

RURAL MUNICIPALITY OF HANOVER

**Consolidated Financial Statements
For the Year Ended December 31, 2021**

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Rural Municipality of Hanover and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Chartered Professional Accountants Canada.

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

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

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

A handwritten signature in black ink, appearing to read 'Luc Lahaie', is written over a horizontal line.

Luc Lahaie
Chief Administrative Officer

INDEPENDENT AUDITORS' REPORT

To the Reeve and members of Council of the
RURAL MUNICIPALITY OF HANOVER

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Hanover, which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Hanover as at December 31, 2021, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2021 in accordance with Canadian Public Sector Accounting Standards.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality 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 those 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 these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditors' 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 auditors' 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. 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 Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
June 15, 2022

RURAL MUNICIPALITY OF HANOVER

Consolidated Financial Statements

For the Year Ended December 31, 2021


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RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	<u>2021</u>	<u>2020</u> <i>(Note 18)</i>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 21,331,943	\$ 16,209,467
Portfolio investments (Note 4)	595,943	1,165,674
Amounts receivable (Notes 5, 18)	2,913,589	3,129,589
Loans and advances (Note 6)	<u>116,747</u>	<u>224,405</u>
	<u>\$ 24,958,222</u>	<u>\$ 20,729,135</u>
LIABILITIES		
Accounts payable and accrued liabilities (Notes 8, 18)	\$ 2,806,488	\$ 3,166,185
Vacation and sick leave payable	117,384	101,978
Long-term debt (Note 9)	<u>6,010,704</u>	<u>7,063,432</u>
	<u>8,934,576</u>	<u>10,331,595</u>
NET FINANCIAL ASSETS	<u>\$ 16,023,646</u>	<u>\$ 10,397,540</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 51,195,957	\$ 49,977,412
Inventories (Notes 7, 18)	498,751	1,252,647
Prepaid expenses	<u>138,913</u>	<u>101,773</u>
	<u>51,833,621</u>	<u>51,331,832</u>
ACCUMULATED SURPLUS (Note 13)	<u><u>\$ 67,857,267</u></u>	<u><u>\$ 61,729,372</u></u>

Approved on behalf of Council:


 Reeve


 Councillor

The accompanying notes are an integral part of this financial statement

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2021

	2021 Budget (Note 12)	2021 Actual	2020 Actual (Note 18)
REVENUE			
Property taxes	\$ 9,302,107	\$ 9,405,502	\$ 8,977,812
Grants in lieu of taxation	123,298	123,298	112,417
User fees	1,890,559	2,150,464	1,733,056
Permits, licences and fines	603,495	1,101,044	772,870
Investment income	77,693	233,780	224,189
Other revenue	1,201,568	1,630,367	1,824,182
Water and sewer	1,181,280	1,749,177	1,957,975
Grants - Province of Manitoba	1,368,809	1,617,210	2,521,253
Grants - other	1,068,063	1,880,696	1,040,139
Total revenue (Schedules 2, 4 and 5)	16,816,872	19,891,538	19,163,893
EXPENSES			
General government services	2,022,038	1,885,758	1,839,521
Protective services	1,476,970	1,542,291	1,465,923
Transportation services	5,585,044	5,569,162	5,174,170
Environmental health services	967,450	963,573	916,928
Public health and welfare services	8,602	8,602	8,602
Regional planning and development	216,300	214,738	204,559
Resource conservation and industrial development	160,618	106,931	63,127
Recreation and cultural services	1,927,820	1,345,028	1,207,476
Water and sewer services	1,945,968	2,127,560	1,929,485
Total expenses (Schedules 3, 4 and 5)	14,310,810	13,763,643	12,809,791
ANNUAL SURPLUS	\$ 2,506,062	6,127,895	6,354,102
ACCUMULATED SURPLUS, AS PREVIOUSLY STATED		61,708,101	55,375,270
CORRECTION OF AN ERROR (Note 18)		\$ 21,271	\$ -
ACCUMULATED SURPLUS, AS RESTATED		\$ 61,729,372	\$ 55,375,270
ACCUMULATED SURPLUS, END OF YEAR		\$ 67,857,267	\$ 61,729,372

The accompanying notes are an integral part of this financial statement

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2021

	<div> <div>2021</div> <div>Budget</div> <div>(Note 12)</div> </div>	<div> <div>2021</div> <div>Actual</div> </div>	<div> <div>2020</div> <div>Actual</div> <div>(Note 18)</div> </div>
ANNUAL SURPLUS (DEFICIT)	\$ 2,506,062	\$ 6,127,895	\$ 6,354,102
Acquisition of tangible capital assets	(1,515,965)	(4,452,366)	(5,238,185)
Amortization of tangible capital assets	3,034,098	3,034,100	2,819,112
Loss (Gain) on sale of tangible capital assets	-	11,650	65,810
Proceeds on sale of tangible capital assets	-	188,071	160,655
Decrease (increase) in inventories	-	753,896	(1,049,022)
Decrease (increase) in prepaid expense	-	(37,140)	47,123
	1,518,133	(501,789)	(3,194,507)
CHANGE IN NET FINANCIAL ASSETS	\$ 4,024,195	5,626,106	3,159,595
NET FINANCIAL ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY STATED		9,935,872	7,237,945
CORRECTION OF AN ERROR (Note 18)		461,668	-
NET FINANCIAL ASSETS, BEGINNING OF YEAR, AS RESTATED		10,397,540	7,237,945
NET FINANCIAL ASSETS, END OF YEAR		\$ 16,023,646	\$ 10,397,540

The accompanying notes are an integral part of this financial statement

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u> <i>(Note 18)</i>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 6,127,895	\$ 6,354,102
Changes in non-cash items:		
Amounts receivable	215,999	22,286
Inventories	753,896	(1,049,022)
Prepays	(37,140)	47,123
Accounts payable and accrued liabilities	(359,697)	523,926
Severance and vested sick leave payable	15,406	14,720
Landfill closure and post closure liabilities	-	-
Environmental liabilities	-	-
Donated assets	(1,625,800)	(1,482,660)
Loss (Gain) on sale of tangible capital asset	11,650	65,810
Amortization	3,034,100	2,819,112
	<u>8,136,310</u>	<u>7,315,397</u>
Cash provided by operating transactions		
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	188,071	160,655
Cash used to acquire tangible capital assets	(2,826,566)	(3,755,525)
	<u>(2,638,495)</u>	<u>(3,594,870)</u>
Cash applied to capital transactions		
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	107,658	113,858
Purchase of portfolio investments	569,731	540,258
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
	<u>677,389</u>	<u>654,116</u>
Cash applied to investing transactions		
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(1,052,728)	(1,015,407)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
	<u>(1,052,728)</u>	<u>(1,015,407)</u>
Cash applied to financing transactions		
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	5,122,476	3,359,236
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>16,209,467</u>	<u>12,850,231</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$21,331,943</u>	<u>\$16,209,467</u>

The accompanying notes are an integral part of this financial statement

RURAL MUNICIPALITY OF HANOVER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. Status of the Rural Municipality of Hanover

The incorporated Rural Municipality of Hanover ("the Municipality") is a municipality that was formed in 1881 pursuant to The Municipal Act. The Municipality provides or funds municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations. The Municipality also own five utilities, has several designated special purpose reserves and provides funding support for other financial entities involved in economic development, recreation and tourism.

2. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with 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:

a) Reporting Entity

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

Hanover Community Development Corporation (consolidated 100%)(2020 - consolidated 100%)

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

Trust funds and their related operations administered by the Municipality are not consolidated in these financial statements. There are currently no trust funds administered by the Municipality.

b) Basis of Accounting

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

c) Cash and Temporary Investments

Cash and temporary investments include cash and short-term investments with maturities of three months or less from the date of acquisition.

d) Investments

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

Portfolio investments are accounted for at cost.

e) 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.

It is reasonably anticipated that real estate properties held for resale will be sold outside the reporting entity within one year of the balance sheet date.

f) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

Real estate properties and inventories held for sale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date.

g) Tangible Capital Assets

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

General Tangible Capital Assets

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

Infrastructure Assets

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

Certain assets which have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

Intangibles, Crown lands that have not been purchased by the Municipality, forests, water, and other natural resources are not recognized as tangible capital assets.

h) Leases

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

i) Inventories

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

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

j) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government Transfers

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

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

k) Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable possible amount, as there is whenever estimates are used.

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

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	2021	2020
Cash	\$ 17,513,476	\$ 15,049,555
Temporary investments	3,818,467	1,159,912
	<u>\$ 21,331,943</u>	<u>\$ 16,209,467</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. These investments earn interest at rates from 1.30% to 2.40% and mature during 2022. The Municipality has designated \$19,147,171 (2020 - \$15,347,978) to reserves for debt principal repayments and tangible capital asset acquisitions. See Schedule 6 – Schedule of Change in Reserve Fund Balances.

The Municipality has access to a line of credit at Royal Bank with a limit of \$1,000,000. The full amount of the authorized limit was available for use at December 31, 2021 (2020 - \$1,000,000).

4. Portfolio Investments

	2021	2020
Marketable securities:		
Government of Canada	\$ -	\$ -
Access Credit Union	595,943	1,165,674
Municipal Debentures	<u>1,156,465</u>	<u>1,200,839</u>
	\$ 1,752,408	\$ 2,366,513
Less: Debentures issued by the Municipality (Note 9)	<u>(1,156,465)</u>	<u>(1,200,839)</u>
	<u>\$ 595,943</u>	<u>\$ 1,165,674</u>

5. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2021</u>	<u>2020</u> <i>(Note 18)</i>
Taxes on roll (Schedule 11)	\$ 1,605,159	\$ 1,709,082
Government grants	358,353	202,065
Utility customers	82,752	77,791
Accrued interest	-	-
Organizations and individuals	843,382	1,088,173
Other governments	73,943	102,478
	<u>2,963,589</u>	<u>3,179,589</u>
Less allowances for doubtful amounts	<u>(50,000)</u>	<u>(50,000)</u>
	<u><u>\$ 2,913,589</u></u>	<u><u>\$ 3,129,589</u></u>

6. Loans and Advances

The Municipality has issued loans to various local companies with interest rates from 3.55% to 3.75% with annual blended payments totalling \$119,118 and maturing in 2022. These loans have no allowance and are unsecured.

7. Inventories

Inventories for sale:

	<u>2021</u>	<u>2020</u> <i>(Note 18)</i>
Land for resale	\$ 324,434	\$ 1,089,540

Inventories for use:

Chemicals, herbicides, insecticides	\$ -	\$ -
Fuel	-	-
Culverts	4,539	4,703
Aggregate	-	-
Other supplies	169,778	158,404
	<u>498,751</u>	<u>1,252,647</u>
	<u><u>\$ 498,751</u></u>	<u><u>\$ 1,252,647</u></u>

8. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 585,202	\$ 1,264,296
Accrued expenses	188,505	161,878
Accrued interest payable	-	-
Government remittances	56,067	4,135
Refundable deposits	947,550	699,500
School levies	1,029,164	1,036,376
Other governments	-	-
	<u>2,806,488</u>	<u>3,166,185</u>
	<u><u>\$ 2,806,488</u></u>	<u><u>\$ 3,166,185</u></u>

9. Long Term Debt

	<u>2021</u>	<u>2020</u>
General Authority:		
Debenture 2317-13, Interest at 4.000%, payable at \$3,746 annually including interest, maturing December 31, 2023	\$ 7,065	\$ 10,394
Debenture 2402-16, Interest at 3.500%, payable at \$7,353 annually including interest, matured December 31, 2021	-	7,105
Debenture 2411-17, Interest at 3.500% payable at \$1,993 annually including interest, maturing December 31, 2022	1,926	3,787
Debenture 2512-21, Interest at 3.500%, payable at \$8,404 annually including interest, maturing December 31, 2026	37,946	-
Debenture 2381-15, Interest at 3.250%, payable at \$13,832 annually including interest, maturing December 31, 2025	51,110	62,898
Debenture 2375-15, Interest at 2.940%, payable at \$180,158 annually including interest, maturing August 1, 2025	678,837	836,605
Debenture 2404-16, interest at 3.500%, payable at \$1,898 annually including interest, matured December 31, 2021	-	1,834
Debenture 2440-19, interest at 4.160%, payable at \$83,957 annually including interest, maturing April 1, 2039	1,081,904	1,121,815
Debenture 2488-20, interest at 3.000%, payable at \$15,308 annually including interest, maturing December 31, 2025	56,903	70,108
Debenture 2487-20, interest at 3.000%, payable at \$17,914 annually including interest, maturing December 31, 2025	66,589	82,042
Debenture 2425-18, interest at 4.125%, payable at \$81,838 annually including interest, maturing December 31, 2038	986,036	1,025,569
	<u>\$ 2,968,316</u>	<u>\$ 3,222,157</u>

Balance carried forward	<u>\$ 2,968,316</u>	<u>\$ 3,222,157</u>
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Utility Funds:

Debenture 2148 for Kleefeld Utility, Interest at 3.350%, payable at \$191,131 annually including interest, maturing October 1, 2025	\$ 710,430	\$ 873,882
Debenture 2215 for Mitchell Utility, interest at 3.980%, payable at \$269,446 annually including interest, maturing September 1, 2024	757,891	991,433
Debenture 2281 for Grunthal Utility, interest at 3.920% payable at \$223,597 annually including interest, maturing March 1, 2026	1,030,333	1,213,678
Debenture 2297 for Grunthal Utility, interest at 3.800% payable at \$243,892 annually including interest, maturing December 31, 2027	1,286,879	1,474,731
Debenture 2364 for Grunthal Utility, interest at 3.600%, payable at \$4,109 annually including interest, maturing December 31, 2024	11,490	15,056
Debenture 2218 for New Bothwell Utility, interest at 3.920%, payable at \$87,203 annually including interest, maturing March 1, 2026	<u>401,830</u>	<u>473,334</u>
Utility debenture sub-total	\$ 4,198,853	\$ 5,042,114
Total debentures	7,167,169	8,264,271
Less: Internally Held Debentures	<u>(1,156,465)</u>	<u>(1,200,839)</u>
	<u>\$ 6,010,704</u>	<u>\$ 7,063,432</u>

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

2022	\$ 1,075,253
2023	\$ 1,114,789
2024	\$ 1,155,794
2025	\$ 924,767
2026	\$ 572,887

10. Retirement Benefits

The majority of the employees of the Municipality 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% 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 Municipality on behalf of its employees amounted to \$181,071 (2020 - \$176,415) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2020 indicated the plan was 96.7% funded on a going concern basis and had an unfunded solvency liability of \$333.3 million. The solvency position of the plan is determined by comparing the plan assets to the actuarial present value of the benefits accrued in respect of credited service up to the valuation date, calculated as if the plan were wound up on December 31, 2020.

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

11. Financial Instruments

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

12. Budget

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

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

13. Accumulated Surplus

	<u>2021</u>	<u>2020</u> (Note 18)
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 2,619,714	\$ 2,509,477
Utility operating fund(s) - Nominal surplus	416,513	347,153
TCA net of related borrowings	45,185,255	42,913,980
Reserve funds	<u>19,147,171</u>	<u>15,347,978</u>
Accumulated surplus of municipality unconsolidated	67,368,653	61,118,588
Accumulated surpluses of consolidated entities	<u>488,614</u>	<u>610,784</u>
Accumulated surplus per Consolidated Statement of Financial Position	<u><u>\$ 67,857,267</u></u>	<u><u>\$ 61,729,372</u></u>

14. Public Sector Compensation Disclosure

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

- a) Compensation paid to members of council amounted to \$355,915 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - Stan Toews	\$ 50,847	\$ 3,624	\$ 54,471
Councillor - John Giesbrecht	38,461	3,870	42,331
Councillor - Bob Brandt	41,545	230	41,775
Councillor - Brian Esau	38,461	2,704	41,165
Councillor - Jim Funk	38,461	1,288	39,749
Councillor - Travis Doerksen	38,461	920	39,381
Councillor - Darrin Warkentin	38,461	575	39,036
Committee Member - Paul Perreault	6,900	573	7,473
Committee Member - Kevin Medeiros	7,200	185	7,385
Committee Member - Roger Harder	7,200	181	7,381
Committee Member - Anita Funk	6,900	368	7,268
Committee Member - Roberto Hiebert	7,200	-	7,200
Committee Member - Cliff Froese	7,200	-	7,200
Committee Member - Brad Kehler	7,200	-	7,200
Committee Member - Thomas Guenther	<u>6,900</u>	<u>-</u>	<u>6,900</u>
	<u><u>\$ 341,397</u></u>	<u><u>\$ 14,518</u></u>	<u><u>\$ 355,915</u></u>

c) The following officers received compensation in excess of \$75,000:

Name	Position	Amount
<i>Luc Lahaie</i>	<i>CAO</i>	\$ 138,631
<i>Robert Driedger</i>	<i>Utilities and Engineering Manager</i>	\$ 105,206
<i>Derek Decru</i>	<i>CFO</i>	\$ 102,593
<i>Wesley Fehr</i>	<i>Public Works Manager</i>	\$ 100,812
<i>Jeremy Neufeld</i>	<i>Manager of Planning and I.T.</i>	\$ 90,651
<i>Barry Plett</i>	<i>Building Inspector</i>	\$ 90,450
<i>Paul Wiebe</i>	<i>Fire Chief</i>	\$ 86,960
<i>Matthew Thiessen</i>	<i>Public Works Foreman</i>	\$ 79,994

15. Segmented Information

The Rural Municipality of Hanover provides a wide ranges of services to its residents.

Segmented information has been provided in Schedule 4 for the following services:

- General Government
- Protective Services
- Transportation Services
- Environmental Health
- Public Health and Welfare Services
- Regional Planning and Development
- Resources Conservation and Industrial Development
- Recreation and Cultural Services
- Water and Sewer Services

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

16. Public Utilities Board

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

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

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

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Grunthal Utility	\$ 8,126	\$ -	\$ 560	\$ 7,566
Kleefeld Utility	425,806	-	17,529	408,277
	<u>\$ 433,932</u>	<u>\$ -</u>	<u>\$ 18,089</u>	<u>\$ 415,843</u>

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Grunthal Utility	\$ 670,965	\$ -	\$ 44,800	\$ 626,165
Kleefeld Utility	1,447,099	-	46,942	1,400,157
New Bothwell Utility	1,224,164	-	45,492	1,178,672
Blumenort Utility	2,188,691	-	191,045	1,997,646
Mitchell Utility	546,750	-	36,398	510,352
	<u>\$ 6,077,669</u>	<u>\$ -</u>	<u>\$ 364,677</u>	<u>\$ 5,712,992</u>

17. Subsequent Events

COVID-19

Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. Management of the Municipality continues to maintain operations where possible, while looking out for the needs and safety of the public and employees.

Operations in the historical financial statements, as presented, do not give rise to potential going-concern issues. However, given the uncertainties on the economy, management cannot predict the effect that this will have on their future operations or cash flows.

18. Correction of an Error

During the year, there was an error discovered in the records of the Hanover Community Development Corporation. The adjustments to correct resulted in amounts receivable increasing by \$521,700, increased land sales by \$272,231, increased accounts payable by \$60,032, decreased inventory by \$440,397, and increased expenses by \$250,960. These adjustments resulted in an increase to opening surplus by \$21,271.

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2021

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2021	2020
Cost										
Opening costs	\$ 7,185,299	\$ 7,504,951	\$ 10,703,284	\$ 437,194	\$ 8,799	\$ 49,950,092	\$ 32,822,114	\$ 647,354	\$ 109,259,087	\$ 104,836,600
Additions during the year	347,078	104,778	869,048	-	319,760	2,439,498	410,150	-	4,490,312	6,417,037
Disposals and write downs	-	-	(350,202)	-	(37,946)	-	-	-	(388,148)	(1,994,552)
Closing costs	7,532,377	7,609,729	11,222,130	437,194	290,613	52,389,590	33,232,264	647,354	113,361,251	109,259,085
Accumulated Amortization										
Opening accum'd amortization	1,183,183	2,966,764	4,659,818	417,220	-	36,655,516	13,399,172	-	59,281,673	57,051,796
Amortization	317,436	266,542	844,856	5,914	-	690,921	908,431	-	3,034,100	2,819,112
Disposals and write downs	-	-	(150,479)	-	-	-	-	-	(150,479)	(589,235)
Closing accum'd amortization	1,500,619	3,233,306	5,354,195	423,134	-	37,346,437	14,307,603	-	62,165,294	59,281,673
Net Book Value of Tangible Capital Assets	\$ 6,031,758	\$ 4,376,423	\$ 5,867,935	\$ 14,060	\$ 290,613	\$ 15,043,153	\$ 18,924,661	\$ 647,354	\$ 51,195,957	\$ 49,977,412

The Municipality has 822 km of roads that are capitalized at a nominal value of \$39,933,894.

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF REVENUES
For the Year Ended December 31, 2021

SCHEDULE 2

	2021 Actual	2020 Actual (Note 18)
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 8,876,370	\$ 8,454,660
Taxes added	529,132	523,152
	<u>9,405,502</u>	<u>8,977,812</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	-	-
Provincial government	-	568
Provincial government enterprises	123,298	111,849
Other local governments	-	-
Non-government organizations	-	-
	<u>123,298</u>	<u>112,417</u>
User fees		
Parking meters	-	-
Sales of service	164,451	164,185
Sales of goods	75,812	28,731
Rentals	337,752	414,737
Development charges	1,415,955	997,636
Facility use fees	156,494	127,767
	<u>2,150,464</u>	<u>1,733,056</u>
Permits, licences and fines		
Permits	903,739	569,564
Licences	7,865	6,380
Fees	187,475	194,536
Fines	1,965	2,390
	<u>1,101,044</u>	<u>772,870</u>
Investment income:		
Cash and temporary investments	233,780	224,189
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>233,780</u>	<u>224,189</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(11,650)	(65,810)
Gain on sale of real estate held for sale	404,126	272,231
Contributed assets	585,444	906,575
Penalties and interest	149,079	159,920
Donations	41,621	52,804
Miscellaneous	461,747	498,462
	<u>1,630,367</u>	<u>1,824,182</u>
Water and sewer		
Municipal utilities (Schedule 9)	1,749,177	1,957,975
Consolidated water co-operatives	-	-
	<u>1,749,177</u>	<u>1,957,975</u>
Grants - Province of Manitoba		
General assistance payment	-	-
General support grant	1,048,315	1,979,875
Municipal program grants	-	-
Other unconditional grants	-	-
Conditional grants	568,895	541,378
	<u>1,617,210</u>	<u>2,521,253</u>
Grants - other		
Federal government - gas tax funding	1,731,880	846,697
Federal government - other	-	-
Other local governments	148,816	193,442
	<u>1,880,696</u>	<u>1,040,139</u>
Total revenue	<u><u>\$ 19,891,538</u></u>	<u><u>\$ 19,163,893</u></u>

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2021

SCHEDULE 3

	2021 Actual	2020 Actual
General government services:		
Legislative	\$ 398,540	\$ 375,060
General administrative	1,370,923	1,317,034
Other	116,295	147,427
	1,885,758	1,839,521
Protective services:		
Police	-	-
Fire	1,145,267	1,093,707
Emergency measures	10,947	10,449
Other	386,077	361,767
	1,542,291	1,465,923
Transportation services:		
Road transport		
Administration and engineering	2,178,562	1,957,892
Road and street maintenance	2,897,041	2,896,716
Ditches and drainage	219,096	168,194
Sidewalk and boulevard maintenance	63,194	41,402
Street lighting	211,269	109,966
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	5,569,162	5,174,170
Environmental health services:		
Waste collection and disposal	440,314	421,061
Recycling	294,432	298,170
Other	228,827	197,697
	963,573	916,928
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	8,602	8,602
Other	-	-
	8,602	8,602
Regional planning and development		
Planning and zoning	214,138	204,559
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	600	-
Other	-	-
	214,738	204,559
Resource conservation and industrial development		
Rural area weed control	300	1,701
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	24,500	24,500
Regional development	82,131	36,926
Industrial development	-	-
Tourism	-	-
Other	-	-
	106,931	63,127
Sub-totals forward	\$ 10,291,055	\$ 9,672,830

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2021

SCHEDULE 3

	2021 Actual	2020 Actual
Sub-totals forward	\$ 10,291,055	\$ 9,672,830
Recreation and cultural services:		
Administration	736,022	705,002
Community centers and halls	86,713	231,591
Swimming pools and beaches	49,565	-
Golf courses	-	-
Skating and curling rinks	213,788	97,552
Parks and playgrounds	198,123	114,043
Other recreational facilities	47,097	48,808
Museums	-	-
Libraries	13,720	10,480
Other cultural facilities	-	-
	1,345,028	1,207,476
Water and sewer services (Schedule 9)		
Municipal utilities (Schedule 9)	2,127,560	1,929,485
Consolidated water co-operatives	-	-
	2,127,560	1,929,485
Total expenses	\$ 13,763,643	\$ 12,809,791

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2021

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	(Note 18)									
REVENUE										
Property taxes	\$ 8,515,192	\$ 8,100,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	123,298	112,417	-	-	-	-	-	-	-	-
User fees	88,185	70,361	45,279	66,837	386,431	281,046	990	2,892	-	-
Grants - other	1,731,880	846,697	-	-	-	-	-	-	-	-
Permits, licences and fines	197,305	203,306	-	-	-	-	-	-	-	-
Investment income	232,002	220,028	-	-	-	-	-	-	-	-
Other revenue	889,510	1,136,662	-	-	406	447	184,926	191,889	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,048,315	1,979,875	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	283,409	270,508	-	-	-	-	276,840	257,479	-	-
Total revenue	\$ 13,109,096	\$ 12,940,539	\$ 45,279	\$ 66,837	\$ 386,837	\$ 281,493	\$ 462,756	\$ 452,260	\$ -	\$ -
EXPENSES										
Personnel services	\$ 926,362	\$ 834,667	\$ 566,427	\$ 491,620	\$ 1,382,775	\$ 1,350,775	\$ 164,750	\$ 161,955	\$ -	\$ -
Contract services	573,515	499,539	250,903	221,191	-	-	745,366	724,916	8,602	8,602
Utilities	28,173	25,904	31,161	25,920	122,688	126,622	981	799	-	-
Maintenance materials and supplies	91,045	77,955	210,659	266,308	2,606,793	2,391,986	36,919	18,631	-	-
Grants and contributions	141,185	246,615	-	-	-	-	-	-	-	-
Amortization	116,388	139,070	324,419	301,047	1,429,090	1,275,488	15,557	10,627	-	-
Interest on long term debt	-	-	86,350	89,511	27,816	29,299	-	-	-	-
Other	9,090	15,771	72,372	70,326	-	-	-	-	-	-
Total expenses	\$ 1,885,758	\$ 1,839,521	\$ 1,542,291	\$ 1,465,923	\$ 5,569,162	\$ 5,174,170	\$ 963,573	\$ 916,928	\$ 8,602	\$ 8,602
Surplus (Deficit)	\$ 11,223,338	\$ 11,101,018	\$ (1,497,012)	\$ (1,399,086)	\$ (5,182,325)	\$ (4,892,677)	\$ (500,817)	\$ (464,668)	\$ (8,602)	\$ (8,602)

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

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2021

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
			(Note 18)						(Note 18)	
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 890,310	\$ 877,127	\$ 9,405,502	\$ 8,977,812
Grants in lieu of taxation	-	-	-	-	-	-	-	-	123,298	112,417
User fees	1,504,293	1,070,841	-	-	125,286	241,079	-	-	2,150,464	1,733,056
Grants - other	-	-	-	-	148,816	193,442	-	-	1,880,696	1,040,139
Permits, licences and fines	903,739	569,564	-	-	-	-	-	-	1,101,044	772,870
Investment income	-	-	1,778	3,170	-	991	-	-	233,780	224,189
Other revenue	-	-	404,126	272,231	151,399	222,953	-	-	1,630,367	1,824,182
Water and sewer	-	-	-	-	-	-	1,749,177	1,957,975	1,749,177	1,957,975
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,048,315	1,979,875
Prov of MB - Conditional Grants	-	-	-	-	8,646	13,391	-	-	568,895	541,378
Total revenue	\$ 2,408,032	\$ 1,640,405	\$ 405,904	\$ 275,401	\$ 434,147	\$ 671,856	\$ 2,639,487	\$ 2,835,102	\$ 19,891,538	\$ 19,163,893
EXPENSES										
Personnel services	\$ 191,552	\$ 190,826	\$ -	\$ -	\$ 339,047	\$ 329,705	\$ -	\$ -	\$ 3,570,913	\$ 3,359,548
Contract services	12,688	10,600	72,369	32,667	229,857	167,526	68,524	59,117	1,961,824	1,724,158
Utilities	-	-	-	-	68,183	89,675	156,130	142,329	407,316	411,249
Maintenance materials and supplies	10,498	3,133	799	470	249,341	247,403	818,360	625,376	4,024,414	3,631,262
Grants and contributions	-	-	24,500	24,500	193,815	161,550	-	-	359,500	432,665
Amortization	-	-	-	-	240,214	193,806	908,431	895,697	3,034,099	2,815,735
Interest on long term debt	-	-	-	-	2,044	2,415	176,115	206,966	292,325	328,191
Other	-	-	9,263	5,490	22,527	15,396	-	-	113,252	106,983
Total expenses	\$ 214,738	\$ 204,559	\$ 106,931	\$ 63,127	\$ 1,345,028	\$ 1,207,476	\$2,127,560	\$ 1,929,485	\$ 13,763,643	\$ 12,809,791
Surplus (Deficit)	\$ 2,193,294	\$ 1,435,846	\$ 298,973	\$ 212,274	\$ (910,881)	\$ (535,620)	\$ 511,927	\$ 905,617	\$ 6,127,895	\$ 6,354,102

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2021

SCHEDULE 5

	Core Government		Controlled Entities		Government Partnerships		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
				(Note 18)				(Note 18)
REVENUE								
Property taxes	\$ 9,405,502	\$ 8,977,812	\$ -	\$ -	\$ -	\$ -	\$ 9,405,502	\$ 8,977,812
Grants in lieu of taxation	123,298	112,417	-	-	-	-	123,298	112,417
User fees	2,150,464	1,612,301	-	120,755	-	-	2,150,464	1,733,056
Grants - other	1,880,696	1,037,939	-	2,200	-	-	1,880,696	1,040,139
Permits, licences and fines	1,101,044	772,870	-	-	-	-	1,101,044	772,870
Investment income	232,002	220,087	1,778	4,102	-	-	233,780	224,189
Other revenue	1,226,241	1,551,628	404,126	272,554	-	-	1,630,367	1,824,182
Water and sewer	1,749,177	1,957,975	-	-	-	-	1,749,177	1,957,975
Prov of MB - Unconditional Grants	1,048,315	1,979,875	-	-	-	-	1,048,315	1,979,875
Prov of MB - Conditional Grants	568,895	541,378	-	-	-	-	568,895	541,378
Total revenue	\$ 19,485,634	\$ 18,764,282	\$ 405,904	\$ 399,611	\$ -	\$ -	\$ 19,891,538	\$ 19,163,893
EXPENSES								
Personnel services	\$ 3,570,913	\$ 3,272,918	\$ -	\$ 86,630	\$ -	\$ -	\$ 3,570,913	\$ 3,359,548
Contract services	1,889,455	1,687,466	72,369	36,692	-	-	1,961,824	1,724,158
Utilities	407,316	373,076	-	38,173	-	-	407,316	411,249
Maintenance materials and supplies	4,023,915	3,529,262	499	102,000	-	-	4,024,414	3,631,262
Grants and contributions	359,500	432,665	-	-	-	-	359,500	432,665
Amortization	3,034,099	2,780,829	-	34,906	-	-	3,034,099	2,815,735
Interest on long term debt	292,325	328,191	-	-	-	-	292,325	328,191
Other	113,252	102,097	-	4,886	-	-	113,252	106,983
Total expenses	\$ 13,690,775	\$ 12,506,504	\$ 72,868	\$ 303,287	\$ -	\$ -	\$ 13,763,643	\$ 12,809,791
Surplus (Deficit)	\$ 5,794,859	\$ 6,257,778	\$ 333,036	\$ 96,324	\$ -	\$ -	\$ 6,127,895	\$ 6,354,102

RURAL MUNICIPALITY OF HANOVER

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2021

SCHEDULE 6

	2021								
	General Reserve	Gas Tax Reserve	Office Reserve	Mitchell LUD Reserve	Blumenort LUD Reserve	Grunthal LUD Reserve	Environmental Reserve	Fire Equip Reserve	Transportation Reserve
REVENUE									
Investment income	\$ 19,462	\$ 21,981	\$ 3,547	\$ 1,905	\$ 2,435	\$ 2,124	\$ 3,935	\$ 5,289	\$ 7,375
Other income	-	-	-	-	-	-	-	-	-
Total revenue	19,462	21,981	3,547	1,905	2,435	2,124	3,935	5,289	7,375
EXPENSES									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
NET REVENUES	19,462	21,981	3,547	1,905	2,435	2,124	3,935	5,289	7,375
TRANSFERS									
Transfers from general operating fund	730,000	1,731,880	275,667	-	57,600	59,500	101,500	344,454	815,667
Transfers to general operating fund	(366,227)	(639,083)	(2,200)	(93,000)	(8,479)	-	(14,000)	(105,849)	(474,252)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	(129,067)	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	383,235	985,711	277,014	(91,095)	51,556	61,624	91,435	243,894	348,790
FUND SURPLUS, BEGINNING OF	2,959,430	2,724,310	393,340	296,342	338,794	291,085	532,981	641,622	862,908
FUND SURPLUS, END OF YEAR	\$ 3,342,665	\$ 3,710,021	\$ 670,354	\$ 205,247	\$ 390,350	\$ 352,709	\$ 624,416	\$ 885,516	\$ 1,211,698

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2021

SCHEDULE 6

	2021								
	Emergency Reserve	Grunthal UT Reserve	Kleefeld UT Reserve	Blumenort UT Reserve	Mitchell UT Reserve	New Both. UT Reserve	Blumenort Lagoon Res.	General Rec Reserve	Grunthal Rec Reserve
REVENUE									
Investment income	\$ 809	\$ 2,424	\$ 4,609	\$ 5,227	\$ 3,272	\$ 3,644	\$ 1,423	\$ 943	\$ 1,527
Other income	-	-			-	-	-	-	-
Total revenue	809	2,424	4,609	5,227	3,272	3,644	1,423	943	1,527
EXPENSES									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
NET REVENUES	809	2,424	4,609	5,227	3,272	3,644	1,423	943	1,527
TRANSFERS									
Transfers from general operating fund	50,000	56,000	187,833	239,750	52,500	117,250	-	79,299	17,496
Transfers to general operating fund	-	-	-	-	-	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-	150,767
Transfer from reserves	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	5,000	80,000	35,000	-	72,000	13,658	-	-
Transfers to utility operating fund	-	-	(4,528)	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	50,809	63,424	267,914	279,977	55,772	192,894	15,081	80,242	169,790
FUND SURPLUS, BEGINNING OF	98,757	326,829	595,389	658,135	449,066	480,959	203,147	1,580,994	121,609
FUND SURPLUS, END OF YEAR	\$ 149,566	\$ 390,253	\$ 863,303	\$ 938,112	\$ 504,838	\$ 673,853	\$ 218,228	\$ 1,661,236	\$ 291,399

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2021

SCHEDULE 6

	2021								
	Kleefeld Rec Reserve	Blumenort Rec Reserve	Mitchell Rec Reserve	New Bothwell Rec Reserve	Village of Kleefeld	Village of New Bothwell	General Garbage/Recy	Road Infrastructure	New Bothwell Desludge
REVENUE									
Investment income	\$ 1,236	\$ 1,611	\$ 1,779	\$ 1,600	\$ 806	\$ 332	\$ 11,724	\$ 2,123	\$ 619
Other income	-	-	-	-	-	-	-	-	-
Total revenue	1,236	1,611	1,779	1,600	806	332	11,724	2,123	619
EXPENSES									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
NET REVENUES	1,236	1,611	1,779	1,600	806	332	11,724	2,123	619
TRANSFERS									
Transfers from general operating fund	16,025	6,933	9,087	38,525	79,366	23,348	387,372	-	-
Transfers to general operating fund	(15,157)	(7,321)	(37,893)	(14,998)	-	-	(203,356)	(191,406)	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	25,522
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	2,104	1,223	(27,027)	25,127	80,172	23,680	195,740	(189,283)	26,141
FUND SURPLUS, BEGINNING OF	180,798	231,628	258,286	215,234	115,128	47,456	122,681	397,002	88,365
FUND SURPLUS, END OF YEAR	\$ 182,902	\$ 232,851	\$ 231,259	\$ 240,361	\$ 195,300	\$ 71,136	\$ 318,421	\$ 207,719	\$ 114,506

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2021

SCHEDULE 6

	2021					2020
	Grunthal Rec Land	Kleefeld Rec Land	Blumenort Rec Land	Mitchell Rec Land	New Bothwell Rec Land	Total
						Total
REVENUE						
Investment income	\$ 278	\$ 205	\$ 170	\$ 758	\$ 21	\$ 115,193
Other income	-	-	-	-	-	-
Total revenue	278	205	170	758	21	115,193
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	278	205	170	758	21	115,193
TRANSFERS						
Transfers from general operating fund	7,493	23,741	31,250	69,333	-	5,608,869
Transfers to general operating fund	-	-	-	-	-	(2,173,221)
Transfer from nominal surplus	-	-	-	-	-	150,767
Transfer from reserves	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	231,180
Transfers to utility operating fund	-	-	-	-	-	(133,595)
Acquisition of tangible capital assets	-	-	-	-	-	-
CHANGE IN RESERVE FUND	7,771	23,946	31,420	70,091	21	3,799,193
FUND SURPLUS, BEGINNING OF	35,900	17,703	7,665	71,380	3,055	15,347,978
FUND SURPLUS, END OF YEAR	\$ 43,671	\$ 41,649	\$ 39,085	\$ 141,471	\$ 3,076	\$ 19,147,171

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF L.U.D. OPERATIONS - Summary
For the Year Ended December 31, 2021

SCHEDULE 7

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Taxation	\$ 1,155,927	\$ 1,155,927	\$ 1,069,481
Other Revenue	58,000	49,651	174,825
Total revenue	1,213,927	1,205,578	1,244,306
Expenses			
General Government:			
Indemnities	120,995	106,394	83,900
Transportation Services			
Road and street maintenance	318,187	278,188	292,011
Ditches and drainage	22,750	7,318	3,724
Sidewalk and boulevard maintenance	46,500	53,413	35,044
Street lighting	72,552	118,412	71,325
Other	2,403	10,441	3,992
Environmental health			
Waste collection and disposal	2,840	2,549	2,240
Recycling	-	3,071	-
Other	3,300	3,934	1,034
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	1,500	350	1,286
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	7,323	5,622	21,628
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	598,350	589,692	516,184
Net revenues (expenses)	615,577	615,886	728,122
Transfers:			
Transfers from (to) L.U.D. reserves	(18,415)	101,479	304,302
Transfers from (to) operating fund	37,500	(696,384)	(1,035,273)
Other	(634,662)	-	-
Change in L.U.D. balances	\$ -	20,981	(2,849)
Unexpended balance, beginning of year		48,169	51,018
Unexpended balance, end of year		\$ 69,150	\$ 48,169

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF L.U.D. OPERATIONS - LUD of Mitchell
For the Year Ended December 31, 2021

SCHEDULE 7

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Taxation	\$ 497,340	\$ 497,340	\$ 448,955
Other Revenue	58,000	11,682	67,128
Total revenue	555,340	509,022	516,083
Expenses			
General Government:			
Indemnities	48,987	48,918	32,125
Transportation Services			
Road and street maintenance	91,080	80,438	68,769
Ditches and drainage	1,400	1,778	761
Sidewalk and boulevard maintenance	24,000	21,884	17,549
Street lighting	25,752	46,712	24,674
Other	803	1,699	752
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	2,300	3,934	1,034
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	500	-	800
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	2,773	1,630	2,755
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	197,595	206,993	149,219
Net revenues (expenses)	357,745	302,029	366,864
Transfers:			
Transfers from (to) L.U.D. reserves	(21,558)	93,000	245,101
Transfers from (to) operating fund	15,000	(390,101)	(608,420)
Other	(351,187)	-	-
Change in L.U.D. balances	\$ -	4,928	3,545
Unexpended balance, beginning of year		19,130	15,585
Unexpended balance, end of year		\$ 24,058	\$ 19,130

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF L.U.D. OPERATIONS - LUD of Grunthal
For the Year Ended December 31, 2021

SCHEDULE 7

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Taxation	\$ 301,714	\$ 301,714	\$ 280,738
Other Revenue	-	9,829	7,697
Total revenue	301,714	311,543	288,435
Expenses			
General Government:			
Indemnities	34,832	28,122	27,418
Transportation Services			
Road and street maintenance	121,881	96,825	139,715
Ditches and drainage	8,100	165	1,564
Sidewalk and boulevard maintenance	15,000	9,398	14,113
Street lighting	24,600	23,138	22,569
Other	600	-	95
Environmental health			
Waste collection and disposal	2,840	2,549	2,240
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	500	-	486
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	3,550	2,833	3,360
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	211,903	163,030	211,560
Net revenues (expenses)	89,811	148,513	76,875
Transfers:			
Transfers from (to) L.U.D. reserves	(5,336)	-	-
Transfers from (to) operating fund	15,000	(142,608)	(71,730)
Other	(99,475)	-	-
Change in L.U.D. balances	\$ -	5,905	5,145
Unexpended balance, beginning of year		19,989	14,844
Unexpended balance, end of year		\$ 25,894	\$ 19,989

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 7

SCHEDULE OF L.U.D. OPERATIONS - LUD of Blumenort
For the Year Ended December 31, 2021

	2021 Budget	2021 Actual	2020 Actual
Revenue			
Taxation	\$ 356,873	\$ 356,873	\$ 339,788
Other Revenue	-	28,140	100,000
Total revenue	356,873	385,013	439,788
Expenses			
General Government:			
Indemnities	37,176	29,354	24,357
Transportation Services			
Road and street maintenance	105,226	100,925	83,527
Ditches and drainage	13,250	5,375	1,399
Sidewalk and boulevard maintenance	7,500	22,131	3,382
Street lighting	22,200	48,562	24,082
Other	1,000	8,742	3,145
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	3,071	-
Other	1,000	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	500	350	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	1,000	1,159	15,513
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	188,852	219,669	155,405
Net revenues (expenses)	168,021	165,344	284,383
Transfers:			
Transfers from (to) L.U.D. reserves	8,479	8,479	59,201
Transfers from (to) operating fund	7,500	(163,675)	(355,123)
Other	(184,000)	-	-
Change in L.U.D. balances	\$ -	10,148	(11,539)
Unexpended balance, beginning of year		9,050	20,589
Unexpended balance, end of year		\$ 19,198	\$ 9,050

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2021

SCHEDULE 8

	2021					2020
	Mitchell Utility	Blumenort Utility	New Bothwell Utility	Grunthal Utility	Kleefeld Utility	Total
FINANCIAL ASSETS						
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts receivable	-	-	-	-	-	-
Portfolio investments	-	-	-	-	-	-
Due from other funds	507,154	15,800	-	422,196	-	908,239
	<u>\$ 507,154</u>	<u>\$ 15,800</u>	<u>\$ -</u>	<u>\$ 422,196</u>	<u>\$ -</u>	<u>\$ 908,239</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 32,500	\$ -	\$ -	\$ -	\$ 32,500
Deferred revenue	-	-	-	-	-	-
Long-term debt (Note 9)	757,891	-	401,830	2,328,702	710,430	5,042,115
Due to other funds	-	-	215,595	-	297,268	541,889
	<u>757,891</u>	<u>32,500</u>	<u>617,425</u>	<u>2,328,702</u>	<u>1,007,698</u>	<u>5,616,504</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (250,737)</u>	<u>\$ (16,700)</u>	<u>\$ (617,425)</u>	<u>\$ (1,906,506)</u>	<u>\$ (1,007,698)</u>	<u>\$ (4,708,265)</u>
NON-FINANCIAL ASSETS						
Tangible capital assets (Schedule 1)	\$ 3,408,439	\$ 4,527,227	\$ 3,139,796	\$ 4,679,365	\$ 3,796,189	\$ 20,049,296
Inventories	-	-	-	7,042	9,684	13,303
Prepaid expenses	-	-	-	-	-	-
	<u>3,408,439</u>	<u>4,527,227</u>	<u>3,139,796</u>	<u>4,686,407</u>	<u>3,805,873</u>	<u>20,062,599</u>
FUND SURPLUS (DEFICIT)	<u>\$ 3,157,702</u>	<u>\$ 4,510,527</u>	<u>\$ 2,522,371</u>	<u>\$ 2,779,901</u>	<u>\$ 2,798,175</u>	<u>\$ 15,354,334</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Summary
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Water			
Water fees	\$ 238,089	\$ 303,894	\$ 240,782
Bulk Water fees	14,052	-	-
sub-total- water	<u>252,141</u>	<u>303,894</u>	<u>240,782</u>
Sewer			
Sewer fees	342,559	412,749	368,460
Lagoon tipping fees	-	41,760	43,480
sub-total- sewer	<u>342,559</u>	<u>454,509</u>	<u>411,940</u>
Property taxes	890,310	890,310	877,127
Government transfers			
Operating	-	-	-
Capital	300,000	-	233,381
sub-total- government transfers	<u>300,000</u>	<u>-</u>	<u>233,381</u>
Other			
Hydrant rentals	13,230	13,230	13,230
Connection charges	600	-	10,500
Installation service	-	-	-
Penalties	4,634	6,601	5,058
Contributed tangible capital assets	-	410,150	355,325
Investment income	-	-	-
Administration fees	-	87,246	64,428
Gain on sale of tangible capital assets	-	-	-
Other income	389,065	473,547	623,331
sub-total- other	<u>407,529</u>	<u>990,774</u>	<u>1,071,872</u>
Total revenue	<u>\$ 2,192,539</u>	<u>\$ 2,639,487</u>	<u>\$ 2,835,102</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Summary
For the Year Ended December 31, 2021

SCHEDULE 9

	Budget	2021	2020
EXPENSES			
General			
Administration	\$ 126,555	\$ 215,302	\$ 172,942
Training costs	-	-	-
Billing and collection	8,615	2,306	2,388
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>135,170</u>	<u>217,608</u>	<u>175,330</u>
Water General			
Purification and treatment	138,183	169,002	144,455
Water purchases	-	-	-
Transmission and distribution	41,334	41,683	40,698
Hydrant maintenance	-	-	220
Other water supply costs	6,949	2,715	2,558
Connection costs	2,069	1,096	2,326
sub-total- water general	<u>188,535</u>	<u>214,496</u>	<u>190,257</u>
Water Amortization & Interest			
Amortization	-	159,821	160,280
Interest on long term debt	53,745	50,862	58,906
sub-total- water amortization & interest	<u>53,745</u>	<u>210,683</u>	<u>219,186</u>
Sewer General			
Collection system costs	116,789	55,750	70,305
Treatment and disposal cost	281,088	425,329	271,949
Lift Station costs	127,363	129,832	118,981
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>525,240</u>	<u>610,911</u>	<u>461,235</u>
Sewage Amortization & Interest			
Amortization	-	748,609	735,417
Interest on long term debt	134,848	125,253	148,060
sub-total- sewer amortization & interest	<u>134,848</u>	<u>873,862</u>	<u>883,477</u>
Total expenses	<u>1,037,538</u>	<u>2,127,560</u>	<u>1,929,485</u>
NET OPERATING SURPLUS	1,155,001	511,927	905,617
TRANSFERS			
Transfer to capital	(749,830)	-	-
Transfers from (to) operating fund	(830,784)	-	-
Transfers from (to) reserve funds	<u>425,616</u>	<u>(97,585)</u>	<u>(145,715)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 3</u>	414,342	759,902
FUND SURPLUS, BEGINNING OF YEAR		<u>15,354,334</u>	<u>14,594,432</u>
FUND SURPLUS, END OF YEAR		<u>\$ 15,768,676</u>	<u>\$ 15,354,334</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Mitchell Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Sewer			
Sewer fees	\$ 65,421	\$ 65,641	\$ 60,573
Lagoon tipping fees	-	12,630	14,640
sub-total- sewer	<u>65,421</u>	<u>78,271</u>	<u>75,213</u>
Property taxes	<u>269,446</u>	<u>269,446</u>	<u>269,446</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	-	-
Contributed tangible capital assets	-	87,500	71,875
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	13,285	-	6,915
sub-total- other	<u>13,285</u>	<u>87,500</u>	<u>78,790</u>
Total revenue	<u>\$ 348,152</u>	<u>\$ 435,217</u>	<u>\$ 423,449</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Mitchell Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
EXPENSES			
General			
Administration	\$ 19,970	\$ 22,137	\$ 35,455
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>19,970</u>	<u>22,137</u>	<u>35,455</u>
Sewer General			
Collection system costs	16,075	15,624	13,901
Treatment and disposal cost	17,967	21,308	12,533
Lift Station costs	4,200	11,513	2,026
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>38,242</u>	<u>48,445</u>	<u>28,460</u>
Sewage Amortization & Interest			
Amortization	-	256,546	244,557
Interest on long term debt	38,945	35,904	44,843
sub-total- sewer amortization & interest	<u>38,945</u>	<u>292,450</u>	<u>289,400</u>
Total expenses	<u>97,157</u>	<u>363,032</u>	<u>353,315</u>
NET OPERATING SURPLUS	250,995	72,185	70,134
TRANSFERS			
Transfers to capital	(6,100)	-	-
Transfers from (to) operating fund	(230,501)	-	-
Transfers from (to) reserve funds	<u>(14,395)</u>	<u>-</u>	<u>55,154</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ (1)</u>	72,185	125,288
FUND SURPLUS, BEGINNING OF YEAR		<u>3,085,517</u>	<u>2,960,229</u>
FUND SURPLUS, END OF YEAR		<u>\$ 3,157,702</u>	<u>\$ 3,085,517</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Blumenort Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Sewer			
Sewer fees	\$ 114,960	\$ 115,360	\$ 112,360
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>114,960</u>	<u>115,360</u>	<u>112,360</u>
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	-	- 3
Contributed tangible capital assets	-	-	195,750
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	<u>170,813</u>	<u>284,080</u>	<u>526,558</u>
sub-total- other	<u>170,813</u>	<u>284,080</u>	<u>722,305</u>
Total revenue	<u>\$ 285,773</u>	<u>\$ 399,440</u>	<u>\$ 834,665</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Blumenort Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
EXPENSES			
General			
Administration	\$ 29,409	\$ 48,290	\$ 29,794
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>29,409</u>	<u>48,290</u>	<u>29,794</u>
Sewer General			
Collection system costs	33,093	15,804	9,561
Treatment and disposal cost	155,279	231,939	152,108
Lift Station costs	29,751	34,477	25,818
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>218,123</u>	<u>282,220</u>	<u>187,487</u>
Sewage Amortization & Interest			
Amortization	-	259,090	251,565
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>259,090</u>	<u>251,565</u>
Total expenses	<u>247,532</u>	<u>589,600</u>	<u>468,846</u>
NET OPERATING SURPLUS	38,241	(190,160)	365,819
TRANSFERS			
Transfer to capital	(21,000)	-	-
Transfer from (to) operating fund	-	-	-
Transfers from (to) reserve funds	<u>(17,240)</u>	<u>(48,658)</u>	<u>(373,784)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 1</u>	(238,818)	(7,965)
FUND SURPLUS, BEGINNING OF YEAR		<u>4,749,345</u>	<u>4,757,310</u>
FUND SURPLUS, END OF YEAR		<u>\$ 4,510,527</u>	<u>\$ 4,749,345</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - New Bothwell Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	Budget	2021	2020
REVENUE			
Sewer			
Sewer fees	\$ 34,274	\$ 34,570	\$ 32,498
Lagoon tipping fees	-	14,730	7,630
sub-total- sewer	34,274	49,300	40,128
Property taxes	82,539	82,539	74,695
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	-	-	-
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	-	-
Contributed tangible capital assets	-	86,875	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	66,680	177,793	84,112
sub-total- other	66,680	264,668	84,112
Total revenue	\$ 183,493	\$ 396,507	\$ 198,935

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - New Bothwell Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
EXPENSES			
General			
Administration	\$ 18,177	\$ 49,999	\$ 33,813
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>18,177</u>	<u>49,999</u>	<u>33,813</u>
Sewer General			
Collection system costs	4,914	4,606	6,728
Treatment and disposal cost	44,223	45,944	32,439
Lift Station costs	21,092	9,260	19,138
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>70,229</u>	<u>59,810</u>	<u>58,305</u>
Sewage Amortization & Interest			
Amortization	-	63,428	63,428
Interest on long term debt	17,966	15,698	18,396
sub-total- sewer amortization & interest	<u>17,966</u>	<u>79,126</u>	<u>81,824</u>
Total expenses	<u>106,372</u>	<u>188,935</u>	<u>173,942</u>
NET OPERATING SURPLUS	77,121	207,572	24,993
TRANSFERS			
Transfer to capital	(22,500)	-	-
Transfers from (to) operating fund	(69,237)	-	-
Transfers from (to) reserve funds	<u>14,617</u>	<u>(92,858)</u>	<u>(13,690)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 1</u>	114,714	11,303
FUND SURPLUS, BEGINNING OF YEAR		<u>2,407,657</u>	<u>2,396,354</u>
FUND SURPLUS, END OF YEAR		<u>\$ 2,522,371</u>	<u>\$ 2,407,657</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Grunthal Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Water			
Water fees	\$ 118,341	\$ 137,002	\$ 122,110
Bulk Water fees	11,353	-	-
sub-total- water	<u>129,694</u>	<u>137,002</u>	<u>122,110</u>
Sewer			
Sewer fees	80,395	154,159	118,072
Lagoon tipping fees	-	8,520	11,970
sub-total- sewer	<u>80,395</u>	<u>162,679</u>	<u>130,042</u>
Property taxes	<u>347,194</u>	<u>347,194</u>	<u>341,855</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	7,020	7,020	7,020
Connection charges	600	-	10,500
Installation service	-	-	-
Penalties	3,577	3,839	3,252
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	53,197	35,476
Gain on sale of tangible capital assets	-	-	-
Other income	101,744	11,674	5,746
sub-total- other	<u>112,941</u>	<u>75,730</u>	<u>61,994</u>
Total revenue	<u>\$ 670,224</u>	<u>\$ 722,605</u>	<u>\$ 656,001</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Grunthal Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
EXPENSES			
General			
Administration	\$ 40,351	\$ 53,050	\$ 57,625
Training costs	-	-	-
Billing and collection	4,570	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>44,921</u>	<u>53,050</u>	<u>57,625</u>
Water General			
Purification and treatment	73,237	90,066	80,387
Water purchases	-	-	-
Transmission and distribution	22,993	23,813	18,913
Hydrant maintenance	-	-	220
Other water supply costs	6,949	2,715	2,558
Connection costs	334	72	371
sub-total- water general	<u>103,513</u>	<u>116,666</u>	<u>102,449</u>
Water Amortization & Interest			
Amortization	-	69,060	71,526
Interest on long term debt	37,600	35,470	40,568
sub-total- water amortization & interest	<u>37,600</u>	<u>104,530</u>	<u>112,094</u>
Sewer General			
Collection system costs	50,755	18,529	39,260
Treatment and disposal cost	47,460	101,732	65,100
Lift Station costs	57,981	68,182	56,637
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>156,196</u>	<u>188,443</u>	<u>160,997</u>
Sewage Amortization & Interest			
Amortization	-	136,554	131,677
Interest on long term debt	65,049	61,364	70,183
sub-total- sewer amortization & interest	<u>65,049</u>	<u>197,918</u>	<u>201,860</u>
Total expenses	<u>407,279</u>	<u>660,607</u>	<u>635,025</u>
NET OPERATING SURPLUS	262,945	61,998	20,976
TRANSFERS			
Transfer to capital	(28,400)	-	-
Transfers from (to) operating fund	(368,948)	-	-
Transfers from (to) reserve funds	<u>134,403</u>	<u>119,403</u>	<u>256,605</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	181,401	277,581
FUND SURPLUS, BEGINNING OF YEAR		<u>2,598,500</u>	<u>2,320,919</u>
FUND SURPLUS, END OF YEAR		<u>\$ 2,779,901</u>	<u>\$ 2,598,500</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Kleeefeld Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
REVENUE			
Water			
Water fees	\$ 119,748	\$ 166,892	\$ 118,672
Bulk Water fees	2,699	-	-
sub-total- water	<u>122,447</u>	<u>166,892</u>	<u>118,672</u>
Sewer			
Sewer fees	47,509	43,019	44,957
Lagoon tipping fees	-	5,880	9,240
sub-total- sewer	<u>47,509</u>	<u>48,899</u>	<u>54,197</u>
Property taxes	<u>191,131</u>	<u>191,131</u>	<u>191,131</u>
Government transfers			
Operating	-	-	-
Capital	300,000	-	233,381
sub-total- government transfers	<u>300,000</u>	<u>-</u>	<u>233,381</u>
Other			
Hydrant rentals	6,210	6,210	6,210
Connection charges	-	-	-
Installation service	-	-	-
Penalties	1,057	2,762	1,809
Contributed tangible capital assets	-	235,775	87,700
Investment income	-	-	-
Administration fees	-	34,049	28,952
Gain on sale of tangible capital assets	-	-	-
Other income	36,543	-	-
sub-total- other	<u>43,810</u>	<u>278,796</u>	<u>124,671</u>
Total revenue	<u>\$ 704,897</u>	<u>\$ 685,718</u>	<u>\$ 722,052</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Kleeefeld Utility
For the Year Ended December 31, 2021

SCHEDULE 9

	<u>Budget</u>	<u>2021</u>	<u>2020</u>
EXPENSES			
General			
Administration	\$ 18,648	\$ 41,826	\$ 16,255
Training costs	-	-	-
Billing and collection	4,045	2,306	2,388
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>22,693</u>	<u>44,132</u>	<u>18,643</u>
Water General			
Purification and treatment	64,946	78,936	64,068
Water purchases	-	-	-
Transmission and distribution	18,341	17,870	21,785
Hydrant maintenance	-	-	-
Other water supply costs	-	-	-
Connection costs	1,735	1,024	1,955
sub-total- water general	<u>85,022</u>	<u>97,830</u>	<u>87,808</u>
Water Amortization & Interest			
Amortization	-	90,761	88,754
Interest on long term debt	16,145	15,392	18,338
sub-total- water amortization & interest	<u>16,145</u>	<u>106,153</u>	<u>107,092</u>
Sewer General			
Collection system costs	11,952	1,187	855
Treatment and disposal cost	16,159	24,406	9,769
Lift Station costs	14,339	6,400	15,362
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>42,450</u>	<u>31,993</u>	<u>25,986</u>
Sewage Amortization & Interest			
Amortization	-	32,991	44,190
Interest on long term debt	12,888	12,287	14,638
sub-total- sewer amortization & interest	<u>12,888</u>	<u>45,278</u>	<u>58,828</u>
Total expenses	<u>179,198</u>	<u>325,386</u>	<u>298,357</u>
NET OPERATING SURPLUS	525,699	360,332	423,695
TRANSFERS			
Transfer to capital	(671,830)	-	-
Transfers from (to) operating fund	(162,098)	-	-
Transfers from (to) reserve funds	<u>308,231</u>	<u>(75,472)</u>	<u>(70,000)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 2</u>	284,860	353,695
FUND SURPLUS, BEGINNING OF YEAR		<u>2,513,315</u>	<u>2,159,620</u>
FUND SURPLUS, END OF YEAR		<u>\$ 2,798,175</u>	<u>\$ 2,513,315</u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2021

	Financial Plan General	Financial Plan Utilities	LUD	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE									
Property taxes	\$ 9,302,107	890,310	1,155,927	\$ -	\$ -	\$ (2,046,237)	\$ -	\$ -	\$ 9,302,107
Grants in lieu of taxation	123,298	-	-	-	-	-	-	-	123,298
User fees	1,890,559	-	-	-	-	-	-	-	1,890,559
Permits, licences and fines	603,495	-	-	-	-	-	-	-	603,495
Investment income	75,915	-	-	-	-	-	-	1,778	77,693
Other revenue	739,442	-	58,000	-	-	-	-	404,126	1,201,568
Water and sewer	-	1,181,280	-	-	-	-	-	-	1,181,280
Grants - Province of Manitoba	1,368,809	-	-	-	-	-	-	-	1,368,809
Grants - other	1,068,063	-	-	-	-	-	-	-	1,068,063
Transfers from general fund	-	-	43,600	-	-	(43,600)	-	-	-
Transfers from reserves	2,211,850	588,250	8,479	-	-	(2,808,579)	-	-	-
Total revenue	<u>\$ 17,383,538</u>	<u>\$ 2,659,840</u>	<u>\$ 1,266,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,898,416)</u>	<u>\$ -</u>	<u>\$ 405,904</u>	<u>\$ 16,816,872</u>
EXPENSES									
General government services	\$ 1,955,876	\$ -	\$ 120,995	\$ 116,388	\$ -	\$ (171,221)	\$ -	\$ -	\$ 2,022,038
Protective services	1,273,751	-	-	324,419	-	(121,200)	-	-	1,476,970
Transportation services	5,416,062	-	462,392	1,429,090	-	(1,722,500)	-	-	5,585,044
Environmental health services	945,753	-	6,140	15,557	-	-	-	-	967,450
Public health and welfare services	8,602	-	-	-	-	-	-	-	8,602
Regional planning and development	214,800	-	1,500	-	-	-	-	-	216,300
Resource cons and industrial dev	87,750	-	-	-	-	-	-	72,868	160,618
Recreation and cultural services	1,998,283	-	7,323	240,214	-	(318,000)	-	-	1,927,820
Water and sewer services	-	1,037,538	-	908,430	-	-	-	-	1,945,968
Fiscal services:									
Transfer to capital	-	749,830	640,762	-	-	(1,390,592)	-	-	-
Transfer to utility	890,310	-	-	-	-	(890,310)	-	-	-
Transfer to LUD	1,436,705	-	-	-	-	(1,436,705)	-	-	-
Debt charges	288,670	830,784	-	-	-	(1,119,454)	-	-	-
Short term interest	-	-	-	-	-	-	-	-	-
Transfer to reserves	2,861,697	41,682	26,894	-	-	(2,930,273)	-	-	-
Allowance for tax assets	5,279	-	-	-	-	(5,279)	-	-	-
Total expenses	<u>\$ 17,383,538</u>	<u>\$ 2,659,834</u>	<u>\$ 1,266,006</u>	<u>\$ 3,034,098</u>	<u>\$ -</u>	<u>\$ (10,105,534)</u>	<u>\$ -</u>	<u>\$ 72,868</u>	<u>\$ 14,310,810</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ (3,034,098)</u>	<u>\$ -</u>	<u>\$ 5,207,118</u>	<u>\$ -</u>	<u>\$ 333,036</u>	<u>\$ 2,506,062</u>

RURAL MUNICIPALITY OF HANOVER
ANALYSIS OF TAXES ON ROLL
December 31, 2021

SCHEDULE 11

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 1,709,082	\$ 1,853,860
Add:		
Tax levy (Schedule 12)	20,839,864	20,292,325
Taxes added	529,132	523,152
Penalties or interest	147,579	158,520
Other accounts added	-	-
Tax Adjustments (Redemption Fees)	1,500	1,400
Tax Adjustments (A/R Added to Taxes)	-	-
Sub-total	21,518,075	20,975,397
Deduct:		
Cash collections - current	18,292,075	17,107,015
Cash collections - arrears	1,487,449	1,579,923
Write-offs	-	1,453
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	1,842,474	2,431,784
Other credits (specify)	-	-
Sub-total	21,621,998	21,120,175
Balance, end of year	\$ 1,605,159	\$ 1,709,082

RURAL MUNICIPALITY OF HANOVER
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2021

SCHEDULE 12

	2021			2020
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
LUD of Blumenort	\$ 83,333,300	\$ 4.255	\$ 354,583	\$ 337,577
LUD of Mitchell	\$ 98,653,070	\$ 5.000	493,265	444,960
LUD of Grunthal	\$ 62,652,040	\$ 4.750	297,597	276,839
sub-total- L.U.D.			1,145,446	1,059,377
Debt charges:				
Frontage	\$ -	\$ -	46,556	23,852
LI.D.	\$ -	\$ -	-	-
Kleefeld Street 2382-15	\$ -	\$ -	-	22,154
Grunthal Utility	\$ 72,483,580	\$ 4.750	344,297	338,958
Kleefeld Utility	\$ 55,201,690	\$ 3.462	191,108	191,100
New Bothwell Utility	\$ 25,348,330	\$ 3.250	82,382	74,538
Mitchell Utility	\$ 106,521,920	\$ 2.520	268,435	268,341
New Bothwell Rec Centre 2381-15	\$ 26,204,480	\$ 0.527	13,810	13,821
BFD Hall 2408-17	\$ 845,474,650	\$ 0.099	83,702	84,139
BFD Trucks 2408-17	\$ 845,474,650	\$ 0.097	82,011	81,688
PW Shop 2375-15	\$ 845,474,650	\$ 0.213	180,086	179,715
sub-total- Debt charges			1,292,387	1,278,306
Deferred surplus	\$ -	\$ -	-	-
Reserves:				
Machinery Replacement Reserve	\$ 800,208,540	\$ 0.739	591,354	542,082
Fire Hall/Equipment Reserve	\$ 800,208,540	\$ 0.277	221,658	196,910
Recreation Reserve	\$ 800,208,540	\$ 0.251	200,852	386,871
Office Reserve	\$ 800,208,540	\$ 0.074	59,215	54,826
sub-total- Reserves			1,073,080	1,180,690
General municipal	\$ 800,208,540	\$ 1.090	872,227	364,477
Rural Area	\$ 555,570,130	\$ 5.851	3,250,641	3,351,175
Special levies:				
Fire Protection	\$ 845,474,650	\$ 0.852	720,344	722,126
Garbage Disposal	\$ -	\$ -	522,245	498,511
Sewage Disposal	\$ -	\$ -	-	-
sub-total- Special levies			1,242,589	1,220,636
Business tax (rate%)	\$ -	\$ -	-	-
Total municipal taxes (Schedule 2)			8,876,370	8,454,660
Education support levy	\$ 72,108,210	\$ 8.809	635,201	607,830
Special levies:				
Hanover School Division	\$ 794,967,860	\$ 14.250	11,328,292	11,229,834
sub-total- Special levies			11,328,292	11,229,834
Total education taxes			11,963,493	11,837,665
Total tax levy (Schedule 11)			\$ 20,839,864	\$ 20,292,325

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2021

SCHEDULE 13

	2021 Actual	2020 Actual
General government services:		
Legislative	\$ 335,588	\$ 311,591
General administrative	1,327,481	1,296,603
Other	116,295	147,427
	<u>1,779,364</u>	<u>1,755,621</u>
Protective services:		
Police	-	-
Fire	1,145,267	1,093,707
Emergency measures	10,947	10,449
Other	386,077	361,767
	<u>1,542,291</u>	<u>1,465,923</u>
Transportation services:		
Road transport		
Administration and engineering	2,147,291	1,902,643
Road and street maintenance	2,600,874	2,659,955
Ditches and drainage	209,978	164,470
Sidewalk and boulevard maintenance	-	6,358
Street lighting	2,014	34,649
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>4,960,157</u>	<u>4,768,075</u>
Environmental health services:		
Waste collection and disposal	437,716	418,821
Recycling	291,360	298,170
Other	223,656	196,663
	<u>952,732</u>	<u>913,654</u>
Public health and welfare services:		
Public health	-	-
Medical care	-	-
Social assistance	8,602	8,602
Other	-	-
	<u>8,602</u>	<u>8,602</u>
Regional planning and development		
Planning and zoning	214,138	204,559
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>214,138</u>	<u>204,559</u>
Resource conservation and industrial development		
Rural area weed control	300	415
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	24,500	24,500
Regional development	183,763	30,495
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>208,563</u>	<u>55,410</u>
Sub-totals forward	<u>\$ 9,665,847</u>	<u>\$ 9,171,844</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE 13

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2021

	2021 Actual	2020 Actual
Sub-totals forward	\$ 9,665,847	\$ 9,171,844
Recreation and cultural services:		
Administration	736,022	583,248
Community centers and halls	86,713	204,002
Swimming pools and beaches	49,565	-
Golf courses	-	-
Skating and curling rinks	213,788	97,552
Parks and playgrounds	191,440	114,043
Other recreational facilities	47,097	48,808
Museums	-	-
Libraries	13,720	10,480
Other cultural facilities	-	-
	1,338,345	1,058,133
Total expenses	\$ 11,004,192	\$ 10,229,977

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - Unaudited

December 31, 2021

	2021			2020
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 110,237	\$ 69,361	\$ 179,598	\$ (28,909)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	5,608,869	231,180	5,840,049	5,647,072
Eliminate expense - transfers from nominal surplus	150,767	-	150,767	-
Eliminate revenue - transfers from reserves	(2,173,221)	(133,595)	(2,306,816)	(2,579,273)
Increase revenue - reserve funds interest	115,193	-	115,193	140,390
Increase revenue - reserve fund other revenue	-	-	-	-
Increase expense - reserve fund other expenses	-	-	-	-
Decrease revenue - internally funded debentures	-	-	-	-
Eliminate expense - repayments of internally funded debentures	-	-	-	-
Eliminate transfers between funds	-	-	-	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	333,036	-	333,036	(149,822)
Decrease expense - elimination of contributions to (from) consolidated entities	(455,206)	-	(455,206)	158,701
Eliminate revenue - transfer from nominal surplus(es)	-	-	-	-
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(11,650)	-	(11,650)	(65,810)
Decrease revenue - proceeds on sale of tangible capital assets	(188,071)	-	(188,071)	(160,655)
Increase expense - amortization of tangible capital assets	(2,125,669)	(908,430)	(3,034,099)	(2,780,829)
Decrease revenue - proceeds from long term debt	-	-	-	-
Decrease expense - principal portion of debenture debt	209,467	843,261	1,052,728	1,015,407
Increase revenue - contributions of tangible capital assets	1,215,650	410,150	1,625,800	1,482,660
Eliminate expense - acquisitions of tangible capital assets	2,826,566	-	2,826,566	3,675,170
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 5,615,968	\$ 511,927	\$ 6,127,895	\$ 6,354,102