

# **RURAL MUNICIPALITY OF MORRIS**

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

# **RURAL MUNICIPALITY 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 Rural Municipality of Morris and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Council of the Municipality met with management 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 Municipality's appointed external auditor, have audited the consolidated financial statements. The independent auditor's report is addressed to the Reeve 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 its consolidated financial position, consolidated results of operations and consolidated cash flows of the Municipality in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board.



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Larry Driedger, Chief Administrative Officer

June 23, 2021



Tel: 204 956 7200  
Fax: 204 926 7201  
Toll-free: 800 268 3337  
www.bdo.ca

BDO Canada LLP  
201 Portage Avenue - 26th Floor  
Winnipeg MB R3B 3K6 Canada

## INDEPENDENT AUDITOR'S REPORT

To the Reeve and members of Council of the Rural Municipality of Morris

### Qualified Opinion

We have audited the consolidated financial statements of the Rural Municipality of Morris (the Municipality), 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Rural Municipality of Morris as at December 31, 2020 and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The Municipality operates two landfill sites. Under Canadian public sector accounting standards, the Municipality is required to recognize an expense and a liability for closure and post-closure costs of the two landfill sites over its period of use. The Municipality has not recorded an expense and a liability for landfill closure and post closure costs at December 31, 2020 and December 31, 2019. An engineering report has not been prepared in contemplation of determining closure and post-closure costs in accordance with Canadian public sector accounting standards. We were unable to determine the effects on the statement of financial position, results of operations, and accumulated surplus as at December 31, 2020 and 2019 and January 1, 2019 as it is impractical to do and the effects could be material. Our audit opinion on the financial statements for the year ended December 31, 2020 is modified accordingly.

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 Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality'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 Municipality'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 Municipality'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 Municipality 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 Municipality 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.

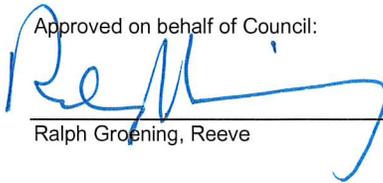
*BDO Canada LLP*

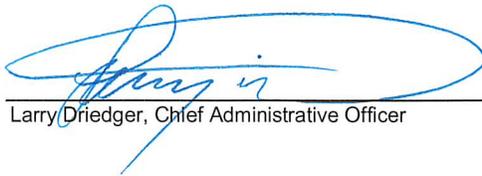
Chartered Professional Accountants

Winnipeg, Manitoba  
June 23, 2021

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

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 4,364,517	\$ 4,079,670
Amounts receivable (Note 4)	729,983	758,939
Portfolio investments (Note 5)	107,587	105,777
Real estate properties held for sale	1,304,202	1,198,883
Other assets	<u>12,987</u>	<u>14,547</u>
	<u>6,519,276</u>	<u>6,157,816</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	446,070	601,482
Deferred revenue	77,252	31,541
Long-term debt (Note 8)	3,397,217	3,480,410
Other liabilities	<u>-</u>	<u>17,360</u>
	<u>3,920,539</u>	<u>4,130,793</u>
<b>NET FINANCIAL ASSETS</b>	<u>2,598,737</u>	<u>2,027,023</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	32,928,199	32,896,321
Inventories (Note 9)	62,197	64,728
Prepaid expenses	<u>45,623</u>	<u>42,838</u>
	<u>33,036,019</u>	<u>33,003,887</u>
<b>ACCUMULATED SURPLUS (Note 18)</b>	<u>\$ 35,634,756</u>	<u>\$ 35,030,910</u>

Approved on behalf of Council:  
  
\_\_\_\_\_  
Ralph Groening, Reeve

  
\_\_\_\_\_  
Larry Driedger, Chief Administrative Officer

**RURAL MUNICIPALITY OF MORRIS**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2020**

	<u>2020 Budget (Note 14)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 4,223,013	\$ 4,215,921	\$ 4,235,594
Grants in lieu of taxation	14,915	14,915	16,042
User fees	352,873	383,438	400,734
Grants - Province of Manitoba	238,499	420,922	238,499
Grants - other	233,788	185,788	351,550
Permits, licences and fines	22,500	32,518	26,956
Investment income	58,531	85,592	150,380
Other revenue	183,383	268,284	264,714
Water and sewer	<u>1,676,211</u>	<u>1,669,607</u>	<u>1,467,077</u>
Total revenue (Schedules 2, 4 and 5)	<u>7,003,713</u>	<u>7,276,985</u>	<u>7,151,546</u>
<b>EXPENSES</b>			
General government services	912,913	872,906	821,644
Protective services	562,979	424,615	522,733
Transportation services	2,552,529	2,643,176	2,635,150
Environmental health services	205,855	305,880	260,302
Public health and welfare services	3,700	5,480	2,785
Regional planning and development	5,424	100,669	18,217
Resource conservation and industrial development	66,000	75,508	46,645
Recreation and cultural services	348,625	368,437	458,544
Water and sewer services	<u>2,117,022</u>	<u>1,876,468</u>	<u>1,569,506</u>
Total expenses (Schedules 3, 4 and 5)	<u>6,775,047</u>	<u>6,673,139</u>	<u>6,335,526</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 228,666</u>	603,846	816,020
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>35,030,910</u>	<u>34,214,890</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 18)</b>		<u>\$ 35,634,756</u>	<u>\$ 35,030,910</u>

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

	<u>2020 Budget (Note 14)</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 228,666</b>	<b>\$ 603,846</b>	<b>\$ 816,020</b>
Acquisition of tangible capital assets	(1,348,415)	(1,348,415)	(701,026)
Amortization of tangible capital assets	1,065,061	1,065,061	990,327
Loss (gain) on sale of tangible capital assets	-	4,500	(17,447)
Proceeds on sale of tangible capital assets	-	246,976	12,588
Decrease (increase) in inventories	-	2,531	(19,326)
Increase in prepaid expenses	-	(2,785)	(7,656)
	<u>(283,354)</u>	<u>(32,132)</u>	<u>257,460</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ (54,689)</b>	<b>571,714</b>	<b>1,073,480</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u>2,027,023</u>	<u>953,543</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<u><b>\$ 2,598,737</b></u>	<u><b>\$ 2,027,023</b></u>

**RURAL MUNICIPALITY OF MORRIS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 603,846	\$ 816,020
Loss (gain) on sale of real estate properties for sale	4,756	(120,127)
Loss (gain) on sale of tangible capital assets	4,500	(1,667)
Amortization	1,065,061	990,327
	<u>1,678,163</u>	<u>1,684,553</u>
Changes in non-cash working capital items		
Amounts receivable	28,956	148,743
Other assets	1,560	(4,803)
Inventories	2,531	(19,326)
Prepaid expenses	(2,785)	(7,656)
Accounts payable and accrued liabilities	(155,412)	(252,699)
Deferred revenue	45,711	(8,078)
Other liabilities	(17,360)	1,577
	<u>1,581,364</u>	<u>1,542,311</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	246,976	12,588
Cash used to acquire tangible capital assets	(1,348,415)	(701,026)
	<u>(1,101,439)</u>	<u>(688,438)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	23,492	247,100
Purchase of portfolio investments	(1,810)	(73,772)
Acquisition of real estate properties	(133,567)	(889,911)
	<u>(111,885)</u>	<u>(716,583)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	116,760	920,416
Debt repayment	(199,953)	(312,147)
	<u>(83,193)</u>	<u>608,269</u>
<b>NET INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>284,847</b>	<b>745,559</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b><u>4,079,670</u></b>	<b><u>3,334,111</u></b>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<b><u>\$ 4,364,517</u></b>	<b><u>\$ 4,079,670</u></b>

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

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**1. Status of the Rural Municipality of Morris**

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

**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, accumulated surplus, revenue 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 Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Municipality. Interfund and intercompany balances and transactions have been eliminated. Controlled entities include:

Aubigny Recreation Committee  
Lowe Farm Recreation Commission  
Red River Valley Community Development Corporation  
Rosenort Community Centre District  
Sperling Recreation Commission

The Municipality has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following entities are accounted on a proportionate consolidation basis whereby the Municipality's pro-rata share of each of the assets, liabilities, accumulated surplus, revenue and expenses are combined on a line by line basis in the consolidated financial statements of the Municipality. Intercompany balances and transactions have been eliminated. The government partnerships include:

Morris District Handivan Service - Consolidated 50%  
Pembina Valley Water Cooperative Inc. - Consolidated 5.56%  
Valley Regional Library - Consolidated 40%

The taxation with respect to the operations of the school divisions are not reflected in the Municipality revenue and accumulated 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.

**b) Basis of Accounting**

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

**c) Cash and Temporary Investments**

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

**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.

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

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**2. Significant Accounting Policies (continued)**

**f) Landfill Closure and Post-closure Liabilities**

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

**g) Non-financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the change in net financial assets for the year.

Real estate properties held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

**h) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality 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	25 to 40 years
Leasehold Improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer Hardware and Software	4 years

Infrastructure Assets

Roads, Streets and Bridges	
Land	Indefinite
Road surface	20 to 30 years
Bridges	25 to 50 years
Road grade	40 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

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

**i) Inventories**

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

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

**2. Significant Accounting Policies (continued)**

**j) 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 when services are rendered or when consumption occurs. Permits and licenses are recognized as revenue when issued. Fines are recognized as revenue when assessed. Investment revenue is recognized in the period earned.

**k) Measurement Uncertainty**

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

**l) Employee Future Benefits**

The Municipality pays the employer portion of a multi-employer defined benefit pension plan administered by the Municipal Employees' Pension Plan (MEPP) for its employees. Under this plan, specific fixed amounts are contributed by the Municipality 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. Cash and Temporary Investments**

Cash and temporary investments is comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 3,410,127	\$ 3,112,074
Temporary Investments	<u>954,390</u>	<u>967,596</u>
	<u>\$ 4,364,517</u>	<u>\$ 4,079,670</u>

Temporary investments are comprised mainly of funds held in interest-bearing savings accounts.

**4. Amounts Receivable**

Amounts receivable are comprised of the following:

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 27,811	\$ 192,467
Government grants	263	117,311
Utility customers	272,338	258,611
Organizations and individuals	<u>429,571</u>	<u>190,550</u>
	<u>729,983</u>	<u>758,939</u>
Less allowances for doubtful amounts	-	-
	<u>\$ 729,983</u>	<u>\$ 758,939</u>

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

**5. Portfolio Investments**

Portfolio investments consists of Guaranteed Investment Certificates maturing between July 2021 and December 2024, and bearing interests from 0.90% to 3.50%.

**6. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are comprised of the following:

	<u>2020</u>	<u>2019</u>
Accounts payable	\$ 320,590	\$ 434,931
Accrued liabilities	-	2,072
School levies	95,133	132,430
Other governments	30,347	32,049
	<u>\$ 446,070</u>	<u>\$ 601,482</u>

**7. Landfill Closure and Post-closure Liabilities**

The Municipality is currently operating a Class 2 landfill site as Rosenort Waste Disposal Ground and a Class 3 landfill site as Lowe Farm Waste Disposal Ground. Legislation requires closure and post-closure care of solid waste landfill sites. Closure costs include final covering and landscaping of the landfill and implementation of drainage and gas management plans. Post-closure care requirements include cap maintenance, groundwater monitoring, gas management systems operations, inspections and annual reports. An engineering report has not been prepared in contemplation of determining closure and post-closure costs liabilities in accordance with Canadian public sector accounting standards. As a result, we were unable to verify by alternate means whether the landfill closure and post-closure costs liabilities are fairly stated, our opinion has been qualified for this matter.

**8. Long-term Debt**

	<u>2020</u>	<u>2019</u>
<u>General Authority</u>		
Debenture, interest at 6.250%, payable at \$5,679 annually including interest, maturing December 31, 2023.	\$ 15,112	\$ 19,569
Debenture, interest at 5.500%, payable at \$29,529 annually including interest, maturing December 31, 2024.	103,504	126,098
Debenture, interest at 5.625%, payable at \$1,713 annually including interest, maturing December 31, 2024.	5,990	7,293
Debenture, interest at 5.625%, payable at \$103,201 annually including interest, maturing December 31, 2024.	360,697	439,194
Debenture, interest at 5.750%, payable at \$1,713 annually including interest, maturing December 31, 2024.	5,971	7,267
Debenture, interest at 5.750%, payable at \$1,479 annually including interest, maturing December 31, 2024.	6,097	7,420
Debenture, interest at 5.500%, payable at \$57,335 annually including interest, maturing December 31, 2022.	105,860	154,688
Debenture, interest at 5.625%, payable at \$6,954 annually including interest, maturing December 31, 2029.	48,082	52,105
Debenture, interest at 4.000%, payable at \$7,061 annually including interest, maturing December 31, 2021.	6,790	13,319
Debenture, interest at 4.000%, payable at \$1,816 annually including interest, maturing December 31, 2021.	1,747	3,426
Debenture, interest at 4.000%, payable at \$9,517 annually including interest, maturing March 31, 2029.	71,168	77,675
Debenture, interest at 4.000%, payable at \$29,319 annually including interest, maturing March 31, 2034.	309,701	325,981
Debenture, interest at 4.000%, payable at \$35,976 annually including interest, maturing March 31, 2034.	380,024	400,000
	<u>1,420,743</u>	<u>1,634,035</u>

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

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

Utility Funds

Debenture for Sperling Utility, interest at 6.125%, payable at \$22,663 annually including interest, maturing December 31,	<b>78,307</b>	95,143
Debenture for Sperling Utility, interest at 6.125%, payable at \$2,201 annually including interest, maturing December 31, 2024.	<b>7,608</b>	9,243
Debenture for rural water connections, interest at 3.875%, payable at \$25,247 annually including interest, maturing December 31, 2023.	<b>70,230</b>	91,916
Debenture for low-pressure sewer lines in Sperling (North), interest at 4.000%, payable at \$406 annually including interest, maturing December 31, 2027.	<b>2,442</b>	2,739
Debenture for low-pressure sewer lines in Sperling (North), interest at 4.500%, payable at \$4,190 annually including interest, maturing December 31, 2032.	<b>38,213</b>	40,577
Debenture for 2014 Rural Water Connections, interest at 3.500%, payable at \$14,640 annually including interest, maturing December 31, 2024.	<b>53,777</b>	66,105
Debenture for low-pressure sewer lines in Riverside, interest at 4.000%, payable at \$16,408 annually including interest, maturing December 31, 2034.	<b>173,327</b>	182,439
Debenture for low-pressure sewer lines in Riverside, interest at 3.500%, payable at \$10,600 annually including interest, maturing December 31, 2024.	<b>38,936</b>	47,861
Debenture for rural water connections, interest at 3.750%, payable at \$1,190 annually including interest, maturing December 31, 2029.	<b>8,953</b>	9,777
Debenture for local improvement in Lowe Farm, interest at 4.000%, payable at \$5,846 annually including interest, maturing December 31, 2032.	<b>54,867</b>	58,378
Debenture for local improvement in Lowe Farm, interest at 4.000%, payable at \$30,939 annually including interest, maturing December 31, 2032.	<b>290,372</b>	<b>308,953</b>
	<b>817,032</b>	<b>913,131</b>

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

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

Pembina Valley Water Cooperative Inc.

Demand facility with 30 day Bankers' Acceptances reducing by \$103,368 principal and interest installments per month, with monthly interest payments fixed through interest rate swaps at 3.560% including stamping fee of 0.810% 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.	<b>698,679</b>	741,935
Demand facility with 30 day Bankers' Acceptances reducing by \$8,077 principal installments per month, plus interest at the CIBC Bankers' Acceptance floating rate of 2.070% at December 31, 2018 plus stamping fee of 0.810% 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.	<b>69,160</b>	74,549
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 0.250% with effective rate of 3.700% at December 31, 2019. At December 31, 2019, the Cooperative had unutilized capacity under this facility of \$7,900,000. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.	-	116,760
Demand Facility with 30 day Bankers' Acceptances reducing by \$1,091 principal and interest installments per month, plus interest at the CIBC Banker' Acceptance floating rate (0.470% at December 31, 2020) plus stamping fee of 0.810%, 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>147,803</b>	-
Canada Emergency Business Account loan is unsecured, non-interest bearing with no scheduled payments until December 31, 2022, after which time it is converted to a term loan with interest at 5.000% with monthly repayment to its maturity on December 31, 2025. As part of the agreement, \$20,000 is forgiven providing \$40,000 is repaid by December 31, 2022.	<b>40,000</b>	-
Commercial demand loan with monthly principal payments of \$3,020 due monthly bearing interest of 2.350%, maturing January 2026.	<b>203,800</b>	-
	<b>1,159,442</b>	933,244
	<b>\$ 3,397,217</b>	<b>\$ 3,480,410</b>

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

2021	\$ 568,408
2022	331,718
2023	290,829
2024	274,035
2025	99,534

The Municipality has a debenture pending at December 31, 2021 under By-law No. 1757/2020 in the amount of \$710,000 to authorize expenditure and borrowing of money for the construction of new water reservoirs and a watermain extension to the Rosenort Industrial Park as a Local Improvement. The debenture carries interest at 5.000%, payable at \$56,972 annually including interest, and matures in December 2041.

**9. Inventories**

Inventories held for consumption consist of supplies.

#### **10. Retirement Benefits**

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250 Employee Future 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 Municipality on behalf of its employees are expected to be \$94,034 (2019 - \$87,458) 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.

#### **11. Credit Facilities**

The Municipality has an approved line of credit with an authorized maximum of \$3,000,000 with interest at the variable loan rate of the financial institution with rate of effective 2.20% at December 31, 2020 secured by a promissory note. The line of credit was unutilized at December 31, 2020.

The Sperling Recreation Commission has an approved line of credit with an authorized maximum of \$30,000 with interest at effective 2.45% at December 31, 2020 secured by an assignment of deposits in the amount of \$30,000. The line of credit was unutilized at December 31, 2020.

The Pembina Valley Water Cooperative Inc. has an approved line of credit with an authorized maximum of \$250,000 with interest at effective 2.45% at December 31, 2020 secured by a general security agreement over accounts receivable and all property owned by the Cooperative. The line of credit was unutilized at December 31, 2020.

The Pembina Valley Water Cooperative Inc. has an authorized revolving capital loan an authorized maximum of \$250,000 to fund ongoing capital repairs and improvements with interest at effective 3.45% at December 31, 2020. The loan is secured by a general security agreement over accounts receivable and all property owned by the Cooperative. The loan was unutilized at December 31, 2020.

#### **12. Contractual Obligation**

The Municipality has an operating lease for equipment with annual payments of \$225,676 expiring in February 2022.

#### **13. Financial Instruments**

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

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

**14. Budget**

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the Municipality has modified its financial plan to prepare a budget that is consistent with the scope and accounting principles used to report the actual results. The budget figures used in these consolidated financial statements have been approved by Council.

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

**15. Public Sector Compensation Disclosure**

It is a requirement of The Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of Council, and of individual compensation in an amount exceeding \$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 \$129,639 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>
Reeve - Ralph Groening	\$ 22,812	\$ 772	\$ 23,584
Deputy Reeve - Rick Giesbrecht	17,440	4,286	21,726
Councillor - Stan Siemens	15,056	456	15,512
Councillor - Barry Fraese	14,642	660	15,302
Councillor - Mervin Dueck	16,907	4,564	21,471
Councillor - Shane Kroeker	15,595	468	16,063
Councillor - Scott Siemens	15,366	615	15,981
	<u>\$ 117,818</u>	<u>\$ 11,821</u>	<u>\$ 129,639</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Larry Driedger	Chief Administrative Officer	\$ 135,477
Paul Robert	Public Works Employee	96,760

**16. Segmented Information**

The Municipality 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 Municipality 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 municipality pays the Province an annual levy to administer social assistance to the residents of the Municipality.

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

**16. Segmented Information (continued)**

Regional Planning and Development

The Municipality 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 Municipality's Chief Administrative Officer is responsible for the development and marketing of Municipality real estate assets. The Municipality is also involved in tourism development.

Recreation and Cultural Services

The Municipality 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 and recreation are provided through its community centre districts. The Municipality supports the local arenas and community centres as well as providing insurance coverage for buildings and volunteers.

Water and Sewer Services

The Municipality 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 revenue and expenses and government business partnerships that are directly attributable to a particular segment are allocated to that segment.

**17. Government Partnerships**

The Municipality 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>\$ 40,067,279</u>	<u>\$ 40,016,382</u>
Total liabilities	<u>\$ 17,265,354</u>	<u>\$ 18,994,228</u>
Accumulated surplus	<u>22,801,925</u>	<u>21,022,154</u>
	<u>\$ 40,067,279</u>	<u>\$ 40,016,382</u>
Results of Operations		
Revenue	<u>\$ 7,930,613</u>	<u>\$ 7,091,639</u>
Expenses	<u>6,150,842</u>	<u>6,019,401</u>
Annual surplus	<u>\$ 1,779,771</u>	<u>\$ 1,072,238</u>

**18. Accumulated Surplus**

Accumulated surplus consists of the following:

	<u>2020</u>	<u>2019</u>
General Operating Fund - Nominal surplus	<u>\$ 1,500,123</u>	<u>\$ 1,257,801</u>
Utility Operating Fund - Nominal surplus	<u>123,983</u>	<u>278,662</u>
Tangible capital assets, net of related borrowings	<u>27,473,009</u>	<u>27,114,592</u>
Reserve Funds	<u>3,710,678</u>	<u>3,684,987</u>
Accumulated surplus of Municipality, unconsolidated	<u>32,807,793</u>	<u>32,336,042</u>
Accumulated surplus of consolidated entities	<u>2,826,963</u>	<u>2,694,868</u>
Accumulated surplus per consolidated statement of financial position	<u>\$ 35,634,756</u>	<u>\$ 35,030,910</u>

**19. Uncertainty Due to COVID-19**

At this time, the full potential impact of COVID-19 on the Municipality is not known. The Municipality'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 Municipality 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.

**RURAL MUNICIPALITY 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
<b>Cost</b>										
Opening costs	\$ 888,240	\$ 5,561,267	\$ 4,405,793	\$ 263,699	\$ -	\$ 23,232,388	\$ 13,685,877	\$ 543,353	\$ 48,580,617	\$ 47,999,591
Additions during the year	31,322	37,002	686,667	18,256	-	-	814,972	66,428	1,654,647	2,465,135
Disposals and write downs	-	-	(42,154)	(9,028)	-	-	(14,520)	(543,353)	(609,055)	(1,884,109)
Closing costs	919,562	5,598,269	5,050,306	272,927	-	23,232,388	14,486,329	66,428	49,626,209	48,580,617
<b>Accumulated Amortization</b>										
Opening accum'd amortization	150,282	1,677,678	2,598,938	256,626	-	4,129,210	6,871,562	-	15,684,296	14,803,048
Amortization	20,297	152,773	283,023	6,780	-	223,481	378,707	-	1,065,061	990,327
Disposals and write downs	-	-	(38,435)	(9,024)	-	-	(3,888)	-	(51,347)	(109,079)
Closing accum'd amortization	170,579	1,830,451	2,843,526	254,382	-	4,352,691	7,246,381	-	16,698,010	15,684,296
Net Book Value of Tangible Capital Assets	\$ 748,983	\$ 3,767,818	\$ 2,206,780	\$ 18,545	\$ -	\$ 18,879,697	\$ 7,239,947	\$ 66,428	\$ 32,928,199	\$ 32,896,321

**RURAL MUNICIPALITY OF MORRIS**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**For the Year Ended December 31, 2020**

**SCHEDULE 2**

	<b>2020</b>	2019
	<b>Actual</b>	Actual
<b>Property taxes</b>		
Municipal taxes levied (Schedule 12)	<b>\$ 4,133,013</b>	\$ 4,132,238
Taxes added	<b>82,908</b>	103,356
	<b>4,215,921</b>	4,235,594
<b>Grants in lieu of taxation</b>		
Federal government	<b>99</b>	623
Provincial government	<b>3,817</b>	4,986
Provincial government enterprises	<b>10,999</b>	10,433
	<b>14,915</b>	16,042
<b>User fees</b>		
Sales of service	<b>217,770</b>	212,245
Sales of goods	<b>53,457</b>	42,935
Rentals	<b>31,388</b>	43,822
Facility use fees	<b>80,823</b>	101,732
	<b>383,438</b>	400,734
<b>Grants - Province of Manitoba</b>		
General assistance payment	<b>406,097</b>	223,674
Conditional grants	<b>14,825</b>	14,825
	<b>420,922</b>	238,499
<b>Grants - other</b>		
Federal government - gas tax funding	<b>163,979</b>	326,843
Other local governments	<b>21,809</b>	24,707
	<b>185,788</b>	351,550
<b>Permits, licences and fines</b>		
Permits	<b>31,873</b>	25,901
Licences	<b>20</b>	30
Fines	<b>625</b>	1,025
	<b>32,518</b>	26,956
<b>Investment income</b>		
Cash and temporary investments	<b>85,592</b>	150,380
<b>Other revenue</b>		
(Loss) Gain on sale of tangible capital assets	<b>(4,500)</b>	1,667
(Loss) Gain on sale of real estate held for sale	<b>(4,756)</b>	120,127
Penalties and interest	<b>36,050</b>	21,594
Miscellaneous	<b>241,490</b>	121,326
	<b>268,284</b>	264,714
<b>Water and sewer</b>	<b>1,669,607</b>	1,467,077
<b>Total revenue</b>	<b>\$ 7,276,985</b>	\$ 7,151,546

**RURAL MUNICIPALITY OF MORRIS**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2020**

**SCHEDULE 3**

	<u>2020</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
<b>General government services</b>		
Legislative	\$ 118,106	\$ 129,355
General administrative	660,378	588,849
Other	94,422	103,440
	<u>872,906</u>	<u>821,644</u>
<b>Protective services</b>		
Fire	265,183	329,552
Emergency measures	18,047	12,316
Other protection	141,385	180,865
	<u>424,615</u>	<u>522,733</u>
<b>Transportation services</b>		
Road transport		
Road and street maintenance	2,105,550	2,101,254
Sidewalk and boulevard maintenance	2,533	7,884
Street lighting	43,026	34,796
Other	407,013	430,856
Public transit	85,054	60,360
	<u>2,643,176</u>	<u>2,635,150</u>
<b>Environmental health services</b>		
Waste collection and disposal	236,137	200,316
Recycling	64,638	54,881
Other	5,105	5,105
	<u>305,880</u>	<u>260,302</u>
<b>Public health and welfare services</b>		
Public health	3,325	630
Social assistance	2,155	2,155
	<u>5,480</u>	<u>2,785</u>
<b>Regional planning and development</b>		
Planning and zoning	1,783	8,118
Beautification and land rehabilitation	16,788	7,360
Other	82,098	2,739
	<u>100,669</u>	<u>18,217</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	250	475
Drainage of land	72,451	46,130
Other	2,807	40
	<u>75,508</u>	<u>46,645</u>
<b>Recreation and cultural services</b>		
Community centers and halls	210,873	194,590
Parks and playgrounds	3,289	918
Other recreational facilities	28,174	28,184
Libraries	126,101	234,682
Other cultural facilities	-	170
	<u>368,437</u>	<u>458,544</u>
<b>Water and sewer services</b>	<u>1,876,468</u>	<u>1,569,506</u>
<b>Total expenses</b>	<u><u>\$ 6,673,139</u></u>	<u><u>\$ 6,335,526</u></u>

## RURAL MUNICIPALITY OF MORRIS

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2020

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>REVENUE</b>										
Property taxes	\$ 4,081,584	\$ 4,089,426	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	14,915	16,042	-	-	-	-	-	-	-	-
User fees	38,172	30,869	3,963	-	88,188	140,422	192,098	159,996	-	-
Prov of MB - Unconditional Grants	406,097	223,674	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	-	-	-	-	-	-	-	-	-	-
Grants - other	163,979	326,843	-	-	15,000	18,298	-	-	-	-
Permits, licences and fines	20	30	32,498	26,926	-	-	-	-	-	-
Investment income	26,436	91,639	9,676	7,939	39,018	44,615	-	-	-	-
Other revenue	123,658	36,336	-	13,893	8,469	8,469	-	-	-	-
Recovery of bad debts	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Total revenue	<b>4,854,861</b>	<b>4,814,859</b>	<b>46,137</b>	<b>48,758</b>	<b>150,675</b>	<b>211,804</b>	<b>192,098</b>	<b>159,996</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>										
Personnel services	495,747	483,072	109,525	129,103	699,634	698,140	102,226	91,737	-	-
Contract services	176,106	164,927	185,215	231,762	580,137	549,279	187,136	156,323	102	115
Utilities	27,241	31,309	18,062	24,002	38,611	41,287	4,025	4,080	-	-
Maintenance materials and supplies	76,002	51,740	(24,891)	33,889	784,682	846,069	7,388	3,057	3,223	515
Grants and contributions	33,389	31,692	-	-	-	-	-	-	2,155	2,155
Amortization	21,138	18,930	136,704	103,977	422,758	402,795	5,105	5,105	-	-
Interest on long-term debt	-	-	-	-	76,573	87,183	-	-	-	-
Bad debt	-	-	-	-	-	-	-	-	-	-
Other	43,283	39,974	-	-	40,782	10,397	-	-	-	-
Total expenses	<b>872,906</b>	<b>821,644</b>	<b>424,615</b>	<b>522,733</b>	<b>2,643,176</b>	<b>2,635,150</b>	<b>305,880</b>	<b>260,302</b>	<b>5,480</b>	<b>2,785</b>
<b>Surplus (deficit)</b>	<b>\$ 3,981,955</b>	<b>\$ 3,993,215</b>	<b>\$ (378,478)</b>	<b>\$ (473,975)</b>	<b>\$ (2,492,501)</b>	<b>\$ (2,423,346)</b>	<b>\$ (113,782)</b>	<b>\$ (100,306)</b>	<b>\$ (5,480)</b>	<b>\$ (2,785)</b>

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

## RURAL MUNICIPALITY OF MORRIS

## SCHEDULE 4

## CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2020

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2020	2019	2020	2019	2020	2020	2020	2019	2020	2019
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,337	\$ 146,168	\$ 4,215,921	\$ 4,235,594
Grants in lieu of taxation	-	-	-	-	-	-	-	-	14,915	16,042
User fees	4,285	3,450	263	-	56,469	65,997	-	-	383,438	400,734
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	406,097	223,674
Prov of MB - Conditional Grants	-	-	-	-	14,825	14,825	-	-	14,825	14,825
Grants - other	-	-	-	-	6,809	6,409	-	-	185,788	351,550
Permits, licences and fines	-	-	-	-	-	-	-	-	32,518	26,956
Investment income	3,213	2,229	-	-	2,898	3,371	4,351	587	85,592	150,380
Other revenue	-	-	(4,757)	120,127	100,098	83,776	40,816	2,113	268,284	264,714
Water and sewer	-	-	-	-	-	-	1,669,607	1,467,077	1,669,607	1,467,077
<b>Total revenue</b>	<b>7,498</b>	<b>5,679</b>	<b>(4,494)</b>	<b>120,127</b>	<b>181,099</b>	<b>174,378</b>	<b>1,849,111</b>	<b>1,615,945</b>	<b>7,276,985</b>	<b>7,151,546</b>
<b>EXPENSES</b>										
Personnel services	\$ -	-	-	-	32,245	89,944	321,158	268,645	1,760,535	1,760,641
Contract services	18,571	17,793	2,918	3,283	217,942	243,160	133,793	71,282	1,501,920	1,437,924
Utilities	-	-	209	199	2,485	2,606	61,487	56,717	152,119	160,200
Maintenance materials and supplies	-	-	72,381	43,163	2,421	5,275	906,760	735,350	1,827,966	1,719,058
Grants and contributions	-	-	-	-	15,733	14,306	1,295	1,515	52,572	49,668
Amortization	424	424	-	-	97,611	96,931	381,321	362,163	1,065,061	990,325
Interest on long-term debt	-	-	-	-	-	-	66,847	72,023	143,420	159,206
Other	81,674	-	-	-	-	6,322	3,807	1,811	169,546	58,504
<b>Total expenses</b>	<b>100,669</b>	<b>18,217</b>	<b>75,508</b>	<b>46,645</b>	<b>368,437</b>	<b>458,544</b>	<b>1,876,468</b>	<b>1,569,506</b>	<b>6,673,139</b>	<b>6,335,526</b>
<b>Surplus (deficit)</b>	<b>\$ (93,171)</b>	<b>\$ (12,538)</b>	<b>\$ (80,002)</b>	<b>\$ 73,482</b>	<b>\$ (187,338)</b>	<b>\$ (284,166)</b>	<b>\$ (27,357)</b>	<b>\$ 46,439</b>	<b>\$ 603,846</b>	<b>\$ 816,020</b>

## RURAL MUNICIPALITY 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
<b>REVENUE</b>								
Property taxes	\$ 4,215,921	\$ 4,235,594	\$ -	\$ -	\$ -	\$ -	\$ 4,215,921	\$ 4,235,594
Grants in lieu of taxation	14,915	16,042	-	-	-	-	14,915	16,042
User fees	302,615	299,002	56,469	65,997	24,354	35,735	383,438	400,734
Prov of MB - Unconditional Grants	406,097	223,674	-	-	-	-	406,097	223,674
Prov of MB - Conditional Grants	-	-	-	-	14,825	14,825	14,825	14,825
Grants - other	163,979	326,843	-	-	21,809	24,707	185,788	351,550
Permits, licences and fines	32,518	26,956	-	-	-	-	32,518	26,956
Investment income	82,061	146,042	1,803	1,428	1,728	2,910	85,592	150,380
Other revenue	118,901	170,356	98,134	77,614	51,249	16,744	268,284	264,714
Recovery of bad debts	-	-	-	-	-	-	-	-
Water and sewer	1,279,833	1,122,796	-	-	389,774	344,281	1,669,607	1,467,077
<b>Total revenue</b>	<b>6,616,840</b>	<b>6,567,305</b>	<b>156,406</b>	<b>145,039</b>	<b>503,739</b>	<b>439,202</b>	<b>7,276,985</b>	<b>7,151,546</b>
<b>EXPENSES</b>								
Personnel services	\$ 1,628,076	\$ 1,578,528	21,283	79,422	\$ 111,176	\$ 102,691	1,760,535	1,760,641
Contract services	1,460,263	1,344,240	-	44,434	41,657	49,250	1,501,920	1,437,924
Utilities	122,016	129,721	-	-	30,103	30,479	152,119	160,200
Maintenance materials and supplies	1,748,027	1,666,003	-	-	79,939	53,055	1,827,966	1,719,058
Grants and contributions	51,277	48,152	-	-	1,295	1,515	52,572	49,667
Amortization	894,854	829,039	69,501	68,821	100,706	92,465	1,065,061	990,325
Interest on long-term debt	114,810	129,961	-	-	28,610	29,245	143,420	159,206
Bad debt	-	-	-	-	-	-	-	-
Other	125,766	39,974	-	6,322	43,780	12,209	169,546	58,505
<b>Total expenses</b>	<b>6,145,089</b>	<b>5,765,618</b>	<b>90,784</b>	<b>198,999</b>	<b>437,266</b>	<b>370,909</b>	<b>6,673,139</b>	<b>6,335,526</b>
<b>Surplus (deficit)</b>	<b>\$ 471,751</b>	<b>\$ 801,687</b>	<b>\$ 65,622</b>	<b>\$ (53,960)</b>	<b>\$ 66,473</b>	<b>\$ 68,293</b>	<b>\$ 603,846</b>	<b>\$ 816,020</b>

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

SCHEDULE 6

													2020	2019	
	General	Replacement	Warranty	Gas Tax	Fire Truck	Rosenort Economic Development	General Economic Development	Fire Department - Town	Sperling Fire Department	Rosenort Fire Department	Low Farm Fire Department	Rosenort Utility	Rural Utility	Total	Total
<b>REVENUE</b>															
Interest earned	\$ 34,025	\$ 31,046	\$ 709	\$ 6,630	\$ 324	\$ 208	\$ 3,005	\$ 8,038	\$ 663	\$ 499	\$ 152	\$ 6	\$ 4,345	\$ 89,650	\$ 88,854
Other income	-	-	-	-	-	-	-	-	1,886	5,624	943	-	-	8,453	-
Total revenue	34,025	31,046	709	6,630	324	208	3,005	8,038	2,549	6,123	1,095	6	4,345	98,103	88,854
<b>EXPENSES</b>															
Other	-	-	-	-	-	24,980	56,694	-	-	-	-	-	-	81,674	-
Total expenses	-	-	-	-	-	24,980	56,694	-	-	-	-	-	-	81,674	-
<b>NET REVENUES</b>	34,025	31,046	709	6,630	324	(24,772)	(53,689)	8,038	2,549	6,123	1,095	6	4,345	16,429	88,854
<b>TRANSFERS</b>															
Acquisition of tangible capital assets	(63,008)	(546,112)	-	(161,905)	-	-	-	(134,132)	-	(10,160)	-	-	-	(915,317)	(568,552)
Transfers from (to) operating fund	294,600	319,100	-	163,979	35,000	3,000	5,000	103,900	-	-	-	-	-	924,579	1,432,688
Transfers from utility fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>CHANGE IN RESERVE FUND BALANCES</b>	265,617	(195,966)	709	8,704	35,324	(21,772)	(48,689)	(22,194)	2,549	(4,037)	1,095	6	4,345	25,691	952,990
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	1,484,571	1,234,261	40,189	231,536	-	21,980	151,693	284,477	28,033	20,188	6,160	191	181,708	3,684,987	2,731,997
<b>FUND SURPLUS, END OF YEAR</b>	\$ 1,750,188	\$ 1,038,295	\$ 40,898	\$ 240,240	\$ 35,324	\$ 208	\$ 103,004	\$ 262,283	\$ 30,582	\$ 16,151	\$ 7,255	\$ 197	\$ 186,053	\$ 3,710,678	\$ 3,684,987

**RURAL MUNICIPALITY 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>
<b>Revenue</b>			
Taxation	\$ 250,750	\$ 250,750	\$ 237,550
Other revenue	-	1,959	4,881
Total revenue	<u>250,750</u>	<u>252,709</u>	<u>242,431</u>
<b>Expenses</b>			
General government			
Indemnities	1,500	-	-
Other	-	568	1,120
Transportation services			
Road and street maintenance	65,000	77,914	11,516
Ditches and road drainage	60,000	333	5,299
Snow and ice removal	15,000	-	14,225
Sidewalk and boulevard maintenance	5,000	-	-
Street lighting	17,000	22,868	14,670
Other	5,000	3,360	43,904
Environmental health			
Waste collection and disposal	53,000	62,311	51,510
Regional planning and development			
Beautification and land rehabilitation	7,000	16,788	7,360
Recreation and cultural services			
Parks and playgrounds	48,750	604	841
Total expenses	<u>277,250</u>	<u>184,746</u>	<u>150,445</u>
<b>Net revenue (expenses)</b>	<b>(26,500)</b>	<b>67,963</b>	<b>91,986</b>
<b>Transfers</b>			
Transfers from (to) L.U.D. reserves	(9,500)	-	-
Transfer to General Operating Fund	36,000	-	-
<b>Change in L.U.D. balances</b>	<b>-</b>	<b>67,963</b>	<b>91,986</b>
<b>Unexpended balance, beginning of year</b>	<b>-</b>	<b>366,927</b>	<b>274,941</b>
<b>Unexpended balance, end of year</b>	<b>-</b>	<b>\$ 434,890</b>	<b>\$ 366,927</b>

**RURAL MUNICIPALITY OF MORRIS**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITY**  
**For the Year Ended December 31, 2020**

**SCHEDULE 8**

	<u>2020</u>	<u>2019</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ -	\$ -
Amounts receivable	272,338	258,611
Due from other funds	-	20,051
	<u>272,338</u>	<u>278,662</u>
<b>LIABILITIES</b>		
Long-term debt	817,032	913,132
Due to other funds	148,355	-
	<u>965,387</u>	<u>913,132</u>
<b>NET DEBT</b>	<u>(693,049)</u>	<u>(634,470)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	<u>5,259,560</u>	<u>5,024,419</u>
<b>FUND SURPLUS</b>	<u>\$4,566,511</u>	<u>\$4,389,949</u>

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

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 864,300	\$ 1,003,035	\$ 847,477
Bulk Water fees	19,700	19,498	21,282
sub-total - water	<u>884,000</u>	<u>1,022,533</u>	<u>868,759</u>
<b>Sewer</b>			
Sewer fees	<u>42,300</u>	<u>46,833</u>	<u>40,722</u>
<b>Property taxes</b>	<u>134,337</u>	<u>134,337</u>	<u>146,168</u>
<b>Other</b>			
Installation service	-	119,522	33,008
Connection charges	100,500	85,319	96,694
Penalties	4,400	5,057	4,247
Investment income	-	558	1,601
Other income	-	11	77,765
sub-total - other	<u>104,900</u>	<u>210,467</u>	<u>213,315</u>
<b>Total revenue</b>	<u>\$ 1,165,537</u>	<u>\$ 1,414,170</u>	<u>\$ 1,268,964</u>

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

	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 101,400	\$ 139,908	\$ 102,758
Billing and collection	81,100	81,100	75,770
Utilities (telephone, electricity, etc.)	19,673.00	19,673	18,512
	<u>202,173</u>	<u>240,681</u>	<u>197,040</u>
<b>Water General</b>			
Purification and treatment	31,800	20,625	16,841
Water purchases	649,000	670,749	642,351
Transmission and distribution	37,000	29,465	33,933
Connection costs	1,200	58,274	22,208
	<u>719,000</u>	<u>779,113</u>	<u>715,333</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	299,721	299,721	285,542
Interest on long-term debt	29,908	29,908	33,269
	<u>329,629</u>	<u>329,629</u>	<u>318,811</u>
<b>Sewer General</b>			
Collection system costs	4,500	50	50
Treatment and disposal cost	68,000	52,773	4,858
Lift station costs	16,500	5,019	9,500
Connection costs	-	128,246	25,234
	<u>89,000</u>	<u>186,088</u>	<u>39,642</u>
<b>Sewer Amortization &amp; Interest</b>			
Interest on long-term debt	8,329	8,329	9,509
	<u>8,329</u>	<u>8,329</u>	<u>9,509</u>
<b>Total expenses</b>	<u>1,348,131</u>	<u>1,543,840</u>	<u>1,280,335</u>
<b>NET OPERATING DEFICIT</b>	<b>(182,594)</b>	<b>(129,670)</b>	<b>(11,371)</b>
<b>TRANSFERS</b>			
Transfers from operating and capital fund	159,999	306,232	-
Transfers from (to) reserve funds	120,900	-	(161,409)
	<u>120,900</u>	<u>-</u>	<u>(161,409)</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ 98,305</u>	<u>176,562</u>	<u>(172,780)</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>4,389,949</u>	<u>4,562,729</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 4,566,511</u>	<u>\$ 4,389,949</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
<b>REVENUE</b>							
Property taxes	\$ 4,223,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,223,013
Grants in lieu of taxation	14,915	-	-	-	-	-	14,915
User fees	272,050	-	-	-	-	80,823	352,873
Grants - Province of Manitoba	223,674	-	-	-	-	14,825	238,499
Grants - other	211,979	-	-	-	-	21,809	233,788
Permits, licences and fines	22,500	-	-	-	-	-	22,500
Investment income	55,000	-	-	-	-	3,531	58,531
Other revenue	34,000	-	-	-	-	149,383	183,383
Water and sewer	-	1,286,437	-	-	-	389,774	1,676,211
Transfers from reserves	1,384,900	-	-	-	(1,384,900)	-	-
Total revenue	<u>6,442,031</u>	<u>1,286,437</u>	<u>-</u>	<u>-</u>	<u>(1,384,900)</u>	<u>660,145</u>	<u>7,003,713</u>
<b>EXPENSES</b>							
General government services	\$ 844,650	-	21,138	-	47,125	-	912,913
Protective services	426,275	-	136,704	-	-	-	562,979
Transportation services	1,987,250	-	422,758	76,573	-	65,948	2,552,529
Environmental health services	200,750	-	5,105	-	-	-	205,855
Public health and welfare services	3,700	-	-	-	-	-	3,700
Regional planning and development	5,000	-	424	-	-	-	5,424
Resource cons and industrial dev	66,000	-	-	-	-	-	66,000
Recreation and cultural services	210,147	-	97,611	-	-	40,867	348,625
Water and sewer services	-	1,286,437	381,321	38,237	159,999	251,028	2,117,022
Fiscal services							
Transfer to capital	1,299,900	-	-	-	(1,299,900)	-	-
Transfer to utility	134,337	-	-	-	(134,337)	-	-
Debt charges	291,568	-	-	(291,568)	-	-	-
Short-term interest	10,000	-	-	(10,000)	-	-	-
Transfer to reserves	664,579	-	-	-	(664,579)	-	-
Allowance for tax assets	47,125	-	-	-	(47,125)	-	-
Total expenses	<u>6,191,281</u>	<u>1,286,437</u>	<u>1,065,061</u>	<u>(186,758)</u>	<u>(1,938,817)</u>	<u>357,843</u>	<u>6,775,047</u>
<b>Surplus (Deficit)</b>	<u>\$ 250,750</u>	<u>\$ -</u>	<u>\$ (1,065,061)</u>	<u>\$ 186,758</u>	<u>\$ 553,917</u>	<u>\$ 302,301</u>	<u>\$ 228,666</u>

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

**SCHEDULE 11**

	<u>2020</u>	<u>2019</u>
<b>Balance, beginning of year</b>	<b>\$ 192,467</b>	<b>\$ 180,870</b>
<b>Add:</b>		
Tax levy (Schedule 12)	9,605,511	9,324,644
Taxes added	82,908	103,356
Penalties or interest	21,100	20,860
	<u>9,709,519</u>	<u>9,448,860</u>
<b>Deduct:</b>		
Cash collections - current	9,182,437	8,737,464
Cash collections - arrears	164,403	160,853
Tax discounts	43,651	39,002
M.P.T.C. - cash advance	483,684	499,944
	<u>9,874,175</u>	<u>9,437,263</u>
<b>Balance, end of year</b>	<b><u>\$ 27,811</u></b>	<b><u>\$ 192,467</u></b>

**RURAL MUNICIPALITY OF MORRIS  
ANALYSIS OF TAX LEVY  
Year Ended December 31, 2020**

**SCHEDULE 12**

	2020			2019
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):	53,635,490	4.67%	\$ 250,263	\$ 237,000
Debt charges:				
Rural Water	-	0.00%	\$ 97,551	\$ 109,383
Rosenort Dyke	68,504,240	1.53%	104,948	104,923
Sunburst 1620/07	-	0.00%	1,816	1,816
Sunburst Paving	436,333,500	0.13%	57,596	57,500
Public Works Garage	59,910,990	0.12%	7,069	7,102
Rosenort Paving	11,018,450	3.31%	36,493	36,487
Lowe Farm Streets	1,610,030	5.63%	9,056	9,052
Aubigny Dyke 1574/04	98,691,190	0.37%	36,022	37,975
Lowe Farm/Kane	163,061,530	0.66%	106,968	108,947
Rosenort 1095	3,282,210	1.87%	6,121	6,733
Sperling Urban	49,225,450	0.28%	13,882	15,290
Sperling Rural	69,552,840	0.26%	18,014	18,008
Morris 1142	38,967,200	0.31%	12,002	14,012
Aubigny 1243, 1248	-	0.00%	9,517	9,517
Rosenort Industrial Park (A)	436,333,500	0.07%	29,671	29,517
Rosenort Industrial Park (B)	436,333,500	0.08%	36,216	36,417
Rosenort Fire Hall	11,508,190	0.51%	5,858	5,847
Lowe Farm Lagoon -LF Only	436,333,500	0.07%	30,980	31,050
			<b>619,780</b>	<b>639,576</b>
Deferred surplus			-	-
Reserves:				
General	422,861,160	0.08%	34,675	33,114
Replacement	422,861,160	0.75%	317,992	302,867
Fire	436,333,500	0.24%	103,847	118,067
Economic	422,861,160	0.01%	5,074	5,209
Rosenort Economic	422,861,160	0.01%	3,383	3,349
Infrastructure	422,861,160	0.08%	35,097	-
			<b>500,068</b>	<b>462,606</b>
General municipal:				
Rural area	369,225,670	3.08%	1,138,692	1,087,475
At large	422,861,160	3.10%	1,310,870	1,425,038
Fire Services - Operating	422,861,160	0.74%	313,340	280,543
sub-total - General municipal			<b>2,762,902</b>	<b>2,793,056</b>
Business tax (rate%)	-	0.00%	-	-
<b>Total municipal taxes (Schedule 2)</b>			<b>4,133,013</b>	<b>4,132,238</b>
Education support levy	31,298,370	8.83%	276,304	263,316
Special levy:				
Borderland	4,068,610	13.76%	55,992	51,870
Red River Valley	370,345,380	12.57%	4,656,723	4,422,106
Prairie Rose	45,538,180	10.62%	483,479	455,114
<b>Total education taxes</b>			<b>5,472,498</b>	<b>5,192,406</b>
<b>Total tax levy (Schedule 11)</b>			<b>\$ 9,605,511</b>	<b>\$ 9,324,644</b>

**RURAL MUNICIPALITY OF MORRIS**  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**Year Ended December 31, 2020**

**SCHEDULE 13**

	<u>2020 Actual</u>	<u>2019 Actual</u>
<b>General government services</b>		
Legislative	\$ 118,106	\$ 129,355
General administrative	660,378	588,849
Other	92,463	98,559
	<u>870,947</u>	<u>816,763</u>
<b>Protective services</b>		
Fire	265,183	329,552
Emergency measures	18,047	12,316
Other protection	141,385	180,865
	<u>424,615</u>	<u>522,733</u>
<b>Transportation services</b>		
Road transport		
Road and street maintenance	2,027,636	2,089,738
Sidewalk and boulevard maintenance	2,533	7,884
Street lighting	20,158	20,126
Other	403,653	386,952
	<u>2,453,980</u>	<u>2,504,700</u>
<b>Environmental health services</b>		
Waste collection and disposal	173,826	148,806
Recycling	64,638	54,881
Other	5,105	5,105
	<u>243,569</u>	<u>208,792</u>
<b>Public health and welfare services</b>		
Public health	3,325	630
Social assistance	2,155	2,155
	<u>5,480</u>	<u>2,785</u>
<b>Regional planning and development</b>		
Planning and zoning	1,783	8,118
Other	424	2,739
	<u>2,207</u>	<u>10,857</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	250	475
Drainage of land	72,451	46,130
Other	2,807	40
	<u>75,508</u>	<u>46,645</u>
<b>Recreation and cultural services</b>		
Community centers and halls	210,873	194,590
Parks and playgrounds	2,685	77
Other recreational facilities	28,174	28,184
Libraries	15,733	14,305
Other cultural facilities	-	170
	<u>257,465</u>	<u>237,326</u>
<b>Total expenses</b>	<u>\$ 4,333,771</u>	<u>\$ 4,350,601</u>

**RURAL MUNICIPALITY OF MORRIS  
RECONCILIATION OF ANNUAL SURPLUS  
December 31, 2020**

**SCHEDULE 14  
(Unaudited)**

	2020		
	General	Utility	Total
<b>MUNICIPAL SURPLUS UNDER THE MUNICIPAL ACT</b>	\$ 12,855	\$ 6,826	\$ 19,681
<b>Adjustments for reporting under Public Sector Accounting Standards</b>			
Eliminate expense - Transfers to reserves	924,579	-	924,579
Eliminate revenue - Transfers from reserves	(915,317)	-	(915,317)
Increase revenue - Reserve funds interest	89,650	-	89,650
Reserve fund net income	(73,221)	-	(73,221)
Increase revenue - Net surplus of consolidated entities	132,094	-	132,094
Decrease revenue - Disposal of tangible capital assets	(19,712)	-	(19,712)
Increase expense - Amortization of tangible capital assets	(595,133)	(299,721)	(894,854)
Decrease expense - Principal portion of debenture debt, net of new debt	213,292	96,099	309,391
Increase expense - Net decrease (increase) in capital debt funded by General Operating Fund	161,504	(161,504)	-
Eliminate expense - Acquisitions of tangible capital assets (net of transfers from assets under construction)	734,962	228,630	963,592
Increase revenue - LUD surplus, net of capital transfers	67,963	-	67,963
<b>ANNUAL SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 733,516</b>	<b>\$ (129,670)</b>	<b>\$ 603,846</b>