

**CITY OF MORDEN**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

**CITY OF MORDEN**  
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**For the year ended December 31, 2023**

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## STATEMENT OF RESPONSIBILITY

To the Ratepayers of the City of Morden:

The City's management is responsible for the preparation and presentation of the accompanying consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). The preparation of the consolidated financial statements necessarily includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgments and estimates by management are required.

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

The Council is composed of elected officials who are not employees of the City. The Council is responsible for overseeing management in the performance of its financial reporting responsibilities. The Council fulfills these responsibilities by reviewing the financial information prepared by administration and discussing relevant matters with external auditors. The Council is also responsible for recommending the appointment of the City's external auditors.

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

  
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Nancy Penner  
Mayor



## INDEPENDENT AUDITOR'S REPORT

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

### Qualified Opinion

We have audited the consolidated financial statements of City of Morden, which comprise of the statement of financial position as at December 31, 2023 and the consolidated statement of operations, consolidated statement of changes in net financial assets, consolidated statement of cash flows, and consolidated statement of remeasurement gains (losses) for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of City of Morden as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

The Public Sector Accounting Board has introduced section PS 3280 which is a new standard establishing guidance on the accounting and reporting on the retirement of tangible capital assets controlled by the City. The City of Morden and the government partnership Solid Waste Area Management Project has not provided a reasonable estimate for the asset retirement costs associated with their landfills, lagoon, wells or buildings containing asbestos, to determine the asset retirement obligations. As such, we have qualified our audit opinion due to the departure from Canadian public sector accounting standards. The effects of this departure on the financial statements for the year ended December 31, 2023 have not been determined, as there is insufficient information available.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the City of Morden in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing City of Morden's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City of Morden or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City of Morden's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian auditing standards, we exercise our professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Morden's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City of Morden's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City of Morden to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the directions, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Brandon, Manitoba  
February 25, 2025

  
Chartered Professional Accountants Ltd.

**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2023**

	2023	2022
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 41,451,109	\$15,125,051
Amounts receivable (Note 4)	4,378,458	1,663,977
Portfolio investments (Note 5)	1,351,774	1,656,849
	<b>47,181,341</b>	<b>18,445,877</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 7)	4,112,782	3,118,243
Severance and sick leave payable	69,515	63,357
Deferred revenue	31,270,290	5,835,897
Landfill closure and post closure liabilities	72,746	67,489
Long-term debt (Note 9)	4,984,040	5,586,120
Obligations under capital lease	18,977	23,733
Asset retirement obligations (Note 8)	84,429	
	<b>40,612,779</b>	<b>14,694,839</b>
<b>NET FINANCIAL ASSETS</b>	<b>6,568,562</b>	<b>3,751,038</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	71,779,911	66,345,423
Inventories (Note 6)	262,815	181,923
Prepaid expenses	119,630	102,662
Real estate properties held for sale (Note 2)	537,042	303,705
	<b>72,699,398</b>	<b>66,933,713</b>
<b>ACCUMULATED SURPLUS (Note 14)</b>	<b>\$ 79,267,960</b>	<b>\$ 70,684,751</b>

**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2023**

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**ACCUMULATED SURPLUS (CONTINUED)**

Accumulated surplus is comprised of:

Accumulated surplus (deficit) excluding remeasurement gains (losses)	<b>\$ 79,267,960</b>	<b>\$ 70,684,751</b>
Accumulated remeasurement gains (losses)		

	<b>\$ 79,267,960</b>	<b>\$ 70,684,751</b>
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**COMMITMENTS** (Note 10)

**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
For the year ended December 31, 2023

	2023 Budget (Note 13)	2023 Actual	2022 Actual
<b>REVENUE</b>			
Property taxes	\$ 10,114,350	\$10,354,266	\$ 9,531,833
Grants in lieu of taxation	272,404	272,404	269,620
User fees	2,335,036	2,740,495	2,222,526
Permits, licences and fines	288,200	494,925	322,105
Investment income	385,676	514,251	234,158
Other revenue	556,131	16,486	736,129
Water and sewer	4,762,407	4,244,232	3,629,351
Grants - Province of Manitoba	3,800,387	6,963,162	1,960,041
Grants - Other	1,132,912	2,438,823	2,248,241
Total revenue (Schedules 2, 4 and 5)	<u>23,647,503</u>	<u>28,039,044</u>	<u>21,154,004</u>
<b>EXPENSES</b>			
General government services	1,801,942	1,471,706	1,311,204
Protective services	3,907,937	3,815,996	3,422,013
Transportation services	3,105,412	2,950,133	3,080,117
Environmental health services	1,178,365	1,368,848	1,160,750
Public health and welfare services	307,181	218,050	243,296
Regional planning and development	213,150	324,824	215,188
Resource conservation and industrial development	1,122,844	1,683,797	2,005,067
Recreation and cultural services	4,260,071	4,462,608	4,048,062
Water and sewer services	3,087,092	3,159,873	2,984,082
Total expenses (Schedules 3, 4 and 5)	<u>18,983,994</u>	<u>19,455,835</u>	<u>18,469,779</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 4,663,509</u>	<u>8,583,209</u>	<u>2,684,225</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>70,684,751</u>	<u>68,000,526</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>\$ 79,267,960</u>	<u>\$ 70,684,751</u>



**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the year ended December 31, 2023**

	<b>2023 Budget (Note 13)</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 4,663,509</b>	<b>\$ 8,583,209</b>	<b>\$ 2,684,225</b>
Acquisition of tangible capital assets	<b>(10,593,545)</b>	<b>(11,887,241)</b>	<b>(7,728,372)</b>
Amortization of tangible capital assets	<b>3,363,526</b>	<b>3,363,526</b>	<b>3,221,957</b>
Decrease (increase) in properties held for sale		<b>(233,338)</b>	<b>78,099</b>
Loss on sale of tangible capital assets		<b>1,011,704</b>	<b>12,776</b>
Proceeds on sale of tangible capital assets		<b>2,077,524</b>	<b>32,383</b>
Increase in inventories		<b>(80,891)</b>	<b>(39,150)</b>
Increase in prepaid expenses		<b>(16,969)</b>	<b>(23,217)</b>
	<b>(7,230,019)</b>	<b>(5,765,685)</b>	<b>(4,445,524)</b>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>\$ (2,566,510)</b>	<b>2,817,524</b>	<b>(1,761,299)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>		<b>3,751,038</b>	<b>5,512,337</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>		<b>\$ 6,568,562</b>	<b>\$ 3,751,038</b>

**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended December 31, 2023

	2023	2022
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 8,583,209	\$ 2,684,225
Changes in non-cash items:		
Amounts receivable	(2,714,480)	694,054
Inventories	(80,891)	(39,150)
Prepays	(16,969)	(23,217)
Accounts payable and accrued liabilities	1,000,697	(926,564)
Deferred revenue	25,434,393	(95,765)
Asset retirement obligations	89,686	59,974
Gain on sale of properties held for resale	(207,721)	(415,425)
Loss on sale of tangible capital assets	1,011,704	12,776
Amortization	3,363,526	3,221,957
Cash provided by operating transactions	<b>36,463,154</b>	<b>5,172,865</b>
<b>CAPITAL TRANSACTIONS</b>		
Proceeds on sale of tangible capital assets	2,077,524	32,383
Cash used to acquire tangible capital assets	(11,887,241)	(7,728,372)
Cash applied to capital transactions	<b>(9,809,717)</b>	<b>(7,695,989)</b>
<b>INVESTING TRANSACTIONS</b>		
Proceeds on sale of real estate properties	230,425	495,893
Loans and advances repaid	326,735	(716,574)
Purchase of portfolio investments	(21,660)	
Acquisition of real estate properties	(256,043)	(2,369)
Cash applied to investing transactions	<b>279,457</b>	<b>(223,050)</b>
<b>FINANCING TRANSACTIONS</b>		
Proceeds of long-term debt	113,142	73,860
Debt repayment	(715,222)	(872,817)
Repayment of obligation under capital lease	(4,756)	23,733
Cash applied to financing transactions	<b>(606,836)</b>	<b>(775,224)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>26,326,058</b>	<b>(3,521,398)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>15,125,051</b>	<b>18,646,449</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 41,451,109</b>	<b>\$15,125,051</b>

**CITY OF MORDEN**  
**CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS (LOSSES)**  
**For the year ended December 31, 2023**

	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES), BEGINNING OF YEAR</b>	<b>\$</b>	<b>\$</b>
Unrealized gains (losses) attributable to:		
Portfolio investments		
Foreign exchange		
Derivatives		
Amounts reclassified to the statement of operations:		
Portfolio investments		
Foreign exchange		
Derivatives		
<b>NET REMEASUREMENT GAINS (LOSSES) FOR THE YEAR</b>		
<b>ACCUMULATED REMEASUREMENT GAINS (LOSSES), END OF YEAR</b>	<b>\$</b>	<b>\$</b>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**1. STATUS OF THE CITY OF MORDEN**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

Morden Community Development Corporation

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

Menzies Medical Centre Board - 43.50% (2022 - 43.50%)  
South Central Regional Library - 21.10% (2022 - 21.10%)  
MSTW Planning District - 25% (2022 - 25%)  
Morden Veterinary Services District - 23% (2022 - 23%)  
Pembina Valley Water Co-op - 2.85% (2022 - 2.85%)  
Solid Waste Area Management Project - 33.33% (2022 - 33.33%)

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

Trust funds and their related operations administered by the City are not consolidated in these consolidated financial statements. The trust funds administered by the City are presented in Note 16.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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

**Basis of Accounting**

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

**Financial Instruments**

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

The City classifies its financial instruments as either fair value, cost, or amortized cost. The City's accounting policy for each category is as follows:

**Fair value:**

This category includes derivatives and equity instruments quoted in an active market. The City has not designated any of its portfolio investments or borrowings at fair value that would otherwise be classified in the amortized cost category.

Financial instruments in the fair value category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value on unrestricted investments are recognized in the consolidated statement of remeasurement gains (losses) until they are realized. When realized they are transferred to the consolidated statement of operations. Changes in fair value on restricted investments are recognized as unearned revenue until the restriction on its use is realized. At that time, the balance is transferred to the consolidated statement of operations.

**Cost or amortized cost:**

This category includes cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and long-term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for donated financial assets, which are initially recognized at fair value.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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

**Foreign Currency Translation**

The City's foreign currency risk is reflected in its consolidated financial statements. Monetary assets and liabilities, denominated in a foreign currency, are translated at the year-end rate of exchange. Revenue and expense arising from a foreign currency transaction are translated into Canadian dollars at exchange rates approximating those in effect at the transaction date.

At each consolidated financial statement date, monetary assets, and liabilities, must be adjusted to reflect the exchange rate in effect at that date. Unrealized foreign exchange gains or losses that arise prior to settlement are recognized in the consolidated statement of remeasurement gains (losses).

In the period of settlement, the cumulative amount of foreign exchange gains and losses is removed from the consolidated statement of remeasurement gains (losses) and is recognized in the consolidated statement of operations.

**Cash and Cash Equivalents**

Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value.

**Portfolio Investments**

Portfolio investments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method.

Portfolio investments denominated in a foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at December 31st. Changes in the value of portfolio investments due to foreign currency changes are recorded in the consolidated statement of remeasurement gains (losses) until the investments are sold.

Investment income on portfolio investments, denominated in a foreign currency, are translated to Canadian dollar equivalents at the exchange rate in effect at the date of the transaction.

**Real Estate Properties Held for Sale**

Real estate properties held for sale are recorded at the lower of cost and net realizable value. Cost includes the amount of acquisition, legal fees, and improvements to prepare the properties for sale or servicing.

**Landfill Closure and Post Closure Liabilities**

The estimated cost to close and maintain solid waste landfill sites are based on estimated future expenses, in current dollars, adjusted for estimated inflation, and are charged to expenses as the landfill capacity is used.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2023

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

**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.

**Tangible Capital Assets**

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

**General Tangible Capital Assets**

Land	Indefinite
Land improvements	10 to 30 years
Buildings and leasehold improvements	
Buildings	25 to 40 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	5 years
Machinery, equipment and furniture	10 years
Maintenance and road construction equipment	15 years
Computer hardware and software	4 years

**Infrastructure Assets**

Transportation	
Land	Indefinite
Road surface	20 to 30 years
Road grade	40 years
Bridges	25 to 50 years
Traffic lights and equipment	10 years
Water and Sewer	
Land	Indefinite
Land improvements	30 to 50 years
Buildings	25 to 40 years
Underground networks	40 to 60 years
Machinery and equipment	10 to 20 years
Dams and other surface water structures	40 to 60 years

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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

**Tangible Capital Assets (Continued)**

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

**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.

**Revenue Recognition**

**Fees and Other Revenues**

Exchange transactions are transactions with performance obligations. A performance obligation is a promise to provide a distinct good or service or series of distinct goods or services to a payor for consideration. The City recognizes revenue when the performance obligations are satisfied, and the payor obtains control of the asset or benefits from the service provided.

Non-exchange transactions are transactions or events where there is no direct transfer of goods or services to a payor. The City receives an increase in economic resources for which the payor does not receive any direct goods or services in return. Revenue from non-exchange transactions is recognized when the City has the authority and identifies a past transaction or event that gives rise to an asset.

Revenue from product sales is recognized when the significant rewards of ownership of the products have passed to the buyer, usually on delivery of products

Revenue from contracts with customers is recognized at an amount equal to the transaction price allocated to the specific distinct performance obligation when the performance obligation is satisfied. Revenue from contracts with customers is evaluated and separated into distinct performance obligations when there is a distinct good or service to be transferred in the future.

**Government Transfers**

Transfer payments from other governments include all accruals determined for current year entitlements that have been authorized by December 31st, for which any eligibility criteria have been met and that can be reasonably estimated. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 Liabilities.



**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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

**Revenue Recognition (Continued)**

**Property Taxes**

Revenues from property taxes are accrued in the year they are authorized by Council. Property taxes are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

**Externally Restricted Inflows**

Externally restricted inflows are recognized as revenue in the period in which expenses are incurred for the purposes specified. Externally restricted inflows received before the expenses are incurred are reported as a liability.

**Asset Retirement Obligations**

Asset retirement obligations reflect the legal obligations arising from the retirement of the City's tangible capital assets, and are recognized when:

- There is a legal obligation for the City to incur costs in relation to a specific tangible capital asset,
- There is a past transaction or event causing the liability that has occurred,
- When economic benefits will need to be given up to remediate the liability, and
- When a reasonable estimate of the liability can be made.

Tangible capital assets that are in use, no longer in use, or that are leased may all give rise to asset retirement obligations.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates.

At remediation, the City derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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

**Liability for Contaminated Site(s)**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. An environmental standard exists;
- ii. Contamination exceeds the environmental standard;
- iii. The City:
  - a. Is directly responsible; or
  - b. Accepts responsibility; and
- iv. A reasonable estimate of the amount can be made.

**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.

**Measurement Uncertainty**

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued amounts are unknown at the time the consolidated financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the consolidated 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 consolidated financial statements exists in the estimate of asset retirement obligations. The liability associated with asset retirement obligations reflects the best estimates by management of the amount required to remediate such liabilities, the timing when such remediation will occur, and the estimated future cash flows associated with asset retirement discounted to the consolidated financial statement date. The actual future cash flows and timing of obligations arising from asset retirement may differ significantly from these estimates.

**Future Changes in Accounting Standards**

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

- PS 3400 Revenue (effective January 1, 2024), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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

**Future Changes in Accounting Standards (Continued)**

- PS 3160 Public Private Partnerships (effective January 1, 2024), is a new standard establishing guidance on the recognition, measurement, and disclosure of public private partnership arrangements. Earlier adoption is permitted.
- PSG - 8 Purchased Intangibles (effective January 1, 2024), provides guidelines on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

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

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

**3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are comprised of the following:

	<b>2023</b>	<b>2022</b>
Cash	<b>\$ 41,451,109</b>	<b>\$15,125,051</b>

The Municipality has an authorized line of credit at Access Credit Union Ltd. in the amount of \$3,000,000 with interest at a rate of 6.70% (2022 - 5.95%).

The City has designated \$11,820,405 (2022 - \$11,735,444) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

**4. AMOUNTS RECEIVABLE**

Amounts receivable are valued at their net realized value.

	<b>2023</b>	<b>2022</b>
Taxes on roll (Schedule 11)	<b>\$ 1,054,799</b>	<b>\$ 519,081</b>
Government grants	<b>2,263,304</b>	<b>153,591</b>
Utility customers (Schedule 8)	<b>260,584</b>	<b>255,944</b>
Organizations and individuals	<b>799,771</b>	<b>735,361</b>
	<b>\$ 4,378,458</b>	<b>\$ 1,663,977</b>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**5. PORTFOLIO INVESTMENTS**

	2023	2022
Marketable securities:		
Solid Waste Area Management Project (33.33%)	\$ 785,190	\$ 1,096,690
Menzies Medical Centre Board (43.50%)	43,709	22,049
Morden Community Development Corporation Ltd. (100%)	500,000	500,000
Pembina Valley Water Cooperative Inc. (2.85%)	22,875	38,110
	<u>\$ 1,351,774</u>	<u>\$ 1,656,849</u>

**6. INVENTORIES**

	2023	2022
<b>Inventories for use:</b>		
Chemicals	\$ 91,683	\$ 70,417
Fuel	30,913	14,709
Other supplies	63,259	96,797
Meters and fittings	76,960	
	<u>\$ 262,815</u>	<u>\$ 181,923</u>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2023	2022
Accounts payable	\$ 2,913,248	\$ 2,150,258
Accrued expenses	728,401	598,913
School levies	204,903	139,792
Other governments	266,230	229,280
	<u>\$ 4,112,782</u>	<u>\$ 3,118,243</u>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**8. ASSET RETIREMENT OBLIGATIONS**

The City of Morden has a government partnership with Pembina Valley Water Cooperative Inc. and as such the Cooperative is accounted for on a proportionate consolidation basis of 2.85% (2022 - 2.85%). The amounts presented below reflect the full values presented on the Pembina Valley Water Cooperative Inc. audited financial statements for the year ended December 31, 2023.

The Pembina Valley Water Cooperative Inc. is legally required to perform closure, post closure and remediation activities on sites containing asbestos and other related obligations meeting the criteria of PS 3280. Management determined there to be an asset retirement obligations in regards to an old concrete pipeline containing asbestos. The expected future cash outflows has been determined using an inflation rate of 4.0% and estimated to be \$5,618,944 in the year that the retirement cost is expected to occur. The year of expected future cash flow has been determined using the asset's useful life or planned remediation date with estimated dates of 2038. The Cooperative recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the water pipeline. The asset retirement cost is amortized on a straight-line basis over the useful life of the related tangible capital assets.

The Cooperative estimated the amount of the liability using the present value technique with the discount rate set at 4.36% which represents the CIBC average cost of borrowing.

	<b>2023</b>
Balance, beginning of year	<b>\$ 2,838,635</b>
Accretion expense	<b>123,764</b>
Balance, end of year	<b>2,962,399</b>
City of Morden proportionate share (2.85%).	<b>\$ 84,429</b>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2023

**9. LONG-TERM DEBT**

	<b>2023</b>	<b>2022</b>
<b>General Authority</b>		
Debenture, payable at \$140,054 annually including interest at 3.89%, maturing December, 2027.	\$ 500,460	\$ 616,862
Debenture, payable at \$96,292 annually including interest at 3.125%, maturing December, 2029.	519,476	597,108
Debenture, payable at \$175,844 annually including interest at 2.50%, maturing December, 2035.	1,803,625	1,930,530
South Central Regional Library, Canadian Emergency Business Account loan, interest free until the end of the initial term date of December 31, 2023 Annual interest of 5.00% during extended term.		8,440
Menzies Medical Centre Board Inc. , payable monthly at \$13,500 including interest at 3.45%, maturing October 2026.	201,728	254,121
Morden Community Development Corporation Ltd., loan is callable on demand including interest at 4.20% secured by the City of Morden	150,000	195,000
Morden Community Development Corporation Ltd., loan is callable on demand including interest at 2.45% secured by the City of Morden	50,000	105,000
Morden Veterinary Services Board, loan payable annually including interest at 9.2%, The loan was re-paid in full in March 2024.	13,800	
	<b>3,239,089</b>	<b>3,707,061</b>
<b>Utility Funds</b>		
Debenture, payable at \$250,809 annually including interest at 4.20%, maturing December, 2028.	1,110,313	1,306,260
Demand loan, payable to CIBC, \$103,368 monthly principal and interest installments with monthly interest payments fixed through interest rate swaps at 3.56% including stamping fee of .81% until July 2023, unless demanded matures July 2033. Pembina Valley Water Cooperative Inc. (2.85%)	286,114	311,355
Demand loan, payable to CIBC, \$8,077 monthly principal installments plus interest at 2.3% plus stamping fee of .81%, unless demanded matures July 2033. Pembina Valley Water Cooperative Inc. (2.85%)	27,164	29,927

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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

	<b>2023</b>	2022
Demand loan, payable to CIBC, \$15,280 monthly principal installments plus interest at 0.47% plus stamping fee of 0.81%, unless demanded matures July 2033. Pembina Valley Water Cooperative Inc. (2.85%)	<b>60,085</b>	65,310
Demand loan, payable to CIBC, \$12,500 monthly principal installments plus interest at 2.45% plus stamping fee of 0.81%, unless demanded matures November 2041. Pembina Valley Water Cooperative Inc. (2.85%)	<b>76,594</b>	80,868
Demand loan, payable to CIBC, the advance is part of a revolving demand for capital projects, with interest only payments until the earlier of twelve months after the initial advance and completion of each discrete project, at which time repayment terms will be set. Interest is charged at prime rate minus 0.25%. Pembina Valley Water Cooperative Inc. (2.85%)	<b>184,681</b>	85,339
	<b>1,744,951</b>	1,879,059
	<b>\$ 4,984,040</b>	<b>\$ 5,586,120</b>

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

2024	\$ 736,514
2025	587,233
2026	608,355
2027	630,274
2028	512,911
	<u>3,075,287</u>
	<u>\$ 3,075,287</u>

**10. COMMITMENTS**

The City has negotiated a 5 year contract with Municipal Waste Management for handling and disposal of garbage, recycling and compost. Annual charges under the contract are determined by reference to certain waste volumes handled. Payments made under the contract for the year were \$771,370 (2022 - \$643,121).

The City has committed to the development of an Early Childhood Learning project through the financial assistance agreement with the Province of Manitoba. During 2023, the City received \$5,053,618 (2022 - \$0) that represents approximately 90% of the funding. Furthermore, during 2023, \$1,360,938 (2022 - \$0) of expenditures were incurred and capitalized as assets under construction in the general operating fund. The project is expected to be completed in September 2024.

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**10. COMMITMENTS (Continued)**

The City has committed to the development of a wastewater treatment plant under the Investing in Canada Infrastructure Program with the Province of Manitoba and the Government of Canada. Total project costs are estimated to be \$74,350,000 with funding sources from the Province of Manitoba of \$28,050,000 and the Government of Canada of \$10,800,000. As of year end, no expenditures have been incurred and \$24,870,925 has been received and is included in deferred revenue. As of the audit report date there is no reliable estimated date for the completion of the project.

**11. RETIREMENT BENEFITS**

The majority of the employees of the City are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2.0% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the City on behalf of its employees amounted to \$404,559 (2022 - \$378,624) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2022 indicated the plan was 111.6% funded on a going concern basis and has an unfunded solvency liability of \$19.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2022.

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

**12. FINANCIAL INSTRUMENTS**

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



**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

**13. BUDGET**

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

**14. ACCUMULATED SURPLUS**

	2023	2022
Accumulated surplus consists of the following:		
General Operating Fund - Nominal Surplus	\$ 496,368	\$ 600,095
Utility Operating Fund(s) - Deficit	(3,190,444)	(3,556,914)
TCA net of related borrowings	63,728,899	54,902,121
Reserve Funds	11,820,405	11,735,444
	<hr/>	
Accumulated Surplus of Municipality Unconsolidated	72,855,228	63,680,746
Accumulated Surpluses of Consolidated Entities	6,412,732	7,004,005
	<hr/>	
Accumulated Surplus per Consolidated Statement of Financial Position	<b>\$ 79,267,960</b>	<b>\$70,684,751</b>

**15. PUBLIC SECTOR COMPENSATION DISCLOSURE**

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$85,000 annually to any member of council, officer or employee of the City. For the year ended December 31, 2023:

- a) Compensation paid to members of council amounted to \$140,533 in aggregate.
- b) There were no members of council receiving compensation in excess of \$85,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Brandon Burley	\$ 24,752	\$	24,752
Sheldon Friesen	21,725		21,725
Gordon Maddock	21,500		21,500
Garry Hiebert	21,206		21,206
Doug Frost	19,339		19,339
Nancy Penner	16,786		16,786
Florian Lassnig	14,161		14,161
Brenda Klassen	532		532
Tracey Krause	532		532
	<hr/>		
	<b>\$ 140,533</b>	<b>\$</b>	<b>140,533</b>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

**15. PUBLIC SECTOR COMPENSATION DISCLOSURE (Continued)**

c) It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosures be made of aggregate compensation paid to members of council and of individual compensation in an amount exceeding \$85,000 annually to any member of council, officer or employee of the City.

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Reidle	City Manager	\$ 139,245
Randhawa	DCM - Operations	133,899
1106	Police Chief	132,068
1109	Police Inspector	122,068
1128	Police Constable	120,205
1112	Police Constable	119,473
1121	Police Constable	119,405
1118	Police Sergeant	116,699
1117	Police Sergeant	116,656
1126	Police Constable	115,039
1123	Police Constable	113,524
1124	Police Constable	112,016
1119	Police Constable	111,571
Breiter	Director of Information Technology	111,470
1105	Police Constable	108,501
1122	Police Constable	107,633
1115	Police Constable	104,908
1116	Police Constable	104,880
1125	Police Constable	102,943
Barnuevo	Director of Finance & Administration	100,401
Reimer	Director of Operations	96,589
Thiessen	Fire Chief	94,871
Dyck	Economic Development Officer	91,789
1130	Police Constable	90,695
Neufeld	Human Resources Officer	88,128

**16. TRUST FUNDS**

The City administers the following trust funds that are not consolidated into these consolidated financial statements:

	<u>Balance, beginning of year</u>	<u>Excess (deficiency) of receipts over disbursements</u>	<u>Balance, end of year</u>
Cemetery Trust	\$ 215,120	\$ (84,865)	\$ 130,255

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**17. PUBLIC UTILITIES BOARD**

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

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

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

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

**Water services:**

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Morden	\$ 3,385,453	\$ 128,831	\$ 118,138	\$ 3,396,146

**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>
Morden	\$ 1,511,269	\$ 582,451	\$ 51,770	\$ 2,041,950

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**18. SEGMENTED INFORMATION**

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

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

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

**19. GOVERNMENT PARTNERSHIPS**

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

	2023	2022
<b>Financial Position</b>		
Financial assets	\$ 3,222,631	\$ 2,482,015
Liabilities	<u>2,172,637</u>	<u>1,522,978</u>
Net financial assets	1,049,994	959,037
Non-financial assets	<u>2,731,359</u>	<u>2,562,844</u>
Accumulated surplus	<u>\$ 3,781,353</u>	<u>\$ 3,521,881</u>
<b>Result of Operations</b>		
Revenues	\$ 1,686,236	\$ 1,603,875
Expenses	1,516,224	1,276,187
Intercompany revenue and expense eliminations	<u>89,460</u>	<u>82,233</u>
Annual surplus	<u>\$ 259,472</u>	<u>\$ 409,921</u>

**CITY OF MORDEN**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2023**

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**20. LAWSUIT**

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

**CITY OF MORDEN**  
**SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
For the year ended December 31, 2023

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Building and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2023	2022
<b>Cost</b>										
Opening costs	\$ 12,821,849	18,912,679	10,602,144	785,583	1,182,555	32,792,665	36,317,960	3,099,064	\$ 116,514,499	\$ 108,894,591
Additions during the year	3,192,338	428,247	598,576	160,722	1,441,791	4,253,762	290,577	1,521,228	11,887,241	7,728,372
Disposals and write downs	(2,957,976)		(131,912)		(56,704)				(3,146,592)	(108,464)
Transfers	850,000				(850,000)		197,046	(197,046)		
Closing costs	13,906,211	19,340,926	11,068,808	946,305	1,717,642	37,046,427	36,805,583	4,423,246	125,255,148	116,514,499
<b>Accumulated Amortization</b>										
Opening accum'd amortization	4,057,119	6,669,071	5,941,324	728,464		18,787,317	13,985,781		50,169,076	47,010,424
Amortization	277,781	627,191	505,306	35,790		987,047	930,411		3,363,526	3,221,957
Disposals and write downs			(57,365)						(57,365)	(63,305)
Closing accum'd amortization	4,334,900	7,296,262	6,389,265	764,254		19,774,364	14,916,192		53,475,237	50,169,076
Net Book Value of Tangible Capital Assets	\$ 9,571,311	12,044,664	4,679,543	182,051	1,717,642	17,272,063	21,889,391	4,423,246	\$ 71,779,911	\$ 66,345,423

**CITY OF MORDEN**  
**SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES**  
**For the year ended December 31, 2023**

	2023 Actual	2022 Actual
<b>Property taxes:</b>		
Municipal taxes levied (Schedule 12)	\$ 10,028,916	\$ 9,327,731
Taxes added	325,350	204,102
	<u>10,354,266</u>	<u>9,531,833</u>
<b>Grants in lieu of taxation:</b>	<u>272,404</u>	269,620
<b>User fees:</b>		
Sales of service	2,532,820	2,048,088
Rentals	122,771	174,438
Capital lot levy	84,904	
	<u>2,740,495</u>	<u>2,222,526</u>
<b>Permits, licences and fines:</b>		
Permits	452,760	289,411
Licences	8,155	8,090
Fines	34,010	24,604
	<u>494,925</u>	<u>322,105</u>
<b>Investment income:</b>	<u>514,251</u>	234,158
<b>Other revenue:</b>		
Loss on sale of tangible capital assets	(1,011,704)	(12,776)
Gain on sale of real estate held for sale	207,721	415,425
Contributed assets and donations	195,493	28,808
Penalties and interest	134,185	110,731
Miscellaneous	490,791	193,941
	<u>16,486</u>	<u>736,129</u>
<b>Water and sewer</b>		
Municipal utility	3,847,524	3,113,908
Consolidated water co-operatives	396,708	515,443
	<u>4,244,232</u>	<u>3,629,351</u>
<b>Grants - Province of Manitoba:</b>		
Municipal operating grants	2,607,448	1,703,987
Conditional grants	4,355,714	256,054
	<u>6,963,162</u>	<u>1,960,041</u>
<b>Sub-total</b>	<u>\$ 25,600,221</u>	<u>\$ 18,905,763</u>

**CITY OF MORDEN**  
**SCHEDULE 2 - CONSOLIDATED SCHEDULE OF REVENUES**  
**For the year ended December 31, 2023**

	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>Sub-total</b>	<b>\$ 25,600,221</b>	<b>\$ 18,905,763</b>
<b>Grants - other:</b>		
Federal government - gas tax funding	508,890	487,686
Federal government - other	2,400	143,628
Other conditional grants	1,758,407	1,399,980
Recycling subsidy	169,126	216,947
	<u>2,438,823</u>	<u>2,248,241</u>
<b>Total revenue</b>	<b>\$ 28,039,044</b>	<b>\$ 21,154,004</b>



**CITY OF MORDEN**  
**SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES**  
For the year ended December 31, 2023

	2023 Actual	2022 Actual
<b>General government services:</b>		
Legislative	\$ 159,706	\$ 183,852
General administrative	1,052,119	982,386
Other	162,738	144,966
Tax incentive program	97,143	
	<u>1,471,706</u>	<u>1,311,204</u>
<b>Protective services:</b>		
Police	3,079,782	2,716,224
Fire	736,214	705,789
	<u>3,815,996</u>	<u>3,422,013</u>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	525,309	527,797
Road and street maintenance	2,114,464	2,082,130
Sidewalk and boulevard maintenance	135,676	143,879
Street lighting	174,684	173,264
Disaster financial assistance		153,047
	<u>2,950,133</u>	<u>3,080,117</u>
<b>Environmental health services:</b>		
Waste collection and disposal	789,285	759,512
Recycling	525,545	401,238
Other	54,018	
	<u>1,368,848</u>	<u>1,160,750</u>
<b>Public health and welfare services:</b>		
Public health	96,963	100,698
Medical care	121,087	142,598
	<u>218,050</u>	<u>243,296</u>
<b>Regional planning and development:</b>		
Planning and zoning	324,824	215,188
<b>Resource conservation and industrial development:</b>		
Community development	1,236,149	1,296,690
Veterinary services	60,724	35,638
Regional development	253,193	561,329
Industrial development	53,881	32,915
Tourism	79,850	78,495
	<u>1,683,797</u>	<u>2,005,067</u>
<b>Sub-total</b>	<u>\$ 11,833,354</u>	<u>\$11,437,635</u>

**CITY OF MORDEN**  
**SCHEDULE 3 - CONSOLIDATED SCHEDULE OF EXPENSES**  
**For the year ended December 31, 2023**

	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>Sub-total (Carry forward)</b>	<b>\$ 11,833,354</b>	<b>\$11,437,635</b>
<b>Recreation and cultural services:</b>		
Community centres and halls	3,245,167	3,114,423
Swimming pools and beaches	376,423	376,928
Golf courses	177,986	
Parks and playgrounds	29,535	20,923
MB Baseball Hall of Fame	26,325	13,163
Canadian Fossil Discovery Centre	179,480	137,240
Libraries	427,692	385,385
	<u>4,462,608</u>	<u>4,048,062</u>
<b>Water and sewer (Schedule 9)</b>		
Municipal utility	2,835,428	2,775,119
Consolidated water co-operatives	324,445	208,963
	<u>3,159,873</u>	<u>2,984,082</u>
<b>Total expenses</b>	<u><u>\$ 19,455,835</u></u>	<u><u>\$18,469,779</u></u>

**CITY OF MORDEN**  
**SCHEDULE 4 - CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
For the year ended December 31, 2023

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUE</b>										
Property taxes	\$10,354,266	\$ 9,320,985								
Grants in lieu of taxation	272,404	269,620								
User fees	155,732	68,381	281,086	249,207	35,352	67,393	451,945	443,196	220	345
Grants - other	862,536	1,798,881	16,258				169,126	216,947	139,504	83,368
Permits, licences and fines	171,332	97,439								
Investment income	430,494	180,197					52,797	35,064	5,632	2,192
Other revenue	936,464	679,406	1,440				1,056	1,106	6,896	28,396
Water and sewer										
Prov of MB - unconditional grants	1,178,579	729,456	1,428,868	974,531						
Prov of MB - conditional grants	4,163,763	153,047								
<b>Total revenue</b>	<b>18,525,570</b>	<b>13,297,412</b>	<b>1,727,652</b>	<b>1,223,738</b>	<b>35,352</b>	<b>67,393</b>	<b>674,924</b>	<b>696,313</b>	<b>152,252</b>	<b>114,301</b>
<b>EXPENSES</b>										
Personnel services	730,743	766,629	2,880,250	2,565,422	845,359	796,497	194,643	158,428		
Contract services	290,189	239,054	256,153	236,085	177,108	163,554	934,440	772,318	39,243	85,504
Utilities	45,320	40,455	31,135	33,094	178,191	177,888	6,320	4,534		
Maintenance, materials and supplies	53,616	53,448	342,538	319,989	498,800	707,310	123,662	95,849	13,415	12,054
Grants and contributions	97,922	86,653							95,130	96,378
Amortization	58,847	58,700	305,920	267,423	1,250,675	1,234,868	109,783	129,621	48,995	30,500
Interest on long-term debt									21,267	17,210
Other	195,069	66,265								1,650
<b>Total expenses</b>	<b>1,471,706</b>	<b>1,311,204</b>	<b>3,815,996</b>	<b>3,422,013</b>	<b>2,950,133</b>	<b>3,080,117</b>	<b>1,368,848</b>	<b>1,160,750</b>	<b>218,050</b>	<b>243,296</b>
<b>Surplus (Deficit)</b>	<b>\$17,053,864</b>	<b>\$11,986,208</b>	<b>(2,088,344)</b>	<b>(2,198,275)</b>	<b>(2,914,781)</b>	<b>(3,012,724)</b>	<b>(693,924)</b>	<b>(464,437)</b>	<b>(65,798)</b>	<b>(128,995)</b>

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

**CITY OF MORDEN**  
**SCHEDULE 4 - CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM**  
For the year ended December 31, 2023

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUE</b>										
Property taxes								210,848	\$ 10,354,266	\$ 9,531,833
Grants in lieu of taxation									272,404	269,620
User fees	86,698	97,373	360,077	317,911	1,369,385	978,720			2,740,495	2,222,526
Grants - other	150,000		987,182	40,281	114,217	108,764			2,438,823	2,248,241
Permits, licences and fines	323,593	224,666							494,925	322,105
Investment income	15,252	7,686	10,076	7,759		1,260			514,251	234,158
Other revenue	3,930	3,544	(957,750)	228	24,450	23,449			16,486	736,129
Water and sewer							4,244,232	3,629,351	4,244,232	3,629,351
Prov of MB - unconditional grants									2,607,447	1,703,987
Prov of MB - conditional grants			80,421		111,531	103,007			4,355,715	256,054
<b>Total revenue</b>	<b>579,473</b>	<b>333,269</b>	<b>480,006</b>	<b>366,179</b>	<b>1,619,583</b>	<b>1,215,200</b>	<b>4,244,232</b>	<b>3,840,199</b>	<b>28,039,044</b>	<b>21,154,004</b>
<b>EXPENSES</b>										
Personnel services	109,024	101,982	419,985	407,142	1,702,998	1,656,454	693,670	700,657	7,576,672	7,153,211
Contract services	33,186	2,623	399,695	623,662	579,500	610,861	310,834	484,038	3,020,348	3,217,699
Utilities	2,962	2,851	52,457	64,941	241,291	225,731	80,231	87,181	637,907	636,675
Maintenance, materials and supplies	127,978	59,266	329,440	163,966	780,646	669,290	745,943	739,032	3,016,038	2,820,204
Grants and contributions			338,879	637,879	504,591	248,337			1,036,522	1,069,247
Amortization	7,683	6,165	87,805	93,363	562,332	526,792	931,486	874,525	3,363,526	3,221,957
Interest on long-term debt			24,531	14,114	91,250	101,047	55,013	98,649	192,061	231,020
Other	43,991	42,301	31,005			9,550	342,696		612,761	119,766
<b>Total expenses</b>	<b>324,824</b>	<b>215,188</b>	<b>1,683,797</b>	<b>2,005,067</b>	<b>4,462,608</b>	<b>4,048,062</b>	<b>3,159,873</b>	<b>2,984,082</b>	<b>19,455,835</b>	<b>18,469,779</b>
<b>Surplus (Deficit)</b>	<b>254,649</b>	<b>118,081</b>	<b>(1,203,791)</b>	<b>(1,638,888)</b>	<b>(2,843,025)</b>	<b>(2,832,862)</b>	<b>1,084,359</b>	<b>856,117</b>	<b>\$ 8,583,209</b>	<b>\$ 2,684,225</b>

# CITY OF MORDEN

## SCHEDULE 5 - CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the year ended December 31, 2023

	Core Government		Controlled Entities		Government Partnerships		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUE</b>								
Property taxes	\$ 10,354,266	\$ 9,531,833					\$ 10,354,266	\$ 9,531,833
Grants in lieu of taxation	272,404	269,620					272,404	269,620
User fees	1,919,180	1,452,560	360,077	317,911	461,238	452,055	2,740,495	2,222,526
Grants - other	2,155,896	2,015,828		25,911	282,927	206,502	2,438,823	2,248,241
Permits, licences and fines	171,332	97,439			323,593	224,666	494,925	322,105
Investment income	430,494	180,920	10,076	7,759	73,681	45,479	514,251	234,158
Other revenue	937,904	679,406	(957,976)		36,558	56,723	16,486	736,129
Water and sewer	3,847,524	3,113,908			396,708	515,443	4,244,232	3,629,351
Prov of MB - unconditional grants	2,607,447	1,703,987					2,607,447	1,703,987
Prov of MB - conditional grants	4,163,763	153,047	80,421		111,531	103,007	4,355,715	256,054
<b>Total revenue</b>	<b>26,860,210</b>	<b>19,198,548</b>	<b>(507,402)</b>	<b>351,581</b>	<b>1,686,236</b>	<b>1,603,875</b>	<b>28,039,044</b>	<b>21,154,004</b>
<b>EXPENSES</b>								
Personnel services	7,048,545	6,688,403			528,127	464,808	7,576,672	7,153,211
Contract services	2,703,171	2,602,122	173,731	407,147	143,446	208,430	3,020,348	3,217,699
Utilities	566,938	554,428	36,584	56,346	34,385	25,901	637,907	636,675
Maintenance, materials and supplies	2,361,580	2,478,387	226,719	65,701	427,739	276,116	3,016,038	2,820,204
Grants and contributions	1,036,522	1,069,247					1,036,522	1,069,247
Amortization	3,067,488	2,925,220	71,465	76,137	224,573	220,600	3,363,526	3,221,957
Interest on long-term debt	156,847	179,683	13,947	14,114	21,267	37,223	192,061	231,020
Other	445,069	76,657	31,005		136,687	43,109	612,761	119,766
<b>Total expenses</b>	<b>17,386,160</b>	<b>16,574,147</b>	<b>553,451</b>	<b>619,445</b>	<b>1,516,224</b>	<b>1,276,187</b>	<b>19,455,835</b>	<b>18,469,779</b>
<b>Surplus (Deficit)</b>	<b>\$ 9,474,050</b>	<b>\$ 2,624,401</b>	<b>(1,060,853)</b>	<b>(267,864)</b>	<b>170,012</b>	<b>327,688</b>	<b>\$ 8,583,209</b>	<b>\$ 2,684,225</b>

**CITY OF MORDEN**  
**SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES**  
For the year ended December 31, 2023

	<b>2023</b>					
	<b>W &amp; S Reserve</b>	<b>W &amp; S Capital Reserve</b>	<b>Lake Minnewasta Campground Reserve</b>	<b>Roads, Fire, Rec and Studies Reserve</b>	<b>SERC</b>	<b>Sub Total</b>
<b>REVENUE</b>						
Investment income	\$ 101,493	12,280	405	1,602	575	\$ 116,355
Other income		160,209				160,209
<b>Total revenue</b>	<u>101,493</u>	<u>172,489</u>	<u>405</u>	<u>1,602</u>	<u>575</u>	<u>276,564</u>
<b>EXPENSES</b>						
Investment charges						
Other expenses						
<b>Total expenses</b>						
<b>NET REVENUES</b>	101,493	172,489	405	1,602	575	276,564
<b>TRANSFERS</b>						
Debt repayment						
Transfers from operating fund			17,655	84,904	19,705	122,264
Acquisition of tangible capital assets						
Transfers from utility fund	588,758					588,758
Transfers to utility fund	(790,069)					(790,069)
<b>CHANGE IN RESERVE FUND BALANCES</b>	(99,818)	172,489	18,060	86,506	20,280	197,517
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	<u>2,846,987</u>	<u>257,529</u>				<u>3,104,516</u>
<b>FUND SURPLUS, END OF YEAR</b>	<u>\$ 2,747,169</u>	<u>430,018</u>	<u>18,060</u>	<u>86,506</u>	<u>20,280</u>	<u>\$ 3,302,033</u>

**CITY OF MORDEN**  
**SCHEDULE 6 - SCHEDULE OF CHANGES IN RESERVE FUND BALANCES**  
For the year ended December 31, 2023

	2023					2022	
	General Reserve	Replacement Reserve	Community Development Reserve	Gas Tax Reserve	Recreation Reserve	Total	Total
<b>REVENUE</b>							
Investment income	\$ 170,805	42,052	49,731	48,103	3,153	\$ 430,199	\$ 187,015
Other income	57,336					217,545	79,526
Total revenue	228,141	42,052	49,731	48,103	3,153	647,744	266,541
<b>EXPENSES</b>							
Investment charges							
Other expenses							
Total expenses							
<b>NET REVENUES</b>	228,141	42,052	49,731	48,103	3,153	647,744	266,541
<b>TRANSFERS</b>							
Debt repayment							
Transfers from operating fund	683,765	425,000		508,890		1,739,919	1,353,628
Acquisition of tangible capital assets	(88,404)	(291,903)	(73,185)	(1,647,899)		(2,101,391)	(1,356,623)
Transfers from utility fund						588,758	142,513
Transfers to utility fund						(790,069)	(934,452)
<b>CHANGE IN RESERVE FUND BALANCES</b>	823,502	175,149	(23,454)	(1,090,906)	3,153	84,961	(528,393)
<b>FUND SURPLUS, BEGINNING OF YEAR</b>	4,323,806	1,224,164	1,299,969	1,703,061	79,928	11,735,444	12,263,837
<b>FUND SURPLUS, END OF YEAR</b>	\$ 5,147,308	1,399,313	1,276,515	612,155	83,081	\$ 11,820,405	\$ 11,735,444

**CITY OF MORDEN**  
**SCHEDULE 7 - SCHEDULE OF L.U.D. OPERATIONS -**  
**For the year ended December 31, 2023**

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	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUE</b>	\$	\$	\$
	<hr/>		
	<hr/>		
<b>EXPENSES</b>			
General government			
Transportation services			
Environmental health			
Regional planning and development			
Recreation and cultural services			
	<hr/>		
	<hr/>		
<b>TRANSFERS</b>			
	<hr/>		
<b>CHANGES IN L.U.D. BALANCES</b>	\$		
	<hr/>		
<b>UNEXPENDED BALANCE, BEGINNING OF YEAR</b>			
	<hr/>		
<b>UNEXPENDED BALANCE, END OF YEAR</b>		\$	\$
		<hr/>	
		<hr/>	



**CITY OF MORDEN**  
**SCHEDULE 8- SCHEDULE OF FINANCIAL POSITION FOR UTILITY**  
**For the year ended December 31, 2023**

	2023			2022
	Morden	Pembina Valley Water Cooperative Inc.	Total	Total
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents (Note 3)	\$	\$ 337,722	\$ 337,722	\$ 149,491
Amounts receivable (Note 4)	235,998	24,586	260,584	255,944
Portfolio investments (Note 5)		22,875	22,875	38,110
	<u>235,998</u>	<u>385,183</u>	<u>621,181</u>	<u>443,545</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities		69,191	69,191	89,331
Deferred revenue		285,000	285,000	87,578
Long-term debt (Note 9)	1,110,313	634,638	1,744,951	1,879,059
Due to other funds	3,591,508		3,591,508	3,844,049
Asset retirement obligations (Note 8)		84,429	84,429	
	<u>4,701,821</u>	<u>1,073,258</u>	<u>5,775,079</u>	<u>5,900,017</u>
<b>NET DEBT</b>	<u>(4,465,823)</u>	<u>(688,075)</u>	<u>(5,153,898)</u>	<u>(5,456,472)</u>
<b>NON-FINANCIAL ASSETS</b>				
Tangible capital assets (Schedule 1)	24,582,457	1,730,180	26,312,637	25,431,243
Inventories	165,065	3,576	168,641	70,417
Prepaid expenses		3,868	3,868	389
	<u>24,747,522</u>	<u>1,737,624</u>	<u>26,485,146</u>	<u>25,502,049</u>
<b>FUND SURPLUS</b>	<u>\$ 20,281,699</u>	<u>\$ 1,049,549</u>	<u>\$ 21,331,248</u>	<u>\$ 20,045,577</u>
<b>REMEASUREMENT GAINS (LOSSES)</b>				
Accumulated gains (losses), beginning of year	\$	\$	\$	\$
Unrealized gains (losses)				
Amounts reclassified to statement of operations				
Accumulated gains (losses), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>FUND SURPLUS (DEFICIT) CONSISTS OF:</b>				
Accumulated operating surplus (deficit)	\$ 20,281,699	\$ 1,049,549	\$ 21,331,248	\$ 20,045,577
Accumulated remeasurement gains (losses)				
	<u>\$ 20,281,699</u>	<u>\$ 1,049,549</u>	<u>\$ 21,331,248</u>	<u>\$ 20,045,577</u>

**CITY OF MORDEN**  
**SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS - Morden**  
**For the year ended December 31, 2023**

	Budget	2023	2022
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$ 1,885,600	\$ 2,023,750	\$ 1,803,387
Bulk water fees		8,211	4,440
Sub-Total - Water	1,885,600	2,031,961	1,807,827
<b>Sewer</b>			
Sewer fees	563,300	605,678	558,080
Sub-Total - Sewer	563,300	605,678	558,080
<b>Property taxes</b>			210,848
<b>Government transfers</b>	1,765,000	824,203	234,389
<b>Other</b>			
Hydrant rentals	57,000	83,251	78,955
Connection charges		400	25
Penalties	15,000	17,258	15,133
Contributed tangible capital assets			202,596
Administration fees	215,400	220,560	216,903
Gain on sale of tangible capital assets		18,541	
Other income	20,000	45,672	
Sub-Total - Other	307,400	385,682	513,612
<b>Total revenue</b>	<b>\$ 4,521,300</b>	<b>\$ 3,847,524</b>	<b>\$ 3,324,756</b>

# CITY OF MORDEN

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

For the year ended December 31, 2023

	Budget	2023	2022
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$ 254,623	\$ 200,838	\$ 199,098
Sub-Total - General	<u>254,623</u>	<u>200,838</u>	<u>199,098</u>
<b>Water General</b>			
Purification and treatment	888,195	863,404	758,993
Transmission and distribution	185,991	154,046	180,832
Transportation services		250,000	
Water purchases	206,265	191,046	329,349
Connection costs	105,452	29,207	165,125
Sub-Total - Water General	<u>1,385,903</u>	<u>1,487,703</u>	<u>1,434,299</u>
<b>Water Amortization, Accretion &amp; Interest</b>			
Amortization		563,455	518,124
Sub-Total - Water Amortization, Accretion & Interest		<u>563,455</u>	<u>518,124</u>
<b>Sewer General</b>			
Collection system costs	97,976	50,371	82,206
Treatment and disposal cost	110,705	105,766	92,958
Lift station costs	67,526	52,399	54,444
Other sewage and disposal costs		5,251	8,300
Sub-Total - Sewer General	<u>276,207</u>	<u>213,787</u>	<u>237,908</u>
<b>Sewer Amortization, Accretion &amp; Interest</b>			
Amortization		314,632	307,054
Interest on long-term debt		55,013	78,636
Sub-Total - Sewer Amortization, Accretion & Interest		<u>369,645</u>	<u>385,690</u>
Total expenses	<u>1,916,733</u>	<u>2,835,428</u>	<u>2,775,119</u>
<b>NET OPERATING SURPLUS</b>	<u>\$ 2,604,567</u>	<u>1,012,096</u>	<u>549,637</u>
<b>TRANSFERS</b>			
Transfers from reserve funds		<u>201,312</u>	<u>791,939</u>
<b>CHANGE IN UTILITY FUND BALANCE</b>		<u>1,213,408</u>	<u>1,341,576</u>
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>19,068,291</u>	<u>17,726,715</u>
<b>FUND SURPLUS, END OF YEAR</b>		<u>\$ 20,281,699</u>	<u>\$19,068,291</u>

# CITY OF MORDEN

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

For the year ended December 31, 2023

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	Budget	2023	2022
<b>REVENUE</b>			
<b>Water</b>			
Water fees	\$	\$ 6,638	\$ 227,000
Sub-Total - Water		<u>6,638</u>	<u>227,000</u>
<b>Government transfers</b>			
Government transfers - provincial		94,703	162,853
Government transfers - other		<u>280,647</u>	<u>78,920</u>
Sub-Total - Government transfers		<u>375,350</u>	<u>241,773</u>
<b>Other</b>			
Investment income		393	2,522
Other income		<u>14,327</u>	<u>44,148</u>
Sub-Total - Other		<u>14,720</u>	<u>46,670</u>
Total revenue	\$	\$ <u>396,708</u>	\$ <u>515,443</u>

**CITY OF MORDEN****SCHEDULE 9 - SCHEDULE OF UTILITY OPERATIONS (continued) - Pembina Valley Water Cooperative Inc.**

For the year ended December 31, 2023

	Budget	2023	2022
<b>EXPENSES</b>			
<b>General</b>			
Administration	\$	\$ 79,667	\$ 78,193
Utilities (telephone, electricity, etc)		16,660	16,340
Sub-Total - General		<u>96,327</u>	<u>94,533</u>
<b>Water General</b>			
Purification and treatment		82,023	45,070
Connection costs		92,696	
Sub-Total - Water General		<u>174,719</u>	<u>45,070</u>
<b>Water Amortization, Accretion &amp; Interest</b>			
Amortization		53,399	49,347
Interest on long-term debt			20,013
Sub-Total - Water Amortization, Accretion & Interest		<u>53,399</u>	<u>69,360</u>
Total expenses		<u>324,445</u>	<u>208,963</u>
<b>NET OPERATING SURPLUS</b>	\$	<u>72,263</u>	306,480
<b>TRANSFERS</b>			
<b>CHANGE IN UTILITY FUND BALANCE</b>		72,263	306,480
<b>FUND SURPLUS, BEGINNING OF YEAR</b>		<u>977,286</u>	670,806
<b>FUND SURPLUS, END OF YEAR</b>	\$	<u>1,049,549</u>	<u>\$ 977,286</u>

# CITY OF MORDEN

## SCHEDULE 10 - RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the year ended December 31, 2023

	<u>Financial Plan General</u>	<u>Financial Plan Utility</u>	<u>Amortization &amp; Accretion</u>	<u>Interest Expense</u>	<u>Transfers</u>	<u>Consolidated Entities</u>	<u>PSAB Budget</u>
<b>REVENUE</b>							
Property taxes	\$ 10,114,350						\$ 10,114,350
Grants in lieu of taxation	272,404						272,404
User fees	1,687,348					647,688	2,335,036
Grants - Province of Manitoba	3,800,387						3,800,387
Grants - other	508,890					624,022	1,132,912
Permits, licences and fines	84,200					204,000	288,200
Investment income	328,400					57,276	385,676
Other revenue	549,248					6,883	556,131
Water and sewer		4,521,300				241,107	4,762,407
Transfers from accumulated surplus							
Transfers from reserves	3,308,404	1,645,242			(4,953,646)		
Total revenue	<u>20,653,631</u>	<u>6,166,542</u>			<u>(4,953,646)</u>	<u>1,780,976</u>	<u>23,647,503</u>
<b>EXPENSES</b>							
General government services	1,742,023		59,919				1,801,942
Protective services	3,602,017		305,920				3,907,937
Transportation services	1,854,737		1,250,675				3,105,412
Environmental health services	811,295					367,070	1,178,365
Public health and welfare services	150,750		288			156,143	307,181
Regional planning and development	1,250					211,900	213,150
Resource cons and industrial dev	586,809		14,102	10,584		511,349	1,122,844
Recreation and cultural services	3,344,777		559,569	91,250		264,475	4,260,071
Water and sewer services		1,916,733	878,087	55,013		237,259	3,087,092
Fiscal services:							
Transfer to capital	6,594,545	3,999,000			(10,593,545)		
Debt charges	422,773	250,809		(673,582)			
Short-term interest							
Transfer to reserves	1,542,655				(1,542,655)		
Allowance for tax assets							
Total expenses	<u>20,653,631</u>	<u>6,166,542</u>	<u>3,068,560</u>	<u>(516,735)</u>	<u>(12,136,200)</u>	<u>1,748,196</u>	<u>18,983,994</u>
<b>Surplus (Deficit)</b>	<u>\$</u>	<u></u>	<u>(3,068,560)</u>	<u>516,735</u>	<u>7,182,554</u>	<u>32,780</u>	<u>\$ 4,663,509</u>

**CITY OF MORDEN**  
**SCHEDULE 11 - ANALYSIS OF TAXES ON ROLL**  
**For the year ended December 31, 2023**

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	2023	2022
<b>Balance, beginning of year</b>	<b>\$ 519,081</b>	<b>\$ 255,740</b>
<b>Add:</b>		
Tax levy (Schedule 12)	17,195,984	16,431,755
Taxes added	325,350	204,102
Penalties or interest	134,185	110,731
<b>Sub-total</b>	<b>17,655,519</b>	<b>16,746,588</b>
<b>Deduct:</b>		
Cash collections - current	16,197,905	15,308,001
Writeoffs	16,986	54,395
E.P.T.C. - cash advance	904,910	1,120,851
<b>Sub-total</b>	<b>17,119,801</b>	<b>16,483,247</b>
<b>Balance, end of year</b>	<b>\$ 1,054,799</b>	<b>\$ 519,081</b>

**CITY OF MORDEN**  
**SCHEDULE 12 - ANALYSIS OF TAX LEVY**  
**For the year ended December 31, 2023**

	<b>2023</b>		<b>2022</b>	
	<b>Assessment</b>	<b>Mill Rate</b>	<b>Levy</b>	<b>Levy</b>
<b>Debt charges:</b>				
Frontage			\$ 10,584	\$ 10,584
Mill rate (L.I.D.)				205,696
Mill rate (Rec Centre)	589,706,710	0.291	171,605	171,467
Mill rate (Rec Centre Phase 3)	546,102,550	0.249	135,980	135,984
Fire heavy rescue	589,641,040	0.160	94,343	93,861
Sub-Total - Debt charges			<u>412,512</u>	<u>617,592</u>
<b>Reserves:</b>				
Replacement	546,102,550	1.215	663,515	493,911
Machinery	546,102,550	0.622	339,676	315,676
Sub-Total - Reserves			<u>1,003,191</u>	<u>809,587</u>
General Municipal	546,102,550	8.360	<u>4,565,417</u>	<u>4,257,746</u>
<b>Special levies:</b>				
Assessment	546,102,550	0.226	123,419	123,357
Special services	589,706,710	5.730	3,379,019	2,989,397
Sanitation Collection & Fees			542,296	527,408
Sub-Total - Special levies			<u>4,044,734</u>	<u>3,640,162</u>
Business tax			<u>3,062</u>	<u>2,644</u>
<b>Total municipal taxes (Schedule 2)</b>			<u>10,028,916</u>	<u>9,327,731</u>
Education support levy	109,361,440	8.140	<u>890,202</u>	<u>859,258</u>
<b>Special levy:</b>				
Western School Division	530,948,000	11.822	<u>6,276,866</u>	<u>6,244,766</u>
Sub-Total - Special levies			<u>6,276,866</u>	<u>6,244,766</u>
<b>Total education taxes</b>			<u>7,167,068</u>	<u>7,104,024</u>
<b>Total tax levy (Schedule 11)</b>			<u>\$ 17,195,984</u>	<u>\$ 16,431,755</u>



**CITY OF MORDEN**  
**SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
For the year ended December 31, 2023

	2023	2022
<b>General government services:</b>		
Legislative	\$ 159,706	\$ 183,852
General administrative	1,052,119	982,386
Other	162,738	144,966
Tax incentive program	97,143	
	<b>1,471,706</b>	<b>1,311,204</b>
<b>Protective services:</b>		
Police	3,079,782	2,716,224
Fire	736,214	705,789
	<b>3,815,996</b>	<b>3,422,013</b>
<b>Transportation services:</b>		
Road transport		
Administration and engineering	525,309	527,797
Road and street maintenance	2,114,464	2,082,130
Sidewalk and boulevard maintenance	135,676	143,879
Street lighting	174,684	173,264
Disaster financial assistance		153,047
	<b>2,950,133</b>	<b>3,080,117</b>
<b>Environmental health services:</b>		
Waste collection and disposal	353,889	330,882
Recycling	525,545	401,238
Other	54,018	
	<b>933,452</b>	<b>732,120</b>
<b>Public health and welfare services:</b>		
Public health	151,342	155,072
<b>Resource conservation and industrial development:</b>		
Community development	981,606	1,248,138
Veterinary services	26,922	17,577
Regional development	253,193	561,329
Industrial development	53,881	32,915
Tourism	79,850	78,495
	<b>1,395,452</b>	<b>1,938,454</b>
<b>Sub-total</b>	<b>\$ 10,718,081</b>	<b>\$ 10,638,980</b>

**CITY OF MORDEN**  
**SCHEDULE 13 - SCHEDULE OF GENERAL OPERATING FUND EXPENSES**  
**For the year ended December 31, 2023**

	2023	2022
<b>Sub-total (Carry forward)</b>	<b>\$ 10,718,081</b>	<b>\$ 10,638,980</b>
<b>Recreation and cultural services:</b>		
Community centres and halls	3,245,167	3,114,423
Swimming pools and beaches	376,423	376,928
Golf courses	177,986	
Parks and playgrounds	29,535	20,923
MB Baseball Hall of Fame	26,325	13,163
Canadian Fossil Discovery Centre	179,480	137,240
Libraries	186,103	150,497
	<u>4,221,019</u>	<u>3,813,174</u>
<b>Total expenses</b>	<u><b>\$ 14,939,100</b></u>	<u><b>\$ 14,452,154</b></u>

# CITY OF MORDEN

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

For the year ended December 31, 2023

	2023			2022
	General	Utility	Total	Total
<b>MUNICIPAL SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT</b>	\$ (103,726)	366,469	\$ 262,743	\$ 427,659
<b>Adjustments for reporting under public sector accounting standards</b>				
Eliminate expense - transfers to reserves	1,739,919	588,758	2,328,677	1,496,141
Eliminate revenue - transfers from reserves	(2,101,391)	(790,069)	(2,891,460)	(2,291,075)
Increase revenue - reserve funds interest	647,744		647,744	266,541
Increase (decrease) revenue - net surplus (deficit) of consolidated entities	(663,536)	72,263	(591,273)	712,950
Increase expense - amortization of tangible capital assets	(2,190,473)	(878,087)	(3,068,560)	(2,925,757)
Decrease expense - principal portion of debenture debt	320,939	195,947	516,886	698,574
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(53,728)		(53,728)	(12,776)
Eliminate revenue - proceeds on sale of tangible capital assets	(75,205)		(75,205)	(31,577)
Eliminate expense - acquisitions of tangible capital assets	9,978,307	1,529,078	11,507,385	4,343,545
<b>NET SURPLUS PER STATEMENT OF OPERATIONS</b>	<b>\$ 7,498,850</b>	<b>1,084,359</b>	<b>\$ 8,583,209</b>	<b>\$ 2,684,225</b>