MUNICIPALITY OF MORRIS-TURNBERRY
FINANCIAL STATEMENTS
DECEMBER 31, 2025

SEEBACH & COMPANY
Chartered Professional Accountants

MUNICIPALITY OF MORRIS-TURNBERRY
P.O. Box 310, 41342 Morris Road, Brussels, Ontario N0G 1H0
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Management's Responsibility for the Financial Statements

The management of The Municipality of Morris Turnberry has prepared the accompanying consolidated financial statements and is responsible for their accuracy and integrity. These standards consolidate all operations for which the Municipality has legislative and financial responsibility. The consolidated financial statements have been prepared by management in accordance with the accounting principles generally accepted for the public sector as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in the notes to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that the Municipality's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the consolidated financial statements. These statements are monitored and evaluated by the Municipality's management.

Council reviews and approves the consolidated financial statements before such statements are submitted to the Ministry of Municipal Affairs and Housing and published for the residents of The Municipality of Morris Turnberry. The external auditors have access to, and met with, Municipal Council to discuss their audit and the results of their examination.

The 2025 financial statements have been audited by Seebach & Company, independent external auditors appointed by the Municipality. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's financial statements.

Municipality of Morris Turnberry

Trevor Hallam	Sean Brophy
CAO/Clerk	Treasurer

July 7, 2026

Seebach & Company
Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Municipality of Morris-Turnberry

Opinion

We have audited the accompanying financial statements of the Corporation of the Municipality of Morris-Turnberry ("the Entity"), which are comprised of the consolidated statement of financial position as at December 31, 2025 and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

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 Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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INDEPENDENT AUDITOR'S REPORT (continued)

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

- Identify and assess the risks of material misstatement of the 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 Entity'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 Entity'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 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 Entity 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.

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.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
July 7, 2026

MUNICIPALITY OF MORRIS-TURNBERRY

STATEMENT OF FINANCIAL POSITION

as at December 31		2025	2024
Financial Assets			
Cash		**5,038,292**	4,389,092
Investments	note 3	**339,311**	339,164
Taxes receivable		**640,167**	673,873
Accounts receivable		**1,260,602**	1,343,856
Loans receivable	note 4	**670,905**	728,313
		7,949,277	7,474,298
Liabilities			
Account payable and accrued liabilities		**570,355**	993,281
Deferred revenue	schedule 2	**137,790**	18,594
Asset retirement obligations	note 5	**1,134,817**	1,452,347
Municipal debt	note 6	**1,320,522**	1,411,708
		3,163,484	3,875,930
Net financial assets		**4,785,793**	3,598,368
Non-financial assets			
Tangible capital assets	schedule 3	**21,559,556**	21,815,192
Accumulated surplus	note 12	**$ 26,345,349**	$ 25,413,560

The accompanying notes and schedules are an integral part of these financial statements

MUNICIPALITY OF MORRIS-TURNBERRY

STATEMENT OF OPERATIONS

for the year ended December 31	2025 Budget	2025 Actual	2024 Actual
Revenue			
Taxation for municipal purposes	5,425,039	**5,381,151**	5,114,260
User fees	1,845,584	**1,418,219**	1,542,434
Government transfers - federal	117,573	**13,027**	114,597
Government transfers - provincial	807,233	**905,840**	926,423
Bank and other interest	252,605	**221,472**	292,068
Penalties and Interest on taxes	60,000	**75,562**	69,457
Gain(loss) on disposal of capital assets		**(62,744)**	(80,966)
	8,508,034	**7,952,527**	7,978,273
Expenditure			
General government	819,260	**729,065**	722,058
Protection services	1,464,127	**1,399,025**	1,686,721
Roadways	2,267,590	**3,155,402**	3,017,415
Environmental services	844,927	**806,595**	782,185
Health services	17,290	**15,659**	16,996
Recreation and culture	372,059	**294,610**	517,368
Planning and development	1,076,129	**620,382**	732,435
	6,861,382	**7,020,738**	7,475,178
Annual surplus (deficit)	1,646,652	**931,789**	503,095
Accumulated surplus beginning of year as previously stated	25,413,560	**25,413,560**	24,910,465
Accumulated surplus end of year	$ 27,060,212	**$ 26,345,349**	$ 25,413,560

The accompanying notes and schedules are an integral part of these financial statements

MUNICIPALITY OF MORRIS-TURNBERRY

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

for the year ended December 31	2025 Budget	2025 Actual	2024 Actual
Annual surplus (deficit)	1,646,652	**931,789**	503,095
Amortization of tangible capital assets	-	**1,115,852**	1,059,047
Acquisition of tangible capital assets	(1,631,500)	**(1,440,588)**	(1,788,810)
Writedown of tangible capital assets		**342,632**	-
Proceeds from sale of tangible capital assets	34,300	**174,996**	5,000
(Gain) loss on disposition of tangible capital asse	-	**62,744**	80,966
Increase (decrease) in net financial assets	49,452	**1,187,425**	(140,702)
Net financial assets beginning of year	-	**3,598,368**	3,739,070
Net financial assets end of year		**$ 4,785,793**	$ 3,598,368

The accompanying notes and schedules are an integral part of these financial statements

MUNICIPALITY OF MORRIS-TURNBERRY

STATEMENT OF CASH FLOWS

for the year ended December 31	2025	2024
Operating activities		
Annual surplus	**931,789**	503,095
Non-cash charges to operations		
Amortization	**1,115,852**	1,059,047
Writedown of tangible capital assets	**342,632**	-
Loss (gain) on disposal of capital assets	**62,744**	80,966
	2,453,017	1,643,108
Decrease (increase) in taxes receivable	**33,706**	(188,665)
Decrease (increase) in accounts receivable	**83,254**	(235,346)
Increase (decrease) in accounts payable	**(422,926)**	319,883
Increase (decrease) in deferred revenue	**119,196**	18,594
Increase (decrease) in asset retirement obligations	**(317,530)**	(2,945)
Cash provided from (used for) operating activities	**1,948,717**	1,554,629
Capital		
Acquisition of tangible capital assets	**(1,440,588)**	(1,788,810)
Proceeds from sale of tangible capital assets	**174,996**	5,000
Cash provided from (used for) capital activities	**(1,265,592)**	(1,783,810)
Investing		
Net decrease (increase) in investments	**(147)**	(534)
Net decrease (increase) in long-term receivables	**57,408**	(47,781)
Cash provided from (used for) investing activities	**57,261**	(48,315)
Financing		
Debt issued	**-**	-
Debt principal payments	**(91,186)**	(92,204)
Cash provided from (used for) financing activities	**(91,186)**	(92,204)
Net increase (decrease) in cash	**649,200**	(369,700)
Net cash less bank indebtedness beginning of year	**4,389,092**	4,758,792
Net cash less bank indebtedness end of year	**$ 5,038,292**	$ 4,389,092

The accompanying notes and schedules are an integral part of these financial statements

1. Accounting policies

The consolidated financial statements of the Municipality of Morris-Turnberry are the representation of management prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

Significant aspects of accounting policies adopted by the municipality are as follows:

a) Reporting entity

The consolidated financial statements reflect the financial assets, liabilities, operating revenue and expenditures, reserves and reserve funds and changes in investment in tangible capital assets of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for their administration of their financial affairs and resources to the municipality and which are owned or controlled by the municipality. In addition to general government tax-supported operations, they include water systems operated by the municipality and the municipality's proportionate share of joint local boards.
The following boards and municipal enterprises owned or controlled by Council have been consolidated:

Bluevale Community Committee

Inter-departmental and inter-organizational transactions and balances are eliminated.

The statements do not include trust funds that are administered for the benefit of external parties.

b) Accrual basis of accounting

Sources of financing and expenditures are reported on the accrual basis of accounting. Revenues are recognized as they are earned and measurable. Expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

c) 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.

d) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Classification	Useful Life
Land improvements	30 years
Buildings	50 - 60 years
Building improvements	25 years
Transportation roads infrastructure	10 - 100 years
Water system	30 - 80 years
Vehicles and heavy equipment	8 - 18 years
Other equipment	5 - 20 years

Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

1. Accounting policies (cont'd)

i) The municipality has a capitalization threshold of $2,000 for land, $15,000 for buildings and transportation infrastructure and $1,000 - $5,000 for various types of equipment, so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons. Examples of pooled assets are computer systems, equipment, furniture and fixtures.

ii) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

iii) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of 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.

e) Inventories

Inventories are recorded at the lower of cost or net realizable value.

f) Reserves for future expenditures

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital expenditure. Transfers to or from reserves are reflected as adjustments to the respective appropriated equity.

g) Pension and employee benefits

The municipality is an employer member of the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan. The municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. The municipality records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the plan for past employee service.

h) Deferred revenue

Amounts received and required by legislation, regulation or agreement to be set aside for specific, restricted purposes are reported in the statement of financial position as deferred revenue until the obligation is discharged. These amounts will be recognized as revenues in the period in which related expenditure are incurred.

i) Investments

Investments are recorded at cost plus accrued interest less amounts written off to reflect a permanent decline in value.

j) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

k) Asset Retirement Obligations

Asset retirement obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

1. Accounting policies (cont'd)

k) Asset Retirement Obligations (cont'd)

Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

l) Revenue recognition

Tax levies, based on assessment rolls issued by the Municipal Property Assessment Corporation and tax rates established by council, are recognized as revenue when the tax billings are issued. Adjustments to taxation revenue due to changes in assessments are initially recognized based on management's best estimates of the taxes that will be received.
Other revenue is recognized when related services are provided or goods delivered, collectibility is reasonably assured and there are no significant future obligations.
Government transfers are recognized in the in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria are met, and reasonable estimates can be made.

m) Future accounting pronouncements

These standards and amendments were not effective for the year ended December 31, 2025 and have therefore not been applied to these Consolidated Financial Statements. Management is currently assessing the impact of the following accounting standards updates on the future Consolidated Financial Statements.

(i) The Conceptual Framework for Financial Reporting in the Public Sector will replace current guidance in Section PS 1000 – Financial Statement Concepts and Section PS 1100 – Financial Statement Objectives. The new Conceptual Framework prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which PSAS are developed and professional judgment is applied. This new Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026 (the first effective year for the Municipality being the year ending December 31, 2027).

(ii) PS 1202 – Financial Statement Presentation was approved in March 2023. This standard supersedes PS 1201 – Financial Statement Presentation and covers a new conceptual framework and reporting model. Prior period amounts will need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026 (the first effective year for the Municipality being the year ending December 31, 2027).

(Iii)PS 3251 – Employee Benefits will replace PS 3250 – Retirement Benefits and PS 3255 – Postemployment Benefits, Compensated Absences and Termination Benefits. The standard aims to focus on refining the discount rate guidance for defined benefit plans, eliminating deferral approaches for actuarial gains/losses, and improving transparency. This standard is effective for fiscal years beginning on or after April 1, 2029 (the first effective year for the Municipality being the year ending December 31, 2030).

2. Operations of school boards and county

Taxation levied for school board and county purposes are not reflected in the financial statements. The amounts levied were:

	2025	2024
County of Huron	$3,009,504	$2,903,707
School Boards	1,223,061	1,207,253

3. Investments

Investments are comprised of guaranteed investment certificates yielding interest of 2.9%-4.85%, with laddered maturities in 2025 to 2029.

Income from investments for the year was $ 14,663 (2024 - $ 14,598).

4. Loans receivable

	2025	2024
Property owners for water system capital costs	512,046	533,003
Property owners for sewer project capital costs	24,226	27,908
Property owners for municipal drains	55,483	80,718
Property owners for tile drain loans	79,140	86,684
	$ 670,905	$ 728,313

Amounts due in the next five years are as follows:
2026: $72,661 2027: $68,448 2028: $41,437 2029: $43,116 2030: $44,875

5. Asset Retirement Obligations

The Municipality’s financial statements include an asset retirement obligation for the Morris Landfill and the Turnberry Landfill. The related asset retirement costs are being amortized on a straight line basis.

The liability for the Morris Landfill has been estimated using a net present value technique with a discount rate of 2.5% (2024 – 2.5%). The estimated total undiscounted future expenditures are $1,945,000 (2024 - $1,417,000), which are expected to be incurred over 63 years. The liability is expected to be fully settled in 2093.

The liability for the Turnberry Landfill has been estimated using a net present value technique with a discount rate of 2.5% (2024 – 2.5%). The estimated total undiscounted future expenditures are $900,000 (2024 - $910,000), which are to be incurred over 132 years. The liability is expected to be fully settled in 2157.

The Municipality owns a building which contain asbestos, and therefore, the Municipality is legally required to perform abatement activities upon renovation or demolition of these assets. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

The carrying amount of the liabilities are as follows:

	Morris Landfill	Turnberry Landfill	Asbestos	Total
Asset retirement obligation as at December 31, 2024	$ 1,165,578	$ 279,415	$ 7,354	$ 1,452,347
Current year expenditures		(10,500)		(10,500)
Change in estimate	(342,632)			(342,632)
Increase due to accretion expense	28,433	6,985	184	35,602
Asset retirement obligation as at December 31, 2025	$ 851,379	$ 275,900	$ 7,538	$ 1,134,817

6. Municipal debt

Debt payable	2025	2024
Water debenture payable to Ontario Infrastructure Projects Corporation in semi-annual payments of $ 29,721. including interest at 4.36% maturing Nov 2040	649,471	679,608
Belgrave Development project debenture payable to Ontario Infrastructure and Lands Corporation in semi-annual payments of $ 32,504. including interest at 1.82% maturing December 2035	591,911	645,416
Tile drain loans payable to the Ministry of Finance maturing from 2026 to 2033 with interest rates at 6%	79,140	86,684
	$ 1,320,522	$ 1,411,708

Principal payments due in the next five years are as follows:
2026: $93,944 2027: $96,807 2028: $99,778 2029: $102,862 2030: $106,064

7. Pension agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement System Pension Fund (OMERS), which is a multi-employer plan, on behalf of members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, any pension surpluses or deficits are the joint responsibility of Ontario municipal organizations and their employees. As a result, the municipality does not recognize any share of the OMERS pension surplus or deficit. The amount contributed for the year was $138,450 (2024: $124,023) for current services and is included as an expenditure on the consolidated statement of financial activities.

8. Contingencies

In the ordinary course of business, various claims and lawsuits are brought against the municipality. Because settlement amounts, if any, cannot be determined or because claims are expected to be within the municipality's insurance coverage, no provision has been made for the contingency in the financial statements.

9. Contractual obligations

The municipality has entered into certain contracts for services for future years including operation of water system at a base cost of $59,930 per year plus annual CPI adjustments for the period January 2024 to December 2029.

The municipality has contracted with other municipalities for fire protection services with automatic annual renewals but subject to termination on notice within specific time periods. Costs are partly fixed with adjustments for consumer price index increases and partly variable based on shared costs.

10. Tangible capital assets

Schedule 3 provides information on the tangible capital assets of the municipality by major class and by business segment, as well as for accumulated amortization of the assets controlled.

i) Contributed tangible capital assets
The municipality records all tangible capital assets contributed by external parties at fair value.

ii) Tangible capital assets recognized at nominal value
Certain assets have been assigned a nominal value of $1 because of the difficulty of determining a tenable valuation.

11. Budget amounts

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of change in net assets and operations for comparative purposes. The 2024 budget amounts for the municipality have been approved by Council. Certain amounts have been reclassified to conform to the basis of presentation of the revenues and expenditures on the consolidated statement of activities. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the budget approved by Council with the following adjustments:

Approved budget annual surplus (deficit)	-
Less: proceeds of disposal of capital assets	(34,300)
Add: acquisition of tangible capital assets	1,631,500
loan principal payment	53,505
net transfers to(from) reserves	(4,053)
Budgeted surplus reported on statement of operations	$ 1,646,652

12. Schedule of accumulated surplus

	2025	2024
Surpluses		
Invested in tangible capital assets		
Tangible capital assets	21,559,556	21,815,192
General revenue fund surplus (deficit)		
Township general	-	-
Bluevale Community Committee	48,223	70,297
Unfunded		
Long-term debt	(591,911)	(645,416)
Asset retirement obligations	(1,134,817)	(1,452,347)
	19,881,051	19,787,726
Reserves (schedule 1)	6,464,298	5,625,834
Accumulated surplus	$ 26,345,349	$ 25,413,560

13. Segmented information

The Municipality of Morris-Turnberry provides a wide range of services to its citizens such as recreational and cultural services, planning and development, fire, and transportation services. Distinguishable functional segments have been separately disclosed in the segmented information provided in schedule 4. Municipal taxation revenue and the Ontario Municipal Partnership Fund grant are allocated to general government. The nature of the segments and the activities they encompass are as follows:

General Government
This segment relates to the general operations of the municipality itself and cannot be directly attributed to a specific segment.

Protection to Persons and Property
Protection is comprised of fire protection, policing, court services, conservation authorities, protective inspection and control, building permit and inspection services, emergency measures and other protection services.

Transportation
Transportation services include road maintenance, winter control services, street light maintenance, parking lots, equipment maintenance and other transportation services.

Environmental Services
Environmental services include sanitary sewer system, storm sewer system, waterworks, waste collection, waste disposal and recycling.

Health Services
This service area includes cemeteries and other health services.

Recreational and Cultural Services
This service area provides public services that contribute to the provision of recreation and leisure facilities and programs, the maintenance of parks and open spaces, library services, museums and other cultural services.

Planning and Development
This segment includes matters relating to zoning and site plan controls, land acquisition, development initiatives, agriculture and reforestation, municipal drainage and tile drainage.

For additional information, see the schedule of segmented information.

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Municipalty of Morris-Turnberry

Schedule of Continuity of Reserves and Reserve Funds

Schedule 1

For the Year Ended December 31, 2025

	Balance, beginning of year	Revenues and contributions			Transfers			**Balance, end of year**
		From Operations	Other	Total	To Operations	To Capital Acquisitions	Total	
For general government	1,138,318	177,833		177,833	63,105		63,105	**1,253,046**
For protection services	485,488	382,091		382,091	166,718		166,718	**700,861**
For transportation services	2,276,239	1,315,618		1,315,618		652,428	652,428	**2,939,429**
For environmental services	576,144	151,932		151,932		221,227	221,227	**506,849**
For health services	36,045	12,612		12,612			-	**48,657**
For recreation and cultural services	211,916	33,778		33,778	35,346	31,647	66,993	**178,701**
For planning and development	901,684			-	64,929		64,929	**836,755**
	5,625,834	2,073,864	-	2,073,864	330,098	905,302	1,235,400	**$ 6,464,298**

Municipalty of Morris-Turnberry

Schedule of Deferred Revenue

Schedule 2

For the Year Ended December 31, 2025

	Balance, beginning of year	Revenues and contributions			Transfers			**Balance, end of year**
		From Operations	Interest	Total	To Operations	To Capital Acquisitions	Total	
Building permit fees unearned	18,594	186,248		186,248	171,598		171,598	**$ 33,244**
Canada Community Building Fund	-	117,573	851	118,424		13,878	13,878	**$ 104,546**
	18,594	303,821	851	304,672	171,598	13,878	185,476	**$ 137,790**

Municipalty of Morris-Turnberry

Schedule of Tangible Capital Assets Schedule 3A

For the Year Ended December 31, 2025

	General				Infrastructure					
	Land	Buildings	Machinery & Equipment	Vehicles	Plants and Facilities	Roads, Streetlights & Storm Sewers	Underground and other Networks	Bridges and other Structures	**Total Net Book Value 2025**	Total Net Book Value 2024
Cost										
Balance, beginning of year (adjusted)	2,071,154	1,181,048	798,868	3,044,897	1,771,373	15,814,727	1,880,262	12,702,946	**39,265,275**	38,323,672
Add: Additions during the year	536	47,471	20,502	274,288	203,520	423,009		471,262	**1,440,588**	1,788,810
Less: Disposals during the year			(3,734)	(158,688)	(131,657)	(188,265)			**(482,344)**	(847,207)
Write down of asset retirement obligat	(342,632)								**(342,632)**	-
Balance, end of year	1,729,058	1,228,519	815,636	3,160,497	1,843,236	16,049,471	1,880,262	13,174,208	**39,880,887**	39,265,275
Accumulated amortization										
Balance, beginning of year - adjusted	317,560	788,169	511,841	1,732,727	980,279	7,269,763	423,958	5,425,786	**17,450,083**	17,152,277
Add: Amortization during the year	48,702	33,879	44,210	217,944	67,537	450,835	24,388	228,357	**1,115,852**	1,059,047
Less: Accumulated amortization on disposals			(3,734)	(101,009)	(83,381)	(56,480)			**(244,604)**	(761,241)
Balance, end of year	366,262	822,048	552,317	1,849,662	964,435	7,664,118	448,346	5,654,143	**18,321,331**	17,450,083
Net Book Value of Tangible Capital Assets	1,362,796	406,471	263,319	1,310,835	878,801	8,385,353	1,431,916	7,520,065	**$ 21,559,556**	$ 21,815,192

Municipalty of Morris-Turnberry

Schedule of Tangible Capital Assets Schedule 3B

For the Year Ended December 31, 2025

	General Government	Protection	Roads	Water system	Storm Sewer Lines	Landfill	Health	Recreation and Cultural	Planning and Development	**Total Net Book Value 2025**	Total Net Book Value 2024
Cost											
Balance, beginning of year	608,683	59,392	32,028,479	3,689,253	101,676	2,384,938	44,581	336,823	11,450	**39,265,275**	38,323,672
Add: Additions during the year	2,471	2,798	1,149,700	210,120	18,858			56,641		**1,440,588**	1,788,810
Less: Disposals during the year	(1,570)	(2,164)	(346,953)	(131,657)						**(482,344)**	(847,207)
Write down of asset retirement obligations						(342,632)				**(342,632)**	-
Transfers			(76,641)			76,641				**-**	-
Balance, end of year	609,584	60,026	32,754,585	3,767,716	120,534	2,118,947	44,581	393,464	11,450	**39,880,887**	39,265,275
										-	
Accumulated Amortization											
Balance, beginning of year	447,394	44,788	14,822,182	1,404,237	41,083	434,235	-	253,874	2,290	**17,450,083**	17,152,277
Add: Amortization during the year	21,647	6,188	897,501	92,585	1,648	83,689		11,449	1,145	**1,115,852**	1,059,047
Less: Accumulated amortization on disposals	(1,570)	(2,164)	(157,487)	(83,383)						**(244,604)**	(761,241)
Transfers			(76,641)			76,641				**-**	-
Balance, end of year	467,471	48,812	15,485,555	1,413,439	42,731	594,565	-	265,323	3,435	**18,321,331**	17,450,083
Net Book Value of Tangible Capital Assets	142,113	11,214	17,269,030	2,354,277	77,803	1,524,382	44,581	128,141	8,015	**$ 21,559,556**	$ 21,815,192

Municipalty of Morris-Turnberry
Segmented Information Schedule 4
For the Year Ended December 31, 2025

	General Government	Police Protection	Fire Protection	Building Inspection	Other Protection	Roads, Street lights & Storm Sewers	Water System	Waste Disposal	Other Environmental	Health	Recreation and Culture	Planning and Development	**Total 2025**	Total 2024
Revenue														
Taxation	5,381,151												**5,381,151**	5,114,260
User charges	71,477			171,599	13,472	34,853	212,656	414,681		11,278	27,273	460,930	**1,418,219**	1,542,433
Grants - federal	-					13,027					-		**13,027**	114,597
Grants - provincial	420,613					385,884		478				98,865	**905,840**	926,423
Interest and penalties	272,033						19,800					5,201	**297,034**	361,526
Gain (loss) on disposal of assets						(137,640)						74,896	**(62,744)**	(80,966)
	6,145,274	-	-	171,599	13,472	296,124	232,456	415,159	-	11,278	27,273	639,892	**7,952,527**	7,978,273
Operating expenditure														
Wages, salaries and benefits	530,945			144,559	9,715	907,007	10,000	79,149	68,356	2,453		25,000	**1,777,184**	1,690,479
Contract services	41,808	470,415	574,655	4,499	145,522	653,276	128,571	207,958	-	13,206	243,453	524,195	**3,007,558**	3,593,846
Supplies and materials	134,665			26,935	16,537	695,970	46,046	123,178	1,686	-	39,524		**1,084,541**	1,124,251
Asset retirement obligation accretion								35,419			184		**35,603**	7,555
Amortization	21,647			5,710	478	899,149	92,585	83,689	1,145		11,449		**1,115,852**	1,059,047
	729,065	470,415	574,655	181,703	172,252	3,155,402	277,202	529,393	71,187	15,659	294,610	549,195	**7,020,738**	7,475,178
Net revenue (expense)	5,416,209	(470,415)	(574,655)	(10,104)	(158,780)	(2,859,278)	(44,746)	(114,234)	(71,187)	(4,381)	(267,337)	90,697	**931,789**	503,095

Seebach & Company

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NOTICE TO READER

To Council and Committee Members

On the basis of information provided by management, we have compiled the balance sheet of Municipality of Morris-Turnberry Bluevale Community Committee as at December 31, 2025, the statement of income and accumulated net revenue for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
February 19, 2026

MUNICIPALITY OF MORRIS-TURNBERRY

BLUEVALE COMMUNITY COMMITTEE

STATEMENT OF FINANCIAL POSITION

Unaudited - See Compiliation Report

as at December 31	2025	2024
Assets		
Cash	**62,318**	68,577
Accounts receivable	**390**	2,920
HST recoverable	**1,339**	175
	$ 64,047	$ 71,672
Liabilities		
Accounts payable	**15,824**	1,374
	15,824	1,374
Accumulated net revenue		
Balance beginning of year	**70,298**	31,613
Net revenue (deficit) for year	**(22,075)**	38,685
Balance end of year	**$ 48,223**	$ 70,298
	$ 64,047	$ 71,672

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31	2025	2024
Revenue		
Municipality of Morris-Turnberry	**2,040**	2,040
Hall rentals and memberships	**3,680**	3,850
Interest	**2,220**	3,547
Donations	**1,850**	2,351
Fundraising revenue	**19,137**	17,134
Homecoming revenue	**-**	128,526
Diamond rental	**386**	611
	29,313	158,059
Expenditure		
Capital expenditures	**8,634**	-
Repairs, maintenance and equipment	**25,245**	9,149
Utilities	**3,590**	3,611
Administrative	**61**	165
Telephone and internet	**1,417**	1,236
Fundraising expenses and event prizes	**11,166**	8,676
Homecoming exepenses	**-**	87,337
Donations	**1,275**	9,200
	51,388	119,374
Net revenue (deficit) for year	**($ 22,075)**	$ 38,685

1. Accounting policies

The basis of accounting applied in the preparation of the financial information is on the historical cost basis, reflecting cash transactions with the addition of accounts receivable and accounts payable and accrued liabilities. Property, plant and equipment purchases are expensed as incurred.