

# **RURAL MUNICIPALITY OF MORRIS**

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

# **RURAL MUNICIPALITY OF MORRIS**

## **Consolidated Financial Statements**

**For the Year Ended December 31, 2021**

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## STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements are the responsibility of management of the 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

September 1, 2022



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## 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, 2021, and the consolidated statement of operations, consolidated statement of change in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, 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, 2021 and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for 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, 2021 and December 31, 2020. 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 consolidated statement of financial position, consolidated results of operations, and consolidated accumulated surplus as at December 31, 2021 and 2020 and January 1, 2020 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.

### Emphasis of Matter

We draw attention to Note 20 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2020 has been restated.

### 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  
September 1, 2022

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

	<u>2021</u>	<u>2020</u> (Restated - Note 20)
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 5,012,234	\$ 4,364,517
Amounts receivable (Note 4)	794,890	729,983
Portfolio investments (Note 5)	74,766	107,587
Real estate properties held for sale	1,291,119	1,304,202
Other assets	<u>48,891</u>	<u>12,987</u>
	<u>7,221,900</u>	<u>6,519,276</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	1,475,912	446,070
Deferred revenue	270,937	77,252
Long-term debt (Note 8)	<u>3,169,025</u>	<u>3,397,217</u>
	<u>4,915,874</u>	<u>3,920,539</u>
<b>NET FINANCIAL ASSETS</b>	<u>2,306,026</u>	<u>2,598,737</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	34,429,380	32,599,009
Inventories (Note 9)	81,626	62,197
Prepaid expenses	<u>106,795</u>	<u>45,623</u>
	<u>34,617,801</u>	<u>32,706,829</u>
<b>ACCUMULATED SURPLUS</b> (Note 19)	<u>\$ 36,923,827</u>	<u>\$ 35,305,566</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, 2021**

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
	(Note 14)		(Restated - Note 20)
<b>REVENUE</b>			
Property taxes	\$ 4,360,883	\$ 4,377,188	\$ 4,215,921
Grants in lieu of taxation	19,637	19,637	14,915
User fees	393,175	419,749	383,438
Grants - Province of Manitoba	238,499	442,902	420,922
Grants - other	446,049	410,221	185,788
Permits, licences and fines	22,500	31,663	32,518
Investment income	23,131	71,999	85,592
Other revenue	229,310	399,431	268,284
Water and sewer	4,594,005	2,768,856	1,669,607
Total revenue (Schedules 2, 4 and 5)	<u>10,327,189</u>	<u>8,941,646</u>	<u>7,276,985</u>
<b>EXPENSES</b>			
General government services	842,968	903,923	1,034,811
Protective services	572,231	516,707	424,615
Transportation services	2,917,308	2,952,026	2,643,176
Environmental health services	446,288	602,091	305,880
Public health and welfare services	28,700	7,213	5,480
Regional planning and development	5,424	51,601	100,669
Resource conservation and industrial development	66,000	65,995	75,508
Recreation and cultural services	431,222	439,260	368,437
Water and sewer services	1,913,713	1,784,569	1,737,522
Total expenses (Schedules 3, 4 and 5)	<u>7,223,854</u>	<u>7,323,385</u>	<u>6,696,098</u>
<b>ANNUAL SURPLUS</b>	<u><u>\$ 3,103,335</u></u>	1,618,261	580,887
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 20)</b>		<u>35,305,566</u>	<u>34,724,679</u>
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 19)</b>		<u><u>\$ 36,923,827</u></u>	<u><u>\$ 35,305,566</u></u>

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

	<u>2021 Budget</u> <small>(Note 14)</small>	<u>2021 Actual</u>	<u>2020 Actual</u> <small>(Restated - Note 20)</small>
<b>ANNUAL SURPLUS</b>	<b><u>\$ 3,103,335</u></b>	<b><u>\$ 1,618,261</u></b>	<b><u>\$ 580,887</u></b>
Acquisition of tangible capital assets	<b>(3,080,832)</b>	<b>(3,080,832)</b>	(1,309,851)
Amortization of tangible capital assets	<b>1,052,685</b>	<b>1,052,685</b>	1,049,456
Loss on sale of tangible capital assets	-	<b>18,853</b>	4,500
Proceeds on sale of tangible capital assets	-	<b>178,923</b>	246,976
Decrease (increase) in inventories	-	<b>(19,429)</b>	2,531
Increase in prepaid expenses	-	<b>(61,172)</b>	(2,785)
	<b><u>(2,028,147)</u></b>	<b><u>(1,910,972)</u></b>	<b><u>(9,173)</u></b>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u><u>\$ 1,075,188</u></u></b>	<b><u>(292,711)</u></b>	571,714
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b><u>2,598,737</u></b>	<b><u>2,027,023</u></b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b><u><u>\$ 2,306,026</u></u></b>	<b><u><u>\$ 2,598,737</u></u></b>

**RURAL MUNICIPALITY OF MORRIS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
		(Restated - Note 20)
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 1,618,261	\$ 580,887
Loss (gain) on sale of real estate properties for sale	(79,689)	4,756
Loss on sale of tangible capital assets	18,853	4,500
Amortization	<u>1,052,685</u>	<u>1,049,456</u>
	<u>2,610,110</u>	<u>1,639,599</u>
Changes in non-cash working capital items		
Amounts receivable	(64,907)	28,956
Other assets	(35,904)	1,560
Inventories	(19,429)	2,531
Prepaid expenses	(61,172)	(2,785)
Accounts payable and accrued liabilities	1,029,842	(155,412)
Deferred revenue	193,685	45,711
Other liabilities	<u>-</u>	<u>(17,360)</u>
Cash provided by operating transactions	<u>3,652,225</u>	<u>1,542,800</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	178,923	246,976
Acquisition of tangible capital assets	<u>(3,080,832)</u>	<u>(1,309,851)</u>
Cash applied to capital transactions	<u>(2,901,909)</u>	<u>(1,062,875)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	263,531	23,492
Maturity (purchase) of portfolio investments	32,821	(1,810)
Acquisition of real estate properties	<u>(170,759)</u>	<u>(133,567)</u>
Cash provided by (applied to) investing transactions	<u>125,593</u>	<u>(111,885)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	228,500	116,760
Debt repayment	<u>(456,692)</u>	<u>(199,953)</u>
Cash applied to financing transactions	<u>(228,192)</u>	<u>(83,193)</u>
<b>NET INCREASE IN CASH AND TEMPORARY INVESTMENTS</b>	<b>647,717</b>	<b>284,847</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u><b>4,364,517</b></u>	<u><b>4,079,670</b></u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u><u><b>\$ 5,012,234</b></u></u>	<u><u><b>\$ 4,364,517</b></u></u>

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

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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, 2021**

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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, 2021**

**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 future.

**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>2021</u>	<u>2020</u>
Cash	\$ 3,801,366	\$ 3,410,127
Temporary Investments	<u>1,210,868</u>	<u>954,390</u>
	<u>\$ 5,012,234</u>	<u>\$ 4,364,517</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>2021</u>	<u>2020</u>
Taxes on roll (Schedule 11)	\$ 43,197	\$ 27,811
Government grants	53,641	263
Utility customers	270,984	272,338
Organizations and individuals	<u>427,068</u>	<u>429,571</u>
	794,890	729,983
Less allowances for doubtful amounts	-	-
	<u>\$ 794,890</u>	<u>\$ 729,983</u>

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

**5. Portfolio Investments**

Portfolio investments consists of Guaranteed Investment Certificates maturing between February 2022 and December 2024, and bearing interest from 0.90% to 3.50%.

**6. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are comprised of the following:

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 1,352,240	\$ 320,590
Accrued liabilities	1,200	-
School levies	92,125	95,133
Other governments	30,347	30,347
	<u>\$ 1,475,912</u>	<u>\$ 446,070</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 and no liabilities or expenses have been accrued at December 31, 2021 and 2020.

**8. Long-term Debt**

	<u>2021</u>	<u>2020</u>
<u>General Authority</u>		
Debenture, interest at 6.250%, payable at \$5,679 annually including interest, maturing December 31, 2023.	\$ 10,377	\$ 15,112
Debenture, interest at 5.500%, payable at \$29,529 annually including interest, maturing December 31, 2024.	79,668	103,504
Debenture, interest at 5.625%, payable at \$1,713 annually including interest, maturing December 31, 2024.	4,613	5,990
Debenture, interest at 5.625%, payable at \$103,201 annually including interest, maturing December 31, 2024.	277,785	360,697
Debenture, interest at 5.750%, payable at \$1,713 annually including interest, maturing December 31, 2024.	4,601	5,971
Debenture, interest at 5.750%, payable at \$1,479 annually including interest, maturing December 31, 2024.	4,698	6,097
Debenture, interest at 5.500%, payable at \$57,335 annually including interest, maturing December 31, 2022.	54,347	105,860
Debenture, interest at 5.625%, payable at \$6,954 annually including interest, maturing December 31, 2029.	43,832	48,082
Debenture, interest at 4.000%, payable at \$9,517 annually including interest, maturing March 31, 2029.	64,147	71,168
Debenture, interest at 4.000%, payable at \$29,319 annually including interest, maturing March 31, 2034.	292,093	309,701
Debenture, interest at 4.000%, payable at \$35,976 annually including interest, maturing March 31, 2034.	358,414	380,024
Debenture paid in full during the current year.	-	6,790
Debenture paid in full during the current year.	-	1,747
	<u>1,194,575</u>	<u>1,420,743</u>

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

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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, 2024.	<b>60,440</b>	78,307
Debenture for Sperling Utility, interest at 6.125%, payable at \$2,201 annually including interest, maturing December 31, 2024.	<b>5,872</b>	7,608
Debenture for rural water connections, interest at 3.875%, payable at \$25,247 annually including interest, maturing December 31, 2023.	<b>47,705</b>	70,230
Debenture for low-pressure sewer lines in Sperling (North), interest at 4.000%, payable at \$406 annually including interest, maturing December 31, 2027.	<b>2,133</b>	2,442
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>35,742</b>	38,213
Debenture for 2014 Rural Water Connections, interest at 3.500%, payable at \$14,640 annually including interest, maturing December 31, 2024.	<b>41,019</b>	53,777
Debenture for low-pressure sewer lines in Riverside, interest at 4.000%, payable at \$16,408 annually including interest, maturing December 31, 2034.	<b>163,852</b>	173,327
Debenture for low-pressure sewer lines in Riverside, interest at 3.500%, payable at \$10,600 annually including interest, maturing December 31, 2024.	<b>29,698</b>	38,936
Debenture for rural water connections, interest at 3.750%, payable at \$1,190 annually including interest, maturing December 31, 2029.	<b>8,099</b>	8,953
Debenture for local improvement in Lowe Farm, interest at 4.000%, payable at \$5,846 annually including interest, maturing December 31, 2032.	<b>51,215</b>	54,867
Debenture for local improvement in Lowe Farm, interest at 4.000%, payable at \$30,939 annually including interest, maturing December 31, 2032.	<b>271,047</b>	290,372
	<b>716,822</b>	817,032

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

**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. 653,859                  698,679

Demand facility with 30 day Bankers' Acceptances reducing by \$8,077 principal installments per month, plus interest at the CIBC Bankers' Acceptance floating rate and 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. 63,771                  69,160

Demand facility with 30 day Bankers' Acceptances decreasing by \$12,500 principal installments per month, plus interest at a fixed rate of 2.45% including a stamping fee of 0.81% until November 2041, amortized over 20 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded matures November 2041. 166,105                  -

Demand facility with 30 day Bankers' Acceptances decreasing by \$15,280 principal installments per month, plus interest at the CIBC Bankers' Acceptance floating rate (0.47% at December 31, 2020) and stamping fee of 0.81%, amortized over 15 years. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. If not demanded, matures July 2033. 137,608                  147,803

Demand facility for \$13,000,000 for capital projects, with interest only payments until the earlier of twelve months after the initial advance and completion of each discrete project, at which time repayment terms will be set. Interest is charged at prime rate minus 0.25%. At December 31, 2021 the Cooperative had unutilized capacity under this facility of \$12,597,215. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative. 22,395                  -

Canada Emergency Business Account loan is unsecured, non-interest bearing with no scheduled payments until December 31, 2023, 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, 2023. 42,224                  40,000

Commercial demand loan with monthly principal payments of \$3,020 due monthly bearing interest of 2.350%, maturing January 2026. 171,666                  203,800

1,257,628                  1,159,442

\$ 3,169,025                  \$ 3,397,217

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

2022	\$	401,482
2023		422,512
2024		345,640
2025		175,254
2026		181,448
Thereafter		1,642,689

**Schedule of Debenture Pending**

Authority	Purpose	Authorized	Expended
By-law 1760/2021	Construction - New water reservoir	\$ 1,400,000	\$ 989,950

**9. Inventories**

Inventories held for consumption consist of supplies.

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

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**10. 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.

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 2021 by the Municipality on behalf of its employees are expected to be \$97,346 (2020 - \$94,034) and are included in the consolidated 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, 2020 indicated the plan was 96.7% funded on a going concern basis and had an unfunded solvency liability of \$333.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2020.

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 effective rate of 2.20% at December 31, 2021 secured by a promissory note. The line of credit was unutilized at December 31, 2021.

The Sperling Recreation Commission has an approved line of credit with an authorized maximum of \$30,000 with effective interest at 2.45% at December 31, 2021 secured by an assignment of deposits in the amount of \$30,000. The line of credit was unutilized at December 31, 2021.

The Pembina Valley Water Cooperative Inc. has an approved line of credit with an authorized maximum of \$250,000 with interest at the bank's prime rate less 0.25% and effective rate of 2.45% at December 31, 2021 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, 2021.

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. Interest is charged at the bank's prime rate of 2.70% at December 31, 2021. 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, 2021.

**12. Contractual Obligation**

The Municipality has operating leases for equipment with total annual payments of \$47,017 expiring in April 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, 2021**

**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, 2021:

a) Compensation paid to members of Council amounted to \$137,296 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	\$ 26,011	\$ 2,083	\$ 28,094
Deputy Reeve - Rick Giesbrecht	19,109	2,666	21,775
Councillor - Stan Siemens	16,222	2,105	18,327
Councillor - Mervin Dueck	18,941	1,586	20,527
Councillor - Al Rowe	11,238	1,069	12,307
Councillor - Shane Kroeker	16,386	1,385	17,771
Councillor - Scott Siemens	16,501	1,994	18,495
	<u>\$ 124,408</u>	<u>\$ 12,888</u>	<u>\$ 137,296</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	\$ 133,811
Paul Robert	Public Works Employee	85,221

**16. Public Utilities Board**

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible capital assets and government transfers do not meet the recommendations of PSAB.

For information purposes, the Municipality has deferred the capital grants and revenue from contributed infrastructure assets it has received in the past for its utilities and amortized them over the useful life of the related tangible capital asset.

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

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Water services	\$ 953,516	\$ 981,971	\$ 73,347	\$ 1,862,139
Sewer services	217,529	-	9,458	208,071
	<u>\$ 1,171,045</u>	<u>\$ 981,971</u>	<u>\$ 82,805</u>	<u>\$ 2,070,210</u>

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

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**17. 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 operations include the Emergency coordinator as well as the emergency operations centres when required.

Transportation Services

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

Environmental Health

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

Public Health

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

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.

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

**18. 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>2021</u>	<u>2020</u>
Financial Position		
Total assets	<u>\$ 46,816,804</u>	<u>\$ 40,067,279</u>
Total liabilities	<u>\$ 22,581,244</u>	<u>\$ 17,265,354</u>
Accumulated surplus	<u>24,235,560</u>	<u>22,801,925</u>
	<u>\$ 46,816,804</u>	<u>\$ 40,067,279</u>
Results of Operations		
Revenue	<u>\$ 9,054,145</u>	<u>\$ 7,930,613</u>
Expenses	<u>7,620,510</u>	<u>6,150,842</u>
Annual surplus	<u>\$ 1,433,635</u>	<u>\$ 1,779,771</u>

**19. Accumulated Surplus**

Accumulated surplus consists of the following:

	<u>2021</u>	<u>2020</u>
General Operating Fund - Nominal surplus	<u>\$ 1,327,616</u>	<u>\$ 1,338,217</u>
Utility Operating Fund - Nominal surplus	<u>540,760</u>	<u>285,889</u>
Tangible capital assets, net of related borrowings	<u>28,119,612</u>	<u>27,143,819</u>
Reserve Funds	<u>3,992,754</u>	<u>3,710,678</u>
Accumulated surplus of Municipality, unconsolidated	<u>33,980,742</u>	<u>32,478,603</u>
Accumulated surplus of consolidated entities	<u>2,943,085</u>	<u>2,826,963</u>
Accumulated surplus per consolidated statement of financial position	<u>\$ 36,923,827</u>	<u>\$ 35,305,566</u>

**20. Correction of Error in Prior Period Consolidated Financial Statements**

During the year, the Municipality identified errors recorded in the prior year's financial statements whereby fibre optics installation costs were recorded as tangible capital assets in error and should have been recorded as expenses of the period, and whereby certain capital project design costs were expensed in error rather than recorded as tangible capital assets. As a result, comparative amounts presented in these financial statements have been restated as follows to correct for the errors:

	As previously reported	Adjustment	Restated
Tangible Capital Assets	\$ 32,928,199	\$ (329,190)	\$ 32,599,009
Accumulated surplus, beginning of year	35,030,910	(306,231)	34,724,679
Expenses			
General government services	872,906	161,905	1,034,811
Water and sewer services	1,876,468	(138,946)	1,737,522

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

The COVID-19 pandemic has developed rapidly in 2020, with significant number of cases. Measures taken by different level of governments to contain the virus caused significant disruption to economic activity through travel restrictions, business closures and isolation/quarantine orders.

The Town has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our staff (social distancing and work from home setting), providing some municipal services are done virtually as an alternative mode of service delivery, and closure of non-essential services, which resulted in a decline in recreation and cultural services. Due to the uncertainty of the duration of the temporary disruption and its effect on municipal operations, the financial impact cannot be reasonably estimated at this time.

**RURAL MUNICIPALITY OF MORRIS**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**For the Year Ended December 31, 2021**

**SCHEDULE 1**

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2021	2020
<b>Cost</b>										(Restated - Note 20)
Opening costs	\$ 919,562	\$ 5,598,269	\$ 5,050,306	\$ 272,926	\$ -	\$ 23,232,388	\$ 14,018,193	\$ 189,769	\$ 49,281,413	\$ 48,274,386
Additions during the year	-	14,530	408,024	-	-	183,121	225,275	2,249,882	3,080,832	1,616,083
Disposals and write downs	-	-	(155,220)	-	-	-	-	(124,912)	(280,132)	(609,056)
Closing costs	919,562	5,612,799	5,303,110	272,926	-	23,415,509	14,243,468	2,314,740	52,082,113	49,281,413
<b>Accumulated Amortization</b>										
Opening accum'd amortization	170,580	1,830,450	2,843,524	254,382	-	4,352,691	7,230,777	-	16,682,404	15,684,295
Amortization	20,297	130,952	301,447	3,975	-	232,637	363,377	-	1,052,685	1,049,456
Disposals and write downs	-	-	(82,356)	-	-	-	-	-	(82,356)	(51,347)
Closing accum'd amortization	190,877	1,961,402	3,062,615	258,357	-	4,585,328	7,594,154	-	17,652,733	16,682,404
Net Book Value of Tangible Capital Assets	\$ 728,685	\$ 3,651,397	\$ 2,240,494	\$ 14,570	\$ -	\$ 18,830,181	\$ 6,649,314	\$ 2,314,740	\$ 34,429,380	\$ 32,599,009

**RURAL MUNICIPALITY OF MORRIS**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**For the Year Ended December 31, 2021**

**SCHEDULE 2**

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
<b>Property taxes</b>		
Municipal taxes levied (Schedule 12)	\$ 4,271,626	\$ 4,133,013
Taxes added	105,562	82,908
	<u>4,377,188</u>	<u>4,215,921</u>
<b>Grants in lieu of taxation</b>		
Federal government	119	99
Provincial government	6,255	3,817
Provincial government enterprises	13,263	10,999
	<u>19,637</u>	<u>14,915</u>
<b>User fees</b>		
Sales of service	249,916	217,770
Sales of goods	48,365	53,457
Rentals	39,793	31,388
Facility use fees	81,675	80,823
	<u>419,749</u>	<u>383,438</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	223,674	406,097
Conditional grants	219,228	14,825
	<u>442,902</u>	<u>420,922</u>
<b>Grants - other</b>		
Federal government - gas tax funding	335,412	163,979
Federal government - other	48,000	-
Other local governments	26,809	21,809
	<u>410,221</u>	<u>185,788</u>
<b>Permits, licences and fines</b>		
Permits	30,638	31,873
Licences	-	20
Fines	1,025	625
	<u>31,663</u>	<u>32,518</u>
<b>Investment income</b>		
Cash and temporary investments	71,999	85,592
<b>Other revenue</b>		
Loss on sale of tangible capital assets	(18,853)	(4,500)
Gain (loss) on sale of real estate held for sale	79,689	(4,756)
Penalties and interest	36,227	36,050
Miscellaneous	302,368	241,490
	<u>399,431</u>	<u>268,284</u>
<b>Water and sewer</b>	<u>2,768,856</u>	<u>1,669,607</u>
<b>Total revenue</b>	<u>\$ 8,941,646</u>	<u>\$ 7,276,985</u>

**RURAL MUNICIPALITY OF MORRIS**  
**CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the Year Ended December 31, 2021**

**SCHEDULE 3**

	<b>2021</b>	<b>2020</b>
	<b>Actual</b>	<b>Actual</b>
		(Restated - Note 20)
<b>General government services</b>		
Legislative	\$ 124,231	\$ 118,106
General administrative	639,433	660,378
Other	140,259	256,327
	<u>903,923</u>	<u>1,034,811</u>
<b>Protective services</b>		
Fire	272,464	265,183
Emergency measures	19,675	18,047
Other protection	224,568	141,385
	<u>516,707</u>	<u>424,615</u>
<b>Transportation services</b>		
Road transport		
Road and street maintenance	2,340,045	2,105,550
Sidewalk and boulevard maintenance	86,423	2,533
Street lighting	43,347	43,026
Other	433,363	407,013
Public transit	48,848	85,054
	<u>2,952,026</u>	<u>2,643,176</u>
<b>Environmental health services</b>		
Waste collection and disposal	341,628	236,137
Recycling	259,075	64,638
Other	1,388	5,105
	<u>602,091</u>	<u>305,880</u>
<b>Public health and welfare services</b>		
Public health	5,058	3,325
Social assistance	2,155	2,155
	<u>7,213</u>	<u>5,480</u>
<b>Regional planning and development</b>		
Planning and zoning	2,104	1,783
Beautification and land rehabilitation	49,073	16,788
Other	424	82,098
	<u>51,601</u>	<u>100,669</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	256	250
Drainage of land	63,369	72,451
Other	2,370	2,807
	<u>65,995</u>	<u>75,508</u>
<b>Recreation and cultural services</b>		
Community centers and halls	199,003	210,873
Parks and playgrounds	8,134	3,289
Other recreational facilities	28,165	28,174
Libraries	199,030	126,101
Other cultural facilities	4,928	-
	<u>439,260</u>	<u>368,437</u>
<b>Water and sewer services</b>	<u>1,784,569</u>	<u>1,737,522</u>
<b>Total expenses</b>	<u>\$ 7,323,385</u>	<u>\$ 6,696,098</u>

RURAL MUNICIPALITY OF MORRIS

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2021

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>REVENUE</b>										
Property taxes	\$ 4,242,851	\$ 4,081,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	19,637	14,915	-	-	-	-	-	-	-	-
User fees	47,525	38,172	2,859	3,963	97,480	88,188	212,193	192,098	-	-
Prov of MB - Unconditional Grants	223,674	406,097	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	204,403	-	-	-	-	-	-	-	-	-
Grants - other	383,412	163,979	-	-	20,000	15,000	-	-	-	-
Permits, licences and fines	-	20	31,663	32,498	-	-	-	-	-	-
Investment income	29,720	26,436	10,407	9,676	26,484	39,018	-	-	-	-
Other revenue	110,433	123,658	-	-	5,774	8,469	-	-	-	-
Recovery of bad debts	-	-	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>5,261,655</b>	<b>4,854,861</b>	<b>44,929</b>	<b>46,137</b>	<b>149,738</b>	<b>150,675</b>	<b>212,193</b>	<b>192,098</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>										
Personnel services	462,963	495,747	116,852	109,525	793,604	699,634	109,444	102,226	-	-
Contract services	188,651	176,106	200,807	185,215	491,345	580,137	469,528	187,136	74	102
Utilities	37,164	27,241	18,319	18,062	39,300	38,611	3,322	4,025	-	-
Maintenance materials and supplies	74,856	76,002	30,433	(24,891)	1,118,818	784,684	18,409	7,388	4,984	3,223
Grants and contributions	71,846	195,294	-	-	-	-	-	-	2,155	2,155
Amortization	18,956	21,138	150,296	136,704	438,606	422,757	1,388	5,105	-	-
Interest on long-term debt	-	-	-	-	65,402	76,573	-	-	-	-
Bad debt	-	-	-	-	93	-	-	-	-	-
Other	49,487	43,283	-	-	4,858	40,781	-	-	-	-
<b>Total expenses</b>	<b>903,923</b>	<b>1,034,811</b>	<b>516,707</b>	<b>424,615</b>	<b>2,952,026</b>	<b>2,643,176</b>	<b>602,091</b>	<b>305,880</b>	<b>7,213</b>	<b>5,480</b>
<b>Surplus (deficit)</b>	<b>\$ 4,357,732</b>	<b>\$ 3,820,050</b>	<b>\$ (471,778)</b>	<b>\$ (378,478)</b>	<b>\$ (2,802,288)</b>	<b>\$ (2,492,501)</b>	<b>\$ (389,898)</b>	<b>\$ (113,782)</b>	<b>\$ (7,213)</b>	<b>\$ (5,480)</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, 2021

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2021	2021	2020	2021	2020
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,337	\$ 134,337	\$ 4,377,188	\$ 4,215,921
Grants in lieu of taxation	-	-	-	-	-	-	-	-	19,637	14,915
User fees	2,300	4,285	-	263	57,392	56,469	-	-	419,749	383,438
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	223,674	406,097
Prov of MB - Conditional Grants	-	-	-	-	14,825	14,825	-	-	219,228	14,825
Grants - other	-	-	-	-	6,809	6,809	-	-	410,221	185,788
Permits, licences and fines	-	-	-	-	-	-	-	-	31,663	32,518
Investment income	2,381	3,213	-	-	2,707	2,898	300	4,351	71,999	85,592
Other revenue	-	-	79,688	(4,757)	137,389	100,097	66,147	40,817	399,431	268,284
Water and sewer	-	-	-	-	-	-	2,768,856	1,669,607	2,768,856	1,669,607
<b>Total revenue</b>	<b>4,681</b>	<b>7,498</b>	<b>79,688</b>	<b>(4,494)</b>	<b>219,122</b>	<b>181,098</b>	<b>2,969,640</b>	<b>1,849,112</b>	<b>8,941,646</b>	<b>7,276,985</b>
<b>EXPENSES</b>										
Personnel services	\$ -	-	-	-	71,660	32,245	289,759	321,158	1,844,282	1,760,535
Contract services	51,177	18,571	2,372	2,918	204,060	217,943	86,973	133,793	1,694,987	1,501,921
Utilities	-	-	209	209	2,257	2,485	60,939	61,487	161,510	152,120
Maintenance materials and supplies	-	-	63,414	72,381	13,578	2,421	917,066	783,419	2,241,558	1,704,627
Grants and contributions	-	-	-	-	15,815	15,733	2,191	1,295	92,007	214,477
Amortization	424	424	-	-	77,076	97,611	365,940	365,716	1,052,686	1,049,455
Interest on long-term debt	-	-	-	-	-	-	61,665	66,847	127,067	143,420
Bad debt	-	-	-	-	-	-	-	-	93	-
Other	-	81,674	-	-	54,814	-	36	3,807	109,195	169,545
<b>Total expenses</b>	<b>51,601</b>	<b>100,669</b>	<b>65,995</b>	<b>75,508</b>	<b>439,260</b>	<b>368,438</b>	<b>1,784,569</b>	<b>1,737,522</b>	<b>7,323,385</b>	<b>6,696,099</b>
<b>Surplus (deficit)</b>	<b>\$ (46,920)</b>	<b>\$ (93,171)</b>	<b>\$ 13,693</b>	<b>\$ (80,002)</b>	<b>\$ (220,138)</b>	<b>\$ (187,340)</b>	<b>\$ 1,185,071</b>	<b>\$ 111,590</b>	<b>\$ 1,618,261</b>	<b>\$ 580,887</b>

RURAL MUNICIPALITY OF MORRIS

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2021

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>REVENUE</b>								
Property taxes	\$ 4,377,188	\$ 4,215,921	\$ -	\$ -	\$ -	\$ -	\$ 4,377,188	\$ 4,215,921
Grants in lieu of taxation	19,637	14,915	-	-	-	-	19,637	14,915
User fees	338,074	302,615	57,392	56,469	24,283	24,354	419,749	383,438
Prov of MB - Unconditional Grants	223,674	406,097	-	-	-	-	223,674	406,097
Prov of MB - Conditional Grants	204,403	-	-	-	14,825	14,825	219,228	14,825
Grants - other	383,412	163,979	-	-	26,809	21,809	410,221	185,788
Permits, licences and fines	31,663	32,518	-	-	-	-	31,663	32,518
Investment income	68,868	82,061	1,577	1,803	1,554	1,728	71,999	85,592
Other revenue	190,121	118,901	132,187	98,134	77,123	51,249	399,431	268,284
Recovery of bad debts	-	-	-	-	-	-	-	-
Water and sewer	2,342,588	1,279,833	-	-	426,268	389,774	2,768,856	1,669,607
<b>Total revenue</b>	<b>8,179,628</b>	<b>6,616,840</b>	<b>191,156</b>	<b>156,406</b>	<b>570,862</b>	<b>503,739</b>	<b>8,941,646</b>	<b>7,276,985</b>
<b>EXPENSES</b>								
Personnel services	\$ 1,662,453	\$ 1,628,076	58,275	21,283	\$ 123,554	\$ 111,176	1,844,282	1,760,535
Contract services	1,648,165	1,460,263	-	-	46,822	41,657	1,694,987	1,501,920
Utilities	128,534	122,015	-	-	32,976	30,103	161,510	152,118
Maintenance materials and supplies	2,100,361	1,624,688	-	-	141,197	79,939	2,241,558	1,704,627
Grants and contributions	89,816	213,182	-	-	2,191	1,295	92,007	214,477
Amortization	895,751	879,248	48,966	69,501	107,969	100,706	1,052,686	1,049,455
Interest on long-term debt	99,526	114,810	-	-	27,541	28,610	127,067	143,420
Bad debt	-	-	-	-	93	-	93	-
Other	52,883	125,766	-	-	56,312	43,780	109,195	169,546
<b>Total expenses</b>	<b>6,677,489</b>	<b>6,168,048</b>	<b>107,241</b>	<b>90,784</b>	<b>538,655</b>	<b>437,266</b>	<b>7,323,385</b>	<b>6,696,098</b>
<b>Surplus</b>	<b>\$ 1,502,139</b>	<b>\$ 448,792</b>	<b>\$ 83,915</b>	<b>\$ 65,622</b>	<b>\$ 32,207</b>	<b>\$ 66,473</b>	<b>\$ 1,618,261</b>	<b>\$ 580,887</b>

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

SCHEDULE 6

	2021															2020	
	General	Replacement	Warranty	Gas Tax	Infrastructure/ Bridge	Rosenort Economic Development	General Economic Development	Fire Department - Town	Rosenort Fire Department	Sperling Fire Department	Rosenort Fire Equipment	Lowe Farm Fire Department	Rosenort Utility	Rural Utility	Total	Total	
<b>REVENUE</b>																	
Interest earned	\$ 36,001	\$ 21,760	\$ 593	\$ 3,707	\$ 1,899	\$ 37	\$ 2,344	\$ 7,341	\$ -	\$ 647	\$ 359	\$ 161	\$ -	\$ 300	\$ 75,149	\$ 89,650	
Other income	-	6,842	-	-	-	-	-	7,122	60,000	1,912	2,855	3,078	-	-	81,809	8,453	
Total revenue	36,001	28,602	593	3,707	1,899	37	2,344	14,463	60,000	2,559	3,214	3,239	-	300	156,958	98,103	
<b>EXPENSES</b>																	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,674	
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,674	
<b>NET REVENUES</b>	36,001	28,602	593	3,707	1,899	37	2,344	14,463	60,000	2,559	3,214	3,239	-	300	156,958	16,429	
<b>TRANSFERS</b>																	
Acquisition of tangible capital assets	(42,615)	(168,712)	-	(328,062)	-	-	-	-	-	-	-	-	-	(53,500)	(592,889)	(915,317)	
Transfers from (to) operating fund	(218,600)	121,100	-	335,412	100,000	3,000	5,000	132,095	-	-	-	-	-	240,000	718,007	924,579	
<b>CHANGE IN RESERVE FUND BALANCES</b>	(225,214)	(19,010)	593	11,057	101,899	3,037	7,344	146,558	60,000	2,559	3,214	3,239	-	186,800	282,076	25,691	
<b>FUND SURPLUS, BEGINNING 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	
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 1,524,974</u>	<u>\$ 1,019,285</u>	<u>\$ 41,491</u>	<u>\$ 251,297</u>	<u>\$ 137,223</u>	<u>\$ 3,245</u>	<u>\$ 110,348</u>	<u>\$ 408,841</u>	<u>\$ 60,000</u>	<u>\$ 33,141</u>	<u>\$ 19,365</u>	<u>\$ 10,494</u>	<u>\$ 197</u>	<u>\$ 372,853</u>	<u>\$ 3,992,754</u>	<u>\$ 3,710,678</u>	

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

**SCHEDULE 7**

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<b>Revenue</b>			
Taxation	\$ 238,250	\$ 238,250	\$ 250,750
Other revenue	-	1,638	1,959
Total revenue	<u>238,250</u>	<u>239,888</u>	<u>252,709</u>
<b>Expenses</b>			
General government			
Indemnities	6,500	-	-
Other	-	12,403	568
Transportation services			
Road and street maintenance	15,000	20,769	77,914
Ditches and road drainage	60,000	26,059	333
Snow and ice removal	15,000	15,738	-
Sidewalk and boulevard maintenance	5,000	3,518	-
Street lighting	17,000	19,336	22,868
Other	5,000	14,805	3,360
Environmental health			
Waste collection and disposal	-	-	62,311
Regional planning and development			
Beautification and land rehabilitation	7,000	49,073	16,788
Recreation and cultural services			
Parks and playgrounds	97,750	6,723	604
Total expenses	<u>228,250</u>	<u>168,424</u>	<u>184,746</u>
<b>Net revenue</b>	<b>10,000</b>	<b>71,464</b>	<b>67,963</b>
<b>Transfers</b>			
Transfers to L.U.D. reserves	<u>(10,000)</u>	<u>-</u>	<u>-</u>
<b>Change in L.U.D. balances</b>	<b>-</b>	<b>71,464</b>	<b>67,963</b>
<b>Unexpended balance, beginning of year</b>	<b>-</b>	<b>353,840</b>	<b>285,877</b>
<b>Unexpended balance, end of year</b>	<b>-</b>	<b>\$ 425,304</b>	<b>\$ 353,840</b>

**RURAL MUNICIPALITY OF MORRIS**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITY**  
**For the Year Ended December 31, 2021**

**SCHEDULE 8**

	<u>2021</u>	<u>2020</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ 4	\$ -
Amounts receivable	<u>270,984</u>	<u>272,338</u>
	<u>270,988</u>	<u>272,338</u>
<b>LIABILITIES</b>		
Long-term debt	716,820	817,032
Due to (from) other funds	<u>720,178</u>	<u>(13,551)</u>
	<u>1,436,998</u>	<u>803,481</u>
<b>NET DEBT</b>	<u>(1,166,010)</u>	<u>(531,143)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	<u>6,671,425</u>	<u>4,930,369</u>
<b>FUND SURPLUS</b>	<u>\$5,505,415</u>	<u>\$4,399,226</u>

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

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 886,000	\$ 1,090,464	\$ 1,003,035
Bulk Water fees	19,700	12,352	19,498
sub-total - water	<u>905,700</u>	<u>1,102,816</u>	<u>1,022,533</u>
<b>Sewer</b>			
Sewer fees	<u>42,800</u>	<u>41,914</u>	<u>46,833</u>
<b>Property taxes</b>			
	<u>134,337</u>	<u>134,337</u>	<u>134,337</u>
<b>Other</b>			
Installation service	-	115,461	119,522
Connection charges	100,500	88,525	85,319
Penalties	4,400	3,893	5,057
Government transfers - Capital	1,350,000	989,950	-
Investment income	-	29	558
Other income	-	-	11
sub-total - other	<u>1,454,900</u>	<u>1,197,858</u>	<u>210,467</u>
<b>Total revenue</b>	<u>\$ 2,537,737</u>	<u>\$ 2,476,925</u>	<u>\$ 1,414,170</u>

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

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>2020 Actual</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 144,000	\$ 108,840	\$ 139,908
Billing and collection	73,100	73,100	81,100
Utilities (telephone, electricity, etc.)	19,395.00	19,395	19,673
	<u>236,495</u>	<u>201,335</u>	<u>240,681</u>
<b>Water General</b>			
Purification and treatment	37,300	12,683	20,625
Water purchases	691,212	742,651	670,749
Transmission and distribution	45,866	52,700	29,465
Connection costs	1,200	29,322	58,274
	<u>775,578</u>	<u>837,356</u>	<u>779,113</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	278,019	278,019	284,116
Interest on long-term debt	27,045	27,045	29,908
	<u>305,064</u>	<u>305,064</u>	<u>314,024</u>
<b>Sewer General</b>			
Collection system costs	4,500	-	50
Treatment and disposal cost	47,222	10,634	52,773
Lift station costs	9,000	3,917	5,019
Connection costs	-	5,350	4,905
	<u>60,722</u>	<u>19,901</u>	<u>62,747</u>
<b>Sewer Amortization &amp; Interest</b>			
Interest on long-term debt	7,080	7,080	8,329
	<u>7,080</u>	<u>7,080</u>	<u>8,329</u>
<b>Total expenses</b>	<u>1,384,939</u>	<u>1,370,736</u>	<u>1,404,894</u>
<b>NET OPERATING SURPLUS</b>	1,152,798	1,106,189	9,276
<b>TRANSFERS</b>			
Transfers from operating and capital fund	(2,980,000)	-	306,232
Transfers from reserve funds	1,630,000	-	-
	<u>1,630,000</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>	<u>\$ (197,202)</u>	1,106,189	315,508
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>4,399,226</u>	<u>4,083,718</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 5,505,415</u>	<u>\$ 4,399,226</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2021

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
<b>REVENUE</b>							
Property taxes	\$ 4,360,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,360,883
Grants in lieu of taxation	19,637	-	-	-	-	-	19,637
User fees	311,500	-	-	-	-	81,675	393,175
Grants - Province of Manitoba	223,674	-	-	-	-	14,825	238,499
Grants - other	419,240	-	-	-	-	26,809	446,049
Permits, licences and fines	22,500	-	-	-	-	-	22,500
Investment income	20,000	-	-	-	-	3,131	23,131
Other revenue	20,000	-	-	-	-	209,310	229,310
Water and sewer	-	4,167,737	-	-	-	426,268	4,594,005
Transfers from reserves	1,031,000	-	-	-	(1,031,000)	-	-
Total revenue	<u>6,428,434</u>	<u>4,167,737</u>	<u>-</u>	<u>-</u>	<u>(1,031,000)</u>	<u>762,018</u>	<u>10,327,189</u>
<b>EXPENSES</b>							
General government services	\$ 777,900	-	18,956	-	46,112	-	842,968
Protective services	421,935	-	150,296	-	-	-	572,231
Transportation services	2,384,500	-	438,606	65,402	-	28,800	2,917,308
Environmental health services	444,900	-	1,388	-	-	-	446,288
Public health and welfare services	28,700	-	-	-	-	-	28,700
Regional planning and development	5,000	-	424	-	-	-	5,424
Resource cons and industrial dev	66,000	-	-	-	-	-	66,000
Recreation and cultural services	219,897	-	77,076	-	-	134,249	431,222
Water and sewer services	-	4,167,737	365,940	34,124	(2,980,000)	325,912	1,913,713
Fiscal services							
Transfer to capital	802,761	-	-	-	(802,761)	-	-
Transfer to utility	134,337	-	-	-	(134,337)	-	-
Debt charges	291,568	-	-	(291,568)	-	-	-
Short-term interest	5,000	-	-	(5,000)	-	-	-
Transfer to reserves	561,574	-	-	-	(561,574)	-	-
Allowance for tax assets	46,112	-	-	-	(46,112)	-	-
Total expenses	<u>6,190,184</u>	<u>4,167,737</u>	<u>1,052,686</u>	<u>(197,042)</u>	<u>(4,478,672)</u>	<u>488,961</u>	<u>7,223,854</u>
<b>Surplus (Deficit)</b>	<u>\$ 238,250</u>	<u>\$ -</u>	<u>\$ (1,052,686)</u>	<u>\$ 197,042</u>	<u>\$ 3,447,672</u>	<u>\$ 273,057</u>	<u>\$ 3,103,335</u>

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

**SCHEDULE 11**

	<u>2021</u>	<u>2020</u>
<b>Balance, beginning of year</b>	<b>\$ 27,811</b>	<b>\$ 192,467</b>
<b>Add:</b>		
Tax levy (Schedule 12)	9,733,270	9,605,511
Taxes added	105,562	82,908
Penalties or interest	23,744	21,100
	<u>9,862,576</u>	<u>9,709,519</u>
<b>Deduct:</b>		
Cash collections - current	9,430,510	9,182,437
Cash collections - arrears	(10,901)	164,403
Tax discounts	47,845	43,651
M.P.T.C. - cash advance	379,736	483,684
	<u>9,847,190</u>	<u>9,874,175</u>
<b>Balance, end of year</b>	<b><u>\$ 43,197</u></b>	<b><u>\$ 27,811</u></b>

**RURAL MUNICIPALITY OF MORRIS  
ANALYSIS OF TAX LEVY  
Year Ended December 31, 2021**

**SCHEDULE 12**

	2021			2020
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):	56,692,080	4.20%	\$ 237,823	\$ 250,263
Debt charges:				
Rural Water	-	0.00%	\$ 97,551	\$ 97,551
Rosenort Dyke	71,661,450	1.46%	104,912	104,948
Sunburst 1620/07	-	0.00%	1,816	1,816
Sunburst Paving	441,441,540	0.13%	57,387	57,596
Public Works Garage	62,968,400	0.11%	7,115	7,069
Rosenort Paving	11,206,320	3.26%	36,488	36,493
Lowe Farm Streets	1,613,680	5.61%	9,056	9,056
Aubigny Dyke 1574/04	-	0.00%	110,505	-
Lowe Farm/Kane	99,198,700	0.41%	40,969	36,022
Rosenort 1095	166,906,640	0.64%	106,987	106,968
Sperling Urban	3,293,280	2.23%	7,344	6,121
Sperling Rural	49,429,490	0.34%	16,658	13,882
Morris 1142	69,894,710	0.26%	18,033	18,014
Aubigny 1243, 1248	39,259,060	0.31%	12,013	12,002
Rosenort Industrial Park (A)	-	0.00%	9,517	9,517
Rosenort Industrial Park (B)	441,441,540	0.07%	29,577	29,671
Rosenort Fire Hall	441,441,540	0.08%	36,198	36,216
Lowe Farm Lagoon -LF Only	11,696,060	0.50%	5,848	5,858
Lowe Farm Lagoon -Whole	441,441,540	0.07%	30,901	30,980
			<u>738,875</u>	<u>619,780</u>
Deferred surplus			-	-
Reserves:				
General	428,062,620	0.09%	36,385	34,675
Replacement	428,062,620	0.28%	120,714	317,992
Fire	428,062,620	0.31%	131,843	103,847
Economic	428,062,620	0.01%	5,137	5,074
Rosenort Economic	428,062,620	0.01%	2,996	3,383
Infrastructure	428,062,620	0.23%	99,739	35,097
			<u>396,814</u>	<u>500,068</u>
General municipal:				
Rural area	371,370,540	3.32%	1,232,950	1,138,692
At large	428,062,620	3.16%	1,352,678	1,310,870
Fire Services - Operating	428,062,620	0.73%	312,486	313,340
sub-total - General municipal			<u>2,898,114</u>	<u>2,762,902</u>
Business tax (rate%)	-	0.00%	-	-
<b>Total municipal taxes (Schedule 2)</b>			<u>4,271,626</u>	<u>4,133,013</u>
Education support levy	33,075,210	8.81%	291,360	276,304
Special levy:				
Borderland	4,068,220	13.62%	55,401	55,992
Red River Valley	375,341,150	12.34%	4,632,460	4,656,723
Prairie Rose	45,753,290	10.54%	482,423	483,479
<b>Total education taxes</b>			<u>5,461,644</u>	<u>5,472,498</u>
<b>Total tax levy (Schedule 11)</b>			<u>\$ 9,733,270</u>	<u>\$ 9,605,511</u>

**RURAL MUNICIPALITY OF MORRIS**  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**Year Ended December 31, 2021**

**SCHEDULE 13**

	<u>2021 Actual</u>	<u>2020 Actual</u>
<b>General government services</b>		
Legislative	\$ 124,231	\$ 118,106
General administrative	639,433	660,378
Other	<u>138,621</u>	<u>92,463</u>
	<u>902,285</u>	<u>870,947</u>
<b>Protective services</b>		
Fire	272,464	265,183
Emergency measures	19,675	18,047
Other protection	<u>224,568</u>	<u>141,385</u>
	<u>516,707</u>	<u>424,615</u>
<b>Transportation services</b>		
Road transport		
Road and street maintenance	2,319,276	2,027,636
Sidewalk and boulevard maintenance	82,905	2,533
Street lighting	24,011	20,158
Other	<u>418,558</u>	<u>403,653</u>
	<u>2,844,750</u>	<u>2,453,980</u>
<b>Environmental health services</b>		
Waste collection and disposal	341,628	173,826
Recycling	259,075	64,638
Other	<u>1,388</u>	<u>5,105</u>
	<u>602,091</u>	<u>243,569</u>
<b>Public health and welfare services</b>		
Public health	5,058	3,325
Social assistance	<u>2,155</u>	<u>2,155</u>
	<u>7,213</u>	<u>5,480</u>
<b>Regional planning and development</b>		
Planning and zoning	2,104	1,783
Other	<u>424</u>	<u>424</u>
	<u>2,528</u>	<u>2,207</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	256	250
Drainage of land	63,369	72,451
Other	<u>2,370</u>	<u>2,807</u>
	<u>65,995</u>	<u>75,508</u>
<b>Recreation and cultural services</b>		
Community centers and halls	199,003	210,873
Parks and playgrounds	1,411	2,685
Other recreational facilities	28,165	28,174
Libraries	15,815	15,733
Other cultural facilities	<u>4,928</u>	<u>-</u>
	<u>249,322</u>	<u>257,465</u>
<b>Total expenses</b>	<u>\$ 5,190,891</u>	<u>\$ 4,333,771</u>

RURAL MUNICIPALITY OF MORRIS  
RECONCILIATION OF ANNUAL SURPLUS  
December 31, 2021

**SCHEDULE 14**  
(Unaudited)

	2021		
	General	Utility	Total
<b>MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ (82,065)	\$ 254,871	\$ 172,806
<b>Adjustments for reporting under Public Sector Accounting Standards</b>			
Eliminate expense - Transfers to reserves	718,007	-	718,007
Eliminate revenue - Transfers from reserves	(592,889)	-	(592,889)
Increase revenue - Reserve funds interest	156,958	-	156,958
Reserve fund net income	-	-	-
Increase revenue - Net surplus of consolidated entities	116,122	-	116,122
Decrease revenue - Disposal of tangible capital assets	(72,864)	-	(72,864)
Increase expense - Amortization of tangible capital assets	(617,732)	(278,019)	(895,751)
Decrease expense - Principal portion of debenture debt, net of new debt	226,166	100,212	326,378
Eliminate expense - Acquisitions of tangible capital assets, net of transfers from assets under construction	588,905	2,019,075	2,607,980
Reduce expense - pending debentures	-	(989,950)	(989,950)
Increase revenue - LUD surplus, net of capital transfers	71,464	-	71,464
<b>ANNUAL SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 512,072</b>	<b>\$ 1,106,189</b>	<b>\$ 1,618,261</b>