

RURAL MUNICIPALITY OF HANOVER

**Consolidated Financial Statements
For the Year Ended December 31, 2023**

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

Qualified Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Hanover (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Hanover as at December 31, 2023, 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 Qualified Opinion

Under Canadian Public Sector Accounting Standards, as of the year ended December 31, 2023, the Municipality was required to adopt a new accounting standard, PS 3280 – Asset Retirement Obligations. The Municipality has not recognized a liability for asset retirement obligations in the consolidated statement of financial position as at December 31, 2023 and has not recognized related expenses in the consolidated statement of operations for the year then ended.

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. In order to adopt the standard, the Municipality would need to identify all legal obligations association with the retirement of its assets to ensure the completeness of the asset retirement obligations recorded, and estimate the future costs of remediation for these obligations to determine their valuation. The Municipality has not provided sufficient appropriate audit evidence regarding the completeness and the valuation of the amounts recorded and the disclosures required in respect of this liability. Our audit opinion on the consolidated financial statements for the year ended December 31, 2023 was modified because of the effects of this departure from Canadian Public Sector Accounting Standards.

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

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:

(continues)

- 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 20, 2024

RURAL MUNICIPALITY OF HANOVER

Consolidated Financial Statements

For the Year Ended December 31, 2023

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RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and short-term investments (Note 3)	\$ 29,656,964	\$ 23,304,915
Long-term investments (Note 4)	670,346	655,916
Amounts receivable (Note 5)	3,928,202	3,283,262
	<u>\$ 34,255,512</u>	<u>\$ 27,244,093</u>
LIABILITIES		
Bank indebtedness (Note 7)	\$ 551,736	\$ -
Accounts payable and accrued liabilities (Note 8)	7,275,029	2,928,705
Vacation and sick leave payable (Note 2)	130,780	131,050
Long-term debt (Note 9)	3,787,681	4,919,266
	<u>11,745,226</u>	<u>7,979,021</u>
NET FINANCIAL ASSETS	<u>\$ 22,510,286</u>	<u>\$ 19,265,072</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 57,016,905	\$ 53,263,121
Inventories (Note 6)	2,597,130	545,476
Prepaid expenses	299,986	167,922
	<u>59,914,021</u>	<u>53,976,519</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 82,424,307</u>	<u>\$ 73,241,591</u>

COMITMENTS (Note 19)

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, 2023

	<u>2023 Budget (Note 12)</u>	<u>2023 Actual</u>	<u>2022 Actual</u>
REVENUE			
Property taxes	\$ 10,905,263	\$ 11,009,307	\$ 10,212,463
Grants in lieu of taxation	158,152	131,724	126,552
User fees	3,070,972	834,979	2,231,645
Permits, licences and fines	960,017	1,404,808	1,160,628
Investment income	284,493	1,204,582	507,628
Other revenue	925,527	2,102,843	1,632,327
Water and sewer	1,407,005	2,187,268	1,480,379
Grants - Province of Manitoba	2,499,241	4,951,830	2,054,268
Grants - other	1,056,919	1,457,562	1,595,114
Total revenue (Schedules 2, 4 and 5)	<u>21,267,589</u>	<u>25,284,903</u>	<u>21,001,004</u>
EXPENSES			
General government services	2,451,268	2,533,039	2,079,065
Protective services	1,581,468	1,647,641	1,554,554
Transportation services	6,908,616	6,370,905	6,754,337
Environmental health services	1,315,775	1,340,308	1,143,781
Public health and welfare services	8,602	8,602	8,602
Regional planning and development	251,147	256,211	228,705
Resource conservation and industrial development	85,647	57,882	78,499
Recreation and cultural services	2,309,023	1,988,048	1,688,049
Water and sewer services	2,031,658	1,899,551	2,081,088
Total expenses (Schedules 3, 4 and 5)	<u>16,943,204</u>	<u>16,102,187</u>	<u>15,616,680</u>
ANNUAL SURPLUS	<u><u>\$ 4,324,385</u></u>	<u>9,182,716</u>	5,384,324
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>73,241,591</u>	<u>67,857,267</u>
ACCUMULATED SURPLUS, END OF YEAR		<u><u>\$ 82,424,307</u></u>	<u><u>\$ 73,241,591</u></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, 2023

	<u>2023</u> <u>Budget</u> <i>(Note 12)</i>	<u>2023</u> <u>Actual</u>	<u>2022</u> <u>Actual</u>
ANNUAL SURPLUS (DEFICIT)	\$ 4,324,385	\$ 9,182,716	\$ 5,384,324
Acquisition of tangible capital assets	(2,014,267)	(7,440,054)	(5,327,633)
Amortization of tangible capital assets	3,371,842	3,371,845	3,217,314
Loss (Gain) on sale of tangible capital assets	-	314,425	5,408
Proceeds on sale of tangible capital assets	-	-	37,750
Decrease (increase) in inventories	-	(2,051,654)	(46,725)
Decrease (increase) in prepaid expense	-	(132,064)	(29,010)
	<u>1,357,575</u>	<u>(5,937,502)</u>	<u>(2,142,896)</u>
CHANGE IN NET FINANCIAL ASSETS	<u>\$ 5,681,960</u>	3,245,214	3,241,428
NET FINANCIAL ASSETS, BEGINNING OF YEAR		<u>19,265,072</u>	<u>16,023,644</u>
NET FINANCIAL ASSETS, END OF YEAR		<u>\$ 22,510,286</u>	<u>\$ 19,265,072</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, 2023

	<u>2023</u>	<u>2022</u>
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 9,182,716	\$ 5,384,324
Changes in non-cash items:		
Amounts receivable	(644,940)	(369,673)
Inventories	(2,051,654)	(46,725)
Prepays	(132,064)	(29,010)
Accounts payable and accrued liabilities	4,346,324	122,217
Severance and vested sick leave payable	(270)	13,666
Landfill closure and post closure liabilities	-	-
Environmental liabilities	-	-
Donated assets	(2,051,900)	(1,013,540)
Loss (Gain) on sale of tangible capital asset	314,425	5,408
Amortization	3,371,845	3,217,314
Cash provided by operating transactions	<u>12,334,483</u>	<u>7,283,981</u>
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	-	37,750
Cash used to acquire tangible capital assets	(5,388,155)	(4,314,093)
Cash applied to capital transactions	<u>(5,388,155)</u>	<u>(4,276,343)</u>
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	-	116,747
Purchase of portfolio investments	(14,430)	(59,973)
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
Cash applied to investing transactions	<u>(14,430)</u>	<u>56,774</u>
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	-
Debt repayment	(1,131,585)	(1,091,440)
Obligation under capital lease	-	-
Proceeds (repayments) of bank indebtedness	551,736	-
Cash applied to financing transactions	<u>(579,849)</u>	<u>(1,091,440)</u>
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	6,352,049	1,972,972
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	<u>23,304,915</u>	<u>21,331,943</u>
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	<u><u>\$ 29,656,964</u></u>	<u><u>\$ 23,304,915</u></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, 2023

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%) (2022 - 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%) (2022 - 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) Post-employment Benefits and Compensated Absences

Compensation expense is accrued to all employees as entitlement to these payments is earned in accordance with the Municipality's benefits plans for vacation, sick, and retirement allowance.

l) 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.

m) 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 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.
- PSG - 8 Purchased intangibles (effective January 1, 2024) provides guidelines on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

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

3. Cash and short-term investments

Cash and short-term investments are comprised of the following:

	<u>2023</u>	<u>2022</u>
Cash	\$ 27,560,197	\$ 20,682,744
Guaranteed investment certificates	2,096,767	2,622,171
	<u>\$ 29,656,964</u>	<u>\$ 23,304,915</u>

Guaranteed investment certificates have a market value approximating cost. These investments earn interest at rates from 2.25% to 3.20% and mature in 2024

The Municipality has designated \$24,957,140 (2022 - \$21,609,707) 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, 2023 (2022 - \$1,000,000).

4. Long-term investments

	<u>2023</u>	<u>2022</u>
Guaranteed investment certificates	\$ 670,346	\$ 655,916
Municipal Debentures	<u>1,029,571</u>	<u>1,122,919</u>
	\$ 1,699,917	\$ 1,778,835
Less: Debentures issued by the Municipality (Note 9)	<u>(1,029,571)</u>	<u>(1,122,919)</u>
	<u>\$ 670,346</u>	<u>\$ 655,916</u>

Guaranteed investment certificates have a market value approximating cost. These investments earn interest at 2.20% and have maturity dates ranging from 2026 to 2027.

5. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2023</u>	<u>2022</u>
Taxes on roll (Schedule 11)	\$ 2,214,264	\$ 1,854,543
Government grants	854,085	480,148
Utility customers	112,463	87,506
Accrued interest	-	-
Organizations and individuals	743,768	768,258
Other governments	<u>53,622</u>	<u>142,807</u>
	3,978,202	3,333,262
Less allowances for doubtful amounts	<u>(50,000)</u>	<u>(50,000)</u>
	<u>\$ 3,928,202</u>	<u>\$ 3,283,262</u>

6. Inventories

Inventories for sale:

	<u>2023</u>	<u>2022</u>
Land for resale	\$ 2,240,844	\$ 288,154

Inventories for use:

Chemicals, herbicides, insecticides	\$ -	\$ -
Fuel	-	-
Culverts	4,539	4,131
Aggregate	82,161	90,174
Garbage totes	233,520	118,693
Other supplies	<u>36,066</u>	<u>44,324</u>
	<u>\$ 2,597,130</u>	<u>\$ 545,476</u>

7. Bank indebtedness

	<u>2023</u>	<u>2022</u>
Bank indebtedness of Hanover Community Development Corporation	\$ 309,932	\$ -
Bank indebtedness of RSR Wastewater Cooperative	<u>241,804</u>	<u>-</u>
	<u>\$ 551,736</u>	<u>\$ -</u>

Hanover Community Development Corporation has a \$3,000,000 revolving line credit of which \$309,932 was in use at December 31, 2023. Bank advances on the credit line are payable on demand and bear interest at 0.50% under the Royal Bank Prime Rate. The line of credit is secured by:

- General security agreement on the Bank's form 812 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower
- Guarantee and postponement of claim on the Bank's form 812 in the amount of \$3,000,000 signed by the Rural Municipality of Hanover.

RSR Wastewater Cooperative has a maximum line of credit of \$3,200,000 that bears interest at prime which is currently 7.20%. The balance of \$241,804 (2022 - Nil) represents the Municipality's proportionate share of the amount drawn on the line of credit at year end.

8. Accounts Payable and Accrued Liabilities

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 1,130,514	\$ 777,283
Accrued expenses	230,352	215,900
Accrued interest payable	-	-
Government remittances	62,672	56,067
Refundable deposits	732,078	851,028
School levies	1,062,745	1,028,427
Debenture installments payable	261,833	-
Daycare project advance	3,794,835	-
Other governments	-	-
	<u>\$ 7,275,029</u>	<u>\$ 2,928,705</u>

The Municipality received an advance for a daycare project that is ongoing as at year end. Unspent funds have been recorded as payable in these financial statements.

9. Long Term Debt

	<u>2023</u>	<u>2022</u>
General Authority:		
Debenture 2317-13, Interest at 4.000%, payable at \$3,746 annually including interest, matured December 31, 2023	\$ -	\$ 3,602
Debenture 2544-22, Interest at 4.000%, payable at \$11,143 annually including interest, maturing December 31, 2027	40,446	49,604
Debenture 2512-21, Interest at 3.500%, payable at \$8,404 annually including interest, maturing December 31, 2026	23,546	30,869
Debenture 2381-15, Interest at 3.250%, payable at \$13,832 annually including interest, maturing December 31, 2025	26,372	38,939
Debenture 2375-15, Interest at 2.940%, payable at \$180,158 annually including interest, maturing August 1, 2025	349,251	516,431
Debenture 2440-19, interest at 4.160%, payable at \$83,957 annually including interest, maturing April 1, 2039	997,033	1,040,333
Debenture 2488-20, interest at 3.000%, payable at \$15,308 annually including interest, maturing December 31, 2025	29,292	43,301
Debenture 2487-20, interest at 3.000%, payable at \$17,914 annually including interest, maturing December 31, 2025	34,278	50,672
Debenture 2425-18, interest at 4.125%, payable at \$81,838 annually including interest, maturing December 31, 2038	902,009	944,871
	<u>\$ 2,402,227</u>	<u>\$ 2,718,622</u>
Balance carried forward	<u>\$ 2,402,227</u>	<u>\$ 2,718,622</u>

Utility Funds:

Debenture 2148 for Kleefeld Utility, Interest at 3.350%, payable at \$191,131 annually including interest, maturing October 1, 2025	\$ 366,915	\$ 541,502
Debenture 2215 for Mitchell Utility, interest at 3.980%, payable at \$269,446 annually including interest, maturing September 1, 2024	262,551	515,054
Debenture 2281 for Grunthal Utility, interest at 3.920% payable at \$223,597 annually including interest, maturing March 1, 2026	641,801	839,802
Debenture 2297 for Grunthal Utility, interest at 3.800% payable at \$243,892 annually including interest, maturing December 31, 2027	889,489	1,091,889
Debenture 2364 for Grunthal Utility, interest at 3.600%, payable at \$4,109 annually including interest, maturing December 31, 2024	3,966	7,794
Debenture 2218 for New Bothwell Utility, interest at 3.920%, payable at \$87,203 annually including interest, maturing March 1,	250,303	327,522
Utility debenture sub-total	\$ 2,415,025	\$ 3,323,563
Total debentures	4,817,252	6,042,185
Less: Internally Held Debentures	(1,029,571)	(1,122,919)
	<u>\$ 3,787,681</u>	<u>\$ 4,919,266</u>

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

2023	\$ 1,165,319
2024	\$ 934,673
2025	\$ 583,188
2026	\$ 295,101
2027	\$ 77,384

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 municipalities on behalf of their employees are expected to be \$227,681 (2022 - \$205,001) and are included in each municipality's statement of operations.

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

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

11. Financial Instruments

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

12. Budget

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

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

13. Accumulated Surplus

	<u>2023</u>	<u>2022</u>
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 1,914,231	\$ 2,316,888
Utility operating fund(s) - Nominal surplus	687,499	375,039
TCA net of related borrowings	52,543,345	48,239,590
Reserve funds	24,957,140	21,609,707
Accumulated surplus of municipality unconsolidated	80,102,215	72,541,224
Accumulated surpluses of consolidated entities	2,322,092	700,367
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 82,424,307</u>	<u>\$ 73,241,591</u>

14. Public Sector Compensation Disclosure

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

a) Compensation paid to members of council amounted to \$478,073 in aggregate.

b) There were no members of council receiving compensation in excess of \$85,000 individually.

Council Members:

	<u>Compensation</u>	<u>Expenses</u>	<u>Total</u>
Reeve - Jim Funk	65,426	3,231	68,657
Councillor - Brian Esau	52,380	1,992	54,372
Councillor - Curtis Dawydiuk	50,315	2,439	52,754
Councillor - Darrin Warkentin	45,691	398	46,089
Councillor - Ed Penner	46,647	1,328	47,975
Councillor - Roberto Hiebert	46,834	1,112	47,946
Councillor - Travis Doerksen	47,317	277	47,594
Committee Member - Anita Funk	7,500	500	8,000
Committee Member - Brad Kehler	9,687	-	9,687
Committee Member - Cliff Froese	7,800	-	7,800
Committee Member - Dawn Oude Voshaa	7,499	200	7,699
Committee Member - Ernest Kehler	6,600	-	6,600
Committee Member - Floyd Penner	7,250	50	7,300
Committee Member - Irma Friesen	6,600	-	6,600
Committee Member - Kevin Medeiros	8,400	100	8,500
Committee Member - Paul Perreault	7,200	-	7,200
Committee Member - Randy Peters	7,200	-	7,200
Committee Member - Rob Hiebert	6,600	-	6,600
Committee Member - Roger Dueck	7,250	50	7,300
Committee Member - Thomas Guenther	7,200	-	7,200
Committee Member - Tim Fehr	7,800	-	7,800
Committee Member - Travis Fehr	7,200	-	7,200
	<u>\$ 466,396</u>	<u>\$ 11,677</u>	<u>\$ 478,073</u>

c) The following officers received compensation in excess of \$85,000:

<u>Name</u>	<u>Position</u>	<u>Amount</u>
<i>Luc Lahaie</i>	<i>CAO</i>	\$ 158,726
<i>Robert Driedger</i>	<i>Utilities and Engineering Manager</i>	\$ 117,930
<i>Derek Decru</i>	<i>CFO</i>	\$ 115,773
<i>Wesley Fehr</i>	<i>Public Works Manager</i>	\$ 112,431
<i>Jeremy Neufeld</i>	<i>Manager of Planning and I.T.</i>	\$ 105,097
<i>Paul Wiebe</i>	<i>Fire Chief</i>	\$ 99,581
<i>Matthew Thiessen</i>	<i>Public Works Foreman</i>	\$ 94,996
<i>Trenton Gagne</i>	<i>Commercial Inspector</i>	\$ 87,474
<i>Jason Bilawchuk</i>	<i>Public Works Lead Hand</i>	\$ 85,379

15. Segmented Information

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

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

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

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

16. 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>2023</u>	<u>2022</u>
Financial Position		
Financial Assets	\$ -	\$ 4,757
Liabilities	<u>293,290</u>	<u>78,205</u>
Net financial assets (liabilities)	<u>\$ (293,290)</u>	<u>\$ (73,448)</u>
Non-financial assets	<u>685,879</u>	<u>104,266</u>
Accumulated surplus	<u>\$ 392,589</u>	<u>\$ 30,818</u>
Result of Operations		
Revenues	<u>\$ 390,787</u>	<u>\$ 40,646</u>
Expenses	<u>29,016</u>	<u>9,828</u>
Annual surplus	<u>\$ 361,771</u>	<u>\$ 30,818</u>
Elimination of revenues/expenses upon consolidation	<u>(71,750)</u>	<u>(8,750)</u>
Consolidated annual surplus	<u>\$ 290,021</u>	<u>\$ 22,068</u>

17. Public Utilities Board

The Public Utilities Board (PUB) regulates the rates charged by all water and sewer utilities, except the City of Winnipeg utility and those utilities operated by the Manitoba Water Services Board. PUB has the authority to order any owner of a utility to adopt uniform and prescribed accounting policies. PUB's prescribed accounting policies on tangible 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	\$ 11,760	\$ -	\$ 560	\$ 11,200
Kleefeld Utility	387,502	-	17,529	369,973
	<u>\$ 399,262</u>	<u>\$ -</u>	<u>\$ 18,089</u>	<u>\$ 381,173</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	\$ 488,676	\$ -	\$ 28,716	\$ 459,960
Kleefeld Utility	1,356,191	-	46,942	1,309,249
New Bothwell Utility	1,119,547	-	45,492	1,074,055
Blumenort Utility	2,619,735	-	180,774	2,438,961
Mitchell Utility	475,901	-	22,218	453,683
	<u>\$ 6,060,050</u>	<u>\$ -</u>	<u>\$ 324,142</u>	<u>\$ 5,735,908</u>

18. 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, 2023

SCHEDULE 1

	General Capital Assets					Infrastructure			Totals	
	Land and Land Improvements	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Asset Under Construction	Roads, Streets, and Bridges	Water and Sewer	Assets Under Construction	2023	2022
Cost										
Opening 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
Additions during the year	432,198	947,117	517,942	96,057	2,367,569	2,492,718	1,255,914	268,000	8,377,515	5,605,367
Disposals and write downs	(426,258)	-	(60,910)	-	(299,871)	-	-	(637,590)	(1,424,629)	(503,966)
Closing costs	9,419,322	8,889,614	12,003,161	624,493	2,507,979	56,885,969	34,816,998	268,000	125,415,536	118,462,650
Accumulated Amortization										
Opening 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
Amortization	441,851	283,028	880,543	31,111	-	872,600	862,712	-	3,371,845	3,217,314
Disposals and write downs	(113,669)	-	(59,074)	-	-	-	-	-	(172,743)	(183,075)
Closing accum'd amortization	2,175,520	3,751,158	6,984,240	432,389	-	38,965,543	16,089,781	-	68,398,631	65,199,529
Net Book Value of Tangible Capital Assets	\$ 7,243,802	\$ 5,138,456	\$ 5,018,921	\$ 192,104	\$ 2,507,979	\$ 17,920,426	\$ 18,727,217	\$ 268,000	\$ 57,016,905	\$ 53,263,121

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, 2023

SCHEDULE 2

	2023 Actual	2022 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 10,331,033	\$ 9,487,452
Taxes added	678,274	725,011
	<u>11,009,307</u>	<u>10,212,463</u>
Grants in lieu of taxation:		
Provincial government	-	-
Provincial government enterprises	131,724	126,552
Other local governments	-	-
Non-government organizations	-	-
	<u>131,724</u>	<u>126,552</u>
User fees		
Parking meters	-	-
Sales of service	185,592	205,222
Sales of goods	29,602	104,275
Rentals	72,102	666,795
Development charges	273,232	1,009,988
Facility use fees	274,451	245,365
	<u>834,979</u>	<u>2,231,645</u>
Permits, licences and fines		
Permits	1,069,633	961,166
Licences	8,503	8,475
Fees	326,422	187,267
Fines	250	3,720
	<u>1,404,808</u>	<u>1,160,628</u>
Investment income:		
Cash and temporary investments	1,204,582	507,628
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>1,204,582</u>	<u>507,628</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(315,334)	(5,408)
Gain on sale of real estate held for sale	69,395	167,711
Contributed assets	1,438,100	495,990
Penalties and interest	181,535	148,438
Donations	254,430	324,257
Miscellaneous	474,717	501,339
	<u>2,102,843</u>	<u>1,632,327</u>
Water and sewer		
Municipal utilities (Schedule 9)	2,187,268	1,480,379
Consolidated water co-operatives	-	-
	<u>2,187,268</u>	<u>1,480,379</u>
Grants - Province of Manitoba		
General assistance payment	-	-
General support grant	1,926,539	1,144,131
Municipal program grants	-	-
Other unconditional grants	-	-
Conditional grants	3,025,291	910,137
	<u>4,951,830</u>	<u>2,054,268</u>
Grants - other		
Federal government - gas tax funding	923,669	885,183
Federal government - other	53,728	562,422
Other local governments	480,165	147,509
	<u>1,457,562</u>	<u>1,595,114</u>
Total revenue	<u>\$ 25,284,903</u>	<u>\$ 21,001,004</u>

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2023

SCHEDULE 3

	2023 Actual	2022 Actual
General government services:		
Legislative	\$ 665,796	\$ 473,205
General administrative	1,700,752	1,480,482
Other	166,491	125,378
	<u>2,533,039</u>	<u>2,079,065</u>
Protective services:		
Police	-	-
Fire	1,181,684	1,118,182
Emergency measures	12,595	11,742
Other	453,362	424,630
	<u>1,647,641</u>	<u>1,554,554</u>
Transportation services:		
Road transport		
Administration and engineering	2,589,334	2,501,459
Road and street maintenance	3,411,372	3,542,971
Ditches and drainage	118,905	419,194
Sidewalk and boulevard maintenance	44,249	120,432
Street lighting	207,045	170,281
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>6,370,905</u>	<u>6,754,337</u>
Environmental health services:		
Waste collection and disposal	529,987	493,774
Recycling	341,720	362,315
Other	468,601	287,692
	<u>1,340,308</u>	<u>1,143,781</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	255,307	228,705
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	904	-
Other	-	-
	<u>256,211</u>	<u>228,705</u>
Resource conservation and industrial development		
Rural area weed control	15,602	6,747
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	22,000	22,000
Regional development	20,280	49,752
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>57,882</u>	<u>78,499</u>
Sub-totals forward	<u>\$ 12,214,588</u>	<u>\$ 11,847,543</u>

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2023

SCHEDULE 3

	2023 Actual	2022 Actual
Sub-totals forward	\$ 12,214,588	\$ 11,847,543
Recreation and cultural services:		
Administration	958,620	876,377
Community centers and halls	123,836	134,676
Swimming pools and beaches	91,491	66,723
Golf courses	-	-
Skating and curling rinks	410,754	252,360
Parks and playgrounds	329,425	298,731
Other recreational facilities	58,672	44,922
Museums	-	-
Libraries	15,250	14,260
Other cultural facilities	-	-
	<u>1,988,048</u>	<u>1,688,049</u>
Water and sewer services (Schedule 9)		
Municipal utilities (Schedule 9)	1,899,551	2,081,088
Consolidated water co-operatives	-	-
	<u>1,899,551</u>	<u>2,081,088</u>
Total expenses	<u>\$ 16,102,187</u>	<u>\$ 15,616,680</u>

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM
For the Year Ended December 31, 2023

SCHEDULE 4

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE										
Property taxes	\$10,088,175	\$ 9,311,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	131,724	126,552	-	-	-	-	-	-	-	-
User fees	94,221	88,117	87,047	66,412	6,000	675,414	1,707	1,546	-	-
Grants - other	-	-	-	-	923,669	885,183	133,250	28,750	-	-
Permits, licences and fines	335,175	199,462	-	-	-	-	-	-	-	-
Investment income	1,192,920	497,542	-	-	-	-	20	120	-	-
Other revenue	1,625,391	1,024,911	-	-	9,608	19,175	45,722	137,897	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,926,539	1,144,131	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	1,366,810	541,251	-	-	-	-	379,196	280,149	-	-
Total revenue	\$16,760,955	\$12,933,381	\$ 87,047	\$ 66,412	\$ 939,277	\$ 1,579,772	\$ 559,895	\$ 448,462	\$ -	\$ -
EXPENSES										
Personnel services	\$ 1,218,182	\$ 1,050,221	\$ 627,580	\$ 581,979	\$ 1,684,561	\$ 1,495,046	\$ 389,081	\$ 223,526	\$ -	\$ -
Contract services	787,483	623,098	254,320	259,257	-	200	907,573	873,051	8,602	8,602
Utilities	31,512	28,968	23,804	34,300	154,280	140,687	1,231	1,129	-	-
Maintenance materials and suppli	129,298	100,707	253,835	188,724	2,840,771	3,521,832	27,199	30,367	-	-
Grants and contributions	192,802	137,348	-	-	-	-	-	-	-	-
Amortization	130,987	118,545	326,866	332,661	1,672,288	1,573,437	15,224	15,708	-	-
Interest on long term debt	-	-	79,632	83,059	19,005	23,135	-	-	-	-
Other	42,775	20,178	81,604	74,574	-	-	-	-	-	-
Total expenses	\$ 2,533,039	\$ 2,079,065	\$ 1,647,641	\$ 1,554,554	\$ 6,370,905	\$ 6,754,337	\$1,340,308	\$1,143,781	\$ 8,602	\$ 8,602
Surplus (Deficit)	\$14,227,916	\$10,854,316	\$ (1,560,594)	\$ (1,488,142)	\$ (5,431,628)	\$ (5,174,565)	\$ (780,413)	\$ (695,319)	\$ (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, 2023

SCHEDULE 4

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 921,132	\$ 901,048	\$ 11,009,307	\$ 10,212,463
Grants in lieu of taxation	-	-	-	-	-	-	-	-	131,724	126,552
User fees	325,682	1,096,989	-	-	320,322	303,167	-	-	834,979	2,231,645
Grants - other	-	-	-	-	400,643	681,181	-	-	1,457,562	1,595,114
Permits, licences and fines	1,069,633	961,166	-	-	-	-	-	-	1,404,808	1,160,628
Investment income	-	-	11,642	9,966	-	-	-	-	1,204,582	507,628
Other revenue	-	-	69,395	167,711	352,727	282,633	-	-	2,102,843	1,632,327
Water and sewer	-	-	-	-	-	-	2,187,268	1,480,379	2,187,268	1,480,379
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,926,539	1,144,131
Prov of MB - Conditional Grants	-	-	-	-	1,279,285	88,737	-	-	3,025,291	910,137
Total revenue	\$ 1,395,315	\$ 2,058,155	\$ 81,037	\$ 177,677	\$ 2,352,977	\$ 1,355,718	\$3,108,400	\$2,381,427	\$ 25,284,903	\$ 21,001,004
EXPENSES										
Personnel services	\$ 216,103	\$ 203,204	\$ -	\$ -	\$ 642,587	\$ 513,319	\$ -	\$ -	\$ 4,778,094	\$ 4,067,295
Contract services	20,385	15,861	1,073	34,041	318,457	243,435	79,208	62,797	2,377,101	2,120,342
Utilities	-	-	-	-	111,170	110,788	159,817	174,158	481,814	490,030
Maintenance materials and suppli	19,723	9,640	18,286	7,146	463,839	423,399	686,975	780,580	4,439,926	5,062,395
Grants and contributions	-	-	22,000	22,000	76,902	132,507	-	-	291,704	291,855
Amortization	-	-	-	-	363,767	257,497	862,712	919,466	3,371,844	3,217,314
Interest on long term debt	-	-	-	-	1,266	1,661	110,839	144,087	210,742	251,942
Other	-	-	16,523	15,312	10,060	5,443	-	-	150,962	115,507
Total expenses	\$ 256,211	\$ 228,705	\$ 57,882	\$ 78,499	\$ 1,988,048	\$ 1,688,049	\$1,899,551	\$2,081,088	\$ 16,102,187	\$ 15,616,680
Surplus (Deficit)	\$ 1,139,104	\$ 1,829,450	\$ 23,155	\$ 99,178	\$ 364,929	\$ (332,331)	\$1,208,849	\$ 300,339	\$ 9,182,716	\$ 5,384,324

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 5

CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS

For the Year Ended December 31, 2023

	Core Government		Controlled Entities		Government Partnerships		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE								
Property taxes	\$ 11,009,307	\$ 10,212,463	\$ -	\$ -	\$ -	\$ -	\$ 11,009,307	\$ 10,212,463
Grants in lieu of taxation	131,724	126,552	-	-	-	-	131,724	126,552
User fees	834,979	2,231,645	-	-	-	-	834,979	2,231,645
Grants - other	1,324,312	1,566,364	-	-	133,250	28,750	1,457,562	1,595,114
Permits, licences and fines	1,404,808	1,160,628	-	-	-	-	1,404,808	1,160,628
Investment income	1,192,920	497,542	11,642	9,966	20	120	1,204,582	507,628
Other revenue	2,004,963	1,461,590	69,395	167,711	28,485	3,026	2,102,843	1,632,327
Water and sewer	2,187,268	1,480,379	-	-	-	-	2,187,268	1,480,379
Prov of MB - Unconditional Grants	1,926,539	1,144,131	-	-	-	-	1,926,539	1,144,131
Prov of MB - Conditional Grants	2,868,009	910,137	-	-	157,282	-	3,025,291	910,137
Total revenue	\$ 24,884,829	\$ 20,791,431	\$ 81,037	\$ 177,677	\$ 319,037	\$ 31,896	\$ 25,284,903	\$ 21,001,004
EXPENSES								
Personnel services	\$ 4,778,094	\$ 4,067,295	\$ -	\$ -	\$ -	\$ -	\$ 4,778,094	\$ 4,067,295
Contract services	2,347,695	2,076,473	390	34,041	29,016	9,828	2,377,101	2,120,342
Utilities	481,814	490,030	-	-	-	-	481,814	490,030
Maintenance materials and supplies	4,436,559	5,062,368	3,367	27	-	-	4,439,926	5,062,395
Grants and contributions	291,704	291,855	-	-	-	-	291,704	291,855
Amortization	3,371,844	3,217,314	-	-	-	-	3,371,844	3,217,314
Interest on long term debt	210,742	251,942	-	-	-	-	210,742	251,942
Other	150,962	115,507	-	-	-	-	150,962	115,507
Total expenses	\$ 16,069,414	\$ 15,572,784	\$ 3,757	\$ 34,068	\$ 29,016	\$ 9,828	\$ 16,102,187	\$ 15,616,680
Surplus (Deficit)	\$ 8,815,415	\$ 5,218,647	\$ 77,280	\$ 143,609	\$ 290,021	\$ 22,068	\$ 9,182,716	\$ 5,384,324

RURAL MUNICIPALITY OF HANOVER
 SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
 For the Year Ended December 31, 2023

SCHEDULE 6

	2023									
	General Reserve	Gas Tax Reserve	Office Reserve	Mitchell LUD	Blumenort LUD	Grunthal LUD	Environmental Reserve	Fire Equip Reserve	Transportation Reserve	Emergency Reserve
REVENUE										
Investment income	\$ 96,096	\$ 106,663	\$ 24,772	\$ 7,343	\$ 12,406	\$ 7,115	\$ 28,270	\$ 40,602	\$ 68,097	\$ 5,118
Other income	-	-	-	-	-	-	-	-	-	-
Total revenue	96,096	106,663	24,772	7,343	12,406	7,115	28,270	40,602	68,097	5,118
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
NET REVENUES	96,096	106,663	24,772	7,343	12,406	7,115	28,270	40,602	68,097	5,118
TRANSFERS										
Transfers from general operating	34,756	923,669	95,750	200,000	86,000	74,000	42,750	270,750	842,036	58,137
Transfers to general operating fund	(243,014)	(338,840)	(138,648)	-	-	-	(287,000)	(50,000)	(378,309)	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	(387,405)	-	-	-	-	-	-	-	-
Acquisition of tangible capital	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	(112,162)	304,087	(18,126)	207,343	98,406	81,115	(215,980)	261,352	531,824	63,255
FUND SURPLUS, BEGINNING OF	3,242,095	3,617,304	780,501	238,721	386,942	217,467	964,837	1,154,065	1,834,064	151,751
FUND SURPLUS, END OF YEAR	\$3,129,933	\$3,921,391	\$ 762,375	\$ 446,064	\$ 485,348	\$ 298,582	\$ 748,857	\$1,415,417	\$ 2,365,888	\$ 215,006

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2023

SCHEDULE 6

	2023									
	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	\$ 9,838	\$ 29,622	\$ 35,719	\$ 19,884	\$ 23,592	\$ 9,782	\$ 86,266	\$ 5,774	\$ 6,506	\$ 5,417
Other income	-	-	-	-	-	-	-	-	-	-
Total revenue	9,838	29,622	35,719	19,884	23,592	9,782	86,266	5,774	6,506	5,417
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
NET REVENUES	9,838	29,622	35,719	19,884	23,592	9,782	86,266	5,774	6,506	5,417
TRANSFERS										
Transfers from general operating	-	-	136,001	504	3,768	117,313	506,961	2,360	24,678	8,012
Transfers to general operating fund	-	-	-	-	-	-	(311,875)	(197,596)	(34,016)	(149,181)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating	-	86,750	305,749	8,496	106,982	-	-	-	-	-
Transfers to utility operating fund	(21,160)	(321,057)	-	-	-	-	-	-	-	-
Acquisition of tangible capital	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	(11,322)	(204,685)	477,469	28,884	134,342	127,095	281,352	(189,462)	(2,832)	(135,752)
FUND SURPLUS, BEGINNING OF	319,827	1,042,139	1,119,313	640,778	762,991	229,826	2,553,049	224,394	219,007	215,017
FUND SURPLUS, END OF YEAR	\$ 308,505	\$ 837,454	\$1,596,782	\$ 669,662	\$ 897,333	\$ 356,921	\$2,834,401	\$ 34,932	\$ 216,175	\$ 79,265

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2023

SCHEDULE 6

	2023									
	Mitchell Rec Reserve	New Bothwell Rec Reserve	Village of Kleefeld	Village of New Bothwell	General Garbage/Recy	Road Infrastructure	New Bothwell Desludge	Grunthal Rec Land	Grunthal Rec Sidewalk	Kleefeld Rec Land
REVENUE										
Investment income	\$ 4,997	\$ 4,813	\$ 5,972	\$ 1,728	\$ 7,837	\$ 13,395	\$ 3,977	\$ 2,302	\$ 216	\$ 2,308
Other income	-	-	-	-	-	-	-	-	-	-
Total revenue	4,997	4,813	5,972	1,728	7,837	13,395	3,977	2,302	216	2,308
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
NET REVENUES	4,997	4,813	5,972	1,728	7,837	13,395	3,977	2,302	216	2,308
TRANSFERS										
Transfers from general operating	17,362	34,769	-	-	60,000	385,308	-	11,870	4,000	13,835
Transfers to general operating fund	(24,000)	(170,873)	-	-	(48,709)	(115,000)	-	-	-	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-	56,296	-	-	-
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	(1,641)	(131,291)	5,972	1,728	19,128	283,703	60,273	14,172	4,216	16,143
FUND SURPLUS, BEGINNING OF	160,501	198,200	194,152	56,175	248,735	232,280	129,299	64,650	4,530	66,511
FUND SURPLUS, END OF YEAR	\$ 158,860	\$ 66,909	\$ 200,124	\$ 57,903	\$ 267,863	\$ 515,983	\$ 189,572	\$ 78,822	\$ 8,746	\$ 82,654

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2023

SCHEDULE 6

	2023								2022	
	Kleefeld Rec Sidewalk	Blumenort Rec Land	Blumenort Rec Sidewalk	Mitchell Rec Land	Mitchell Rec Sidewalk	New Bothwell Rec Land	New Bothwell Rec Sidewalk	Rural Infrastructure	Total	Total
REVENUE										
Investment income	\$ 437	\$ 665	\$ 520	\$ 7,267	\$ 1,171	\$ 485	\$ 62	\$ 10,221	\$ 697,255	\$ 285,837
Other income	-	-	-	-	-	-	-	-	-	-
Total revenue	437	665	520	7,267	1,171	485	62	10,221	697,255	285,837
EXPENSES										
Investment charges	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-	-
NET REVENUES	437	665	520	7,267	1,171	485	62	10,221	697,255	285,837
TRANSFERS										
Transfers from general operating	1,500	6,943	8,000	39,238	14,000	19,347	4,000	1,319,971	5,367,588	4,527,845
Transfers to general operating fund	-	(65,000)	-	-	-	-	-	-	(2,552,061)	(2,515,408)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-	-
Transfers from utility operating	-	-	-	-	-	-	-	-	564,273	250,532
Transfers to utility operating fund	-	-	-	-	-	-	-	-	(729,622)	(86,270)
Acquisition of tangible capital	-	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	1,937	(57,392)	8,520	46,505	15,171	19,832	4,062	1,330,192	3,347,433	2,462,536
FUND SURPLUS, BEGINNING OF	13,831	65,254	12,133	211,803	28,287	8,521	757	-	21,609,707	19,147,171
FUND SURPLUS, END OF YEAR	\$ 15,768	\$ 7,862	\$ 20,653	\$ 258,308	\$ 43,458	\$ 28,353	\$ 4,819	\$1,330,192	\$24,957,140	\$21,609,707

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF L.U.D. OPERATIONS - Summary
For the Year Ended December 31, 2023

SCHEDULE 7

	<u>2023 Budget</u>	<u>2023 Actual</u>	<u>2022 Actual</u>
Revenue			
Taxation	\$ 1,416,509	\$ 1,416,509	\$ 1,220,632
Other Revenue	25,651	7,863	66,986
Total revenue	<u>1,442,160</u>	<u>1,424,372</u>	<u>1,287,618</u>
Expenses			
General Government:			
Indemnities	116,772	94,356	96,385
Transportation Services			
Road and street maintenance	430,629	298,549	426,209
Ditches and drainage	91,201	36,246	126,332
Sidewalk and boulevard maintenance	127,100	25,464	80,679
Street lighting	125,693	143,340	117,610
Other	4,200	7,400	1,295
Environmental health			
Waste collection and disposal	2,820	7,478	2,091
Recycling	-	-	-
Other	3,252	440	450
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	650	838	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	70,453	31,969	14,466
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	<u>972,770</u>	<u>646,080</u>	<u>865,517</u>
Net revenues (expenses)	469,390	778,292	422,101
Transfers:			
Transfers from (to) L.U.D. reserves	(118,710)	(354,700)	266,700
Transfers from (to) operating fund	45,000	(152,862)	(711,290)
Other	(395,680)	(216,850)	-
Change in L.U.D. balances	<u>\$ -</u>	<u>53,880</u>	<u>(22,489)</u>
Unexpended balance, beginning of year		<u>46,661</u>	<u>69,150</u>
Unexpended balance, end of year		<u>\$ 100,541</u>	<u>\$ 46,661</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF L.U.D. OPERATIONS - LUD of Mitchell
For the Year Ended December 31, 2023

SCHEDULE 7

	<u>2023 Budget</u>	<u>2023 Actual</u>	<u>2022 Actual</u>
Revenue			
Taxation	\$ 607,846	\$ 607,846	\$ 539,904
Other Revenue	1	1,265	43,531
Total revenue	<u>607,847</u>	<u>609,111</u>	<u>583,435</u>
Expenses			
General Government:			
Indemnities	30,169	32,338	41,358
Transportation Services			
Road and street maintenance	138,818	97,286	97,653
Ditches and drainage	82,700	29,965	125,938
Sidewalk and boulevard maintenance	13,200	9,085	73,413
Street lighting	69,092	89,589	68,920
Other	1,200	1,248	197
Environmental health			
Waste collection and disposal	-	5,297	-
Recycling	-	-	-
Other	2,001	440	450
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	200	365	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	41,861	20,298	4,469
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	<u>379,241</u>	<u>285,911</u>	<u>412,398</u>
Net revenues (expenses)	228,606	323,200	171,037
Transfers:			
Transfers from (to) L.U.D. reserves	(80,126)	(194,700)	30,540
Transfers from (to) operating fund	15,000	(82,576)	(200,961)
Other	(163,480)	-	-
Change in L.U.D. balances	<u>\$ -</u>	<u>45,924</u>	<u>616</u>
Unexpended balance, beginning of year		<u>24,674</u>	<u>24,058</u>
Unexpended balance, end of year		<u>\$ 70,598</u>	<u>\$ 24,674</u>

SCHEDULE OF L.U.D. OPERATIONS - LUD of Grunthal
For the Year Ended December 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Taxation	\$ 342,825	\$ 342,825	\$ 306,833
Other Revenue	5,650	6,153	11,165
Total revenue	<u>348,475</u>	<u>348,978</u>	<u>317,998</u>
Expenses			
General Government:			
Indemnities	30,924	29,518	29,276
Transportation Services			
Road and street maintenance	138,893	153,224	165,264
Ditches and drainage	4,000	1,450	394
Sidewalk and boulevard maintenance	31,400	15,301	6,259
Street lighting	27,800	21,641	23,240
Other	1,200	5,182	1,098
Environmental health			
Waste collection and disposal	2,820	2,171	2,091
Recycling	-	-	-
Other	1,000	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	200	318	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	1,434	8,385	2,288
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	<u>239,671</u>	<u>237,190</u>	<u>229,910</u>
Net revenues (expenses)	108,804	111,788	88,088
Transfers:			
Transfers from (to) L.U.D. reserves	(26,604)	(74,000)	176,539
Transfers from (to) operating fund	15,000	(23,375)	(290,565)
Other	(97,200)	-	-
Change in L.U.D. balances	<u>\$ -</u>	<u>14,413</u>	<u>(25,938)</u>
Unexpended balance, beginning of year		<u>(44)</u>	<u>25,894</u>
Unexpended balance, end of year		<u>\$ 14,369</u>	<u>\$ (44)</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF L.U.D. OPERATIONS - LUD of Blumenort
For the Year Ended December 31, 2023

SCHEDULE 7

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Taxation	\$ 465,838	\$ 465,838	\$ 373,895
Other Revenue	20,000	445	12,290
Total revenue	<u>485,838</u>	<u>466,283</u>	<u>386,185</u>
Expenses			
General Government:			
Indemnities	55,679	32,500	25,751
Transportation Services			
Road and street maintenance	152,918	48,039	163,292
Ditches and drainage	4,501	4,831	-
Sidewalk and boulevard maintenance	82,500	1,078	1,007
Street lighting	28,801	32,110	25,450
Other	1,800	970	-
Environmental health			
Waste collection and disposal	-	10	-
Recycling	-	-	-
Other	251	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	250	155	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	27,158	3,286	7,709
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	<u>353,858</u>	<u>122,979</u>	<u>223,209</u>
Net revenues (expenses)	131,980	343,304	162,976
Transfers:			
Transfers from (to) L.U.D. reserves	(11,980)	(86,000)	59,621
Transfers from (to) operating fund	15,000	(46,911)	(219,764)
Other	(135,000)	(216,850)	-
Change in L.U.D. balances	<u>\$ -</u>	<u>(6,457)</u>	<u>2,833</u>
Unexpended balance, beginning of year		<u>22,031</u>	<u>19,198</u>
Unexpended balance, end of year		<u>\$ 15,574</u>	<u>\$ 22,031</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2023

SCHEDULE 8

	2023					2022
	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	526,047	1,406	-	237,658	58,307	823,418
	<u>\$ 526,047</u>	<u>\$ 1,406</u>	<u>\$ -</u>	<u>\$ 237,658</u>	<u>\$ 58,307</u>	<u>\$ 823,418</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,500
Deferred revenue	-	-	-	-	-	-
Long-term debt (Note 9)	262,552	-	250,302	1,535,257	366,915	2,415,026
Due to other funds	-	-	158,016	-	-	158,016
	<u>262,552</u>	<u>-</u>	<u>408,318</u>	<u>1,535,257</u>	<u>366,915</u>	<u>2,573,042</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ 263,495</u>	<u>\$ 1,406</u>	<u>\$ (408,318)</u>	<u>\$ (1,297,599)</u>	<u>\$ (308,608)</u>	<u>\$ (1,749,624)</u>
NON-FINANCIAL ASSETS						
Tangible capital assets (Schedule 1)	\$ 2,940,272	\$ 4,251,827	\$ 3,010,044	\$ 4,851,353	\$ 3,941,722	\$ 18,995,218
Inventories	-	-	-	18,045	4,052	22,097
Prepaid expenses	-	-	-	-	-	-
	<u>2,940,272</u>	<u>4,251,827</u>	<u>3,010,044</u>	<u>4,869,398</u>	<u>3,945,774</u>	<u>19,017,315</u>
FUND SURPLUS (DEFICIT)	<u>\$ 3,203,767</u>	<u>\$ 4,253,233</u>	<u>\$ 2,601,726</u>	<u>\$ 3,571,799</u>	<u>\$ 3,637,166</u>	<u>\$ 17,267,691</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Summary
For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
REVENUE			
Water			
Water fees	\$ 309,624	\$ 344,582	\$ 306,187
Bulk Water fees	19,522	-	-
sub-total- water	<u>329,146</u>	<u>344,582</u>	<u>306,187</u>
Sewer			
Sewer fees	394,077	414,597	389,634
Lagoon tipping fees	-	19,959	78,263
sub-total- sewer	<u>394,077</u>	<u>434,556</u>	<u>467,897</u>
Property taxes	921,132	921,132	901,048
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	15,210	-	14,310
Connection charges	2,500	-	-
Installation service	-	-	-
Penalties	7,957	6,838	5,998
Contributed tangible capital assets	-	613,800	248,169
Investment income	-	-	-
Administration fees	-	91,384	96,627
Gain on sale of tangible capital assets	-	-	-
Other income	658,115	696,108	341,191
sub-total- other	<u>683,782</u>	<u>1,408,130</u>	<u>706,295</u>
Total revenue	<u>\$ 2,328,137</u>	<u>\$ 3,108,400</u>	<u>\$ 2,381,427</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Summary
For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
EXPENSES			
General			
Administration	\$ 170,324	\$ 177,321	\$ 138,682
Training costs	-	-	-
Billing and collection	2,345	4,612	1,337
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>172,669</u>	<u>181,933</u>	<u>140,019</u>
Water General			
Purification and treatment	151,263	186,414	161,693
Water purchases	-	-	-
Transmission and distribution	52,721	58,070	61,112
Hydrant maintenance	-	-	-
Other water supply costs	5,380	3,115	2,646
Connection costs	1,918	-	1,415
sub-total- water general	<u>211,282</u>	<u>247,599</u>	<u>226,866</u>
Water Amortization & Interest			
Amortization	-	134,065	166,997
Interest on long term debt	36,981	33,877	42,523
sub-total- water amortization & interest	<u>36,981</u>	<u>167,942</u>	<u>209,520</u>
Sewer General			
Collection system costs	84,759	60,921	83,492
Treatment and disposal cost	456,595	335,303	436,671
Lift Station costs	119,341	100,247	130,488
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>660,695</u>	<u>496,471</u>	<u>650,651</u>
Sewage Amortization & Interest			
Amortization	-	728,645	752,468
Interest on long term debt	87,321	76,961	101,564
sub-total- sewer amortization & interest	<u>87,321</u>	<u>805,606</u>	<u>854,032</u>
Total expenses	<u>1,168,948</u>	<u>1,899,551</u>	<u>2,081,088</u>
NET OPERATING SURPLUS	1,159,189	1,208,849	300,339
TRANSFERS			
Transfer to capital	(453,000)	-	-
Transfers from (to) operating fund	(895,075)	201,110	118,328
Transfers from (to) reserve funds	188,884	(165,349)	(164,262)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (2)</u>	1,244,610	254,405
FUND SURPLUS, BEGINNING OF YEAR		<u>16,023,081</u>	<u>15,768,676</u>
FUND SURPLUS, END OF YEAR		<u>\$ 17,267,691</u>	<u>\$ 16,023,081</u>

RURAL MUNICIPALITY OF HANOVER
 SCHEDULE OF UTILITY OPERATIONS - Mitchell Utility
 For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
REVENUE			
Sewer			
Sewer fees	\$ 82,859	\$ 85,305	\$ 75,665
Lagoon tipping fees	-	5,610	16,710
sub-total- sewer	<u>82,859</u>	<u>90,915</u>	<u>92,375</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
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	16,334	-	-
sub-total- other	<u>16,334</u>	<u>-</u>	<u>36,000</u>
Total revenue	<u>\$ 368,639</u>	<u>\$ 360,361</u>	<u>\$ 397,821</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Mitchell Utility
For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
EXPENSES			
General			
Administration	\$ 20,140	\$ 19,829	\$ 20,816
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>20,140</u>	<u>19,829</u>	<u>20,816</u>
Sewer General			
Collection system costs	38,178	5,305	36,456
Treatment and disposal cost	20,202	39,170	13,432
Lift Station costs	11,590	6,146	4,748
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>69,970</u>	<u>50,621</u>	<u>54,636</u>
Sewage Amortization & Interest			
Amortization	-	244,703	259,463
Interest on long term debt	20,232	16,944	26,609
sub-total- sewer amortization & interest	<u>20,232</u>	<u>261,647</u>	<u>286,072</u>
Total expenses	<u>110,342</u>	<u>332,097</u>	<u>361,524</u>
NET OPERATING SURPLUS	258,297	28,264	36,297
TRANSFERS			
Transfers to capital	(5,000)	-	-
Transfers from (to) operating fund	(249,214)	-	-
Transfers from (to) reserve funds	(4,082)	(8,496)	(10,000)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 1</u>	19,768	26,297
FUND SURPLUS, BEGINNING OF YEAR		<u>3,183,999</u>	<u>3,157,702</u>
FUND SURPLUS, END OF YEAR		<u>\$ 3,203,767</u>	<u>\$ 3,183,999</u>

SCHEDULE OF UTILITY OPERATIONS - Blumenort Utility
For the Year Ended December 31, 2023

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
REVENUE			
Sewer			
Sewer fees	\$ 150,800	\$ 150,973	\$ 136,555
Lagoon tipping fees	-	-	-
sub-total- sewer	<u>150,800</u>	<u>150,973</u>	<u>136,555</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	-	90,000	136,800
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	295,041	424,167	235,974
sub-total- other	<u>295,041</u>	<u>514,167</u>	<u>372,774</u>
Total revenue	<u>\$ 445,841</u>	<u>\$ 665,140</u>	<u>\$ 509,329</u>

RURAL MUNICIPALITY OF HANOVER
 SCHEDULE OF UTILITY OPERATIONS - Blumenort Utility
 For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
EXPENSES			
General			
Administration	\$ 48,424	\$ 40,627	\$ 28,190
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>48,424</u>	<u>40,627</u>	<u>28,190</u>
Sewer General			
Collection system costs	19,971	28,068	20,581
Treatment and disposal cost	217,667	175,251	196,560
Lift Station costs	34,870	17,324	43,803
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>272,508</u>	<u>220,643</u>	<u>260,944</u>
Sewage Amortization & Interest			
Amortization	-	243,109	259,090
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>243,109</u>	<u>259,090</u>
Total expenses	<u>320,932</u>	<u>504,379</u>	<u>548,224</u>
NET OPERATING SURPLUS	124,909	160,761	(38,895)
TRANSFERS			
Transfer to capital	(10,000)	-	-
Transfer from (to) operating fund	-	-	-
Transfers from (to) reserve funds	<u>(114,910)</u>	<u>(305,749)</u>	<u>(73,411)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ (1)</u>	<u>(144,988)</u>	<u>(112,306)</u>
FUND SURPLUS, BEGINNING OF YEAR		<u>4,398,221</u>	<u>4,510,527</u>
FUND SURPLUS, END OF YEAR		<u>\$ 4,253,233</u>	<u>\$ 4,398,221</u>

SCHEDULE OF UTILITY OPERATIONS - New Bothwell Utility
 For the Year Ended December 31, 2023

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
REVENUE			
Sewer			
Sewer fees	\$ 48,521	\$ 50,304	\$ 42,433
Lagoon tipping fees	-	3,060	39,460
sub-total- sewer	<u>48,521</u>	<u>53,364</u>	<u>81,893</u>
Property taxes	<u>87,203</u>	<u>87,203</u>	<u>85,144</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	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	161,229	261,000	105,586
sub-total- other	<u>161,229</u>	<u>261,000</u>	<u>105,586</u>
Total revenue	<u>\$ 296,953</u>	<u>\$ 401,567</u>	<u>\$ 272,623</u>

RURAL MUNICIPALITY OF HANOVER
 SCHEDULE OF UTILITY OPERATIONS - New Bothwell Utility
 For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
EXPENSES			
General			
Administration	\$ 13,351	\$ 46,507	\$ 28,214
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>13,351</u>	<u>46,507</u>	<u>28,214</u>
Sewer General			
Collection system costs	5,363	830	5,740
Treatment and disposal cost	70,341	53,370	37,714
Lift Station costs	7,057	6,118	15,373
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>82,761</u>	<u>60,318</u>	<u>58,827</u>
Sewage Amortization & Interest			
Amortization	-	66,323	63,428
Interest on long term debt	12,432	9,982	12,895
sub-total- sewer amortization & interest	<u>12,432</u>	<u>76,305</u>	<u>76,323</u>
Total expenses	<u>108,544</u>	<u>183,130</u>	<u>163,364</u>
NET OPERATING SURPLUS	188,409	218,437	109,259
TRANSFERS			
Transfer to capital	(20,000)	-	-
Transfers from (to) operating fund	(74,771)	(56,296)	2,058
Transfers from (to) reserve funds	(93,637)	(106,982)	(87,121)
CHANGE IN UTILITY FUND BALANCE	<u>\$ 1</u>	55,159	24,196
FUND SURPLUS, BEGINNING OF YEAR		<u>2,546,567</u>	<u>2,522,371</u>
FUND SURPLUS, END OF YEAR		<u>\$ 2,601,726</u>	<u>\$ 2,546,567</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Grunthal Utility
For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
REVENUE			
Water			
Water fees	\$ 136,762	\$ 138,690	\$ 125,690
Bulk Water fees	11,758	-	-
sub-total- water	<u>148,520</u>	<u>138,690</u>	<u>125,690</u>
Sewer			
Sewer fees	74,214	92,558	104,610
Lagoon tipping fees	-	8,289	15,043
sub-total- sewer	<u>74,214</u>	<u>100,847</u>	<u>119,653</u>
Property taxes	<u>373,352</u>	<u>373,352</u>	<u>355,327</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	7,020	-	7,020
Connection charges	2,500	-	-
Installation service	-	-	-
Penalties	5,102	3,997	3,490
Contributed tangible capital assets	-	174,000	-
Investment income	-	-	-
Administration fees	-	49,541	49,982
Gain on sale of tangible capital assets	-	-	-
Other income	133,875	6,059	- 369
sub-total- other	<u>148,497</u>	<u>233,597</u>	<u>60,123</u>
Total revenue	<u>\$ 744,583</u>	<u>\$ 846,486</u>	<u>\$ 660,793</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Grunthal Utility
For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
EXPENSES			
General			
Administration	\$ 44,073	\$ 50,236	\$ 43,558
Training costs	-	-	-
Billing and collection	1,040	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>45,113</u>	<u>50,236</u>	<u>43,558</u>
Water General			
Purification and treatment	82,957	91,619	90,766
Water purchases	-	-	-
Transmission and distribution	36,299	47,551	43,977
Hydrant maintenance	-	-	-
Other water supply costs	5,380	3,115	2,646
Connection costs	72	-	-
sub-total- water general	<u>124,708</u>	<u>142,285</u>	<u>137,389</u>
Water Amortization & Interest			
Amortization	-	39,008	71,940
Interest on long term debt	26,977	24,677	30,176
sub-total- water amortization & interest	<u>26,977</u>	<u>63,685</u>	<u>102,116</u>
Sewer General			
Collection system costs	19,894	26,483	20,151
Treatment and disposal cost	118,265	66,078	124,824
Lift Station costs	59,252	47,410	60,513
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>197,411</u>	<u>139,971</u>	<u>205,488</u>
Sewage Amortization & Interest			
Amortization	-	123,516	121,818
Interest on long term debt	46,671	42,691	52,204
sub-total- sewer amortization & interest	<u>46,671</u>	<u>166,207</u>	<u>174,022</u>
Total expenses	<u>440,880</u>	<u>562,384</u>	<u>662,573</u>
NET OPERATING SURPLUS	303,703	284,102	(1,780)
TRANSFERS			
Transfer to capital	(354,000)	-	-
Transfers from (to) operating fund	(397,949)	285,465	116,270
Transfers from (to) reserve funds	448,245	21,571	86,270
CHANGE IN UTILITY FUND BALANCE	<u>\$ (1)</u>	591,138	200,760
FUND SURPLUS, BEGINNING OF YEAR		<u>2,980,661</u>	<u>2,779,901</u>
FUND SURPLUS, END OF YEAR		<u>\$ 3,571,799</u>	<u>\$ 2,980,661</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Kleeefeld Utility
For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
REVENUE			
Water			
Water fees	\$ 172,862	\$ 205,892	\$ 180,497
Bulk Water fees	7,764	-	-
sub-total- water	<u>180,626</u>	<u>205,892</u>	<u>180,497</u>
Sewer			
Sewer fees	37,683	35,457	30,371
Lagoon tipping fees	-	3,000	7,050
sub-total- sewer	<u>37,683</u>	<u>38,457</u>	<u>37,421</u>
Property taxes	<u>191,131</u>	<u>191,131</u>	<u>191,131</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	8,190	-	7,290
Connection charges	-	-	-
Installation service	-	-	-
Penalties	2,855	2,841	2,508
Contributed tangible capital assets	-	349,800	75,369
Investment income	-	-	-
Administration fees	-	41,843	46,645
Gain on sale of tangible capital assets	-	-	-
Other income	51,636	4,882	-
sub-total- other	<u>62,681</u>	<u>399,366</u>	<u>131,812</u>
Total revenue	<u>\$ 472,121</u>	<u>\$ 834,846</u>	<u>\$ 540,861</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Kleeefeld Utility
For the Year Ended December 31, 2023

SCHEDULE 9

	<u>Budget</u>	<u>2023</u>	<u>2022</u>
EXPENSES			
General			
Administration	\$ 44,336	\$ 20,122	\$ 17,904
Training costs	-	-	-
Billing and collection	1,305	4,612	1,337
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>45,641</u>	<u>24,734</u>	<u>19,241</u>
Water General			
Purification and treatment	68,306	94,795	70,927
Water purchases	-	-	-
Transmission and distribution	16,422	10,519	17,135
Hydrant maintenance	-	-	-
Other water supply costs	-	-	-
Connection costs	1,846	-	1,415
sub-total- water general	<u>86,574</u>	<u>105,314</u>	<u>89,477</u>
Water Amortization & Interest			
Amortization	-	95,057	95,057
Interest on long term debt	10,004	9,200	12,347
sub-total- water amortization & interest	<u>10,004</u>	<u>104,257</u>	<u>107,404</u>
Sewer General			
Collection system costs	1,353	235	564
Treatment and disposal cost	30,120	1,434	64,141
Lift Station costs	6,572	23,249	6,051
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>38,045</u>	<u>24,918</u>	<u>70,756</u>
Sewage Amortization & Interest			
Amortization	-	50,994	48,669
Interest on long term debt	7,986	7,344	9,856
sub-total- sewer amortization & interest	<u>7,986</u>	<u>58,338</u>	<u>58,525</u>
Total expenses	<u>188,250</u>	<u>317,561</u>	<u>345,403</u>
NET OPERATING SURPLUS	283,871	517,285	195,458
TRANSFERS			
Transfer to capital	(64,000)	-	-
Transfers from (to) operating fund	(173,141)	(28,059)	-
Transfers from (to) reserve funds	(46,732)	234,307	(80,000)
CHANGE IN UTILITY FUND BALANCE	<u>\$ (2)</u>	723,533	115,458
FUND SURPLUS, BEGINNING OF YEAR		<u>2,913,633</u>	<u>2,798,175</u>
FUND SURPLUS, END OF YEAR		<u>\$ 3,637,166</u>	<u>\$ 2,913,633</u>

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2023

	Financial Plan General	Financial Plan Utilities	LUD	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE									
Property taxes	\$ 10,905,263	921,132	1,416,509	\$ -	\$ -	\$ (2,337,641)	\$ -	\$ -	\$ 10,905,263
Grants in lieu of taxation	158,152	-	-	-	-	-	-	-	158,152
User fees	3,070,972	-	-	-	-	-	-	-	3,070,972
Permits, licences and fines	960,017	-	-	-	-	-	-	-	960,017
Investment income	272,831	-	-	-	-	-	-	11,662	284,493
Other revenue	801,996	-	25,651	-	-	-	-	97,880	925,527
Water and sewer	-	1,407,005	-	-	-	-	-	-	1,407,005
Grants - Province of Manitoba	2,341,959	-	-	-	-	-	-	157,282	2,499,241
Grants - other	923,669	-	-	-	-	-	-	133,250	1,056,919
Transfers from general fund	-	-	45,000	-	-	(45,000)	-	-	-
Transfers from reserves	3,755,000	448,245	-	-	-	(4,203,245)	-	-	-
Total revenue	\$ 23,189,859	\$ 2,776,382	\$ 1,487,160	\$ -	\$ -	\$ (6,585,886)	\$ -	\$ 400,074	\$ 21,267,589
EXPENSES									
General government services	\$ 2,807,857	\$ -	\$ 116,772	\$ 130,987	\$ -	\$ (604,348)	\$ -	\$ -	\$ 2,451,268
Protective services	1,379,602	-	-	326,866	-	(125,000)	-	-	1,581,468
Transportation services	6,634,505	-	778,823	1,672,288	-	(2,177,000)	-	-	6,908,616
Environmental health services	1,265,463	-	6,072	15,224	-	-	-	29,016	1,315,775
Public health and welfare services	8,602	-	-	-	-	-	-	-	8,602
Regional planning and development	250,497	-	650	-	-	-	-	-	251,147
Resource cons and industrial dev	81,500	-	-	-	-	-	-	4,147	85,647
Recreation and cultural services	3,948,803	-	70,453	363,767	-	(2,074,000)	-	-	2,309,023
Water and sewer services	-	1,168,948	-	862,710	-	-	-	-	2,031,658
Fiscal services:									
Transfer to capital	-	453,000	395,680	-	-	(848,680)	-	-	-
Transfer to utility	921,132	-	-	-	-	(921,132)	-	-	-
Transfer to LUD	1,964,820	-	-	-	-	(1,964,820)	-	-	-
Debt charges	313,064	895,075	-	-	-	(1,208,139)	-	-	-
Short term interest	-	-	-	-	-	-	-	-	-
Transfer to reserves	3,609,862	259,361	118,710	-	-	(3,987,933)	-	-	-
Allowance for tax assets	4,152	-	-	-	-	(4,152)	-	-	-
Total expenses	\$ 23,189,859	\$ 2,776,384	\$ 1,487,160	\$ 3,371,842	\$ -	\$ (13,915,204)	\$ -	\$ 33,163	\$ 16,943,204
Surplus (Deficit)	\$ -	\$ (2)	\$ -	\$ (3,371,842)	\$ -	\$ 7,329,318	\$ -	\$ 366,911	\$ 4,324,385

**RURAL MUNICIPALITY OF HANOVER
ANALYSIS OF TAXES ON ROLL
December 31, 2023**

SCHEDULE 11

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 1,854,543	\$ 1,605,159
Add:		
Tax levy (Schedule 12)	22,728,079	21,493,922
Taxes added	678,271	725,011
Penalties or interest	180,190	146,438
Other accounts added	-	-
Tax Adjustments (Redemption Fees)	1,345	2,000
Tax Adjustments (A/R Added to Taxes)	-	-
Sub-total	<u>23,587,885</u>	<u>22,367,371</u>
Deduct:		
Cash collections - current	20,534,566	19,226,337
Cash collections - arrears	1,432,439	1,333,711
Write-offs	-	-
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	1,261,160	1,557,939
Other credits (specify)	-	-
Sub-total	<u>23,228,165</u>	<u>22,117,987</u>
Balance, end of year	<u>\$ 2,214,264</u>	<u>\$ 1,854,543</u>

RURAL MUNICIPALITY OF HANOVER
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2023

SCHEDULE 12

	2023			2022
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
LUD of Blumenort	\$ 108,881,360	\$ 4.255	\$ 463,290	\$ 371,610
LUD of Kleefeld	\$ 81,980,000	\$ 4.750	389,405	-
LUD of Mitchell	\$ 120,526,730	\$ 5.000	602,634	535,790
LUD of Grunthal	\$ 67,645,710	\$ 5.000	338,229	302,724
LUD of New Bothwell	\$ 30,201,230	\$ 5.250	158,556	-
sub-total- L.U.D.			<u>1,952,114</u>	<u>1,210,125</u>
Debt charges:				
Frontage	\$ -	\$ -	54,858	45,707
Grunthal Utility	\$ 77,968,260	\$ 4.750	370,349	352,431
Kleefeld Utility	\$ 73,001,130	\$ 2.618	191,117	191,129
New Bothwell Utility	\$ 31,385,300	\$ 2.774	87,063	84,987
Mitchell Utility	\$ 131,434,970	\$ 2.040	268,127	268,400
New Bothwell Rec Centre 2381-1	\$ 32,168,700	\$ 0.430	13,833	13,814
BFD Hall 2408-17	\$ 1,032,455,350	\$ 0.081	83,629	84,112
BFD Trucks 2408-17	\$ 1,032,455,350	\$ 0.079	81,564	82,359
PW Shop 2375-15	\$ 1,032,455,350	\$ 0.174	179,647	179,614
sub-total- Debt charges			<u>1,330,187</u>	<u>1,302,552</u>
Deferred surplus	\$ -	\$ -	-	-
Reserves:				
Machinery Replacement Reserve	\$ 978,199,100	\$ 0.656	641,699	616,504
Fire Hall/Equipment Reserve	\$ 978,199,100	\$ 0.227	222,051	222,373
Recreation Reserve	\$ 978,199,100	\$ 0.512	500,838	389,982
Office Reserve	\$ 978,199,100	\$ 0.081	79,234	79,655
sub-total- Reserves			<u>1,443,822</u>	<u>1,308,515</u>
General municipal	\$ 978,199,100	\$ 0.417	407,909	887,002
Rural Area	\$ 568,964,070	\$ 6.683	3,802,387	3,471,241
Special levies:				
Fire Protection	\$ 1,032,455,350	\$ 0.752	776,406	740,359
Garbage Disposal	\$ -	\$ -	618,208	567,658
sub-total- Special levies			<u>1,394,614</u>	<u>1,308,017</u>
Business tax (rate%)	\$ -	\$ -	-	-
Total municipal taxes (Schedule 2)			<u>10,331,033</u>	<u>9,487,452</u>
Education support levy	\$ 90,833,820	\$ 8.140	739,387	676,608
Special levies:				
Hanover School Division	\$ 972,606,290	\$ 11.986	11,657,659	11,329,862
sub-total- Special levies			<u>11,657,659</u>	<u>11,329,862</u>
Total education taxes			<u>12,397,046</u>	<u>12,006,470</u>
Total tax levy (Schedule 11)			<u>\$ 22,728,079</u>	<u>\$ 21,493,922</u>

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2023

	2023 Actual	2022 Actual
General government services:		
Legislative	\$ 542,912	\$ 395,780
General administrative	1,683,384	1,451,445
Other	166,491	125,378
	<u>2,392,787</u>	<u>1,972,603</u>
Protective services:		
Police	-	-
Fire	1,181,684	1,118,182
Emergency measures	12,595	11,742
Other	453,362	424,630
	<u>1,647,641</u>	<u>1,554,554</u>
Transportation services:		
Road transport		
Administration and engineering	2,563,363	2,460,111
Road and street maintenance	3,118,722	3,034,905
Ditches and drainage	62,223	289,035
Sidewalk and boulevard maintenance	-	-
Street lighting	3,148	3,045
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>5,747,456</u>	<u>5,787,096</u>
Environmental health services:		
Waste collection and disposal	522,509	491,683
Recycling	341,720	362,315
Other	439,145	285,612
	<u>1,303,374</u>	<u>1,139,610</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	255,307	228,706
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>255,307</u>	<u>228,706</u>
Resource conservation and industrial development		
Rural area weed control	15,602	6,748
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	22,000	22,000
Regional development	16,522	40,684
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>54,124</u>	<u>69,432</u>
Sub-totals forward	<u>\$ 11,409,291</u>	<u>\$ 10,760,603</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2023

SCHEDULE 13

	2023 Actual	2022 Actual
Sub-totals forward	\$ 11,409,291	\$ 10,760,603
Recreation and cultural services:		
Administration	958,620	876,379
Community centers and halls	123,836	134,676
Swimming pools and beaches	91,491	66,723
Golf courses	-	-
Skating and curling rinks	410,754	252,360
Parks and playgrounds	296,043	281,214
Other recreational facilities	58,672	44,922
Museums	-	-
Libraries	15,250	14,260
Other cultural facilities	-	-
	1,954,666	1,670,534
Total expenses	\$ 13,363,957	\$ 12,431,137

RURAL MUNICIPALITY OF HANOVER
RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - Unaudited
December 31, 2023

SCHEDULE 14

	2023			2022
	General	Utility	Total	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 256,369	\$ 29,356	\$ 285,725	\$ (23,017)
Adjustments for reporting under public sector accounting standards				
Eliminate expense - transfers to reserves	5,367,588	564,273	5,931,861	4,778,377
Eliminate expense - transfers from nominal surplus	-	-	-	-
Eliminate revenue - transfers from reserves	(2,552,061)	(729,622)	(3,281,683)	(2,601,678)
Increase revenue - reserve funds interest	697,255	-	697,255	285,837
Increase revenue - reserve fund other revenue	-	-	-	-
Increase expense - reserve fund other expenses	-	-	-	-
Decrease revenue - internally funded debentures	-	-	-	(49,604)
Eliminate expense - repayments of internally funded debentures	93,349	-	93,349	83,147
Eliminate transfers between funds	201,110	(201,110)	-	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	367,301	-	367,301	165,677
Decrease expense - elimination of contributions to (from) consolidated entities	(1,266,750)	-	(1,266,750)	(33,750)
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(314,425)	-	(314,425)	(5,408)
Decrease revenue - proceeds on sale of tangible capital assets	-	-	-	(37,750)
Increase expense - amortization of tangible capital assets	(2,509,134)	(862,710)	(3,371,844)	(3,217,314)
Decrease revenue - proceeds from long term debt	-	-	-	-
Decrease expense - principal portion of debenture debt	223,047	908,538	1,131,585	1,091,440
Increase revenue - contributions of tangible capital assets	1,438,100	613,800	2,051,900	738,540
Eliminate expense - acquisitions of tangible capital assets	5,972,118	886,324	6,858,442	4,209,827
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 7,973,867	\$ 1,208,849	\$ 9,182,716	\$ 5,384,324