

# **RURAL MUNICIPALITY OF MORRIS**

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

# **RURAL MUNICIPALITY OF MORRIS**

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

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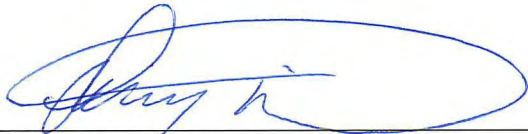
## STATEMENT OF RESPONSIBILITY

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

July 12, 2023



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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, 2022, and the consolidated statement of operations, consolidated statement of change in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, 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, 2022 and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for 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, 2022 and December 31, 2021. 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, 2022 and 2021 and January 1, 2021 as it is impractical to do so and the effects could be material. Our audit opinion on the financial statements for the year ended December 31, 2022 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*

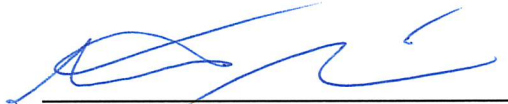
Chartered Professional Accountants

Winnipeg, Manitoba  
July 12, 2023

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

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ -	\$ 5,012,234
Amounts receivable (Note 4)	9,025,288	794,890
Portfolio investments (Note 5)	70,495	74,766
Real estate properties held for sale	2,205,199	1,291,119
Other assets	<u>86,163</u>	<u>48,891</u>
	<u>11,387,145</u>	<u>7,221,900</u>
<b>LIABILITIES</b>		
Bank indebtedness (Note 3)	3,367,836	-
Accounts payable and accrued liabilities (Note 6)	4,307,480	1,506,912
Deferred revenue	237,707	239,937
Long-term debt (Note 8)	<u>2,877,563</u>	<u>3,169,025</u>
	<u>10,790,586</u>	<u>4,915,874</u>
<b>NET FINANCIAL ASSETS</b>	<u>596,559</u>	<u>2,306,026</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	39,598,961	34,429,380
Inventories (Note 9)	117,106	81,626
Prepaid expenses	<u>57,823</u>	<u>106,795</u>
	<u>39,773,890</u>	<u>34,617,801</u>
<b>ACCUMULATED SURPLUS (Note 19)</b>	<u>\$ 40,370,449</u>	<u>\$ 36,923,827</u>

Approved on behalf of Council:

  
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 Scott Siemens, Reeve

  
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 Larry Driedger, Chief Administrative Officer

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

	<b>2022 Budget</b>	<b>2022 Actual</b>	<b>2021 Actual</b>
	(Note 14)		
<b>REVENUE</b>			
Property taxes	\$ 4,985,396	\$ 4,956,770	\$ 4,377,188
Grants in lieu of taxation	17,719	17,719	19,637
User fees	398,948	421,682	419,749
Grants - Province of Manitoba	390,403	11,588,432	442,902
Grants - other	191,288	193,242	410,221
Permits, licences and fines	25,000	36,578	31,663
Investment income	8,537	76,342	71,999
Other revenue	702,482	858,438	399,431
Water and sewer	4,242,353	4,411,313	2,768,856
Total revenue (Schedules 2, 4 and 5)	<b>10,962,126</b>	<b>22,560,516</b>	8,941,646
<b>EXPENSES</b>			
General government services	887,452	913,095	903,923
Protective services	595,888	11,717,552	516,707
Transportation services	3,206,207	3,024,297	2,952,026
Environmental health services	633,388	690,088	602,091
Public health and welfare services	28,700	2,732	7,213
Regional planning and development	6,198	127,396	51,601
Resource conservation and industrial development	134,000	117,358	65,995
Recreation and cultural services	713,867	725,211	439,260
Water and sewer services	1,469,412	1,796,165	1,784,569
Total expenses (Schedules 3, 4 and 5)	<b>7,675,112</b>	<b>19,113,894</b>	7,323,385
<b>ANNUAL SURPLUS</b>	<b>\$ 3,287,014</b>	<b>3,446,622</b>	1,618,261
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR (Note 19)</b>		<b>36,923,827</b>	35,305,566
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 19)</b>		<b>\$ 40,370,449</b>	<b>\$ 36,923,827</b>

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

	<b>2022</b> <b>Budget</b>	<b>2022</b> <b>Actual</b>	2021 Actual
	(Note 14)		
<b>ANNUAL SURPLUS</b>	<b>\$ 3,287,014</b>	<b>\$ 3,446,622</b>	<b>\$ 1,618,261</b>
Acquisition of tangible capital assets	<b>(6,232,622)</b>	<b>(6,232,622)</b>	(3,080,832)
Amortization of tangible capital assets	<b>1,063,041</b>	<b>1,063,041</b>	1,052,685
Loss on sale of tangible capital assets	-	-	18,853
Proceeds on sale of tangible capital assets	-	-	178,923
Increase in inventories	-	<b>(35,480)</b>	(19,429)
Decrease (increase) in prepaid expenses	-	<b>48,972</b>	(61,172)
	<b>(5,169,581)</b>	<b>(5,156,089)</b>	(1,910,972)
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b><u>\$ (1,882,567)</u></b>	<b>(1,709,467)</b>	(292,711)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b><u>2,306,026</u></b>	<u>2,598,737</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b><u>\$ 596,559</u></b>	<b><u>\$ 2,306,026</u></b>



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

	<u>2022</u>	<u>2021</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 3,446,622	\$ 1,618,261
Gain on sale of real estate properties for sale	(81,339)	(79,689)
Loss on sale of tangible capital assets	-	18,853
Amortization	1,063,041	1,052,685
	<u>4,428,324</u>	<u>2,610,110</u>
Changes in non-cash working capital items		
Amounts receivable	(8,230,398)	(64,907)
Other assets	(37,272)	(35,904)
Inventories	(35,480)	(19,429)
Prepaid expenses	48,972	(61,172)
Accounts payable and accrued liabilities	2,800,568	1,029,842
Deferred revenue	(2,230)	193,685
	<u>(1,027,516)</u>	<u>3,652,225</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	-	178,923
Acquisition of tangible capital assets	(6,232,622)	(3,080,832)
	<u>(6,232,622)</u>	<u>(2,901,909)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	100,604	263,531
Maturity of portfolio investments	4,271	32,821
Acquisition of real estate properties	(933,345)	(170,759)
	<u>(828,470)</u>	<u>125,593</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	364,251	228,500
Debt repayment	(655,713)	(456,692)
	<u>(291,462)</u>	<u>(228,192)</u>
<b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>(8,380,070)</b>	<b>647,717</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<b><u>5,012,234</u></b>	<b><u>4,364,517</u></b>
<b>CASH AND TEMPORARY INVESTMENTS (BANK INDEBTEDNESS), END OF YEAR</b>	<b><u><u>\$ (3,367,836)</u></u></b>	<b><u><u>\$ 5,012,234</u></u></b>

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

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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 1880 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, 2022**

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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, 2022**

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**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.

**m) Future Changes in Accounting Standards**

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

- PS 3450 Financial Instruments, effective January 1, 2023, defines and provides guidance for accounting and reporting all types of financial instruments including derivatives.
- PS 2601 Foreign Currency Translation, effective January 1, 2023, replaces PS 2600 with revised accounting and reporting principles for transactions that are denominated in a foreign currency.
- PS 1201 Financial Statement Presentation replaces PS 1200 with general reporting principles for disclosure of information and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3041 Portfolio Investments replaces PS 3040 with revised accounting and reporting principles for portfolio investments and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3280 Asset Retirement Obligations, effective January 1, 2023, defines and provides guidance for accounting and reporting retirement obligations associated with tangible capital assets and includes the withdrawal of PS 3270 Solid Waste Landfill Closure and Post-Closure Liability.
- PS 3400 Revenue, effective January 1, 2024, a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.
- PS 3160 Public Private Partnerships, effective January 1, 2024, is a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships arrangements. Earlier adoption is permitted.

These new accounting standards have not been applied in preparing these consolidated financial statements.

The Municipality is currently assessing the impact of the new standards, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

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

**3. Cash and Temporary Investments and Bank Indebtedness**

Cash and temporary investments and bank indebtedness are comprised of the following:

	<u>2022</u>	<u>2021</u>
Cash (bank indebtedness)	\$ (3,377,877)	\$ 3,801,366
Temporary investments	10,041	1,210,868
	<u>\$ (3,367,836)</u>	<u>\$ 5,012,234</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>2022</u>	<u>2021</u>
Taxes on roll (Schedule 11)	\$ 242,655	\$ 43,197
Government grants	8,074,469	53,641
Utility customers	337,242	270,984
Organizations and individuals	370,922	427,068
	<u>\$ 9,025,288</u>	<u>\$ 794,890</u>

**5. Portfolio Investments**

Portfolio investments consists of Guaranteed Investment Certificates maturing between July 2023 and August 2023, and bearing interest from 1.40% to 4.00%.

**6. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities are comprised of the following:

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 4,147,610	\$ 1,383,240
Accrued liabilities	15,445	1,200
School levies	114,078	92,125
Other governments	30,347	30,347
	<u>\$ 4,307,480</u>	<u>\$ 1,506,912</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, 2022 and 2021.

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

**8. Long-term Debt**

	<u>2022</u>	<u>2021</u>
<u>General Authority</u>		
Debenture, interest at 6.250%, payable at \$5,679 annually including interest, maturing December 31, 2023.	\$ 5,346	\$ 10,377
Debenture, interest at 5.500%, payable at \$29,529 annually including interest, maturing December 31, 2024.	54,520	79,668
Debenture, interest at 5.625%, payable at \$1,713 annually including interest, maturing December 31, 2024.	3,159	4,613
Debenture, interest at 5.625%, payable at \$103,201 annually including interest, maturing December 31, 2024.	190,208	277,785
Debenture, interest at 5.750%, payable at \$1,713 annually including interest, maturing December 31, 2024.	3,152	4,601
Debenture, interest at 5.750%, payable at \$1,479 annually including interest, maturing December 31, 2024.	3,219	4,698
Debenture, interest at 5.625%, payable at \$6,954 annually including interest, maturing December 31, 2029.	39,344	43,832
Debenture, interest at 4.000%, payable at \$9,517 annually including interest, maturing March 31, 2029.	56,853	64,147
Debenture, interest at 4.000%, payable at \$29,319 annually including interest, maturing March 31, 2034.	273,780	292,093
Debenture, interest at 4.000%, payable at \$35,976 annually including interest, maturing March 31, 2034.	335,946	358,414
Debenture paid in full during the current year.	-	54,347
	<u>965,527</u>	<u>1,194,575</u>
<u>Utility Funds</u>		
Debenture for Sperling Utility, interest at 6.125%, payable at \$22,663 annually including interest, maturing December 31, 2024.	41,478	60,440
Debenture for Sperling Utility, interest at 6.125%, payable at \$2,201 annually including interest, maturing December 31, 2024.	4,030	5,872
Debenture for rural water connections, interest at 3.875%, payable at \$25,247 annually including interest, maturing December 31, 2023.	24,306	47,705
Debenture for low-pressure sewer lines in Sperling (North), interest at 4.000%, payable at \$406 annually including interest, maturing December 31, 2027.	1,811	2,133
Debenture for low-pressure sewer lines in Sperling (North), interest at 4.500%, payable at \$4,190 annually including interest, maturing December 31, 2032.	33,160	35,742
Debenture for 2014 Rural Water Connections, interest at 3.500%, payable at \$14,640 annually including interest, maturing December 31, 2024.	27,813	41,019
Debenture for low-pressure sewer lines in Riverside, interest at 4.000%, payable at \$16,408 annually including interest, maturing December 31, 2034.	153,997	163,852
Debenture for low-pressure sewer lines in Riverside, interest at 3.500%, payable at \$10,600 annually including interest, maturing December 31, 2024.	20,137	29,698
Debenture for rural water connections, interest at 3.750%, payable at \$1,190 annually including interest, maturing December 31, 2029.	7,212	8,099
Debenture for local improvement in Lowe Farm, interest at 4.000%, payable at \$5,846 annually including interest, maturing December 31, 2032.	47,418	51,215
Debenture for local improvement in Lowe Farm, interest at 4.000%, payable at \$30,939 annually including interest, maturing December 31, 2032.	250,949	271,047
	<u>612,311</u>	<u>716,822</u>

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

**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.

**607,416**                      653,859

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.

**58,382**                                      63,771

Demand facility with 30 day Bankers' Acceptances decreasing by \$12,500 principal installments per month, plus interest at a fixed rate of 2.450% including a stamping fee of 0.810% 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.

**157,765**                                      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 and 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.

**127,413**                                      137,608

Demand facility for \$16,000,000 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, 2022 the Cooperative had unutilized capacity under this facility of \$8,123,451. Secured by a general security agreement over accounts receivable and all property owned by the Cooperative.

**166,486**                                      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.

**40,000**                                      42,224

Commercial demand loan with monthly principal payments of \$3,020 due monthly bearing interest of 4.400%, maturing January 2026.

**142,262**                                      171,666

**1,299,724**                                      1,257,628

**\$ 2,877,563**                                      \$ 3,169,025

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

2023	\$	354,625
2024		399,873
2025		167,662
2026		174,028
2027		180,652
Thereafter		1,600,723

**Schedule of Debentures Pending**

Authority	Purpose	Authorized	Expended
By-law 1760/2021	Construction - New water reservoir	\$ 1,400,000	\$ 1,361,667
By-law 1762/2021	Construction - New Lagoon	\$ 1,500,000	\$ 1,153,105

**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, 2022**

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**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.

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 2022 by the Municipality on behalf of its employees are expected to be \$91,109 (2021 - \$97,346) 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, 2021 indicated the plan was 101.4% funded on a going concern basis and had an unfunded solvency liability of \$249 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2021.

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

**11. Credit Facilities**

The Municipality has an approved line of credit with an authorized maximum of \$9,600,000 with interest at the variable loan rate of the financial institution with effective rate of 5.25% at December 31, 2022 secured by a promissory note. \$4,161,143 was utilized as at December 31, 2022.

The Sperling Recreation Commission has an approved line of credit with an authorized maximum of \$30,000 with effective interest at the prime rate of 6.45% at December 31, 2022 secured by an assignment of deposits in the amount of \$30,000. The line of credit was unutilized at December 31, 2022.

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 6.20% at December 31, 2022 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, 2022.

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 6.45% at December 31, 2022. 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, 2022.

**12. Contractual Obligations**

The Municipality has operating leases for equipment with total annual payments of \$400,328 expiring in April 2026.

**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, 2022**

**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, 2022:

a) Compensation paid to members of Council amounted to \$164,028 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 - Scott Siemens (Councillor to October 26, 2022)	\$ 20,202	\$ 3,112	\$ 23,314
Reeve - Ralph Groening (to October 26, 2022)	22,680	2,315	24,995
Deputy Reeve - Mervin Dueck	21,264	3,768	25,032
Councillor - Rick Giesbrecht	20,502	3,723	24,225
Councillor - Al Rowe	17,198	2,290	19,488
Councillor - Larry Skoglund (effective October 26, 2022)	3,953	1,126	5,079
Councillor - Shane Kroeker	18,400	2,133	20,532
Councillor - Cory Friesen (effective October 26, 2022)	4,664	1,372	6,037
Councillor - Stan Siemens (to October 26, 2022)	14,049	1,277	15,325
	<u>\$ 142,913</u>	<u>\$ 21,116</u>	<u>\$ 164,028</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	\$ 136,073
Paul Robert	Public Works Manager	114,218
Michel Carriere	Urban Works Supervisor/Assistant Public Works Manager	82,755
Trevor Dackow	Building Inspector/ Fire Chief	76,574

**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	\$ 1,862,139	\$ 2,532,801	\$ 73,347	\$ 4,321,593
Sewer services	208,071	-	9,441	198,630
	<u>\$ 2,070,210</u>	<u>\$ 2,532,801</u>	<u>\$ 82,788</u>	<u>\$ 4,520,223</u>

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

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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.

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, 2022**

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**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>2022</u>	<u>2021</u>
Financial Position		
Total assets	<u>\$ 59,820,382</u>	<u>\$ 46,816,804</u>
Total liabilities	<u>\$ 26,370,513</u>	<u>\$ 22,581,244</u>
Accumulated surplus	<u>33,449,869</u>	<u>24,235,560</u>
	<u>\$ 59,820,382</u>	<u>\$ 46,816,804</u>
Results of Operations		
Revenue	<u>\$ 16,784,353</u>	<u>\$ 9,054,145</u>
Expenses	<u>7,570,044</u>	<u>7,620,510</u>
Annual surplus	<u>\$ 9,214,309</u>	<u>\$ 1,433,635</u>

**19. Accumulated Surplus**

Accumulated surplus consists of the following:

	<u>2022</u>	<u>2021</u>
General Operating Fund - Nominal surplus	<u>\$ 1,432,085</u>	<u>\$ 1,327,616</u>
Utility Operating Fund - Nominal surplus (deficit)	<u>654,166</u>	<u>540,760</u>
Tangible capital assets, net of related borrowings	<u>30,556,789</u>	<u>28,119,612</u>
Reserve Funds	<u>4,277,214</u>	<u>3,992,754</u>
Accumulated surplus of Municipality, unconsolidated	<u>36,920,254</u>	<u>33,980,742</u>
Accumulated surplus of consolidated entities	<u>3,450,195</u>	<u>2,943,085</u>
Accumulated surplus per consolidated statement of financial position	<u>\$ 40,370,449</u>	<u>\$ 36,923,827</u>

RURAL MUNICIPALITY OF MORRIS  
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS  
For the Year Ended December 31, 2022

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2022	2021
<b>Cost</b>										
Opening costs	\$ 529,087	\$ 5,612,799	\$ 5,303,110	\$ 272,927	\$ -	\$ 23,415,508	\$ 14,243,467	\$ 2,314,740	\$ 52,082,113	\$ 49,281,413
Additions during the year	64,421	6,147	176,582	-	4,733	6,495	519,231	5,455,013	6,232,622	3,080,832
Disposals and write downs	-	-	-	(12,140)	-	-	-	-	(12,140)	(280,132)
Closing costs	593,508	5,618,946	5,479,692	260,787	4,733	23,422,003	14,762,698	7,769,753	58,302,595	52,082,113
<b>Accumulated Amortization</b>										
Opening accum'd amortization	190,877	1,961,402	3,062,616	258,358	-	4,585,327	7,594,153	-	17,652,733	16,682,404
Amortization	21,487	128,302	303,190	3,975	-	231,838	374,249	-	1,063,041	1,052,685
Disposals and write downs	-	-	-	(12,140)	-	-	-	-	(12,140)	(82,356)
Closing accum'd amortization	212,364	2,089,704	3,365,806	250,193	-	4,817,165	7,968,402	-	18,703,634	17,652,733
Net Book Value of Tangible Capital Assets	\$ 381,144	\$ 3,529,242	\$ 2,113,886	\$ 10,594	\$ 4,733	\$ 18,604,838	\$ 6,794,296	\$ 7,769,753	\$ 39,598,961	\$ 34,429,380

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

**SCHEDULE 2**

	<b>2022</b> <b>Actual</b>	2021 <b>Actual</b>
<b>Property taxes</b>		
Municipal taxes levied (Schedule 12)	<b>\$ 4,895,396</b>	\$ 4,271,626
Taxes added	<b>61,374</b>	105,562
	<b>4,956,770</b>	4,377,188
<b>Grants in lieu of taxation</b>		
Federal government	<b>684</b>	119
Provincial government	<b>5,856</b>	6,255
Provincial government enterprises	<b>11,179</b>	13,263
	<b>17,719</b>	19,637
<b>User fees</b>		
Sales of service	<b>223,560</b>	249,916
Sales of goods	<b>46,222</b>	48,365
Rentals	<b>35,452</b>	39,793
Facility use fees	<b>116,448</b>	81,675
	<b>421,682</b>	419,749
<b>Grants - Province of Manitoba</b>		
General assistance payment	<b>223,674</b>	223,674
Disaster Financial Assistance	<b>11,156,847</b>	-
Conditional grants	<b>207,911</b>	219,228
	<b>11,588,432</b>	442,902
<b>Grants - other</b>		
Federal government - Canada Community-Building Fund	<b>171,433</b>	335,412
Federal government - Other	<b>-</b>	48,000
Other local governments	<b>21,809</b>	26,809
	<b>193,242</b>	410,221
<b>Permits, licences and fines</b>		
Permits	<b>36,288</b>	30,638
Licences	<b>40</b>	-
Fines	<b>250</b>	1,025
	<b>36,578</b>	31,663
<b>Investment income</b>		
Cash and temporary investments	<b>76,342</b>	71,999
<b>Other revenue</b>		
Loss on sale of tangible capital assets	<b>-</b>	(18,853)
Gain on sale of real estate held for sale	<b>81,339</b>	79,689
Penalties and interest	<b>30,674</b>	36,227
Miscellaneous	<b>746,425</b>	302,368
	<b>858,438</b>	399,431
<b>Water and sewer</b>	<b>4,411,313</b>	2,768,856
<b>Total revenue</b>	<b>\$ 22,560,516</b>	\$ 8,941,646

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

**SCHEDULE 3**

	<b>2022</b> <b>Actual</b>	2021 Actual
<b>General government services</b>		
Legislative	\$ 119,107	\$ 124,231
General administrative	650,636	639,433
Other	143,352	140,259
	<u>913,095</u>	<u>903,923</u>
<b>Protective services</b>		
Fire	283,647	272,464
Emergency measures	18,518	19,675
Other protection	11,415,387	224,568
	<u>11,717,552</u>	<u>516,707</u>
<b>Transportation services</b>		
Road transport		
Road and street maintenance	2,503,940	2,340,045
Sidewalk and boulevard maintenance	(303)	86,423
Street lighting	37,318	43,347
Other	423,152	433,363
Public transit	60,190	48,848
	<u>3,024,297</u>	<u>2,952,026</u>
<b>Environmental health services</b>		
Waste collection and disposal	363,656	341,628
Recycling	325,044	259,075
Other	1,388	1,388
	<u>690,088</u>	<u>602,091</u>
<b>Public health and welfare services</b>		
Public health	577	5,058
Social assistance	2,155	2,155
	<u>2,732</u>	<u>7,213</u>
<b>Regional planning and development</b>		
Planning and zoning	3,147	2,104
Beautification and land rehabilitation	121,051	49,073
Other	3,198	424
	<u>127,396</u>	<u>51,601</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	6,440	256
Drainage of land	108,145	63,369
Other	2,773	2,370
	<u>117,358</u>	<u>65,995</u>
<b>Recreation and cultural services</b>		
Community centers and halls	197,915	199,003
Parks and playgrounds	16,890	8,134
Other recreational facilities	28,160	28,165
Libraries	481,535	199,030
Other cultural facilities	711	4,928
	<u>725,211</u>	<u>439,260</u>
<b>Water and sewer services</b>	<u>1,796,165</u>	<u>1,784,569</u>
<b>Total expenses</b>	<u>\$ 19,113,894</u>	<u>\$ 7,323,385</u>

RURAL MUNICIPALITY OF MORRIS

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2022

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$ 4,822,433	\$ 4,242,851	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	17,719	19,637	-	-	-	-	-	-	-	-
User fees	41,683	47,525	4,283	2,859	55,341	97,480	234,618	212,193	-	-
Prov of MB - Unconditional Grants	223,674	223,674	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	11,198,029	204,403	-	-	-	-	-	-	-	-
Grants - Other	171,433	383,412	-	-	15,000	20,000	-	-	-	-
Permits, licences and fines	40	-	36,538	31,663	-	-	-	-	-	-
Investment income	(14,761)	29,720	26,149	10,407	53,714	26,484	-	-	-	-
Other revenue	98,117	110,433	-	-	5,649	5,774	-	-	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>16,558,367</b>	<b>5,261,655</b>	<b>66,970</b>	<b>44,929</b>	<b>129,704</b>	<b>149,738</b>	<b>234,618</b>	<b>212,193</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>										
Personnel services	505,350	462,963	8,830,597	116,852	677,580	793,604	98,120	109,444	-	-
Contract services	206,168	188,651	198,209	200,807	603,606	491,345	557,346	469,528	67	74
Utilities	41,227	37,164	23,429	18,319	66,178	39,300	11,771	3,322	-	-
Maintenance materials and supplies	50,683	74,856	2,509,429	30,433	1,172,119	1,118,818	21,463	18,409	510	4,984
Grants and contributions	43,768	71,846	-	-	-	-	-	-	2,155	2,155
Amortization	19,261	18,956	155,888	150,296	439,456	438,606	1,388	1,388	-	-
Interest on long-term debt	-	-	-	-	53,640	65,402	-	-	-	-
Bad debt (recovery)	-	-	-	-	(88)	93	-	-	-	-
Other	46,638	49,487	-	-	11,806	4,858	-	-	-	-
<b>Total expenses</b>	<b>913,095</b>	<b>903,923</b>	<b>11,717,552</b>	<b>516,707</b>	<b>3,024,297</b>	<b>2,952,026</b>	<b>690,088</b>	<b>602,091</b>	<b>2,732</b>	<b>7,213</b>
<b>Surplus (deficit)</b>	<b>\$ 15,645,272</b>	<b>\$ 4,357,732</b>	<b>\$ (11,650,582)</b>	<b>\$ (471,778)</b>	<b>\$ (2,894,593)</b>	<b>\$ (2,802,288)</b>	<b>\$ (455,470)</b>	<b>\$ (389,898)</b>	<b>\$ (2,732)</b>	<b>\$ (7,213)</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, 2022

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,337	\$ 134,337	\$ 4,956,770	\$ 4,377,188
Grants in lieu of taxation	-	-	-	-	-	-	-	-	17,719	19,637
User fees	1,250	2,300	-	-	84,507	57,392	-	-	421,682	419,749
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	223,674	223,674
Prov of MB - Conditional Grants	-	-	-	-	14,825	14,825	151,904	-	11,364,758	219,228
Grants - Other	-	-	-	-	6,809	6,809	-	-	193,242	410,221
Permits, licences and fines	-	-	-	-	-	-	-	-	36,578	31,663
Investment income	3,869	2,381	-	-	6,708	2,707	663	300	76,342	71,999
Other revenue	-	-	81,339	79,688	353,568	137,389	319,765	66,147	858,438	399,431
Water and sewer	-	-	-	-	-	-	4,411,313	2,768,856	4,411,313	2,768,856
<b>Total revenue</b>	<b>5,119</b>	<b>4,681</b>	<b>81,339</b>	<b>79,688</b>	<b>466,417</b>	<b>219,122</b>	<b>5,017,982</b>	<b>2,969,640</b>	<b>22,560,516</b>	<b>8,941,646</b>
<b>EXPENSES</b>										
Personnel services	\$ -	-	-	-	15,476	71,660	307,031	289,759	10,434,154	1,844,282
Contract services	126,198	51,177	13,877	2,372	208,876	204,060	138,470	86,973	2,052,817	1,694,987
Utilities	-	-	209	209	2,831	2,257	70,007	60,939	215,652	161,510
Maintenance materials and supplies	-	-	103,272	63,414	383,266	13,578	830,911	917,066	5,071,653	2,241,558
Grants and contributions	-	-	-	-	15,925	15,815	2,451	2,191	64,299	92,007
Amortization	1,198	424	-	-	75,196	77,076	376,905	365,940	1,069,292	1,052,686
Interest on long-term debt	-	-	-	-	-	-	68,870	61,665	122,510	127,067
Bad debt (recovery)	-	-	-	-	-	-	-	-	(88)	93
Other	-	-	-	-	23,641	54,814	1,520	36	83,605	109,195
<b>Total expenses</b>	<b>127,396</b>	<b>51,601</b>	<b>117,358</b>	<b>65,995</b>	<b>725,211</b>	<b>439,260</b>	<b>1,796,165</b>	<b>1,784,569</b>	<b>19,113,894</b>	<b>7,323,385</b>
<b>Surplus (deficit)</b>	<b>\$ (122,277)</b>	<b>\$ (46,920)</b>	<b>\$ (36,019)</b>	<b>\$ 13,693</b>	<b>\$ (258,794)</b>	<b>\$ (220,138)</b>	<b>\$ 3,221,817</b>	<b>\$ 1,185,071</b>	<b>\$ 3,446,622</b>	<b>\$ 1,618,261</b>



CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2022

	Core Government		Controlled Entities		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>REVENUE</b>								
Property taxes	\$ 4,956,770	\$ 4,377,188	\$ -	\$ -	\$ -	\$ -	\$ 4,956,770	\$ 4,377,188
Grants in lieu of taxation	17,719	19,637	-	-	-	-	17,719	19,637
User fees	305,234	338,074	84,507	57,392	31,941	24,283	421,682	419,749
Prov of MB - Unconditional Grants	223,674	223,674	-	-	-	-	223,674	223,674
Prov of MB - Conditional Grants	11,198,029	204,403	-	-	166,729	14,825	11,364,758	219,228
Grants - Other	171,433	383,412	-	-	21,809	26,809	193,242	410,221
Permits, licences and fines	36,578	31,663	-	-	-	-	36,578	31,663
Investment income	68,805	68,868	2,544	1,577	4,993	1,554	76,342	71,999
Other revenue	179,456	190,121	351,096	132,187	327,886	77,123	858,438	399,431
Water and sewer	3,962,247	2,342,588	-	-	449,066	426,268	4,411,313	2,768,856
Total revenue	<b>21,119,945</b>	<b>8,179,628</b>	<b>438,147</b>	<b>191,156</b>	<b>1,002,424</b>	<b>570,862</b>	<b>22,560,516</b>	<b>8,941,646</b>
<b>EXPENSES</b>								
Personnel services	\$ 10,292,774	\$ 1,662,453	-	58,275	\$ 141,380	\$ 123,554	10,434,154	1,844,282
Contract services	2,007,421	1,648,165	-	-	45,396	46,822	2,052,817	1,694,987
Utilities	180,643	128,534	-	-	35,009	32,976	215,652	161,510
Maintenance materials and supplies	4,593,821	2,100,361	-	-	477,832	141,197	5,071,653	2,241,558
Grants and contributions	61,848	89,816	-	-	2,451	2,191	64,299	92,007
Amortization	908,978	895,751	47,086	48,966	113,228	107,969	1,069,292	1,052,686
Interest on long-term debt	83,467	99,526	-	-	39,043	27,541	122,510	127,067
Bad debt (recovery)	-	-	-	-	(88)	93	(88)	93
Other	51,481	52,883	-	-	32,124	56,312	83,605	109,195
Total expenses	<b>18,180,433</b>	<b>6,677,489</b>	<b>47,086</b>	<b>107,241</b>	<b>886,375</b>	<b>538,655</b>	<b>19,113,894</b>	<b>7,323,385</b>
<b>Surplus</b>	<b>\$ 2,939,512</b>	<b>\$ 1,502,139</b>	<b>\$ 391,061</b>	<b>\$ 83,915</b>	<b>\$ 116,049</b>	<b>\$ 32,207</b>	<b>\$ 3,446,622</b>	<b>\$ 1,618,261</b>

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

SCHEDULE 6

	2022															2021
	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	\$ 50,306	\$ 35,861	\$ 1,301	\$ 15,723	\$ 6,402	\$ 159	\$ 3,710	\$ 15,692	\$ -	\$ 1,101	\$ 2,606	\$ 348	\$ 6	\$ 657	\$ 133,872	\$ 75,149
Other income	-	-	-	-	-	-	-	-	10,000	1,500	2,408	666	-	-	14,574	81,809
Total revenue	50,306	35,861	1,301	15,723	6,402	159	3,710	15,692	10,000	2,601	5,014	1,014	6	657	148,446	156,958
<b>EXPENSES</b>																
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET REVENUES</b>	50,306	35,861	1,301	15,723	6,402	159	3,710	15,692	10,000	2,601	5,014	1,014	6	657	148,446	156,958
<b>TRANSFERS</b>																
Acquisition of tangible capital assets	(40,677)	(78,780)	-	(6,495)	-	-	-	-	(34,425)	-	(500)	-	-	(152,132)	(313,009)	(592,889)
Transfers from (to) operating fund	(111,700)	127,200	-	177,928	115,000	3,200	5,300	132,095	-	-	-	-	-	-	449,023	718,007
<b>CHANGE IN RESERVE FUND BALANCES</b>	(102,071)	84,281	1,301	187,156	121,402	3,359	9,010	147,787	(24,425)	2,601	4,514	1,014	6	(151,475)	284,460	282,076
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	1,524,974	1,019,285	41,491	251,297	137,223	3,245	110,348	408,841	60,000	33,141	19,365	10,494	197	372,853	3,992,754	3,710,678
<b>FUND SURPLUS, END OF YEAR</b>	\$ 1,422,903	\$ 1,103,566	\$ 42,792	\$ 438,453	\$ 258,625	\$ 6,604	\$ 119,358	\$ 556,628	\$ 35,575	\$ 35,742	\$ 23,879	\$ 11,508	\$ 203	\$ 221,378	\$ 4,277,214	\$ 3,992,754

RURAL MUNICIPALITY OF MORRIS  
SCHEDULE OF L.U.D. OPERATIONS  
For the Year Ended December 31, 2022

SCHEDULE 7

	2022 Budget	2022 Actual	2021 Actual
<b>Revenue</b>			
Taxation	\$ 263,250	\$ 263,250	\$ 238,250
Other revenue	-	2,709	1,638
Total revenue	<u>263,250</u>	<u>265,959</u>	<u>239,888</u>
<b>Expenses</b>			
General government			
Indemnities	6,500	140	-
Other	-	21,072	12,403
Transportation services			
Road and street maintenance	15,000	9,890	20,769
Ditches and road drainage	60,000	190	26,059
Snow and ice removal	15,000	15,000	15,738
Sidewalk and boulevard maintenance	5,000	-	3,518
Street lighting	17,000	20,219	19,336
Other	5,000	654	14,805
Regional planning and development			
Beautification and land rehabilitation	7,000	121,051	49,073
Recreation and cultural services			
Parks and playgrounds	123,750	9,299	6,723
Total expenses	<u>254,250</u>	<u>197,515</u>	<u>168,424</u>
<b>Net revenue</b>	<b>9,000</b>	<b>68,444</b>	<b>71,464</b>
<b>Transfers</b>			
Transfers to L.U.D. reserves	(35,000)	-	-
Transfer to General Operating Fund	(155,000)	-	-
<b>Change in L.U.D. balances</b>	<b>(181,000)</b>	<b>68,444</b>	<b>71,464</b>
<b>Unexpended balance, beginning of year</b>	<b>-</b>	<b>425,304</b>	<b>353,840</b>
<b>Unexpended balance, end of year</b>	<b>(181,000)</b>	<b>\$ 493,748</b>	<b>\$ 425,304</b>

**RURAL MUNICIPALITY OF MORRIS**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITY**  
**For the Year Ended December 31, 2022**

**SCHEDULE 8**

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash	\$ -	\$ 4
Amounts receivable	<u>337,242</u>	<u>270,984</u>
	<u>337,242</u>	<u>270,988</u>
<b>LIABILITIES</b>		
Bank indebtedness	1,300,481	-
Long-term debt	612,311	716,820
Due to (from) other funds	<u>1,897,367</u>	<u>720,178</u>
	<u>3,810,159</u>	1,436,998
<b>NET DEBT</b>	<u>(3,472,917)</u>	<u>(1,166,010)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	<u>11,686,412</u>	<u>6,671,425</u>
<b>FUND SURPLUS</b>	<u>\$ 8,213,495</u>	<u>\$ 5,505,415</u>

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

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 1,010,000	\$ 1,210,947	\$ 1,090,464
Bulk Water fees	11,650	25,391	12,352
sub-total - water	<u>1,021,650</u>	<u>1,236,338</u>	<u>1,102,816</u>
<b>Sewer</b>			
Sewer fees	<u>40,000</u>	<u>56,596</u>	41,914
<b>Property taxes</b>			
	<u>134,337</u>	<u>134,337</u>	134,337
<b>Other</b>			
Installation service	5,700	46,016	115,461
Connection charges	88,000	91,681	88,525
Penalties	3,600	3,208	3,893
Government transfers - Capital	2,500,000	2,516,854	989,950
Investment income	-	11,554	29
	<u>2,597,300</u>	<u>2,669,313</u>	<u>1,197,858</u>
<b>Total revenue</b>	<u>\$ 3,793,287</u>	<u>\$ 4,096,584</u>	<u>\$ 2,476,925</u>

**SCHEDULE OF UTILITY OPERATIONS (cont'd) - Rural Municipality of Morris Utility**

For the Year Ended December 31, 2022

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 120,000	\$ 103,003	\$ 108,840
Billing and collection	78,450	78,450	73,100
Utilities (telephone, electricity, etc.)	-	15,648	19,395
	<u>198,450</u>	<u>197,101</u>	<u>201,335</u>
<b>Water General</b>			
Purification and treatment	35,000	26,341	12,683
Water purchases	796,000	722,895	742,651
Transmission and distribution	47,500	43,099	52,700
Connection costs	750	18,821	29,322
	<u>879,250</u>	<u>811,156</u>	<u>837,356</u>
<b>Water Amortization &amp; Interest</b>			
Amortization	280,635	280,635	278,019
Interest on long-term debt	24,072	24,072	27,045
	<u>304,707</u>	<u>304,707</u>	<u>305,064</u>
<b>Sewer General</b>			
Collection system costs	4,678	4,023	-
Treatment and disposal cost	66,572	59,174	10,634
Lift station costs	10,000	6,361	3,917
Connection costs	-	227	5,350
	<u>81,250</u>	<u>69,785</u>	<u>19,901</u>
<b>Sewer Amortization &amp; Interest</b>			
Interest on long-term debt	5,755	5,755	7,080
<b>Total expenses</b>	<u>1,469,412</u>	<u>1,388,504</u>	<u>1,370,736</u>
<b>NET OPERATING SURPLUS</b>	<u>\$ 2,323,875</u>	2,708,080	1,106,189
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>5,505,415</u>	<u>4,399,226</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 8,213,495</u>	<u>\$ 5,505,415</u>

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2022

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Consolidated Entities	PSAS Budget
<b>REVENUE</b>							
Property taxes	\$ 4,985,396	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,985,396
Grants in lieu of taxation	17,719	-	-	-	-	-	17,719
User fees	282,500	-	-	-	-	116,448	398,948
Grants - Province of Manitoba	223,674	-	-	-	-	166,729	390,403
Grants - other	169,479	-	-	-	-	21,809	191,288
Permits, licences and fines	25,000	-	-	-	-	-	25,000
Investment income	1,000	-	-	-	-	7,537	8,537
Other revenue	23,500	-	-	-	-	678,982	702,482
Water and sewer	-	6,573,287	-	-	(2,780,000)	449,066	4,242,353
Transfers from reserves	1,519,500	-	-	-	(1,519,500)	-	-
Total revenue	<u>7,247,768</u>	<u>6,573,287</u>	<u>-</u>	<u>-</u>	<u>(4,299,500)</u>	<u>1,440,571</u>	<u>10,962,126</u>
<b>EXPENSES</b>							
General government services	\$ 820,950	-	19,261	-	47,241	-	887,452
Protective services	440,000	-	155,888	-	-	-	595,888
Transportation services	2,669,879	-	439,456	53,640	-	43,232	3,206,207
Environmental health services	632,000	-	1,388	-	-	-	633,388
Public health and welfare services	28,700	-	-	-	-	-	28,700
Regional planning and development	5,000	-	1,198	-	-	-	6,198
Resource cons and industrial dev	134,000	-	-	-	-	-	134,000
Recreation and cultural services	220,147	-	75,196	-	-	418,524	713,867
Water and sewer services	-	6,573,287	280,635	29,827	(5,414,337)	-	1,469,412
Fiscal services							
Transfer to capital	979,500	-	-	-	(979,500)	-	-
Transfer to utility	134,337	-	-	-	(134,337)	-	-
Debt charges	282,690	-	-	(282,690)	-	-	-
Short-term interest	5,000	-	-	(5,000)	-	-	-
Transfer to reserves	585,074	-	-	-	(585,074)	-	-
Allowance for tax assets	47,241	-	160,314	-	(47,241)	773,147	933,461
Total expenses	<u>6,984,518</u>	<u>6,573,287</u>	<u>1,229,606</u>	<u>(204,223)</u>	<u>(7,113,248)</u>	<u>1,546,294</u>	<u>8,608,573</u>
<b>Surplus (Deficit)</b>	<u>\$ 263,250</u>	<u>\$ -</u>	<u>\$ (1,229,606)</u>	<u>\$ 204,223</u>	<u>\$ 2,813,748</u>	<u>\$ (105,723)</u>	<u>\$ 2,353,553</u>

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

**SCHEDULE 11**

	<u>2022</u>	<u>2021</u>
<b>Balance, beginning of year</b>	<b>\$ 43,197</b>	<b>\$ 27,811</b>
<b>Add:</b>		
Tax levy (Schedule 12)	10,362,630	9,733,270
Taxes added	61,374	105,562
Penalties or interest	29,541	23,744
	<u>10,453,545</u>	<u>9,862,576</u>
<b>Deduct:</b>		
Cash collections - current	9,907,583	9,430,510
Cash collections - arrears	(11,376)	(10,901)
Tax discounts	40,523	47,845
M.P.T.C. - cash advance	317,357	379,736
	<u>10,254,087</u>	<u>9,847,190</u>
<b>Balance, end of year</b>	<b><u>\$ 242,655</u></b>	<b><u>\$ 43,197</u></b>



RURAL MUNICIPALITY OF MORRIS  
ANALYSIS OF TAX LEVY  
Year Ended December 31, 2022

SCHEDULE 12

	2022		2021	
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):	59,236,210	4.44%	\$ 262,772	\$ 237,823
Debt charges:				
Rural Water	-	0.00%	\$ 97,550	\$ 97,551
Rosenort Dyke	74,745,960	1.40%	104,943	104,912
Sunburst 1620/07	-	0.00%	-	1,816
Sunburst Paving	446,952,720	0.13%	57,657	57,387
Public Works Garage	65,445,140	0.00%	-	7,115
Rosenort Paving	11,790,370	3.10%	36,491	36,488
Lowe Farm Streets	1,625,240	5.57%	9,056	9,056
Aubigny Dyke 1574/04	-	0.00%	147,226	110,505
Lowe Farm/Kane	100,006,860	0.41%	41,003	40,969
Rosenort 1095	170,854,480	0.63%	106,955	106,987
Sperling Urban	3,305,700	2.22%	7,345	7,344
Sperling Rural	49,545,670	0.34%	16,697	16,658
Morris 1142	69,904,080	0.26%	18,035	18,033
Aubigny 1243, 1248	39,428,520	0.31%	12,026	12,013
Rosenort Industrial Park (A)	-	0.00%	9,517	9,517
Rosenort Industrial Park (B)	446,952,720	0.07%	29,499	29,577
Rosenort Fire Hall	446,952,720	0.08%	36,203	36,198
Lowe Farm Lagoon -LF Only	12,280,110	0.48%	5,858	5,848
Lowe Farm Lagoon -Whole	446,952,720	0.07%	31,287	30,901
			<u>767,348</u>	<u>738,875</u>
Deferred surplus			-	-
Reserves:				
General	433,126,050	0.09%	38,548	36,385
Replacement	433,126,050	0.29%	126,906	120,714
Fire	433,126,050	0.30%	131,670	131,843
Economic	433,126,050	0.01%	5,631	5,137
Rosenort Economic	433,126,050	0.01%	3,465	2,996
Infrastructure	433,126,050	0.27%	114,778	99,739
			<u>420,998</u>	<u>396,814</u>
General municipal:				
Rural area	373,889,840	3.52%	1,314,597	1,232,950
At large	433,126,050	4.15%	1,799,206	1,352,678
Fire Services - Operating	433,126,050	0.76%	330,475	312,486
sub-total - General municipal			<u>3,444,278</u>	<u>2,898,114</u>
<b>Total municipal taxes (Schedule 2)</b>			<u><b>4,895,396</b></u>	<u>4,271,626</u>
Education support levy	34,887,790	8.71%	304,012	291,360
Special levy:				
Borderland	4,068,220	13.46%	54,770	55,401
Red River Valley	381,056,280	12.16%	4,632,501	4,632,460
Prairie Rose	45,768,890	10.40%	475,951	482,423
<b>Total education taxes</b>			<u><b>5,467,234</b></u>	<u>5,461,644</u>
<b>Total tax levy (Schedule 11)</b>			<u><b>\$ 10,362,630</b></u>	<u>\$ 9,733,270</u>

RURAL MUNICIPALITY OF MORRIS  
**SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
Year Ended December 31, 2022

**SCHEDULE 13**

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
<b>General government services</b>		
Legislative	\$ 118,967	\$ 124,231
General administrative	650,636	639,433
Other	140,643	138,621
	<u>910,246</u>	<u>902,285</u>
<b>Protective services</b>		
Fire	283,647	272,464
Emergency measures	18,518	19,675
Other protection	11,415,387	224,568
	<u>11,717,552</u>	<u>516,707</u>
<b>Transportation services</b>		
Road transport		
Road and street maintenance	2,494,050	2,319,276
Sidewalk and boulevard maintenance	(303)	82,905
Street lighting	17,099	24,011
Other	422,498	418,558
	<u>2,933,344</u>	<u>2,844,750</u>
<b>Environmental health services</b>		
Waste collection and disposal	363,656	341,628
Recycling	325,044	259,075
Other	1,388	1,388
	<u>690,088</u>	<u>602,091</u>
<b>Public health and welfare services</b>		
Public health	577	5,058
Social assistance	2,155	2,155
	<u>2,732</u>	<u>7,213</u>
<b>Regional planning and development</b>		
Planning and zoning	3,147	2,104
Other	3,198	424
	<u>6,345</u>	<u>2,528</u>
<b>Resource conservation and industrial development</b>		
Rural area weed control	6,440	256
Drainage of land	108,145	63,369
Other	2,773	2,370
	<u>117,358</u>	<u>65,995</u>
<b>Recreation and cultural services</b>		
Community centers and halls	197,915	199,003
Parks and playgrounds	7,591	1,411
Other recreational facilities	28,160	28,165
Libraries	15,925	15,815
Other cultural facilities	711	4,928
	<u>250,302</u>	<u>249,322</u>
<b>Total expenses</b>	<u>\$ 16,627,967</u>	<u>\$ 5,190,891</u>

**RURAL MUNICIPALITY OF MORRIS  
RECONCILIATION OF ANNUAL SURPLUS  
December 31, 2022**

**SCHEDULE 14  
(Unaudited)**

	2022		
	General	Utility	Total
<b>MUNICIPAL SURPLUS UNDER THE MUNICIPAL ACT</b>	\$ 36,025	\$ 113,406	\$ 149,431
<b>Adjustments for reporting under Public Sector Accounting Standards</b>			
Eliminate expense - Transfers to reserves	449,023	-	449,023
Eliminate revenue - Transfers from reserves	(313,009)	-	(313,009)
Increase revenue - Reserve funds interest	148,446	-	148,446
Increase revenue - Net surplus of consolidated entities	507,110	-	507,110
Eliminate revenue - transfer from nominal surplus	-	(1,000,000)	(1,000,000)
Increase expense - Amortization of tangible capital assets	(628,343)	(280,635)	(908,978)
Decrease expense - Principal portion of debenture debt, net of new debt	229,050	104,509	333,559
Eliminate expense - Acquisitions of tangible capital assets, net of transfers from assets under construction	241,796	5,295,622	5,537,418
Reduce expense - Pending debentures	-	(1,524,822)	(1,524,822)
Increase revenue - LUD surplus, net of capital transfers	68,444	-	68,444
<b>ANNUAL SURPLUS PER CONSOLIDATED STATEMENT OF OPERATIONS</b>	<b>\$ 738,542</b>	<b>\$ 2,708,080</b>	<b>\$ 3,446,622</b>