

TOWN OF MORRIS

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

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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.



Brigitte Doerksen, Chief Administrative Officer

August 29, 2022



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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 and its controlled entities (the Town), which comprise the consolidated statement of financial position as at December 31, 2021, 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, 2021, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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

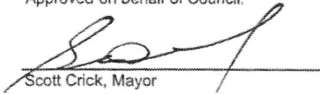
Chartered Professional Accountants

Winnipeg, Manitoba

August 29, 2022

**TOWN OF MORRIS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021**

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and bank	\$ 3,906,245	\$ 2,922,254
Amounts receivable (Note 4)	1,044,954	859,106
Portfolio investments	33,322	84,145
Real estate properties held for sale	132,337	132,710
Other assets	<u>4,615</u>	<u>4,518</u>
	<u>5,121,473</u>	<u>4,002,733</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	880,718	710,380
Deferred revenue	204,884	315,434
Long-term debt (Note 6)	2,421,165	1,964,382
Obligation under capital lease (Note 7)	30,278	45,417
Other liabilities	<u>5,652</u>	<u>282</u>
	<u>3,542,697</u>	<u>3,035,895</u>
NET FINANCIAL ASSETS	<u>1,578,776</u>	<u>966,838</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	18,318,804	17,533,574
Inventories (Note 8)	63,005	64,103
Prepaid expenses	<u>56,116</u>	<u>50,968</u>
	<u>18,437,925</u>	<u>17,648,645</u>
ACCUMULATED SURPLUS (Note 10)	<u>\$ 20,016,701</u>	<u>\$ 18,615,483</u>

Approved on behalf of Council:

Scott Crick, Mayor


Brigitte Doerksen, Chief Administrative Officer

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2021

	<u>2021</u> <u>Budget</u> <u>(Note 12)</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
REVENUE			
Property taxes	\$ 2,514,376	\$ 2,521,553	\$ 2,518,508
Grants in lieu of taxation	87,025	87,025	89,574
User fees	710,621	320,076	264,723
Grants - Province of Manitoba	399,438	476,945	624,560
Grants - Other	178,417	267,704	165,332
Permits, licences and fines	23,300	23,962	27,975
Investment income	5,403	7,964	12,917
Other revenue	316,856	1,134,911	232,472
Water and sewer	1,207,256	1,129,067	1,065,635
Total revenue (Schedules 2, 4 and 5)	<u>5,442,692</u>	<u>5,969,207</u>	<u>5,001,696</u>
EXPENSES			
General government services	761,330	734,174	705,810
Protective services	559,814	510,018	449,633
Transportation services	953,799	890,617	895,729
Environmental health services	126,075	123,517	132,201
Public health and welfare services	48,422	46,530	51,160
Regional planning and development	214,553	179,606	174,841
Resource conservation and industrial development	95,992	71,767	37,657
Recreation and cultural services	1,005,051	959,344	954,776
Water and sewer services	1,359,780	1,052,416	965,468
Total expenses (Schedules 3, 4 and 5)	<u>5,124,816</u>	<u>4,567,989</u>	<u>4,367,275</u>
ANNUAL SURPLUS	<u>\$ 317,876</u>	<u>1,401,218</u>	<u>634,421</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>18,615,483</u>	<u>17,981,062</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 10)		<u>\$ 20,016,701</u>	<u>\$ 18,615,483</u>

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2021

	<u>2021</u> <u>Budget</u> <u>(Note 12)</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
ANNUAL SURPLUS	\$ 317,876	\$ 1,401,218	\$ 634,421
Acquisition of tangible capital assets	(690,201)	(1,592,505)	(1,218,518)
Amortization of tangible capital assets	800,014	800,014	775,168
Loss (gain) on sale of tangible capital assets	-	7,262	(2,345)
Proceeds on sale of tangible capital assets	-	-	275,242
Increase in inventories	-	1,097	(10,186)
Decrease (increase) in prepaid expenses	-	(5,148)	2,450
	<u>109,813</u>	<u>(789,280)</u>	<u>(178,189)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ <u>427,689</u>	611,938	456,232
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>966,838</u>	<u>510,606</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 1,578,776</u>	<u>\$ 966,838</u>

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,401,218	\$ 634,421
Loss (gain) on sale of real estate properties for sale	(17,627)	736
Loss (gain) on sale of tangible capital assets	7,262	(2,345)
Donated assets	-	42,800
Amortization	800,014	775,168
	<u>2,190,867</u>	<u>1,450,780</u>
Changes in non-cash working capital items		
Amounts receivable	(185,848)	164,951
Other assets	(97)	2,484
Inventories	1,097	(10,186)
Prepaid expenses	(5,148)	2,450
Accounts payable and accrued liabilities	170,338	(166,559)
Deferred revenue	(110,550)	238,956
Other liabilities	5,370	(5,952)
	<u>2,066,029</u>	<u>1,676,924</u>
Cash provided by operating transactions		
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	275,242
Cash applied to acquire tangible capital assets	(1,592,505)	(1,261,318)
	<u>(1,592,505)</u>	<u>(986,076)</u>
Cash applied to capital transactions		
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	18,000	13,000
Purchase of portfolio investments	50,823	(479)
Acquisition of real estate properties	-	(481)
	<u>68,823</u>	<u>12,040</u>
Cash applied to investing transactions		
FINANCING TRANSACTIONS		
Proceeds of long-term debt	450,000	-
Debt payments	6,783	(196,768)
Obligation under capital lease	-	60,556
Repayment of obligation under capital lease	(15,139)	(15,139)
	<u>441,644</u>	<u>(151,351)</u>
Cash provided by (applied to) financing transactions		
NET INCREASE IN CASH AND BANK	983,991	551,537
CASH AND BANK, BEGINNING OF YEAR	<u>2,922,254</u>	<u>2,370,717</u>
CASH AND BANK, END OF YEAR	<u>\$ 3,906,245</u>	<u>\$ 2,922,254</u>

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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. (2021 and 2020 - consolidated 5.9%)
Valley Regional Library (2021 and 2020 - consolidated 60%)
Valley Weed Control District (2021 and 2020 - consolidated 33.3%)
Morris District Handivan Service (2021 and 2020 - 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 14.

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 Bank

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

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 balance sheet date.

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

2. Significant Accounting Policies (continued)

f) 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.

g) 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.

h) Inventories

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

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

2. Significant Accounting Policies (continued)

i) Revenue Recognition

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

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.

j) 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.

k) 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.

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 2.45% at December 31, 2021, secured by a promissory note. The line of credit was unutilized at December 31, 2021.

The Cooperative has an authorized line of credit with an authorized maximum of \$250,000. The line of credit bears interest at the bank's prime rate less 0.25% and is secured by a general security agreement over accounts receivable and all property owned by the Cooperative.

The Cooperative has an authorized revolving capital loan up to \$250,000 to fund ongoing capital repairs and improvements. Interest is charged at the bank's prime rate and is secured by a general security agreement over accounts receivable and all properties owned by the Cooperative.

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

4. Amounts Receivable

Amounts receivable are comprised of the following:

	<u>2021</u>	<u>2020</u>
Taxes on roll (Schedule 11)	\$ 332,382	\$ 291,179
Utility customers	287,960	293,260
Organizations and individuals	304,629	189,910
Other governments	119,983	84,757
	<u>1,044,954</u>	<u>859,106</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,044,954</u>	<u>\$ 859,106</u>

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 668,697	\$ 505,308
Accrued liabilities	146,754	134,319
Accrued interest payable	1,866	991
School levies	63,401	69,762
	<u>\$ 880,718</u>	<u>\$ 710,380</u>

6. Long-term Debt

	<u>2021</u>	<u>2020</u>
<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.	\$ 262,453	\$ 310,566
Debenture - Paid in full during the year.	-	75,000
Loan - Paid in full during the year.	-	5,332
Loan - Interest at 5.00%, monthly interest payments, principal reductions from the net sale proceeds of commercial land inventory, due December 2029.	1,000,000	550,000
	<u>1,262,453</u>	<u>940,898</u>
<u>Morris Multiplex Inc.</u>		
Loan - Repayable monthly at \$849 including principal and interest, interest is charged at 5.60%, due February 2022.	48,788	51,849
<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.	693,843	741,404

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

6. Long-term Debt (continued)

	<u>2021</u>	<u>2020</u>
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.	67,671	73,389
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.	146,023	156,842
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.	176,263	-
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.	23,764	-
Canada Emergency Business Account Loan – \$60,000 non-interest bearing until December 31, 2023. Repayment of 67% of the principal on or before December 31, 2023, will result in the remaining balance being forgiven. Beginning January 1, 2024, the loan will bear interest at 5% payable monthly, with the outstanding principal due in full by the maturity date, December 31, 2025. Secured by a government guarantee.	2,360	
	<u>1,158,712</u>	<u>1,023,484</u>
	<u>\$ 2,421,165</u>	<u>\$ 1,964,382</u>

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

2022	\$ 120,712
2023	123,751
2024	124,683
2025	130,104
2026	133,425
Thereafter	1,788,490

7. Obligation Under Capital Lease

The Town has entered into a capital lease for the acquisition of equipment. The lease is interest-free, payable in monthly installments of \$1,262 to maturity in December 2023. Annual lease payments are \$15,144.

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

8. Inventories

Inventories held for consumption consist of supplies.

9. Retirement Benefits

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

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Town on behalf of its employees amounted to \$52,176 (2020 - \$45,649) 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, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of \$288.8 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, 2019.

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.

10. Accumulated Surplus

Accumulated surplus consists of the following:

	<u>2021</u>	<u>2020</u>
General Operating Fund - Nominal surplus	\$ 653,972	\$ 671,837
Utility Operating Fund - Nominal surplus	72,237	72,237
Tangible capital assets, net of related borrowings	14,002,704	13,758,900
Reserve Funds	<u>3,282,469</u>	<u>2,244,339</u>
Accumulated surplus of Town, unconsolidated	18,011,382	16,747,313
Accumulated surplus of consolidated entities	<u>2,005,319</u>	1,868,170
Accumulated surplus per consolidated statement of financial position	<u>\$ 20,016,701</u>	<u>\$ 18,615,483</u>

11. Financial Instruments

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

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

12. 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.

13. Government Partnerships

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

	<u>2021</u>	<u>2020</u>
Financial Position		
Total assets	<u>\$ 46,923,509</u>	<u>\$ 40,167,818</u>
Total liabilities	<u>\$ 22,545,334</u>	<u>\$ 17,224,288</u>
Accumulated surplus	<u>24,378,175</u>	<u>22,943,530</u>
	<u>\$ 46,923,509</u>	<u>\$ 40,167,818</u>
Results of Operations		
Revenue	<u>\$ 9,164,613</u>	<u>\$ 7,795,394</u>
Expenses	<u>7,817,892</u>	<u>6,013,832</u>
Annual surplus	<u>\$ 1,346,721</u>	<u>\$ 1,781,562</u>

14. 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 services, fire prevention programs, training and education. The fire department also responds to motor vehicle accidents. The building inspector inspects residential buildings for compliance with the Manitoba Building Code. Emergency operations include the Emergency 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.

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

14. Segmented Information (continued)

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.

15. 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	\$ 80,260	\$ 5,811	\$ 86,071
Library Trust	15,411	31	15,442
	<u>\$ 95,671</u>	<u>\$ 5,842</u>	<u>\$ 101,513</u>

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

16. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2021:

a) Compensation paid to members of council amounted to \$85,347 in aggregate.

b) There were no members of Council receiving compensation in excess of \$75,000 individually.

Amounts paid to the Council members are as follows:

<u>Council Members</u>	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
M. Baxter, Councillor	\$ 10,650	\$ 983	\$ 11,633
S. Crick, Mayor	12,730	1,019	13,749
C. Hamblin, Deputy Mayor	13,043	806	13,849
M. Johnston, Councillor	10,667	2,216	12,883
T. Lewis, Councillor	10,724	1,010	11,734
R. Murray, Councillor	10,554	843	11,397
T. Thiessen, Councillor	9,827	275	10,102
	<u>\$ 78,195</u>	<u>\$ 7,152</u>	<u>\$ 85,347</u>

c) The following officers received compensation in excess of \$75,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Doerksen, B.	Chief Administrative Officer	\$ 102,873
Janke, C.	Assistant Chief Administrative Officer	\$ 80,289

17. Uncertainty Related to COVID-19

As the impacts of COVID-19 continue, there could be further impact on the Town, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the Town's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Town is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Town's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Town will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

TOWN OF MORRIS
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2021

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2021	2020
Cost										
Opening costs	\$ 1,919,923	\$ 7,562,033	\$ 2,972,669	\$ 119,240	\$ 389,293	\$ 8,649,285	\$ 10,632,404	\$ 70,490	\$ 32,315,337	\$ 31,425,970
Additions during the year	874,254	21,338	87,878	2,800	259,325	-	198,370	632,935	2,076,900	1,218,518
Disposals and write downs	-	-	(24,250)	-	(351,845)	-	-	(132,550)	(508,645)	(329,036)
Closing costs	2,794,177	7,583,371	3,036,297	122,040	296,773	8,649,285	10,830,774	570,875	33,883,592	32,315,452
Accumulated Amortization										
Opening accum'd amortization	571,385	2,638,582	1,613,417	73,759	-	4,417,361	5,467,391	-	14,781,895	14,062,849
Amortization	46,668	190,549	153,675	9,920	-	187,797	211,405	-	800,014	775,168
Disposals and write downs	-	-	(17,121)	-	-	-	-	-	(17,121)	(56,139)
Closing accum'd amortization	618,053	2,829,131	1,749,971	83,679	-	4,605,158	5,678,796	-	15,564,788	14,781,878
Net Book Value of Tangible Capital Assets	\$ 2,176,124	\$ 4,754,240	\$ 1,286,326	\$ 38,361	\$ 296,773	\$ 4,044,127	\$ 5,151,978	\$ 570,875	\$ 18,318,804	\$ 17,533,574

TOWN OF MORRIS
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2021

SCHEDULE 2

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 2,444,146	\$ 2,451,736
Taxes added	77,407	66,772
	<u>2,521,553</u>	<u>2,518,508</u>
Grants in lieu of taxation		
Federal government	898	943
Federal government enterprises	26,455	26,023
Provincial government	57,550	60,381
Provincial government enterprises	2,122	2,227
	<u>87,025</u>	<u>89,574</u>
User fees		
Sales of service	94,945	75,631
Rentals	4,286	17,143
Facility use fees	220,845	171,949
	<u>320,076</u>	<u>264,723</u>
Grants - Province of Manitoba		
General assistance payment	350,860	463,714
Conditional grants	126,085	160,846
	<u>476,945</u>	<u>624,560</u>
Grants - other		
Federal government - gas tax funding	207,499	101,444
Federal government - other	650	5,190
Other local governments	59,555	58,698
	<u>267,704</u>	<u>165,332</u>
Permits, licences and fines		
Permits	18,281	19,999
Licences	336	409
Fines	5,345	7,567
	<u>23,962</u>	<u>27,975</u>
Investment income		
Cash and temporary investments	7,964	12,917
Other revenue		
Gain (loss) on sale of tangible capital assets	(7,129)	2,441
Gain (loss) on sale of real estate held for sale	17,627	(736)
Penalties and interest	48,096	44,409
Donated assets	-	42,800
Other	1,076,317	143,558
	<u>1,134,911</u>	<u>232,472</u>
Water and sewer	<u>1,129,067</u>	<u>1,065,635</u>
Total revenue	<u>\$ 5,969,207</u>	<u>\$ 5,001,696</u>

TOWN OF MORRIS
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2021

SCHEDULE 3

	2021 Actual	2020 Actual
General government services		
Legislative	\$ 101,638	\$ 97,553
General administrative	471,411	455,241
Other	161,125	153,016
	<u>734,174</u>	<u>705,810</u>
Protective services		
Police	204,519	204,519
Fire	181,679	117,424
Emergency measures	18,305	23,876
Other protection	105,515	103,814
	<u>510,018</u>	<u>449,633</u>
Transportation services		
Road transport		
Administration and engineering	501,502	507,505
Road and street maintenance	10,783	6,677
Sidewalk and boulevard maintenance	4,449	2,791
Street lighting	47,245	46,665
Other	275,587	270,507
Public transit	51,051	61,584
	<u>890,617</u>	<u>895,729</u>
Environmental health services		
Waste collection and disposal	123,517	132,201
Public health and welfare services		
Public health	35,434	40,064
Social assistance	11,096	11,096
	<u>46,530</u>	<u>51,160</u>
Regional planning and development		
Urban renewal	174,661	170,228
Other	3,788	4,613
	<u>179,606</u>	<u>174,841</u>
Resource conservation and industrial development		
Rural area weed control	35,569	26,713
Other	36,198	10,944
	<u>71,767</u>	<u>37,657</u>
Recreation and cultural services		
Administration	59,441	44,282
Community centers and halls	613,333	621,738
Swimming pools and beaches	91,814	95,213
Parks and playgrounds	1,723	1,619
Other recreational facilities	744	1,184
Other cultural facilities	192,289	190,740
	<u>959,344</u>	<u>954,776</u>
Water and sewer services	1,052,416	965,468
Total expenses	<u>\$ 4,567,989</u>	<u>\$ 4,367,275</u>

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2021

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ 2,521,553	\$ 2,518,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	87,025	89,574	-	-	-	-	-	-	-	-
User fees	4,414	4,710	4,286	17,143	24,283	24,654	-	-	-	-
Prov of MB - Unconditional Grants	350,860	463,714	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	28,324	28,339	-	-	-	-	65,023	64,678	-	-
Grants - other	235,682	130,325	-	-	-	-	-	-	-	-
Permits, licences and fines	23,962	27,975	-	-	-	-	-	-	-	-
Investment income	3,200	6,300	75	213	1,266	1,235	-	-	1,440	2,944
Other revenue	1,031,953	97,275	-	-	25,400	30,674	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	4,286,983	3,366,720	4,361	17,356	50,949	56,563	65,023	64,678	1,440	2,944
EXPENSES										
Personnel services	368,560	345,442	49,065	39,524	250,779	263,149	-	-	34,901	34,757
Contract services	206,327	201,274	291,651	279,203	131,723	123,659	123,517	132,201	11,095	12,086
Utilities	6,841	5,975	27,601	27,455	61,229	60,413	-	-	-	-
Maintenance materials and supplies	-	-	83,808	45,726	153,282	148,595	-	-	400	4,183
Grants and contributions	110,519	109,714	-	-	-	-	-	-	-	-
Amortization	10,148	8,908	57,893	57,725	269,845	268,411	-	-	134	135
Interest on long-term debt	17,079	22,241	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	93	-	-	-	-	-
Other	14,700	12,256	-	-	23,666	31,502	-	-	-	-
Total expenses	734,174	705,810	510,018	449,633	890,617	895,729	123,517	132,201	46,530	51,161
Surplus (Deficit)	\$ 3,552,809	\$ 2,660,910	\$ (505,657)	\$ (432,277)	\$ (839,668)	\$ (839,166)	\$ (58,494)	\$ (67,523)	\$ (45,090)	\$ (48,217)

* 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, 2019

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,521,553	\$ 2,518,508
Grants in lieu of taxation	-	-	-	-	-	-	-	-	87,025	89,574
User fees	-	-	19,825	32,304	267,268	185,912	-	-	320,076	264,723
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	350,860	463,714
Prov of MB - Conditional Grants	-	-	-	-	32,738	67,829	-	-	126,085	160,846
Grants - other	-	-	-	-	32,012	35,007	-	-	267,704	165,332
Permits, licences and fines	-	-	-	-	-	-	-	-	23,962	27,975
Investment income	-	-	137	388	1,846	1,837	-	-	7,964	12,917
Other revenue	-	-	-	-	12,594	75,719	70,193	28,804	1,140,140	232,472
Water and sewer	-	-	-	-	-	-	1,123,838	1,065,635	1,123,838	1,065,635
Total revenue	-	-	19,962	32,692	346,458	366,304	1,194,031	1,094,439	5,969,207	5,001,696
EXPENSES										
Personnel services	-	-	7,067	9,673	271,390	217,755	172,807	162,100	1,154,569	1,072,400
Contract services	157,113	142,334	1,200	1,200	311,075	268,443	39,854	77,571	1,273,555	1,237,971
Utilities	140	125	2,141	2,003	25,041	28,200	51,385	48,177	174,378	172,348
Maintenance materials and supplies	10,103	19,323	11,478	10,447	(41,280)	(36,707)	504,810	440,173	722,601	631,740
Grants and contributions	8,415	6,415	-	-	179,117	255,409	2,325	1,374	300,376	374,912
Amortization	3,788	4,613	31,049	8,132	213,142	220,795	214,015	205,527	800,014	774,246
Interest on long-term debt	-	-	-	-	-	-	34,453	30,360	51,532	52,601
Bad debt	-	-	-	-	-	-	-	-	93	-
Other	47	30	18,832	6,202	859	881	32,767	186	90,871	51,057
Total expenses	179,606	174,840	71,767	37,657	959,344	954,776	1,052,416	965,468	4,567,989	4,367,275
Surplus (Deficit)	\$ (179,606)	\$ (174,840)	\$ (51,805)	\$ (4,965)	\$ (612,886)	\$ (588,472)	\$ 141,615	\$ 128,971	\$ 1,401,218	\$ 634,421

TOWN OF MORRIS

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2021

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
REVENUE								
Property taxes	\$ 2,521,553	\$ 2,518,508	\$ -	\$ -	\$ -	\$ -	\$ 2,521,553	\$ 2,518,508
Grants in lieu of taxation	87,025	89,574	-	-	-	-	87,025	89,574
User fees	84,825	64,205	198,643	154,460	36,608	46,058	320,076	264,723
Prov of MB - Unconditional Grants	350,860	463,714	-	-	-	-	350,860	463,714
Prov of MB - Conditional Grants	103,847	98,517	-	40,091	22,238	22,238	126,085	160,846
Grants - other	254,738	154,161	-	-	12,966	11,171	267,704	165,332
Permits, licences and fines	23,962	27,975	-	-	-	-	23,962	27,975
Investment income	5,561	10,067	148	187	2,254	2,663	7,963	12,917
Other revenue	1,031,952	97,275	1,631	67,422	106,557	67,775	1,140,140	232,472
Recovery of bad debts	-	-	-	-	-	-	-	-
Water and sewer	693,123	672,708	-	-	430,716	392,927	1,123,839	1,065,635
Total revenue	5,157,446	4,196,704	200,422	262,160	611,339	542,832	5,969,207	5,001,696
EXPENSES								
Personnel services	\$ 1,010,519	\$ 939,941	\$ -	\$ -	\$ 144,050	\$ 132,459	1,154,569	1,072,400
Contract services	989,517	969,458	234,876	224,511	49,162	44,002	1,273,555	1,237,971
Utilities	137,063	137,970	1,290	1,239	36,026	33,139	174,379	172,348
Maintenance materials and supplies	303,424	246,133	334,952	336,585	84,225	49,022	722,601	631,740
Grants and contributions	298,051	373,538	5,927	5,927	(3,602)	(4,553)	300,376	374,912
Amortization	659,889	632,568	20,853	30,055	119,272	111,623	800,014	774,246
Interest on long-term debt	22,306	22,241	-	-	29,226	30,360	51,532	52,601
Bad debt	-	-	-	-	93	-	93	-
Other	14,747	12,513	1,583	3,698	74,540	34,846	90,870	51,057
Total expenses	3,435,516	3,334,362	599,481	602,015	532,992	430,898	4,567,989	4,367,275
Surplus	\$ 1,721,930	\$ 862,342	\$ (399,059)	\$ (339,855)	\$ 78,347	\$ 111,934	\$ 1,401,218	\$ 634,421

TOWN OF MORRIS
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2021

SCHEDULE 6

										2021	2020
	General	Machinery Replacement	Fire Reserve	Land Development	Pool	Arena	Hospital	Gas Tax	Utility	Total	Total
REVENUE											
Interest earned	\$ 1,801	\$ 233	\$ 75	\$ 2	\$ 3	\$ 1	\$ 581	\$ 609	\$ 859	\$ 4,164	\$ 7,284
EXPENSES	-	-	-	-	-	-	-	-	-	-	-
NET REVENUE	1,801	233	75	2	3	1	581	609	859	4,164	7,284
TRANSFERS											
Transfers from (to) operating fund	667,292	25,000	25,000	-	-	-	-	132,499	-	849,791	191,444
Transfers from utility fund	-	-	-	-	-	-	-	-	184,175	184,175	-
CHANGE IN RESERVE FUND BALANCES	669,093	25,233	25,075	2	3	1	581	133,108	185,034	1,038,130	198,728
FUND SURPLUS, BEGINNING OF YEAR	1,081,679	110,629	31,099	792	1,280	293	290,104	299,234	429,229	2,244,339	2,045,611
FUND SURPLUS, END OF YEAR	\$ 1,750,772	\$ 135,862	\$ 56,174	\$ 794	\$ 1,283	\$ 294	\$ 290,685	\$ 432,342	\$ 614,263	\$ 3,282,469	\$ 2,244,339

TOWN OF MORRIS
 SCHEDULE OF L.U.D. OPERATIONS
 For the Year Ended December 31, 2021

SCHEDULE 7

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Taxation	\$ -	\$ -	\$ -
Other revenue	-	-	-
Total revenue	-	-	-
Expenses			
General government			
Indemnities	-	-	-
Transportation services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Ditches and road drainage	-	-	-
Snow and ice removal	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	-	-	-
Net revenues (expenses)	-	-	-
Transfers:			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
Change in L.U.D. balances	-	-	-
Unexpended balance, beginning of year	-	-	-
Unexpended balance, end of year	\$ -	\$ -	\$ -

TOWN OF MORRIS
 SCHEDULE OF FINANCIAL POSITION FOR UTILITY
 For the Year Ended December 31, 2021

SCHEDULE 8

	<u>2021</u>	<u>2020</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	<u>\$ 287,960</u>	<u>\$ 293,260</u>
LIABILITIES		
Due to other funds	<u>215,723</u>	<u>221,023</u>
	<u>215,723</u>	<u>221,023</u>
NET ASSET	<u>72,237</u>	<u>72,237</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>3,285,995</u>	<u>3,060,280</u>
	<u>3,285,995</u>	<u>3,060,280</u>
FUND SURPLUS	<u>\$ 3,358,232</u>	<u>\$ 3,132,517</u>

TOWN OF MORRIS

SCHEDULE 9

**SCHEDULE OF UTILITY OPERATIONS - Town of Morris Utility
 For the Year Ended December 31, 2021**

	2021 Budget	2021 Actual	2020 Actual
REVENUE			
Water			
Water fees	\$ 669,400	\$ 674,761	\$ 649,785
Property taxes			
	-	5,227	-
Other			
Hydrant rentals	6,450	6,450	6,000
Penalties	15,988	11,914	17,020
Loss on sale of tangible capital assets	-	-	(97)
	<u>22,438</u>	<u>18,364</u>	<u>22,923</u>
Total revenue	<u>\$ 691,838</u>	<u>\$ 698,352</u>	<u>\$ 672,708</u>

TOWN OF MORRIS

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS (cont'd) - Town of Morris Utility
 For the Year Ended December 31, 2021

	2021 Budget	2021 Actual	2020 Actual
EXPENSES			
General			
Administration	\$ 109,588	\$ 86,056	\$ 109,949
Water General			
Purification and treatment	1,000	142	1,462
Water purchases	380,000	366,530	350,751
Transmission and distribution	90,000	39,781	30,573
Connection costs	5,000	-	-
	<u>476,000</u>	<u>406,453</u>	<u>382,786</u>
Water - Amortization and Interest			
Amortization	<u>118,937</u>	<u>120,718</u>	<u>118,937</u>
Sewer General			
Collection system costs	34,900	3,100	15,649
Lift station costs	26,350	13,341	20,368
	<u>61,250</u>	<u>16,441</u>	<u>36,017</u>
Sewer - Interest			
Interest on long-term debt	-	5,227	-
Total expenses	<u>765,775</u>	<u>634,895</u>	<u>647,689</u>
NET OPERATING SURPLUS (DEFICIT)	(73,937)	63,457	25,019
TRANSFERS			
Transfers from operating and capital fund	<u>45,000</u>	<u>346,433</u>	<u>-</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ (28,937)</u>	<u>225,715</u>	<u>25,019</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>3,132,517</u>	<u>3,107,498</u>
FUND SURPLUS, END OF YEAR		<u>\$ 3,358,232</u>	<u>\$ 3,132,517</u>

TOWN OF MORRIS
 RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET
 For the Year Ended December 31, 2021

SCHEDULE 10

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
REVENUE							
Property taxes	\$ 2,512,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,512,144
Grants in lieu of taxation	89,257	-	-	-	-	-	89,257
User fees	475,370	-	-	-	-	235,251	710,621
Grants - Province of Manitoba	377,200	-	-	-	-	22,238	399,438
Grants - other	165,451	-	-	-	-	12,966	178,417
Permits, licences and fines	23,300	-	-	-	-	-	23,300
Investment income	3,000	-	-	-	-	2,403	5,403
Other revenue	208,669	-	-	-	-	108,187	316,856
Water and sewer	-	776,541	-	-	-	430,715	1,207,256
Transfers from reserves	314,370	-	-	-	(314,370)	-	-
Total revenue	4,168,761	776,541	-	-	(314,370)	811,760	5,442,692
EXPENSES							
General government services	719,661	-	10,148	28,012	3,509	-	761,330
Protective services	501,921	-	57,893	-	-	-	559,814
Transportation services	652,950	-	249,797	-	-	51,052	953,799
Environmental health services	126,075	-	-	-	-	-	126,075
Public health and welfare services	48,288	-	134	-	-	-	48,422
Regional planning and development	210,765	-	3,788	-	-	-	214,553
Resource cons and industrial dev	35,300	-	25,122	-	-	35,570	95,992
Recreation and cultural services	642,298	-	192,289	-	-	170,464	1,005,051
Water and sewer services	-	776,541	120,718	-	45,000	417,521	1,359,780
Fiscal services	-	-	-	-	-	-	-
Transfer to capital	690,201	-	-	-	(690,201)	-	-
Transfer to utility	84,703	-	-	-	(84,703)	-	-
Debt charges	283,035	-	-	(283,035)	-	-	-
Short-term interest	14,000	-	-	(14,000)	-	-	-
Transfer to reserves	156,055	-	-	-	(156,055)	-	-
Allowance for tax assets	3,509	-	-	-	(3,509)	-	-
Total expenses	4,168,761	776,541	659,889	(269,023)	(885,959)	674,607	5,124,816
Surplus (Deficit)	\$ -	\$ -	\$ (659,889)	\$ 269,023	\$ 571,589	\$ 137,153	\$ 317,876

**TOWN OF MORRIS
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2021**

SCHEDULE 11

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 291,179	\$ 331,885
Add:		
Tax levy (Schedule 12)	3,765,431	3,760,636
Taxes added	77,407	66,772
Penalties or interest	48,096	44,409
	<u>3,890,934</u>	<u>3,871,817</u>
Deduct:		
Cash collections - current	3,561,726	3,539,574
Tax discounts	14,699	12,255
M.P.T.C. - cash advance	273,306	360,694
	<u>3,849,731</u>	<u>3,912,523</u>
Balance, end of year	<u>\$ 332,382</u>	<u>\$ 291,179</u>

**TOWN OF MORRIS
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2021**

SCHEDULE 12

	2021		2020	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
By-Law 09/11 LDS	87,457,590	0.860%	75,214	79,153
ARENA	87,457,590	0.600%	52,475	51,918
By-Law 06/19 Land	87,457,590	0.600%	146,054	24,682
sub-total - Debt charges			<u>273,743</u>	<u>155,753</u>
Reserves:				
General	87,457,590	0.000%	-	24,682
Replacement	87,457,590	0.275%	24,051	24,682
Fire	87,457,590	0.275%	24,051	-
sub-total - Reserves			<u>48,102</u>	<u>49,364</u>
Special levies				
03/17	99,729,940	4.160%	414,877	360,606
02/17	53,424,190	0.000%	149,804	138,688
			<u>564,681</u>	<u>499,294</u>
General municipal:				
At large	87,457,590	17.810%	1,557,620	1,747,325
Total municipal taxes (Schedule 2)			<u>2,444,146</u>	<u>2,451,736</u>
Education support levy	-	0.000%	266,731	264,190
Special levy:				
Education support levy	-	0.000%	1,054,554	1,044,710
Total education taxes			<u>1,321,285</u>	<u>1,308,900</u>
Total tax levy (Schedule 11)			<u>\$ 3,765,431</u>	<u>\$ 3,760,636</u>

TOWN OF MORRIS
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2021

SCHEDULE 13

	2021 Actual	2020 Actual
General government services		
Legislative	\$ 101,638	\$ 97,553
General administrative	471,411	455,241
Other	161,125	153,016
	<u>734,174</u>	<u>705,810</u>
Protective services		
Police	204,519	204,519
Fire	181,679	117,424
Emergency measures	18,305	23,876
Other protection	105,515	103,814
	<u>510,018</u>	<u>449,633</u>
Transportation services		
Road transport		
Administration and engineering	501,502	507,505
Road and street maintenance	10,783	6,677
Sidewalk and boulevard maintenance	4,449	2,791
Street lighting	47,245	46,665
Other	275,587	270,507
	<u>839,566</u>	<u>834,145</u>
Environmental health services		
Waste collection and disposal	123,517	132,201
Public health and welfare services		
Public health	35,434	40,064
Social assistance	11,096	11,096
	<u>46,530</u>	<u>51,160</u>
Regional planning and development		
Urban renewal	174,661	170,228
Other	3,788	4,613
	<u>179,606</u>	<u>174,841</u>
Resource conservation and industrial development		
Other	36,198	10,944
Recreation and cultural services		
Administration	59,441	44,282
Community centers and halls	442,868	467,612
Swimming pools and beaches	91,814	95,213
Parks and playgrounds	1,723	1,619
Other recreational facilities	744	1,184
Other cultural facilities	192,289	190,740
	<u>788,879</u>	<u>800,650</u>
Total expenses	<u>\$ 3,258,488</u>	<u>\$ 3,159,384</u>

TOWN OF MORRIS
 RECONCILIATION OF ANNUAL SURPLUS
 December 31, 2021

SCHEDULE 14
 (Unaudited)

	2021		Total	2020
	General	Utility		Total
MUNICIPAL SURPLUS UNDER THE MUNICIPAL ACT	\$ -	\$ -	\$ -	\$ 8,633
Adjustments for reporting under Public Sector Accounting Standards				
Eliminate expense - Transfers to reserves	824,791	-	824,791	201,444
Eliminate revenue - Transfers from reserves	25,000	184,175	209,175	(10,000)
Increase revenue - Reserve funds interest	4,164	-	4,164	7,284
Increase revenue - Net surplus of consolidated entities	137,154	-	137,154	244,790
Decrease revenue - proceeds exceeding gain on disposal of capital assets	(7,129)	-	(7,129)	(9,655)
Increase expense - amortization of tangible capital assets	(539,171)	(120,718)	(659,889)	(632,568)
Eliminate expense - acquisitions of tangible capital assets	1,217,368	-	1,217,368	717,303
Decrease expense - principal portion of debenture debt	128,445	-	128,445	152,607
Decrease expense - payments on obligations under capital lease	-	-	-	(60,556)
Increase revenue - proceeds on obligations under capital lease	15,139	-	15,139	15,139
Increase revenue - proceeds on debenture debt issued	(450,000)	-	(450,000)	-
Increase expense - Inventory consumed	(18,000)	-	(18,000)	-
ANNUAL SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 1,337,761	\$ 63,457	\$ 1,401,218	\$ 634,421