

# **TOWN OF MORDEN**

**Consolidated Financial Statements  
For the Year Ended December 31, 2009**

## STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Morden and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

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

Council of the Municipality met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Krahn & Friesen Chartered Accountants as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.

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Ernie Epp  
Chief Administrative Officer

## AUDITOR'S REPORT

To the Mayor and members of Council of the  
**TOWN OF MORDEN**

We have audited the consolidated statement of financial position of the Town of Morden as of December 31, 2009 and the consolidated statement of operations, cash flows and change in net financial assets for the year then ended. These consolidated financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These 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 consolidated financial statements present fairly, in all material respects, the financial position of the Town of Morden at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Krahn & Friesen*

Morden, Manitoba  
October 6, 2010

Chartered Accountants

# **TOWN OF MORDEN**

## **Consolidated Financial Statements**

### **For the Year Ended December 31, 2009**

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**TOWN OF MORDEN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2009**

	<u>2009</u>	<u>2008</u>
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ 1,309,067	\$ 944,088
Amounts receivable (Note 3)	869,475	668,429
Loans and advances	<u>174,832</u>	<u>193,173</u>
	<u>\$ 2,353,374</u>	<u>\$ 1,805,690</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 576,365	\$ 615,440
Deferred revenue	120,404	12,680
Landfill closure and post closure liabilities (Note 5)	4,279	3,753
Long-term debt (Note 6)	<u>3,495,538</u>	<u>2,863,314</u>
	<u>4,196,586</u>	<u>3,495,187</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u>\$ (1,843,212)</u>	<u>\$ (1,689,497)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	\$ 42,897,878	\$ 41,366,705
Inventories (Note 4)	956,422	957,248
Prepaid expenses	<u>224</u>	<u>2,185</u>
	<u>43,854,524</u>	<u>42,326,138</u>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<u>\$ 42,011,312</u>	<u>\$ 40,636,641</u>

**COMMITMENTS (NOTE 7)**

Approved on behalf of Council:

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Doug Wilson - Mayor

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Alex Fedorchuk - Councillor

**TOWN OF MORDEN**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**Year Ended December 31, 2009**

	<u>2009 Budget (Note 16)</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
<b>REVENUE</b>			
Property taxes	\$ 4,878,173	\$ 5,194,287	\$ 4,813,144
Grants in lieu of taxation	524,217	524,217	511,561
User fees	1,595,365	1,441,420	1,510,106
Grants - Province of Manitoba	1,397,443	1,428,180	1,517,038
Grants - other	464,080	465,033	270,987
Permits, licences and fines	130,009	132,415	157,278
Investment income	131,515	96,898	194,076
Other revenue	569,718	620,056	567,110
Sale of land held for resale	-	59,115	468,357
Water and sewer	1,741,328	1,837,742	1,747,320
Total revenue (Schedules 2, 4 and 5)	<u>11,431,848</u>	<u>11,799,363</u>	<u>11,756,977</u>
<b>EXPENSES</b>			
General government services	1,137,086	1,090,546	982,611
Protective services	1,602,639	1,522,387	1,419,255
Transportation services	1,812,655	1,889,553	1,729,449
Environmental health services	502,910	474,664	464,892
Public health and welfare services	135,127	137,166	121,563
Environmental development services	13,600	3,892	111,661
Economic development services	640,555	640,237	608,841
Recreation and cultural services	2,728,866	2,853,906	2,394,991
Water and sewer services	1,764,246	1,812,341	1,699,740
Total expenses (Schedules 3, 4 and 5)	<u>10,337,684</u>	<u>10,424,692</u>	<u>9,533,003</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>1,094,164</b>	<b>1,374,671</b>	<b>2,223,974</b>
<b>ACCUMULATED SURPLUS (DEFICIT), BEGINNING OF YEAR (Note 11)</b>	<b>40,636,641</b>	<b>40,636,641</b>	<b>38,222,068</b>
<b>PRIOR PERIOD ADJUSTMENT (Note 11)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 190,599</b>
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	<b><u>\$41,730,805</u></b>	<b><u>\$42,011,312</u></b>	<b><u>\$ 40,636,641</u></b>

**TOWN OF MORDEN**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**Year Ended December 31, 2009**

	<u>2009 Budget (Note 10)</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>\$ 1,094,164</b>	<b>\$ 1,374,671</b>	<b>\$ 2,223,974</b>
Acquisition of tangible capital assets	(3,040,771)	(3,859,146)	(5,529,384)
Amortization of tangible capital assets	1,857,242	1,857,242	1,725,039
Loss (Gain) on sale of tangible capital assets	-	(43,130)	(23,110)
Proceeds on sale of tangible capital assets	-	513,861	-
Decrease (increase) in inventories	-	826	482
Decrease (increase) in prepaid expense	-	1,961	(2,009)
	<u>(1,183,529)</u>	<u>(1,528,386)</u>	<u>(3,828,982)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>(89,365)</b>	<b>(153,715)</b>	<b>(1,605,008)</b>
<b>NET FINANCIAL ASSETS (NET DEBT), BEGINNING OF YEAR</b>	<u><b>(1,689,497)</b></u>	<u><b>(1,689,497)</b></u>	<u><b>(84,489)</b></u>
<b>NET FINANCIAL ASSETS (NET DEBT), END OF YEAR</b>	<u><u><b>\$ (1,778,862)</b></u></u>	<u><u><b>\$ (1,843,212)</b></u></u>	<u><u><b>\$ (1,689,497)</b></u></u>

**TOWN OF MORDEN  
CONSOLIDATED STATEMENT OF CASH FLOWS  
Year Ended December 31, 2009**

	<u>2009</u>	<u>2008</u>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus (deficit)	\$ 1,374,671	\$ 2,223,974
Changes in non-cash items:		
Amounts receivable	(201,046)	1,289,567
Inventories	826	482
Prepays	1,961	(2,009)
Accounts payable and accrued liabilities	(39,075)	233,318
Deferred revenue	107,724	(13,047)
Landfill closure and post closure liabilities	526	3,753
Loss (Gain) on sale of tangible capital asset	(43,130)	(23,110)
Amortization	1,857,242	1,725,039
Cash provided by operating transactions	<u>3,059,699</u>	<u>5,437,967</u>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	513,861	-
Cash used to acquire tangible capital assets	<u>(3,859,146)</u>	<u>(5,529,384)</u>
Cash applied to capital transactions	<u>(3,345,285)</u>	<u>(5,529,384)</u>
<b>INVESTING TRANSACTIONS</b>		
Loans and advances repaid	<u>18,341</u>	<u>37,749</u>
Cash applied to investing transactions	<u>18,341</u>	<u>37,749</u>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	1,134,664	280,000
Debt repayment	<u>(502,440)</u>	<u>(147,513)</u>
Cash applied to financing transactions	<u>632,224</u>	<u>132,487</u>
<b>INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS</b>	<b>364,979</b>	<b>78,819</b>
<b>CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR</b>	<u>944,088</u>	<u>865,269</u>
<b>CASH AND TEMPORARY INVESTMENTS, END OF YEAR</b>	<u><b>\$ 1,309,067</b></u>	<u><b>\$ 944,088</b></u>

**TOWN OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As at December 31, 2009**

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**1. Status of the Town of Morden**

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

**2. Significant Accounting Policies**

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies:

**a) 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 Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the municipality. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include:

*Morden Community Development Corporation*

The Municipality 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 on a proportionate consolidation basis whereby the Municipality'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:

<i>Agassiz Medical Centre Board</i>	43.50%
<i>South Central Regional Library</i>	30%
<i>MSTW Planning District</i>	23.20%
<i>Morden Veterinary Services District</i>	23%
<i>Pembina Valley Development Corporation</i>	17.95%
<i>Pembina Valley Water Co-op</i>	2.80%
<i>Solid Waste Authority Management Project</i>	33.30%

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. The trust funds administered by the Municipality are presented in Schedule 7 - Schedule of Trust Funds.

**b) Basis of Accounting**

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

**c) Cash and Temporary Investments**

Cash and temporary investments include cash and short-term investments.

**d) Investments**

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

**e) 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.

#### **f) 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.

#### **g) Tangible Capital Assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Municipality does not capitalize interest charges as part of the cost of its tangible capital assets.

The 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.

#### **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	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 20 years
Dams and other surface water structures	40 to 60 years

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

## h) 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.

## i) 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.

## j) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government transfers are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

## k) 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.

### 3. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2009</u>	<u>2008</u>
Taxes on roll (Schedule 11)	\$ 244,446	\$ 187,476
Government grants	214,076	200,962
Utility customers	123,183	75,214
Goods and services tax recoverable	127,318	185,139
Organizations and individuals	160,452	279,772
Other governments	-	-
	<u>869,475</u>	<u>928,563</u>
Less allowances for doubtful amounts	<u>-</u>	<u>(260,134)</u>
	<u>\$ 869,475</u>	<u>\$ 668,429</u>

### 4. Inventories

#### Inventories for sale:

	<u>2009</u>	<u>2008</u>
Food and beverages	\$ 13,673	\$ 13,120
Land for Resale	<u>902,827</u>	<u>907,722</u>
	A <u>\$ 916,500</u>	<u>\$ 920,842</u>

#### Inventories for use:

	<u>2009</u>	<u>2008</u>
Chemicals, herbicides, insecticides	\$ 20,295	\$ 20,994
Fuel	8,870	8,089
Other supplies	<u>10,757</u>	<u>7,323</u>
	B <u>\$ 39,922</u>	<u>\$ 36,406</u>

**Total inventories**

A + B    \$ 956,422    \$ 957,248

**5. Landfill Closure and Post Closure Liabilities**

The Town is currently operating a landfill site in partnership with the City of Winkler and the Rural Municipality of Stanley. 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.

	<u>2009</u>
Estimated closure and post closure costs	<u>\$ 2,200,000</u>
Discounted costs	<u>\$ 160,488</u>
Expected year capacity will be reached	<b>2073</b>
Capacity (tonnes):	
Used to date	559,652
Remaining	6,436,000
Total	6,995,652
Percent utilized	<u>8.00%</u>
Liability based on percentage	<u>\$ 12,839</u>
<b>Town of Morden's share (33.33%)</b>	<u>\$ 4,279</u>

**6. Long Term Debt**

	<u>2009</u>	<u>2008</u>
<b>General Authority:</b>		
Access Credit Union loan, interest at prime plus .25%, payable at \$195 monthly including interest, maturing January 1, 2025	\$ 28,750	\$ -
Access Credit Union loan, interest at 2.5%, payable at \$2,550 monthly including interest.	254,909	-
Canadian Imperial Bank of Commerce, various demand loans, interest rates range from prime to 5.44%, payable at \$6,783 monthly including interest.	575,743	518,199
Province of Manitoba, no current payment terms.	75,000	75,000
Access Credit Union loans, interest at 2.5%, current payments are interest only.	<u>667,000</u>	<u>279,586</u>
	<u>\$ 1,601,402</u>	<u>\$ 872,785</u>
<b>Utility Funds:</b>		
Debenture, interest at 5.75%, payable at \$210,848 annually including interest, maturing November 30, 2022.	<u>1,894,136</u>	<u>1,990,529</u>
	<u>\$ 1,894,136</u>	<u>\$ 1,990,529</u>
	<u>\$ 3,495,538</u>	<u>\$ 2,863,314</u>

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

2010	\$ 165,129
2011	\$ 171,805
2012	\$ 178,552
2013	\$ 189,335
2014	\$ 203,534

## **7. Commitments**

The Town has outstanding contractual obligations of approximately \$2,839,000 as at December 31, 2009 for work on its Recreation Centre.

The Municipality has negotiated a long-term contract with Pembina Valley Containers for handling and disposal of garbage and recycling. The contract was extended to December 31, 2010. Annual charges under the contract are determined by reference to certain waste volumes handled. Payments made under the contract for the year 2009 were approximately \$292,725 (2008 - \$283,716).

## **8. Retirement Benefits**

The majority of the employees of the Town are members of the Municipal Employees Benefit Program (MEBP), which is a multi-employer defined benefit pension plan. MEBP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The cost 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 Canadian Institute of Chartered Accountants Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEBP by placing plan assets in trust and through MEBP investment policy. Pension expense is based on MEBP management's best estimates. In consultation with its actuaries, the MEBP requires that employees contribute 6.3% of basic annual earnings up to the CPP ceiling plus 7.5% of basic annual earnings in excess of the CPP ceiling. The employers are required to match the employee contributions to the MEBP. The required contributions provide a high level of assurance that benefits, as provided by MEBP, will be fully represented by fund assets at retirement.

Variance between actuarial funding estimates and actual expenditures may be material and any differences are generally to be funded by the participating members. The most recent actuarial valuation as of December 31, 2009 indicates the plan is fully funded. Actual contributions to MEBP made during the year by the Town on behalf of its employees amounted to \$137,551 (2008 - \$118,471) and are included in the statement of operations.

## **9. Financial Instruments**

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

## **10. Budget**

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

**11. Changes in Accounting Policies**

The Municipality has restated its financial statements to comply with the adoption of generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB).

Section PS3150 requires governments to record and amortize their tangible capital assets on their financial statements. In addition, leases, which substantially transfer all of the risks and benefits of ownership to the government, should be treated as capital leases.

PS3270 requires governments to accrue their landfill closure and post closure costs as the landfill is used. In accordance with PSAB's recommendations on liabilities and contingent liabilities the Municipality has for the first time recorded the cost of remediation for contaminated sites.

Finally, PSAB also requires that the government reporting entity include all the organizations controlled by the government. PSAB also requires governments to account for government partnerships on a proportional consolidation basis whereby the government consolidates their pro-rata share of the partnership's assets, liabilities, revenues and expenses.

	<u>2009</u>	<u>2008</u>
Opening fund balances:		
Nominal Surplus - General Operating Fund	<b>\$ 1,016,401</b>	\$ 887,906
General Reserve Funds	<b>2,618,338</b>	3,075,742
Surplus - General Capital Fund	<b>15,988,855</b>	13,179,019
Nominal Surplus - Utility Operating Fund	<b>694,994</b>	694,265
Utility Reserve Funds	<b>531,967</b>	525,962
Surplus - Utility Capital Fund	<b>7,943,811</b>	7,514,544
Local Urban District - Deferred Revenue	<b>-</b>	-
	<hr/>	<hr/>
Opening accumulated surplus, all funds, as previously reported	<b>\$ 28,794,366</b>	\$ 25,877,438
Adjustments:		
Tangible capital assets	<b>39,430,433</b>	35,692,824
Fixed assets in the capital funds	<b>(30,524,276)</b>	(25,309,901)
Land held for resale	<b>907,722</b>	899,602
Additional receivable for land sold in 2008	<b>127,000</b>	-
	<hr/>	<hr/>
Opening non-consolidated accumulated surplus, restated	<b>\$ 38,735,245</b>	\$ 37,159,963
Consolidation of controlled entities and government partnerships	<b>1,901,396</b>	1,062,105
	<hr/>	<hr/>
Opening consolidated accumulated surplus, as restated	<b>\$ 40,636,641</b>	\$ 38,222,068
Prior period adjustments	<b>\$ -</b>	\$ 190,599
Consolidated annual surplus	<b>1,374,671</b>	2,223,974
	<hr/>	<hr/>
Consolidated accumulated surplus, end of year	<b><u>\$ 42,011,312</u></b>	<b><u>\$ 40,636,641</u></b>

The prior period adjustment was due to land purchased in 2008 and recorded as a reduction to reserve (surplus) rather than as an addition to Tangible Capital Assets.

## 12. 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 \$50,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2009:

a) Compensation paid to members of council amounted to \$105,305 in aggregate.

b) There were no members of council receiving compensation in excess of \$50,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Mayor - Doug Wilson	\$ 21,601	\$ 1,211	\$ 22,812
Councillor - Alex Fedorchuk	15,095	9,195	24,290
Councillor - Irvin Wiebe	14,103	5,313	19,416
Councillor - Wayne Hosea	14,096	6,875	20,971
Councillor - Ron Lavery	14,467	4,247	18,714
Councillor - Maurice Butler	14,119	7,493	21,612
Councillor - Brian Hildebrand	11,824	7,836	19,660
	<u>\$ 105,305</u>	<u>\$ 42,170</u>	<u>\$ 147,475</u>

c) The following officers received compensation in excess of \$50,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Ernie Epp</i>	<i>Chief Administrative Officer</i>	\$ 107,660
<i>Garry Hiebert</i>	<i>Director Finance &amp; Admin.</i>	\$ 70,888
<i>Les Wieler</i>	<i>Director Public Works</i>	\$ 70,888
<i>David Haines</i>	<i>Engineer</i>	\$ 62,680
<i>Brad Neduzak</i>	<i>Police Chief</i>	\$ 89,717
<i>Brent Menzies</i>	<i>Police Sargeant</i>	\$ 76,011
<i>William Flynn</i>	<i>Police Constable</i>	\$ 69,858
<i>Sean Aune</i>	<i>Police Constable</i>	\$ 68,256
<i>Jeremy Loewen</i>	<i>Police Constable</i>	\$ 66,596
<i>Jeffory Forster</i>	<i>Police Constable</i>	\$ 56,740
<i>Dane Demianiw</i>	<i>Police Constable</i>	\$ 52,814
<i>Chris Flook</i>	<i>Police Constable</i>	\$ 57,358
<i>Adam Hiebert</i>	<i>Police Constable</i>	\$ 53,799
<i>Cheryl Digby</i>	<i>Community Development Off.</i>	\$ 53,863
<i>Andy Thiessen</i>	<i>Fire Chief</i>	\$ 63,010
<i>Allan Spearman</i>	<i>Water Plant Supervisor</i>	\$ 51,337
<i>Clare Agnew</i>	<i>Director Community Services</i>	\$ 68,262

## 13. Public Utilities Board

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

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

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

### 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	\$ 2,123,082	\$ -	\$ 70,769	\$ 2,052,313

### 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	<u>\$ 1,458,265</u>	<u>\$ -</u>	<u>\$ 30,381</u>	<u>\$ 1,427,884</u>



























**TOWN OF MORDEN**  
**CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**Year Ended December 31, 2009**

**SCHEDULE 1**

	General Capital Assets				Infrastructure				Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2009	2008
<b>Cost</b>										
Opening costs	4,538,959	8,086,064	3,901,914	235,222	1,347,748	20,005,720	20,482,533	76,935	58,675,095	53,205,938
Additions during the year	427,771	507,650	462,060	895	52,198	1,566,001	526,100	316,471	3,859,146	5,529,384
Disposals and write downs	(2,091)	-	(153,083)	(1,271)	(395,230)	-	(1,018)	-	(552,693)	(66,412)
Closing costs	<u>4,964,639</u>	<u>8,593,714</u>	<u>4,210,891</u>	<u>234,846</u>	<u>1,004,716</u>	<u>21,571,721</u>	<u>21,007,615</u>	<u>393,406</u>	<u>61,981,548</u>	<u>58,668,910</u>
<b>Accumulated Amortization</b>										
Opening accum'd amortization	928,020	2,111,827	1,522,867	148,544	-	7,153,363	5,438,541	-	17,303,162	15,623,545
Amortization	123,742	221,885	272,862	37,840	-	744,386	456,527	-	1,857,242	1,725,039
Disposals and write downs	-	-	(75,276)	(829)	-	-	(629)	-	(76,734)	(46,379)
Closing accum'd amortization	<u>1,051,762</u>	<u>2,333,712</u>	<u>1,720,453</u>	<u>185,555</u>	<u>-</u>	<u>7,897,749</u>	<u>5,894,439</u>	<u>-</u>	<u>19,083,670</u>	<u>17,302,205</u>
Net Book Value of Tangible Capital Assets	<u>3,912,877</u>	<u>6,260,002</u>	<u>2,490,438</u>	<u>49,291</u>	<u>1,004,716</u>	<u>13,673,972</u>	<u>15,113,176</u>	<u>393,406</u>	<u>42,897,878</u>	<u>41,366,705</u>

Water and sewer underground networks contributed to the Municipality totals \$139,010 and were capitalized at their fair value at the time of their receipt.

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**TOWN OF MORDEN**  
**CONSOLIDATED SCHEDULE OF REVENUES**  
**Year Ended December 31, 2009**

**SCHEDULE 2**

	<u>2009 Actual</u>	<u>2008 Actual</u>
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 4,878,173	\$ 4,437,499
Taxes added	277,920	340,458
Penalties and interest	38,194	35,187
	<u>5,194,287</u>	<u>4,813,144</u>
<b>Grants in lieu of taxation:</b>		
Federal government	38,547	37,876
Federal government enterprises	243,693	239,417
Provincial government	136,577	133,638
Provincial government enterprises	105,400	100,630
	<u>524,217</u>	<u>511,561</u>
<b>User fees</b>		
Sales of service	1,059,551	1,136,188
Landfill fees	264,155	198,015
Rentals	117,714	175,903
	<u>1,441,420</u>	<u>1,510,106</u>
<b>Grants - Province of Manitoba</b>		
General assistance payment	984,972	987,835
General support grant	58,145	53,415
VLT grant	138,064	136,210
Conditional grants	55,385	238,497
Grants collected by consolidated entities	191,614	101,081
	<u>1,428,180</u>	<u>1,517,038</u>
<b>Grants - other</b>		
Federal government - gas tax funding	346,565	173,283
Other local governments	955	-
Grants collected by consolidated entities	117,513	97,704
	<u>465,033</u>	<u>270,987</u>
<b>Permits, licences and fines</b>		
Licences	9,855	11,086
Fees collected by consolidated entities	95,159	119,837
Fines	27,401	26,355
	<u>132,415</u>	<u>157,278</u>
<b>Investment income:</b>		
Cash and temporary investments	96,898	194,076
	<u>96,898</u>	<u>194,076</u>
<b>Sale of land held for resale:</b>	<u>59,115</u>	468,357
<b>Other revenue:</b>		
Gain on sale of tangible capital assets	43,130	23,110
Donations and donated assets	12,775	-
Goods and services tax rebates	232,964	405,690
Write down of allowance for tax assets	259,092	-
Miscellaneous	36,283	138,310
Miscellaneous revenue of consolidated entities	35,812	33,480
	<u>620,056</u>	<u>567,110</u>
<b>Water and sewer</b>	<u>1,837,742</u>	<u>1,747,320</u>
<b>Total revenue</b>	<u><u>11,799,363</u></u>	<u><u>11,756,977</u></u>

**SCHEDULE 3**

**CONSOLIDATED SCHEDULE OF EXPENSES**  
**Year Ended December 31, 2009**

	<u>2009</u> <u>Actual</u>	<u>2008</u> <u>Actual</u>
<b>General government services:</b>		
Legislative	\$ 147,476	\$ 147,215
General administrative	735,536	686,042
Other General Government	<u>207,534</u>	<u>149,354</u>
	<u>1,090,546</u>	<u>982,611</u>
<b>Protective services:</b>		
Police	1,114,766	1,083,695
Fire	407,136	333,738
Emergency measures	-	-
Other protection	<u>485</u>	<u>1,822</u>
	<u>1,522,387</u>	<u>1,419,255</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	255,547	134,759
Road, street & sidewalk maintenance	1,461,680	1,459,877
Bridge maintenance	-	-
Street lighting	171,759	130,832
Other	-	-
Traffic Services	<u>567</u>	<u>3,981</u>
	<u>1,889,553</u>	<u>1,729,449</u>
<b>Environmental health services:</b>		
Waste collection and disposal	360,201	353,919
Recycling	114,463	110,973
Other	-	-
	<u>474,664</u>	<u>464,892</u>
<b>Public health and welfare services:</b>		
Public health	116,027	100,424
Medical care	-	-
Hospital care	-	-
Social assistance	<u>21,139</u>	<u>21,139</u>
	<u>137,166</u>	<u>121,563</u>
<b>Environmental development services</b>		
Planning and zoning	796	1,857
Cultural Capital of Canada project	<u>3,096</u>	<u>109,804</u>
	<u>3,892</u>	<u>111,661</u>
<b>Economic development services</b>		
Natural Resources	3,581	4,505
Veterinary Services	28,356	32,950
Community Development	292,806	301,732
Regional development	108,044	43,391
Industrial development	73,009	161,261
Tourism	93,949	48,844
Other Economic Services	<u>40,492</u>	<u>16,158</u>
	<u>640,237</u>	<u>608,841</u>
<b>Recreation and cultural services:</b>		
Community Services Department	1,647,851	1,438,313
Parks and Playgrounds	428,524	289,515
Morden Beach & Campground	287,612	240,959
Minnewasta Golf & Country Club	73,979	50,043
Canadian Fossil Discovery Centre	130,720	127,200
Libraries	268,491	243,446
Other cultural facilities	<u>16,729</u>	<u>5,515</u>
	<u>2,853,906</u>	<u>2,394,991</u>
<b>Water and sewer services</b>	<u>1,812,341</u>	<u>1,699,740</u>
<b>Total expenses</b>	<u><u>10,424,692</u></u>	<u><u>9,533,003</u></u>

**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2009**

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services
	2009	2008	2009	2008	2009	2008	2009	2008	2009
<b>REVENUE</b>									
Property taxes	\$ 4,626,850	\$ 4,267,824	\$ -	\$ -	\$ -	\$ -	\$ 356,589	\$ 330,072	\$ -
Grants in lieu of taxation	524,217	511,561	-	-	-	-	-	-	-
User fees	117,714	175,903	140,535	122,314	92,638	82,703	264,610	198,461	564
Grants - Province of Manitoba	1,216,566	1,395,957	-	-	-	-	-	-	-
Grants - other	347,521	182,759	-	-	-	-	-	-	3,263
Permits, licences and fines	88,004	130,923	27,401	26,355	-	-	-	-	-
Investment income	77,126	177,250	-	-	-	-	2,396	3,037	-
Sale of land held for resale	59,115	468,357	-	-	-	-	-	-	-
Other revenue	588,634	534,292	-	-	-	-	3,220	1,323	13,730
Water and sewer	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 7,645,747</b>	<b>\$ 7,844,826</b>	<b>\$ 167,936</b>	<b>\$ 148,669</b>	<b>\$ 92,638</b>	<b>\$ 82,703</b>	<b>\$ 626,815</b>	<b>\$ 532,893</b>	<b>\$ 17,557</b>
<b>EXPENSES</b>									
Personnel services	\$ 581,565	\$ 518,518	\$ 1,047,654	\$ 987,665	\$ 476,915	\$ 382,356	\$ 70,114	\$ 65,822	\$ -
Contract services	281,263	272,105	161,707	201,175	116,611	182,789	339,367	335,255	41,994
Utilities	36,034	30,807	44,607	38,408	126,120	117,693	2,659	2,388	-
Maintenance materials and supplies	45,658	21,696	141,112	92,551	290,734	209,789	23,507	28,231	2,654
Grants and contributions	98,857	55,298	-	-	-	-	-	-	72,965
Amortization	40,056	68,887	127,307	99,456	879,173	836,822	34,431	25,303	18,833
Interest on long term debt	-	-	-	-	-	-	-	-	-
Other	7,113	15,300	-	-	-	-	4,586	7,893	720
<b>Total expenses</b>	<b>\$ 1,090,546</b>	<b>\$ 982,611</b>	<b>\$ 1,522,387</b>	<b>\$ 1,419,255</b>	<b>\$ 1,889,553</b>	<b>\$ 1,729,449</b>	<b>\$ 474,664</b>	<b>\$ 464,892</b>	<b>\$ 137,166</b>
<b>Surplus (Deficit)</b>	<b>\$ 6,555,201</b>	<b>\$ 6,862,215</b>	<b>\$ (1,354,451)</b>	<b>\$ (1,270,586)</b>	<b>\$ (1,796,915)</b>	<b>\$ (1,646,746)</b>	<b>\$ 152,151</b>	<b>\$ 68,001</b>	<b>\$ (119,609)</b>

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

**CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
**Year Ended December 31, 2009**

	Environmental Planning & Community Development		Economic Development Services		Recreation and Cultural Services		Water and Sewer Services		Total
	2009	2008	2009	2008	2009	2008	2009	2008	2009
<b>REVENUE</b>									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,848	\$ 215,248	\$ 5,194,287
Grants in lieu of taxation	-	-	-	-	-	-	-	-	524,217
User fees	5,671	7,641	-	-	819,688	921,670	-	-	1,441,420
Grants - Province of Manitoba	-	-	117,947	39,954	93,667	81,127	-	-	1,428,180
Grants - other	-	-	36,859	12,117	77,390	72,957	-	-	465,033
Permits, licences and fines	-	-	4,444	-	11,908	-	658	-	132,415
Investment income	-	-	17,062	13,645	-	-	314	144	96,898
Sale of land held for resale	-	-	-	-	-	-	-	-	59,115
Other revenue	-	-	13,913	5,744	-	12,876	559	1,092	620,056
Water and sewer	-	-	-	-	-	-	1,837,742	1,747,320	1,837,742
<b>Total revenue</b>	<b>\$ 5,671</b>	<b>\$ 7,641</b>	<b>\$ 190,225</b>	<b>\$ 71,460</b>	<b>\$ 1,002,653</b>	<b>\$ 1,088,630</b>	<b>\$ 2,050,121</b>	<b>\$ 1,963,804</b>	<b>\$ 11,799,363</b>
<b>EXPENSES</b>									
Personnel services	\$ -	\$ -	\$ 181,209	\$ 148,052	\$ 1,095,299	\$ 954,262	\$ 474,716	\$ 436,127	\$ 3,927,472
Contract services	795	111,637	115,982	123,136	377,166	374,068	298,262	265,675	1,733,147
Utilities	-	-	10,737	10,057	252,931	242,524	67,208	63,378	540,296
Maintenance materials and supplies	3,097	24	125,862	33,908	578,399	362,128	385,344	348,878	1,596,367
Grants and contributions	-	-	151,489	165,615	257,917	228,119	-	-	581,228
Amortization	-	-	23,370	19,201	276,220	209,693	457,852	447,621	1,857,242
Interest on long term debt	-	-	16,565	11,136	-	-	124,262	133,775	140,827
Other	-	-	15,023	97,736	15,974	24,197	4,697	4,286	48,113
<b>Total expenses</b>	<b>\$ 3,892</b>	<b>\$ 111,661</b>	<b>\$ 640,237</b>	<b>\$ 608,841</b>	<b>\$ 2,853,906</b>	<b>\$ 2,394,991</b>	<b>\$ 1,812,341</b>	<b>\$ 1,699,740</b>	<b>\$ 10,424,692</b>
<b>Surplus (Deficit)</b>	<b>\$ 1,779</b>	<b>\$ (104,020)</b>	<b>\$ (450,012)</b>	<b>\$ (537,381)</b>	<b>\$ (1,851,253)</b>	<b>\$ (1,306,361)</b>	<b>\$ 237,780</b>	<b>\$ 264,064</b>	<b>\$ 1,374,671</b>

**HEDULE 4**

**Health and  
services**

2008

\$ -  
-  
1,414  
-  
3,154  
-  
-  
-  
11,783  
-  
\$ 16,351

\$ -  
32,488  
-  
2,683  
65,465  
18,056  
-  
2,871  
\$ 121,563  
\$ (105,212)

## HEDULE 4

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al  
2008

\$ 4,813,144  
511,561  
1,510,106  
1,517,038  
270,987  
157,278  
194,076  
468,357  
567,110  
1,747,320  
\$ 11,756,977

\$ 3,492,802  
1,898,328  
505,255  
1,099,888  
514,497  
1,725,039  
144,911  
152,283  
\$ 9,533,003

\$ 2,223,974

## TOWN OF MORDEN

## SCHEDULE 5

**CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS**  
 Year Ended December 31, 2009

	Core Government		Controlled Entities		Government Partnerships		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>REVENUE</b>								
Property taxes	\$ 5,194,287	\$ 4,813,144	\$ -	\$ -	\$ -	\$ -	\$ 5,194,287	\$ 4,813,144
Grants in lieu of taxation	524,217	511,561	-	-	-	-	524,217	511,561
User fees	1,177,265	1,312,091	-	-	264,155	198,015	1,441,420	1,510,106
Grants - Province of Manitoba	1,236,566	1,415,957	-	-	191,614	101,081	1,428,180	1,517,038
Grants - other	347,520	173,283	-	-	117,513	97,704	465,033	270,987
Permits, licences and fines	37,256	37,441	-	-	95,159	119,837	132,415	157,278
Investment income	74,383	173,528	16,857	13,485	5,658	7,063	96,898	194,076
Sale of land held for resale	59,115	468,357	-	-	-	-	59,115	468,357
Other revenue	584,244	533,630	2,153	-	33,659	33,480	620,056	567,110
Water and sewer	1,725,664	1,638,219	-	-	112,078	109,101	1,837,742	1,747,320
Total revenue	<u>\$ 10,960,517</u>	<u>\$ 11,077,211</u>	<u>\$ 19,010</u>	<u>\$ 13,485</u>	<u>\$ 819,836</u>	<u>\$ 666,281</u>	<u>\$ 11,799,363</u>	<u>\$ 11,756,977</u>
<b>EXPENSES</b>								
Personnel services	\$ 3,606,218	\$ 3,241,226	\$ -	\$ -	\$ 321,254	\$ 251,576	\$ 3,927,472	\$ 3,492,802
Contract services	1,639,847	1,832,050	2,024	1,326	91,276	64,952	1,733,147	1,898,328
Utilities	525,069	491,300	353	-	14,874	13,955	540,296	505,255
Maintenance materials and supplies	1,544,069	1,045,925	1,036	-	51,262	53,963	1,596,367	1,099,888
Grants and contributions	581,228	510,165	-	4,332	-	-	581,228	514,497
Amortization	1,763,587	1,642,834	2,753	86	90,902	82,119	1,857,242	1,725,039
Interest on long term debt	114,455	119,697	16,565	11,136	9,807	14,078	140,827	144,911
Other	-	100,087	9,509	-	38,604	52,196	48,113	152,283
Total expenses	<u>\$ 9,774,473</u>	<u>\$ 8,983,284</u>	<u>\$ 32,240</u>	<u>\$ 16,880</u>	<u>\$ 617,979</u>	<u>\$ 532,839</u>	<u>\$ 10,424,692</u>	<u>\$ 9,533,003</u>
<b>Surplus (Deficit)</b>	<u>\$ 1,186,044</u>	<u>\$ 2,093,927</u>	<u>\$ (13,230)</u>	<u>\$ (3,395)</u>	<u>\$ 201,857</u>	<u>\$ 133,442</u>	<u>\$ 1,374,671</u>	<u>\$ 2,223,974</u>

**TOWN OF MORDEN**  
**SCHEDULE OF CHANGE IN RESERVE FUND BALANCES**  
**Year Ended December 31, 2009**

**SCHEDULE 6**

	2009						2008	
	General Reserve	Replacement Reserve	Community Development Reserve	Gas Tax Reserve	W & S Reserve	W & S Capital Reserve	Total	Total
<b>REVENUE</b>								
Investment income	\$ 6,378	\$ 2,071	\$ 1,247	\$ 320	\$ 300	\$ 1,475	\$ 11,791	\$ 85,373
Other income	63,657	12,337	272,767	346,565	-	84,000	779,326	845,754
Total revenue	70,035	14,408	274,014	346,885	300	85,475	791,117	931,127
<b>EXPENSES</b>								
Investment charges	-	-	-	-	-	-	-	-
Other expenses	63,535	-	46,741	-	18,693	-	128,969	103,316
Total expenses	63,535	-	46,741	-	18,693	-	128,969	103,316
<b>NET REVENUES</b>	6,500	14,408	227,273	346,885	(18,393)	85,475	662,148	827,811
<b>TRANSFERS</b>								
Transfer from surplus	35,000	154,000	60,000	-	436,285	-	685,285	612,273
Transfers from (to) operating fund	-	-	-	-	-	-	-	-
Transfers from (to) utility fund	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	(148,348)	(140,267)	(176,740)	(153,665)	(309,109)	(7,366)	(935,495)	(1,891,483)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(106,848)	28,141	110,533	193,220	108,783	78,109	411,938	(451,399)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	1,808,884	526,846	282,248	360	167,102	364,865	3,150,305	3,601,704
<b>FUND SURPLUS, END OF YEAR</b>	\$ 1,702,036	\$ 554,987	\$ 392,781	\$ 193,580	\$ 275,885	\$ 442,974	\$ 3,562,243	\$ 3,150,305

**TOWN OF MORDEN**  
**SCHEDULE OF TRUST FUNDS**  
**Year Ended December 31, 2009**

**SCHEDULE 7**

	<u>Cemetery Trust</u>	<u>Recreation Trust</u>	<u>2009</u>	<u>Total 2008</u>
<b>ASSETS</b>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Portfolio investments	-	-	-	-
Due from Town of Morden	116,688	6,837	<b>123,525</b>	119,495
	<u>\$ 116,688</u>	<u>\$ 6,837</u>	<u>\$ 123,525</u>	<u>\$ 119,495</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Due to Municipality	\$ -	\$ -	\$ -	\$ -
Fund balance	116,688	6,837	<b>123,525</b>	119,495
	<u>\$ 116,688</u>	<u>\$ 6,837</u>	<u>\$ 123,525</u>	<u>\$ 119,495</u>
<b>REVENUES</b>				
Contributions and donations	\$ 4,255	\$ -	\$ 4,255	\$ 6,730
Investment income	439	25	<b>464</b>	5,302
	<u>4,694</u>	<u>25</u>	<u>4,719</u>	<u>12,032</u>
<b>EXPENDITURES</b>				
Cemetery maintenance	439	-	<b>439</b>	2,850
Purchases from Specific Trust	250	-	<b>250</b>	92,000
Other	-	-	-	-
	<u>689</u>	<u>-</u>	<u>689</u>	<u>94,850</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	4,005	25	<b>4,030</b>	(82,818)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	112,683	6,812	<b>119,495</b>	202,313
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 116,688</u>	<u>\$ 6,837</u>	<u>\$ 123,525</u>	<u>\$ 119,495</u>

**TOWN OF MORDEN**  
**SCHEDULE OF FINANCIAL POSITION FOR UTILITIES**  
**Year Ended December 31, 2009**

**SCHEDULE 8**

	<u>2009</u>	<u>2008</u>
	<b>Morden</b>	<b>Total</b>
	<b>Water &amp; Sewer</b>	
<b>FINANCIAL ASSETS</b>		
Cash and temporary investments	\$ -	\$ -
Amounts receivable	123,183	75,215
Due from other funds	406,532	598,786
Other	-	-
	<u>\$ 529,715</u>	<u>\$ 674,001</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ -	\$ -
Deferred revenue	-	-
Long-term debt (Note 9)	1,894,136	1,990,529
Other	-	-
	<u>1,894,136</u>	<u>1,990,529</u>
<b>NET FINANCIAL ASSETS (NET DEBT)</b>	<u><u>\$(1,364,421)</u></u>	<u><u>\$ (1,316,528)</u></u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	\$14,575,050	\$ 14,488,142
Inventories	20,295	20,993
Prepaid expenses	-	-
	<u>14,595,345</u>	<u>14,509,135</u>
<b>FUND SURPLUS (DEFICIT)</b>	<u><u>\$13,230,924</u></u>	<u><u>\$ 13,192,607</u></u>

NOTE: This schedule represents the Town of Morden's Water & Sewer only. It does not include the Water & Sewer from its Consolidated Entities.

**SCHEDULE OF UTILITY OPERATIONS - Morden Water & Sewer**  
**Year Ended December 31, 2009**

	2009 Budget	2009 Actual	2008 Actual
<b>REVENUE</b>			
Water fees	\$ 1,003,500	\$ 907,678	\$ 759,838
Sewer fees	359,500	352,165	270,407
Administration fees	188,050	190,566	183,517
Property taxes	210,848	210,848	215,248
Bulk Water fees	13,000	4,564	7,685
Lagoon tipping fees	-	-	-
Hydrant rentals	34,200	34,200	26,700
Connection charges	5,000	275	9,870
Penalties	6,000	6,806	6,011
Government transfers - operating	-	-	-
Government transfers - capital	-	-	-
Donated assets	-	139,010	167,416
Levies on lots sold	-	84,000	186,000
Other income	20,000	6,400	20,775
<b>Total revenue</b>	<b>1,840,098</b>	<b>1,936,512</b>	<b>1,853,467</b>
<b>EXPENSES</b>			
<b>General</b>			
Administration	147,650	147,465	146,975
Engineering	-	445	583
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<b>147,650</b>	<b>147,910</b>	<b>147,558</b>
<b>Water</b>			
Purification and treatment	547,080	569,022	496,599
Transmission and distribution	86,640	65,159	95,121
Transportation services	-	-	-
Water purchases	110,000	109,889	109,961
Connection costs	58,300	85,837	75,311
Other water supply costs	40,700	31,769	34,770
Amortization	-	227,211	213,021
Interest on long term debt	-	-	-
sub-total- water	<b>842,720</b>	<b>1,088,887</b>	<b>1,024,783</b>
<b>Sewer</b>			
Collection system costs	34,000	34,987	13,694
Treatment and disposal cost	50,595	65,056	43,214
Lift Station costs	30,200	43,632	31,997
Transportation services	-	-	-
Other sewage and disposal costs	8,300	8,300	8,300
Connection costs	-	-	-
Amortization	-	209,851	214,885
Principal on long term debt	96,393	-	-
Interest on long term debt	114,455	114,455	119,697
sub-total- sewer	<b>333,943</b>	<b>476,281</b>	<b>431,787</b>
<b>Total expenses</b>	<b>1,324,313</b>	<b>1,713,078</b>	<b>1,604,128</b>
<b>NET REVENUES</b>	<b>515,785</b>	<b>223,434</b>	<b>249,339</b>
<b>TRANSFERS</b>			
Transfers from (to) capital fund	(79,500)	-	-
Transfers from (to) reserve funds	(436,285)	(185,117)	4,541
<b>CHANGE IN UTILITY FUND BALANCE</b>	<b>-</b>	<b>38,317</b>	<b>253,880</b>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<b>13,192,607</b>	<b>13,192,607</b>	<b>12,938,727</b>
<b>FUND SURPLUS, END OF YEAR</b>	<b>\$13,192,607</b>	<b>\$13,230,924</b>	<b>\$ 13,192,607</b>

Note: This schedule represents the Town of Morden's Water & Sewer only. It does not include the Water & Sewer from its Consolidated Entities.

## RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

Year Ended December 31, 2009

	Financial Plan General	Financial Plan Utility	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
<b>REVENUE</b>								
Property taxes	\$ 4,878,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,878,173
Grants in lieu of taxation	524,217	-	-	-	-	-	-	524,217
User fees	1,331,210	-	-	-	-	-	264,155	1,595,365
Grants - Province of Manitoba	1,205,829	-	-	-	-	-	191,614	1,397,443
Grants - other	346,565	-	-	-	-	-	117,515	464,080
Permits, licences and fines	34,850	-	-	-	-	-	95,159	130,009
Investment income	109,000	-	-	-	-	-	22,515	131,515
Other revenue	533,906	-	-	-	-	-	35,812	569,718
Water and sewer	-	1,629,250	-	-	-	-	112,078	1,741,328
Transfers from general	-	210,848	-	-	(210,848)	-	-	-
Transfers from reserves	66,875	-	-	-	(66,875)	-	-	-
<b>Total revenue</b>	<b>\$ 9,030,625</b>	<b>\$ 1,840,098</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (277,723)</b>	<b>\$ -</b>	<b>\$ 838,848</b>	<b>\$ 11,431,848</b>
<b>EXPENSES</b>								
General government services	\$ 978,086	\$ -	\$ 37,636	\$ -	\$ 6,637	\$ -	\$ 114,727	\$ 1,137,086
Protective services	1,475,332	-	127,307	-	-	-	-	1,602,639
Transportation services	933,482	-	879,173	-	-	-	-	1,812,655
Environmental health services	390,344	-	-	-	-	-	112,566	502,910
Public health and welfare services	105,765	-	1,651	-	-	-	27,711	135,127
Environmental development services	13,600	-	-	-	-	-	-	13,600
Economic development services	506,723	-	14,618	-	-	-	119,214	640,555
Recreation and cultural services	2,283,737	-	268,391	-	-	-	176,738	2,728,866
Water and sewer services	-	1,113,465	437,063	114,455	-	-	99,263	1,764,246
Fiscal services:								
Transfer to capital	1,006,646	79,500	(1,086,146)	-	-	-	-	-
Transfer to utility	210,848	-	-	-	(210,848)	-	-	-
Debt charges	507,360	210,848	-	(718,208)	-	-	-	-
Transfer to reserves	612,065	436,285	-	-	(1,048,350)	-	-	-
Allowance for tax assets	6,637	-	-	-	(6,637)	-	-	-
<b>Total expenses</b>	<b>\$ 9,030,625</b>	<b>\$ 1,840,098</b>	<b>\$ 679,693</b>	<b>\$ (603,753)</b>	<b>\$ (1,259,198)</b>	<b>\$ -</b>	<b>\$ 650,219</b>	<b>\$ 10,337,684</b>
<b>Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (679,693)</b>	<b>\$ 603,753</b>	<b>\$ 981,475</b>	<b>\$ -</b>	<b>\$ 188,629</b>	<b>\$ 1,094,164</b>

**TOWN OF MORDEN  
ANALYSIS OF TAXES ON ROLL  
Year Ended December 31, 2009**

**SCHEDULE 11**

	<u>2009</u>	<u>2008</u>
<b>Balance, beginning of year</b>	<b>\$ 187,476</b>	<b>\$ 230,532</b>
<b>Add:</b>		
Tax levy (Schedule 12)	10,163,041	9,348,240
Taxes added	277,920	340,458
Penalties or interest	38,195	35,187
Other accounts added	40,773	48,417
Taxes Overpaid	10,380	16,208
Excess Taxes Added	1,980	2,664
<b>Sub-total</b>	<b><u>10,532,289</u></b>	<b><u>9,791,174</u></b>
<b>Deduct:</b>		
Cash collections - current	8,872,699	8,381,213
Cash collections - arrears	197,075	229,244
Writeoffs	(908)	847
Title value of land sales	-	-
Title value of tax titles acquired	-	-
Titles Written Off	-	17,783
R.H.O.A. - Cash Advance	1,368,047	1,205,143
Other credits Trailer Fees W.S.D.	38,406	-
<b>Sub-total</b>	<b><u>10,475,319</u></b>	<b><u>9,834,230</u></b>
<b>Balance, end of year</b>	<b><u>\$ 244,446</u></b>	<b><u>\$ 187,476</u></b>

**TOWN OF MORDEN**  
**ANALYSIS OF TAX LEVY**  
**Year Ended December 31, 2009**

**SCHEDULE 12**

	2009			2008
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):	-	0.000%	\$ -	\$ -
Debt charges:				
Frontage	-		152,121	86,972
Mill Rate (L.I.D.)	190,526,970	1.110%	211,485	216,793
Mill Rate (Civic Centre)	179,410,840	0.620%	111,235	110,191
Mill Rate (Rec Centre)	179,410,840	1.370%	245,793	291,582
Minister of IGA (Assessment)	179,410,840	0.600%	107,647	98,324
Deferred surplus	-		-	-
Reserves:				
Replacement Reserve 19-72	179,410,840	0.860%	154,293	150,877
General Municipal	179,410,840	14.190%	2,545,840	2,234,330
Special levies:				
Special Services (Section 312)	196,605,560	7.890%	1,551,218	1,426,325
Business Levy	-		4,576	4,160
Sanitation Collection & Fees	-		356,589	330,072
<b>Total municipal taxes</b>		A	<b>5,440,796</b>	4,949,626
Less Grants in lieu of taxes			(524,217)	(511,561)
Less other			-	(566)
Less Trailer Park fees			(38,406)	-
<b>Municipal tax levy (Schedule 2)</b>			<b>4,878,173</b>	4,437,499
Education support levy	44,810,750	16.080%	720,557	712,885
Special levy:				
Western School Division	174,902,100	22.660%	4,001,688	3,685,729
<b>Total education taxes</b>		B	<b>4,722,245</b>	4,398,614
<b>Total tax levy (A + B) (Schedule 11)</b>			<b>\$ 10,163,041</b>	\$ 9,348,240

TOWN OF MORDEN  
 ANALYSIS OF SCHOOL ACCOUNTS  
 Year Ended December 31, 2009

SCHEDULE 13

	2009			2008	
	Opening Balance	Current Requirement	Current Payment	Ending Balance	Ending Balance
Education support levy	\$ -	\$ 720,557	\$ (720,557)	\$ -	\$ -
<b>Special levies</b>					
Western School Division	-	4,001,688	(4,001,688)	-	-
<b>Sub-total</b>	-	<b>4,001,688</b>	<b>(4,001,688)</b>	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 4,722,245</b>	<b>\$ (4,722,245)</b>	<b>\$ -</b>	<b>\$ -</b>

TOWN OF MORDEN  
 SCHEDULE OF DEBENTURES PENDING  
 Year Ended December 31, 2009

SCHEDULE 14

Authority	Purpose	Source of Funds	Authorized	Expended
			\$ -	\$ -
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
			\$ -	\$ -

**TOWN OF MORDEN**  
**SCHEDULE OF L.U.D. OPERATIONS**  
**Year Ended December 31, 2009**

**SCHEDULE 15**

	<b>2009 Budget</b>	<b>2009 Actual</b>	<b>2008 Actual</b>
<b>Revenue</b>			
Taxation	\$ -	\$ -	\$ -
Other Revenue	-	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>			
General Government:			
Indemnities	-	-	-
Transportation Services			
Road and street maintenance	-	-	-
Bridge maintenance	-	-	-
Sidewalk and boulevard maintenance	-	-	-
Street lighting	-	-	-
Other	-	-	-
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	-	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	-	-	-
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net revenues (expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers:</b>			
Transfers from (to) L.U.D. reserves	-	-	-
Transfers from (to) operating fund	-	-	-
Other	-	-	-
<b>Change in L.U.D. balances</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unexpended balance, beginning of year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unexpended balance, end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>