

TOWN OF MORRIS

**Consolidated Financial Statements
For the Year Ended December 31, 2020**

TOWN OF MORRIS

Consolidated Financial Statements

For the Year Ended December 31, 2020

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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

June 24, 2021



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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, 2020, 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, 2020, 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

June 24, 2021

**TOWN OF MORRIS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020**

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and bank	\$ 2,922,254	\$ 2,370,717
Amounts receivable (Note 4)	859,106	1,024,057
Portfolio investments	84,145	83,666
Real estate properties held for sale	132,710	145,965
Other assets	<u>4,518</u>	<u>7,002</u>
	<u>4,002,733</u>	<u>3,631,407</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	710,380	876,939
Deferred revenue	315,434	76,478
Long-term debt (Note 6)	1,964,382	2,161,150
Obligation under capital lease (Note 7)	45,417	-
Other liabilities	<u>282</u>	<u>6,234</u>
	<u>3,035,895</u>	<u>3,120,801</u>
NET FINANCIAL ASSETS	<u>966,838</u>	<u>510,606</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	17,533,574	17,363,121
Inventories (Note 8)	64,103	53,916
Prepaid expenses	<u>50,968</u>	<u>53,419</u>
	<u>17,648,645</u>	<u>17,470,456</u>
ACCUMULATED SURPLUS (Note 10)	<u><u>\$ 18,615,483</u></u>	<u><u>\$ 17,981,062</u></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, 2020

	2020 Budget (Note 12)	2020 Actual	2019 Actual
REVENUE			
Property taxes	\$ 2,511,132	\$ 2,518,508	\$ 2,475,766
Grants in lieu of taxation	89,574	89,574	93,048
User fees	396,443	264,723	525,801
Grants - Province of Manitoba	432,889	624,560	442,123
Grants - Other	177,611	165,332	262,248
Permits, licences and fines	25,300	27,975	36,485
Investment income	5,850	12,917	34,053
Other revenue	161,999	232,472	1,265,740
Water and sewer	<u>1,082,027</u>	<u>1,065,635</u>	<u>1,055,306</u>
Total revenue (Schedules 2, 4 and 5)	<u>4,882,825</u>	<u>5,001,696</u>	<u>6,190,570</u>
EXPENSES			
General government services	754,397	705,810	710,550
Protective services	499,495	449,633	449,157
Transportation services	954,540	895,729	903,058
Environmental health services	114,070	132,201	101,957
Public health and welfare services	344,855	51,160	44,067
Regional planning and development	193,638	174,841	156,561
Resource conservation and industrial development	74,218	37,657	48,317
Recreation and cultural services	1,069,553	954,776	1,226,765
Water and sewer services	<u>1,125,815</u>	<u>965,468</u>	<u>971,748</u>
Total expenses (Schedules 3, 4 and 5)	<u>5,130,581</u>	<u>4,367,275</u>	<u>4,612,180</u>
ANNUAL SURPLUS	<u><u>\$ (247,756)</u></u>	634,421	1,578,390
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>17,981,062</u>	<u>16,402,672</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 10)		<u><u>\$ 18,615,483</u></u>	<u><u>\$ 17,981,062</u></u>

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2020

	<u>2020 Budget (Note 12)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
ANNUAL SURPLUS	<u>\$ (247,756)</u>	<u>\$ 634,421</u>	<u>\$ 1,578,390</u>
Acquisition of tangible capital assets	(149,156)	(1,218,518)	(2,463,698)
Amortization of tangible capital assets	775,168	775,168	726,228
Loss (gain) on sale of tangible capital assets	-	(2,345)	3,638
Proceeds on sale of tangible capital assets	-	275,242	1,900
Increase in inventories	-	(10,186)	(16,817)
Decrease (increase) in prepaid expenses	-	2,450	17,690
	<u>626,012</u>	<u>(178,189)</u>	<u>(1,731,059)</u>
CHANGE IN NET FINANCIAL ASSETS	<u><u>\$ 378,256</u></u>	456,232	(152,669)
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>510,606</u>	<u>663,275</u>
NET FINANCIAL ASSETS, END OF YEAR		<u><u>\$ 966,838</u></u>	<u><u>\$ 510,606</u></u>

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 634,421	\$ 1,578,390
Loss (gain) on sale of real estate properties for sale	736	9,620
Loss (gain) on sale of tangible capital assets	(2,345)	3,638
Donated assets	42,800	738,675
Amortization	775,168	726,228
	<u>1,450,780</u>	<u>3,056,551</u>
Changes in non-cash working capital items		
Amounts receivable	164,951	16,000
Other assets	2,484	(2,247)
Inventories	(10,186)	(16,817)
Prepaid expenses	2,450	17,690
Accounts payable and accrued liabilities	(166,559)	313,224
Deferred revenue	238,956	(15,307)
Other liabilities	(5,952)	(452)
	<u>1,676,924</u>	<u>3,368,642</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	275,242	1,900
Cash applied to acquire tangible capital assets	(1,261,318)	(3,202,373)
	<u>(986,076)</u>	<u>(3,200,473)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of real estate properties	13,000	20,000
Purchase of portfolio investments	(479)	(35,658)
Acquisition of real estate properties	(481)	(4,797)
	<u>12,040</u>	<u>(20,455)</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	618,878
Debt payments	(196,768)	(147,678)
Obligation under capital lease	60,556	-
Repayment of obligation under capital lease	(15,139)	-
	<u>(151,351)</u>	<u>471,200</u>
Cash provided by (applied to) financing transactions		
	<u>551,537</u>	<u>618,914</u>
NET INCREASE IN CASH AND BANK	551,537	618,914
CASH AND BANK, BEGINNING OF YEAR	<u>2,370,717</u>	<u>1,751,803</u>
CASH AND BANK, END OF YEAR	<u>\$ 2,922,254</u>	<u>\$ 2,370,717</u>

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

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. (2020 and 2019 - consolidated 5.9%)
Valley Regional Library (2020 and 2019 - consolidated 60%)
Valley Weed Control District (2020 and 2019 - consolidated 33.3%)
Morris District Handivan Service (2020 and 2019 - 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, 2020

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, 2020

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% (effective 1.950% at December 31, 2020) secured by a promissory note. The line of credit was unutilized at December 31, 2020.

The Pembina Valley Water Cooperative Inc. has an authorized line of credit of \$250,000. The line of credit is repayable on demand and bears interest at the bank's prime rate less 0.25% with effective rate of 2.45% at December 31, 2020. The line of credit is secured by a general security agreement over accounts receivable and all property owned by the Co-operative. At December 31, 2020, the Co-operative's line of credit was unutilized.

The Pembina Valley Water Cooperative Inc. also has an authorized revolving capital loan up to \$250,000 to fund ongoing capital repairs and improvements. The capital loan is repayable on demand and bears interest at the bank's prime rate with effective rate of 2.45% at December 31, 2020. The capital loan is secured by a general security agreement over accounts receivable and all property owned by the Co-operative. At December 31, 2020, the capital loan was unutilized.

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

4. Amounts Receivable

Amounts receivable are comprised of the following:

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 291,179	\$ 331,885
Utility customers	293,260	365,218
Organizations and individuals	189,910	252,364
Other governments	84,757	74,590
	<u>859,106</u>	<u>1,024,057</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 859,106</u>	<u>\$ 1,024,057</u>

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 505,308	\$ 678,578
Accrued liabilities	134,319	127,859
Accrued interest payable	991	2,107
School levies	69,762	68,395
	<u>\$ 710,380</u>	<u>\$ 876,939</u>

6. Long-term Debt

	<u>2020</u>	<u>2019</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.	\$ 310,566	\$ 356,180
Debenture - Interest at 2.70%, annual payments of \$75,000 principal plus interest payable monthly, due December 2021.	75,000	150,000
Loan - Interest at 0.05%, annual principal payments of \$2,666 plus interest, due February 2021.	5,332	37,325
Loan - Interest at 5.00%, monthly interest payments, principal reductions from the net sale proceeds of commercial land inventory, due December 2029.	550,000	550,000
	<u>940,898</u>	<u>1,093,505</u>
<u>Morris Multiplex Inc.</u>		
Loan - Repayable monthly at \$849 including principal and interest, interest is charged at 5.60%, due February 2022.	51,849	58,911

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

6. Long-term Debt (continued)

	<u>2020</u>	<u>2019</u>
<u>Pembina Valley Water Cooperative Inc.</u>		
Demand facility with 30 day Bankers' Acceptances reducing by \$6,099 principal and interest payable monthly, with monthly interest payments fixed through interest rate swaps at 3.56% including stamping fee of 0.81% until July 2023, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033.	741,404	787,305
Demand Facility with 30 day Bankers' Acceptances reducing by \$477 principal and interest installments per month, plus interest at the CIBC Bankers Acceptance floating rate (0.47% at December 31, 2020) plus 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.	73,389	79,108
Demand Facility with 30 day Bankers' Acceptances reducing by \$15,280 principal and interest installments per month, plus interest at the CIBC Bankers Acceptance floating rate (0.47% at December 31, 2020) plus 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.	156,842	-
Derivative Contract - Interest rate swap locked in a fixed interest rate through July 2023.	-	18,421
Revolving demand facility with interest only payable monthly 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% with effective rate of 3.70% at December 31, 2019. At December 31, 2019, the Cooperative had unutilized capacity under this facility of \$529,300. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.	-	123,900
	<u>1,023,484</u>	<u>1,067,645</u>
	<u>\$ 1,964,382</u>	<u>\$ 2,161,150</u>

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

2021	\$ 243,857
2022	114,454
2023	117,318
2024	120,262
2025	123,315
Thereafter	1,245,176

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, 2020

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 \$45,649 (2019 - \$49,913) 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>2020</u>	<u>2019</u>
General Operating Fund - Nominal surplus	\$ 671,837	\$ 669,631
Utility Operating Fund - Nominal surplus	72,237	65,810
Tangible capital assets, net of related borrowings	13,758,900	13,576,630
Reserve Funds	<u>2,244,339</u>	<u>2,045,611</u>
Accumulated surplus of Town, unconsolidated	16,747,313	16,357,682
Accumulated surplus of consolidated entities	<u>1,868,170</u>	<u>1,623,380</u>
Accumulated surplus per consolidated statement of financial position	<u>\$ 18,615,483</u>	<u>\$ 17,981,062</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, 2020

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>2020</u>	<u>2019</u>
Financial Position		
Total assets	<u>\$ 40,167,818</u>	<u>\$ 40,141,270</u>
Total liabilities	<u>\$ 17,224,288</u>	<u>\$ 18,979,302</u>
Accumulated surplus	<u>22,943,530</u>	<u>21,161,968</u>
	<u>\$ 40,167,818</u>	<u>\$ 40,141,270</u>
Results of Operations		
Revenue	<u>\$ 7,795,394</u>	<u>\$ 7,218,884</u>
Expenses	<u>6,013,832</u>	<u>6,142,489</u>
Annual surplus	<u>\$ 1,781,562</u>	<u>\$ 1,076,395</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, 2020

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	\$ 79,783	\$ 477	\$ 80,260
Library Trust	15,145	266	15,411
	<u>\$ 94,928</u>	<u>\$ 743</u>	<u>\$ 95,671</u>

TOWN OF MORRIS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

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, 2020:

- a) Compensation paid to members of council amounted to \$79,517 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	\$ 10,826	\$ 25	\$ 10,851
S. Crick, Mayor	13,024	165	13,189
C. Hamblin, Deputy Mayor	13,533	1,127	14,660
M. Johnston, Councillor	9,987	25	10,012
T. Lewis, Councillor	10,911	25	10,936
R. Murray, Councillor	10,809	720	11,529
T. Thiessen, Councillor	8,340	-	8,340
	<u>\$ 77,430</u>	<u>\$ 2,087</u>	<u>\$ 79,517</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	\$ 100,814
Janke, C.	Assistant Chief Administrative Officer	\$ 78,658

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, 2020

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	2020	2019
Cost										
Opening costs	\$ 1,845,512	\$ 7,482,836	\$ 2,825,432	\$ 103,756	\$ 37,448	\$ 8,638,918	\$ 10,227,697	\$ 264,371	\$ 31,425,970	\$ 29,017,655
Additions during the year	74,525	81,476	189,441	18,259	351,845	10,368	434,864	57,740	1,218,518	2,463,698
Disposals and write downs	-	(2,279)	(42,204)	(2,775)	-	-	(30,157)	(251,621)	(329,036)	(55,383)
Closing costs	1,920,037	7,562,033	2,972,669	119,240	389,293	8,649,286	10,632,404	70,490	32,315,452	31,425,970
Accumulated Amortization										
Opening accum'd amortization	549,152	2,448,309	1,485,121	67,697	-	4,226,209	5,286,361	-	14,062,849	13,386,466
Amortization	22,250	191,266	158,899	8,835	-	191,119	202,799	-	775,168	726,228
Disposals and write downs	-	(993)	(30,606)	(2,771)	-	-	(21,769)	-	(56,139)	(49,845)
Closing accum'd amortization	571,402	2,638,582	1,613,414	73,761	-	4,417,328	5,467,391	-	14,781,878	14,062,849
Net Book Value of Tangible Capital Assets	\$ 1,348,635	\$ 4,923,451	\$ 1,359,255	\$ 45,479	\$ 389,293	\$ 4,231,958	\$ 5,165,013	\$ 70,490	\$ 17,533,574	\$ 17,363,121

TOWN OF MORRIS
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2020

SCHEDULE 2

	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Property taxes		
Municipal taxes levied (Schedule 12)	\$ 2,451,736	\$ 2,454,799
Taxes added	66,772	20,967
	<u>2,518,508</u>	<u>2,475,766</u>
Grants in lieu of taxation		
Federal government	943	921
Federal government enterprises	26,023	27,686
Provincial government	60,381	61,917
Provincial government enterprises	2,227	2,524
	<u>89,574</u>	<u>93,048</u>
User fees		
Sales of service	75,631	207,809
Rentals	17,143	17,143
Facility use fees	171,949	300,849
	<u>264,723</u>	<u>525,801</u>
Grants - Province of Manitoba		
General assistance payment	463,714	351,162
Conditional grants	160,846	90,961
	<u>624,560</u>	<u>442,123</u>
Grants - other		
Federal government - gas tax funding	101,444	202,199
Federal government - other	5,190	1,350
Other local governments	58,698	58,699
	<u>165,332</u>	<u>262,248</u>
Permits, licences and fines		
Permits	19,999	25,204
Licences	409	305
Fines	7,567	10,976
	<u>27,975</u>	<u>36,485</u>
Investment income		
Cash and temporary investments	12,917	34,053
Other revenue		
(Loss) gain on sale of tangible capital assets	2,441	(3,638)
(Loss) gain on sale of real estate held for sale	(736)	(9,620)
Penalties and interest	44,409	39,163
Donated assets	42,800	738,675
Other	143,558	501,160
	<u>232,472</u>	<u>1,265,740</u>
Water and sewer	<u>1,065,635</u>	<u>1,055,306</u>
Total revenue	<u>\$ 5,001,696</u>	<u>\$ 6,190,570</u>

TOWN OF MORRIS
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	2020 Actual	2019 Actual
General government services		
Legislative	\$ 97,553	\$ 104,321
General administrative	455,241	451,956
Other	153,016	154,273
	<u>705,810</u>	<u>710,550</u>
Protective services		
Police	204,519	204,519
Fire	117,424	123,279
Emergency measures	23,876	20,963
Other protection	103,814	100,396
	<u>449,633</u>	<u>449,157</u>
Transportation services		
Road transport		
Administration and engineering	507,505	508,556
Road and street maintenance	6,677	13,380
Sidewalk and boulevard maintenance	2,791	4,018
Street lighting	46,665	44,315
Other	270,507	270,805
Public transit	61,584	61,984
	<u>895,729</u>	<u>903,058</u>
Environmental health services		
Waste collection and disposal	132,201	101,957
Public health and welfare services		
Public health	40,064	32,971
Social assistance	11,096	11,096
	<u>51,160</u>	<u>44,067</u>
Regional planning and development		
Urban renewal	170,228	151,948
Other	4,613	4,613
	<u>174,841</u>	<u>156,561</u>
Resource conservation and industrial development		
Rural area weed control	26,713	34,542
Other	10,944	13,775
	<u>37,657</u>	<u>48,317</u>
Recreation and cultural services		
Administration	44,282	69,898
Community centers and halls	621,738	799,455
Swimming pools and beaches	95,213	161,661
Parks and playgrounds	1,619	3,016
Other recreational facilities	1,184	1,085
Other cultural facilities	190,740	191,650
	<u>954,776</u>	<u>1,226,765</u>
Water and sewer services	<u>965,468</u>	<u>971,748</u>
Total expenses	<u><u>\$ 4,367,275</u></u>	<u><u>\$ 4,612,180</u></u>

TOWN OF MORRIS
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2020

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ 2,518,508	\$ 2,475,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	89,574	93,048	-	-	-	-	-	-	-	-
User fees	4,710	4,560	17,143	17,143	24,654	37,435	-	-	-	-
Prov of MB - Unconditional Grants	463,714	351,162	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	28,339	4,164	-	-	-	-	64,678	59,362	-	-
Grants - other	130,325	231,656	-	-	-	-	-	-	-	-
Permits, licences and fines	27,975	36,485	-	-	-	-	-	-	-	-
Investment income	6,300	17,239	213	363	1,235	5,199	-	-	2,944	7,048
Other revenue	97,275	772,410	-	-	30,674	39,143	-	-	-	-
Recovery of bad debts	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	3,366,720	3,986,490	17,356	17,506	56,563	81,777	64,678	59,362	2,944	7,048
EXPENSES										
Personnel services	345,442	349,953	39,524	35,185	263,149	275,760	-	-	34,757	32,611
Contract services	201,274	207,800	279,203	283,855	123,659	140,012	132,201	101,957	12,085	11,096
Utilities	5,975	6,990	27,455	26,906	60,413	59,009	-	-	-	-
Maintenance materials and supplies	-	-	45,726	45,357	148,595	151,182	-	-	4,183	225
Grants and contributions	109,714	108,541	-	-	-	-	-	-	-	-
Amortization	8,908	5,307	57,725	57,854	268,411	246,778	-	-	135	135
Interest on long-term debt	22,241	15,822	-	-	-	-	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	12,256	16,137	-	-	31,502	30,317	-	-	-	-
Total expenses	705,810	710,550	449,633	449,157	895,729	903,058	132,201	101,957	51,160	44,067
Surplus (Deficit)	\$ 2,660,910	\$ 3,275,940	\$ (432,277)	\$ (431,651)	\$ (839,166)	\$ (821,281)	\$ (67,523)	\$ (42,595)	\$ (48,216)	\$ (37,019)

* 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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,518,508	\$ 2,475,766
Grants in lieu of taxation	-	-	-	-	-	-	-	-	89,574	93,048
User fees	-	-	32,304	31,372	185,912	435,291	-	-	264,723	525,801
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	463,714	351,162
Prov of MB - Conditional Grants	-	-	-	-	67,829	27,435	-	-	160,846	90,961
Grants - other	-	-	-	-	35,007	30,592	-	-	165,332	262,248
Permits, licences and fines	-	-	-	-	-	-	-	-	27,975	36,485
Investment income	-	-	388	792	1,837	3,412	-	-	12,917	34,053
Other revenue	-	-	-	-	75,719	18,121	28,804	436,066	232,472	1,265,740
Recovery of bad debts	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	1,065,635	1,055,306	1,065,635	1,055,306
Total revenue	-	-	32,692	32,164	366,304	514,851	1,094,439	1,491,372	5,001,696	6,190,570
EXPENSES										
Personnel services	-	-	9,673	13,625	217,755	280,443	162,100	151,417	1,072,400	1,138,994
Contract services	142,335	121,480	1,200	1,200	268,443	370,858	77,571	110,831	1,237,971	1,349,089
Utilities	125	140	2,003	1,927	28,200	43,501	48,177	48,146	172,348	186,619
Maintenance materials and supplies	19,323	21,913	10,447	14,431	(36,707)	89,027	440,173	432,402	631,740	754,537
Grants and contributions	8,415	8,415	-	-	255,409	222,969	1,374	1,608	374,912	341,533
Amortization	4,613	4,613	8,132	8,132	220,795	218,941	205,527	194,388	774,246	736,148
Interest on long-term debt	-	-	-	-	-	-	30,360	31,033	52,601	46,855
Other	30	-	6,202	9,002	881	1,026	186	1,923	51,057	58,405
Total expenses	174,841	156,561	37,657	48,317	954,776	1,226,765	965,468	971,748	4,367,275	4,612,180
Surplus (Deficit)	\$ (174,841)	\$ (156,561)	\$ (4,965)	\$ (16,153)	\$ (588,472)	\$ (711,914)	\$ 128,971	\$ 519,624	\$ 634,421	\$ 1,578,390

TOWN OF MORRIS

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2020

	Core Government		Controlled Entities		Government Partnerships		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
Property taxes	\$ 2,518,508	\$ 2,475,766	\$ -	\$ -	\$ -	\$ -	\$ 2,518,508	\$ 2,475,766
Grants in lieu of taxation	89,574	93,048	-	-	-	-	89,574	93,048
User fees	64,205	137,681	154,460	331,213	46,058	56,907	264,723	525,801
Prov of MB - Unconditional Grants	463,714	351,162	-	-	-	-	463,714	351,162
Prov of MB - Conditional Grants	98,517	68,724	-	-	62,329	22,237	160,846	90,961
Grants - other	154,161	250,902	-	-	11,171	11,346	165,332	262,248
Permits, licences and fines	27,975	36,485	-	-	-	-	27,975	36,485
Investment income	10,067	28,908	187	471	2,663	4,674	12,917	34,053
Other revenue	97,275	1,206,235	67,422	8,877	67,775	50,628	232,472	1,265,740
Recovery of bad debts	-	-	-	-	-	-	-	-
Water and sewer	672,708	672,834	-	-	392,927	382,472	1,065,635	1,055,306
Total revenue	4,196,704	5,321,745	222,069	340,561	582,923	528,264	5,001,696	6,190,570
EXPENSES								
Personnel services	\$ 939,941	\$ 1,011,783	\$ -	\$ -	\$ 132,459	\$ 127,213	1,072,400	1,138,996
Contract services	969,458	1,082,016	224,511	215,515	44,002	52,746	1,237,971	1,350,277
Utilities	137,970	151,761	1,239	1,187	33,139	32,484	172,348	185,432
Maintenance materials and supplies	246,133	622,266	336,585	69,571	49,022	62,700	631,740	754,537
Grants and contributions	373,538	339,925	5,927	-	(4,553)	7,535	374,912	347,460
Amortization	632,568	605,780	30,055	33,218	111,623	91,223	774,246	730,221
Interest on long-term debt	22,241	15,822	-	-	30,360	31,033	52,601	46,855
Bad debt	-	-	-	-	-	9,003	-	9,003
Other	12,513	16,129	3,698	5,329	34,846	27,941	51,057	49,399
Total expenses	3,334,362	3,845,482	602,015	324,820	430,898	441,878	4,367,275	4,612,180
Surplus	\$ 862,342	\$ 1,476,263	\$ (379,946)	\$ 15,741	\$ 152,025	\$ 86,386	\$ 634,421	\$ 1,578,390

TOWN OF MORRIS
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2020

SCHEDULE 6

										2020	2019
	General	Machinery Replacement	Fire Reserve	Land Development	Pool	Arena	Hospital	Gas Tax	Utility	Total	Total
REVENUE											
Interest earned	\$ 3,514	\$ 454	\$ 213	\$ 4	\$ 7	\$ 2	\$ 1,503	\$ 147	\$ 1,441	\$ 7,284	\$ 20,954
EXPENSES	-	-	-	-	-	-	-	-	-	-	-
NET REVENUE	3,514	454	213	4	7	2	1,503	147	1,441	7,284	20,954
TRANSFERS											
Transfers from (to) operating fund	75,000	25,000	(10,000)	-	-	-	-	101,444	-	191,444	171,375
Transfers from utility fund	-	-	-	-	-	-	-	-	-	-	131,554
CHANGE IN RESERVE FUND BALANCES	78,514	25,454	(9,787)	4	7	2	1,503	101,591	1,441	198,728	323,883
FUND SURPLUS, BEGINNING OF YEAR	1,003,166	85,175	40,886	788	1,273	291	288,601	197,643	427,788	2,045,611	1,721,728
FUND SURPLUS, END OF YEAR	\$ 1,081,680	\$ 110,629	\$ 31,099	\$ 792	\$ 1,280	\$ 293	\$ 290,104	\$ 299,234	\$ 429,229	\$ 2,244,339	\$ 2,045,611

TOWN OF MORRIS
SCHEDULE OF L.U.D. OPERATIONS
For the Year Ended December 31, 2020

SCHEDULE 7

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MORRIS
SCHEDULE OF FINANCIAL POSITION FOR UTILITY
For the Year Ended December 31, 2020

SCHEDULE 8

	<u>2020</u>	<u>2019</u>
	Total	Total
FINANCIAL ASSETS		
Amounts receivable	\$ 293,260	\$ 365,218
Due from other funds	<u>-</u>	<u>(164,613)</u>
	293,260	200,605
LIABILITIES		
Due to other funds	<u>221,023</u>	<u>134,795</u>
	221,023	134,795
NET ASSET	72,237	65,810
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>3,060,280</u>	<u>3,041,688</u>
	3,060,280	3,041,688
FUND SURPLUS	<u><u>\$ 3,132,517</u></u>	<u><u>\$ 3,107,498</u></u>

SCHEDULE OF UTILITY OPERATIONS - Town of Morris Utility
For the Year Ended December 31, 2020

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
REVENUE			
Water			
Water fees	<u>\$ 663,100</u>	<u>\$ 649,785</u>	<u>\$ 644,873</u>
Other			
Hydrant rentals	6,000	6,000	6,000
Penalties	20,000	17,020	21,961
Donated land	-	-	433,825
Loss on sale of tangible capital assets	-	(97)	-
	<u>26,000</u>	<u>22,923</u>	<u>461,786</u>
Total revenue	<u>\$ 689,100</u>	<u>\$ 672,708</u>	<u>\$ 1,106,659</u>

SCHEDULE OF UTILITY OPERATIONS (cont'd) - Town of Morris Utility
For the Year Ended December 31, 2020

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
EXPENSES			
General			
Administration	<u>\$ 160,720</u>	<u>\$ 109,949</u>	<u>\$ 87,530</u>
Water General			
Purification and treatment	500	1,462	348
Water purchases	375,000	350,751	351,974
Transmission and distribution	109,630	30,573	60,155
Connection costs	5,000	-	6,606
	<u>490,130</u>	<u>382,786</u>	<u>419,083</u>
Water - Amortization and Interest			
Amortization	<u>118,937</u>	<u>118,937</u>	<u>113,082</u>
Sewer General			
Collection system costs	13,500	15,649	12,382
Lift station costs	24,750	20,368	15,679
	<u>38,250</u>	<u>36,017</u>	<u>28,061</u>
Total expenses	<u>808,037</u>	<u>647,689</u>	<u>647,756</u>
NET OPERATING SURPLUS (DEFICIT)	<u>(118,937)</u>	<u>25,019</u>	<u>458,903</u>
TRANSFERS			
Transfers from reserve funds	-	-	(131,554)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (118,937)</u>	<u>25,019</u>	<u>327,349</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>3,107,498</u>	<u>2,780,149</u>
FUND SURPLUS, END OF YEAR		<u>\$ 3,132,517</u>	<u>\$ 3,107,498</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
REVENUE							
Property taxes	\$ 2,509,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,509,736
Grants in lieu of taxation	90,970	-	-	-	-	-	90,970
User fees	195,925	-	-	-	-	200,518	396,443
Grants - Province of Manitoba	370,560	-	-	-	-	62,329	432,889
Grants - other	166,440	-	-	-	-	11,171	177,611
Permits, licences and fines	25,300	-	-	-	-	-	25,300
Investment income	3,000	-	-	-	-	2,850	5,850
Other revenue	26,802	-	-	-	-	135,197	161,999
Water and sewer	-	689,100	-	-	-	392,927	1,082,027
Transfers from accumulated surplus	-	-	-	-	-	-	-
Prior years' levies unexpended	-	-	-	-	-	-	-
Transfers from reserves	298,600	-	-	-	(298,600)	-	-
Total revenue	<u>3,687,333</u>	<u>689,100</u>	<u>-</u>	<u>-</u>	<u>(298,600)</u>	<u>804,992</u>	<u>4,882,825</u>
EXPENSES							
General government services	702,281	-	8,908	39,216	3,992	-	754,397
Protective services	441,770	-	57,725	-	-	-	499,495
Transportation services	643,650	-	249,305	-	-	61,585	954,540
Environmental health services	114,070	-	-	-	-	-	114,070
Public health and welfare services	344,720	-	135	-	-	-	344,855
Regional planning and development	189,025	-	4,613	-	-	-	193,638
Resource cons and industrial dev	45,300	-	2,205	-	-	26,713	74,218
Recreation and cultural services	724,687	-	190,740	-	-	154,126	1,069,553
Water and sewer services	-	689,100	118,937	-	-	317,778	1,125,815
Fiscal services	-	-	-	-	-	-	-
Transfer to capital	149,156	-	-	-	(149,156)	-	-
Transfer to utility	-	-	-	-	-	-	-
Debt charges	160,738	-	-	(160,738)	-	-	-
Short-term interest	16,500	-	-	(16,500)	-	-	-
Transfer to reserves	151,444	-	-	-	(151,444)	-	-
Transfer to utility	-	-	-	-	-	-	-
Allowance for tax assets	3,992	-	-	-	(3,992)	-	-
Total expenses	<u>3,687,333</u>	<u>689,100</u>	<u>632,568</u>	<u>(138,022)</u>	<u>(300,600)</u>	<u>560,202</u>	<u>5,130,581</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (632,568)</u>	<u>\$ 138,022</u>	<u>\$ 2,000</u>	<u>\$ 244,790</u>	<u>\$ (247,756)</u>

**TOWN OF MORRIS
ANALYSIS OF TAXES ON ROLL
For the Year Ended December 31, 2020**

SCHEDULE 11

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 331,885	\$ 242,490
Add:		
Tax levy (Schedule 12)	3,760,636	3,772,642
Taxes added	66,772	20,967
Penalties or interest	44,409	39,163
Other accounts added	-	-
Tax Adjustments (specify)	-	-
	<u>3,871,817</u>	<u>3,832,772</u>
Deduct:		
Cash collections - current	3,539,574	3,362,898
Cash collections - arrears	-	-
Transfers Re Tax Sale	-	-
Writeoffs	-	-
Title value of land sales	-	-
Title value of tax titles acquired	-	-
Tax discounts	12,255	16,138
M.P.T.C. - cash advance	360,694	364,341
Other credits - M.P.T.C. adjustment	-	-
	<u>3,912,523</u>	<u>3,743,377</u>
Balance, end of year	\$ 291,179	\$ 331,885

TOWN OF MORRIS
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2020

SCHEDULE 12

	<u>2020</u>			<u>2019</u>
	<u>Assessment</u>	<u>Mill Rate</u>	<u>Levy</u>	<u>Levy</u>
Debt charges:				
By-Law 09/11 LDS	85,110,810	0.930%	79,153	81,164
ARENA	85,110,810	0.610%	51,918	51,722
By-Law 06/19 Land	85,110,810	0.610%	24,682	-
sub-total - Debt charges			<u>155,753</u>	<u>132,886</u>
Reserves:				
General	85,110,810	0.290%	24,682	19,097
Replacement	85,110,810	0.290%	24,682	19,097
Fire	85,110,810	0.290%	-	23,872
Hospital	85,110,810	0.000%	-	16,710
sub-total - Reserves			<u>49,364</u>	<u>78,776</u>
Special levies				
03/17	97,198,310	3.710%	360,606	348,312
02/17	51,490,260	0.000%	138,688	129,120
			<u>499,294</u>	<u>477,432</u>
General municipal:				
At large	85,110,810	20.530%	<u>1,747,325</u>	<u>1,765,705</u>
Total municipal taxes (Schedule 2)			<u>2,451,736</u>	<u>2,454,799</u>
Education support levy	-	0.000%	264,190	265,737
Special levy:				
Education support levy	-	0.000%	<u>1,044,710</u>	<u>1,052,106</u>
Total education taxes			<u>1,308,900</u>	<u>1,317,843</u>
Total tax levy (Schedule 11)			<u><u>\$ 3,760,636</u></u>	<u><u>\$ 3,772,642</u></u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2020

	<u>2020 Actual</u>	<u>2019 Actual</u>
General government services		
Legislative	\$ 97,553	\$ 104,321
General administrative	455,241	451,956
Other	<u>153,016</u>	<u>154,273</u>
	<u>705,810</u>	<u>710,550</u>
Protective services		
Police	204,519	204,519
Fire	117,424	123,279
Emergency measures	23,876	20,963
Other protection	<u>103,814</u>	<u>100,396</u>
	<u>449,633</u>	<u>449,157</u>
Transportation services		
Road transport		
Administration and engineering	507,505	508,556
Road and street maintenance	6,677	13,380
Sidewalk and boulevard maintenance	2,791	4,018
Street lighting	46,665	44,315
Other	<u>270,507</u>	<u>270,805</u>
	<u>834,145</u>	<u>841,074</u>
Environmental health services		
Waste collection and disposal	<u>132,201</u>	<u>101,957</u>
Public health and welfare services		
Public health	40,064	32,971
Social assistance	<u>11,096</u>	<u>11,096</u>
	<u>51,160</u>	<u>44,067</u>
Regional planning and development		
Urban renewal	170,228	151,948
Other	<u>4,613</u>	<u>4,613</u>
	<u>174,841</u>	<u>156,561</u>
Resource conservation and industrial development		
Other	<u>10,944</u>	<u>13,775</u>
Recreation and cultural services		
Administration	44,282	69,898
Community centers and halls	467,612	453,278
Swimming pools and beaches	95,213	161,661
Parks and playgrounds	1,619	3,016
Other recreational facilities	1,184	1,085
Other cultural facilities	<u>190,740</u>	<u>191,650</u>
	<u>800,650</u>	<u>880,588</u>
Total expenses	<u><u>\$ 3,159,384</u></u>	<u><u>\$ 3,197,729</u></u>

TOWN OF MORRIS
RECONCILIATION OF ANNUAL SURPLUS
December 31, 2020

SCHEDULE 14
(Unaudited)

	General	2020 Utility	Total	2019 Total
MUNICIPAL SURPLUS UNDER THE MUNICIPAL ACT	\$ 2,206	\$ 6,427	\$ 8,633	\$ -
Adjustments for reporting under Public Sector Accounting Standards				
Eliminate expense - Transfers to reserves	201,444	-	201,444	480,775
Eliminate revenue - Transfers from reserves	(10,000)	-	(10,000)	(177,846)
Increase revenue - Reserve funds interest	7,284	-	7,284	20,954
Increase revenue - Net surplus of consolidated entities	244,790	-	244,790	102,127
Decrease revenue - proceeds exceeding gain on disposal of capital assets	(9,559)	(96)	(9,655)	(5,538)
Increase expense - amortization of tangible capital assets	(513,631)	(118,937)	(632,568)	(605,780)
Eliminate expense - acquisitions of tangible capital assets	579,678	137,625	717,303	2,166,020
Decrease expense - principal portion of debenture debt	152,607	-	152,607	147,678
Decrease expense - payments on obligations under capital lease	(60,556)	-	(60,556)	-
Increase revenue - proceeds on obligations under capital lease	15,139	-	15,139	-
Increase revenue - proceeds on debenture debt issued	-	-	-	(550,000)
ANNUAL SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 609,402	\$ 25,019	\$ 634,421	\$ 1,578,390