$ 172,054	\$ 296,474
Accrued expenses	34,014	25,085
Accrued interest payable	2,781	-
School levies	-	26,378
Other governments	<u>425,519</u>	<u>143,720</u>
	<u>\$ 634,368</u>	<u>\$ 491,657</u>

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

6. Landfill Closure and Post Closure Liabilities

a) Operating Landfill Site

The Municipality is currently operating a Class 1 landfill site in the Rural Municipality of Minto-Odanah. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post closure care requirements include cap maintenance, groundwater monitoring, gas management system operations, inspections and annual reports.

	<u>2018</u>	<u>2017</u>
Estimated closure and post closure costs over the next 76 years	<u>\$ 388,749</u>	<u>\$ 388,749</u>
Discount rate	<u>6.00%</u>	<u>6.00%</u>
Discounted costs	<u>\$ 18,107</u>	<u>\$ 17,174</u>
Expected year capacity will be reached	<u>2094</u>	<u>2094</u>
Capacity (in tonnes):		
Used to date	<u>12,678</u>	<u>11,885</u>
Remaining	<u>58,633</u>	<u>59,426</u>
Total	<u>71,311</u>	<u>71,311</u>
Percent utilized	<u>17.78%</u>	<u>16.67%</u>
Liability based on percentage	<u>\$ 3,219</u>	<u>\$ 2,862</u>

7. Long-Term Debt

	<u>2018</u>	<u>2017</u>
General Authority:		
Debenture, interest at 2.34%, payable at \$98,446 annually including interest, maturing December 31, 2020.	<u>172,028</u>	<u>264,156</u>
CNH Capital loan, with blended annual payments of \$27,448 starting 2019 with interest at a rate of 5.49%. Secured by GSA New Holland Tractor Loader Backhoe. Matures January 1, 2020.	<u>50,664</u>	<u>50,664</u>
	<u>\$ 222,692</u>	<u>\$ 314,820</u>

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

2019	\$ 119,640
2020	\$ 103,052

8. Commitments

Evergreen Environmental Technologies Corporation entered into a five year lease agreement beginning January 1, 2017 where 195 acres of land is leased at \$10/acre equal to \$2,020 per year. The lease agreement expires January 1, 2022.

During 2018 Evergreen Environmental Technologies Corporation forwarded \$24,380 to the Rural Municipality of Minto-Odanah towards the Zero Waste Project in partnership with the Rural Municipality of Minto-Odanah, Celtic Power, Eco West and the Federation of Canadian Municipalities. The goal of the project is to reduce green house gas emissions through the reduction of garbage into the cells. The project is expected to commence in 2019.

The Western Manitoba Regional Library leases premises in Brandon, Hartney, Carberry, Glenboro and Neepawa including a five year agreement ending December 31, 2020 with the City of Brandon. Rental commitments with the City of Brandon for 2019 and 2020 are \$6,106 and \$6,381.

The Municipality has committed to an annual contribution of \$60,000 to the North Cypress/ Carberry Recreation Reserve Fund held with the Carberry and Area Community Foundation. Encroachment of capital is permitted upon receipt of a letter of resolution signed by both Reeve and Mayor on behalf of joint Councils. The balance in this fund is \$911,189 as per the 2018 Financial Statements of the Carberry and Area Community Foundation.

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

9. Soil Farm Payable

The payable is set up to pay the Rural Municipality of Minto-Odanah 20% of the profits of the completed soil farm projects, as per the signed agreement. During the year the projects that were completed had a total profit of \$1,478 (2017 - \$3,749) which resulted in a payable of \$296 (2017 - \$750).

10. Contingencies

Various claims have been made against the Municipality as at December 31, 2018. If proven, it is possible that these claims may have a material adverse effect on the financial position of the Municipality. The Municipality is disputing the claims and as the outcome is not determinable at this time, no amount has been accrued in the financial statements.

11. Retirement Benefits

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees are expected to be \$20,881 (2017 - \$20,102) 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, 2017 indicated the plan was 100.8% funded on a going concern basis and had an unfunded solvency liability of \$246.8 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2017.

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.

12. Financial Instruments

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

13. Budget

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality 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 consolidated 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 CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

14. Accumulated Surplus

	<u>2018</u>	<u>2017</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus (deficit)	\$ 33,159	\$ (75,680)
Utility operating fund - Nominal surplus	409,663	386,187
TCA net of related borrowings	4,233,830	4,285,211
Reserve funds	<u>913,200</u>	<u>829,465</u>
Accumulated surplus of municipality unconsolidated	5,589,852	5,425,183
Accumulated surpluses of consolidated entities	<u>920,524</u>	<u>865,777</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 6,510,376</u></u>	<u><u>\$ 6,290,960</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 \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2018:

a) Compensation paid to members of council amounted to \$46,753 in aggregate.

b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Stuart Olmstead	\$ 9,618	\$ 695	\$ 10,313
Deputy Mayor - John Anderson	9,749	2,597	12,346
Councillor - Ray Muirhead	1,755	620	2,375
Councillor - Mike Sudak	1,535	569	2,104
Councillor - Matthew Tolton	1,725	611	2,336
Councillor - Barry Anderson	7,546	295	7,841
Councillor - Lin Mann	7,334	725	8,059
Councillor - Jaime McGregor	<u>7,491</u>	<u>230</u>	<u>7,721</u>
	<u><u>\$ 46,753</u></u>	<u><u>\$ 6,342</u></u>	<u><u>\$ 53,095</u></u>

c) There were no officers and employees receiving compensation in excess of \$50,000.

16. Trust Funds

The Town of Carberry administers the following trusts:

	<u>Balance, beg. of the year</u>	<u>Excess of Receipts over Disbursements</u>	<u>Balance, end of the year</u>
<i>Fire Trust</i>	\$ 9,157	\$ 149	\$ 9,306
<i>Recycling Trust</i>	2,557	42	2,599
<i>Christmas Cheer Trust</i>	<u>2,071</u>	<u>1,109</u>	<u>3,180</u>
	<u><u>\$ 13,785</u></u>	<u><u>\$ 1,300</u></u>	<u><u>\$ 15,085</u></u>

TOWN OF CARBERRY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2018

17. Segmented Information

The Town of Carberry provides a wide range of services to its residents.

Segment information has been provided in Schedule 4 for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare Services
- Regional Planning and Development
- Resource Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

Revenue and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the consolidated financial statements as described in the summary of significant accounting policies.

18. Government Partnerships

The Municipality has several partnership agreements for municipal services. The consolidated financial statements include the Municipality's proportionate interest, as disclosed in note 2(a). The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	<u>2018</u>	<u>2017</u>
Financial Position		
Financial assets	\$ 492,940	\$ 696,406
Financial liabilities	(204,973)	(169,371)
Net financial assets	<u>\$ 697,913</u>	<u>\$ 865,777</u>
Non-financial assets	<u>222,611</u>	
Accumulated surplus	<u>\$ 920,524</u>	<u>\$ 865,777</u>
Result of Operations		
Revenues	\$ 464,897	\$ 475,776
Expenses	<u>410,150</u>	<u>405,532</u>
Annual surplus	<u>\$ 54,747</u>	<u>\$ 70,244</u>

19. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

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

20. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year.

TOWN OF CARBERRY
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2018

SCHEDULE 1

	General Capital Assets				Infrastructure				Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2018	2017
Cost										
Opening costs	1,375,308	3,016,943	1,314,749	31,828	295,568	622,086	1,821,139	34,146	8,511,767	8,190,913
Additions during the year	76,415	-	68,643	980	1,097	7,005	-	1,171	155,311	483,423
Transfer during the year	-	-	295,568	-	(295,568)	-	-	-	-	(162,918)
Disposals and write downs	-	-	(110,482)	(191)	-	-	-	-	(110,673)	349
Closing costs	<u>1,451,723</u>	<u>3,016,943</u>	<u>1,568,478</u>	<u>32,617</u>	<u>1,097</u>	<u>629,091</u>	<u>1,821,139</u>	<u>35,317</u>	<u>8,556,405</u>	<u>8,511,767</u>
Accumulated Amortization										
Opening accum'd amortization	338,226	1,201,779	667,813	31,384	-	357,980	1,071,780	-	3,668,962	3,475,489
Amortization	33,143	69,992	145,218	354	-	14,397	32,301	-	295,405	275,223
Disposals and write downs	-	-	(85,551)	(191)	-	-	-	-	(85,742)	(82,083)
Change in ownership	-	-	-	-	-	-	-	-	-	333
Closing accum'd amortization	<u>371,369</u>	<u>1,271,771</u>	<u>727,480</u>	<u>31,547</u>	<u>-</u>	<u>372,377</u>	<u>1,104,081</u>	<u>-</u>	<u>3,878,625</u>	<u>3,668,962</u>
Net Book Value of Tangible Capital Assets	<u>1,080,354</u>	<u>1,745,172</u>	<u>840,998</u>	<u>1,070</u>	<u>1,097</u>	<u>256,714</u>	<u>717,058</u>	<u>35,317</u>	<u>4,677,780</u>	<u>4,842,805</u>

TOWN OF CARBERRY
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2018

SCHEDULE 2

	2018	2017
	Actual	Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 1,447,386	\$ 1,407,882
Taxes added	37,921	22,011
	<u>1,485,307</u>	<u>1,429,893</u>
Grants in lieu of taxation:		
Federal government	1,786	1,642
Federal government enterprises	-	-
Provincial government	2,911	2,704
Provincial government enterprises	22,047	21,537
Other municipal governments	-	-
Non-government organizations	7,694	7,116
	<u>34,438</u>	<u>32,999</u>
User fees		
Parking meters	-	-
Sales of service	117,590	122,025
Sales of goods	80,018	77,782
Rentals	66,029	68,873
Development charges	-	-
Facility use fees	118,597	140,449
	<u>382,234</u>	<u>409,129</u>
Permits, licences and fines		
Permits	19,548	19,363
Licences	9,465	9,095
Fees	2,529	637
Fines	5,129	3,574
	<u>36,671</u>	<u>32,669</u>
Investment income:		
Cash and temporary investments	27,557	20,455
Marketable securities	-	-
Municipal debentures	-	-
	<u>27,557</u>	<u>20,455</u>
Other revenue:		
Gain on sale of tangible capital assets	28,381	1,742
Gain on sale of real estate held for sale	-	-
Contributed assets	-	26,433
Penalties and interest	20,672	20,573
Miscellaneous	135,224	194,320
	<u>184,277</u>	<u>243,068</u>
Water and sewer		
Municipal utility (Schedule 9)	135,129	151,201
Consolidated water co-operatives	-	-
	<u>135,129</u>	<u>151,201</u>
Grants - Province of Manitoba		
Municipal operating grants	289,452	289,831
Other unconditional grants	-	-
Conditional grants	75,261	109,582
	<u>364,713</u>	<u>399,413</u>
Grants - other		
Federal government - gas tax funding	94,429	91,231
Federal government - other	270	272
Other municipal governments	86,409	106,667
	<u>181,108</u>	<u>198,170</u>
Total revenue	<u>\$ 2,831,434</u>	<u>\$ 2,916,997</u>

TOWN OF CARBERRY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2018

SCHEDULE 3

	<u>2018</u> Actual	<u>2017</u> Actual
General government services:		
Legislative	\$ 56,615	\$ 57,097
General administrative	251,598	209,332
Other	56,512	47,309
	<u>364,725</u>	<u>313,738</u>
Protective services:		
Police	204,320	204,320
Fire	165,827	180,897
Emergency measures	14,298	10,545
Other	3,596	3,978
	<u>388,041</u>	<u>399,740</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	445,476	601,507
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	10,495	13,357
Street lighting	27,399	27,420
Other	-	-
Air transport	-	-
Public transit	37,105	36,588
Other	-	-
	<u>520,475</u>	<u>678,872</u>
Environmental health services:		
Waste collection and disposal	294,115	238,648
Recycling	-	-
Other	11,479	17,043
	<u>305,594</u>	<u>255,691</u>
Public health and welfare services:		
Public health	69,950	78,085
Medical care	18,964	6,191
Social assistance	3,659	3,659
Other	-	-
	<u>92,573</u>	<u>87,935</u>
Regional planning and development		
Planning and zoning	51,028	46,180
Urban renewal	-	-
Beautification and land rehabilitation	3,198	3,000
Urban area weed control	-	-
Other	-	-
	<u>54,226</u>	<u>49,180</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	2,500	2,500
Regional development	37,613	31,298
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>40,113</u>	<u>33,798</u>
Sub-totals forward	<u>1,765,747</u>	<u>1,818,954</u>

TOWN OF CARBERRY
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2018

SCHEDULE 3

	<u>2018</u> <u>Actual</u>	<u>2017</u> <u>Actual</u>
Sub-totals forward	<u>1,765,747</u>	<u>1,818,954</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	43,543	28,533
Swimming pools and beaches	-	-
Golf courses	1,000	1,000
Skating and curling rinks	207,041	208,982
Parks and playgrounds	167,804	170,782
Other recreational facilities	126,848	141,667
Museums	22,222	24,914
Libraries	56,875	65,894
Other cultural facilities	47,542	52,751
	<u>672,875</u>	<u>694,523</u>
Water and sewer services		
Municipal utility (Schedule 9)	173,396	121,031
Consolidated water co-operatives	-	-
	<u>173,396</u>	<u>121,031</u>
Total expenses	<u><u>\$ 2,612,018</u></u>	<u><u>\$ 2,634,508</u></u>

TOWN OF CARBERRY

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2018

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE										
Property taxes	\$ 1,485,307	\$ 1,429,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	34,438	32,999	-	-	-	-	-	-	-	-
User fees	17,626	18,687	-	-	35,935	40,915	184,896	205,687	39,087	29,419
Grants - other	-	-	-	-	99,250	95,923	-	-	16,004	12,375
Permits, licences and fines	9,465	9,095	5,095	3,539	-	-	-	-	-	-
Investment income	15,126	12,185	1,746	574	4,452	3,507	1,450	-	705	612
Other revenue	53,430	144,967	38,310	12,500	27,896	679	1,449	2,946	3,665	3,678
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	289,452	289,831	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	-	-	28,029	68,115	-	-	15,207	14,325
Total revenue	\$ 1,904,844	\$ 1,937,657	\$ 45,151	\$ 16,613	\$ 195,562	\$ 209,139	\$ 187,795	\$ 208,633	\$ 74,668	\$ 60,409
EXPENSES										
Personnel services	\$ 178,779	\$ 146,694	\$ -	\$ -	\$ 219,614	\$ 222,615	\$ 54,754	\$ 79,012	\$ 44,498	\$ 41,097
Contract services	102,717	91,471	249,806	255,740	77,690	176,145	159,233	107,141	24,080	12,178
Utilities	14,905	14,655	6,326	5,641	42,193	40,485	5,076	4,397	811	854
Maintenance materials and supplies	9,420	10,765	61,032	66,639	83,228	112,554	69,599	33,637	8,182	17,596
Grants and contributions	16,775	9,780	-	-	4,821	4,308	(4,443)	-	12,448	11,375
Amortization	7,149	8,440	62,112	62,112	88,880	89,049	17,346	26,284	1,478	1,477
Interest on long-term debt	-	-	6,317	8,179	2,781	-	-	367	-	-
Other	34,980	31,933	2,448	1,429	1,268	33,716	4,029	4,853	1,076	3,358
Total expenses	\$ 364,725	\$ 313,738	\$ 388,041	\$ 399,740	\$ 520,475	\$ 678,872	\$ 305,594	\$ 255,691	\$ 92,573	\$ 87,935
Surplus (Deficit)	\$ 1,540,119	\$ 1,623,919	\$ (342,890)	\$ (383,127)	\$ (324,913)	\$ (469,733)	\$ (117,799)	\$ (47,058)	\$ (17,905)	\$ (27,526)

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

TOWN OF CARBERRY

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2018

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,485,307	\$ 1,429,893
Grants in lieu of taxation	-	-	-	-	-	-	-	-	34,438	32,999
User fees	-	-	-	-	104,690	114,421	-	-	382,234	409,129
Grants - other	9,959	9,959	-	-	55,895	79,913	-	-	181,108	198,170
Permits, licences and fines	22,077	19,363	-	-	34	672	-	-	36,671	32,669
Investment income	960	888	-	-	385	303	2,733	2,386	27,557	20,455
Other revenue	-	-	-	-	59,527	78,298	-	-	184,277	243,068
Water and sewer	-	-	-	-	-	-	135,129	151,201	135,129	151,201
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	289,452	289,831
Prov of MB - Conditional Grants	2,512	1,116	-	-	29,513	26,026	-	-	75,261	109,582
Total revenue	\$ 35,508	\$ 31,326	\$ -	\$ -	\$ 250,044	\$ 299,633	\$ 137,862	\$ 153,587	\$ 2,831,434	\$ 2,916,997
EXPENSES										
Personnel services	\$ 28,078	\$ 27,283	\$ 22,858	\$ 21,164	\$ 258,445	\$ 246,285	\$ 14,138	\$ 10,195	\$ 821,164	\$ 794,345
Contract services	7,907	6,772	1,153	3,557	61,062	61,103	6,328	3,663	689,976	717,770
Utilities	896	933	353	352	50,893	50,049	16,124	16,844	137,577	134,210
Maintenance materials and supplies	5,085	3,000	3,249	1,225	108,081	136,686	104,505	65,116	452,381	447,218
Grants and contributions	10,357	9,958	12,500	7,500	101,183	125,450	-	-	153,641	168,371
Amortization	-	-	-	-	86,139	62,648	32,301	25,213	295,405	275,223
Interest on long-term debt	-	-	-	-	-	-	-	-	9,098	8,546
Other	1,903	1,234	-	-	7,072	12,302	-	-	52,776	88,825
Total expenses	\$ 54,226	\$ 49,180	\$ 40,113	\$ 33,798	\$ 672,875	\$ 694,523	\$ 173,396	\$ 121,031	\$ 2,612,018	\$ 2,634,508
Surplus (Deficit)	\$ (18,718)	\$ (17,854)	\$ (40,113)	\$ (33,798)	\$ (422,831)	\$ (394,890)	\$ (35,534)	\$ 32,556	\$ 219,416	\$ 282,489

TOWN OF CARBERRY

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2018

	Core Government		Controlled Entities		Government Partnerships		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE								
Property taxes	\$ 1,485,307	\$ 1,429,893	\$ -	\$ -	\$ -	\$ -	\$ 1,485,307	\$ 1,429,893
Grants in lieu of taxation	34,438	32,999	-	-	-	-	34,438	32,999
User fees	121,198	124,506	-	-	261,036	284,623	382,234	409,129
Grants - other	111,789	92,731	-	-	69,319	105,439	181,108	198,170
Permits, licences and fines	14,560	12,634	-	-	22,111	20,035	36,671	32,669
Investment income	25,024	19,487	-	-	2,533	968	27,557	20,455
Other revenue	128,853	229,208	-	-	55,424	13,860	184,277	243,068
Water and sewer	135,129	151,201	-	-	-	-	135,129	151,201
Prov of MB - Unconditional Grants	289,452	289,831	-	-	-	-	289,452	289,831
Prov of MB - Conditional Grants	20,787	58,731	-	-	54,474	50,851	75,261	109,582
Total revenue	\$ 2,366,537	\$ 2,441,221	\$ -	\$ -	\$ 464,897	\$ 475,776	\$ 2,831,434	\$ 2,916,997
EXPENSES								
Personnel services	\$ 663,124	\$ 641,776	\$ -	\$ -	\$ 158,040	\$ 152,569	\$ 821,164	\$ 794,345
Contract services	583,711	651,394	-	-	106,265	66,376	689,976	717,770
Utilities	85,413	82,834	-	-	52,164	51,376	137,577	134,210
Maintenance materials and supplies	363,525	349,448	-	-	88,856	97,770	452,381	447,218
Grants and contributions	188,986	177,291	-	-	(35,345)	(8,920)	153,641	168,371
Amortization	268,608	248,458	-	-	26,797	26,765	295,405	275,223
Interest on long-term debt	9,098	8,179	-	-	-	367	9,098	8,546
Other	39,403	69,596	-	-	13,373	19,229	52,776	88,825
Total expenses	\$ 2,201,868	\$ 2,228,976	\$ -	\$ -	\$ 410,150	\$ 405,532	\$ 2,612,018	\$ 2,634,508
Surplus (Deficit)	\$ 164,669	\$ 212,245	\$ -	\$ -	\$ 54,747	\$ 70,244	\$ 219,416	\$ 282,489

TOWN OF CARBERRY
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2018

SCHEDULE 6

	2018					
	General Reserve	Replacement Reserve	Fire Reserve	Health Care Reserve	Building Reserve	Sub-total
REVENUE						
Investment income	\$ 2,896	\$ 71	\$ 919	\$ 705	\$ 1,311	\$ 5,902
Other income	-	-	-	-	-	-
Total revenue	<u>2,896</u>	<u>71</u>	<u>919</u>	<u>705</u>	<u>1,311</u>	<u>5,902</u>
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET REVENUES	2,896	71	919	705	1,311	5,902
TRANSFERS						
Transfers from general operating fund	-	27,500	35,000	-	5,000	67,500
Transfers to general operating fund	-	-	-	(9,797)	-	(9,797)
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	(30,084)	(26,098)	-	-	(56,182)
CHANGE IN RESERVE FUND BALANCES	2,896	(2,513)	9,821	(9,092)	6,311	7,423
FUND SURPLUS, BEGINNING OF YEAR	<u>178,023</u>	<u>3,843</u>	<u>37,380</u>	<u>34,426</u>	<u>95,097</u>	<u>348,769</u>
FUND SURPLUS, END OF YEAR	<u>\$ 180,919</u>	<u>\$ 1,330</u>	<u>\$ 47,201</u>	<u>\$ 25,334</u>	<u>\$ 101,408</u>	<u>\$ 356,192</u>

TOWN OF CARBERRY
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2018

SCHEDULE 6

	2018				2017	
	Gas Tax Reserve	Fire Truck Reserve	Heritage District Reserve	Utility Reserve	Total	Total
REVENUE						
Investment income	\$ 4,381	\$ 827	\$ 262	\$ 2,733	\$ 14,105	\$ 10,200
Other income	-	-	-	-	-	-
Total revenue	4,381	827	262	2,733	14,105	10,200
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	4,381	827	262	2,733	14,105	10,200
TRANSFERS						
Transfers from general operating fund	94,429	27,500	-	-	189,429	168,731
Transfers to general operating fund	(23,207)	-	-	-	(33,004)	(80,304)
Transfer from nominal surplus	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	45,080	45,080	35,281
Transfers to utility operating fund	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	(75,693)	(131,875)	(134,032)
CHANGE IN RESERVE FUND BALANCES	75,603	28,327	262	(27,880)	83,735	(124)
FUND SURPLUS, BEGINNING OF YEAR	273,360	35,822	16,132	155,382	829,465	829,589
FUND SURPLUS, END OF YEAR	\$ 348,963	\$ 64,149	\$ 16,394	\$ 127,502	\$ 913,200	\$ 829,465

TOWN OF CARBERRY
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2018

SCHEDULE 7

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
Total revenue	-	-	-
Expenses			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
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 revenue (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	\$ -	-	-
Unexpended balance, beginning of year		-	-
Unexpended balance, end of year		\$ -	\$ -

TOWN OF CARBERRY
SCHEDULE OF FINANCIAL POSITION FOR UTILITY
As at December 31, 2018

SCHEDULE 8

	<u>2018</u>	<u>2017</u>
	Total	Total
FINANCIAL ASSETS		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	811	811
Portfolio investments	-	-
Due from other funds	<u>408,852</u>	<u>385,376</u>
	<u>\$ 409,663</u>	<u>\$ 386,187</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ -
Unearned revenue	-	-
Long-term debt	-	-
Due to other funds	-	-
	<u>-</u>	<u>-</u>
NET FINANCIAL ASSETS	<u>\$ 409,663</u>	<u>\$ 386,187</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 752,375	\$ 783,505
Inventories	-	-
Prepaid expenses	-	-
	<u>752,375</u>	<u>783,505</u>
FUND SURPLUS	<u>\$ 1,162,038</u>	<u>\$ 1,169,692</u>
COMMITMENTS AND CONTINGENCIES (Notes 8, 9 and 10)		

TOWN OF CARBERRY
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2018

SCHEDULE 9

REVENUE	<u>Budget</u>	<u>2018</u>	<u>2017</u>
Water			
Water fees	\$ -	\$ -	\$ -
Bulk Water fees	-	-	-
sub-total- water	<u>-</u>	<u>-</u>	<u>-</u>
Sewer			
Sewer fees	126,035	132,726	126,035
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>126,035</u>	<u>132,726</u>	<u>126,035</u>
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	1,000	1,403	1,000
Penalties	-	-	-
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	1,000	1,000	24,166
sub-total- other	<u>2,000</u>	<u>2,403</u>	<u>25,166</u>
Total revenue	<u>128,035</u>	<u>135,129</u>	<u>151,201</u>

TOWN OF CARBERRY
SCHEDULE OF UTILITY OPERATIONS
For the Year Ended December 31, 2018

SCHEDULE 9

EXPENSES	<u>Budget</u>	<u>2018</u>	<u>2017</u>
General			
Administration	10,195	10,195	10,195
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
Other	-	-	-
sub-total- general	<u>10,195</u>	<u>10,195</u>	<u>10,195</u>
Water General			
Purification and treatment	-	-	-
Water purchases	-	-	-
Transmission and distribution	-	-	-
Hydrant maintenance	-	-	-
Transportation services	-	-	-
Connection costs	-	-	-
Other	-	-	-
sub-total- water general	<u>-</u>	<u>-</u>	<u>-</u>
Water Amortization & Interest			
Amortization	-	-	-
Interest on long-term debt	-	-	-
sub-total- water amortization & interest	<u>-</u>	<u>-</u>	<u>-</u>
Sewer General			
Collection system costs	9,000	89,268	15,865
Treatment and disposal cost	50,000	20,520	20,232
Lift Station costs	19,000	15,293	49,526
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	5,819	-
sub-total- sewer general	<u>78,000</u>	<u>130,900</u>	<u>85,623</u>
Sewage Amortization & Interest			
Amortization	32,301	32,301	25,213
Interest on long-term debt	-	-	-
sub-total- sewer amortization & interest	<u>32,301</u>	<u>32,301</u>	<u>25,213</u>
Total expenses	<u>120,496</u>	<u>173,396</u>	<u>121,031</u>
NET OPERATING SURPLUS (DEFICIT)	7,539	(38,267)	30,170
TRANSFERS			
Transfers from reserve funds	-	75,693	28,660
Transfers to reserve funds	(45,080)	(45,080)	(35,281)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (37,541)</u>	(7,654)	23,549
FUND SURPLUS, BEGINNING OF YEAR		<u>1,169,692</u>	<u>1,146,143</u>
FUND SURPLUS, END OF YEAR		<u>\$ 1,162,038</u>	<u>\$ 1,169,692</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2018

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long-Term Accruals	Consolidated Entities	PSAB Budget
REVENUE								
Property taxes	\$ 1,463,332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,463,332
Grants in lieu of taxation	32,739	-	-	-	-	-	-	32,739
User fees	157,300	-	-	-	-	-	261,036	418,336
Permits, licences and fines	3,500	-	-	-	-	-	22,111	25,611
Investment income	8,000	-	-	-	-	-	2,533	10,533
Other revenue	32,695	-	-	-	-	-	55,424	88,119
Water and sewer	-	128,035	-	-	-	-	-	128,035
Grants - Province of Manitoba	368,218	-	-	-	-	-	54,474	422,692
Grants - other	90,136	-	-	-	-	-	69,319	159,455
Transfers from accumulated surplus	-	5,240	-	-	(5,240)	-	-	-
Transfers from reserves	64,700	-	-	-	(64,700)	-	-	-
Total revenue	\$ 2,220,620	\$ 133,275	\$ -	\$ -	\$ (69,940)	\$ -	\$ 464,897	\$ 2,748,852
EXPENSES								
General government services	\$ 323,274	\$ -	\$ 7,149	\$ -	\$ 14,024	\$ -	\$ -	\$ 344,447
Protective services	305,500	-	62,112	6,318	-	-	-	373,930
Transportation services	425,500	-	75,456	-	-	-	27,463	528,419
Environmental health services	162,500	-	4,331	-	-	-	116,026	282,857
Public health and welfare services	59,250	-	1,478	-	-	-	43,723	104,451
Regional planning and development	15,100	-	-	-	-	-	36,528	51,628
Resource cons and industrial dev	29,000	-	-	-	-	-	-	29,000
Recreation and cultural services	314,520	-	85,781	-	-	-	186,410	586,711
Water and sewer services	-	88,195	32,301	-	-	-	-	120,496
Fiscal services:								
Transfer to capital	185,000	-	-	-	(185,000)	-	-	-
Debt charges and short term interest	112,446	-	-	(98,446)	(14,000)	-	-	-
Transfer to reserves	245,136	45,080	-	-	(290,216)	-	-	-
Deficit Recovery	43,370	-	-	-	(43,370)	-	-	-
Allowance for tax assets	24	-	-	-	(24)	-	-	-
Total expenses	\$ 2,220,620	\$ 133,275	\$ 268,608	\$ (92,128)	\$ (518,586)	\$ -	\$ 410,150	\$ 2,421,939
Surplus (Deficit)	\$ -	\$ -	\$ (268,608)	\$ 92,128	\$ 448,646	\$ -	\$ 54,747	\$ 326,913

**TOWN OF CARBERRY
ANALYSIS OF TAXES ON ROLL
December 31, 2018**

SCHEDULE 11

	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 147,771	\$ 142,211
Add:		
Tax levy (Schedule 12)	2,235,480	2,216,314
Taxes added	37,921	22,011
Penalties or interest	20,672	20,573
Other accounts added	11,650	7,090
Tax Adjustments (specify)	-	210
Sub-total	<u>2,305,723</u>	<u>2,266,198</u>
Deduct:		
Cash collections - current	1,768,651	1,751,868
Cash collections - arrears	116,973	121,620
Writeoffs	2,232	7,030
Tax discounts	13,816	13,602
E.P.T.C. - cash advance	364,432	366,518
Other credits (specify)	-	-
Sub-total	<u>2,266,104</u>	<u>2,260,638</u>
Balance, end of year	<u><u>\$ 187,390</u></u>	<u><u>\$ 147,771</u></u>

TOWN OF CARBERRY
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2018

SCHEDULE 12

	2018		2017	
	Assessment	Mill Rate	Levy	Levy
Deficit Recovery	66,683,140	0.633	<u>42,223</u>	<u>13,637</u>
Debt charges:				
Fire Line Ext. BL 1-2016	66,683,140	1.437	<u>95,811</u>	<u>81,374</u>
Reserves:				
Equipment Replacement	66,683,140	0.401	26,740	24,354
Municipal Building	66,683,140	0.073	4,868	4,871
Fire Safety	66,683,140	0.511	34,075	34,030
Fire Truck Reserve	66,683,140	0.401	<u>26,740</u>	<u>-</u>
sub-total- Reserves			<u>92,423</u>	<u>63,255</u>
General municipal	66,683,140	9.862	<u>657,629</u>	<u>690,280</u>
Special levies:				
Recreation Operating By-Law 1-2017	64,729,260	per parcel	48,360	48,360
Recreation Reserve	66,683,140	0.875	58,348	58,449
Section 891A No. 2221	78,761,780	3.916	308,431	308,437
Garbage Levy 2213 (per parcel)	64,729,260	per parcel	<u>139,200</u>	<u>139,200</u>
sub-total- Special levies			<u>554,339</u>	<u>554,446</u>
Business tax			<u>4,961</u>	<u>4,890</u>
Total municipal taxes (Schedule 2)			<u>1,447,386</u>	<u>1,407,882</u>
Education support levy	7,148,670	9.770	<u>69,843</u>	<u>70,830</u>
Special levies:				
Beautiful Plains School Division	63,719,900	11.272	<u>718,251</u>	<u>737,602</u>
Total education taxes			<u>788,094</u>	<u>808,432</u>
Total tax levy (Schedule 11)			<u>\$ 2,235,480</u>	<u>\$ 2,216,314</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2018

	2018 Actual	2017 Actual
General government services:		
Legislative	\$ 56,615	\$ 57,097
General administrative	251,598	209,332
Other	56,512	47,309
	<u>364,725</u>	<u>313,738</u>
Protective services:		
Police	204,320	204,320
Fire	165,827	180,897
Emergency measures	14,298	10,545
Other	3,596	3,978
	<u>388,041</u>	<u>399,740</u>
Transportation services:		
Road transport		
Administration and engineering	-	-
Road and street maintenance	445,476	601,507
Bridge maintenance	-	-
Sidewalk and boulevard maintenance	10,495	13,357
Street lighting	27,399	27,420
Other	-	-
Air transport	-	-
Public transit	9,642	9,000
Other	-	-
	<u>493,012</u>	<u>651,284</u>
Environmental health services:		
Waste collection and disposal	178,089	159,731
Recycling	-	-
Other	11,479	17,043
	<u>189,568</u>	<u>176,774</u>
Public health and welfare services:		
Public health	26,227	24,227
Medical care	18,964	6,191
Social assistance	3,659	3,659
Other	-	-
	<u>48,850</u>	<u>34,077</u>
Regional planning and development		
Planning and zoning	14,500	14,100
Urban renewal	-	-
Beautification and land rehabilitation	3,198	3,000
Urban area weed control	-	-
Other	-	-
	<u>17,698</u>	<u>17,100</u>
Resource conservation and industrial development		
Rural area weed control	-	-
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	2,500	2,500
Regional development	37,613	31,298
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>40,113</u>	<u>33,798</u>
Sub-totals forward	<u>1,542,007</u>	<u>1,626,511</u>

TOWN OF CARBERRY
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2018

SCHEDULE 13

	<u>2018 Actual</u>	<u>2017 Actual</u>
Sub-totals forward	<u>1,542,007</u>	<u>1,626,511</u>
Recreation and cultural services:		
Administration	-	-
Community centers and halls	17,815	17,648
Swimming pools and beaches	-	-
Golf courses	1,000	1,000
Skating and curling rinks	118,912	94,004
Parks and playgrounds	167,804	170,782
Other recreational facilities	126,848	141,667
Museums	9,148	6,704
Libraries	22,772	33,969
Other cultural facilities	22,166	15,660
	<u>486,465</u>	<u>481,434</u>
Total expenses	<u>\$ 2,028,472</u>	<u>\$ 2,107,945</u>

TOWN OF CARBERRY

RECONCILIATION OF ANNUAL SURPLUS

December 31, 2018

SCHEDULE 14

	2018			2017
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS UNDER THE MUNICIPAL ACT	\$ 108,839	\$ 28,716	\$ 137,555	\$ 73,990
Adjustments for reporting under public sector accounting standards				
Eliminate interfund transfers	-	-	-	-
Eliminate expense - transfers to reserves	189,429	45,080	234,509	204,012
Eliminate revenue - transfers from reserves	(89,186)	(75,693)	(164,879)	(214,336)
Increase revenue - reserve funds interest (and other income)	14,105	-	14,105	10,200
Increase revenue - Net surplus of consolidated entities	54,747	-	54,747	70,244
Eliminate revenue - transfer from nominal surplus	-	(5,240)	(5,240)	(35,281)
Increase expense - gain/loss on sale of tangible capital assets	27,896	-	27,896	(31,267)
Increase expense - amortization of tangible capital assets	(236,307)	(32,301)	(268,608)	(248,458)
Decrease expense - principal portion of debenture debt	92,128	-	92,128	90,267
Decrease expense - debt proceeds	-	-	-	(50,664)
Eliminate expense - acquisitions of tangible capital assets (net proceeds)	96,032	1,171	97,203	413,782
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 257,683	\$ (38,267)	\$ 219,416	\$ 282,489