

# **TOWN OF MORRIS**

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

# **TOWN OF MORRIS**

## **Consolidated Financial Statements**

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

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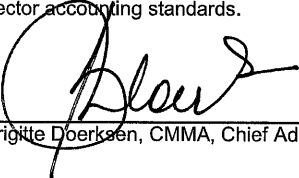
## STATEMENT OF RESPONSIBILITY

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.



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Brigitte Doerksen, CMMA, Chief Administrative Officer



Tel.: 204 956 7200  
Fax.: 833 888 1678  
Toll Free: 800 268 3337  
www.bdo.ca

BDO Canada LLP  
201 Portage Avenue, 26<sup>th</sup> Floor  
Winnipeg MB R3B 3K6 Canada

## 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, 2022, 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, 2022, 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*

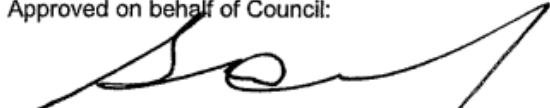
Chartered Professional Accountants

Winnipeg, Manitoba  
August 24, 2023

**TOWN OF MORRIS**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash and bank	\$ 4,419,451	\$ 3,906,245
Amounts receivable (Note 4)	1,145,120	1,044,954
Portfolio investments	7,932	33,322
Real estate properties held for sale	711,429	132,337
Other assets	<u>82,058</u>	<u>4,615</u>
	<u>6,365,990</u>	<u>5,121,473</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	1,031,887	880,718
Deferred revenue	195,381	204,884
Long-term debt (Note 6)	2,252,767	2,421,165
Obligation under capital lease (Note 7)	24,337	30,278
Other liabilities	<u>4,402</u>	<u>5,652</u>
	<u>3,508,774</u>	<u>3,542,697</u>
<b>NET FINANCIAL ASSETS</b>	<u>2,857,216</u>	<u>1,578,776</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	17,916,556	18,318,804
Inventories (Note 8)	51,952	63,005
Prepaid expenses	<u>63,015</u>	<u>56,116</u>
	<u>18,031,523</u>	<u>18,437,925</u>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<u>\$ 20,888,739</u>	<u>\$ 20,016,701</u>

Approved on behalf of Council:

  
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 Scott Crick, Mayor

  
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 Brigitte Doerksen, Chief Administrative Officer

**TOWN OF MORRIS**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2022**

	<u>2022 Budget (Note 12)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 2,608,537	\$ 2,617,394	\$ 2,521,553
Grants in lieu of taxation	87,894	87,894	87,025
User fees	555,001	483,870	320,076
Grants - Province of Manitoba	400,298	536,303	476,945
Grants - Other	181,280	175,611	267,704
Permits, licences and fines	22,300	18,940	23,962
Investment income	10,615	81,919	7,964
Other revenue	848,641	739,531	1,134,911
Water and sewer	<u>1,720,726</u>	<u>1,246,817</u>	<u>1,129,067</u>
Total revenue (Schedules 2, 4 and 5)	<u>6,435,292</u>	<u>5,988,279</u>	<u>5,969,207</u>
<b>EXPENSES</b>			
General government services	808,573	820,465	734,174
Protective services	527,204	512,095	510,018
Transportation services	1,057,658	968,772	890,617
Environmental health services	144,075	106,670	123,517
Public health and welfare services	54,830	50,628	46,530
Regional planning and development	229,699	216,781	179,606
Resource conservation and industrial development	118,108	78,926	71,767
Recreation and cultural services	1,253,765	1,285,003	959,344
Water and sewer services	<u>2,309,025</u>	<u>1,076,901</u>	<u>1,052,416</u>
Total expenses (Schedules 3, 4 and 5)	<u>6,502,937</u>	<u>5,116,241</u>	<u>4,567,989</u>
<b>ANNUAL SURPLUS</b>	<u>\$ (67,645)</u>	872,038	1,401,218
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>20,016,701</u>	<u>18,615,483</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 10)</b>		<u>\$ 20,888,739</u>	<u>\$ 20,016,701</u>

**TOWN OF MORRIS**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended December 31, 2022**

	<u>2022 Budget (Note 12)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ (67,645)</b>	<b>\$ 872,038</b>	<b>\$ 1,401,218</b>
Acquisition of tangible capital assets	(462,598)	(1,075,007)	(1,592,505)
Amortization of tangible capital assets	818,064	818,064	800,014
Loss on sale of tangible capital assets	-	-	7,262
Transfer of land to real estate properties held for sale	-	659,192	-
Decrease in inventories	-	11,053	1,097
Increase in prepaid expenses	-	(6,900)	(5,148)
	<u>355,466</u>	<u>406,402</u>	<u>(789,280)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u>\$ 287,821</u></b>	<b>1,278,440</b>	611,938
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u>1,578,776</u>	<u>966,838</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b><u>\$ 2,857,216</u></b>	<b><u>\$ 1,578,776</u></b>

**TOWN OF MORRIS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 872,038	\$ 1,401,218
Gain on sale of real estate properties for sale	(124,028)	(17,627)
Loss on sale of tangible capital assets	-	7,262
Amortization	<u>818,064</u>	<u>800,014</u>
	<b>1,566,074</b>	<b>2,190,867</b>
Changes in non-cash working capital items		
Amounts receivable	(100,166)	(185,848)
Other assets	(77,443)	(97)
Inventories	11,053	1,097
Prepaid expenses	(6,900)	(5,148)
Accounts payable and accrued liabilities	151,169	170,338
Deferred revenue	(9,503)	(110,550)
Other liabilities	<u>(1,250)</u>	<u>5,370</u>
Cash provided by operating transactions	<u>1,533,034</u>	<u>2,066,029</u>
<b>CAPITAL TRANSACTIONS</b>		
Cash applied to acquire tangible capital assets	<u>(1,075,007)</u>	<u>(1,592,505)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	191,400	18,000
Purchase of portfolio investments	25,390	50,823
Acquisition of real estate properties	<u>12,728</u>	<u>-</u>
Cash provided by investing transactions	<u>229,518</u>	<u>68,823</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	-	450,000
Debt payments	(168,398)	6,783
Repayment of obligation under capital lease	<u>(5,941)</u>	<u>(15,139)</u>
Cash provided by (applied to) financing transactions	<u>(174,339)</u>	<u>441,644</u>
<b>NET INCREASE IN CASH AND BANK</b>	<b>513,206</b>	<b>983,991</b>
<b>CASH AND BANK, BEGINNING OF YEAR</b>	<u><b>3,906,245</b></u>	<u><b>2,922,254</b></u>
<b>CASH AND BANK, END OF YEAR</b>	<u><u><b>\$ 4,419,451</b></u></u>	<u><u><b>\$ 3,906,245</b></u></u>

**TOWN OF MORRIS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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**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. (2022 and 2021 - consolidated 5.9%)  
Valley Regional Library (2022 and 2021 - consolidated 60%)  
Valley Weed Control District (2022 and 2021 - consolidated 33.3%)  
Morris District Handivan Service (2022 and 2021 - 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, 2022**

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**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, 2022**

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**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 vest 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.

**l) Future Changes in Accounting Standards**

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

- PS 3450 Financial Instruments, effective January 1, 2023, defines and provides guidance for accounting and reporting all types of financial instruments including derivatives.
  - PS 2601 Foreign Currency Translation, effective January 1, 2023, replaces PS 2600 with revised accounting and reporting principles for transactions that are denominated in a foreign currency.
  - PS 1201 Financial Statement Presentation replaces PS 1200 with general reporting principles for disclosure of information and is effective in the period PS 2601 and PS 3450 are adopted.
  - PS 3041 Portfolio Investments replaces PS 3040 with revised accounting and reporting principles for portfolio investments and is effective in the period PS 2601 and PS 3450 are adopted.
  - PS 3280 Asset Retirement Obligations, effective January 1, 2023, defines and provides guidance for accounting and reporting retirement obligations associated with tangible capital assets and
  - PS 3400 Revenue, effective January 1, 2024, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.
  - PS 3160 Public Private Partnerships, effective January 1, 2024, is a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships
- These new accounting standards have not been applied in preparing these consolidated financial statements.

**TOWN OF MORRIS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**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 5.95% at December 31, 2022, secured by a promissory note. The line of credit was unutilized at December 31, 2022.

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.

**4. Amounts Receivable**

Amounts receivable are comprised of the following:

	<u>2022</u>	<u>2021</u>
Taxes on roll (Schedule 11)	\$ 365,009	\$ 332,382
Utility customers	368,492	287,960
Organizations and individuals	339,715	304,629
Other governments	71,904	119,983
	<u>1,145,120</u>	<u>1,044,954</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 1,145,120</u>	<u>\$ 1,044,954</u>

**5. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are comprised of the following:

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 784,116	\$ 668,697
Accrued liabilities	161,455	146,754
Accrued interest payable	2,544	1,866
School levies	83,772	63,401
	<u>\$ 1,031,887</u>	<u>\$ 880,718</u>

**6. Long-term Debt**

General Operating

Debenture - Interest at 2.20%, annual principal payments of \$55,738 plus interest, with a final principal payment of \$477,140, due December 2026.

	<u>2022</u>	<u>2021</u>
	\$ 217,026	\$ 262,453

Loan - Interest at 5.00%, monthly interest payments, principal reductions from the net sale proceeds of commercial land inventory, due December 2029.

518,351                      1,000,000

Utility

Loan - Interest at 5.00%, monthly interest payments, principal reductions from the net sale proceeds of commercial land inventory, due December 2029.

289,714                      -

1,025,091                      1,262,453

Morris Multiplex Inc.

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.

41,880                      48,788

Pembina Valley Water Cooperative Inc.

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.

644,560                      693,843

**TOWN OF MORRIS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**6. Long-term Debt (continued)**

	<u>2022</u>	<u>2021</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.	<b>61,952</b>	67,671
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.	<b>135,204</b>	146,023
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.	<b>167,413</b>	<b>176,263</b>
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.	<b>176,667</b>	<b>23,764</b>
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><b>1,227,676</b></u>	<u><b>1,158,712</b></u>
	<u><b>\$ 2,252,767</b></u>	<u><b>\$ 2,421,165</b></u>

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

2023	\$ 247,622
2024	213,564
2025	221,906
2026	243,019
2027	185,523
Thereafter	1,141,133

**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, 2022**

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**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 \$57,424 (2021 - \$52,176) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2021 indicated the plan was 101.4% funded on a going concern basis and had an unfunded solvency liability of \$249 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2021.

In 2010, the Government of Manitoba enacted a regulation which permits sponsors of public sector pension plans, including MEPP, to elect permanent exemption from solvency funding requirements subject to certain conditions stated in the regulation. MEPP has elected permanent exemption from solvency funding requirements. As a result, solvency funding is no longer required by MEPP.

**10. Accumulated Surplus**

Accumulated surplus consists of the following:

	<u>2022</u>	<u>2021</u>
General Operating Fund - Nominal surplus	\$ 653,966	\$ 653,972
Utility Operating Fund - Nominal surplus	72,236	72,237
Tangible capital assets, net of related borrowings	13,750,877	14,002,704
Reserve Funds	<u>3,730,456</u>	<u>3,282,469</u>
Accumulated surplus of Town, unconsolidated	18,207,535	18,011,382
Accumulated surplus of consolidated entities	<u>2,681,204</u>	<u>2,005,319</u>
Accumulated surplus per consolidated statement of financial position	<u>\$ 20,888,739</u>	<u>\$ 20,016,701</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, 2022**

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**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>2022</u>	<u>2021</u>
Financial Position		
Total assets	<u>\$ 61,760,494</u>	<u>\$ 46,923,509</u>
Total liabilities	<u>\$ 26,461,333</u>	<u>\$ 22,545,334</u>
Accumulated surplus	<u>35,299,161</u>	<u>24,378,175</u>
	<u>\$ 61,760,494</u>	<u>\$ 46,923,509</u>
Results of Operations		
Revenue	<u>\$ 10,172,869</u>	<u>\$ 9,164,613</u>
Expenses	<u>8,431,863</u>	<u>7,817,892</u>
Annual surplus	<u>\$ 1,741,006</u>	<u>\$ 1,346,721</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 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.

**TOWN OF MORRIS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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**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	\$ 86,071	\$ 5,966	\$ 92,037
Library Trust	15,442	\$ 446	15,888
	<u>\$ 101,513</u>	<u>\$ 6,412</u>	<u>\$ 107,925</u>

**TOWN OF MORRIS**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

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**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, 2022:

a) Compensation paid to members of council amounted to \$89,739 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	\$ 10,559	\$ -	\$ 10,559
T. Braun, Councillor	2,329	1,016	3,345
S. Crick, Mayor	12,668	1,083	13,751
D. Funk, Councillor	1,664	-	1,664
C. Hamblin, Deputy Mayor	14,784	1,717	16,501
M. Johnston, Councillor	8,528	1,533	10,061
T. Lewis, Councillor	12,470	1,372	13,842
R. Murray, Councillor	8,921	522	9,443
T. Thiessen, Councillor	9,671	902	10,573
	<u>\$ 81,594</u>	<u>\$ 8,145</u>	<u>\$ 89,739</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	\$ 107,946
Janke, C.	Assistant Chief Administrative Officer	\$ 84,268
Marion, M	Facility Administrator	\$ 78,339
Wiebe, B	Public Works Foreman	\$ 82,108

**TOWN OF MORRIS**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**For the Year Ended December 31, 2022**

**SCHEDULE 1**

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2022	2021
<b>Cost</b>										
Opening costs	\$ 2,794,177	\$ 7,583,371	\$ 3,036,298	\$ 122,041	\$ 296,772	\$ 8,649,285	\$ 10,830,774	\$ 570,875	\$ 33,883,593	\$ 32,315,337
Additions during the year	32,294	102,845	166,836	11,826	1,697	259,325	867,577	238,365	1,680,765	2,076,900
Disposals and write downs	(659,192)	-	-	-	(259,325)	-	-	(346,433)	(1,264,950)	(508,645)
Closing costs	2,167,279	7,686,216	3,203,134	133,867	39,144	8,908,610	11,698,351	462,807	34,299,408	33,883,592
<b>Accumulated Amortization</b>										
Opening accum'd amortization	618,053	2,829,131	1,749,971	83,679	-	4,605,158	5,678,796	-	15,564,788	14,781,895
Amortization	62,272	192,047	141,675	11,645	-	188,549	221,876	-	818,064	800,014
Disposals and write downs	-	-	-	-	-	-	-	-	-	(17,121)
Closing accum'd amortization	680,325	3,021,178	1,891,646	95,324	-	4,793,707	5,900,672	-	16,382,852	15,564,788
Net Book Value of Tangible Capital Assets	\$ 1,486,954	\$ 4,665,038	\$ 1,311,488	\$ 38,543	\$ 39,144	\$ 4,114,903	\$ 5,797,679	\$ 462,807	\$ 17,916,556	\$ 18,318,804

**TOWN OF MORRIS**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**For the Year Ended December 31, 2022**

**SCHEDULE 2**

	<b>2022</b>	2021
	<b>Actual</b>	Actual
<b>Property taxes</b>		
Municipal taxes levied (Schedule 12)	\$ 2,531,537	\$ 2,444,146
Taxes added	85,857	77,407
	<u>2,617,394</u>	<u>2,521,553</u>
<b>Grants in lieu of taxation</b>		
Federal government	895	898
Federal government enterprises	26,523	26,455
Provincial government	1,053	57,550
Provincial government enterprises	59,423	2,122
	<u>87,894</u>	<u>87,025</u>
<b>User fees</b>		
Sales of service	234,320	94,945
Rentals	-	4,286
Facility use fees	249,550	220,845
	<u>483,870</u>	<u>320,076</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	352,017	350,860
Conditional grants	184,286	126,085
	<u>536,303</u>	<u>476,945</u>
<b>Grants - other</b>		
Federal government - gas tax funding	106,055	207,499
Federal government - other	6,100	650
Other local governments	63,456	59,555
	<u>175,611</u>	<u>267,704</u>
<b>Permits, licences and fines</b>		
Permits	16,760	18,281
Licences	242	336
Fines	1,938	5,345
	<u>18,940</u>	<u>23,962</u>
<b>Investment income</b>		
Cash and temporary investments	81,919	7,964
<b>Other revenue</b>		
Gain (loss) on sale of tangible capital assets	-	(7,129)
Gain on sale of real estate held for sale	124,028	17,627
Penalties and interest	47,138	48,096
Other	568,365	1,076,317
	<u>739,531</u>	<u>1,134,911</u>
<b>Water and sewer</b>	<u>1,246,817</u>	<u>1,129,067</u>
<b>Total revenue</b>	<u><u>\$ 5,988,279</u></u>	<u><u>\$ 5,969,207</u></u>

**TOWN OF MORRIS**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2022**

**SCHEDULE 3**

	<b>2022</b>	2021
	<b>Actual</b>	Actual
<b>General government services</b>		
Legislative	\$ 104,706	\$ 101,638
General administrative	501,981	471,411
Other	213,778	161,125
	<u>820,465</u>	<u>734,174</u>
<b>Protective services</b>		
Police	204,519	204,519
Fire	169,407	181,679
Emergency measures	24,863	18,305
Other protection	113,306	105,515
	<u>512,095</u>	<u>510,018</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	524,087	501,502
Road and street maintenance	28,884	10,783
Sidewalk and boulevard maintenance	4,725	4,449
Street lighting	47,867	47,245
Other	298,393	275,587
Public transit	64,816	51,051
	<u>968,772</u>	<u>890,617</u>
<b>Environmental health services</b>		
Waste collection and disposal	106,670	123,517
<b>Public health and welfare services</b>		
Public health	39,532	35,434
Social assistance	11,096	11,096
	<u>50,628</u>	<u>46,530</u>
<b>Regional planning and development</b>		
Planning and zoning	-	1,157
Urban renewal	215,029	174,661
Other	1,752	3,788
	<u>216,781</u>	<u>179,606</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	19,352	35,569
Other	41,737	36,198
	<u>78,926</u>	<u>71,767</u>
<b>Recreation and cultural services</b>		
Administration	105,670	59,441
Community centers and halls	807,718	613,333
Swimming pools and beaches	140,031	91,814
Parks and playgrounds	8,575	1,723
Other recreational facilities	17,304	744
Other cultural facilities	205,705	192,289
	<u>1,285,003</u>	<u>959,344</u>
<b>Water and sewer services</b>	<u>1,076,901</u>	1,052,416
<b>Total expenses</b>	<u>\$ 5,116,241</u>	<u>\$ 4,567,989</u>

## TOWN OF MORRIS

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2022

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$ 2,617,394	\$ 2,521,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	87,894	87,025	-	-	-	-	-	-	-	-
User fees	4,596	4,414	-	4,286	31,941	24,283	-	-	-	-
Prov of MB - Unconditional Grants	352,017	350,860	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	86,832	28,324	-	-	-	-	69,716	65,023	-	-
Grants - other	134,466	235,692	-	-	-	-	-	-	-	-
Permits, licences and fines	18,940	23,962	-	-	-	-	-	-	-	-
Investment income	47,925	3,200	1,253	75	11,777	1,266	-	-	13,648	1,440
Other revenue	187,618	1,031,953	-	-	19,752	25,400	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	<b>3,537,682</b>	4,286,983	<b>1,253</b>	4,361	<b>63,470</b>	50,949	<b>69,716</b>	65,023	<b>13,648</b>	1,440
<b>EXPENSES</b>										
Personnel services	393,221	368,560	59,454	49,065	240,781	250,779	-	-	35,309	34,901
Contract services	222,438	206,327	304,900	291,651	162,252	131,723	106,670	123,517	12,546	11,095
Utilities	7,216	6,841	28,181	27,601	65,573	61,229	-	-	-	-
Maintenance materials and supplies	-	-	64,041	83,808	206,716	153,282	-	-	2,639	400
Grants and contributions	142,250	110,519	-	-	-	-	-	-	-	-
Amortization	11,765	10,148	55,519	57,893	266,950	269,845	-	-	134	134
Interest on long-term debt	25,033	17,079	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	(88)	93	-	-	-	-
Other	18,542	14,700	-	-	26,588	23,666	-	-	-	-
Total expenses	<b>820,465</b>	734,174	<b>512,095</b>	510,018	<b>968,772</b>	890,617	<b>106,670</b>	123,517	<b>50,628</b>	46,530
<b>Surplus (deficit)</b>	<b>\$ 2,717,217</b>	\$ 3,552,809	<b>\$ (510,842)</b>	\$ (505,657)	<b>\$ (905,302)</b>	\$ (839,668)	<b>\$ (36,954)</b>	\$ (58,494)	<b>\$ (36,980)</b>	\$ (45,090)

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

## TOWN OF MORRIS

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2019

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,617,394	\$ 2,521,553
Grants in lieu of taxation	-	-	-	-	-	-	-	-	87,894	87,025
User fees	-	-	22,688	19,825	424,645	267,268	-	-	483,870	320,076
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	352,017	350,860
Prov of MB - Conditional Grants	-	-	-	-	27,738	32,738	-	-	184,286	126,085
Grants - other	-	-	-	-	41,145	32,012	-	-	175,611	267,704
Permits, licences and fines	-	-	-	-	-	-	-	-	18,940	23,962
Investment income	-	-	403	137	6,913	1,846	-	-	81,919	7,964
Other revenue	-	-	3,841	-	29,003	12,594	578,645	70,193	818,859	1,140,140
Water and sewer	-	-	-	-	-	-	1,167,489	1,123,838	1,167,489	1,123,838
Total revenue	-	-	26,932	19,962	529,444	346,458	1,746,134	1,194,031	5,988,279	5,969,207
<b>EXPENSES</b>										
Personnel services	-	-	5,590	7,067	339,454	271,390	189,912	172,807	1,263,721	1,154,569
Contract services	187,746	157,113	19,037	1,200	394,699	311,075	45,962	39,854	1,456,250	1,273,555
Utilities	64	140	1,872	2,141	32,072	25,041	50,697	51,385	185,675	174,378
Maintenance materials and supplies	17,806	10,103	14,190	11,478	82,694	(41,280)	500,950	504,810	889,036	722,601
Grants and contributions	8,875	8,415	-	-	205,177	179,117	2,601	2,325	358,903	300,376
Amortization	1,752	3,788	33,132	31,049	230,672	213,142	224,393	214,015	824,317	800,014
Interest on long-term debt	-	-	-	-	-	-	52,179	34,453	77,212	51,532
Bad debt	-	-	-	-	-	-	-	-	(88)	93
Other	538	47	5,105	18,832	235	859	10,207	32,767	61,215	90,871
Total expenses	216,781	179,606	78,926	71,767	1,285,003	959,344	1,076,901	1,052,416	5,116,241	4,567,989
<b>Surplus (deficit)</b>	\$ (216,781)	\$ (179,606)	\$ (51,994)	\$ (51,805)	\$ (755,559)	\$ (612,886)	\$ 669,233	\$ 141,615	\$ 872,038	\$ 1,401,218

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2022

	Core Government		Controlled Entities		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>								
Property taxes	\$ 2,617,394	\$ 2,521,553	\$ -	\$ -	\$ -	\$ -	\$ 2,617,394	\$ 2,521,553
Grants in lieu of taxation	87,894	87,025	-	-	-	-	87,894	87,025
User fees	107,611	84,825	328,830	198,643	47,429	36,608	483,870	320,076
Prov of MB - Unconditional Grants	352,017	350,860	-	-	-	-	352,017	350,860
Prov of MB - Conditional Grants	162,048	103,847	-	-	22,238	22,238	184,286	126,085
Grants - other	162,032	254,738	-	-	13,579	12,966	175,611	267,704
Permits, licences and fines	18,940	23,962	-	-	-	-	18,940	23,962
Investment income	73,804	5,561	638	148	7,477	2,254	81,919	7,963
Other revenue	187,617	1,031,952	10,756	1,631	620,486	106,557	818,859	1,140,140
Recovery of bad debts	-	-	-	-	-	-	-	-
Water and sewer	713,201	693,123	-	-	454,288	430,716	1,167,489	1,123,839
Total revenue	<u>4,482,558</u>	<u>5,157,446</u>	<u>340,224</u>	<u>200,422</u>	<u>1,165,497</u>	<u>611,339</u>	<u>5,988,279</u>	<u>5,969,207</u>
<b>EXPENSES</b>								
Personnel services	\$ 1,101,316	\$ 1,010,519	\$ -	\$ -	\$ 162,405	\$ 144,050	1,263,721	1,154,569
Contract services	1,096,935	989,517	312,326	234,876	46,989	49,162	1,456,250	1,273,555
Utilities	146,016	137,063	1,228	1,290	38,431	36,026	185,675	174,379
Maintenance materials and supplies	380,724	303,424	413,063	334,952	95,249	84,225	889,036	722,601
Grants and contributions	356,302	298,051	5,927	5,927	(3,326)	(3,602)	358,903	300,376
Amortization	674,308	659,889	24,967	20,853	125,042	119,272	824,317	800,014
Interest on long-term debt	35,782	22,306	-	-	41,430	29,226	77,212	51,532
Bad debt	-	-	-	-	(88)	93	(88)	93
Other	19,619	14,747	985	1,583	40,611	74,540	61,215	90,870
Total expenses	<u>3,811,002</u>	<u>3,435,516</u>	<u>758,496</u>	<u>599,481</u>	<u>546,743</u>	<u>532,992</u>	<u>5,116,241</u>	<u>4,567,989</u>
<b>Surplus (deficit)</b>	<u>\$ 671,556</u>	<u>\$ 1,721,930</u>	<u>\$ (418,272)</u>	<u>\$ (399,059)</u>	<u>\$ 618,754</u>	<u>\$ 78,347</u>	<u>\$ 872,038</u>	<u>\$ 1,401,218</u>

TOWN OF MORRIS  
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES  
 For the Year Ended December 31, 2022

SCHEDULE 6

										2022	2021
	General	Machinery Replacement	Fire Reserve	Land Development	Pool	Arena	Hospital	Gas Tax	Utility	Total	Total
<b>REVENUE</b>											
Interest earned	\$ 22,745	\$ 2,762	\$ 1,253	\$ 15	\$ 24	\$ 6	\$ 5,504	\$ 8,187	\$ 8,144	\$ 48,640	\$ 4,164
<b>EXPENSES</b>	-	-	-	-	-	-	-	-	-	-	-
<b>NET REVENUE</b>	22,745	2,762	1,253	15	24	6	5,504	8,187	8,144	48,640	4,164
<b>TRANSFERS</b>											
Transfers from operating fund	91,846	25,000	25,000	-	-	-	-	106,055	-	247,901	849,791
Transfers from utility fund	-	-	-	-	-	-	-	-	151,447	151,447	184,175
<b>CHANGE IN RESERVE FUND BALANCES</b>	114,591	27,762	26,253	15	24	6	5,504	114,242	159,591	447,988	1,038,130
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	1,750,772	135,862	56,174	794	1,283	294	290,685	432,342	614,263	3,282,469	2,244,339
<b>FUND SURPLUS, END OF YEAR</b>	\$ 1,865,363	\$ 163,624	\$ 82,427	\$ 809	\$ 1,307	\$ 300	\$ 296,189	\$ 546,584	\$ 773,854	\$ 3,730,457	\$ 3,282,469

TOWN OF MORRIS

SCHEDULE 7

SCHEDULE OF FINANCIAL POSITION FOR UTILITY

For the Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
	Total	Total
<b>FINANCIAL ASSETS</b>		
Amounts receivable	<u>\$ 368,492</u>	<u>\$ 287,960</u>
<b>LIABILITIES</b>		
Due to other funds	296,256	215,723
Long-Term debt	<u>289,714</u>	<u>-</u>
	<u>585,970</u>	<u>215,723</u>
<b>NET ASSET (NET DEBT)</b>	<b>(217,478)</b>	<b>72,237</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	<u>3,200,467</u>	<u>3,285,995</u>
<b>FUND SURPLUS</b>	<u><u>\$ 2,982,989</u></u>	<u><u>\$ 3,358,232</u></u>

SCHEDULE OF UTILITY OPERATIONS - Town of Morris Utility  
 For the Year Ended December 31, 2022

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	<u>\$ 683,785</u>	<u>\$ 695,481</u>	<u>\$ 674,761</u>
<b>Property taxes</b>	<u>-</u>	<u>79,328</u>	<u>5,227</u>
<b>Other</b>			
Hydrant rentals	6,450	6,450	6,450
Penalties	<u>11,500</u>	<u>11,270</u>	<u>11,914</u>
	<u>17,950</u>	<u>17,720</u>	<u>18,364</u>
<b>Total revenue</b>	<u>\$ 701,735</u>	<u>\$ 792,529</u>	<u>\$ 698,352</u>

**SCHEDULE OF UTILITY OPERATIONS (cont'd) - Town of Morris Utility**  
**For the Year Ended December 31, 2022**

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	<u>\$ 137,388</u>	<u>\$ 94,483</u>	<u>\$ 86,056</u>
<b>Water General</b>			
Purification and treatment	1,000	-	142
Water purchases	380,000	377,026	366,530
Transmission and distribution	91,197	26,477	39,781
Connection costs	5,000	-	-
	<u>477,197</u>	<u>403,503</u>	<u>406,453</u>
<b>Water - Amortization and Interest</b>			
Amortization	<u>118,937</u>	<u>122,236</u>	<u>120,718</u>
<b>Sewer General</b>			
Collection system costs	30,600	21,359	3,100
Lift station costs	26,550	14,218	13,341
	<u>57,150</u>	<u>35,577</u>	<u>16,441</u>
<b>Sewer - Interest</b>			
Interest on long-term debt	<u>-</u>	<u>10,749</u>	<u>5,227</u>
<b>Total expenses</b>	<u>790,672</u>	<u>666,548</u>	<u>634,895</u>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	<b>(88,937)</b>	<b>125,981</b>	<b>63,457</b>
<b>TRANSFERS</b>			
Transfers from (to) operating and capital fund	510,000	(357,920)	346,433
Transfers from reserve funds	<u>-</u>	<u>(143,304)</u>	<u>(184,175)</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u><u>\$ 421,063</u></u>	<b>(375,243)</b>	225,715
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>3,358,232</u>	<u>3,132,517</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u><u>\$ 2,982,989</u></u>	<u><u>\$ 3,358,232</u></u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2022

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
<b>REVENUE</b>							
Property taxes	\$ 2,605,793	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,605,793
Grants in lieu of taxation	90,638	-	-	-	-	-	90,638
User fees	178,742	-	-	-	-	376,259	555,001
Grants - Province of Manitoba	378,060	-	-	-	-	22,238	400,298
Grants - other	167,701	-	-	-	-	13,579	181,280
Permits, licences and fines	22,300	-	-	-	-	-	22,300
Investment income	2,500	-	-	-	-	8,115	10,615
Other revenue	217,400	-	-	-	-	631,241	848,641
Water and sewer	-	1,266,438	-	-	-	454,288	1,720,726
Transfers from reserves	515,000	-	-	-	(515,000)	-	-
Total revenue	<u>4,178,134</u>	<u>1,266,438</u>	<u>-</u>	<u>-</u>	<u>(515,000)</u>	<u>1,505,720</u>	<u>6,435,292</u>
<b>EXPENSES</b>							
General government services	765,103	-	11,765	28,012	3,693	-	808,573
Protective services	471,685	-	55,519	-	-	-	527,204
Transportation services	742,850	-	249,992	-	-	64,816	1,057,658
Environmental health services	144,075	-	-	-	-	-	144,075
Public health and welfare services	54,696	-	134	-	-	-	54,830
Regional planning and development	227,947	-	1,752	-	-	-	229,699
Resource cons and industrial dev	71,550	-	27,205	-	-	19,353	118,108
Recreation and cultural services	712,743	-	205,705	-	-	335,317	1,253,765
Water and sewer services	-	1,266,438	122,236	-	510,000	410,351	2,309,025
Fiscal services	-	-	-	-	-	-	-
Transfer to capital	462,598	-	-	-	(462,598)	-	-
Transfer to utility	84,703	-	-	-	(84,703)	-	-
Debt charges	205,436	-	-	(205,436)	-	-	-
Short-term interest	15,000	-	-	(15,000)	-	-	-
Transfer to reserves	216,055	-	-	-	(216,055)	-	-
Allowance for tax assets	3,693	-	-	-	(3,693)	-	-
Total expenses	<u>4,178,134</u>	<u>1,266,438</u>	<u>674,308</u>	<u>(192,424)</u>	<u>(253,356)</u>	<u>829,837</u>	<u>6,502,937</u>
<b>Surplus (Deficit)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (674,308)</u>	<u>\$ 192,424</u>	<u>\$ (261,644)</u>	<u>\$ 675,883</u>	<u>\$ (67,645)</u>

**TOWN OF MORRIS  
ANALYSIS OF TAXES ON ROLL  
For the Year Ended December 31, 2022**

**SCHEDULE 10**

	<u>2022</u>	<u>2021</u>
<b>Balance, beginning of year</b>	<b>\$ 332,382</b>	<b>\$ 291,179</b>
<b>Add:</b>		
Tax levy (Schedule 12)	3,877,410	3,765,431
Taxes added	85,857	77,407
Penalties or interest	47,138	48,096
	<u>4,010,405</u>	<u>3,890,934</u>
<b>Deduct:</b>		
Cash collections - current	3,729,329	3,561,726
Tax discounts	17,894	14,699
M.P.T.C. - cash advance	230,555	273,306
	<u>3,977,778</u>	<u>3,849,731</u>
<b>Balance, end of year</b>	<b><u>\$ 365,009</u></b>	<b><u>\$ 332,382</u></b>

TOWN OF MORRIS  
ANALYSIS OF TAX LEVY  
For the Year Ended December 31, 2022

SCHEDULE 11

	2022		2021	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
By-Law 09/11 LDS	-	0.000%	-	75,214
ARENA	90,592,720	0.580%	52,544	52,475
By-Law 06/19 Land	90,592,720	0.580%	146,760	146,054
sub-total - Debt charges			<u>199,304</u>	<u>273,743</u>
Reserves:				
General	90,592,720	0.640%	57,979	-
Replacement	90,592,720	0.270%	24,460	24,051
Fire	90,592,720	0.270%	24,460	24,051
sub-total - Reserves			<u>106,899</u>	<u>48,102</u>
Special levies				
03/17	102,960,900	3.700%	380,955	414,877
02/17	53,424,190	0.000%	162,072	149,804
			<u>543,027</u>	<u>564,681</u>
General municipal:				
At large	90,592,720	18.570%	1,682,307	1,557,620
<b>Total municipal taxes (Schedule 2)</b>			<u>2,531,537</u>	<u>2,444,146</u>
Education support levy	-	0.000%	268,876	266,731
Special levy:				
Education support levy	-	0.000%	1,076,997	1,054,554
<b>Total education taxes</b>			<u>1,345,873</u>	<u>1,321,285</u>
<b>Total tax levy (Schedule 11)</b>			<u><u>\$ 3,877,410</u></u>	<u><u>\$ 3,765,431</u></u>

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

	<b>2022</b>	2021
	<b>Actual</b>	Actual
<b>General government services</b>		
Legislative	\$ 104,706	\$ 101,638
General administrative	501,981	471,411
Other	213,778	161,125
	<u>820,465</u>	<u>734,174</u>
<b>Protective services</b>		
Police	204,519	204,519
Fire	169,407	181,679
Emergency measures	24,863	18,305
Other protection	113,306	105,515
	<u>512,095</u>	<u>510,018</u>
<b>Transportation services</b>		
Road transport		
Administration and engineering	524,087	501,502
Road and street maintenance	28,884	10,783
Sidewalk and boulevard maintenance	4,725	4,449
Street lighting	47,867	47,245
Other	298,393	275,587
	<u>903,956</u>	<u>839,566</u>
<b>Environmental health services</b>		
Waste collection and disposal	106,670	123,517
<b>Public health and welfare services</b>		
Public health	39,532	35,434
Social assistance	11,096	11,096
	<u>50,628</u>	<u>46,530</u>
<b>Regional planning and development</b>		
Planning and zoning	-	1,157
Urban renewal	215,029	174,661
Other	1,752	3,788
	<u>216,781</u>	<u>179,606</u>
<b>Resource conservation and industrial development</b>		
Industrial development	17,837	-
Other	41,737	36,198
	<u>59,574</u>	<u>36,198</u>
<b>Recreation and cultural services</b>		
Administration	105,670	59,441
Community centers and halls	472,401	442,868
Swimming pools and beaches	140,031	91,814
Parks and playgrounds	8,575	1,723
Other recreational facilities	17,304	744
Other cultural facilities	205,705	192,289
	<u>949,686</u>	<u>788,879</u>
<b>Total expenses</b>	<u>\$ 3,619,855</u>	<u>\$ 3,258,488</u>

TOWN OF MORRIS

RECONCILIATION OF ANNUAL SURPLUS

For the Year Ended December 31, 2022

SCHEDULE 13

(Unaudited)

	General	2022 Utility	Total	2021 Total
<b>MUNICIPAL SURPLUS UNDER THE MUNICIPAL ACT</b>	\$ -	\$ -	\$ -	\$ -
<b>Adjustments for reporting under Public Sector Accounting Standards</b>				
Eliminate expense - Transfers to reserves	222,901	-	222,901	824,791
Eliminate revenue - Transfers from reserves	25,000	151,447	176,447	209,175
Increase revenue - Reserve funds interest	48,639	-	48,639	4,164
Increase revenue - Net surplus of consolidated entities	675,882	-	675,882	137,154
Decrease revenue - Transfer of interest earned from reserve	8,144	(8,144)	-	-
Increase expense - Other	372	(372)	-	-
Eliminate expense - Acquisitions of tangible capital assets	-	-	-	(7,129)
Increase expense - Amortization of tangible capital assets	(552,072)	(122,236)	(674,308)	(659,889)
Eliminate expense - Acquisitions of tangible capital assets	142,467	36,707	179,174	1,217,368
Decrease expense - Principal portion of debenture debt	168,783	68,579	237,362	128,445
Increase revenue - Proceeds on obligations under capital lease	5,941	-	5,941	15,139
Increase in revenue - Proceeds on debenture debt issue	-	-	-	(450,000)
Increase expense - Inventory consumed	-	-	-	(18,000)
<b>ANNUAL SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 746,057</b>	<b>\$ 125,981</b>	<b>\$ 872,038</b>	<b>\$ 1,401,218</b>