

**CITY OF MORDEN**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

**CITY OF MORDEN**  
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**For the year ended December 31, 2021**

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## STATEMENT OF RESPONSIBILITY

To the Mayor and Council of the City of Morden:

Management is responsible for preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Council is composed entirely of Members who are neither management nor employees of the City. Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. Council fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Council is also responsible for recommending the appointment of the City's external auditors.

Sensus Chartered Professional Accountants Ltd., an independent firm of Chartered Professional Accountants, is appointed by Council to audit the financial statements and report directly to them: their report follows. The external auditors have full and free access to, and meet periodically and separately with, both council and management to discuss their audit findings.

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Brandon Burley  
Mayor

## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of:  
City of Morden  
Morden, Manitoba

### Qualified Opinion

We have audited the consolidated financial statements of City of Morden, which comprise of the statement of financial position as at December 31, 2021 and the statement of operations, statement of changes in net financial assets, and 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 paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of City of Morden as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

Solid Waste Area Management Project is required to include an estimate of future closure and post-closure costs for the landfill as an expense in its financial statements on an annual basis. Included in the statement of financial position is a landfill closure accrual. The accuracy of this amount was not susceptible to satisfactory audit verification. Therefore, we were not able to determine whether any adjustments might be necessary to landfill closure costs and annual surplus for the year ending December 31, 2021 and liabilities and accumulated surplus as at December 31, 2021.

The City has control of municipal entities noted in the significant accounting policies note whereby the City's pro-rata share of each of the assets, liabilities, revenues, expenses and surplus are combined on a line-by-line basis in the consolidated financial statements of the City of Morden. The financial statements and information to support the completeness, existence, accuracy and valuation of their financial data of Morden Community Development Corporation Ltd. and Menzies Medical Centre Board Inc. were not subject to audit in accordance with Canadian public sector accounting standards. Accordingly, we were not able to determine whether any adjustments might be necessary to the financial data of Morden Community Development Corporation Ltd. and Menzies Medical Centre Board Inc. that has been consolidated into these financial statements.

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 City of Morden in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we 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 qualified opinion.

### Other Matters

The prior year's figures were audited by another public accounting firm which issued an unqualified opinion dated December 7, 2021.

### 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 City of Morden'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 City of Morden or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City of Morden'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 auditing standards, we exercise our 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 City of Morden'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 City of Morden'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 City of Morden 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 Group to express an opinion on the consolidated financial statements. We are responsible for the directions, 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.

Brandon, Manitoba  
November 29, 2022

  
Chartered Professional Accountants Ltd.

**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2021**

	2021	2020
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments (Note 3)	\$ 18,646,448	\$10,242,663
Amounts receivable (Note 4)	2,107,491	3,694,540
Portfolio investments (Note 5)	940,275	1,107,683
	<u>21,694,214</u>	<u>15,044,886</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	3,951,383	2,519,220
Severance and sick leave payable	67,981	65,756
Deferred revenue (Note 2)	5,931,661	352,241
Landfill closure and post closure liabilities (Note 8)	7,515	6,936
Long-term debt (Note 9)	6,385,076	4,928,988
	<u>16,343,616</u>	<u>7,873,141</u>
<b>NET FINANCIAL ASSETS</b>	<u>5,350,598</u>	<u>7,171,745</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	61,884,167	55,482,926
Inventories (Note 6)	142,773	95,467
Prepaid expenses	79,443	96,394
Real estate properties held for sale (Note 2)	293,003	393,643
	<u>62,399,386</u>	<u>56,068,430</u>
<b>ACCUMULATED SURPLUS (Note 15)</b>	<u>\$ 67,749,984</u>	<u>\$63,240,175</u>

**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
For the year ended December 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020 Actual
<b>REVENUE</b>			
Property taxes	\$ 9,241,585	\$ 9,254,809	\$ 8,884,289
Grants in lieu of taxation	261,245	261,245	259,318
User fees	2,323,164	2,166,644	2,085,901
Permits, licences and fines	207,575	285,677	192,157
Investment income	129,333	117,077	136,775
Other revenue	1,103,665	1,935,437	687,766
Water and sewer	2,772,468	2,918,040	2,818,467
Grants - Province of Manitoba	2,835,145	1,764,733	1,746,123
Grants - Other	1,094,781	2,566,988	1,901,947
Total revenue (Schedules 2, 4 and 5)	<u>19,968,961</u>	<u>21,270,650</u>	<u>18,712,743</u>
<b>EXPENSES</b>			
General government services	1,554,471	1,521,978	1,578,022
Protective services	3,340,848	3,200,698	3,199,054
Transportation services	2,873,455	2,507,694	2,590,441
Environmental health services	961,501	1,006,938	1,139,874
Public health and welfare services	250,381	270,301	831,382
Regional planning and development	167,125	202,897	161,526
Resource conservation and industrial development	1,450,250	1,517,984	1,266,430
Recreation and cultural services	3,942,733	3,716,066	3,618,124
Water and sewer services	2,631,704	2,816,285	2,529,658
Total expenses (Schedules 3, 4 and 5)	<u>17,172,468</u>	<u>16,760,841</u>	<u>16,914,511</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 2,796,493</u>	<u>4,509,809</u>	<u>1,798,232</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>63,240,175</u>	<u>61,441,943</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 67,749,984</u>	<u>\$ 63,240,175</u>

**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
For the year ended December 31, 2021

	2021 Budget (Note 14)	2021 Actual	2020 Actual
<b>ANNUAL SURPLUS</b>	<b>\$ 2,796,493</b>	<b>\$ 4,509,809</b>	<b>\$ 1,798,232</b>
Acquisition of tangible capital assets	(10,701,235)	(9,438,970)	(4,790,385)
Amortization of tangible capital assets	3,019,285	3,019,285	2,869,589
Decrease in properties held for sale		100,640	7,714
Gain on sale of tangible capital assets		(36,845)	(1,063)
Proceeds on sale of tangible capital assets		55,288	122,741
Increase in inventories		(47,305)	(9,076)
Decrease (increase) in prepaid expenses		16,951	(16,067)
	<u>(7,681,950)</u>	<u>(6,330,956)</u>	<u>(1,816,547)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ (4,885,457)</b>	<b>(1,821,147)</b>	<b>(18,315)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<u>7,171,745</u>	<u>7,190,060</u>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b>\$ 5,350,598</b>	<b>\$ 7,171,745</b>



**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2021

	2021	2020
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 4,509,809	\$ 1,798,232
Changes in non-cash items:		
Amounts receivable	1,587,050	424,419
Inventories	(47,305)	(9,076)
Prepays	16,951	(16,067)
Accounts payable and accrued liabilities	1,434,388	(254,579)
Deferred revenue	5,579,420	(183,187)
Landfill closure and post closure liabilities	579	3,149
Gain on sale of properties held for resale	(477,179)	(42,986)
Gain on sale of tangible capital assets	(36,845)	(1,063)
Amortization	3,019,285	2,869,589
Cash provided by operating transactions	<u>15,586,153</u>	<u>4,588,431</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	55,288	122,741
Cash used to acquire tangible capital assets	(9,438,970)	(4,790,385)
Cash applied to capital transactions	<u>(9,383,682)</u>	<u>(4,667,644)</u>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of portfolio investments	189,172	
Proceeds on sale of real estate properties	577,818	50,700
Purchase of portfolio investments	(21,764)	(407,125)
Cash applied to investing transactions	<u>745,226</u>	<u>(356,425)</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	2,300,229	1,192,245
Debt repayment	(844,141)	(932,025)
Repayment of obligation under capital lease		(12,480)
Cash applied to financing transactions	<u>1,456,088</u>	<u>247,740</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<u>8,403,785</u>	<u>(187,898)</u>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>10,242,663</u>	<u>10,430,561</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u>\$ 18,646,448</u>	<u>\$10,242,663</u>

# CITY OF MORDEN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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### 1. STATUS OF THE CITY OF MORDEN

The incorporated City of Morden ("the City") is a municipal government that was created in 1895 pursuant to the Manitoba Municipal Act. The City provides or funds municipal services such as police, fire, public works, urban planning, airport, parks and recreation, library and other general government operations. The City owns two utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

#### Reporting Entity

The consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the City. 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 City. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

Morden Community Development Corporation

The City has several partnership agreements in place, and as such, consistent with generally accepted accounting treatment for government partnerships, the following local agencies, boards and commissions are accounted for on a proportionate consolidation basis whereby the City's pro-rata share of each of the assets, liabilities, revenues and expenses are combined on a line by line basis in the financial statements. Inter-company balances and transactions have been eliminated. The government partnerships include:

Menzies Medical Centre Board - 43.50% (2020 - 43.50%)  
South Central Regional Library - 21.10% (2020 - 21.10%)  
MSTW Planning District - 25% (2020 - 25%)  
Morden Veterinary Services District - 23% (2020 - 23%)  
Pembina Valley Water Co-op - 3% (2020 - 3%)  
Solid Waste Area Management Project - 33.33% (2020 - 33.33%)

The taxation with respect to the operations of the school divisions are not reflected in the City surplus of these financial statements.

Trust funds and their related operations administered by the City are not consolidated in these financial statements. The trust funds administered by the City are presented in Note 17.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**Cash and Temporary Investments**

Cash and temporary investments include cash and temporary investments which comprise term deposits and guaranteed investment certificates.

**Investments**

Temporary investments are accounted for at the lower of cost and market.

Portfolio investments are accounted for at cost.

**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.

**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.

**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 excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories 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.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 City does not capitalize internal finance charges as part of the cost of its tangible capital assets.

**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**

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 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 City, forests, water, and other natural resources are not recognized as tangible capital assets.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership or property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

**Inventories**

Inventories held for sale are recorded at the lower of cost and net realizable value.

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

**Revenue Recognition**

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements when the transfer is authorized and eligibility criteria are met except, when and to the extent, stipulation by the transferor gives rise to an obligation that meets the definition of a liability. Stipulations by the transferor may require that the funds only be used for providing specific services or the acquisition of tangible capital assets. For transfers with stipulation an equivalent amount of revenue is recognized as the liability is settled.

**Deferred Revenue**

Deferred revenue represents grants, user charges and other fees which have been received, for which the related services or projects have yet to be provided or started. These amounts will be recognized as revenue in the fiscal year the services are provided or as the project occurs.

**Measurement Uncertainty**

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the 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.

Measurement uncertainty in these financial statements exists in the accrual of the landfill closure and post closure liabilities. The accrual of the landfill liabilities is based on estimated future cash flows discounted to the financial statement date. The estimate of the future cash flows and the closure date of the landfill are based upon the best estimates by management. The actual future cash flows and closure date may differ significantly.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**3. CASH AND TEMPORARY INVESTMENTS**

Cash and temporary investments are comprised of the following:

	2021	2020
Cash	<b>\$ 18,646,448</b>	\$10,242,663

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. The City has designated \$12,263,838 (2020 - \$13,605,828) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

**4. AMOUNTS RECEIVABLE**

Amounts receivable are valued at their net realized value.

	2021	2020
Taxes on roll (Schedule 11)	\$ 255,740	\$ 521,354
Utility customers (Schedule 8)	176,249	177,718
Organizations and individuals	1,675,502	2,995,468
	<b>\$ 2,107,491</b>	<b>\$ 3,694,540</b>

**5. PORTFOLIO INVESTMENTS**

The following are portfolio investments held by controlled entities and government partnerships.

	2021	2020
Marketable securities:		
Solid Waste Area Management Project (33.33%)	\$ 418,204	\$ 607,376
Menzies Medical Centre Board (43.50%)	21,750	
Morden Community Development Corporation Ltd. (100%)	500,000	500,000
Pembina Valley Water Cooperative Inc. (2.85%)	321	307
	<b>\$ 940,275</b>	<b>\$ 1,107,683</b>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**6. INVENTORIES**

	2021	2020
<b>Inventories for use:</b>		
Chemicals	\$ 111,860	\$ 57,852
Fuel	11,723	11,723
Other supplies	19,190	25,892
	<u>\$ 142,773</u>	<u>\$ 95,467</u>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2021	2020
Accounts payable	\$ 3,089,410	\$ 1,633,460
Accrued expenses	458,413	481,515
School levies	200,700	272,370
Other governments	202,860	131,875
	<u>\$ 3,951,383</u>	<u>\$ 2,519,220</u>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**8. LANDFILL CLOSURE AND POST CLOSURE LIABILITIES**

The Solid Waste Area Management Project is currently operating a Class 1 solid waste landfill site. 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 system operations, inspections and annual reports. The closure and post-closure costs were estimated by Solid Waste Area Management Project's management and the landfill capacity was estimated by a report measuring volume as of July 22, 2016 by Steckley Consulting Engineers Inc.

	2021	2020
Estimated closure and post closure costs over the next 110 years	\$ 9,228,288	\$ 9,228,288
Discount rate	4.01 %	4.01 %
<b>Discount costs</b>	<b>121,754</b>	117,056
Expected year capacity will be reached	2131	2131
Capacity (tonnes):		
Used to date	25	24
Remaining	110	111
Total	135	135
Percent utilized	18.52 %	17.78 %
Solid Waste Area Management Project's liability	22,549	20,810
<b>City of Morden's share (33.33%)</b>	<b>\$ 7,515</b>	<b>\$ 6,936</b>



**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**9. LONG-TERM DEBT**

	2021	2020
<b>General Authority</b>		
Debenture, payable at \$140,054 annually including interest at 3.89%, maturing December, 2027.	\$ 727,924	\$ 835,478
Debenture, payable at \$96,292 annually including interest at 3.125%, maturing December, 2029.	672,388	745,385
Debenture, payable at \$175,844 annually including interest at 2.50%, maturing December, 2035.	2,055,329	
South Central Regional Library, Canadian Emergency Business Account loan, interest free until the end of the initial term date of December 31, 2023 Annual interest of 5.00% during extended term.	8,440	6,330
Menzies Medical Centre Board Inc. , payable monthly at \$13,500 including interest at 3.45%, maturing October 2026.	311,154	369,743
Morden Community Development Corporation Ltd., loan is callable on demand including interest at 4.20% secured by the City of Morden	240,000	240,000
Morden Community Development Corporation Ltd., loan is callable on demand including interest at 2.45% secured by the City of Morden	140,000	200,000
	<b>4,155,235</b>	<b>2,396,936</b>
<b>Utility Funds</b>		
Debenture, payable at \$210,848 annually including interest at 5.75%, maturing November, 2022.	199,384	387,926
Debenture, payable at \$250,809 annually including interest at 4.20%, maturing December, 2028.	1,494,308	1,674,777
Demand loan, payable to CIBC, \$103,368 monthly principal and interest installments with monthly interest payments fixed through interest rate swaps at 3.56% including stamping fee of .81% until July 2023, unless demanded matures July 2033. Pembina Valley Water Cooperative Inc. (3%)	335,161	358,136

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**9. LONG-TERM DEBT (Continued)**

Demand loan, payable to CIBC, \$8,077 monthly principal installments plus interest at 2.3% plus stamping fee of .81%, unless demanded matures July 2033. Pembina Valley Water Cooperative Inc. (3%)	32,689	35,451
Demand loan, payable to CIBC, \$15,280 monthly principal installments plus interest at 0.47% plus stamping fee of 0.81%, unless demanded matures July 2033. Pembina Valley Water Cooperative Inc. (3%)	70,536	75,762
Demand loan, payable to CIBC, \$12,500 monthly principal installments plus interest at 2.45% plus stamping fee of 0.81%, unless demanded matures November 2041. Pembina Valley Water Cooperative Inc. (3%)	85,144	
Demand loan, payable to CIBC, the advance is part of a revolving demand 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%. Pembina Valley Water Cooperative Inc. (3%)	11,479	
Canadian Emergency Business Account loan, interest free until the end of the initial term date of December 31, 2023 Annual interest of 5.00% during extended term. Pembina Valley Water Cooperative Inc. (3%)	1,140	
	<u>2,229,841</u>	<u>2,532,052</u>
	<u>\$ 6,385,076</u>	<u>\$ 4,928,988</u>

Principal payments due in the next five years are as follows:

2022	\$ 872,909
2023	697,059
2024	720,332
2025	746,716
2026	739,969
	<u>\$ 3,776,985</u>

**10. DEBENTURES PENDING**

<u>Authority</u>	<u>Purpose</u>	<u>Authorized</u>
		\$

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**11. RETIREMENT BENEFITS**

The majority of the employees of the City 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 2.0% 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 the year by the City on behalf of its employees amounted to \$367,992 (2020 - \$382,046) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2020 indicated the plan was 96.7% funded on a going concern basis and has 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 requirements. As a result, solvency funding is no longer required by MEPP.

**12. FINANCIAL INSTRUMENTS**

The City as part of its operations carries a number of financial instruments. It is management's opinion the City 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.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**13. COMMITMENTS**

The City has negotiated a 5 year contract with Municipal Waste Management for handling and disposal of garbage, recycling and compost. Annual charges under the contract are determined by reference to certain waste volumes handled. Payments made under the contract for the year were \$532,835 (2020 - \$649,407).

**14. BUDGET**

The financial plan is prepared on a revenue and expenditure basis. For comparative purposes, the City 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 financial statements have been approved by council.

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

**15. ACCUMULATED SURPLUS**

	2021	2020
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 922,050	\$ 30,973
Utility Operating Fund - Deficit	(4,557,072)	(4,211,630)
TCA net of related borrowings	52,830,112	48,146,225
Reserve Funds	12,263,838	13,605,828
Accumulated Surplus of Municipality Unconsolidated	<u>61,458,928</u>	57,571,396
Accumulated Surpluses of Consolidated Entities	6,291,056	5,668,779
Accumulated Surplus per Consolidated Statement of Financial Position	<u>\$ 67,749,984</u>	<u>\$ 63,240,175</u>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**16. PUBLIC SECTOR COMPENSATION DISCLOSURE**

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the City. For the year ended December 31, 2021:

- a) Compensation paid to members of council amounted to \$149,124 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Brandon Burley	\$ 28,127	\$	28,127
Garry Hiebert	19,858		19,858
Hank Hildebrand	22,348		22,348
Doug Frost	18,924		18,924
Jim Hunt	18,820		18,820
Gordon Maddock	21,086		21,086
Nancy Penner	19,961		19,961
	<u>\$ 149,124</u>	<u>\$</u>	<u>149,124</u>

c) It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosures 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 City. To view this disclosure please contact the City of Morden and request the audited Public Sector Compensation Disclosure Schedule.

**17. TRUST FUNDS**

The City administers the following trust funds:

	<u>Balance, beginning of year</u>	<u>Excess of receipts over disbursements</u>	<u>Balance, end of year</u>
Cemetery Trust	<u>\$ 199,611</u>	<u>1,171</u>	<u>\$ 200,782</u>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**18. 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 or contributed capital assets and government transfers allow for adjustments to be made, for rate setting purposes, which do not meet PSAB standards.

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

No capital grants have been deferred and amortized in these financial statements.

The following table provide historical information on capital grants for tangible or contributed capital assets with a remaining net book value.

**Water services:**

<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 Plant	\$ 2,890,431	\$ 129,374	\$ 79,223	\$ 2,940,582

**Sewer services:**

<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>
Lagoon	\$ 1,093,693	\$	\$ 30,381	\$ 1,063,312

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2021

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**19. SEGMENTED INFORMATION**

The City of Morden provides a wide range of services to its residents. Segment information has been provided in Schedule 4 for the following services:

- General government services
- Protective services
- Transportation services
- Environmental health services
- Public health and welfare services
- Regional planning and development
- Resource conservation and industrial development
- Recreation and cultural services
- Water and sewer services

Revenues and expenses represent amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies of the segments are consistent with those followed in the preparation of the financial statements as described in the summary of significant accounting policies.

**20. GOVERNMENT PARTNERSHIPS**

The City has several partnership agreements for municipal services. The consolidated financial statements include the City's proportionate interest, as disclosed in Note 2. The aggregate financial statements of the government partnerships, in condensed summary, are as follows:

	2021	2020
<b>Financial Position</b>		
Financial assets	\$ 2,164,854	\$ 2,036,274
Liabilities	<u>1,408,903</u>	<u>1,259,663</u>
Net financial assets	755,951	776,611
Non-financial assets	<u>2,356,009</u>	<u>2,084,439</u>
Accumulated surplus	<u>\$ 3,111,960</u>	<u>\$ 2,861,050</u>
 <b>Result of Operations</b>		
Revenues	\$ 1,303,571	\$ 1,544,982
Expenses	1,115,161	1,550,381
Intercompany revenue and expense eliminations	<u>62,500</u>	<u>55,073</u>
Annual surplus	<u>\$ 250,910</u>	<u>\$ 49,674</u>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2021**

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**21. OTHER MATTERS**

During the year, the COVID-19 pandemic impacted Canada and caused significant disruptions to the Canadian economy. As of the audit report date, the City has not suffered any significant disruptions, and we are therefore unable to estimate the effect of the pandemic on the City's operations. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of the disruption. As a result, the related financial impact and duration cannot be reasonably estimated at this time.

**22. LAWSUIT**

In October 2018, the City of Morden entered into an agreement with a vender under the MoreNet service agreement to provide internet services for its residents. As part of the agreement the City would build towers and procure related infrastructure, also known as MoreNet assets. In December 2019, the MoreNet service agreement was terminated and the internet project was discontinued. The MoreNet assets were determined to be unusable and assessed to have a fair value of NIL. As a result, the MoreNet assets were written down to their recoverable amount in 2019. After the agreement was terminated by the City of Morden, a lawsuit was brought forward by the vender. A countersuit was issued by the City of Morden. The results of these lawsuits cannot be determined at this time therefore no contingent liability has been recognized on the statement of financial position.

**23. PRIOR YEAR'S FIGURES**

The prior year's figures have been restated to account for gas tax funding that was incorrectly recorded as deferred revenue, an unrecorded prepaid expense, and changes in consolidated figures for controlled entities and government partnerships. The controlled entity and government partnership adjustments were in relation to changes in consolidation rates and prior period adjustments.

The effect of these adjustments is an increase to accumulated surplus as follows:

	2021	2020
Opening fund balance:		
Accumulated surplus	\$ 63,240,175	\$57,566,113
Adjustments:		
Prepaid expenses		59,404
Deferred revenue		3,589,372
Controlled entities and government partnerships		227,054
Opening accumulated surplus, restated	<u>63,240,175</u>	<u>61,441,943</u>
Annual surplus, revised	<u>4,509,809</u>	<u>1,798,232</u>
Accumulated surplus, end of year	<u>\$ 67,749,984</u>	<u>\$63,240,175</u>



**CITY OF MORDEN**  
**SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
For the year ended December 31, 2021

Cost	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2021	2020
Opening costs	\$ 9,103,055	14,565,150	8,947,560	744,763	736,598	29,851,875	33,380,152	2,272,322	\$ 99,601,475	\$ 95,067,258
Additions during the year	52,019	3,350,591	1,237,608	39,656	477,618	2,238,912	1,734,510	308,056	9,438,970	4,790,385
Disposals and write downs			(145,726)				(128)		(145,854)	(256,168)
Transfers		94,204	65,000		(159,204)		30,000	(30,000)		
Closing costs	<u>9,155,074</u>	<u>18,009,945</u>	<u>10,104,442</u>	<u>784,419</u>	<u>1,055,012</u>	<u>32,090,787</u>	<u>35,144,534</u>	<u>2,550,378</u>	<u>108,894,591</u>	<u>99,601,475</u>
<b>Accumulated Amortization</b>										
Opening accum'd amort	3,568,294	5,779,014	4,944,620	649,211		16,893,548	12,283,862		44,118,549	41,383,450
Amortization	242,151	443,468	552,445	42,078		911,621	827,522		3,019,285	2,869,589
Disposals and write downs			(127,282)				(128)		(127,410)	(134,490)
Closing accum'd amortization	<u>3,810,445</u>	<u>6,222,482</u>	<u>5,369,783</u>	<u>691,289</u>		<u>17,805,169</u>	<u>13,111,256</u>		<u>47,010,424</u>	<u>44,118,549</u>
Net Book Value of Tangible Capital Assets	<u>\$ 5,344,629</u>	<u>11,787,463</u>	<u>4,734,659</u>	<u>93,130</u>	<u>1,055,012</u>	<u>14,285,618</u>	<u>22,033,278</u>	<u>2,550,378</u>	<u>\$ 61,884,167</u>	<u>\$ 55,482,926</u>

**CITY OF MORDEN**  
**SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES**  
For the year ended December 31, 2021

	2021 Actual	2020 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 8,856,630	\$ 8,489,961
Taxes added	398,179	394,328
	<u>9,254,809</u>	<u>8,884,289</u>
 <b>Grants in lieu of taxation:</b>	 <u>261,245</u>	 <u>259,318</u>
<b>User fees:</b>		
Sales of service	1,986,322	1,983,676
Rentals	180,322	102,225
	<u>2,166,644</u>	<u>2,085,901</u>
 <b>Permits, licences and fines:</b>		
Permits	239,994	159,130
Licences	17,915	9,930
Fines	27,768	23,097
	<u>285,677</u>	<u>192,157</u>
 <b>Investment income:</b>		
Cash and temporary investments	<u>117,077</u>	<u>136,775</u>
 <b>Other revenue:</b>		
Gain on sale of tangible capital assets	36,845	1,063
Gain on sale of real estate held for sale	477,179	42,986
Contributed assets and donations	1,038,974	314,220
Penalties and interest	125,949	89,393
Miscellaneous	256,490	240,104
	<u>1,935,437</u>	<u>687,766</u>
 <b>Water and sewer</b>		
Municipal utility	2,643,081	2,604,758
Consolidated water co-operatives	274,959	213,709
	<u>2,918,040</u>	<u>2,818,467</u>
 <b>Grants - Province of Manitoba:</b>		
Municipal operating grants	1,656,460	1,656,460
Conditional grants	108,273	89,663
	<u>1,764,733</u>	<u>1,746,123</u>
 <b>Sub-total</b>	 <u>\$ 18,703,662</u>	 <u>\$16,810,796</u>

**CITY OF MORDEN**  
**SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES**  
**For the year ended December 31, 2021**

	2021 Actual	2020 Actual
<b>Sub-total (Carry forward)</b>	<b>\$ 18,703,662</b>	<b>\$16,810,796</b>
<b>Grants - other:</b>		
Federal government - gas tax funding	954,168	466,482
Federal government - other	514,876	518,951
Other conditional grants	888,112	707,786
Recycling subsidy	209,832	208,728
	<u>2,566,988</u>	<u>1,901,947</u>
<b>Total revenue</b>	<b>\$ 21,270,650</b>	<b>\$18,712,743</b>

**CITY OF MORDEN**  
**SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the year ended December 31, 2021**

	2021 Actual	2020 Actual
<b>General government services:</b>		
Legislative	\$ 156,875	\$ 163,611
General administrative	1,070,101	1,191,211
Other	295,002	223,200
	<u>1,521,978</u>	<u>1,578,022</u>
<b>Protective services:</b>		
Police	2,499,792	2,534,298
Fire	700,906	664,756
	<u>3,200,698</u>	<u>3,199,054</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	473,683	454,394
Road and street maintenance	1,728,790	1,824,352
Sidewalk and boulevard maintenance	139,815	155,084
Street lighting	165,406	156,611
	<u>2,507,694</u>	<u>2,590,441</u>
<b>Environmental health services:</b>		
Waste collection and disposal	583,039	552,978
Recycling	423,899	586,896
	<u>1,006,938</u>	<u>1,139,874</u>
<b>Public health and welfare services:</b>		
Public health	184,221	162,185
Medical care	86,080	669,197
	<u>270,301</u>	<u>831,382</u>
<b>Regional planning and development:</b>		
Planning and zoning	202,897	161,526
<b>Resource conservation and industrial development:</b>		
Veterinary services	29,569	19,261
Community development	1,278,181	1,064,053
Regional development	71,349	51,316
Industrial development	64,385	94,660
Tourism	74,500	37,140
	<u>1,517,984</u>	<u>1,266,430</u>
<b>Sub-total</b>	<u>\$ 10,228,490</u>	<u>\$10,766,729</u>

**CITY OF MORDEN**  
**SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES**  
For the year ended December 31, 2021

	2021 Actual	2020 Actual
<b>Sub-total (Carry forward)</b>	<b>\$ 10,228,490</b>	<b>\$10,766,729</b>
<b>Recreation and cultural services:</b>		
Community services department	2,750,829	2,667,787
Swimming pools and beaches	346,575	339,280
Parks and playgrounds	20,345	20,887
MB Baseball Hall of Fame	26,325	26,325
Canadian Fossil Discovery Centre	179,480	179,480
Libraries	392,512	384,365
	<u>3,716,066</u>	<u>3,618,124</u>
<b>Water and sewer (Schedule 9)</b>		
Municipal utility	2,598,418	2,338,465
Consolidated water co-operatives	217,867	191,193
	<u>2,816,285</u>	<u>2,529,658</u>
<b>Total expenses</b>	<b>\$ 16,760,841</b>	<b>\$16,914,511</b>

# CITY OF MORDEN

## 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	\$ 9,043,961	\$ 8,673,441								
Grants in lieu of taxation	261,245	259,318								
User fees	93,121	87,500	288,586	207,879	122,790	51,147	404,042	476,659	310	396
Grants - other	2,066,293	1,204,346					209,832	208,738	70,266	375,010
Permits, licences and fines	76,140	33,027								
Investment income	78,229	75,692					28,298	28,267	1,239	2,623
Other revenue	1,851,797	614,327					30,829	1,170	34,948	37,726
Water and sewer										
Prov of MB - unconditional grants	1,656,460	1,656,460								
Prov of MB - conditional grants										
<b>Total revenue</b>	<b>15,127,246</b>	<b>12,604,111</b>	<b>288,586</b>	<b>207,879</b>	<b>122,790</b>	<b>51,147</b>	<b>673,001</b>	<b>714,834</b>	<b>106,763</b>	<b>415,755</b>
<b>EXPENSES</b>										
Personnel services	702,629	706,946	2,394,266	2,472,455	744,472	756,771	146,069	143,064		
Contract services	358,159	427,686	238,225	284,965	72,478	242,220	660,273	794,219	35,638	618,737
Utilities	38,179	38,869	41,085	45,448	175,232	182,177	4,192	9,648		
Maintenance, materials and supplies	108,847	99,283	259,957	150,467	340,127	289,831	76,902	92,663	9,181	13,368
Grants and contributions	77,565	90,531							116,876	162,185
Amortization	67,962	113,747	243,872	222,310	1,175,385	1,119,442	118,907	100,280	30,345	30,949
Interest on long-term debt			23,293	23,409					13,589	6,143
Other	168,637	100,960					595		64,672	
<b>Total expenses</b>	<b>1,521,978</b>	<b>1,578,022</b>	<b>3,200,698</b>	<b>3,199,054</b>	<b>2,507,694</b>	<b>2,590,441</b>	<b>1,006,938</b>	<b>1,139,874</b>	<b>270,301</b>	<b>831,382</b>
<b>Surplus (Deficit)</b>	<b>\$13,605,268</b>	<b>\$11,026,089</b>	<b>(2,912,112)</b>	<b>(2,991,175)</b>	<b>(2,384,904)</b>	<b>(2,539,294)</b>	<b>(333,937)</b>	<b>(425,040)</b>	<b>(163,538)</b>	<b>(415,627)</b>

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

# CITY OF MORDEN

## 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	2020	2021	2020	2021	2020
<b>REVENUE</b>										
Property taxes							210,848	210,848	\$ 9,254,809	\$ 8,884,289
Grants in lieu of taxation									261,245	259,318
User fees	77,933	3,800	288,179	270,559	891,683	987,961			2,166,644	2,085,901
Grants - other			119,713	14,059	100,884	99,794			2,566,988	1,901,947
Permits, licences and fines	209,537	159,130							285,677	192,157
Investment income	3,170	4,551	5,929	25,247	212	395			117,077	136,775
Other revenue	7,644	1,771	232		9,987	32,772			1,935,437	687,766
Water and sewer							2,918,040	2,818,467	2,918,040	2,818,467
Prov of MB - unconditional grants									1,656,460	1,656,460
Prov of MB - conditional grants					108,273	89,663			108,273	89,663
<b>Total revenue</b>	<b>298,284</b>	<b>169,252</b>	<b>414,053</b>	<b>309,865</b>	<b>1,111,039</b>	<b>1,210,585</b>	<b>3,128,888</b>	<b>3,029,315</b>	<b>21,270,650</b>	<b>18,712,743</b>
<b>EXPENSES</b>										
Personnel services	99,197	95,915	359,464	367,639	1,420,684	1,498,223	705,603	678,632	6,572,384	6,719,645
Contract services	4,182	4,046	499,720	397,158	631,021	557,998	289,736	235,916	2,789,432	3,562,945
Utilities	3,056	2,068	47,046	34,985	222,091	218,847	84,418	102,930	615,299	634,972
Maintenance, materials and supplies	54,703	37,393	210,692	218,061	655,798	640,760	796,500	599,002	2,512,707	2,140,828
Grants and contributions			239,351	46,009	279,817	274,544			713,609	573,269
Amortization	8,113	5,617	96,835	91,483	450,343	419,972	827,523	765,789	3,019,285	2,869,589
Interest on long-term debt			46,773	59,741	30,842	7,780	106,763	124,837	221,260	221,910
Other	33,646	16,487	18,103	51,354	25,470		5,742	22,552	316,865	191,353
<b>Total expenses</b>	<b>202,897</b>	<b>161,526</b>	<b>1,517,984</b>	<b>1,266,430</b>	<b>3,716,066</b>	<b>3,618,124</b>	<b>2,816,285</b>	<b>2,529,658</b>	<b>16,760,841</b>	<b>16,914,511</b>
<b>Surplus (Deficit)</b>	<b>95,387</b>	<b>7,726</b>	<b>(1,103,931)</b>	<b>(956,565)</b>	<b>(2,605,027)</b>	<b>(2,407,539)</b>	<b>312,603</b>	<b>499,657</b>	<b>\$ 4,509,809</b>	<b>\$ 1,798,232</b>

# CITY OF MORDEN

## 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	\$ 9,254,809	\$ 8,884,289					\$ 9,254,809	\$ 8,884,289
Grants in lieu of taxation	261,245	259,318					261,245	259,318
User fees	1,467,305	1,330,862	288,179	270,559	411,160	484,480	2,166,644	2,085,901
Grants - other	2,276,125	1,413,084	107,654	2,000	183,209	486,863	2,566,988	1,901,947
Permits, licences and fines	76,140	33,027			209,537	159,130	285,677	192,157
Investment income	78,229	75,692	5,928	25,247	32,920	35,836	117,077	136,775
Other revenue	1,851,796	614,327			83,641	73,439	1,935,437	687,766
Water and sewer	2,643,209	2,602,896			274,831	215,571	2,918,040	2,818,467
Prov of MB - unconditional grants	1,656,460	1,656,460					1,656,460	1,656,460
Prov of MB - conditional grants					108,273	89,663	108,273	89,663
<b>Total revenue</b>	<b>19,565,318</b>	<b>16,869,955</b>	<b>401,761</b>	<b>297,806</b>	<b>1,303,571</b>	<b>1,544,982</b>	<b>21,270,650</b>	<b>18,712,743</b>
<b>EXPENSES</b>								
Personnel services	6,139,596	6,314,086			432,788	405,559	6,572,384	6,719,645
Contract services	2,340,809	2,664,420	330,992	221,731	117,631	676,794	2,789,432	3,562,945
Utilities	549,872	584,398	40,160	28,218	25,267	22,356	615,299	634,972
Maintenance, materials and supplies	2,143,924	1,831,402	131,517	109,236	237,266	200,190	2,512,707	2,140,828
Grants and contributions	713,609	567,269		6,000			713,609	573,269
Amortization	2,731,772	2,609,455	80,595	76,274	206,918	183,860	3,019,285	2,869,589
Interest on long-term debt	179,612	178,304	13,942	22,798	27,706	20,808	221,260	221,910
Other	233,309	100,960	15,971	49,579	67,585	40,814	316,865	191,353
<b>Total expenses</b>	<b>15,032,503</b>	<b>14,850,294</b>	<b>613,177</b>	<b>513,836</b>	<b>1,115,161</b>	<b>1,550,381</b>	<b>16,760,841</b>	<b>16,914,511</b>
<b>Surplus (Deficit)</b>	<b>\$ 4,532,815</b>	<b>\$ 2,019,661</b>	<b>(211,416)</b>	<b>(216,030)</b>	<b>188,410</b>	<b>(5,399)</b>	<b>\$ 4,509,809</b>	<b>\$ 1,798,232</b>



**CITY OF MORDEN**  
**SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES**  
**For the year ended December 31, 2021**

	2021		Sub Total
	W & S Reserve	W & S Capital Reserve	
<b>REVENUE</b>			
Investment income	\$ 22,407	1,076	\$ 23,483
Other income		58,780	58,780
Total revenue	22,407	59,856	82,263
<b>EXPENSES</b>			
Investment charges			
Other expenses			
Total expenses			
<b>NET REVENUES</b>	22,407	59,856	82,263
<b>TRANSFERS</b>			
Debt repayment			
Transfers from operating fund			
Transfers to operating fund			
Transfers from utility fund	433,289		433,289
Transfers to utility fund	(1,289,980)		(1,289,980)
Acquisition of tangible capital assets			
<b>CHANGE IN RESERVE FUND BALANCES</b>	(834,284)	59,856	(774,428)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	4,103,679	154,354	4,258,033
<b>FUND SURPLUS, END OF YEAR</b>	\$ 3,269,395	214,210	\$ 3,483,605

**CITY OF MORDEN**  
**SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES**  
For the year ended December 31, 2021

	2021					2020	
	General Reserve	Replacement Reserve	Community Development Reserve	Gas Tax Reserve	Recreation Reserve	Total	Total
<b>REVENUE</b>							
Investment income	\$ 21,513	5,372	7,460	19,942	459	\$ 78,229	\$ 159,817
Other income	65,178					123,958	561,639
Total revenue	86,691	5,372	7,460	19,942	459	202,187	721,456
<b>EXPENSES</b>							
Investment charges							21,564
Other expenses							
Total expenses							21,564
<b>NET REVENUES</b>	86,691	5,372	7,460	19,942	459	202,187	699,892
<b>TRANSFERS</b>							
Debt repayment							
Transfers from operating fund	141,624	546,000		954,168		1,641,792	347,223
Transfers to operating fund		(112,490)		(2,216,788)		(2,329,278)	(1,150,952)
Transfers from utility fund						433,289	629,390
Transfers to utility fund						(1,289,980)	(1,212,925)
Acquisition of tangible capital assets							
<b>CHANGE IN RESERVE FUND BALANCES</b>	228,315	438,882	7,460	(1,242,678)	459	(1,341,990)	(687,372)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	3,559,408	767,456	1,271,286	3,671,481	78,164	13,605,828	14,293,200
<b>FUND SURPLUS, END OF YEAR</b>	\$ 3,787,723	1,206,338	1,278,746	2,428,803	78,623	\$ 12,263,838	\$ 13,605,828

**CITY OF MORDEN**  
**SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS -**  
**For the year ended December 31, 2021**

	2021 Budget	2021 Actual	2020 Actual
<b>REVENUE</b>			
Taxation	\$	\$	\$
Total revenue			
<b>EXPENSES</b>			
General government			
Transportation services			
Environmental health			
Regional planning and development			
Recreation and cultural services			
Total expenses			
<b>NET REVENUES</b>			
<b>TRANSFERS</b>			
<b>CHANGES IN L.U.D. BALANCES</b>	\$		
<b>UNEXPENDED BALANCE, BEGINNING OF YEAR</b>			
<b>UNEXPENDED BALANCE, END OF YEAR</b>		\$	\$

# CITY OF MORDEN

## SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY

For the year ended December 31, 2021

	2021			2020
	Morden	Pembina Valley Water Cooperative Inc.	Total	Total
<b>FINANCIAL ASSETS</b>				
Cash and temporary investments	\$	\$ 92,105	\$ 92,105	\$ 25,528
Amounts receivable (Note 4)	154,047	22,202	176,249	177,718
Portfolio investments		321	321	307
	<u>154,047</u>	<u>114,628</u>	<u>268,675</u>	<u>203,553</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities		21,966	21,966	43,151
Deferred revenue		88,674	88,674	
Long-term debt (Note 9)	1,693,692	536,149	2,229,841	2,532,052
Due to other funds	4,819,104		4,819,104	4,419,487
	<u>6,512,796</u>	<u>646,789</u>	<u>7,159,585</u>	<u>6,994,690</u>
<b>NET DEBT</b>	<u>(6,358,749)</u>	<u>(532,161)</u>	<u>(6,890,910)</u>	<u>(6,791,137)</u>
<b>NON-FINANCIAL ASSETS</b>				
Tangible capital assets (Schedule 1)	23,385,068	1,198,588	24,583,656	23,368,612
Inventories	107,985	3,875	111,860	57,851
Prepaid expenses		504	504	490
	<u>23,493,053</u>	<u>1,202,967</u>	<u>24,696,020</u>	<u>23,426,953</u>
<b>FUND SURPLUS</b>	<u>\$ 17,134,304</u>	<u>\$ 670,806</u>	<u>\$ 17,805,110</u>	<u>\$ 16,635,816</u>

**CITY OF MORDEN****SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Morden**

For the year ended December 31, 2021

	Budget	2021	2020
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 1,796,550	\$ 1,643,500	\$ 1,717,907
Bulk water fees		3,685	2,100
Sub-Total - Water	1,796,550	1,647,185	1,720,007
<b>Sewer</b>			
Sewer fees	603,750	583,316	604,481
Sub-Total - Sewer	603,750	583,316	604,481
<b>Property taxes</b>	210,848	210,848	210,848
<b>Government transfers</b>			
Government transfers - capital		129,374	
Sub-Total - Government transfers		129,374	
<b>Other</b>			
Hydrant rentals	57,500	57,000	57,000
Connection charges	2,500	150	2,125
Penalties	9,000	12,000	11,532
Administration fees	200,481	214,056	209,613
Sub-Total - Other	269,481	283,206	280,270
Total revenue	\$ 2,880,629	\$ 2,853,929	\$ 2,815,606

# CITY OF MORDEN

## SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Morden

For the year ended December 31, 2021

	Budget	2021	2020
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 217,683	\$ 178,690	\$ 202,527
Sub-Total - General	<u>217,683</u>	<u>178,690</u>	<u>202,527</u>
<b>Water General</b>			
Purification and treatment	809,312	888,386	710,532
Transmission and distribution	178,900	116,223	143,970
Water purchases	100,000	179,129	125,803
Connection costs	101,600	148,321	76,879
Sub-Total - Water General	<u>1,189,812</u>	<u>1,332,059</u>	<u>1,057,184</u>
<b>Water Amortization and Interest</b>			
Amortization		488,241	478,075
Sub-Total - Water Amortization & Interest		<u>488,241</u>	<u>478,075</u>
<b>Sewer General</b>			
Collection system costs	82,400	80,669	65,782
Treatment and disposal cost	100,020	58,594	111,170
Lift station costs	64,000	65,004	51,125
Other sewage and disposal costs		8,300	16,543
Sub-Total - Sewer General	<u>246,420</u>	<u>212,567</u>	<u>244,620</u>
<b>Sewer Amortization and Interest</b>			
Amortization		294,215	245,887
Interest on long-term debt		92,646	110,172
Sub-Total - Sewer Amortization & Interest		<u>386,861</u>	<u>356,059</u>
Total expenses	<u>1,653,915</u>	<u>2,598,418</u>	<u>2,338,465</u>
<b>NET OPERATING SURPLUS</b>	<u>\$ 1,226,714</u>	<u>255,511</u>	<u>477,141</u>
<b>TRANSFERS</b>			
Transfers from reserve funds		<u>856,691</u>	<u>532,349</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>		<u>1,112,202</u>	<u>1,009,490</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>16,022,102</u>	<u>15,012,612</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 17,134,304</u>	<u>\$16,022,102</u>

# CITY OF MORDEN

## SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Pembina Valley Water Cooperative Inc.

For the year ended December 31, 2021

	Budget	2021	2020
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$	\$ 218,281	\$ 199,237
Sub-Total - Water		218,281	199,237
<b>Government transfers</b>			
Government transfers - provincial		31,798	13,809
Government transfers - other		1,981	
Sub-Total - Government transfers		33,779	13,809
<b>Other</b>			
Investment income		87	307
Gain on sale of tangible capital assets		128	(1,862)
Other income		22,684	2,218
Sub-Total - Other		22,899	663
Total revenue	\$	\$ 274,959	\$ 213,709

**CITY OF MORDEN**

**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Pembina Valley Water**

**Cooperative Inc.**

**For the year ended December 31, 2021**

	Budget	2021	2020
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$	\$ 84,273	\$ 60,113
Utilities (telephone, electricity, etc)		15,594	14,022
Sub-Total - General		99,867	74,135
<b>Water General</b>			
Purification and treatment		53,074	38,014
Connection costs		5,742	22,552
Sub-Total - Water General		58,816	60,566
<b>Water Amortization &amp; Interest</b>			
Amortization		45,067	41,827
Interest on long-term debt		14,117	14,665
Sub-Total - Water Amortization & Interest		59,184	56,492
Total expenses		217,867	191,193
<b>NET OPERATING SURPLUS</b>	\$	57,092	22,516
<b>TRANSFERS</b>			
<b>CHANGE IN UTILITY FUND BALANCE</b>		57,092	22,516
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		613,714	591,198
<b>FUND SURPLUS, END OF YEAR</b>	\$	670,806	\$ 613,714



# CITY OF MORDEN

## SCHEDULE 10 - 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	PSAB Budget
<b>REVENUE</b>							
Property taxes	\$ 9,030,737	210,848					\$ 9,241,585
Grants in lieu of taxation	261,245						261,245
User fees	1,591,246					731,918	2,323,164
Grants - Province of Manitoba	2,835,145						2,835,145
Grants - other	487,686					607,095	1,094,781
Permits, licences and fines	57,200					150,375	207,575
Investment income	93,000					36,333	129,333
Other revenue	638,577					465,088	1,103,665
Water and sewer		2,669,781				102,687	2,772,468
Transfers from accumulated surplus							
Transfers from reserves	3,835,000	1,600,944			(5,435,944)		
Total revenue	<u>18,829,836</u>	<u>4,481,573</u>			<u>(5,435,944)</u>	<u>2,093,496</u>	<u>19,968,961</u>
<b>EXPENSES</b>							
General government services	1,486,779		67,692				1,554,471
Protective services	3,073,683		243,872	23,293			3,340,848
Transportation services	1,698,070		1,175,385				2,873,455
Environmental health services	644,620		288			316,593	961,501
Public health and welfare services	153,450					96,931	250,381
Regional planning and development	1,250					165,875	167,125
Resource cons and industrial dev	802,404		13,778	32,831		601,237	1,450,250
Recreation and cultural services	3,242,830		448,032	30,842		221,029	3,942,733
Water and sewer services		1,653,915	782,456	92,646		102,687	2,631,704
Fiscal services:							
Transfer to capital	6,135,235	2,366,000			(8,501,235)		
Debt charges	446,205	461,658		(907,863)			
Short- term interest							
Transfer to reserves	1,145,310				(1,145,310)		
Allowance for tax assets							
Total expenses	<u>18,829,836</u>	<u>4,481,573</u>	<u>2,731,503</u>	<u>(728,251)</u>	<u>(9,646,545)</u>	<u>1,504,352</u>	<u>17,172,468</u>
<b>Surplus (Deficit)</b>	<u>\$</u>		<u>(2,731,503)</u>	<u>728,251</u>	<u>4,210,601</u>	<u>589,144</u>	<u>\$ 2,796,493</u>

**CITY OF MORDEN**  
**SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL**  
**For the year ended December 31, 2021**

	2021	2020
<b>Balance, beginning of year</b>	<b>\$ 521,354</b>	<b>\$ 425,579</b>
<b>Add:</b>		
Tax levy (Schedule 12)	15,905,910	15,577,243
Taxes added	398,179	394,328
Penalties or interest	125,949	89,393
<b>Sub-total</b>	<b>16,430,038</b>	<b>16,060,964</b>
<b>Deduct:</b>		
Cash collections - current	15,290,721	14,193,337
Writeoffs	69,967	
E.P.T.C. - cash advance	1,334,964	1,771,852
<b>Sub-total</b>	<b>16,695,652</b>	<b>15,965,189</b>
<b>Balance, end of year</b>	<b>\$ 255,740</b>	<b>\$ 521,354</b>

**CITY OF MORDEN**  
**SCHEDULE 12 - ANALYSIS OF TAX LEVY**  
**For the year ended December 31, 2021**

	2021		2020	
	Assessment	Mill Rate	Levy	Levy
Debt charges:				
Frontage			\$ 32,173	\$ 32,173
Mill rate (L.I.D.)	476,145,280	0.432	205,695	209,378
Mill rate (Rec Centre)	510,910,910	0.339	173,199	189,187
Mill rate (Rec Centre Phase 3)	471,875,430	0.288	135,900	137,961
Fire heavy rescue	510,910,910	0.184	94,008	94,593
Sub-Total - Debt charges			<u>640,975</u>	<u>663,292</u>
Reserves:				
Replacement	471,875,430	0.959	452,528	308,112
Sub-Total - Reserves			<u>452,528</u>	<u>308,112</u>
General Municipal	471,875,430	8.905	<u>4,202,051</u>	<u>3,966,857</u>
Special levies:				
Assessment	471,875,430	0.261	123,159	119,566
Special services	510,910,910	5.726	2,925,476	2,907,503
Sanitation Collection & Fees			508,386	520,576
Sub-Total - Special levies			<u>3,557,021</u>	<u>3,547,645</u>
Business tax			<u>4,055</u>	<u>4,055</u>
<b>Total municipal taxes (Schedule 2)</b>			<u><b>8,856,630</b></u>	<u>8,489,961</u>
Education support levy	95,747,620	8.809	<u>843,441</u>	<u>821,609</u>
Special levy:				
Western School Division	455,641,670	13.620	6,205,839	6,265,673
Sub-Total - Special levies			<u>6,205,839</u>	<u>6,265,673</u>
<b>Total education taxes</b>			<u><b>7,049,280</b></u>	<u>7,087,282</u>
<b>Total tax levy (Schedule 11)</b>			<u><b>\$ 15,905,910</b></u>	<u>\$ 15,577,243</u>

# CITY OF MORDEN

## SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the year ended December 31, 2021

	2021	2020
<b>General government services:</b>		
Legislative	\$ 156,875	\$ 163,611
General administrative	1,070,101	1,191,211
Other	295,002	223,200
	<hr/>	<hr/>
	1,521,978	1,578,022
<b>Protective services:</b>		
Police	2,499,792	2,534,298
Fire	700,906	664,756
	<hr/>	<hr/>
	3,200,698	3,199,054
<b>Transportation services:</b>		
Road transport		
Administration and engineering	473,683	454,394
Road and street maintenance	1,728,790	1,824,352
Sidewalk and boulevard maintenance	139,815	155,084
Street lighting	165,406	156,611
	<hr/>	<hr/>
	2,507,694	2,590,441
<b>Environmental health services:</b>		
Waste collection and disposal	258,252	260,384
Recycling	423,899	586,896
	<hr/>	<hr/>
	682,151	847,280
<b>Public health and welfare services:</b>		
Public health	218,804	191,330
	<hr/>	<hr/>
<b>Resource conservation and industrial development:</b>		
Veterinary services	19,280	10,049
Community development	1,247,790	607,931
Regional development	71,349	51,316
Industrial development	64,385	94,660
Tourism	74,500	37,140
	<hr/>	<hr/>
	1,477,304	801,096
<b>Sub-total</b>	<hr/>	<hr/>
	\$ 9,608,629	\$ 9,207,223

# CITY OF MORDEN

## SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the year ended December 31, 2021

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	2021	2020
<b>Sub-total (carry forward)</b>	<b>\$ 9,608,629</b>	<b>\$ 9,207,223</b>
<b>Recreation and cultural services:</b>		
Community services department	2,750,829	2,667,787
Swimming pools and beaches	346,575	339,280
Parks and playgrounds	20,345	20,887
MB Baseball Hall of Fame	26,325	26,325
Canadian Fossil Discovery Centre	179,480	179,480
Libraries	147,058	185,497
	<hr/>	<hr/>
	3,470,612	3,419,256
	<hr/>	<hr/>
<b>Total expenses</b>	<b>\$13,079,241</b>	<b>\$12,626,479</b>

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# CITY OF MORDEN

## SCHEDULE 14 - RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

For the year ended December 31, 2021

	2021			2020
	General	Utility	Total	Total
<b>MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	<b>\$ 891,075</b>	<b>(345,441)</b>	<b>\$ 545,634</b>	<b>\$ 1,195,257</b>
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	1,641,792	433,289	2,075,081	976,613
Eliminate revenue - transfers from reserves	(2,329,278)	(1,289,980)	(3,619,258)	(2,385,441)
Increase revenue - reserve fund interest and other revenue	202,187		202,187	721,456
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	565,185	57,092	622,277	(108,641)
Increase expense - amortization of tangible capital assets	(1,949,316)	(782,456)	(2,731,772)	(2,609,455)
Decrease expense - principal portion of debenture debt	325,222	369,011	694,233	710,931
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	5,773		5,773	1,063
Eliminate revenue - proceeds on new debenture debt	(2,200,000)		(2,200,000)	(816,172)
Eliminate revenue - proceeds on sale of tangible capital assets	(8,500)		(8,500)	(120,879)
Eliminate expense - acquisitions of tangible capital assets	7,053,066	1,871,088	8,924,154	4,233,500
<b>NET SURPLUS PER STATEMENT OF OPERATIONS</b>	<b>\$ 4,197,206</b>	<b>312,603</b>	<b>\$ 4,509,809</b>	<b>\$ 1,798,232</b>