

TOWN OF MORRIS

**Consolidated Financial Statements
For the Year Ended December 31, 2024**

Consolidated Financial Statements For the Year Ended December 31, 2024

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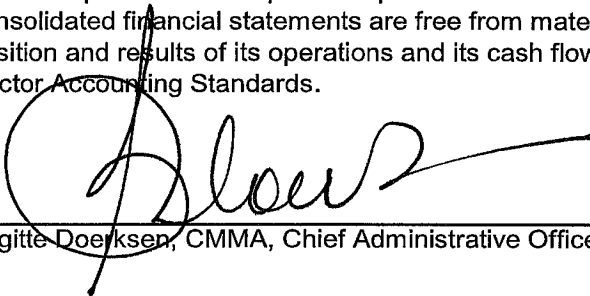
STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of management of the Town of Morris and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of 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 auditor 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 auditor, have audited the consolidated financial statements. The independent 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. Those standards require that they comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement, and present fairly the financial position and results of its operations and its cash flows of the Town in accordance with Canadian Public Sector Accounting Standards.

A handwritten signature in black ink, appearing to read 'Brigitte Doerksen', is written over a horizontal line.

Brigitte Doerksen, CMMA, Chief Administrative Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and members of Council of Town of Morris

Opinion

We have audited the consolidated financial statements of the Town of Morris (the Town), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of operations, consolidated statement of change in net financial assets and consolidated statement of 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, 2024, and its consolidated results of operations, its consolidated change in net financial assets, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group 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

September 26, 2025

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and bank	\$ 4,147,853	\$ 8,481,038
Amounts receivable (Note 4)	1,560,927	1,589,806
Portfolio investments	-	27,255
Real estate properties held for sale	711,429	711,429
Other assets	24,439	58,460
	<u>6,444,648</u>	<u>10,867,988</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	2,155,860	1,704,955
Deferred revenue	283,956	4,299,532
Asset retirement obligations (Note 6)	56,467	228,735
Long-term debt (Note 7)	2,437,180	2,351,641
Obligation under capital lease (Note 8)	1,311	5,581
Other liabilities	13,443	16,390
	<u>4,948,217</u>	<u>8,606,834</u>
NET FINANCIAL ASSETS	<u>1,496,431</u>	<u>2,261,154</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	27,149,457	21,431,344
Inventories (Note 9)	61,822	67,473
Prepaid expenses	72,684	66,535
	<u>27,283,963</u>	<u>21,565,352</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 28,780,394</u>	<u>\$ 23,826,506</u>

Approved on behalf of Council:



Scott Crick, Mayor



Brigitte Doerksen, Chief Administrative Officer

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

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2024

	2024 Budget (Note 13)	2024 Actual	2023 Actual
REVENUE			
Property taxes	\$ 2,727,612	\$ 2,917,137	\$ 2,698,245
Grants in lieu of taxation	98,029	98,029	91,869
User fees	544,364	451,549	392,842
Grants - Province of Manitoba	580,913	4,869,341	2,587,700
Grants - Other	188,703	425,431	213,782
Permits, licences and fines	17,200	13,644	19,803
Investment income	10,487	163,995	203,538
Other revenue	(29,379)	151,154	813,424
Water and sewer	1,988,037	1,699,907	1,553,187
Total revenue (Schedules 2, 4 and 5)	6,125,966	10,790,187	8,574,390
EXPENSES			
General government services	843,101	964,420	846,435
Protective services	568,495	515,743	486,073
Transportation services	1,166,971	1,064,660	944,196
Environmental health services	149,675	109,462	126,624
Public health and welfare services	58,118	53,178	55,300
Regional planning and development	337,550	180,261	210,812
Resource conservation and industrial development	221,348	176,971	135,069
Recreation and cultural services	1,453,080	1,524,411	1,353,848
Water and sewer services	2,533,976	1,247,193	1,276,134
Total expenses (Schedules 3, 4 and 5)	7,332,314	5,836,299	5,434,491
ANNUAL SURPLUS (DEFICIT)	<u><u>\$ (1,206,348)</u></u>	4,953,888	3,139,899
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>23,826,506</u>	<u>20,686,607</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 11)		<u><u>\$ 28,780,394</u></u>	<u><u>\$ 23,826,506</u></u>

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

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2024

	<div> <div>2024</div> <div>Budget</div> <div>(Note 13)</div> </div>	<div> <div>2024</div> <div>Actual</div> </div>	<div> <div>2023</div> <div>Actual</div> </div>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (1,206,348)</u>	<u>\$ 4,953,888</u>	<u>\$ 3,139,899</u>
Acquisition of tangible capital assets	(929,894)	(6,711,588)	(4,358,462)
Amortization of tangible capital assets	975,249	975,249	855,904
Loss on sale of tangible capital assets	-	624	4,670
Transfer of land from real estate properties held for sale	-	17,594	-
Decrease (increase) in inventories	-	5,651	(15,521)
Increase in prepaid expenses	<u>-</u>	<u>(6,141)</u>	<u>(3,520)</u>
	<u>45,355</u>	<u>(5,718,611)</u>	<u>(3,516,929)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ (1,160,993)</u>	<u>(764,723)</u>	<u>(377,030)</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>2,261,154</u>	<u>2,638,184</u>
NET FINANCIAL ASSETS, END OF YEAR		<u><u>\$ 1,496,431</u></u>	<u><u>2,261,154</u></u>

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

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

CASH PROVIDED BY (APPLIED TO) THE FOLLOWING:	2024	2023
OPERATING TRANSACTIONS		
Annual surplus	\$ 4,953,888	\$ 3,139,899
Loss (gain) on sale of real estate properties for sale	624	4,670
Amortization of tangible capital assets	975,249	855,904
	<u>5,929,761</u>	<u>4,000,473</u>
Changes in non-cash working capital items		
Amounts receivable	28,879	(444,686)
Other assets	34,021	23,598
Inventories	5,651	(15,521)
Prepaid expenses	(6,141)	(3,520)
Accounts payable and accrued liabilities	450,905	673,068
Asset retirement obligations	(172,268)	9,703
Deferred revenue	(4,015,576)	4,104,151
Other liabilities	<u>(2,947)</u>	<u>11,988</u>
Cash provided by operating transactions	<u>2,252,285</u>	<u>8,359,254</u>
CAPITAL TRANSACTIONS		
Cash applied to acquire tangible capital assets	<u>(6,711,588)</u>	<u>(4,358,462)</u>
INVESTING TRANSACTIONS		
Purchase of portfolio investments	<u>27,255</u>	<u>(19,323)</u>
Cash provided by (applied to) investing transactions	<u>27,255</u>	<u>(19,323)</u>
FINANCING TRANSACTIONS		
Debt payments	85,539	98,874
Repayment of obligation under capital lease	<u>(4,270)</u>	<u>(18,756)</u>
Cash provided by (applied to) financing transactions	<u>81,269</u>	<u>80,118</u>
NET INCREASE IN CASH AND BANK	(4,333,185)	4,061,587
CASH AND BANK, BEGINNING OF YEAR	<u>8,481,038</u>	<u>4,419,451</u>
CASH AND BANK, END OF YEAR	<u><u>\$ 4,147,853</u></u>	<u><u>\$ 8,481,038</u></u>

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

1. Status of the Town of Morris

The incorporated Town of Morris (“the Town”) is a municipal government that was created in 1908 pursuant to the Manitoba Municipal Act. The Town provides or funds municipal services such as police, fire, public works, urban planning, parks and recreation, public transit, and other general government operations. The Town owns a utility, has several designated special purpose reserves and provides funding support for other entities involved in water supply, economic development, library services, and weed control.

2. Significant Accounting Policies

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

a) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues 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 or 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. Interfund and intercompany balances and transactions have been eliminated. Morris Multiplex Inc. and Morris Community Development Corporation are the only controlled entities of the Town.

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 consolidated financial statements of the Town. Intercompany balances and transactions have been eliminated. The government partnerships include:

Pembina Valley Water Cooperative Inc. (2023 and 2022 - consolidated 5.9%)
Valley Regional Library (2023 and 2022 - consolidated 60%)
Valley Weed Control District (2023 and 2022 - consolidated 33.3%)
Morris District Handivan Service (2023 and 2022 - consolidated 50%)

The taxation with respect to the operations of the school divisions are not reflected in the Town revenue and surplus of these consolidated financial statements. Details of amounts levied, collected and payable at year end for Education Support Levy and Special Levy are presented at Schedule 12 Analysis of Tax Levy.

Trust funds and their related operations administered by the Town are not consolidated in these financial statements. The trust funds administered by the Town are presented in Note 16.

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 bank are measured at fair value. Amounts receivable, 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.

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 Municipality has no remeasurement gains or losses, this statement has not been presented.

d) Cash and Cash Equivalents

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

2. Significant Accounting Policies (continued)

e) Portfolio Investment

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

f) 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 balance sheet date.

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 annual surplus, provides the change in net financial assets for the year.

Real estate properties 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 Town does not capitalize interest charges as part of the cost of its tangible capital assets.

The estimated useful lives are as follows:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	10 to 30 years
Buildings and Leasehold Improvements	
Buildings	40 years
Vehicles and Equipment	
Vehicles	10 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	20 years
Computer Hardware and Software	4 years

Infrastructure Assets

Roads, Streets and Bridges	
Land	Indefinite
Road surface	30 years
Road grade	40 years
Traffic lights and equipment	20 years
Water and Sewer	
Land	Indefinite
Land improvements	50 years
Buildings	40 years
Underground networks	60 years
Machinery and equipment	15 years
Dams and other surface water structures	40 years

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

i) 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.

j) Inventories

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

2. Significant Accounting Policies (continued)

k) 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.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Government transfers are recognized as revenue in the consolidated statement of operations as the stipulations liabilities are settled.

User fees are recognized as revenue in the year services are rendered or when consumption occurs. Permits and licenses are recognized as revenue when issued. Fines are recognized as revenue when assessed. Investment income is recognized as revenue in the period earned.

l) Measurement Uncertainty

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

m) Employee Future Benefits

The Town 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 Town each period for services rendered by the employees matching employee contributions.

For those defined benefit plans that accumulate but do not best such as 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.

n) 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:

- The Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of PSAS 1000 (Financial Statement Concepts) and PSAS 1100 (Financial Statement Objectives) for fiscal years beginning on or after January 1, 2027. The Conceptual Framework is applied prospectively.
- PSAS 1202, Financial Statement Presentation, replaces PSAS 1201 for fiscal years beginning January 1, 2027.

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

3. Credit Facilities

The Town has a line of credit with an authorized maximum of \$600,000 with interest at prime less 0.5%, with effective rate of 4.95% at December 31, 2024, secured by a promissory note. The line of credit was unutilized at December 31, 2024.

The Pembina Valley Water Cooperative Inc. has an authorized line of credit of \$250,000. The line of credit is repayable on demand and bears interest at the bank's prime rate less 0.25% with effective rate of 5.20% at December 31, 2024. The line of credit is secured by a general security agreement over accounts receivable and all property owned by the Co-operative. At December 31, 2024, the Co-operative's line of credit was unutilized.

The Pembina Valley Water Cooperative Inc. also has an authorized revolving capital loan up to \$250,000 to fund ongoing capital repairs and improvements. The capital loan is repayable on demand and bears interest at the bank's prime rate with effective rate of 5.20% at December 31, 2024. The capital loan is secured by a general security agreement over accounts receivable and all property owned by the Co-operative. At December 31, 2024, the capital loan was unutilized.

4. Amounts Receivable

Amounts receivable are comprised of the following:

	2024	2023
Taxes on roll (Schedule 10)	\$ 440,380	\$ 512,888
Utility customers	364,787	376,310
Organizations and individuals	418,509	470,489
Other governments	337,251	230,119
	<u>1,560,927</u>	<u>1,589,806</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,560,927</u>	<u>\$ 1,589,806</u>

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	2024	2023
Accounts payable	\$ 1,888,305	\$ 1,412,976
Accrued liabilities	212,602	173,034
Accrued interest payable	2,112	2,630
School levies	52,841	116,315
	<u>\$ 2,155,860</u>	<u>\$ 1,704,955</u>

6. Asset Retirement Obligations

The Town's asset retirement obligation consists of the following obligations:

a) Asbestos Remediation

Following the adoption of PS 3280 – Asset Retirement Obligations, one of the Town's government partnerships, Pembina Valley Water Cooperative Inc. (the "Cooperative"), had recognized an asset retirement obligation with respect to an old concrete pipeline containing asbestos and the Town recognized their proportionate share of the Cooperative's asset retirement obligation. During the year ended December 31, 2024, the Cooperative recognized a correction to its previous estimate thereby eliminating the liability related to asbestos remediation. The correction of the error has been recorded in the Town's consolidated financial statements for the year ended December 31, 2024 in the amount of \$174,782.

b) Other

The Town is responsible for an above ground fuel storage tank, ice rink compressors, and curling rink compressor. Following the adoption of PS 3280 – Asset Retirement Obligations, the Town recognized an obligation relating to the decommissioning and disposal of the above ground fuel storage tanks. The above ground fuel storage tank has an estimated useful life of 30 years, and the compressors for the ice rink and curling rink have an estimated useful life of 40 to 50 years. The estimated total undiscounted future expenditure is \$59,450, which will be incurred at the end of the assets' useful lives.

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

6. Asset Retirement Obligations

The related asset retirement costs for the above assets are being amortized on a straight-line basis. The liabilities have been estimated using a net present value technique with a discount rate of 4.66%.

Changes in the asset retirement obligations in the year are as follows for the years ended December 31:

	Asbestos	Other	2024
Balance, beginning of year	\$ 174,782	\$ 53,953	\$ 228,735
Change in estimates	(174,782)	-	(174,782)
Accretion expense	-	2,514	2,514
Balance, end of year	\$ -	\$ 56,467	\$ 56,467

	Asbestos	Other	2023
Balance, beginning of year	\$ 167,479	\$ 51,553	\$ 219,032
Additions	-	-	-
Retirement expense	-	-	-
Change in estimates	-	-	-
Accretion expense	7,303	2,400	9,703
Balance, end of year	\$ 174,782	\$ 53,953	\$ 228,735

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

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

7. Long-term Debt

	2024	2023
<u>General Operating</u>		
Debenture - Interest at 2.20%, annual principal payments of \$55,738 plus interest, with a final principal payment of \$477,140, due December 2026.	\$ 132,107	\$ 175,843
Loan - Interest at 5.00%, monthly interest payments, principal reductions from the net sale proceeds of commercial land inventory, due December 2029.	518,351	518,351
<u>Utility</u>		
Loan - Interest at 5.00%, monthly interest payments, principal reductions from the net sale proceeds of commercial land inventory, due December 2029.	373,625	289,714
	<u>1,024,083</u>	<u>983,908</u>
<u>Morris Multiplex Inc.</u>		
Loan - Repayable monthly at \$849 including principal and interest, interest is charged at 5.60%, expired February 2022, terms and conditions continuing under those of the most recent agreement.	<u>47,105</u>	<u>53,919</u>
<u>Pembina Valley Water Cooperative Inc.</u>		
Loan - Demand facility with 30 day bankers' acceptances, repayable \$6,099 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 \$849,600 whereby the Cooperative receives a floating interest rate while paying a fixed rate of 3.56% including stamping fee of 0.81% until July 23, 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.	536,887	592,305
Loan - Demand facility with 30 day bankers' acceptances, repayable \$901 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.	50,515	56,234
Loan - Demand facility with 30 day bankers' acceptances, repayable \$477 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.	113,568	124,386

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

7. Long-term Debt (continued)

	2024	2023
<p>Loan - Demand facility with 30 day bankers' acceptances, repayable \$738 monthly plus interest. The outstanding loan is subject to an interest rate swap agreement with the bank on an original notional principal amount of \$177,000 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.</p>	149,713	158,563
<p>Loan - The advance is part of a revolving demand facility for \$767,000 for capital projects, with interest only payments until the earlier of twelve months after the initial advance and completion of each discrete project, at which time repayment terms will be set. Interest is charged at prime rate minus 0.25%. At December 31, 2021 the Cooperative had unutilized capacity under this facility of \$743,236. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.</p>	362,116	382,326
<p>CIBC demand facility bearing interest at 3.6% per annum, repayable in monthly payments consisting of principal of \$14,752 and interest rate at the 1 month bankers' acceptances rate (the floating rate). The loan is subject to an interest rate swap agreement with the bank whereby the Co-Op receives/pays the difference between the floating rate and the fixed rate of 4.09%. The loan matures on July 21, 2034, if not demanded, and is secured by a general security agreement over accounts receivable and all property owned by the Cooperative.</p>	153,193	-
	1,413,097	1,367,733
	\$ 2,437,180	\$ 2,351,641

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

2025	\$ 220,418
2026	226,404
2027	206,667
2028	194,872
2029	204,107
Thereafter	1,384,713
	\$ 2,437,180

Schedule of Debentures Pending			Authorized	Expended
Authority	Purpose			
By-law 05/22	Construction - water reservoir pump station	\$	890,000	\$ 676,195

Construction costs are temporarily financed by line of credit disclosed at Note 3.

8. Contractual Obligations and Commitment

During 2024, the Town entered into a water servicing agreement with Pembina Valley Water Cooperative Inc. (the Cooperative) wherein the Town will make capital contributions towards the capital improvements to be undertaken by PVWC effective January 1, 2025. The Town agrees to pay the sum of \$495,957 to the Cooperative in five equal annual installments of \$99,191 each year.

The Town, along with two other municipalities, have guaranteed a maximum of \$50,000 each for the Red River Supportive Housing Inc.'s line of credit authorized for \$150,000. The outstanding balance on the line of credit was \$85,803 at December 31, 2024.

9. Inventories

Inventories held for consumption consist of supplies.

10. 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 PS 3250.

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 municipalities on behalf of their employees are expected to be \$66,375 (2024 - \$60,543) and are included in each municipality's 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, 2023, indicated the plan was 111.4% funded on a going concern basis and had an unfunded solvency liability of \$24.3 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, 2023.

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.

11. Accumulated Surplus

Accumulated surplus consists of the following:

	2024	2023
General Operating Fund - Nominal surplus	\$ 1,135,734	\$ 1,135,733
Utility Operating Fund - Nominal surplus	(158,942)	(167,993)
Tangible capital assets, net of related borrowings	21,336,152	16,183,836
Reserve Funds	3,492,591	3,800,917
Accumulated surplus of Town, unconsolidated	25,805,535	20,952,493
Accumulated surplus of consolidated entities	2,974,859	2,874,013
Accumulated surplus per consolidated statement of financial position	\$ 28,780,394	\$ 23,826,506

12. Financial Instrument 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. There have not been any changes in credit risk from the prior year.

Liquidity Risk

Liquidity risk is the risk that the Municipality will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to liquidity risk through its accounts payable and debt. The Municipality manages its cash flow to maintain adequate levels of working capital to ensure all its obligations can be met when they fall due. There have not been any changes in liquidity risk from the prior year.

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 consolidated financial statements have been approved by Council.

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

14. 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:

	2024	2023
Financial Position		
Total assets	\$ 76,594,189	\$ 75,811,189
Total liabilities	\$ 34,609,585	\$ 35,023,252
Accumulated surplus	41,984,604	40,787,937
	\$ 76,594,189	\$ 75,811,189
Results of Operations		
Revenue	\$ 10,552,747	\$ 14,768,277
Expenses	8,876,153	8,399,119
Annual surplus	\$ 1,676,594	\$ 6,369,158

15. Segmented Information

The Town 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. General Government includes Council indemnities, administration, legal, audit, assessment, taxation, elections, conventions, damage claims, liability insurance, and other government sundry.

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 serves, 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 operation include the Emergency coordinator as well as the emergency operations centres when required.

Transportation Services
Transportation services is responsible for snow clearing, cleaning streets in urban areas, grading gravel roads, and applying dust abatement to gravel roads. The department maintains boulevards and parks in the urban areas as well as maintenance. The department is also responsible for maintaining and improving drainage along municipal roads as well as paying for utility costs for street lights in urban and rural areas.

Environmental Health
Contractors provide services for waste disposal and transportation to the disposal ground as well as the pickup of materials to be recycled.

Public Health
The Town pays the Province an annual levy to administer social assistance to the residents of the Town.

Regional Planning and Development
The Town is in partnership with the Pembina Valley Development Corporation which controls the development and planning within the municipalities. The Planning District reviews the development plan and makes recommendation on subdivision applications. Each council is responsible for final decisions on subdivision application and for its own Zoning By-law.

Resource Conservation and Industrial Development
The Town is a member of the Valley Weed Control District wherein the parties have agreed to take joint action in the controlling, destroying and eradication of noxious weeds within the boundaries of the District. The District also provides administration of the West Nile Virus Program. The Town's Economic Development Officer is responsible for the development and marketing of town real estate assets. This position is also involved in tourism development for the Town.

Recreation and Cultural Services
The Town provides services in order to improve the health and development of its citizens. Library services are provided through the Valley Regional Library. Community hall services are provided through the Southern Manitoba Convention Centre. The Town supports the local arenas and community centres as well as providing insurance coverage for buildings and volunteers.

Water and Sewer Services
The Town supplies the water and sewer utility to the residents of Morris. The department also maintains the water and sewer utility, 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 and government business partnerships that are directly attributable to a particular segment are allocated to that segment.

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

16. Trust Funds

The Town of Morris administers the following trust funds:

	Balance, Beginning of Year	Excess of Receipts over Disbursements	Balance, End of Year
Cemetery Trust	\$ 99,523	\$ 14,884	\$ 114,407
Library Trust	16,650	767	17,417
	<u>\$ 116,173</u>	<u>\$ 15,651</u>	<u>\$ 131,824</u>

17. 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 Municipality. For the year ended December 31, 2024:

- a) Compensation paid to members of Council amounted to \$93,586 in aggregate.
- b) There were no members of Council receiving compensation in excess of \$85,000 individually.

Amounts paid to the Council members are as follows:

Council Members	Compensation	Expenses	Total
M. Baxter, Councillor	\$ 10,993	\$ 44	\$ 11,037
S. Crick, Mayor	15,310	3,132	18,442
C. Hamblin, Deputy Mayor	14,291	1,732	16,023
T. Lewis, Councillor	12,577	2,948	15,525
T. Thiessen, Councillor	8,832	579	9,411
T. Braun, Councillor	11,359	-	11,359
D. Funk, Councillor	10,955	834	11,789
	<u>\$ 84,317</u>	<u>\$ 9,269</u>	<u>\$ 93,586</u>

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

Name	Position	Amount
Doerksen, B.	Chief Administrative Officer	\$ 121,663
Janke, C.	Chief Financial Officer	98,234
Wiebe, B.	Public Works Foreman	87,247
Peterson, A.	Facilities Manager	86,167

18. 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.

For information purposes, the Town defers the capital grants and revenue from contributed infrastructure assets it receives for its utilities and amortizes them over the useful life of the related tangible capital asset.

No capital grants or revenue from contributed infrastructure assets have been deferred and amortized in these consolidated financial statements.

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Water services	<u>\$ 240,320</u>	<u>\$ 355,604</u>	<u>\$ -</u>	<u>\$ 595,924</u>

The opening balance and additions during the current year relate to a project that is under construction at year end. As such, no amortization has been recorded for the current year.

TOWN OF MORRIS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2024

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	2024	2023
Cost										
Opening costs	\$ 2,662,019	\$ 7,784,090	\$ 3,289,719	\$ 155,166	\$ 1,896,161	\$ 9,547,655	\$ 11,863,271	\$ 1,363,238	\$ 38,561,319	\$ 34,337,402
Additions during the year	669,561	5,891,294	340,141	17,337	4,691,371	167,842	1,072,218	1,201,213	14,050,977	4,485,663
Disposals and write downs	(17,594)	-	(5,171)	(1,259)	(6,501,758)	-	-	(837,631)	(7,363,413)	(261,746)
Closing costs	3,313,986	13,675,384	3,624,689	171,244	85,774	9,715,497	12,935,489	1,726,820	45,248,883	38,561,319
Accumulated Amortization										
Opening accum'd amortization	754,390	3,224,879	2,013,343	108,669	-	4,904,065	6,124,634	-	17,129,980	16,403,947
Amortization	123,415	224,509	167,175	14,168	-	206,516	239,466	-	975,249	855,904
Disposals and write downs	-	-	(4,544)	(1,259)	-	-	-	-	(5,803)	(129,876)
Closing accum'd amortization	877,805	3,449,388	2,175,974	121,578	-	5,110,581	6,364,100	-	18,099,426	17,129,975
Net Book Value of Tangible Capital Assets	\$ 2,436,181	\$ 10,225,996	\$ 1,448,715	\$ 49,666	\$ 85,774	\$ 4,604,916	\$ 6,571,389	\$ 1,726,820	\$ 27,149,457	\$ 21,431,344

TOWN OF MORRIS
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2024

SCHEDULE 2

	2024 Actual	2023 Actual
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 2,893,944	\$ 2,664,023
Taxes added	23,193	34,222
	<u>2,917,137</u>	<u>2,698,245</u>
Grants in lieu of taxation		
Federal government	993	921
Federal government enterprises	30,811	28,564
Provincial government	1,129	1,047
Provincial government enterprises	65,096	61,337
	<u>98,029</u>	<u>91,869</u>
User fees		
Sales of service	184,625	156,914
Facility use fees	266,924	235,928
	<u>451,549</u>	<u>392,842</u>
Grants - Province of Manitoba		
General assistance payment	538,960	686,065
Conditional grants	4,330,381	1,901,635
	<u>4,869,341</u>	<u>2,587,700</u>
Grants - other		
Federal government - gas tax funding	109,826	110,667
Federal government - other	244,357	6,911
Other local governments	71,248	96,204
	<u>425,431</u>	<u>213,782</u>
Permits, licences and fines		
Permits	5,057	15,223
Licences	639	1,491
Fines	7,948	3,089
	<u>13,644</u>	<u>19,803</u>
Investment income		
Cash and temporary investments	163,995	203,538
	<u>163,995</u>	<u>203,538</u>
Other revenue		
Gain (loss) on sale of tangible capital assets	-	(4,365)
Penalties and interest	58,623	57,525
Donated assets	-	393,968
Other	92,531	366,296
	<u>151,154</u>	<u>813,424</u>
Water and sewer	<u>1,699,907</u>	<u>1,553,187</u>
Total revenue	<u>\$ 10,790,187</u>	<u>\$ 8,574,390</u>

TOWN OF MORRIS
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2024

SCHEDULE 3

	2024 Actual	2023 Actual
General government services		
Legislative	\$ 104,013	\$ 98,218
General administrative	633,210	537,535
Other	227,197	210,682
	<u>964,420</u>	<u>846,435</u>
Protective services		
Police	204,519	204,519
Fire	167,727	152,242
Emergency measures	26,263	28,983
Other protection	117,234	100,329
	<u>515,743</u>	<u>486,073</u>
Transportation services	-	
Road transport		
Administration and engineering	582,200	515,141
Road and street maintenance	24,677	16,416
Sidewalk and boulevard maintenance	3,291	3,531
Street lighting	48,639	48,354
Other	346,503	284,750
Public transit	59,350	76,004
	<u>1,064,660</u>	<u>944,196</u>
Environmental health services		
Waste collection and disposal	109,462	126,624
Public health and welfare services		
Public health	42,082	44,204
Social assistance	11,096	11,096
	<u>53,178</u>	<u>55,300</u>
Regional planning and development		
Planning and zoning	-	7,882
Urban renewal	179,489	202,158
Other	772	772
	<u>180,261</u>	<u>210,812</u>
Resource conservation and industrial development		
Rural area weed control	33,590	13,809
Industrial development	106,440	84,043
Other	36,941	37,217
	<u>176,971</u>	<u>135,069</u>
Sub-totals forward	<u>\$ 3,064,695</u>	<u>\$ 2,804,509</u>
Sub-totals forward	<u>\$ 3,064,695</u>	<u>\$ 2,804,509</u>
Recreation and cultural services		
Administration	127,584	137,195
Community centers and halls	891,668	793,008
Swimming pools and beaches	186,391	176,034
Parks and playgrounds	7,675	14,013
Other recreational facilities	17,071	13,965
Other cultural facilities	294,022	219,633
	<u>1,524,411</u>	<u>1,353,848</u>
Water and sewer services	<u>1,247,193</u>	<u>1,276,134</u>
Total expenses	<u><u>\$ 5,836,299</u></u>	<u><u>\$ 5,434,491</u></u>

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2024

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE										
Property taxes	\$ 2,917,137	\$ 2,698,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	98,029	91,869	-	-	-	-	-	-	-	-
User fees	4,560	5,010	-	-	42,070	35,377	-	-	-	-
Prov of MB - Unconditional Grants	538,960	686,065	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	4,122,435	1,768,459	-	-	15,000	15,000	81,249	84,420	-	-
Grants - other	387,684	147,167	-	-	-	-	-	-	-	-
Permits, licences and fines	13,644	19,803	-	-	-	-	-	-	-	-
Investment income	112,260	128,478	5,044	3,952	13,026	30,511	-	-	27,335	35,213
Other revenue	188,786	477,741	-	-	(12,569)	19,825	-	-	-	-
Recovery of bad debts	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	8,383,495	6,022,837	5,044	3,952	57,527	100,713	81,249	84,420	27,335	35,213
EXPENSES										
Personnel services	\$ 461,025	\$ 400,527	\$ 55,350	\$ 55,931	\$ 266,532	\$ 246,568	\$ -	\$ -	\$ 38,644	\$ 38,638
Contract services	302,659	248,770	316,525	302,342	185,496	141,321	109,462	126,624	12,774	12,071
Utilities	2,519	4,775	26,736	28,053	60,552	65,146	-	-	-	-
Maintenance materials and supplies	-	-	45,470	41,777	258,377	197,547	-	-	1,626	4,457
Grants and contributions	147,238	131,112	-	-	-	-	-	-	-	-
Accretion	-	-	-	-	-	-	-	-	-	-
Amortization	13,764	13,748	71,662	57,971	286,601	20,577	-	-	134	134
Interest on long-term debt	23,772	28,463	-	-	-	257,670	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	13,443	19,038	-	-	7,102	15,367	-	-	-	-
Total expenses	964,420	846,433	515,743	486,074	1,064,660	944,196	109,462	126,624	53,178	55,300
Surplus (deficit)	\$ 7,419,075	\$ 5,176,404	\$ (510,699)	\$ (482,122)	\$ (1,007,133)	\$ (843,483)	\$ (28,213)	\$ (42,204)	\$ (25,843)	\$ (20,087)

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

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2024

SCHEDULE 4

	-23									
	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,917,137	\$ 2,698,245
Grants in lieu of taxation	-	-	-	-	-	-	-	-	98,029	91,869
User fees	-	-	13,542	15,889	391,377	336,566	-	-	451,549	392,842
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	538,960	686,065
Prov of MB - Conditional Grants	-	-	-	-	111,697	33,756	-	-	4,330,381	1,901,635
Grants - other	-	-	-	-	37,748	66,616	-	-	425,432	213,783
Permits, licences and fines	-	-	-	-	-	-	-	-	13,644	19,803
Investment income	-	-	1,117	1,057	5,213	4,250	-	-	163,995	203,461
Other revenue	-	-	1,502	2,962	(209,286)	20,896	182,720	292,076	151,153	813,500
Water and sewer	-	-	-	-	-	-	1,699,907	1,553,187	1,699,907	1,553,187
Total revenue	-	-	16,161	19,908	336,749	462,084	1,882,627	1,845,263	10,790,187	8,574,390
						-				
EXPENSES										
Personnel services	-	-	108,727	-	478,824	22,398	198,437	202,675	1,607,539	966,737
Contract services	133,658	199,633	3,497	-	486,772	581,003	50,897	61,115	1,601,740	1,672,879
Utilities	142	147	7,826	87,054	31,865	224,640	125,921	53,108	255,561	462,923
Maintenance materials and supplies	38,020	9,981	-	707	(58,135)	14,369	536,543	618,946	821,901	887,784
Grants and contributions	7,150	75	-	7,500	256,699	26,817	-	-	411,087	165,504
Accretion	-	-	33,785	-	2,513	-	-	7,302	36,298	7,302
Amortization	772	772	-	5,927	325,594	264,720	239,705	225,193	938,232	589,042
Interest on long-term debt	-	-	-	-	-	2,401	68,877	66,710	92,649	355,244
Bad debt	-	-	23,136	27,368	-	217,232	-	-	23,136	244,600
Other	519	205	-	6,512	279	267	26,813	41,088	48,156	82,477
Total expenses	180,261	210,813	176,971	135,068	1,524,411	1,353,847	1,247,193	1,276,137	5,836,299	5,434,492
Surplus (deficit)	\$ (180,261)	\$ (210,813)	\$ (160,810)	\$ (115,160)	\$ (1,187,662)	\$ (891,763)	\$ 635,434	\$ 569,126	\$ 4,953,888	\$ 3,139,899

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2024

	Core Government		Controlled Entities		Government Partnerships		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
REVENUE								
Property taxes	\$ 2,917,137	\$ 2,698,245	\$ -	\$ -	\$ -	\$ -	\$ 2,917,137	\$ 2,698,245
Grants in lieu of taxation	98,029	91,869	-	-	-	-	98,029	91,869
User fees	123,496	122,228	276,041	225,348	52,012	542,491	451,549	890,067
Prov of MB - Unconditional Grants	538,960	686,065	-	-	-	-	538,960	686,065
Prov of MB - Conditional Grants	4,284,716	1,858,379	-	-	45,665	239,308	4,330,381	2,097,687
Grants - other	411,701	199,347	-	-	13,730	110,460	425,431	309,807
Permits, licences and fines	13,644	19,803	-	-	-	-	13,644	19,803
Investment income	156,008	196,687	980	1,182	7,007	5,669	163,995	203,538
Other revenue	188,786	477,741	12,777	12,777	(50,409)	75,044	151,154	565,562
Recovery of bad debts	-	-	-	-	-	-	-	-
Water and sewer	1,138,809	1,036,796	-	-	561,098	(25,049)	1,699,907	1,011,747
Total revenue	9,871,286	7,387,160	289,798	239,307	629,103	947,923	10,790,187	8,574,390
EXPENSES								
Personnel services	\$ 1,335,696	\$ 1,173,798	\$ -	\$ -	163,117	\$ 165,322	1,498,813	1,339,120
Contract services	1,299,522	1,252,404	361,524	299,425	45,925	54,867	1,706,971	1,606,696
Utilities	135,054	148,377	1,740	1,249	114,437	39,191	251,231	188,817
Maintenance materials and supplies	325,470	361,722	447,314	421,706	56,943	106,577	829,727	890,005
Grants and contributions	411,087	368,685	-	-	-	-	411,087	368,685
Accretion	2,513	2,401	-	-	-	7,302	2,513	9,703
Amortization	802,929	689,543	40,012	33,149	129,075	131,121	972,016	853,813
Interest on long-term debt	45,902	41,577	-	-	46,747	53,596	92,649	95,173
Bad debt	-	-	-	-	-	-	-	-
Other	13,962	19,242	7,362	1,961	49,968	61,276	71,292	82,479
Total expenses	4,372,135	4,057,749	857,952	757,490	606,212	619,252	5,836,299	5,434,491
Surplus (deficit)	\$ 5,499,151	\$ 3,329,411	\$ (568,154)	\$ (518,183)	\$ 22,891	\$ 328,671	\$ 4,953,888	\$ 3,139,899

TOWN OF MORRIS
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2024

SCHEDULE 6

	2024									2023	
	General	Machinery Replacement	Fire Reserve	Land Development	Pool	Arena	Hospital	Gas Tax	Utility	Total	Total
REVENUE											
Interest earned	\$ 92,450	\$ 8,965	\$ 5,044	\$ 39	\$ 63	\$ 14	\$ 6,173	\$ 2,327	\$ 21,162	\$ 136,237	\$ 156,217
EXPENSES	-	-	-	-	-	-	-	-	-	-	-
NET REVENUE	92,450	8,965	5,044	39	63	14	6,173	2,327	21,162	136,237	156,217
TRANSFERS											
Transfers from operating and non-utility funds	(24,295)	(97,200)	25,000	-	-	-	(314,000)	93,409	-	(317,086)	(209,229)
Transfers from utility fund	-	-	-	-	-	-	-	-	(127,477)	(127,477)	123,473
CHANGE IN RESERVE FUND BALANCES	68,155	(88,235)	30,044	39	63	14	(307,827)	95,736	(106,315)	(308,326)	70,461
FUND SURPLUS, BEGINNING OF YEAR	2,245,434	196,469	111,379	848	1,370	314	310,390	16,373	918,340	3,800,917	3,730,456
FUND SURPLUS, END OF YEAR	\$ 2,313,589	\$ 108,234	\$ 141,423	\$ 887	\$ 1,433	\$ 328	\$ 2,563	\$ 112,109	\$ 812,025	\$ 3,492,591	\$ 3,800,917

TOWN OF MORRIS
SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the Year Ended December 31, 2024

SCHEDULE 7

	2024	2023
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	<u>\$ 364,787</u>	<u>\$ 376,310</u>
LIABILITIES		
Due to other funds	1,087,173	544,302
Long-Term debt	<u>373,625</u>	<u>289,714</u>
	<u>1,460,798</u>	<u>834,016</u>
NET DEBT	(1,096,011)	(457,706)
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>4,708,758</u>	<u>3,571,804</u>
FUND SURPLUS	<u><u>\$ 3,612,747</u></u>	<u><u>\$ 3,114,098</u></u>

TOWN OF MORRIS
SCHEDULE OF UTILITY OPERATIONS - Town of Morris Utility
For the Year Ended December 31, 2024

SCHEDULE 8

	2024 Budget	2024 Actual	2023 Actual
REVENUE			
Water			
Water fees	\$ 682,000	\$ 725,092	\$ 763,351
Property taxes	-	22,130	13,114
Other			
Hydrant rentals	6,450	6,450	6,450
Penalties	11,234	12,305	13,651
Government transfers - Capital		372,832	240,230
	17,684	391,587	260,331
Total revenue	\$ 699,684	\$ 1,138,809	\$ 1,036,796

SCHEDULE OF UTILITY OPERATIONS (cont'd) - Town of Morris Utility
For the Year Ended December 31, 2024

	2024 Budget	2024 Actual	2023 Actual
EXPENSES			
General			
Administration	\$ 149,684	\$ 122,804	\$ 107,862
Water General			
Purification and treatment	1,000	1,259	572
Water purchases	390,000	434,255	424,654
Transmission and distribution	104,100	37,377	64,953
Connection costs	5,000	-	4,000
	500,100	472,891	494,179
Water - Amortization and Interest			
Amortization	114,648	117,479	114,648
Sewer General			
Collection system costs	56,100	12,410	34,114
Lift station costs	43,800	19,923	18,297
	99,900	32,333	52,411
Sewer - Interest			
Interest on long-term debt	22,130	22,130	13,114
Total expenses	886,462	767,637	782,214
NET OPERATING SURPLUS (DEFICIT)	(186,778)	371,172	254,582
TRANSFERS			
Transfers from operating and capital fund	510,000	-	-
Transfers from (to) reserve funds	-	127,477	(123,473)
CHANGE IN UTILITY FUND BALANCE	\$ 323,222	498,649	131,109
FUND SURPLUS, BEGINNING OF YEAR		3,114,098	2,982,989
FUND SURPLUS, END OF YEAR		\$ 3,612,747	\$ 3,114,098

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2024

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Accretion Expense	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
REVENUE								
Property taxes	\$ 2,731,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,731,024
Grants in lieu of taxation	94,617	-	-	-	-	-	-	94,617
User fees	216,311	-	-	-	-	-	328,053	544,364
Grants - Province of Manitoba	535,248	-	-	-	-	-	45,665	580,913
Grants - other	174,974	-	-	-	-	-	13,729	188,703
Permits, licences and fines	17,200	-	-	-	-	-	-	17,200
Investment income	2,500	-	-	-	-	-	7,987	10,487
Other revenue	8,253	-	-	-	-	-	(37,632)	(29,379)
Water and sewer	-	1,426,939	-	-	-	-	561,098	1,988,037
Transfers from reserves	1,216,229	-	-	-	-	(1,216,229)	-	-
Total revenue	4,996,356	1,426,939	-	-	-	(1,216,229)	918,900	6,125,966
EXPENSES								
General government services	790,941	-	13,764	-	34,290	4,106	-	843,101
Protective services	496,833	-	71,662	-	-	-	-	568,495
Transportation services	827,870	-	279,751	-	-	-	59,350	1,166,971
Environmental health services	149,675	-	-	-	-	-	-	149,675
Public health and welfare services	57,984	-	134	-	-	-	-	58,118
Regional planning and development	336,778	-	772	-	-	-	-	337,550
Resource cons and industrial dev	159,900	-	27,858	-	-	-	33,590	221,348
Recreation and cultural services	913,502	-	291,509	2,513	-	-	245,556	1,453,080
Water and sewer services	-	1,426,939	117,479	-	-	510,000	479,558	2,533,976
Fiscal services								
Transfer to capital	929,894	-	-	-	-	(929,894)	-	-
Transfer to utility	13,114	-	-	-	-	(13,114)	-	-
Debt charges	78,092	-	-	-	(78,092)	-	-	-
Short-term interest	17,000	-	-	-	(17,000)	-	-	-
Transfer to reserves	220,667	-	-	-	-	(220,667)	-	-
Allowance for tax assets	4,106	-	-	-	-	(4,106)	-	-
Total expenses	4,996,356	1,426,939	802,929	2,513	(60,802)	(653,675)	818,054	7,332,314
Surplus (Deficit)	\$ -	\$ -	\$ (802,929)	\$ (2,513)	\$ 60,802	\$ (562,554)	\$ 100,846	\$ (1,206,348)

TOWN OF MORRIS
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2024

SCHEDULE 10

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 512,888	\$ 365,009
Add:		
Tax levy (Schedule 12)	4,346,271	4,079,849
Taxes added	23,193	34,222
Penalties or interest	58,623	57,525
	<u>4,428,087</u>	<u>4,171,596</u>
Deduct:		
Cash collections - current	4,296,509	3,813,682
Tax discounts	13,443	19,039
M.P.T.C. - cash advance	190,644	190,997
	<u>4,500,596</u>	<u>4,023,718</u>
Balance, end of year	<u>\$ 440,380</u>	<u>\$ 512,888</u>

TOWN OF MORRIS
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2024

SCHEDULE 11

	2024			2023
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
ARENA	101,066,650	0.520%	\$ 52,555	\$ 52,140
By-Law 06/19 Land	101,066,650	0.210%	21,224	23,835
By-law 05/22 Pumphouse	101,066,650	1.210%	122,291	
sub-total - Debt charges			196,070	75,975
Reserves:				
General	-	0.000%	-	58,595
Replacement	101,066,650	0.240%	24,256	24,828
Fire	101,066,650	0.240%	24,256	24,828
Hospital	101,066,650	0.000%	-	-
Pool	101,066,650	0.000%	-	-
Gas Tax	101,066,650	0.000%	-	-
sub-total - Reserves			48,512	108,251
Special levies				
08/21	114,829,460	3.720%	427,166	408,478
05/21		0.000%	183,176	172,444
			610,342	580,922
General municipal:				
At large	101,066,650	20.175%	2,039,020	1,898,875
Total municipal taxes (Schedule 2)			2,893,944	2,664,023
Education support levy	32,413,490	8.128%	263,457	263,179
Special levy:				
Education support levy	99,014,710	12.007%	1,188,870	1,152,647
Total education taxes			1,452,327	1,415,826
Total tax levy (Schedule 11)			\$ 4,346,271	\$ 4,079,849

TOWN OF MORRIS
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2024

SCHEDULE 12

	2024 Actual	2023 Actual
General government services		
Legislative	\$ 104,013	\$ 98,218
General administrative	633,210	537,535
Other	227,197	210,682
	<u>964,420</u>	<u>846,435</u>
Protective services		
Police	204,519	204,519
Fire	167,727	152,242
Emergency measures	26,263	28,983
Other protection	117,234	100,329
	<u>515,743</u>	<u>486,073</u>
Transportation services		
Road transport		
Administration and engineering	582,200	515,141
Road and street maintenance	24,677	16,416
Sidewalk and boulevard maintenance	3,291	3,531
Street lighting	48,639	48,354
Other	346,503	284,750
	<u>1,005,310</u>	<u>868,192</u>
Environmental health services		
Waste collection and disposal	109,462	126,624
Public health and welfare services		
Public health	42,082	44,204
Social assistance	11,096	11,096
	<u>53,178</u>	<u>55,300</u>
Regional planning and development		
Planning and zoning	-	7,882
Urban renewal	179,489	202,158
Other	772	772
	<u>180,261</u>	<u>210,812</u>
Resource conservation and industrial development		
Industrial development	106,440	84,043
Other	36,941	37,217
	<u>143,381</u>	<u>121,260</u>
Recreation and cultural services		
Administration	127,584	137,195
Community centers and halls	646,112	547,398
Swimming pools and beaches	186,391	176,034
Parks and playgrounds	7,675	14,013
Other recreational facilities	17,071	13,965
Other cultural facilities	294,022	219,633
	<u>1,278,855</u>	<u>1,108,238</u>
Total expenses	<u><u>\$ 4,250,610</u></u>	<u><u>\$ 3,822,934</u></u>

TOWN OF MORRIS
RECONCILIATION OF ANNUAL SURPLUS
For the Year December 31, 2024

SCHEDULE 13
(Unaudited)

	General	2024 Utility	Total	2023 Total
MUNICIPAL SURPLUS UNDER THE MUNICIPAL ACT	\$ -	\$ 9,050	\$ 9,050	\$ -
Adjustments for reporting under Public Sector Accounting Standards				
Eliminate expense - Transfers to reserves	(707,625)	-	(707,625)	(551,333)
Eliminate revenue - Transfers from reserves	390,540	(127,477)	263,063	342,104
Increase revenue - Reserve funds interest	136,237	-	136,237	156,217
Increase revenue - Net surplus of consolidated entities	100,848	-	100,848	357,886
Increase expense - Amortization of tangible capital assets	(685,451)	(117,479)	(802,930)	(689,544)
Eliminate expense - Acquisitions of tangible capital assets	5,175,197	1,254,433	6,429,630	3,711,624
Decrease revenue - Proceeds exceeding gain on disposal of capital assets	-	-	-	(4,365)
Decrease expense - Principal portion of debenture debt	43,736	116,089	159,825	41,183
Increase in revenue - Proceeds on debenture debt issue		(435,967)	(435,967)	
Increase revenue - Debenture pending		(200,000)	(200,000)	(240,228)
Increase revenue - Proceeds on obligations under capital lease	4,270		4,270	18,756
Decrease revenue - Accretion of asset retirement obligations	(2,513)	-	(2,513)	(2,401)
ANNUAL SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 4,455,239	\$ 498,649	\$ 4,953,888	\$ 3,139,899