



June 6, 2023

Rural Municipality of Hanover
28 Westland Drive
Mitchell MB R5G 2N9

Attention: Mr. Luc Lahaie, CAO

Dear Mr. Lahaie:

During the course of our audit of Rural Municipality of Hanover for the year ended December 31, 2022, we identified matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement and it is not designed to identify matters that may be of interest to management. Accordingly, an audit would not usually identify all such matters.

The matters identified were as follows:

ASSET RETIREMENT OBLIGATIONS

Observation and implication:

Effective January 2023, there was a new accounting standard governing obligations relating to the closure and remediation costs of assets for entities reporting under Public Sector Accounting Standards. PS 3280 "Asset Retirement Obligations" states a liability should be recognized when, as at the financial reporting date, there is a legal obligation to incur retirement costs in relation to a tangible capital asset and a reasonable estimate can be made.

PURCHASES, PAYABLES AND PAYMENTS

Observation and implication:

The Municipality has a policy whereby two authorized signatures are required to approve a cheque. During the audit, it was noted that an individual with cheque signing authority had signed their own cheque. Best practices dictate cheques be approved by individuals who are independent of the transaction.

RESERVE CASH

Observation and implication:

The reserve funds exceed the cash and investments allocated to fund these reserves. Therefore, the reserves are underfunded by \$9,030,152 at year-end. As the Municipality has the cash to fund the reserves, best practices dictate the cash be transferred so the reserves are fully funded.



This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We trust you will implement our recommendations; however, should you require further clarification or information, please contact the undersigned.

Yours very truly,

Exchange

Chartered Professional Accountants LLP

The Council has reviewed this letter:

Jim Funk

Name (Print)

Jim Funk

Signature

Recvc

Position

June 6 2023

Date

RURAL MUNICIPALITY OF HANOVER

**Consolidated Financial Statements
For the Year Ended December 31, 2022**

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.



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, 2022 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2022, 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, 2022, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2022 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 6, 2023

RURAL MUNICIPALITY OF HANOVER

Consolidated Financial Statements

For the Year Ended December 31, 2022

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**RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2022**

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 23,304,915	\$ 21,331,943
Portfolio investments (Note 4)	655,916	595,943
Amounts receivable (Note 5)	3,283,262	2,913,589
Loans and advances (Note 6)	-	116,747
	<u>\$ 27,244,093</u>	<u>\$ 24,958,222</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	\$ 2,928,705	\$ 2,806,488
Vacation and sick leave payable	131,050	117,384
Long-term debt (Note 9)	4,919,266	6,010,706
	<u>7,979,021</u>	<u>8,934,578</u>
NET FINANCIAL ASSETS	<u>\$ 19,265,072</u>	<u>\$ 16,023,644</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 53,263,121	\$ 51,195,959
Inventories (Note 7)	545,476	498,751
Prepaid expenses	167,922	138,913
	<u>53,976,519</u>	<u>51,833,623</u>
ACCUMULATED SURPLUS (Note 14)	<u>\$ 73,241,591</u>	<u>\$ 67,857,267</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, 2022

	<u>2022 Budget (Note 13)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
REVENUE			
Property taxes	\$ 10,009,506	\$ 10,212,463	\$ 9,405,502
Grants in lieu of taxation	154,551	126,552	123,298
User fees	2,135,673	2,231,645	2,150,464
Permits, licences and fines	838,262	1,160,628	1,101,044
Investment income	69,471	507,628	233,780
Other revenue	1,116,635	1,632,327	1,630,367
Water and sewer	1,453,019	1,480,379	1,749,177
Grants - Province of Manitoba	1,731,905	2,054,268	1,617,210
Grants - other	925,433	1,595,114	1,880,696
Total revenue (Schedules 2, 4 and 5)	<u>18,434,455</u>	<u>21,001,004</u>	<u>19,891,538</u>
EXPENSES			
General government services	2,234,497	2,079,065	1,885,758
Protective services	1,613,450	1,554,554	1,542,291
Transportation services	5,968,307	6,754,337	5,569,162
Environmental health services	1,085,455	1,143,781	963,573
Public health and welfare services	8,602	8,602	8,602
Regional planning and development	228,836	228,705	214,738
Resource conservation and industrial development	107,598	78,499	106,931
Recreation and cultural services	1,957,445	1,688,049	1,345,028
Water and sewer services	2,122,094	2,081,088	2,127,560
Total expenses (Schedules 3, 4 and 5)	<u>15,326,284</u>	<u>15,616,680</u>	<u>13,763,643</u>
ANNUAL SURPLUS	<u>\$ 3,108,171</u>	<u>5,384,324</u>	<u>6,127,895</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>67,857,267</u>	<u>61,729,372</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 73,241,591</u>	<u>\$ 67,857,267</u>

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, 2022

	<u>2022</u> <u>Budget</u> <i>(Note 13)</i>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 3,108,171	\$ 5,384,324	\$ 6,127,895
Acquisition of tangible capital assets	(2,014,267)	(5,327,633)	(4,452,366)
Amortization of tangible capital assets	3,217,313	3,217,314	3,034,100
Loss (Gain) on sale of tangible capital assets	-	5,408	11,650
Proceeds on sale of tangible capital assets	-	37,750	188,071
Decrease (increase) in inventories	-	(46,725)	753,896
Decrease (increase) in prepaid expense	-	(29,010)	(37,142)
	<u>1,203,046</u>	<u>(2,142,896)</u>	<u>(501,791)</u>
CHANGE IN NET FINANCIAL ASSETS	\$ 4,311,217	3,241,428	5,626,104
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>16,023,644</u>	<u>10,397,540</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 19,265,072</u>	<u>\$ 16,023,644</u>

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, 2022

	<u>2022</u>	<u>2021</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 5,384,324	\$ 6,127,895
Changes in non-cash items:		
Amounts receivable	(369,673)	215,999
Inventories	(46,725)	753,896
Prepays	(29,010)	(37,140)
Accounts payable and accrued liabilities	122,217	(359,697)
Severance and vested sick leave payable	13,666	15,407
Landfill closure and post closure liabilities	-	-
Environmental liabilities	-	-
Donated assets	(1,013,540)	(1,625,800)
Loss (Gain) on sale of tangible capital asset	5,408	11,650
Amortization	3,217,314	3,034,100
Cash provided by operating transactions	<u>7,283,981</u>	<u>8,136,310</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	37,750	188,071
Cash used to acquire tangible capital assets	(4,314,093)	(2,826,566)
Cash applied to capital transactions	<u>(4,276,343)</u>	<u>(2,638,495)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	116,747	107,658
Purchase of portfolio investments	(59,973)	569,731
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
Cash applied to investing transactions	<u>56,774</u>	<u>677,389</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(1,091,440)	(1,052,728)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	<u>(1,091,440)</u>	<u>(1,052,728)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	1,972,972	5,122,476
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>21,331,943</u>	<u>16,209,467</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u>\$ 23,304,915</u>	<u>\$ 21,331,943</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, 2022

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

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%)(2021 - consolidated 100%)

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

RSR Wastewater Cooperative (consolidated 25%)

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 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.

l) Future Changes in Accounting Standards

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

- PS 3450 Financial Instruments (effective January 1, 2023) defines and provides guidance for accounting and reporting all types of financial instruments including derivatives.
- PS 2601 Foreign Currency Translation (effective January 1, 2023) replaces PS 2600 with revised accounting and reporting principles for transactions that are denominated in a foreign currency.
- PS 1201 Financial Statement Presentation replaces PS 1200 with general reporting principles for disclosure of information and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3041 Portfolio Investments replaces PS 3040 with revised accounting and reporting principles for portfolio investments and is effective in the period PS 2601 and PS 3450 are adopted.
- PS 3280 Asset Retirement Obligations (effective January 1, 2023) defines and provides guidance for accounting and reporting retirement obligations associated with tangible capital assets and includes the withdrawal of PS 3270 Solid Waste Landfill Closure and Post-Closure Liability.
- PS 3400 Revenue (effective January 1, 2024), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue. Earlier adoption is permitted.
- PS 3160 Public Private Partnerships (effective January 1, 2024), is a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships arrangements. Earlier adoption is permitted.

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

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2022</u>	<u>2021</u>
Cash	\$ 20,682,744	\$ 17,513,476
Temporary investments	2,622,171	3,818,467
	<u>\$ 23,304,915</u>	<u>\$ 21,331,943</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 2023. The Municipality has designated \$21,609,707 (2021 - \$19,147,171) 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, 2022 (2021 - \$1,000,000).

4. Portfolio Investments

	<u>2022</u>	<u>2021</u>
Marketable securities:		
Government of Canada	\$ -	\$ -
Access Credit Union	655,916	595,943
Municipal Debentures	<u>1,122,919</u>	<u>1,156,463</u>
	\$ 1,778,835	\$ 1,752,406
Less: Debentures issued by the Municipality (Note 9)	<u>(1,122,919)</u>	<u>(1,156,463)</u>
	<u>\$ 655,916</u>	<u>\$ 595,943</u>

5. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2022</u>	<u>2021</u>
Taxes on roll (Schedule 11)	\$ 1,854,543	\$ 1,605,159
Government grants	480,148	358,353
Utility customers	87,506	82,752
Accrued interest	-	-
Organizations and individuals	768,258	843,382
Other governments	<u>142,807</u>	<u>73,943</u>
	3,333,262	2,963,589
Less allowances for doubtful amounts	<u>(50,000)</u>	<u>(50,000)</u>
	<u>\$ 3,283,262</u>	<u>\$ 2,913,589</u>

6. Loans and Advances

The Municipality had issued loans to various local companies with interest rates from 3.55% to 3.75% with annual blended payments totalling \$119,118 and matured in 2022.

7. Inventories

Inventories for sale:

	<u>2022</u>	<u>2021</u>
Land for resale	\$ 288,154	\$ 324,434

Inventories for use:

Chemicals, herbicides, insecticides	\$ -	\$ -
Fuel	-	-
Culverts	4,131	4,539
Aggregate	90,174	95,069
Other supplies	<u>163,017</u>	<u>74,709</u>
	<u>\$ 545,476</u>	<u>\$ 498,751</u>

8. Accounts Payable and Accrued Liabilities

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 777,283	\$ 585,202
Accrued expenses	215,900	188,505
Accrued interest payable	-	-
Government remittances	56,067	56,067
Refundable deposits	851,028	947,550
School levies	1,028,427	1,029,164
Other governments	-	-
	<u>\$ 2,928,705</u>	<u>\$ 2,806,488</u>

9. Long Term Debt

General Authority:	<u>2022</u>	<u>2021</u>
Debenture 2317-13, Interest at 4.000%, payable at \$3,746 annually including interest, maturing December 31, 2023	\$ 3,602	\$ 7,065
Debenture 2544-22, Interest at 4.000%, payable at \$11,143 annually including interest, maturing December 31, 2027	49,604	-
Debenture 2411-17, Interest at 3.500% payable at \$1,993 annually including interest, matured December 31, 2022	-	1,926
Debenture 2512-21, Interest at 3.500%, payable at \$8,404 annually including interest, maturing December 31, 2026	30,869	37,946
Debenture 2381-15, Interest at 3.250%, payable at \$13,832 annually including interest, maturing December 31, 2025	38,939	51,110
Debenture 2375-15, Interest at 2.940%, payable at \$180,158 annually including interest, maturing August 1, 2025	516,431	678,837
Debenture 2440-19, interest at 4.160%, payable at \$83,957 annually including interest, maturing April 1, 2039	1,040,333	1,081,904
Debenture 2488-20, interest at 3.000%, payable at \$15,308 annually including interest, maturing December 31, 2025	43,301	56,903
Debenture 2487-20, interest at 3.000%, payable at \$17,914 annually including interest, maturing December 31, 2025	50,672	66,589
Debenture 2425-18, interest at 4.125%, payable at \$81,838 annually including interest, maturing December 31, 2038	944,871	986,036
	<u>\$ 2,718,622</u>	<u>\$ 2,968,316</u>

Balance carried forward	<u>\$ 2,718,622</u>	<u>\$ 2,968,316</u>
Utility Funds:		
Debenture 2148 for Kleefeld Utility, Interest at 3.350%, payable at \$191,131 annually including interest, maturing October 1, 2025	\$ 541,502	\$ 710,430
Debenture 2215 for Mitchell Utility, interest at 3.980%, payable at \$269,446 annually including interest, maturing September 1, 2024	515,054	757,891
Debenture 2281 for Grunthal Utility, interest at 3.920% payable at \$223,597 annually including interest, maturing March 1, 2026	839,802	1,030,333
Debenture 2297 for Grunthal Utility, interest at 3.800% payable at \$243,892 annually including interest, maturing December 31, 2027	1,091,889	1,286,879
Debenture 2364 for Grunthal Utility, interest at 3.600%, payable at \$4,109 annually including interest, maturing December 31, 2024	7,794	11,490
Debenture 2218 for New Bothwell Utility, interest at 3.920%, payable at \$87,203 annually including interest, maturing March 1, 2026	<u>327,522</u>	<u>401,830</u>
Utility debenture sub-total	<u>\$ 3,323,563</u>	<u>\$ 4,198,853</u>
Total debentures	6,042,185	7,167,169
Less: Internally Held Debentures	<u>(1,122,919)</u>	<u>(1,156,463)</u>
	<u>\$ 4,919,266</u>	<u>\$ 6,010,706</u>

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

2023	\$ 1,123,948
2024	\$ 1,165,319
2025	\$ 934,673
2026	\$ 583,188
2027	\$ 295,101

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 \$205,001 (2021 - \$181,071) 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 101.4% funded on a going concern basis and had an unfunded solvency liability of \$249.0 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, 2021.

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. Contingencies

The Municipality is a guarantor for a line of credit available to the Hanover Community Development Corporation, which has a limit of \$3,000,000 bearing interest at prime rate less 0.50%.

13. 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.

14. Accumulated Surplus

	<u>2022</u>	<u>2021</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 2,316,888	\$ 2,619,714
Utility operating fund(s) - Nominal surplus	375,039	416,513
TCA net of related borrowings	48,239,590	45,185,255
Reserve funds	<u>21,609,707</u>	<u>19,147,171</u>
Accumulated surplus of municipality unconsolidated	72,541,224	67,368,653
Accumulated surpluses of consolidated entities	<u>700,367</u>	488,614
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 73,241,591</u>	<u>\$ 67,857,267</u>

15. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2022:

a) Compensation paid to members of council amounted to \$415,974 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	\$ 48,788	\$ 1,553	\$ 50,341
Councillor/Reeve - Jim Funk	48,069	2,235	50,304
Councillor - John Giesbrecht	34,668	472	35,140
Councillor - Bob Brandt	38,431	1,184	39,615
Councillor - Brian Esau	45,449	1,634	47,083
Councillor - Travis Doerksen	43,871	1,634	45,505
Councillor - Darrin Warkentin	44,148	1,722	45,870
Councillor - Roberto Hiebert	13,438	646	14,084
Councillor - Ed Penner	7,438	582	8,020
Councillor - Curtis Dawydiuk	8,148	617	8,765
Committee Member - Paul Perreault	6,900	829	7,729
Committee Member - Floyd Penner	1,200	500	1,700
Committee Member - Kevin Medeiros	7,200	500	7,700
Committee Member - Tim Fehr	6,000	347	6,347
Committee Member - Travis Fehr	6,900	812	7,712
Committee Member - Ernest Kehler	1,000	500	1,500
Committee Member - Dawn Oude Voshaa	1,200	500	1,700
Committee Member - Roger Harder	6,000	347	6,347
Committee Member - Anita Funk	6,900	812	7,712
Committee Member - Cliff Froese	7,200	500	7,700
Committee Member - Brad Kehler	7,200	500	7,700
Committee Member - Thomas Guenther	6,900	500	7,400
	<u>\$ 397,048</u>	<u>\$ 18,926</u>	<u>\$ 415,974</u>

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Luc Lahaie</i>	<i>CAO</i>	\$ 147,381
<i>Robert Driedger</i>	<i>Utilities and Engineering Manager</i>	\$ 109,523
<i>Derek Decru</i>	<i>CFO</i>	\$ 106,523
<i>Wesley Fehr</i>	<i>Public Works Manager</i>	\$ 104,448
<i>Jeremy Neufeld</i>	<i>Manager of Planning and I. T.</i>	\$ 96,273
<i>Paul Wiebe</i>	<i>Fire Chief</i>	\$ 92,359
<i>Matthew Thiessen</i>	<i>Public Works Foreman</i>	\$ 87,392
<i>Jason Bilawchuk</i>	<i>Public Works Lead Hand</i>	\$ 81,695
<i>Alexander Engbrecht</i>	<i>Building Inspector</i>	\$ 76,226

16. 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.

17. Government Partnerships

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

	<u>2022</u>	<u>2021</u>
Financial Position		
Financial Assets	\$ 4,757	\$ -
Liabilities	78,205	-
Net financial assets (liabilities)	\$ (73,448)	\$ -
Non-financial assets	104,266	-
Accumulated surplus	<u>\$ 30,818</u>	<u>\$ -</u>
Result of Operations		
Revenues	\$ 40,646	\$ -
Expenses	9,828	-
Annual surplus	<u>\$ 30,818</u>	<u>\$ -</u>
Elimination of revenues/expenses upon consolidation	<u>(8,750)</u>	<u>-</u>
Consolidated annual surplus	<u>\$ 22,068</u>	<u>\$ -</u>

18. Public Utilities Board

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

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

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

Water services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Grunthal Utility	\$ 7,566	\$ -	\$ 560	\$ 7,006
Kleefeld Utility	408,277	-	17,529	390,748
	<u>\$ 415,843</u>	<u>\$ -</u>	<u>\$ 18,089</u>	<u>\$ 397,754</u>

Sewer services:

<u>Description of Utility</u>	<u>Unamortized Opening Balance</u>	<u>Additions During Year</u>	<u>Amortization During Year</u>	<u>Unamortized Balance Ending</u>
Grunthal Utility	\$ 626,165	\$ -	\$ 44,800	\$ 581,365
Kleefeld Utility	1,400,157	-	46,942	1,353,215
New Bothwell Utility	1,178,672	-	45,492	1,133,180
Blumenort Utility	1,997,646	-	191,045	1,806,601
Mitchell Utility	510,352	-	36,398	473,954
	<u>\$ 5,712,992</u>	<u>\$ -</u>	<u>\$ 364,677</u>	<u>\$ 5,348,315</u>

19. Comparative Figures

Comparative figures have been reclassified to conform to the current year's presentation.

RURAL MUNICIPALITY OF HANOVER
 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
 Year Ended December 31, 2022

	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	2022	2021
Cost										
Opening costs	\$ 7,532,377	\$ 7,609,729	\$ 11,222,130	\$ 437,194	\$ 290,612	\$ 52,389,590	\$ 33,232,264	\$ 647,353	\$ 113,361,249	\$ 109,259,085
Additions during the year	1,881,005	364,061	406,574	117,043	406,403	2,090,224	328,820	11,237	5,605,367	4,490,312
Disposals and write downs	-	(31,293)	(82,575)	(25,801)	(256,734)	(86,563)	-	(21,000)	(503,966)	(388,148)
Closing costs	9,413,382	7,942,497	11,546,129	528,436	440,281	54,393,251	33,561,084	637,590	118,462,650	113,361,249
Accumulated Amortization										
Opening accum'd amortization	1,500,619	3,233,305	5,354,192	423,134	-	37,346,437	14,307,603	-	62,165,290	59,281,669
Amortization	346,719	265,924	881,734	3,945	-	799,526	919,466	-	3,217,314	3,034,100
Disposals and write downs	-	(31,099)	(73,155)	(25,801)	-	(53,020)	-	-	(183,075)	(150,479)
Closing accum'd amortization	1,847,338	3,468,130	6,162,771	401,278	-	38,092,943	15,227,069	-	65,199,529	62,165,290
Net Book Value of Tangible Capital Assets	\$ 7,566,044	\$ 4,474,367	\$ 5,383,358	\$ 127,158	\$ 440,281	\$ 16,300,308	\$ 18,334,015	\$ 637,590	\$ 53,263,121	\$ 51,195,959

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, 2022

SCHEDULE 2

	2022 Actual	2021 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 9,487,452	\$ 8,876,370
Taxes added	725,011	529,132
	<u>10,212,463</u>	<u>9,405,502</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	-	-
Provincial government	-	-
Provincial government enterprises	126,552	123,298
Other local governments	-	-
Non-government organizations	-	-
	<u>126,552</u>	<u>123,298</u>
User fees		
Parking meters	-	-
Sales of service	205,222	164,451
Sales of goods	104,275	75,812
Rentals	666,795	337,752
Development charges	1,009,988	1,415,955
Facility use fees	245,365	156,494
	<u>2,231,645</u>	<u>2,150,464</u>
Permits, licences and fines		
Permits	961,166	903,739
Licences	8,475	7,865
Fees	187,267	187,475
Fines	3,720	1,965
	<u>1,160,628</u>	<u>1,101,044</u>
Investment income:		
Cash and temporary investments	507,628	233,780
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>507,628</u>	<u>233,780</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(5,408)	(11,650)
Gain on sale of real estate held for sale	167,711	404,126
Contributed assets	495,990	585,444
Penalties and interest	148,438	149,079
Donations	324,257	41,621
Miscellaneous	501,339	461,747
	<u>1,632,327</u>	<u>1,630,367</u>
Water and sewer		
Municipal utilities (Schedule 9)	1,480,379	1,749,177
Consolidated water co-operatives	-	-
	<u>1,480,379</u>	<u>1,749,177</u>
Grants - Province of Manitoba		
General assistance payment	-	-
General support grant	1,144,131	1,048,315
Municipal program grants	-	-
Other unconditional grants	-	-
Conditional grants	910,137	568,895
	<u>2,054,268</u>	<u>1,617,210</u>
Grants - other		
Federal government - gas tax funding	885,183	1,731,880
Federal government - other	562,422	-
Other local governments	147,509	148,816
	<u>1,595,114</u>	<u>1,880,696</u>
Total revenue	<u>\$ 21,001,004</u>	<u>\$ 19,891,538</u>

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2022

SCHEDULE 3

	2022 Actual	2021 Actual
General government services:		
Legislative	\$ 473,205	\$ 398,540
General administrative	1,480,482	1,370,923
Other	125,378	116,295
	<u>2,079,065</u>	<u>1,885,758</u>
Protective services:		
Police	-	-
Fire	1,118,182	1,145,267
Emergency measures	11,742	10,947
Other	424,630	386,077
	<u>1,554,554</u>	<u>1,542,291</u>
Transportation services:		
Road transport		
Administration and engineering	2,501,459	2,178,562
Road and street maintenance	3,542,971	2,897,041
Ditches and drainage	419,194	219,096
Sidewalk and boulevard maintenance	120,432	63,194
Street lighting	170,281	211,269
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>6,754,337</u>	<u>5,569,162</u>
Environmental health services:		
Waste collection and disposal	493,774	440,314
Recycling	362,315	294,432
Other	287,692	228,827
	<u>1,143,781</u>	<u>963,573</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	228,705	214,138
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	600
Other	-	-
	<u>228,705</u>	<u>214,738</u>
Resource conservation and industrial development		
Rural area weed control	6,747	300
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	22,000	24,500
Regional development	49,752	82,131
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>78,499</u>	<u>106,931</u>
Sub-totals forward	<u>\$ 11,847,543</u>	<u>\$ 10,291,055</u>

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2022

SCHEDULE 3

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Sub-totals forward	\$ 11,847,543	\$ 10,291,055
Recreation and cultural services:		
Administration	876,377	736,022
Community centers and halls	134,676	86,713
Swimming pools and beaches	66,723	49,565
Golf courses	-	-
Skating and curling rinks	252,360	213,788
Parks and playgrounds	298,731	198,123
Other recreational facilities	44,922	47,097
Museums	-	-
Libraries	14,260	13,720
Other cultural facilities	-	-
	<u>1,688,049</u>	<u>1,345,028</u>
Water and sewer services (Schedule 9)		
Municipal utilities (Schedule 9)	2,081,088	2,127,560
Consolidated water co-operatives	-	-
	<u>2,081,088</u>	<u>2,127,560</u>
Total expenses	<u>\$ 15,616,680</u>	<u>\$ 13,763,643</u>

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2022

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE										
Property taxes	\$ 9,311,415	\$ 8,515,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	126,552	123,298	-	-	-	-	-	-	-	-
User fees	88,117	88,185	66,412	45,279	675,414	386,431	1,546	990	-	-
Grants - other	-	-	-	-	885,183	1,731,880	28,750	-	-	-
Permits, licences and fines	199,462	197,305	-	-	-	-	-	-	-	-
Investment income	497,542	232,002	-	-	-	-	120	-	-	-
Other revenue	1,024,911	889,510	-	-	19,175	406	137,897	184,926	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,144,131	1,048,315	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	541,251	283,409	-	-	-	-	280,149	276,840	-	-
Total revenue	\$ 12,933,381	\$ 11,377,216	\$ 66,412	\$ 45,279	\$ 1,579,772	\$ 2,118,717	\$ 448,462	\$ 462,756	\$ -	\$ -
EXPENSES										
Personnel services	\$ 1,050,221	\$ 926,362	\$ 581,979	\$ 566,427	\$ 1,495,046	\$ 1,382,775	\$ 223,526	\$ 164,750	\$ -	\$ -
Contract services	623,098	573,515	259,257	250,903	200	-	873,051	745,366	8,602	8,602
Utilities	28,968	28,173	34,300	31,161	140,687	122,688	1,129	981	-	-
Maintenance materials and supplies	100,707	91,045	188,724	210,659	3,521,832	2,606,793	30,367	36,919	-	-
Grants and contributions	137,348	141,185	-	-	-	-	-	-	-	-
Amortization	118,545	116,388	332,661	324,419	1,573,437	1,429,090	15,708	15,557	-	-
Interest on long term debt	-	-	83,059	86,350	23,135	27,816	-	-	-	-
Other	20,178	9,090	74,574	72,372	-	-	-	-	-	-
Total expenses	\$ 2,079,065	\$ 1,885,758	\$ 1,554,554	\$ 1,542,291	\$ 6,754,337	\$ 5,569,162	\$ 1,143,781	\$ 963,573	\$ 8,602	\$ 8,602
Surplus (Deficit)	\$ 10,854,316	\$ 9,491,458	\$ (1,488,142)	\$ (1,497,012)	\$ (5,174,565)	\$ (3,450,445)	\$ (695,319)	\$ (500,817)	\$ (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, 2022

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 901,048	\$ 890,310	\$ 10,212,463	\$ 9,405,502
Grants in lieu of taxation	-	-	-	-	-	-	-	-	126,552	123,298
User fees	1,096,989	1,504,293	-	-	303,167	125,286	-	-	2,231,645	2,150,464
Grants - other	-	-	-	-	681,181	148,816	-	-	1,595,114	1,880,696
Permits, licences and fines	961,166	903,739	-	-	-	-	-	-	1,160,628	1,101,044
Investment income	-	-	9,966	1,778	-	-	-	-	507,628	233,780
Other revenue	-	-	167,711	404,126	282,633	151,399	-	-	1,632,327	1,630,367
Water and sewer	-	-	-	-	-	-	1,480,379	1,749,177	1,480,379	1,749,177
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,144,131	1,048,315
Prov of MB - Conditional Grants	-	-	-	-	88,737	8,646	-	-	910,137	568,895
Total revenue	\$ 2,058,155	\$ 2,408,032	\$ 177,677	\$ 405,904	\$ 1,355,718	\$ 434,147	\$ 2,381,427	\$ 2,639,487	\$ 21,001,004	\$ 19,891,538
EXPENSES										
Personnel services	\$ 203,204	\$ 191,552	\$ -	\$ -	\$ 513,319	\$ 339,047	\$ -	\$ -	\$ 4,067,295	\$ 3,570,913
Contract services	15,861	12,688	34,041	72,369	243,435	229,857	62,797	68,524	2,120,342	1,961,824
Utilities	-	-	-	-	110,788	68,183	174,158	156,130	490,030	407,316
Maintenance materials and supplies	9,640	10,498	7,146	799	423,399	249,341	780,580	818,360	5,062,395	4,024,414
Grants and contributions	-	-	22,000	24,500	132,507	193,815	-	-	291,855	359,500
Amortization	-	-	-	-	257,497	240,214	919,466	908,431	3,217,314	3,034,099
Interest on long term debt	-	-	-	-	1,661	2,044	144,087	176,115	251,942	292,325
Other	-	-	15,312	9,263	5,443	22,527	-	-	115,507	113,252
Total expenses	\$ 228,705	\$ 214,738	\$ 78,499	\$ 106,931	\$ 1,688,049	\$ 1,345,028	\$ 2,081,088	\$ 2,127,560	\$ 15,616,680	\$ 13,763,643
Surplus (Deficit)	\$ 1,829,450	\$ 2,193,294	\$ 99,178	\$ 298,973	\$ (332,331)	\$ (910,881)	\$ 300,339	\$ 511,927	\$ 5,384,324	\$ 6,127,895

SCHEDULE 5

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2022

	Core Government		Controlled Entities		Government Partnerships		Total	
	2022	2021	2022	2021	2022	2021	2022	2021 (Note 18)
REVENUE								
Property taxes	\$ 10,212,463	\$ 9,405,502	\$ -	\$ -	\$ -	\$ -	\$ 10,212,463	\$ 9,405,502
Grants in lieu of taxation	126,552	123,298	-	-	-	-	126,552	123,298
User fees	2,231,645	2,150,464	-	-	-	-	2,231,645	2,150,464
Grants - other	1,566,364	1,880,696	-	-	28,750	-	1,595,114	1,880,696
Permits, licences and fines	1,160,628	1,101,044	-	-	-	-	1,160,628	1,101,044
Investment income	497,542	232,002	9,966	1,778	120	-	507,628	233,780
Other revenue	1,461,590	1,226,241	167,711	404,126	3,026	-	1,632,327	1,630,367
Water and sewer	1,480,379	1,749,177	-	-	-	-	1,480,379	1,749,177
Prov of MB - Unconditional Grants	1,144,131	1,048,315	-	-	-	-	1,144,131	1,048,315
Prov of MB - Conditional Grants	910,137	568,895	-	-	-	-	910,137	568,895
Total revenue	\$ 20,791,431	\$ 19,485,634	\$ 177,677	\$ 405,904	\$ 31,896	\$ -	\$ 21,001,004	\$ 19,891,538
EXPENSES								
Personnel services	\$ 4,067,295	\$ 3,570,913	\$ -	\$ -	\$ -	\$ -	\$ 4,067,295	\$ 3,570,913
Contract services	2,076,473	1,889,455	34,041	72,369	9,828	-	2,120,342	1,961,824
Utilities	490,030	407,316	-	-	-	-	490,030	407,316
Maintenance materials and supplies	5,062,368	4,023,915	27	499	-	-	5,062,395	4,024,414
Grants and contributions	291,855	359,500	-	-	-	-	291,855	359,500
Amortization	3,217,314	3,034,099	-	-	-	-	3,217,314	3,034,099
Interest on long term debt	251,942	292,325	-	-	-	-	251,942	292,325
Other	115,507	113,252	-	-	-	-	115,507	113,252
Total expenses	\$ 15,572,784	\$ 13,690,775	\$ 34,068	\$ 72,868	\$ 9,828	\$ -	\$ 15,616,680	\$ 13,763,643
Surplus (Deficit)	\$ 5,218,647	\$ 5,794,859	\$ 143,609	\$ 333,036	\$ 22,068	\$ -	\$ 5,384,324	\$ 6,127,895

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2022

SCHEDULE 6

	2022									
	General Reserve	Gas Tax Reserve	Office Reserve	Mitchell LUD Reserve	Blumenort LUD Reserve	Grunthal LUD Reserve	Environmental Reserve	Fire Equip Reserve	Transportation Reserve	Emergency Reserve
REVENUE										
Investment income	\$ 45,029	\$ 48,857	\$ 11,250	\$ 2,891	\$ 5,580	\$ 4,590	\$ 9,421	\$ 15,256	\$ 24,057	\$ 2,185
Other income	-	-	-	-	-	-	-	-	-	-
Total revenue	45,029	48,857	11,250	2,891	5,580	4,590	9,421	15,256	24,057	2,185
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
NET REVENUES	45,029	48,857	11,250	2,891	5,580	4,590	9,421	15,256	24,057	2,185
TRANSFERS										
Transfers from general operating fund	50,000	885,183	203,000	40,000	-	-	383,500	321,500	813,000	-
Transfers to general operating fund	(195,599)	(1,026,757)	(104,103)	(9,417)	(8,988)	(139,832)	(52,500)	(68,207)	(214,691)	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	(100,570)	(92,717)	110,147	33,474	(3,408)	(135,242)	340,421	268,549	622,366	2,185
FUND SURPLUS, BEGINNING OF	3,342,665	3,710,021	670,354	205,247	390,350	352,709	624,416	885,516	1,211,698	149,566
FUND SURPLUS, END OF YEAR	\$ 3,242,095	\$ 3,617,304	\$ 780,501	\$ 238,721	\$ 386,942	\$ 217,467	\$ 964,837	\$ 1,154,065	\$ 1,834,064	\$ 151,751

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2022

SCHEDULE 6

	2022									
	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	Kleefeld Rec Reserve	Blumenort Rec Reserve
REVENUE										
Investment income	\$ 5,344	\$ 13,086	\$ 14,701	\$ 8,690	\$ 9,888	\$ 3,187	\$ 28,800	\$ 4,094	\$ 2,677	\$ 3,341
Other income	-	-	-	-	-	-	-	-	-	-
Total revenue	5,344	13,086	14,701	8,690	9,888	3,187	28,800	4,094	2,677	3,341
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
NET REVENUES	5,344	13,086	14,701	8,690	9,888	3,187	28,800	4,094	2,677	3,341
TRANSFERS										
Transfers from general operating fund	10,500	85,750	101,500	117,250	5,250	-	879,081	15,096	33,428	7,813
Transfers to general operating fund	-	-	-	-	-	-	(131,566)	(86,195)	-	(28,988)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	80,000	65,000	10,000	74,000	8,411	-	-	-	-
Transfers to utility operating fund	(86,270)	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	(70,426)	178,836	181,201	135,940	89,138	11,598	776,315	(67,005)	36,105	(17,834)
FUND SURPLUS, BEGINNING OF	390,253	863,303	938,112	504,838	673,853	218,228	1,776,734	291,399	182,902	232,851
FUND SURPLUS, END OF YEAR	\$ 319,827	\$ 1,042,139	\$ 1,119,313	\$ 640,778	\$ 762,991	\$ 229,826	\$ 2,553,049	\$ 224,394	\$ 219,007	\$ 215,017

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2022

SCHEDULE 6

	2022									
	Mitchell Rec Reserve	New Bothwell Rec Reserve	Village of Kleeefeld	Village of New Bothwell	General Garbage/Recy	Road Infrastructure	New Bothwell Desludge	Grunthal Rec Land	Grunthal Rec Sidewalk	Kleeefeld Rec Land
REVENUE										
Investment income	\$ 2,922	\$ 3,385	\$ 2,852	\$ 1,039	\$ 3,172	\$ 2,061	\$ 1,672	\$ 808	\$ 30	\$ 805
Other income	-	-	-	-	-	-	-	-	-	-
Total revenue	2,922	3,385	2,852	1,039	3,172	2,061	1,672	808	30	805
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
NET REVENUES	2,922	3,385	2,852	1,039	3,172	2,061	1,672	808	30	805
TRANSFERS										
Transfers from general operating fund	11,945	945	-	-	70,164	219,200	-	20,171	4,500	24,057
Transfers to general operating fund	(85,625)	(46,491)	(4,000)	(16,000)	(27,524)	(196,700)	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	13,121	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	(70,758)	(42,161)	(1,148)	(14,961)	45,812	24,561	14,793	20,979	4,530	24,862
FUND SURPLUS, BEGINNING OF	231,259	240,361	195,300	71,136	202,923	207,719	114,506	43,671	-	41,649
FUND SURPLUS, END OF YEAR	\$ 160,501	\$ 198,200	\$ 194,152	\$ 56,175	\$ 248,735	\$ 232,280	\$ 129,299	\$ 64,650	\$ 4,530	\$ 66,511

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2022

SCHEDULE 6

	2022							2021	
	Kleefeld Rec Sidewalk	Blumenort Rec Land	Blumenort Rec Sidewalk	Mitchell Rec Land	Mitchell Rec Sidewalk	New Bothwell Rec Land	New Bothwell Rec Sidewalk	Total	Total
REVENUE									
Investment income	\$ 81	\$ 783	\$ 133	\$ 2,791	\$ 287	\$ 85	\$ 7	\$ 285,837	\$ 115,193
Other income	-	-	-	-	-	-	-	-	-
Total revenue	81	783	133	2,791	287	85	7	285,837	115,193
EXPENSES									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
NET REVENUES	81	783	133	2,791	287	85	7	285,837	115,193
TRANSFERS									
Transfers from general operating fund	13,750	25,386	12,000	139,766	28,000	5,360	750	4,527,845	5,608,869
Transfers to general operating fund	-	-	-	(72,225)	-	-	-	(2,515,408)	(2,173,221)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	150,767
Transfer from reserves	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	250,532	231,180
Transfers to utility operating fund	-	-	-	-	-	-	-	(86,270)	(133,595)
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	13,831	26,169	12,133	70,332	28,287	5,445	757	2,462,536	3,799,193
FUND SURPLUS, BEGINNING OF	-	39,085	-	141,471	-	3,076	-	19,147,171	15,347,978
FUND SURPLUS, END OF YEAR	\$ 13,831	\$ 65,254	\$ 12,133	\$ 211,803	\$ 28,287	\$ 8,521	\$ 757	\$21,609,707	\$ 19,147,171

RURAL MUNICIPALITY OF HANOVER
 SCHEDULE OF L.U.D. OPERATIONS - Summary
 For the Year Ended December 31, 2022

SCHEDULE 7

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Taxation	\$ 1,220,632	\$ 1,220,632	\$ 1,155,927
Other Revenue	129,735	66,986	49,651
Total revenue	1,350,367	1,287,618	1,205,578
Expenses			
General Government:			
Indemnities	111,282	96,385	106,394
Transportation Services			
Road and street maintenance	313,332	426,209	278,188
Ditches and drainage	82,544	126,332	7,318
Sidewalk and boulevard maintenance	41,959	80,679	53,413
Street lighting	112,298	117,610	118,412
Other	3,605	1,295	10,441
Environmental health			
Waste collection and disposal	2,545	2,091	2,549
Recycling	-	-	3,071
Other	4,343	450	3,934
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	700	-	350
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	21,429	14,466	5,622
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	694,037	865,517	589,692
Net revenues (expenses)	656,330	422,101	615,886
Transfers:			
Transfers from (to) L.U.D. reserves	127,377	266,700	101,479
Transfers from (to) operating fund	45,000	(711,290)	(696,384)
Other	(828,707)	-	-
Change in L.U.D. balances	\$ -	(22,489)	20,981
Unexpended balance, beginning of year		69,150	48,169
Unexpended balance, end of year		\$ 46,661	\$ 69,150

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 7

SCHEDULE OF L.U.D. OPERATIONS - LUD of Mitchell

For the Year Ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Taxation	\$ 539,904	\$ 539,904	\$ 497,340
Other Revenue	123,920	43,531	11,682
Total revenue	663,824	583,435	509,022
Expenses			
General Government:			
Indemnities	42,326	41,358	48,918
Transportation Services			
Road and street maintenance	78,849	97,653	80,438
Ditches and drainage	74,381	125,938	1,778
Sidewalk and boulevard maintenance	16,407	73,413	21,884
Street lighting	50,190	68,920	46,712
Other	2,400	197	1,699
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	3,818	450	3,934
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	200	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	1,719	4,469	1,630
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	270,290	412,398	206,993
Net revenues (expenses)	393,534	171,037	302,029
Transfers:			
Transfers from (to) L.U.D. reserves	12,011	30,540	93,000
Transfers from (to) operating fund	15,000	(200,961)	(390,101)
Other	(420,545)	-	-
Change in L.U.D. balances	\$ -	616	4,928
Unexpended balance, beginning of year		24,058	19,130
Unexpended balance, end of year		\$ 24,674	\$ 24,058

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 7

SCHEDULE OF L.U.D. OPERATIONS - LUD of Grunthal

For the Year Ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Taxation	\$ 306,833	\$ 306,833	\$ 301,714
Other Revenue	5,815	11,165	9,829
Total revenue	312,648	317,998	311,543
Expenses			
General Government:			
Indemnities	30,832	29,276	28,122
Transportation Services			
Road and street maintenance	115,693	165,264	96,825
Ditches and drainage	6,250	394	165
Sidewalk and boulevard maintenance	10,272	6,259	9,398
Street lighting	23,902	23,240	23,138
Other	400	1,098	-
Environmental health			
Waste collection and disposal	2,545	2,091	2,549
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	250	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	3,636	2,288	2,833
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	193,780	229,910	163,030
Net revenues (expenses)	118,868	88,088	148,513
Transfers:			
Transfers from (to) L.U.D. reserves	107,832	176,539	-
Transfers from (to) operating fund	15,000	(290,565)	(142,608)
Other	(241,700)	-	-
Change in L.U.D. balances	\$ -	(25,938)	5,905
Unexpended balance, beginning of year		25,894	19,989
Unexpended balance, end of year		\$ (44)	\$ 25,894

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 7

SCHEDULE OF L.U.D. OPERATIONS - LUD of Blumenort

For the Year Ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Taxation	\$ 373,895	\$ 373,895	\$ 356,873
Other Revenue	-	12,290	28,140
Total revenue	373,895	386,185	385,013
Expenses			
General Government:			
Indemnities	38,124	25,751	29,354
Transportation Services			
Road and street maintenance	118,790	163,292	100,925
Ditches and drainage	1,913	-	5,375
Sidewalk and boulevard maintenance	15,280	1,007	22,131
Street lighting	38,206	25,450	48,562
Other	805	-	8,742
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	3,071
Other	525	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	250	-	350
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	16,074	7,709	1,159
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	229,967	223,209	219,669
Net revenues (expenses)	143,928	162,976	165,344
Transfers:			
Transfers from (to) L.U.D. reserves	7,534	59,621	8,479
Transfers from (to) operating fund	15,000	(219,764)	(163,675)
Other	(166,462)	-	-
Change in L.U.D. balances	\$ -	2,833	10,148
Unexpended balance, beginning of year		19,198	9,050
Unexpended balance, end of year		\$ 22,031	\$ 19,198

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2022

SCHEDULE 8

	2022					2021
	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	514,077	25,784	-	337,254	-	877,115
	<u>\$ 514,077</u>	<u>\$ 25,784</u>	<u>\$ -</u>	<u>\$ 337,254</u>	<u>\$ -</u>	<u>\$ 877,115</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 32,500	\$ -	\$ -	\$ -	\$ 32,500
Deferred revenue	-	-	-	-	-	-
Long-term debt (Note 9)	515,054	-	327,523	1,939,485	541,502	3,323,564
Due to other funds	-	-	202,277	-	287,494	489,771
	<u>515,054</u>	<u>32,500</u>	<u>529,800</u>	<u>1,939,485</u>	<u>828,996</u>	<u>3,845,835</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (977)</u>	<u>\$ (6,716)</u>	<u>\$ (529,800)</u>	<u>\$ (1,602,231)</u>	<u>\$ (828,996)</u>	<u>\$ (2,968,720)</u>
NON-FINANCIAL ASSETS						
Tangible capital assets (Schedule 1)	\$ 3,184,976	\$ 4,404,937	\$ 3,076,367	\$ 4,571,877	\$ 3,733,449	\$ 18,971,606
Inventories	-	-	-	11,015	9,180	20,195
Prepaid expenses	-	-	-	-	-	-
	<u>3,184,976</u>	<u>4,404,937</u>	<u>3,076,367</u>	<u>4,582,892</u>	<u>3,742,629</u>	<u>18,991,801</u>
FUND SURPLUS (DEFICIT)	<u>\$ 3,183,999</u>	<u>\$ 4,398,221</u>	<u>\$ 2,546,567</u>	<u>\$ 2,980,661</u>	<u>\$ 2,913,633</u>	<u>\$ 15,768,676</u>

RURAL MUNICIPALITY OF HANOVER
 SCHEDULE OF UTILITY OPERATIONS - Summary
 For the Year Ended December 31, 2022

SCHEDULE 9

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
REVENUE			
Water			
Water fees	\$ 293,431	\$ 306,187	\$ 303,894
Bulk Water fees	16,182	-	-
sub-total- water	<u>309,613</u>	<u>306,187</u>	<u>303,894</u>
Sewer			
Sewer fees	334,168	389,634	412,749
Lagoon tipping fees	-	78,263	41,760
sub-total- sewer	<u>334,168</u>	<u>467,897</u>	<u>454,509</u>
Property taxes	901,048	901,048	890,310
Government transfers			
Operating	-	-	-
Capital	300,000	-	-
sub-total- government transfers	<u>300,000</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	14,310	14,310	13,230
Connection charges	2,500	-	-
Installation service	-	-	-
Penalties	5,764	5,998	6,601
Contributed tangible capital assets	-	248,169	410,150
Investment income	-	-	-
Administration fees	-	96,627	87,246
Gain on sale of tangible capital assets	-	-	-
Other income	486,664	341,191	473,547
sub-total- other	<u>509,238</u>	<u>706,295</u>	<u>990,774</u>
Total revenue	<u>\$ 2,354,067</u>	<u>\$ 2,381,427</u>	<u>\$ 2,639,487</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Summary
For the Year Ended December 31, 2022

SCHEDULE 9

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
EXPENSES			
General			
Administration	\$ 136,866	\$ 138,682	\$ 215,302
Training costs	-	-	-
Billing and collection	4,375	1,337	2,306
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>141,241</u>	<u>140,019</u>	<u>217,608</u>
Water General			
Purification and treatment	155,966	161,693	169,002
Water purchases	-	-	-
Transmission and distribution	57,449	61,112	41,683
Hydrant maintenance	-	-	-
Other water supply costs	6,779	2,646	2,715
Connection costs	1,488	1,415	1,096
sub-total- water general	<u>221,682</u>	<u>226,866</u>	<u>214,496</u>
Water Amortization & Interest			
Amortization	-	166,997	159,821
Interest on long term debt	45,514	42,523	50,862
sub-total- water amortization & interest	<u>45,514</u>	<u>209,520</u>	<u>210,683</u>
Sewer General			
Collection system costs	113,109	83,492	55,750
Treatment and disposal cost	442,745	436,671	425,329
Lift Station costs	126,804	130,488	129,832
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>682,658</u>	<u>650,651</u>	<u>610,911</u>
Sewage Amortization & Interest			
Amortization	-	752,468	748,609
Interest on long term debt	111,534	101,564	125,253
sub-total- sewer amortization & interest	<u>111,534</u>	<u>854,032</u>	<u>873,862</u>
Total expenses	<u>1,202,629</u>	<u>2,081,088</u>	<u>2,127,560</u>
NET OPERATING SURPLUS	1,151,438	300,339	511,927
TRANSFERS			
Transfer to capital	(1,121,600)	-	-
Transfers from (to) operating fund	(862,328)	118,328	-
Transfers from (to) reserve funds	835,486	(164,262)	(97,585)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 2,996</u>	<u>254,405</u>	<u>414,342</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>15,768,676</u>	<u>15,354,334</u>
FUND SURPLUS, END OF YEAR		<u>\$ 16,023,081</u>	<u>\$ 15,768,676</u>

RURAL MUNICIPALITY OF HANOVER
 SCHEDULE OF UTILITY OPERATIONS - Mitchell Utility
 For the Year Ended December 31, 2022

SCHEDULE 9

REVENUE	<u>Budget</u>	<u>2022</u>	<u>2021</u>
Sewer			
Sewer fees	\$ 65,641	\$ 75,665	\$ 65,641
Lagoon tipping fees	-	16,710	12,630
sub-total- sewer	<u>65,641</u>	<u>92,375</u>	<u>78,271</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	-	36,000	87,500
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	15,040	-	-
sub-total- other	<u>15,040</u>	<u>36,000</u>	<u>87,500</u>
Total revenue	<u>\$ 350,127</u>	<u>\$ 397,821</u>	<u>\$ 435,217</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Mitchell Utility
For the Year Ended December 31, 2022

SCHEDULE 9

EXPENSES	Budget	2022	2021
General			
Administration	\$ 20,171	\$ 20,816	\$ 22,137
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>20,171</u>	<u>20,816</u>	<u>22,137</u>
Sewer General			
Collection system costs	32,481	36,456	15,624
Treatment and disposal cost	23,673	13,432	21,308
Lift Station costs	4,356	4,748	11,513
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>60,510</u>	<u>54,636</u>	<u>48,445</u>
Sewage Amortization & Interest			
Amortization	-	259,463	256,546
Interest on long term debt	29,771	26,609	35,904
sub-total- sewer amortization & interest	<u>29,771</u>	<u>286,072</u>	<u>292,450</u>
Total expenses	<u>110,452</u>	<u>361,524</u>	<u>363,032</u>
NET OPERATING SURPLUS	239,675	36,297	72,185
TRANSFERS			
Transfers to capital	-	-	-
Transfers from (to) operating fund	(239,675)	-	-
Transfers from (to) reserve funds	-	(10,000)	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>26,297</u>	<u>72,185</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>3,157,702</u>	<u>3,085,517</u>
FUND SURPLUS, END OF YEAR		<u>\$ 3,183,999</u>	<u>\$ 3,157,702</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Blumenort Utility
For the Year Ended December 31, 2022

SCHEDULE 9

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
REVENUE			
Sewer			
Sewer fees	\$ 115,360	\$ 136,555	\$ 115,360
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>115,360</u>	<u>136,555</u>	<u>115,360</u>
Property taxes	-	-	-
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	-	136,800	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	236,440	235,974	284,080
sub-total- other	<u>236,440</u>	<u>372,774</u>	<u>284,080</u>
Total revenue	<u>\$ 351,800</u>	<u>\$ 509,329</u>	<u>\$ 399,440</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Blumenort Utility
For the Year Ended December 31, 2022

SCHEDULE 9

EXPENSES	<u>Budget</u>	<u>2022</u>	<u>2021</u>
General			
Administration	\$ 34,398	\$ 28,190	\$ 48,290
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>34,398</u>	<u>28,190</u>	<u>48,290</u>
Sewer General			
Collection system costs	37,688	20,581	15,804
Treatment and disposal cost	231,622	196,560	231,939
Lift Station costs	26,461	43,803	34,477
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>295,771</u>	<u>260,944</u>	<u>282,220</u>
Sewage Amortization & Interest			
Amortization	-	259,090	259,090
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>259,090</u>	<u>259,090</u>
Total expenses	<u>330,169</u>	<u>548,224</u>	<u>589,600</u>
NET OPERATING SURPLUS	21,631	(38,895)	(190,160)
TRANSFERS			
Transfer to capital	(58,000)	-	-
Transfer from (to) operating fund	-	-	-
Transfers from (to) reserve funds	36,370	(73,411)	(48,658)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 1</u>	(112,306)	(238,818)
FUND SURPLUS, BEGINNING OF YEAR		<u>4,510,527</u>	<u>4,749,345</u>
FUND SURPLUS, END OF YEAR		<u>\$ 4,398,221</u>	<u>\$ 4,510,527</u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - New Bothwell Utility
For the Year Ended December 31, 2022

REVENUE	<u>Budget</u>	<u>2022</u>	<u>2021</u>
Sewer			
Sewer fees	\$ 34,570	\$ 42,433	\$ 34,570
Lagoon tipping fees	-	39,460	14,730
sub-total- sewer	<u>34,570</u>	<u>81,893</u>	<u>49,300</u>
Property taxes	<u>85,144</u>	<u>85,144</u>	<u>82,539</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	-	-	86,875
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	71,265	105,586	177,793
sub-total- other	<u>71,265</u>	<u>105,586</u>	<u>264,668</u>
Total revenue	<u>\$ 190,979</u>	<u>\$ 272,623</u>	<u>\$ 396,507</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - New Bothwell Utility
For the Year Ended December 31, 2022

SCHEDULE 9

EXPENSES	Budget	2022	2021
General			
Administration	\$ 10,398	\$ 28,214	\$ 49,999
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>10,398</u>	<u>28,214</u>	<u>49,999</u>
Sewer General			
Collection system costs	6,307	5,740	4,606
Treatment and disposal cost	64,932	37,714	45,944
Lift Station costs	14,197	15,373	9,260
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>85,436</u>	<u>58,827</u>	<u>59,810</u>
Sewage Amortization & Interest			
Amortization	-	63,428	63,428
Interest on long term debt	15,252	12,895	15,698
sub-total- sewer amortization & interest	<u>15,252</u>	<u>76,323</u>	<u>79,126</u>
Total expenses	<u>111,086</u>	<u>163,364</u>	<u>188,935</u>
NET OPERATING SURPLUS	79,893	109,259	207,572
TRANSFERS			
Transfer to capital	(30,000)	-	-
Transfers from (to) operating fund	(71,951)	2,058	-
Transfers from (to) reserve funds	22,058	(87,121)	(92,858)
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	<u>24,196</u>	<u>114,714</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>2,522,371</u>	<u>2,407,657</u>
FUND SURPLUS, END OF YEAR		<u>\$ 2,546,567</u>	<u>\$ 2,522,371</u>

RURAL MUNICIPALITY OF HANOVER
 SCHEDULE OF UTILITY OPERATIONS - Grunthal Utility
 For the Year Ended December 31, 2022

SCHEDULE 9

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
REVENUE			
Water			
Water fees	\$ 134,337	\$ 125,690	\$ 137,002
Bulk Water fees	12,142	-	-
sub-total- water	<u>146,479</u>	<u>125,690</u>	<u>137,002</u>
Sewer			
Sewer fees	71,382	104,610	154,159
Lagoon tipping fees	-	15,043	8,520
sub-total- sewer	<u>71,382</u>	<u>119,653</u>	<u>162,679</u>
Property taxes	<u>355,327</u>	<u>355,327</u>	<u>347,194</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	2,500	-	-
Installation service	-	-	-
Penalties	3,472	3,490	3,839
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	49,982	53,197
Gain on sale of tangible capital assets	-	-	-
Other income	125,271	369	11,674
sub-total- other	<u>138,263</u>	<u>60,123</u>	<u>75,730</u>
Total revenue	<u>\$ 711,451</u>	<u>\$ 660,793</u>	<u>\$ 722,605</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Grunthal Utility
For the Year Ended December 31, 2022

SCHEDULE 9

EXPENSES	Budget	2022	2021
General			
Administration	\$ 43,187	\$ 43,558	\$ 53,050
Training costs	-	-	-
Billing and collection	2,540	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>45,727</u>	<u>43,558</u>	<u>53,050</u>
Water General			
Purification and treatment	84,107	90,766	90,066
Water purchases	-	-	-
Transmission and distribution	29,521	43,977	23,813
Hydrant maintenance	-	-	-
Other water supply costs	6,779	2,646	2,715
Connection costs	158	-	72
sub-total- water general	<u>120,565</u>	<u>137,389</u>	<u>116,666</u>
Water Amortization & Interest			
Amortization	-	71,940	69,060
Interest on long term debt	32,389	30,176	35,470
sub-total- water amortization & interest	<u>32,389</u>	<u>102,116</u>	<u>104,530</u>
Sewer General			
Collection system costs	28,198	20,151	18,529
Treatment and disposal cost	100,993	124,824	101,732
Lift Station costs	70,640	60,513	68,182
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>199,831</u>	<u>205,488</u>	<u>188,443</u>
Sewage Amortization & Interest			
Amortization	-	121,818	136,554
Interest on long term debt	56,034	52,204	61,364
sub-total- sewer amortization & interest	<u>56,034</u>	<u>174,022</u>	<u>197,918</u>
Total expenses	<u>454,546</u>	<u>662,573</u>	<u>660,607</u>
NET OPERATING SURPLUS	256,905	(1,780)	61,998
TRANSFERS			
Transfer to capital	(376,600)	-	-
Transfers from (to) operating fund	(383,174)	116,270	-
Transfers from (to) reserve funds	505,862	86,270	119,403
CHANGE IN UTILITY FUND BALANCE	<u>\$ 2,993</u>	200,760	181,401
FUND SURPLUS, BEGINNING OF YEAR		<u>2,779,901</u>	<u>2,598,500</u>
FUND SURPLUS, END OF YEAR		<u>\$ 2,980,661</u>	<u>\$ 2,779,901</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Kleeefeld Utility
For the Year Ended December 31, 2022

SCHEDULE 9

REVENUE	Budget	2022	2021
Water			
Water fees	\$ 159,094	\$ 180,497	\$ 166,892
Bulk Water fees	4,040	-	-
sub-total- water	<u>163,134</u>	<u>180,497</u>	<u>166,892</u>
Sewer			
Sewer fees	47,215	30,371	43,019
Lagoon tipping fees	-	7,050	5,880
sub-total- sewer	<u>47,215</u>	<u>37,421</u>	<u>48,899</u>
Property taxes	<u>191,131</u>	<u>191,131</u>	<u>191,131</u>
Government transfers			
Operating	-	-	-
Capital	300,000	-	-
sub-total- government transfers	<u>300,000</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	7,290	7,290	6,210
Connection charges	-	-	-
Installation service	-	-	-
Penalties	2,292	2,508	2,762
Contributed tangible capital assets	-	75,369	235,775
Investment income	-	-	-
Administration fees	-	46,645	34,049
Gain on sale of tangible capital assets	-	-	-
Other income	38,648	-	-
sub-total- other	<u>48,230</u>	<u>131,812</u>	<u>278,796</u>
Total revenue	<u>\$ 749,710</u>	<u>\$ 540,861</u>	<u>\$ 685,718</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Kleeefeld Utility
For the Year Ended December 31, 2022

SCHEDULE 9

EXPENSES	Budget	2022	2021
General			
Administration	\$ 28,712	\$ 17,904	\$ 41,826
Training costs	-	-	-
Billing and collection	1,835	1,337	2,306
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>30,547</u>	<u>19,241</u>	<u>44,132</u>
Water General			
Purification and treatment	71,859	70,927	78,936
Water purchases	-	-	-
Transmission and distribution	27,928	17,135	17,870
Hydrant maintenance	-	-	-
Other water supply costs	-	-	-
Connection costs	1,330	1,415	1,024
sub-total- water general	<u>101,117</u>	<u>89,477</u>	<u>97,830</u>
Water Amortization & Interest			
Amortization	-	95,057	90,761
Interest on long term debt	13,125	12,347	15,392
sub-total- water amortization & interest	<u>13,125</u>	<u>107,404</u>	<u>106,153</u>
Sewer General			
Collection system costs	8,435	564	1,187
Treatment and disposal cost	21,525	64,141	24,406
Lift Station costs	11,150	6,051	6,400
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>41,110</u>	<u>70,756</u>	<u>31,993</u>
Sewage Amortization & Interest			
Amortization	-	48,669	32,991
Interest on long term debt	10,477	9,856	12,287
sub-total- sewer amortization & interest	<u>10,477</u>	<u>58,525</u>	<u>45,278</u>
Total expenses	<u>196,376</u>	<u>345,403</u>	<u>325,386</u>
NET OPERATING SURPLUS	553,334	195,458	360,332
TRANSFERS			
Transfer to capital	(657,000)	-	-
Transfers from (to) operating fund	(167,528)	-	-
Transfers from (to) reserve funds	271,196	(80,000)	(75,472)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 2</u>	<u>115,458</u>	<u>284,860</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>2,798,175</u>	<u>2,513,315</u>
FUND SURPLUS, END OF YEAR		<u>\$ 2,913,633</u>	<u>\$ 2,798,175</u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2022

	Financial Plan General	Financial Plan Utilities	LUD	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE									
Property taxes	\$ 10,009,506	901,048	1,220,632	\$ -	\$ -	\$ (2,121,680)	\$ -	\$ -	\$ 10,009,506
Grants in lieu of taxation	154,551	-	-	-	-	-	-	-	154,551
User fees	2,135,673	-	-	-	-	-	-	-	2,135,673
Permits, licences and fines	838,262	-	-	-	-	-	-	-	838,262
Investment income	59,337	-	-	-	-	-	-	10,134	69,471
Other revenue	814,953	-	129,735	-	-	-	-	171,947	1,116,635
Water and sewer	-	1,453,019	-	-	-	-	-	-	1,453,019
Grants - Province of Manitoba	1,731,905	-	-	-	-	-	-	-	1,731,905
Grants - other	885,183	-	-	-	-	-	-	40,250	925,433
Transfers from general fund	-	-	45,000	-	-	(45,000)	-	-	-
Transfers from reserves	3,081,107	867,920	127,377	-	-	(4,076,404)	-	-	-
Total revenue	\$ 19,710,477	\$ 3,221,987	\$ 1,522,744	\$ -	\$ -	\$ (6,243,084)	\$ -	\$ 222,331	\$ 18,434,455
EXPENSES									
General government services	\$ 2,340,085	\$ -	\$ 111,282	\$ 118,545	\$ -	\$ (335,415)	\$ -	\$ -	\$ 2,234,497
Protective services	1,365,789	-	-	332,661	-	(85,000)	-	-	1,613,450
Transportation services	5,820,537	-	553,738	1,573,437	-	(1,979,405)	-	-	5,968,307
Environmental health services	1,049,099	-	6,888	15,708	-	-	-	13,760	1,085,455
Public health and welfare services	8,602	-	-	-	-	-	-	-	8,602
Regional planning and development	228,136	-	700	-	-	-	-	-	228,836
Resource cons and industrial dev	73,530	-	-	-	-	-	-	34,068	107,598
Recreation and cultural services	3,008,878	-	21,429	257,497	-	(1,330,359)	-	-	1,957,445
Water and sewer services	-	1,202,629	-	919,465	-	-	-	-	2,122,094
Fiscal services:									
Transfer to capital	-	1,121,600	408,162	-	-	(1,529,762)	-	-	-
Transfer to utility	901,048	-	-	-	-	(901,048)	-	-	-
Transfer to LUD	1,592,980	-	-	-	-	(1,592,980)	-	-	-
Debt charges	296,072	862,328	-	-	-	(1,158,400)	-	-	-
Short term interest	-	-	-	-	-	-	-	-	-
Transfer to reserves	3,021,136	32,434	420,545	-	-	(3,474,115)	-	-	-
Allowance for tax assets	4,585	-	-	-	-	(4,585)	-	-	-
Total expenses	\$ 19,710,477	\$ 3,218,991	\$ 1,522,744	\$ 3,217,313	\$ -	\$ (12,391,069)	\$ -	\$ 47,828	\$ 15,326,284
Surplus (Deficit)	\$ -	\$ 2,996	\$ -	\$ (3,217,313)	\$ -	\$ 6,147,985	\$ -	\$ 174,503	\$ 3,108,171

**RURAL MUNICIPALITY OF HANOVER
ANALYSIS OF TAXES ON ROLL
December 31, 2022**

SCHEDULE 11

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 1,605,159	\$ 1,709,082
Add:		
Tax levy (Schedule 12)	21,493,922	20,839,864
Taxes added	725,011	529,132
Penalties or interest	146,438	147,579
Other accounts added	-	-
Tax Adjustments (Redemption Fees)	2,000	1,500
Tax Adjustments (A/R Added to Taxes)	-	-
Sub-total	<u>22,367,371</u>	<u>21,518,075</u>
Deduct:		
Cash collections - current	19,226,337	18,292,075
Cash collections - arrears	1,333,711	1,487,449
Write-offs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	1,557,939	1,842,474
Other credits (specify)	-	-
Sub-total	<u>22,117,987</u>	<u>21,621,998</u>
Balance, end of year	<u><u>\$ 1,854,543</u></u>	<u><u>\$ 1,605,159</u></u>

RURAL MUNICIPALITY OF HANOVER
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2022

SCHEDULE 12

	2022			2021
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
LUD of Blumenort	\$ 87,334,980	\$ 4.255	\$ 371,610	\$ 354,583
LUD of Mitchell	\$ 104,544,350	\$ 5.125	535,790	493,265
LUD of Grunthal	\$ 63,731,460	\$ 4.750	302,724	297,597
sub-total- L.U.D.			<u>1,210,125</u>	<u>1,145,446</u>
Debt charges:				
Frontage	\$ -	\$ -	45,707	46,556
LI.D.	\$ -	\$ -	-	-
Kleefeld Street 2382-15	\$ -	\$ -	-	-
Grunthal Utility	\$ 74,195,920	\$ 4.750	352,431	344,297
Kleefeld Utility	\$ 61,555,380	\$ 3.105	191,129	191,108
New Bothwell Utility	\$ 26,149,930	\$ 3.250	84,987	82,382
Mitchell Utility	\$ 112,113,460	\$ 2.394	268,400	268,435
New Bothwell Rec Centre 2381-15	\$ 28,076,510	\$ 0.492	13,814	13,810
BFD Hall 2408-17	\$ 876,164,240	\$ 0.096	84,112	83,702
BFD Trucks 2408-17	\$ 876,164,240	\$ 0.094	82,359	82,011
PW Shop 2375-15	\$ 876,164,240	\$ 0.205	179,614	180,086
sub-total- Debt charges			<u>1,302,552</u>	<u>1,292,387</u>
Deferred surplus	\$ -	\$ -	-	-
Reserves:				
Machinery Replacement Reserve	\$ 829,749,270	\$ 0.743	616,504	591,354
Fire Hall/Equipment Reserve	\$ 829,749,270	\$ 0.268	222,373	221,658
Recreation Reserve	\$ 829,749,270	\$ 0.470	389,982	200,852
Office Reserve	\$ 829,749,270	\$ 0.096	79,656	59,215
sub-total- Reserves			<u>1,308,515</u>	<u>1,073,080</u>
General municipal	\$ 829,749,270	\$ 1.069	<u>887,002</u>	<u>872,227</u>
Rural Area	\$ 574,138,480	\$ 6.046	<u>3,471,241</u>	<u>3,250,641</u>
Special levies:				
Fire Protection	\$ 876,164,240	\$ 0.845	740,359	720,344
Garbage Disposal	\$ -	\$ -	567,658	522,245
Sewage Disposal	\$ -	\$ -	-	-
sub-total- Special levies			<u>1,308,017</u>	<u>1,242,588</u>
Business tax (rate%)	\$ -	\$ -	-	-
Total municipal taxes (Schedule 2)			<u>9,487,452</u>	<u>8,876,370</u>
Education support levy	\$ 77,655,040	\$ 8.713	<u>676,608</u>	<u>635,201</u>
Special levies:				
Hanover School Division	\$ 824,469,660	\$ 13.742	11,329,862	11,328,292
sub-total- Special levies			<u>11,329,862</u>	<u>11,328,292</u>
Total education taxes			<u>12,006,470</u>	<u>11,963,494</u>
Total tax levy (Schedule 11)			<u>\$ 21,493,922</u>	<u>\$ 20,839,864</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2022

SCHEDULE 13

	<u>2022 Actual</u>	<u>2021 Actual</u>
General government services:		
Legislative	\$ 395,780	\$ 335,588
General administrative	1,451,445	1,327,481
Other	125,378	116,295
	<u>1,972,603</u>	<u>1,779,364</u>
Protective services:		
Police	-	-
Fire	1,118,182	1,145,267
Emergency measures	11,742	10,947
Other	424,630	386,077
	<u>1,554,554</u>	<u>1,542,291</u>
Transportation services:		
Road transport		
Administration and engineering	2,460,111	2,147,291
Road and street maintenance	3,034,905	2,600,874
Ditches and drainage	289,035	209,978
Sidewalk and boulevard maintenance	-	-
Street lighting	3,045	3,014
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>5,787,096</u>	<u>4,961,157</u>
Environmental health services:		
Waste collection and disposal	491,683	437,716
Recycling	362,315	291,360
Other	285,612	223,656
	<u>1,139,610</u>	<u>952,732</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	228,706	214,138
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>228,706</u>	<u>214,138</u>
Resource conservation and industrial development		
Rural area weed control	6,748	300
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	22,000	24,500
Regional development	40,684	183,763
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>69,432</u>	<u>208,563</u>
Sub-totals forward	<u>\$ 10,760,603</u>	<u>\$ 9,666,847</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2022

SCHEDULE 13

	<u>2022 Actual</u>	<u>2021 Actual</u>
Sub-totals forward	\$ 10,760,603	\$ 9,666,847
Recreation and cultural services:		
Administration	876,379	736,022
Community centers and halls	134,676	86,713
Swimming pools and beaches	66,723	49,565
Golf courses	-	-
Skating and curling rinks	252,360	213,788
Parks and playgrounds	281,214	191,440
Other recreational facilities	44,922	47,097
Museums	-	-
Libraries	14,260	13,720
Other cultural facilities	-	-
	<u>1,670,534</u>	<u>1,338,345</u>
Total expenses	<u>\$ 12,431,137</u>	<u>\$ 11,005,192</u>

RURAL MUNICIPALITY OF HANOVER
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - Unaudited
December 31, 2022

SCHEDULE 14

	2022			2021
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 18,460	\$ (41,477)	\$ (23,017)	\$ 179,598
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	4,527,845	250,532	4,778,377	5,840,049
Eliminate expense - transfers from nominal surplus	-	-	-	150,767
Eliminate revenue - transfers from reserves	(2,515,408)	(86,270)	(2,601,678)	(2,306,816)
Increase revenue - reserve funds interest	285,837	-	285,837	115,193
Increase revenue - reserve fund other revenue	-	-	-	-
Increase expense - reserve fund other expenses	-	-	-	-
Decrease revenue - internally funded debentures	(49,604)	-	(49,604)	-
Eliminate expense - repayments of internally funded debentures	83,147	-	83,147	-
Eliminate transfers between funds	118,328	(118,328)	-	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	165,677	-	165,677	333,036
Decrease expense - elimination of contributions to (from) consolidated entities	(33,750)	-	(33,750)	(455,206)
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(5,408)	-	(5,408)	(11,650)
Decrease revenue - proceeds on sale of tangible capital assets	(37,750)	-	(37,750)	(188,071)
Increase expense - amortization of tangible capital assets	(2,297,849)	(919,465)	(3,217,314)	(3,034,099)
Decrease revenue - proceeds from long term debt	-	-	-	-
Decrease expense - principal portion of debenture debt	216,150	875,290	1,091,440	1,052,728
Increase revenue - contributions of tangible capital assets	495,990	242,550	738,540	1,625,800
Eliminate expense - acquisitions of tangible capital assets	4,112,320	97,507	4,209,827	2,826,566
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 5,083,985	\$ 300,339	\$ 5,384,324	\$ 6,127,895