

# **FINANCIAL REPORT**

**2008**

**TOWN OF MORDEN**

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### TOWN OF MORDEN

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(ALL AMOUNTS HAVE BEEN ROUNDED OFF TO THE NEAREST DOLLAR)

**AUDITOR'S REPORT**

**To the Mayor and Councilors  
Town of Morden  
Morden, Manitoba  
R6M 1V3**

**We have audited the balance sheets of the Town of Morden as at December 31, 2008 and the statements of revenue and expenditure, changes in surplus and source and application of capital funds for the year then ended. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.**

**We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.**

**In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2008 and the results of its operations and changes in surplus and source and application of capital funds for the year then ended in accordance with accounting principles generally accepted for municipal corporations in Manitoba.**

*Krahn & Friesen*

**June 24, 2009  
Morden, Manitoba**

**Chartered Accountants**

**GENERAL OPERATING FUND BALANCE SHEET  
AS AT DECEMBER 31, 2008**

**ASSETS**

**CASH**

Cash on Hand		400	
Cash on Deposit		266,176	
Deposit Receipts		0	266,576

**RECEIVABLES**

Tax Assets - Schedule 1		187,476	
Government Grants - Schedule 3		179,180	
Own Funds and Agencies			
Utility Operating Fund			
Utility Capital Fund			
General Capital Fund	4,601,081		
Reserves			
Trusts		4,601,081	

Operating Accounts Receivable

Organizations and Individuals	227,515		
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments		227,515	

Other Receivables

Sub Total		83,922	
		5,279,174	

Less: Allowances for Doubtful Accounts  
      Other Allowances

		0	5,279,174

**INVESTMENT - SCHEDULE 6**

0

**INVENTORIES**

25,761

**PREPAID EXPENSES**

0

**TOTAL ASSETS**

**5,571,511**

**LIABILITIES AND SURPLUS**

**TEMPORARY BORROWINGS**

Chartered Banks			
Other Financial Institutions			
Own Funds			
Other			0

**PAYABLES**

School Levies - Schedule 4			
Own Funds and Agencies			
Utility Operating Fund	598,786		
Reserves	3,150,305		
Trusts	119,494		
Other		3,868,585	

Operating Accounts Payable

Organizations and Individuals	404,196		
Federal Government	22,196		
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments		426,392	

Debenture Instalments

4,294,977

**OTHER LIABILITIES**

Land Sale Deposits			
Debenture Levies in Advance			
Prepaid Taxes			
Deferred Revenue - Note			0

**TOTAL CURRENT LIABILITIES**

4,294,977

ALLOWANCE FOR TAX ASSETS - STATEMENT 8

260,133

NOMINAL SURPLUS - STATEMENT 8

1,016,401

**TOTAL LIABILITIES AND SURPLUS**

**5,571,511**

## STATEMENT 2

GENERAL RESERVE FUND BALANCE SHEET  
AS AT DECEMBER 31, 2008

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
General			1,808,884		1,808,884
Replacement			526,846		526,846
Community Development			282,248		282,248
Gas Tax			360		360
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>2,618,338</b>	<b>0</b>	<b>2,618,338</b>

## STATEMENT 3

GENERAL CAPITAL FUND BALANCE SHEET  
AS AT DECEMBER 31, 2008

## ASSETS

CASH ON HAND AND ON DEPOSIT - STATEMENT 13					
RECEIVABLES - STATEMENT 13					
Government Grants - Schedule 3					
Own Funds and Agencies					
Other Accounts					
Organizations and Individuals					
Federal Government					
Federal Government Enterprises					
Provincial Government					
Provincial Government Enterprises					
Other Local Governments				0	0
CONSTRUCTION IN PROGRESS					4,601,081
FIXED ASSETS					
Buildings				4,309,783	
Machinery and Equipment				6,108,076	
Land				1,389,362	
Other				4,181,634	15,988,855
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)					
Debenture Levies					
Deferred Liability Levies					
OTHER ASSETS					0
<b>TOTAL ASSETS</b>					<b>20,589,936</b>

## LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS					
Chartered Banks					
Other Financial Institutions					
Own Funds				4,601,081	
Other					4,601,081
PAYABLES					
Organizations and Individuals					
Federal Government					
Federal Government Enterprises					
Provincial Government					
Provincial Government Enterprises					0
OTHER LIABILITIES					
LONG-TERM DEBT					
Debentures - Schedule 8					
Deferred Liabilities - Note					0
CAPITAL SURPLUS - STATEMENT 8					15,988,855
<b>TOTAL LIABILITIES AND SURPLUS</b>					<b>20,589,936</b>

STATEMENT 4

UTILITY OPERATING FUND BALANCE SHEET  
AS AT DECEMBER 31, 2008

ASSETS

<b>CASH</b>			
Cash on Hand			
Cash on Deposit			
Deposit Receipts			0
<b>RECEIVABLES</b>			
Government Grants - Schedule 3			
Own Funds and Agencies			
General Operating Fund	598,786		
General Capital Fund			
Utility Capital Fund			
Reserves			
Trusts			598,786
Operating Accounts Receivable			
Organizations and Individuals	75,214		
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			75,214
Other Receivables			
Sub Total			674,000
Less: Allowance for Doubtful Accounts			674,000
INVESTMENTS - SCHEDULE 6			
INVENTORIES			20,994
PREPAID EXPENSES			
<b>TOTAL ASSETS</b>			<b>694,994</b>

LIABILITIES AND SURPLUS

<b>TEMPORARY BORROWINGS</b>			
Chartered Banks			
Other Financial Institutions			
Own Funds			
Other			0
<b>PAYABLES</b>			
Own Funds and Agencies			
General Operating Fund			
Reserves			
Trusts			
Other			0
Operating Accounts Payable			
Organizations and Individuals			
Federal Government			
Federal Government Enterprises			
Provincial Government			
Provincial Government Enterprises			
Other Local Governments			0
Debenture Instalments			0
<b>OTHER LIABILITIES</b>			
Debenture Levies in Advance			
Prepaid Consumer Accounts			
Meter Deposits			
Other			0
<b>TOTAL CURRENT LIABILITIES</b>			<b>0</b>
NOMINAL SURPLUS - STATEMENT 8			694,994
<b>TOTAL LIABILITIES AND SURPLUS</b>			<b>694,994</b>

STATEMENT 5

UTILITY RESERVE FUND BALANCE SHEET  
AS AT DECEMBER 31, 2008

RESERVE NAME	CASH ASSETS	INVESTMENTS (SCHEDULE 6)	DUE FROM (TO) OTHER FUNDS	OTHER ASSETS	TOTAL (SCHEDULE 5)
Replacement			167,102		167,102
Capital Lot Levy			364,865		364,865
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>531,967</b>	<b>0</b>	<b>531,967</b>

STATEMENT 6

UTILITY CAPITAL FUND BALANCE SHEET  
AS AT DECEMBER 31, 2008

ASSETS

CASH ON HAND AND ON DEPOSIT - STATEMENT 14				0
RECEIVABLES - STATEMENT 14				
Government Grants - Schedule 3				
Own Funds and Agencies				
Other Accounts				
Organizations and Individuals				
Federal Government				
Federal Government Enterprises				
Provincial Government				
Provincial Government Enterprises				
Other Local Governments			0	0
CONSTRUCTION IN PROGRESS				1,990,529
FIXED ASSETS				
Buildings			5,705,169	
Machinery and Equipment			1,036,588	
Land			0	
Other			1,202,054	7,943,811
DEBT CHARGES RECOVERABLE (CAPITAL ASSETS)				
Debenture Levies				
Deferred Liability Levies				0
OTHER ASSETS				0
<b>TOTAL ASSETS</b>				<b>9,934,340</b>

LIABILITIES AND SURPLUS

TEMPORARY BORROWINGS				
Chartered Banks				
Other Financial Institutions				
Own Funds				
Other				0
PAYABLES				
Organizations and Individuals				
Federal Government				
Federal Government Enterprises				
Provincial Government				
Provincial Government Enterprises				
Other Local Governments				0
OTHER LIABILITIES				
LONG-TERM DEBT				
Debentures - Schedule 8			1,990,529	
Deferred Liabilities - Note				1,990,529
CAPITAL SURPLUS - STATEMENT 8				7,943,811
<b>TOTAL LIABILITIES AND SURPLUS</b>				<b>9,934,340</b>

STATEMENT 7

TRUST FUND BALANCE SHEET  
AS AT DECEMBER 31, 2008  
ASSETS

TRUST NAME	CASH	INVESTMENTS (SCHEDULE 6)	OTHER FUNDS	OTHER	TOTAL
Cemetery			112,682		112,682
Pension Funds					
Option Deposits					
General Recreation			6,812		6,812
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>119,494</b>	<b>0</b>	<b>119,494</b>

LIABILITIES

	PAYABLES	OTHER FUNDS	OTHER	TRUST	TOTAL
Cemetery				112,682	112,682
Pension Funds					
Option Deposits					
General Recreation				6,812	6,812
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>119,494</b>	<b>119,494</b>

**SURPLUS ACCOUNTS AND ALLOWANCE FOR TAX ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**ALLOWANCE FOR TAX ASSETS**

Balance, January 1		273,535
Add:		
Transfer From Revenue - Statement 10	5,983	
Profit on Tax Title Sales		
Transfer From Nominal Surplus		
Tax Titles Established		
		5,983
Sub-Total		279,518
Deduct:		
Taxes Cancelled - Schedule 1	847	
T.S.C. Cancelled - Schedule 1		
Tax Titles Written Off - Schedule 1	17,783	
Transfer to Nominal Surplus		
Other tax adjustments	755	
		19,385
<b>Balance, December 31 - Statement 1</b>		<b>260,133</b>

**NOMINAL SURPLUS - GENERAL**

Balance, January 1		1,060,871
Add:		
Transfer From Deferred Surplus - Statement 9		
Transfer From Allowance For Tax Assets		
Operating Surplus - Statement 9	128,495	
Prior period adjustments		
		128,495
Sub-Total		1,189,366
Deduct:		
Accts. Rec. Cancelled		
Transfer To General Reserve - Schedule 5		
Transfer To Allowance For Tax Assets		
Transfer To Revenue - Statement 9		
Operating Deficit - Statement 9		
Police office expansion		
Prior Period Adjustments	172,965	
		172,965
<b>Balance, December 31 - Statement 1</b>		<b>1,016,401</b>

**NOMINAL SURPLUS - UTILITY**

Balance, January 1		694,265
Add:		
Transfer From Deferred Surplus - Statement 11		
Other Transfers (Specify)		
Prior Period Adjustment		
Operating Surplus - Statement 11	729	
		729
Sub-Total		694,994
Deduct:		
Accts. Rec. Cancelled		
Transfer To Utility Revenue - Statement 11		
Operating Deficit - Statement 11		
RM of Stanley - Lagoon Dumping Fees		0
<b>Balance, December 31 - Statement 4</b>		<b>694,994</b>

**CAPITAL SURPLUS - GENERAL**

Balance, January 1		13,179,019
Add:		
Capital Assets Acquired	2,810,777	
		2,810,777
Sub-Total		15,989,796
Deduct:		
Disposal of Capital Assets	941	
		941
<b>Balance, December 31 - Statement 3</b>		<b>15,988,855</b>

**CAPITAL SURPLUS - UTILITY**

Balance, January 1		7,514,544
Add:		
Capital Assets Acquired	429,267	
		429,267
Sub-Total		7,943,811
Deduct:		
Disposal of Capital Assets		
		0
<b>Balance, December 31 - Statement 6</b>		<b>7,943,811</b>

**GENERAL OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**REVENUE**

TOTAL REVENUE FROM TAXATION			4,437,499
OTHER REVENUE			
Taxes Added - Schedule 1		255,500	
Licenses and Permits		11,086	
Fines		26,355	
Parking Meters		0	
Sales of Service			
General Government	0		
Protection	122,314		
Transportation	82,703		
Less: Costs	82,703		
Environmental Health	446		
Public Health and Welfare	1,414		
Planning and Development	7,641		
Economic Development	0		
Recreation and Culture	921,670	1,136,188	
Sales of Goods		5,063	
Rentals		135,903	
Concessions and Franchises		0	
Returns From Investments		88,157	
Transfers From Utilities and Enterprises			
Tax Penalties - Schedule 1		35,187	
Miscellaneous Revenue		94,532	
Grants in Lieu of Taxes - Schedule 3			
Federal Government	37,876		
Federal Government Enterprises	239,417		
Provincial Government	133,638		
Provincial Government Enterprises	100,630		
Other Local Governments			
Non-Government Organizations		511,561	
Unconditional Government Transfers - Schedule 3			
Federal Government			
Provincial - Municipal Tax Sharing	987,835		
- Municipal Support Grants	53,415		
- VLT Revenues	136,210		
Other Local Governments	0	1,177,460	
Conditional Government Transfers - Schedule 3			
Federal Government	405,690		
Provincial Government	228,727		
Other Local Governments	0	634,417	4,111,409
TOTAL REVENUE FROM EXTERNAL SOURCES			8,548,908
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8			0
TRANSFER FROM RESERVES - SCHEDULE 5			76,800
OPERATING DEFICIT - STATEMENT 8			
<b>TOTAL</b>			<b>8,625,708</b>

**EXPENDITURE**

GENERAL GOVERNMENT SERVICES		808,176	
PROTECTIVE SERVICES		1,297,573	
TRANSPORTATION SERVICES		791,523	
ENVIRONMENTAL HEALTH SERVICES		351,898	
PUBLIC HEALTH AND WELFARE SERVICES		104,853	
ENVIRONMENTAL PLANNING AND COMMUNITY DEVELOPMENT SERVICES		111,661	
ECONOMIC DEVELOPMENT SERVICES		457,978	
COMMUNITY SERVICES		2,013,539	
FISCAL SERVICES		1,904,745	
TOTAL SERVICES		7,841,946	
SURPLUS APPROPRIATIONS AND TRANSFERS			
Deferred Surplus - Operating Deficit			
Deferred Surplus - By-Law Obligation		0	
Transfer to Reserves - Statement 10		655,267	655,267
OPERATING SURPLUS - STATEMENT 8			128,495
<b>TOTAL</b>			<b>8,625,708</b>

## STATEMENT 10

**GENERAL OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
<b>General Government Services</b>				
Legislative	171,700	147,215	24,485	
General Administrative	522,395	511,607	10,788	
Other General Government	154,850	149,354	5,496	
Total	848,945	808,176	40,769	0
<b>Protective Services</b>				
Police Protection	1,095,456	1,022,854	72,602	
Youth Justice	0	0	0	0
Fire Protection	280,514	272,897	7,617	
Emergency Measures	0	0	0	
Other Protection	2,550	1,822	728	
Total	1,378,520	1,297,573	80,947	0
<b>Transportation Services</b>				
Road Transport				
Administration				
Engineering	141,618	134,759	6,859	
Roads and Streets	534,222	539,859		5,637
Bridges, Subways				
Street Lighting	111,390	112,924		1,534
Traffic Services	2,350	3,981		1,631
Parking			0	
Other Road Transport				
Air Transport				
Water Transport				
Public Transit				
Total	789,580	791,523	6,859	8,802
<b>Environmental Health Services</b>				
Garbage and Waste Collection and Disposal	199,365	199,437		72
Other Environmental Health	160,592	152,461	8,131	
Total	359,957	351,898	8,131	72
<b>Public Health &amp; Welfare Services</b>				
Public Health	79,150	83,714		4,564
Medical Care				
Hospital Care				
Social Welfare	21,140	21,139	1	
Total	100,290	104,853	1	4,564
<b>Environmental Planning &amp; Community Development Services</b>				
Environmental Planning and Zoning	3,600	1,857	1,743	
Community Development	60,000	109,804		49,804
Housing				
Total	63,600	111,661	1,743	49,804
<b>Economic Development Services</b>				
Natural Resources	26,850	27,355		505
Regional Development	349,956	312,463	37,493	
Industrial Development	61,500	68,530		7,030
Other Economic Services	55,350	49,630	5,720	
Total	493,656	457,978	43,213	7,535
<b>Community Services</b>				
Recreation Facilities	1,716,636	1,786,031		69,395
Cultural Buildings and Facilities	218,035	227,508		9,473
Other Recreation and Cultural Services				
Education Grants				
Total	1,934,671	2,013,539	0	78,868
<b>SUB-TOTALS FORWARD</b>	<b>5,969,219</b>	<b>5,937,201</b>	<b>181,663</b>	<b>149,645</b>

## STATEMENT 10

**GENERAL OPERATING FUND  
COMPARISON OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
SUB-TOTALS FORWARD	5,969,219	5,937,201	181,663	149,645
<b>Fiscal Services</b>				
Transfers to Other Governments				
Other Municipal Governments				
Transfers to Own Funds				
Allowance for Tax Assets - Statement 8	5,983	5,983	0	
Capital Fund - Statement 13	1,171,408	1,195,375		23,967
Utility Fund - Statement 11	215,248	215,248	0	
Other Funds				
Phase-in Tax Credit				
Public Debt Charges				
Debenture Debt Charges - Schedule 7				
Other Long-Term Debt Charges	488,139	488,139		
Interest on Short-Term Financing				
Bank Loan Interest				
Other Fund Loan Interest				
Tax Discounts - Schedule 1				
Other Debt Charges				
Debenture Discount				
Debenture Issue Costs				
Other				
Other Fiscal Services				
Total	1,880,778	1,904,745	0	23,967
<b>Transfer to Reserves (schedule 5)</b>				
General Reserve	124,733	124,733		0
Specific Reserve				
- Replacement Reserve	158,000	257,251		99,251
- Capital Development				
- Other				
Community Development Reserve	89,333	100,000		10,667
Gas Tax Reserve	173,282	173,283		1
Total	545,348	655,267	0	109,919
<b>Surplus Appropriations</b>				
Total Estimated	8,395,345			
Total Actual		8,497,213		
Total Underspent				
Total Overspent				101,868

**RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT**

REVENUE	ESTIMATED	ACTUAL	OVER(UNDER)
Tax Revenue	4,949,060	4,949,060	0
Other Revenue	3,369,485	3,599,848	230,363
Transfers from Acc. Surplus & Reserves	76,800	76,800	0
Revenue Surplus (Deficit)	8,395,345	8,625,708	230,363
<b>EXPENDITURE</b>	8,395,345	8,497,213	101,868
<b>OPERATING SURPLUS (DEFICIT)</b>	0	128,495	128,495

STATEMENT 11

UTILITY OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2008

REVENUE

CONSUMER SALES	METERED	FLAT RATE	TOTAL
Residential			
Commercial and Bulk			
Industrial			
Federal and Provincial			
Municipal and Schools			
Total	1,038,000		1,038,000
Less: Discounts			
Refunds and Cancellations		-71	-71
			1,037,929
ADMINISTRATION CHARGES			183,518
PENALTIES			6,011
HYDRANT RENTALS			26,700
CONSUMER INSTALLATION SERVICE			
CONNECTION REVENUE - NET			9,870
PROVINCIAL GRANTS			
OTHER REVENUE			20,775
TRANSFER FROM GENERAL OPERATING FUND - STATEMENT 10			
Re: Debentures			215,248
Re: Operations			215,248
TRANSFER FROM RESERVE FUND - SCHEDULE 5			
TRANSFER FROM ACCUMULATED SURPLUS - STATEMENT 8			
OPERATING DEFICIT - STATEMENT 8			
<b>TOTAL</b>			<b>1,500,051</b>

EXPENDITURE

WATER SUPPLY			939,451
SEWAGE COLLECTION AND DISPOSAL			105,896
TRANSFER TO CAPITAL - STATEMENT 14			61,187
TRANSFERS TO RESERVE - SCHEDULE 5			177,540
DEBENTURE DEBT CHARGES - SCHEDULE 7			210,848
OTHER LONG-TERM DEBT CHARGES			4,400
DEFERRED SURPLUS - OPERATING DEFICIT			
Deferred Surplus - Operating Deficit, 20__			
20__			
20__			0
OPERATING SURPLUS - STATEMENT 8			729
<b>TOTAL</b>			<b>1,500,051</b>

STATEMENT 12

COMPARISON OF UTILITY BUDGETED AND ACTUAL EXPENDITURE  
FOR THE YEAR ENDED DECEMBER 31, 2008

	ESTIMATED	ACTUAL	UNDERSPENT	OVERSPENT
Water Supply	843,300	939,451		96,151
Sewage Collection and Disposal	112,625	105,896	6,729	
Transfer to Capital	58,300	61,187		2,887
Transfers to Reserve	250,000	177,540	72,460	
Debenture Debt Charges	210,848	210,848	0	
Other Long-Term Debt Charges	4,400	4,400	0	
Surplus Appropriations				
Total Estimated	1,479,473			
Total Actual		1,499,322		
Total Underspent			79,189	
Total Overspent				99,038

RECONCILIATION WITH OPERATING SURPLUS OR DEFICIT

	ESTIMATED	ACTUAL	OVER (UNDER)
REVENUE	1,479,473	1,500,051	20,578
EXPENDITURE	1,479,473	1,499,322	19,849
OPERATING SURPLUS (DEFICIT)	0	729	729

**STATEMENT OF SOURCE AND APPLICATION OF GENERAL CAPITAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**SOURCE**

UNEXPENDED FUNDS, JANUARY 1		
Cash		
Receivables		0
SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		0
LONG-TERM BORROWING		
Debentures - Schedule 8		
Other		0
PREPAID LOCAL IMPROVEMENT LEVIES		0
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 10		1,195,375
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		1,523,402
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		0
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER           From Trusts		92,000
<b>TOTAL</b>		<b>2,810,777</b>

**APPLICATION**

FIXED ASSETS

CAPITAL EXPENDITURES	CONSTRUCTION	PURCHASE	LOCAL IMPROVEMENTS	TOTAL
General Government	0	33,464	0	33,464
Protection	16,181	84,540	0	100,721
Transportation	11,348	389,987	1,066,749	1,468,084
Recreation and Culture	957,935	250,573	0	1,208,508
_____				0
_____				0
_____				
_____				
<b>TOTAL</b>	985,464	758,564	1,066,749	2,810,777

REPAYMENT OF SHORT-TERM BORROWING		
Bank		
Other Funds	0	
Other		0
DEBENTURE DISCOUNT AND INTEREST		
REPAYMENT OF ACCOUNTS PAYABLE		
UNEXPENDED FUNDS, DECEMBER 31 - STATEMENT 3		
Cash		
Receivables		0
OTHER		
<b>TOTAL</b>		<b>2,810,777</b>

**STATEMENT OF SOURCE AND APPLICATION OF UTILITY CAPITAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**SOURCE**

UNEXPENDED FUNDS, JANUARY 1		
Cash		
Receivables		0
SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		0
LONG-TERM BORROWING		
Debentures - Schedule 8		
Other		0
PREPAID LOCAL IMPROVEMENT LEVIES		
CAPITAL EXPENDITURES FROM REVENUE - STATEMENT 11		61,187
CAPITAL EXPENDITURES FROM RESERVES - SCHEDULE 5		368,080
GRANTS - SCHEDULE 3		
Federal Government		
Federal Government Enterprises		
Provincial Government		
Provincial Government Enterprises		
Other Local Governments		
Other		0
ACCOUNTS PAYABLE, DECEMBER 31		
OTHER		
<b>TOTAL</b>		<b>429,267</b>

**APPLICATION**

FIXED ASSETS

CAPITAL EXPENDITURES	CONSTRUCTION	PURCHASE	LOCAL IMPROVEMENTS	TOTAL
Water Supply	0	61,187	10,409	71,596
Sewage Disposal	100,645	4,981	252,045	357,671
Sewage Inspection				0
Construction in Progress				0
<b>TOTAL</b>	100,645	66,168	262,454	429,267

REPAYMENT OF SHORT-TERM BORROWING		
Bank		
Other Funds		
Other		0
DEBENTURE DISCOUNT AND INTEREST		
REPAYMENT OF ACCOUNTS PAYABLE		
UNEXPENDED FUNDS, DECEMBER 31 - STATEMENT 6		
Cash		
Receivables		0
OTHER		
<b>TOTAL</b>		<b>429,267</b>

**SCHEDULE 1**

**ANALYSIS OF TAX ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	TAXES ON ROLL	TAX SALE CERTIFICATES	TAX TITLES	AGREEMENTS OF SALE
Balance, January 1	212,703	46	17,783	
ADD:				
Tax Levy - Schedule 2	9,348,240			
Taxes Added - Statement 9	255,500			
Penalties or Interest Added - Statement 9	35,187			
Other Accounts Added	48,417			
Taxes Overpaid	16,208			
Transfer Re Tax Sale				
Tax Titles Acquired				
Land Sales				
TAX ADJUSTMENTS (SPECIFY)				
Return to Roll				
Excess taxes added	87,622			
<b>SUB-TOTAL</b>	<b>10,003,877</b>	<b>46</b>	<b>17,783</b>	<b>0</b>
DEDUCT:				
Cash Collections:	8,610,457			
Arrears	229,244			
Current	8,381,213			
Transfers Re Tax Sale				
Cancellations	847			
Returned to Roll				
Title Value of Land Sales				
Transfers Re Titles Acquired				
Tax Titles Written Off			17,783	
R.H.O.A. - Cash Advance	1,205,143			
Other Credits:				
<b>TOTAL</b>	<b>9,816,447</b>			
<b>BALANCE, DECEMBER 31</b>	<b>187,476</b>	<b>46</b>	<b>0</b>	<b>0</b>

(Statement 1)

**SCHEDULE 2**

**ANALYSIS OF TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2008**

Other Governments (L.U.D.)	ASSESSMENT	MILL RATE	LEVY
Debt Charges			
Frontage			86,972
Mill Rate (L.I.D.)	180,660,670	1.200	216,793
(Civic Centre)	169,524,270	0.650	110,191
(Rec Centre)	169,524,270	1.720	291,582
Total			705,538
Minister of Intergovernmental Affairs (assessment)	169,524,270	0.580	98,324
Deferred Surplus			
Reserves:			
Replacement By-Law 19-72	169,524,270	0.890	150,877
By-Law			
By-Law			
General Municipal	169,524,270	13.180	2,234,330
Special Levies (Specify)			
Special Services (Section 312)	186,691,780	7.640	1,426,325
Business Levy			4,160
Sanitation Collection & Fees			330,072
Business Tax - Rate 0 %			0
<b>Total Municipal Taxes</b>			<b>4,949,626</b>
Schools			
Prov. Education 1	119,836,670	n/a	n/a
Prov. Education 2	44,333,620	16.080	712,885
Total Education Support Program	164,170,290		712,885
Special Division	165,205,270	22.310	3,685,729
Western School Division			
Garden Valley School Division			
<b>Total School Taxes</b>			<b>4,398,614</b>
<b>TOTAL TAX LEVY - SCHEDULE 1</b>			<b>9,348,240</b>

**SCHEDULE 3**

**ANALYSIS OF GOVERNMENT TRANSFERS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	BALANCE JANUARY 1	GRANTS EARNED (Statement 9)	GRANTS RECEIVED	ADJUSTMENTS	BALANCE DECEMBER 31 (Statement 1)
<b>GENERAL FUND</b>					
<b>PROVINCIAL</b>					
Grants in Lieu		234,268	234,268		0
Prov.-Mun. Tax Sharing		987,835	987,835		0
Municipal Support Grants		53,415	53,415		0
VLT Revenues		136,210	136,210		0
Conditional Grants					0
General Govt.					0
Protection					0
Transportation		225,441	225,441		0
Environmental Health		3,286	3,286		0
Public Health & Welfare					0
Environmental Planning					0
Economic Development					0
Recreation					0
<b>FEDERAL</b>					
Grants in Lieu		277,293	277,293		0
Unconditional Grants					0
Conditional Grants (Spec):					0
Career Placements					0
Goods and Services Tax	134,739	405,690	361,249		179,180
					0
<b>LOCAL (Specify name of Govt. and type of grant as above):</b>					
<b>UTILITY FUND</b>		(Statement 11)			(Statement 4)
Provincial Grant					
Federal Grant					
Local Grant					
<b>GENERAL CAPITAL GRANTS (Specify Govt. and type as above)</b>		(Statement 13)			(Statement 3)
<b>UTILITY CAPITAL GRANTS</b>		(Statement 14)			(Statement 6)
Provincial					
Federal					
Local					
<b>Total</b>	134,739	2,323,438	2,278,997	0	179,180

Note: Provincial and Federal includes both Government and Enterprises.

**SCHEDULE 4**

**ANALYSIS OF SCHOOL ACCOUNTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	OUTSTANDING JANUARY 1	CURRENT REQUIREMENT	CURRENT PAYMENTS	OUTSTANDING DECEMBER 31 (STATEMENT 1)
<b>EDUCATION SUPPORT PROGRAM</b>	2,431	712,885	715,316	0
<b>SPECIAL LEVIES:</b>				
School Division <u>Western</u>	8,905	3,686,295	3,695,200	0
<u>Garden Valley</u>				0
<b>TOTAL</b>	11,336	4,399,180	4,410,516	0

**ANALYSIS OF RESERVE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

RESERVE NAME BY-LAW NO.	GENERAL 4-09	EQUIPMENT REPLACEMENT 19-72	COMMUNITY DEVELOPMENT 35-76	GAS TAX 9-2006
<b>BALANCE, JANUARY 1</b>	1,948,791	683,511	401,628	41,812
<b>ADD:</b> Interest Earned	49,308	14,938	10,316	265
Transfer from Operating (Statement 10)	124,733	257,251	100,000	173,283
Sale of land			341,357	
Received from other entities	2,708			
Added taxes	39,712		45,246	
Prior period adjustment	12,297			
<b>SUB-TOTAL</b>	2,177,549	955,700	898,547	215,360
<b>DEDUCT:</b> Purchases (Statement 13)	272,408	428,854	607,140	215,000
Transfer To Revenue (Statement 9)	76,800			
Prior Period Adjustment	2,100			
Payments to other entities	17,357		9,159	
Payments to M.C.D.C.				
<b>BALANCE, DECEMBER 31 - Statement 2</b>	<b>1,808,884</b>	<b>526,846</b>	<b>282,248</b>	<b>360</b>
<b>RESERVE NAME BY-LAW NO.</b>				
<b>BALANCE, JANUARY 1</b>				
<b>ADD:</b> Interest Earned				
Transfer from Operating (Statement 10)				
<b>SUB-TOTAL</b>				
<b>DEDUCT:</b> Purchases (Statement 13)				
Transfer to Revenue (Statement 9)				
<b>BALANCE, DECEMBER 31 - Statement 2</b>				
<b>RESERVE NAME BY-LAW NO.</b>	UTILITY REPLACEMENT 4-65	UTILITY 44-81	UTILITY	UTILITY
<b>BALANCE, JANUARY 1</b>	248,598	277,364		
<b>ADD:</b> Interest Earned	3,417	7,128		
Transfer from Operating (Statement 11)	177,540			
Capital Lot Levies		186,000		
Dumping Fee - RM of Stanley				
Prior period adjustment				
<b>SUB-TOTAL</b>	429,555	470,492		
<b>DEDUCT:</b> Purchases (Statement 14)	262,453	105,627		
Transfer To Revenue (Statement 11)				
<b>BALANCE, DECEMBER 31 - Statement 5</b>	<b>167,102</b>	<b>364,865</b>		

**SCHEDULE 6**

**ANALYSIS OF INVESTMENTS  
AS AT DECEMBER 31, 2008**

TYPE	DUE DATE Y/M/D	INTEREST RATE	INTEREST EARNED	AMOUNT	TOTAL
GOVERNMENT OF CANADA					0
PROVINCE OF MANITOBA AND AGENCIES					0
OTHER PROVINCES OR PROVINCIAL AGENCIES					
<b>BY-LAW</b>					
DEBENTURES OF OWN MUNICIPALITY					0
DEBENTURES OF OTHER LOCAL GOVERNMENTS					0
MANITOBA INVESTMENT POOL AUTHORITY					0
OTHER INVESTMENTS Term Deposits	(retired in 2008)	(various rates)	25,224	0	
			0		
			0		
			0		
			0		
			0		
			0		
			0		0
<b>TOTAL INVESTMENTS</b>					<b>0</b>

**INVESTMENT HOLDINGS  
AS AT DECEMBER 31, 2008**

TYPE	NAME OF RESERVE	RESERVED (Statements 2/5)	TRUST (Statement 7)	UNRESERVED (Statements 1/4)	TOTAL
GOVERNMENT OF CANADA					0
PROVINCE OF MANITOBA					0
OTHER PROVINCES OR AGENCIES					0
DEBENTURES OF OWN MUNICIPALITY					0
DEBENTURES OF OTHER LOCAL GOVERNMENTS					0
MANITOBA INVESTMENT POOL AUTHORITY					0
OTHER INVESTMENTS					0
<b>TOTAL INVESTMENTS</b>					<b>0</b>

**INVESTMENT CHANGES  
2008**

TOTAL INVESTMENTS, JANUARY 1					
INVESTMENTS ACQUIRED			7,300,000		7,300,000
INVESTMENTS SOLD			7,300,000		7,300,000
INVESTMENTS MATURED					
<b>TOTAL INVESTMENTS, DECEMBER 31</b>					<b>0</b>





**STATISTICAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2008**

TAXABLE ASSESSMENT (PORTIONED)

Land	
Buildings	
Total Real Property	
Personal Property	
Subject to Grant	
Total Taxable & Grant Property	
Exempt	
Business	

TO BE  
COMPLETED  
BY DEPARTMENT

POPULATION (LATEST CENSUS OF CANADA) 6,571

BUDGET RECONCILIATION - GENERAL FUND

Revenue - Surplus (Deficit)	230,363
Expended - Under (Over)	-101,868
Estimated Surplus (Deficit)	0
Operating Surplus (Deficit)	128,495
Operating Surplus (Deficit) - Prior Year	0
<b>Gain or (Loss) in Surplus from prior year</b>	<b>128,495</b>

CASH POSITION

	GENERAL FUND	COMBINED FUNDS
Cash Surplus (Deficit) - Current Year	266,576	266,576
Cash Surplus (Deficit) - Prior Year	610,227	610,227
Gain or (Loss)	-343,651	-343,651

**DEFICIT RECOVERIES AND DEFERRED SURPLUS LEVIES**

GENERAL FUND OPERATING DEFICITS

Year	Authority			Actual Amount	Recoveries	Outstanding December 31
	Date	Term	Amount			

UTILITY FUND OPERATING DEFICITS

Year	Authority			Actual Amount	Recoveries	Outstanding December 31
	Board Order	Term	Amount			

BY-LAW OBLIGATIONS

Year	Purpose	By-Law Number	Term	Amount	Recoveries	Outstanding December 31

**TAX COLLECTIONS**

TAXES ON ROLL - Current - Cash Collections	8,381,213	
- Tax Credit Programs	1,205,143	9,586,356
- Arrears		229,244
- Total		9,815,600
TAX SALE CERTIFICATES		
LAND SALES		
<b>TOTAL COLLECTIONS</b>		<b>9,815,600</b>

**Note 1**

Significant Accounting Policies

(a) Accrual Accounting

The accounts of the Town are maintained on the accrual basis except that interest incurred on debt is accounted for on the cash basis.

(b) Inventories

Inventories of supplies, fuel, sand and chemicals are recorded at cost.

(c) Property and Equipment

It is the policy of Municipal corporations in Manitoba to charge property and equipment purchases to operations or against specific reserve funds in the year of acquisition and to record the purchases as assets of either the general capital fund or utility capital fund. No provision has been made for amortization. Local improvements for roads, sidewalks, sewer and water systems, etc., are financed by frontage levies on long-term debt and are generally not recorded in the capital funds.

(d) Debt Retirement

Debt retirement costs including principal and interest are charged against current revenues in the period in which they are paid.

(e) Reserve Funds

Reserve funds are established by by-law for the purpose of accumulating funds for specific purposes. Appropriations to reserve funds are recorded as expenditures in the operating funds.

**Note 2**

Supplementary Report

In accordance with Section 190(2) of the Municipal Act, a supplementary report on the examination of the affairs of the Town has been forwarded to Council.

**Note 3**

Accounting and Reporting Principles

In accordance with Municipal Accounting guidelines, the following accounting and reporting principles are incorporated in these statements:

(a) School and Hospital Levies

Such levies are treated as requisition taxes payable instead of expenses. This results in the school requirements and hospital deficits, where applicable, being netted against revenue from taxation and grants-in-lieu with a corresponding elimination of the related expense accounts.

(b) Local Urban District (LUD) Revenues and Expenditures

LUD levies, where applicable, are now treated as deferred revenue with a corresponding adjustment to "Revenue from Taxation". In addition, all LUD expenditures are now reported by function as municipal expenditures, thereby eliminating the fiscal service expenditure account "Transfer to LUDs".

TOWN OF MORDEN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**Note 4**

Contingencies

Accumulated Sick Time

The Town of Morden has accumulated sick time that may be owing to employees. The maximum accumulated sick time per employee is 75 days.

**Note 5**

The Public Sector Compensation Disclosure Act

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 individual compensation in an amount equal to or exceeding \$50,000 annually to any member of council, officer or employee of the municipality. For the year ended December 31, 2008;

- (a) compensation paid to members of council amounted to \$102,741 in aggregate;
- (b) there were no members of council receiving compensation in excess of \$50,000 individually; and
- (c) the following officers or employees received compensation that equals or exceeds \$50,000;

NAME	POSITION	AMOUNT
Ernie Epp	Chief Administrative Officer	\$ 105,743
Garry Hiebert	Director of Finance & Administration	\$ 69,626
Les Wieler	Director of Public Works	\$ 69,626
Brad Neduzak	Police Chief	\$ 88,141
Brent Menzies	Police Sergeant	\$ 74,534
William Flynn	Police Constable	\$ 66,127
Trevor Marek	Police Constable	\$ 62,966
Sean Aune	Police Constable	\$ 64,616
Jeremy Loewen	Police Constable	\$ 65,027
Ryan Rach	Police Constable	\$ 52,063
Sean O'Brien	Police Constable	\$ 56,092
Jeffory Forster	Police Constable	\$ 54,752
Cheryl Digby	Community Development Officer	\$ 61,890
Andy Thiessen	Fire Chief	\$ 61,890
Gordon Maddock	Facility Manager	\$ 52,291
Allan Spearman	Water Plant Supervisor	\$ 51,465

**Note 6**

Tangible Capital Assets

The Town of Morden is in the process of implementing the new accounting requirements for tangible capital assets, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The new requirements for tangible capital assets come into effect starting January 1, 2009.

As at December 31, 2008 the Town of Morden has identified and valued all their tangible capital assets.

Tangible capital assets are recorded at cost which includes all amounts that are attributable to the acquisition, construction, development or betterment of the asset. Donated assets, if any, 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 values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value, as the determination of current fair market value was not available. The Town of Morden does not capitalize interest charges as part of the cost of its tangible capital assets.

The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis over its useful life. Assets under construction are not amortized until the asset is put in use. No amortization has been recorded in the financial statements.

The estimated useful lives are as follows:

General Tangible 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	20 to 60 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 40 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.

TOWN OF MORDEN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

The tangible capital asset balances at December 31, 2008 are:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
<b><u>General Tangible Assets</u></b>			
Land and Land Improvements	3,935,211	(629,362)	3,305,849
Buildings and Leasehold Improvements	7,805,160	(2,012,826)	5,792,334
Vehicles and Equipment	3,093,759	(1,254,434)	1,839,325
Computer Hardware and Software	202,148	(133,481)	68,667
Assets Under Construction	1,347,748	-	1,347,748
<b><u>Infrastructure Assets</u></b>			
Roads, Streets and Bridges	20,005,720	(7,153,363)	12,852,357
Water and Sewer	19,762,995	(5,274,851)	14,488,144
	56,152,741	(16,458,317)	39,694,424

Water and sewer contributed to the Town in 2008 totals \$60,032 and were capitalized at the fair value at the time of their receipt.

Total amortization expense for the year ended December 31, 2008 was \$1,642,834.  
No amortization expense was recorded in the financial statements.

**Note 7**

Accrued Vacation and Sick Leave

Prior to the current year, the Town did not accrue vacation pay or sick leave. In 2008, in an effort to move toward full accrual accounting as mandated by the Public Sector Accounting Board, these items are now accrued. The amount to accrue as at January 1, 2008 was as follows:

Vacation Payable	151,864
Sick Leave Payable	21,101
	172,965

The above amounts were deducted from Nominal Surplus as of January 1, 2008, as stated on Statement 8.

TOWN OF MORDEN  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

**FINANCIAL**

**REPORT**

**2005 - DRAFT FOR**

**DISCUSSION ONLY**

**TOWN OF MORDEN**