

JUN 15 2021

June 10, 2021

To the Reeve and Councillors
R.M. of Hanover
28 Westland Drive
Mitchell, MB
R5G 2N9

Dear Council Members:

Pursuant to our appointment and the instructions of the Department of Intergovernmental Affairs, and as requested by Section 190 of the Municipal Act, we are pleased to submit a supplementary report on our evaluation of the accounting procedures and systems of control employed by the Rural Municipality of Hanover for the year ended December 31, 2020. The audit of the financial statements was made in accordance with Canadian auditing standards and included such tests and other procedures, as we considered necessary in the circumstances. However, the audit of financial statements is not specifically designed to identify control weaknesses that may be of interest to management. Accordingly, an audit would not usually identify such matters. Any items of note with regards to suggested improvements to controls have been documented in the attached management letter.

The management is responsible for establishing and maintaining a system of internal accounting and administrative control. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with the accounting policies of the Municipality.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

We report that in our opinion, we did not encounter any items, within the context above (other than those described in our management letter), that contravene the following:

1. The accounting procedures and systems of control employed by the Municipality are adequate to preserve and protect its assets, insofar as is practical.

2. To the best of our knowledge and belief, the funds of the Municipality have been paid and disbursed only under authority granted by an Act of the Legislature, or under the authority of a resolution, or by the corporation made under authority of an Act of the Legislature.
3. There are no other matters, which we consider should be brought to the attention of the Council of the Municipality or the Minister.

We also wish to thank the Chief Administrator Officer and his staff for the co-operation and assistance provided during the audit.

Yours very truly,

Exchange

Chartered Professional Accountants, LLP

cc: Mr. Luc Lahaie, Chief Administrator Officer
Manitoba Intergovernmental Affairs – Municipal Finance & Advisory Services

RURAL MUNICIPALITY OF HANOVER

**Consolidated Financial Statements
For the Year Ended December 31, 2020**

STATEMENT OF RESPONSIBILITY

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

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

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

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



Luc Lahaie
Chief Administrative Officer



INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of the Rural Municipality of Hanover, which comprise the consolidated statement of financial position as at December 31, 2020 and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year ended December 31, 2020, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Rural Municipality of Hanover as at December 31, 2020, and the results of its operations, change in net financial assets, and cash flows for the year ended December 31, 2020 in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Exchange

Chartered Professional Accountants LLP
Winnipeg, Manitoba
June 10, 2021

1-554 St. Mary's Road, Winnipeg, Manitoba R2M 3L5
Telephone (204) 943-4584 Fax (204) 957-5195
E-mail: info@exg.ca Website: www.exg.ca

RURAL MUNICIPALITY OF HANOVER

Consolidated Financial Statements

For the Year Ended December 31, 2020

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RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	<u>2020</u>	<u>2019</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 16,209,467	\$ 12,850,231
Portfolio investments (Note 6)	1,165,674	1,705,932
Amounts receivable (Note 4)	2,607,889	3,151,875
Loans and advances (Note 5)	224,405	338,263
	<u>\$ 20,207,435</u>	<u>\$ 18,046,301</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	\$ 3,106,153	\$ 2,642,259
Vacation and sick leave payable	101,978	87,258
Long-term debt (Note 9)	7,063,432	8,078,839
	<u>10,271,563</u>	<u>10,808,356</u>
NET FINANCIAL ASSETS	<u>\$ 9,935,872</u>	<u>\$ 7,237,945</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	\$ 49,977,412	\$ 47,784,804
Inventories (Note 7)	1,693,044	203,625
Prepaid expenses	101,773	148,896
	<u>51,772,229</u>	<u>48,137,325</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 61,708,101</u>	<u>\$ 55,375,270</u>

Approved on behalf of Council:


 Reeve


 Councillor

The accompanying notes are an integral part of this financial statement

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2020

	2020 Budget (Note 12)	2020 Actual	2019 Actual
REVENUE			
Property taxes	\$ 8,880,200	\$ 8,977,812	\$ 8,703,784
Grants in lieu of taxation	112,417	112,417	114,347
User fees	1,301,899	1,733,056	1,717,872
Permits, licences and fines	677,791	772,870	605,615
Investment income	150,298	224,189	345,510
Other revenue	735,952	1,776,826	849,437
Water and sewer	1,174,492	1,957,975	939,321
Grants - Province of Manitoba	1,272,000	2,521,253	1,585,133
Grants - other	1,129,092	1,040,139	1,775,425
Total revenue (Schedules 2, 4 and 5)	<u>15,434,141</u>	<u>19,116,537</u>	<u>16,636,444</u>
EXPENSES			
General government services	2,015,046	1,839,521	1,973,987
Protective services	1,433,670	1,465,923	1,490,241
Transportation services	5,631,056	5,174,170	5,023,469
Environmental health services	923,662	916,928	857,866
Public health and welfare services	8,602	8,602	8,602
Regional planning and development	211,517	204,559	197,877
Resource conservation and industrial development	85,500	37,042	92,567
Recreation and cultural services	1,462,543	1,207,476	1,319,771
Water and sewer services	1,966,952	1,929,485	1,855,445
Total expenses (Schedules 3, 4 and 5)	<u>13,738,548</u>	<u>12,783,706</u>	<u>12,819,825</u>
ANNUAL SURPLUS	<u>\$ 1,695,593</u>	<u>6,332,831</u>	<u>3,816,619</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>55,375,270</u>	<u>51,558,651</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 61,708,101</u>	<u>\$ 55,375,270</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, 2020

	2020 Budget (Note 12)	2020 Actual	2019 Actual
ANNUAL SURPLUS (DEFICIT)	\$ 1,695,593	\$ 6,332,831	\$ 3,816,619
Acquisition of tangible capital assets	(1,515,965)	(5,238,185)	(4,725,146)
Amortization of tangible capital assets	2,780,829	2,819,112	2,641,994
Loss (Gain) on sale of tangible capital assets	-	65,810	181,812
Proceeds on sale of tangible capital assets	-	160,655	117,547
Decrease (increase) in inventories	-	(1,489,419)	6,158
Decrease (increase) in prepaid expense	-	47,123	(69,041)
	1,264,864	(3,634,904)	(1,846,676)
CHANGE IN NET FINANCIAL ASSETS	\$ 2,960,457	2,697,927	1,969,943
NET FINANCIAL ASSETS, BEGINNING OF YEAR		7,237,945	5,268,002
NET FINANCIAL ASSETS, END OF YEAR		\$ 9,935,872	\$ 7,237,945

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, 2020

	2020	2019
OPERATING TRANSACTIONS		
Annual surplus (deficit)	\$ 6,332,831	\$ 3,816,619
Changes in non-cash items:		
Amounts receivable	543,986	(66,858)
Inventories	(1,489,419)	6,158
Prepays	47,123	(69,040)
Accounts payable and accrued liabilities	463,894	466,150
Severance and vested sick leave payable	14,720	-
Landfill closure and post closure liabilities	-	-
Increase in differed revenue	-	-
Environmental liabilities	-	-
Donated assets	(1,482,660)	(219,750)
Loss (Gain) on sale of tangible capital asset	65,810	181,812
Amortization	2,819,112	2,641,994
Cash provided by operating transactions	7,315,397	6,757,085
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	160,655	117,547
Cash used to acquire tangible capital assets	(3,755,525)	(4,505,396)
Cash applied to capital transactions	(3,594,870)	(4,387,849)
INVESTING TRANSACTIONS		
Proceeds on sale of portfolio investments	-	-
Proceeds on sale of real estate properties	-	-
Loans and advances repaid	113,858	105,072
Purchase of portfolio investments	540,258	(591,625)
Acquisition of real estate properties	-	-
Loans and advances issued	-	-
Cash applied to investing transactions	654,116	(486,553)
FINANCING TRANSACTIONS		
Proceeds of long-term debt	-	1,125,000
Debt repayment	(1,015,407)	(907,459)
Obligation under capital lease	-	-
Repayment of obligation under capital lease	-	-
Cash applied to financing transactions	(1,015,407)	217,541
INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS	3,359,236	2,100,224
CASH AND TEMPORARY INVESTMENTS, BEGINNING OF YEAR	12,850,231	10,750,007
CASH AND TEMPORARY INVESTMENTS, END OF YEAR	\$16,209,467	\$12,850,231

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, 2020

1. Status of the Rural Municipality of Hanover

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

2. Significant Accounting Policies

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

a) Reporting Entity

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

Grunthal Community Center (consolidated 100%)(2019 - consolidated 100%)
Hanover Community Development Corporation (consolidated 100%)(2019 - consolidated 100%)

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

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

b) Basis of Accounting

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

c) Cash and Temporary Investments

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

d) Investments

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

Portfolio investments are accounted for at cost.

e) Real Estate Properties Held for Sale

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

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

f) Non-Financial Assets

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

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

g) Tangible Capital Assets

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

General Tangible Capital Assets

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

Infrastructure Assets

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

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

h) Leases

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

i) Inventories

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

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

j) Revenue Recognition

Revenues are recognized as they are earned and measurable.

Government Transfers

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

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

k) Measurement Uncertainty

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

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

3. Cash and Temporary Investments

Cash and temporary investments are comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash	\$ 15,049,555	\$ 12,281,243
Temporary investments	<u>1,159,912</u>	<u>568,988</u>
	<u>\$ 16,209,467</u>	<u>\$ 12,850,231</u>

Temporary investments are comprised mainly of guaranteed investment certificates and term deposits and have a market value approximating cost. These investments earn interest at rates from 2.20% to 2.90% and mature during 2020. The Municipality has designated \$15,347,978 (2019 - \$12,139,789) 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, \$Nil (2019 - \$Nil) was used at year-end.

4. Amounts Receivable

Amounts receivable are valued at their net realizable value.

	<u>2020</u>	<u>2019</u>
Taxes on roll (Schedule 11)	\$ 1,709,081	\$ 1,853,860
Government grants	202,065	191,327
Utility customers	77,791	66,893
Accrued interest	-	-
Organizations and individuals	566,474	998,658
Other governments	<u>102,478</u>	<u>91,137</u>
	2,657,889	3,201,875
Less allowances for doubtful amounts	<u>(50,000)</u>	<u>(50,000)</u>
	<u>\$ 2,607,889</u>	<u>\$ 3,151,875</u>

5. Loans and Advances

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

6. Portfolio Investments

	2020	2019
Marketable securities:		
Government of Canada	\$ -	\$ -
Access Credit Union	1,165,674	1,705,932
Municipal Debentures	1,200,839	1,130,248
	<u>\$ 2,366,513</u>	<u>\$ 2,836,180</u>
Less: Debentures issued by the Municipality (Note 9)	<u>(1,200,839)</u>	<u>(1,130,248)</u>
	<u><u>\$ 1,165,674</u></u>	<u><u>\$ 1,705,932</u></u>

7. Inventories

Inventories for sale:

	2020	2019
Land for resale	\$ 1,529,937	\$ 15,729
	<u><u>\$ 1,529,937</u></u>	<u><u>\$ 15,729</u></u>

Inventories for use:

	2020	2019
Chemicals, herbicides, insecticides	\$ -	\$ -
Fuel	-	-
Culverts	4,703	4,469
Aggregate	-	-
Other supplies	158,404	183,427
	<u><u>\$ 163,107</u></u>	<u><u>\$ 187,896</u></u>

8. Accounts Payable and Accrued Liabilities

	2020	2019
Accounts payable	\$ 1,204,264	\$ 654,538
Accrued expenses	161,878	51,682
Accrued interest payable	-	-
Government remittances	4,135	5,903
Refundable deposits	699,500	624,550
School levies	1,036,376	1,305,586
Other governments	-	-
	<u><u>\$ 3,106,153</u></u>	<u><u>\$ 2,642,259</u></u>

9. Long Term Debt

	<u>2020</u>	<u>2019</u>
General Authority:		
Debenture 2317-13, Interest at 4.000%, payable at \$3,746 annually including interest, maturing December 31, 2023	\$ 10,394	\$ 13,596
Debenture 2402-16, Interest at 3.500%, payable at \$7,353 annually including interest, maturing December 31, 2021	7,105	13,969
Debenture 2411-17, Interest at 3.500% payable at \$1,993 annually including interest, maturing December 31, 2022	3,787	5,585
Debenture 2387-15, Interest at 3.500%, payable at \$4,100 annually including interest, matured December 31, 2020	-	3,961
Debenture 2381-15, Interest at 3.250%, payable at \$13,832 annually including interest, maturing December 31, 2025	62,898	74,315
Debenture 2375-15, Interest at 2.940%, payable at \$180,158 annually including interest, maturing August 1, 2025	836,605	989,866
Debenture 2382-16, Interest at 3.500%, payable at \$22,148 annually including interest, matured December 31, 2020	-	21,399
Debenture 2380-15, Interest at 3.500%, payable at \$4,756 annually including interest, matured December 31, 2020	-	4,595
Debenture 2404-16, interest at 3.500%, payable at \$1,898 annually including interest, maturing December 31, 2021	1,834	3,606
Debenture 2440-19, interest at 4.160%, payable at \$83,957 annually including interest, maturing April 1, 2039	1,121,815	1,160,132
Debenture 2488-20, interest at 3.000%, payable at \$15,308 annually including interest, maturing December 31, 2025	70,108	-
Debenture 2487-20, interest at 3.000%, payable at \$17,914 annually including interest, maturing December 31, 2025	82,042	-
Debenture 2425-18, interest at 4.125%, payable at \$81,838 annually including interest, maturing December 31, 2038	<u>1,025,569</u>	<u>1,063,537</u>
	<u>\$ 3,222,157</u>	<u>\$ 3,354,561</u>

Balance carried forward	<u>\$ 3,222,157</u>	<u>\$ 3,354,561</u>
Utility Funds:		
Debenture 2148 for Kleeefeld Utility, Interest at 3.350%, payable at \$191,131 annually including interest, maturing October 1, 2025	\$ 873,882	\$ 1,032,036
Debenture 2215 for Mitchell Utility, interest at 3.980%, payable at \$269,446 annually including interest, maturing September 1, 2024	991,433	1,216,036
Debenture 2281 for Grunthal Utility, interest at 3.920% payable at \$223,597 annually including interest, maturing March 1, 2026	1,213,678	1,390,107
Debenture 2297 for Grunthal Utility, interest at 3.800% payable at \$243,892 annually including interest, maturing December 31, 2027	1,474,731	1,655,706
Debenture 2364 for Grunthal Utility, interest at 3.600%, payable at \$4,109 annually including interest, maturing December 31, 2024	15,056	18,499
Debenture 2218 for New Bothwell Utility, interest at 3.920%, payable at \$87,203 annually including interest, maturing March 1, 2026	<u>473,334</u>	<u>542,142</u>
Utility debenture sub-total	\$ 5,042,114	\$ 5,854,526
Total debentures	8,264,271	9,209,087
Less: Internally Held Debentures	<u>(1,200,839)</u>	<u>(1,130,248)</u>
	<u>\$ 7,063,432</u>	<u>\$ 8,078,839</u>

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

2021	\$ 1,037,134
2022	\$ 1,075,253
2023	\$ 1,114,789
2024	\$ 1,155,794
2025	\$ 924,767

10. Retirement Benefits

The majority of the employees of the Municipality are members of the Municipal Employees' Pension Plan (MEPP), which is a multi-employer defined benefit pension plan. MEPP members will receive benefits based on 1.5% of their final average yearly Canada Pension Plan (CPP) earnings times years of service, plus 2% of their final average yearly non-CPP earnings times years of service. The costs of the retirement plan are not allocated to the individual entities within the related group. As a result, individual entities within the related group are not able to identify their share of the underlying assets and liabilities. Therefore, the plan is accounted for as a defined contribution plan in accordance with the requirements of the Chartered Professional Accountants of Canada Handbook section PS3250.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by MEPP by placing plan assets in trust and through MEPP investment policy. The pension expense is based on the contribution rate. The MEPP required that employees contribute 8.3% of basic annual earnings up to the CPP ceiling plus 9.5% of basic annual earnings in excess of the CPP ceiling, plus an additional 0.1% of earnings below and in excess of the CPP ceiling from employees that are not members of the Municipal Disability Income Plan. The employers are required to match the employee contributions to the MEPP. Actual contributions to MEPP made during the year by the Municipality on behalf of its employees amounted to \$176,415 (2019 - \$172,544) and are included in the statement of operations.

Subject to the following paragraph, any unfunded liabilities are to be funded by the participating employers. The most recent actuarial valuation as of December 31, 2019 indicated the plan was 99.7% funded on a going concern basis and had an unfunded solvency liability of \$288.8 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, 2019.

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

	2020	2019
Accumulated surplus consists of the following:		
General operating fund - Nominal surplus	\$ 2,542,198	\$ 2,229,350
Utility operating fund(s) - Nominal surplus	347,153	551,379
TCA net of related borrowings	42,627,968	39,462,125
Reserve funds	15,347,978	12,139,789
Accumulated surplus of municipality unconsolidated	60,865,297	54,382,643
Accumulated surpluses of consolidated entities	842,804	992,627
Accumulated surplus per Consolidated Statement of Financial Position	<u>\$ 61,708,101</u>	<u>\$ 55,375,270</u>

14. Public Sector Compensation Disclosure

It is a requirement of the Public Sector Compensation Disclosure Act that annual public disclosure be made of aggregate compensation paid to members of council, and of individual compensation in an amount exceeding \$75,000 annually to any member of council, officer or employee of the Municipality. For the year ended December 31, 2020:

- a) Compensation paid to members of council amounted to \$331,713 in aggregate.
- b) There were no members of council receiving compensation in excess of \$75,000 individually.

Council Members:

	Compensation	Expenses	Total
Reeve - Stan Toews	\$ 50,344	\$ 1,543	\$ 51,887
Councillor - Bob Brandt	40,879	95	40,974
Councillor - John Giesbrecht	38,080	1,920	40,000
Councillor - Travis Doerksen	38,080	1,840	39,920
Councillor - Jim Funk	38,080	-	38,080
Councillor - Darrin Warkentin	38,080	-	38,080
Councillor - Brian Esau	25,213	72	25,285
Committee Member - Roberto Hiebert	7,200	423	7,623
Committee Member - Kevin Medeiros	7,200	109	7,309
Committee Member - Cliff Froese	7,200	-	7,200
Committee Member - Brad Kehler	7,200	-	7,200
Committee Member - Roger Harder	7,200	-	7,200
Committee Member - Paul Perreault	6,900	255	7,155
Committee Member - Anita Funk	6,900	-	6,900
Committee Member - Thomas Guenther	6,900	-	6,900
	<u>\$ 325,456</u>	<u>\$ 6,257</u>	<u>\$ 331,713</u>

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

Name	Position	Amount
Luc Lahaie	CAO	\$ 132,792
Robert Driedger	Utilities and Engineering Manager	\$ 104,480
Derek Decru	CFO	\$ 99,520
Wesley Fehr	Public Works Manager	\$ 96,755
Jeremy Neufeld	Manager of Planning and I.T.	\$ 87,597
Barry Plett	Building Inspector	\$ 86,002
Paul Wiebe	Fire Chief	\$ 82,795
Matthew Thiessen	Public Works Foreman	\$ 78,387

15. Segmented Information

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

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

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

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

16. Public Utilities Board

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

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

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

Water services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Grunthal Utility	\$ 8,686	\$ -	\$ 560	\$ 8,126
Kleefeld Utility	414,919	27,500	16,613	425,806
	<u>\$ 423,605</u>	<u>\$ 27,500</u>	<u>\$ 17,173</u>	<u>\$ 433,932</u>

Sewer services:

Description of Utility	Unamortized Opening Balance	Additions During Year	Amortization During Year	Unamortized Balance Ending
Grunthal Utility	\$ 715,765	\$ -	\$ 44,800	\$ 670,965
Kleefeld Utility	1,431,834	60,200	44,935	1,447,099
New Bothwell Utility	1,269,656	-	45,492	1,224,164
Blumenort Utility	2,177,461	195,750	184,520	2,188,691
Mitchell Utility	508,877	71,875	34,002	546,750
	<u>\$ 6,103,593</u>	<u>\$ 327,825</u>	<u>\$ 353,749</u>	<u>\$ 6,077,669</u>

17. Subsequent Events

COVID-19

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

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

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year Ended December 31, 2019

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	2020	2019
Cost										
Opening costs	\$ 5,477,210	\$ 7,400,362	\$ 10,222,377	\$ 446,966	\$ 345,558	\$ 48,764,843	\$ 31,590,102	\$ 810,953	\$ 105,058,371	\$ 101,166,956
Additions during the year	2,069,551	-	1,214,899	7,402	122,008	1,185,249	1,232,012	585,916	6,417,037	7,033,667
Disposals and write downs	(49,026)	-	(749,500)	(17,174)	(429,337)	-	-	(749,515)	(1,994,552)	(3,142,252)
Closing costs	7,497,735	7,400,362	10,687,776	437,194	38,229	49,950,092	32,822,114	647,354	109,480,856	105,058,371
Accumulated Amortization										
Opening accum'd amortization	1,216,028	2,650,057	4,492,539	404,953	-	36,006,515	12,503,475	-	57,273,567	55,165,945
Amortization	212,078	256,417	776,840	29,440	-	648,640	895,697	-	2,819,112	2,641,994
Disposals and write downs	(15,933)	-	(556,128)	(17,174)	-	-	-	-	(589,235)	(534,372)
Closing accum'd amortization	1,412,173	2,906,474	4,713,251	417,219	-	36,655,155	13,399,172	-	59,503,444	57,273,567
Net Book Value of Tangible Capital Assets	\$ 6,085,562	\$ 4,493,888	\$ 5,974,525	\$ 19,975	\$ 38,229	\$ 13,294,937	\$ 19,422,942	\$ 647,354	\$ 49,977,412	\$ 47,784,804

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, 2020

SCHEDULE 2

	2020 Actual	2019 Actual
Property taxes:		
Municipal taxes levied (Schedule 12)	\$ 8,454,660	\$ 8,164,416
Taxes added	523,152	539,368
	<u>8,977,812</u>	<u>8,703,784</u>
Grants in lieu of taxation:		
Federal government	-	-
Federal government enterprises	-	-
Provincial government	568	523
Provincial government enterprises	111,849	113,824
Other local governments	-	-
Non-government organizations	-	-
	<u>112,417</u>	<u>114,347</u>
User fees		
Parking meters	-	-
Sales of service	164,185	127,048
Sales of goods	28,731	62,246
Rentals	414,737	605,250
Development charges	997,636	748,617
Facility use fees	127,767	174,711
	<u>1,733,056</u>	<u>1,717,872</u>
Permits, licences and fines		
Permits	569,564	421,734
Licences	6,380	6,095
Fees	194,536	175,886
Fines	2,390	1,900
	<u>772,870</u>	<u>605,615</u>
Investment income:		
Cash and temporary investments	224,189	345,510
Marketable securities	-	-
Municipal debentures	-	-
Other (specify):	-	-
	<u>224,189</u>	<u>345,510</u>
Other revenue:		
Gain (loss) on sale of tangible capital assets	(65,810)	(181,812)
Gain on sale of real estate held for sale	-	-
Contributed assets	1,131,450	140,250
Penalties and interest	159,920	170,525
Donations	52,804	283,770
Miscellaneous	498,462	436,704
	<u>1,776,826</u>	<u>849,437</u>
Water and sewer		
Municipal utilities (Schedule 9)	1,957,975	939,321
Consolidated water co-operatives	-	-
	<u>1,957,975</u>	<u>939,321</u>
Grants - Province of Manitoba		
General assistance payment	-	-
General support grant	1,979,875	1,045,407
Municipal program grants	-	-
Other unconditional grants	-	-
Conditional grants	541,378	539,726
	<u>2,521,253</u>	<u>1,585,133</u>
Grants - other		
Federal government - gas tax funding	846,697	1,687,637
Federal government - other	-	1,353
Other local governments	193,442	86,435
	<u>1,040,139</u>	<u>1,775,425</u>
Total revenue	<u>\$ 19,116,537</u>	<u>\$ 16,636,444</u>

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	2020 Actual	2019 Actual
General government services:		
Legislative	\$ 375,060	\$ 427,848
General administrative	1,317,034	1,344,549
Other	147,427	201,590
	<u>1,839,521</u>	<u>1,973,987</u>
Protective services:		
Police	-	-
Fire	1,093,707	1,123,592
Emergency measures	10,449	9,240
Other	361,767	357,409
	<u>1,465,923</u>	<u>1,490,241</u>
Transportation services:		
Road transport		
Administration and engineering	1,957,892	1,853,260
Road and street maintenance	2,896,716	2,904,105
Ditches and drainage	168,194	154,604
Sidewalk and boulevard maintenance	41,402	14,564
Street lighting	109,966	96,936
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>5,174,170</u>	<u>5,023,469</u>
Environmental health services:		
Waste collection and disposal	421,061	378,450
Recycling	298,170	277,855
Other	197,697	201,561
	<u>916,928</u>	<u>857,866</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	204,559	197,877
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>204,559</u>	<u>197,877</u>
Resource conservation and industrial development		
Rural area weed control	1,701	1,832
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	24,500	73,250
Regional development	10,841	17,485
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>37,042</u>	<u>92,567</u>
Sub-totals forward	<u>\$ 9,646,745</u>	<u>\$ 9,644,609</u>

RURAL MUNICIPALITY OF HANOVER
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 3

	2020 Actual	2019 Actual
Sub-totals forward	\$ 9,646,745	\$ 9,644,609
Recreation and cultural services:		
Administration	705,002	767,899
Community centers and halls	231,591	246,717
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	97,552	127,143
Parks and playgrounds	114,043	156,968
Other recreational facilities	48,808	8,704
Museums	-	-
Libraries	10,480	12,340
Other cultural facilities	-	-
	1,207,476	1,319,771
Water and sewer services (Schedule 9)		
Municipal utilities (Schedule 9)	1,929,485	1,855,445
Consolidated water co-operatives	-	-
	1,929,485	1,855,445
Total expenses	\$ 12,783,706	\$ 12,819,825

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2020

	General Government*		Protective Services		Transportation Services		Environmental Health Services		Public Health and Welfare Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ 8,100,685	\$ 7,856,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants in lieu of taxation	112,417	114,347	-	-	-	-	-	-	-	-
User fees	70,361	70,394	66,837	42,074	281,046	410,438	2,892	1,957	-	-
Grants - other	846,697	1,687,637	-	-	-	-	-	-	-	-
Permits, licences and fines	203,306	183,881	-	-	-	-	-	-	-	-
Investment income	220,028	332,954	-	-	-	-	-	-	-	-
Other revenue	1,361,537	405,082	-	-	447	21,370	191,889	189,967	-	-
Water and sewer	-	-	-	-	-	-	-	-	-	-
Prov of MB - Unconditional Grants	1,979,875	1,045,407	-	-	-	-	-	-	-	-
Prov of MB - Conditional Grants	270,508	326,134	-	-	-	-	257,479	208,812	-	-
Total revenue	\$ 13,165,414	\$ 12,021,978	\$ 66,837	\$ 42,074	\$ 281,493	\$ 431,808	\$ 452,260	\$ 400,736	\$ -	\$ -
EXPENSES										
Personnel services	\$ 834,667	\$ 863,575	\$ 491,620	\$ 508,026	\$ 1,350,775	\$ 1,324,502	\$ 161,955	\$ 163,440	\$ -	\$ -
Contract services	499,539	513,330	221,191	341,066	-	-	724,916	663,911	8,602	8,602
Utilities	25,904	30,703	25,920	24,142	126,622	122,640	799	1,139	-	-
Maintenance materials and supplies	77,955	109,882	266,308	235,893	2,391,986	2,391,356	18,631	18,749	-	-
Grants and contributions	246,615	247,998	-	-	-	-	-	-	-	-
Amortization	139,070	201,152	301,047	232,326	1,275,488	1,149,404	10,627	10,627	-	-
Interest on long term debt	-	-	89,511	80,507	29,299	35,567	-	-	-	-
Other	15,771	7,347	70,326	68,281	-	-	-	-	-	-
Total expenses	\$ 1,839,521	\$ 1,973,987	\$ 1,465,923	\$ 1,490,241	\$ 5,174,170	\$ 5,023,469	\$ 916,928	\$ 857,866	\$ 8,602	\$ 8,602
Surplus (Deficit)	\$ 11,325,893	\$ 10,047,991	\$ (1,399,086)	\$ (1,448,167)	\$ (4,892,677)	\$ (4,591,661)	\$ (464,668)	\$ (457,130)	\$ (8,602)	\$ (8,602)

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

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 4

CONSOLIDATED STATEMENT OF OPERATIONS BY PROGRAM

For the Year Ended December 31, 2020

	Regional Planning and Development		Resource Conservation and Industrial Dev		Recreation and Cultural Services		Water and Sewer Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 877,127	\$ 847,642	\$ 8,977,812	\$ 8,703,784
Grants in lieu of taxation	-	-	-	-	-	-	-	-	112,417	114,347
User fees	1,070,841	801,737	-	-	241,079	391,272	-	-	1,733,056	1,717,872
Grants - other	-	-	-	-	193,442	87,788	-	-	1,040,139	1,775,425
Permits, licences and fines	569,564	421,734	-	-	-	-	-	-	772,870	605,615
Investment income	-	-	3,170	10,414	991	2,142	-	-	224,189	345,510
Other revenue	-	-	-	-	222,953	233,018	-	-	1,776,826	849,437
Water and sewer	-	-	-	-	-	-	1,957,975	939,321	1,957,975	939,321
Prov of MB - Unconditional Grants	-	-	-	-	-	-	-	-	1,979,875	1,045,407
Prov of MB - Conditional Grants	-	-	-	-	13,391	4,780	-	-	541,378	539,726
Total revenue	\$ 1,640,405	\$ 1,223,471	\$ 3,170	\$ 10,414	\$ 671,856	\$ 719,000	\$ 2,835,102	\$ 1,786,963	\$ 19,116,537	\$ 16,636,444
EXPENSES										
Personnel services	\$ 190,826	\$ 182,491	\$ -	\$ -	\$ 329,705	\$ 354,108	\$ -	\$ -	\$ 3,359,548	\$ 3,396,142
Contract services	10,600	11,814	6,582	5,829	167,526	198,812	59,117	39,643	1,698,073	1,783,007
Utilities	-	-	-	-	89,675	110,030	142,329	132,325	411,249	420,979
Maintenance materials and supplies	3,133	3,572	470	2,402	247,403	302,453	625,376	589,175	3,631,262	3,653,482
Grants and contributions	-	-	24,500	73,250	161,550	152,042	-	-	432,665	473,290
Amortization	-	-	-	-	193,806	190,909	895,697	857,576	2,815,735	2,641,994
Interest on long term debt	-	-	-	-	2,415	2,775	206,966	236,726	328,191	355,575
Other	-	-	5,490	11,086	15,396	8,642	-	-	106,983	95,356
Total expenses	\$ 204,559	\$ 197,877	\$ 37,042	\$ 92,567	\$ 1,207,476	\$ 1,319,771	\$ 1,929,485	\$ 1,855,445	\$ 12,783,706	\$ 12,819,825
Surplus (Deficit)	\$ 1,435,846	\$ 1,025,594	\$ (33,872)	\$ (82,153)	\$ (535,620)	\$ (600,771)	\$ 905,617	\$ (68,482)	\$ 6,332,831	\$ 3,816,619

RURAL MUNICIPALITY OF HANOVER
SCHEDULE 5
CONSOLIDATED DETAILS AND RECONCILIATION TO CORE GOVERNMENT RESULTS
For the Year Ended December 31, 2020

	Core Government		Controlled Entities		Government Partnerships		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
Property taxes	\$ 8,977,812	\$ 8,703,784	\$ -	\$ -	\$ -	\$ -	\$ 8,977,812	\$ 8,703,784
Grants in lieu of taxation	112,417	114,347	-	-	-	-	112,417	114,347
User fees	1,612,301	1,544,597	120,755	173,275	-	-	1,733,056	1,717,872
Grants - other	1,037,939	1,763,091	2,200	12,334	-	-	1,040,139	1,775,425
Permits, licences and fines	772,870	605,615	-	-	-	-	772,870	605,615
Investment income	220,087	333,442	4,102	12,068	-	-	224,189	345,510
Other revenue	1,776,503	849,437	323	-	-	-	1,776,826	849,437
Water and sewer	1,957,975	939,321	-	-	-	-	1,957,975	939,321
Prov of MB - Unconditional Grants	1,979,875	1,045,407	-	-	-	-	1,979,875	1,045,407
Prov of MB - Conditional Grants	541,378	539,726	-	-	-	-	541,378	539,726
Total revenue	\$ 18,989,157	\$ 16,438,767	\$ 127,380	\$ 197,677	\$ -	\$ -	\$ 19,116,537	\$ 16,636,444
EXPENSES								
Personnel services	\$ 3,272,918	\$ 3,296,101	\$ 86,630	\$ 100,041	\$ -	\$ -	\$ 3,359,548	\$ 3,396,142
Contract services	1,687,466	1,766,059	10,607	16,948	-	-	1,698,073	1,783,007
Utilities	373,076	374,920	38,173	46,059	-	-	411,249	420,979
Maintenance materials and supplies	3,529,262	3,585,683	102,000	67,799	-	-	3,631,262	3,653,482
Grants and contributions	432,665	473,290	-	-	-	-	432,665	473,290
Amortization	2,780,829	2,604,514	34,906	37,480	-	-	2,815,735	2,641,994
Interest on long term debt	328,191	355,575	-	-	-	-	328,191	355,575
Other	102,097	94,731	4,886	625	-	-	106,983	95,356
Total expenses	\$ 12,506,504	\$ 12,550,873	\$ 277,202	\$ 268,952	\$ -	\$ -	\$ 12,783,706	\$ 12,819,825
Surplus (Deficit)	\$ 6,482,653	\$ 3,887,894	\$ (149,822)	\$ (71,275)	\$ -	\$ -	\$ 6,332,831	\$ 3,816,619

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF CHANGE IN RESERVE FUND BALANCES
For the Year Ended December 31, 2020

SCHEDULE 6

	2020								
	General Reserve	Gas Tax Reserve	Office Reserve	Mitchell LUD Reserve	Blumenort LUD Reserve	Grunthal LUD Reserve	Environmental Reserve	Fire Equip Reserve	Transportation Reserve
REVENUE									
Investment income	\$ 23,773	\$ 28,489	\$ 3,159	\$ 3,386	\$ 3,901	\$ 2,717	\$ 4,775	\$ 5,781	\$ 7,895
Other income	-	-	-	-	-	-	-	-	-
Total revenue	23,773	28,489	3,159	3,386	3,901	2,717	4,775	5,781	7,895
EXPENSES									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
NET REVENUES	23,773	28,489	3,159	3,386	3,901	2,717	4,775	5,781	7,895
TRANSFERS									
Transfers from general operating fund	946,081	846,697	154,191	56,049	-	34,730	120,000	329,878	862,977
Transfers to general operating fund	-	(350,000)	(7,402)	(170,330)	(59,201)	-	(21,000)	(140,556)	(867,720)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	-
Transfers to utility operating fund	-	(284,113)	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	969,854	241,073	149,948	(110,895)	(55,300)	37,447	103,775	195,103	3,152
FUND SURPLUS, BEGINNING OF	1,989,576	2,483,237	243,392	407,237	394,094	253,638	429,206	446,519	859,756
FUND SURPLUS, END OF YEAR	<u>\$ 2,959,430</u>	<u>\$ 2,724,310</u>	<u>\$ 393,340</u>	<u>\$ 296,342</u>	<u>\$ 338,794</u>	<u>\$ 291,085</u>	<u>\$ 532,981</u>	<u>\$ 641,622</u>	<u>\$ 862,908</u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2020

	2020								
	Emergency Reserve	Grunthal UT Reserve	Kleefeld UT Reserve	Blumenort UT Reserve	Mitchell UT Reserve	New Both. UT Reserve	Blumenort Lagoon Res.	General Rec Reserve	Grunthal Rec Reserve
REVENUE									
Investment income	\$ 679	\$ 3,207	\$ 3,767	\$ 3,614	\$ 3,883	\$ 4,782	\$ 1,945	\$ 16,599	\$ 2,236
Other income	-	-	-	-	-	-	-	-	-
Total revenue	679	3,207	3,767	3,614	3,883	4,782	1,945	16,599	2,236
EXPENSES									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
NET REVENUES	679	3,207	3,767	3,614	3,883	4,782	1,945	16,599	2,236
TRANSFERS									
Transfers from general operating fund	47,786	-	207,955	23,462	129,000	1,500	14,038	764,791	-
Transfers to general operating fund	-	-	-	-	-	-	-	(252,465)	(140,000)
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	15,000	70,000	373,784	13,000	15,000	-	-	-
Transfers to utility operating fund	-	-	-	-	(68,154)	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	48,465	18,207	281,722	400,860	77,729	21,282	15,983	528,925	(137,764)
FUND SURPLUS, BEGINNING OF	50,292	308,622	313,667	257,275	371,337	459,677	187,164	1,052,069	259,373
FUND SURPLUS, END OF YEAR	\$ 98,757	\$ 326,829	\$ 595,389	\$ 658,135	\$ 449,066	\$ 480,959	\$ 203,147	\$ 1,580,994	\$ 121,609

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2020

	2020								
	Kleefeld Rec Reserve	Blumenort Rec Reserve	Mitchell Rec Reserve	New Bothwell Rec Reserve	Village of Kleefeld	Village of New Bothwell	General Garbage/Recy	Road Infrastructure	New Bothwell Desludge
REVENUE									
Investment income	\$ 1,993	\$ 2,210	\$ 2,083	\$ 1,876	\$ 1,252	\$ 397	\$ 967	\$ 3,320	\$ 794
Other income	-	-	-	-	-	-	-	-	-
Total revenue	1,993	2,210	2,083	1,876	1,252	397	967	3,320	794
EXPENSES									
Investment charges	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-	-	-
NET REVENUES	1,993	2,210	2,083	1,876	1,252	397	967	3,320	794
TRANSFERS									
Transfers from general operating fund	38,585	18,937	60,215	33,442	-	8,827	73,996	284,601	-
Transfers to general operating fund	(78,975)	-	(7,821)	-	(6,604)	-	(21,967)	(100,000)	-
Transfer from nominal surplus	-	-	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	-	-	-	11,198
Transfers to utility operating fund	-	-	-	-	-	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-	-	-	-	-	-
CHANGE IN RESERVE FUND	(38,397)	21,147	54,477	35,318	(5,352)	9,224	52,996	187,921	11,992
FUND SURPLUS, BEGINNING OF	219,195	210,481	203,809	179,916	120,480	38,232	69,685	209,081	76,373
FUND SURPLUS, END OF YEAR	\$ 180,798	\$ 231,628	\$ 258,286	\$ 215,234	\$ 115,128	\$ 47,456	\$ 122,681	\$ 397,002	\$ 88,365

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 6

SCHEDULE OF CHANGE IN RESERVE FUND BALANCES

For the Year Ended December 31, 2020

	2020					2019
	Grunthal Rec Land	Kleefeld Rec Land	Blumenort Rec Land	Mitchell Rec Land	New Bothwell Rec Land	Total
REVENUE						
Investment income	\$ 340	\$ 141	\$ 62	\$ 357	\$ 10	\$ 140,390
Other income	-	-	-	-	-	-
Total revenue	340	141	62	357	10	140,390
EXPENSES						
Investment charges	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-
NET REVENUES	340	141	62	357	10	140,390
TRANSFERS						
Transfers from general operating fund	8,081	14,133	4,511	61,582	3,045	5,149,090
Transfers to general operating fund	-	(2,965)	-	-	-	(2,227,006)
Transfer from nominal surplus	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-
Transfers from utility operating fund	-	-	-	-	-	497,982
Transfers to utility operating fund	-	-	-	-	-	(352,267)
Acquisition of tangible capital assets	-	-	-	-	-	-
CHANGE IN RESERVE FUND	8,421	11,309	4,573	61,939	3,055	3,208,189
FUND SURPLUS, BEGINNING OF	27,479	6,394	3,092	9,441	-	12,139,789
FUND SURPLUS, END OF YEAR	\$ 35,900	\$ 17,703	\$ 7,665	\$ 71,380	\$ 3,055	\$ 15,347,978

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF L.U.D. OPERATIONS - Summary
For the Year Ended December 31, 2020

SCHEDULE 7

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Taxation	\$ 1,069,481	\$ 1,069,481	\$ 1,043,699
Other Revenue	100,000	174,825	144,820
Total revenue	1,169,481	1,244,306	1,188,519
Expenses			
General Government:			
Indemnities	99,752	83,900	75,576
Transportation Services			
Road and street maintenance	319,226	292,011	284,632
Ditches and drainage	32,306	3,724	14,212
Sidewalk and boulevard maintenance	38,909	35,044	12,014
Street lighting	70,853	71,325	68,691
Other	1,300	3,992	308
Environmental health			
Waste collection and disposal	2,790	2,240	1,920
Recycling	-	-	-
Other	2,100	1,034	1,521
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	1,500	1,286	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	8,050	21,628	16,149
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	576,786	516,184	475,023
Net revenues (expenses)	592,695	728,122	713,496
Transfers:			
Transfers from (to) L.U.D. reserves	80,841	304,302	(443,903)
Transfers from (to) operating fund	30,000	(1,035,273)	(265,529)
Other	(703,536)	-	-
Change in L.U.D. balances	\$ -	(2,849)	4,064
Unexpended balance, beginning of year		51,018	46,954
Unexpended balance, end of year		\$ 48,169	\$ 51,018

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 7

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

For the Year Ended December 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Taxation	\$ 448,955	\$ 448,955	\$ 436,049
Other Revenue	-	67,128	33,338
Total revenue	448,955	516,083	469,387
Expenses			
General Government:			
Indemnities	28,588	32,125	23,512
Transportation Services			
Road and street maintenance	81,445	68,769	68,561
Ditches and drainage	256	761	827
Sidewalk and boulevard maintenance	21,445	17,549	494
Street lighting	23,056	24,674	25,452
Other	300	752	232
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	1,500	1,034	1,436
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	500	800	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	1,100	2,755	11,129
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	158,190	149,219	131,643
Net revenues (expenses)	290,765	366,864	337,744
Transfers:			
Transfers from (to) L.U.D. reserves	26,370	245,101	(259,000)
Transfers from (to) operating fund	15,000	(608,420)	(78,996)
Other	(332,135)	-	-
Change in L.U.D. balances	\$ -	3,545	(252)
Unexpended balance, beginning of year		15,585	15,837
Unexpended balance, end of year		\$ 19,130	\$ 15,585

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 7

SCHEDULE OF L.U.D. OPERATIONS - LUD of Grunthal
For the Year Ended December 31, 2020

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Taxation	\$ 280,738	\$ 280,738	\$ 272,866
Other Revenue	-	7,697	110,941
Total revenue	<u>280,738</u>	<u>288,435</u>	<u>383,807</u>
Expenses			
General Government:			
Indemnities	33,727	27,418	28,436
Transportation Services			
Road and street maintenance	121,279	139,715	130,726
Ditches and drainage	30,250	1,564	250
Sidewalk and boulevard maintenance	9,964	14,113	10,385
Street lighting	24,997	22,569	22,712
Other	500	95	-
Environmental health			
Waste collection and disposal	2,790	2,240	1,920
Recycling	-	-	-
Other	-	-	-
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	500	486	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	5,600	3,360	4,484
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	<u>229,607</u>	<u>211,560</u>	<u>198,913</u>
Net revenues (expenses)	51,131	76,875	184,894
Transfers:			
Transfers from (to) L.U.D. reserves	(19,730)	-	(97,000)
Transfers from (to) operating fund	15,000	(71,730)	(88,541)
Other	(46,401)	-	-
Change in L.U.D. balances	<u><u>\$ -</u></u>	<u><u>5,145</u></u>	<u><u>(647)</u></u>
Unexpended balance, beginning of year		<u>14,844</u>	<u>15,491</u>
Unexpended balance, end of year		<u><u>\$ 19,989</u></u>	<u><u>\$ 14,844</u></u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF L.U.D. OPERATIONS - LUD of Blumenort
For the Year Ended December 31, 2020

SCHEDULE 7

	2020 Budget	2020 Actual	2019 Actual
Revenue			
Taxation	\$ 339,788	\$ 339,788	\$ 334,784
Other Revenue	100,000	100,000	541
Total revenue	439,788	439,788	335,325
Expenses			
General Government:			
Indemnities	37,437	24,357	23,628
Transportation Services			
Road and street maintenance	116,502	83,527	85,345
Ditches and drainage	1,800	1,399	13,135
Sidewalk and boulevard maintenance	7,500	3,382	1,135
Street lighting	22,800	24,082	20,527
Other	500	3,145	76
Environmental health			
Waste collection and disposal	-	-	-
Recycling	-	-	-
Other	600	-	85
Regional planning and development			
Planning and zoning	-	-	-
Urban renewal	-	-	-
Beautification and land rehabilitation	-	-	-
Urban area weed control	500	-	-
Other	-	-	-
Recreation and cultural services			
Community centers and halls	-	-	-
Swimming pools and beaches	-	-	-
Golf courses	-	-	-
Skating and curling rinks	-	-	-
Parks and playgrounds	1,350	15,513	536
Other recreational facilities	-	-	-
Museums	-	-	-
Libraries	-	-	-
Other cultural facilities	-	-	-
Total expenses	188,989	155,405	144,467
Net revenues (expenses)	250,799	284,383	190,858
Transfers:			
Transfers from (to) L.U.D. reserves	74,201	59,201	(87,903)
Transfers from (to) operating fund	-	(355,123)	(97,992)
Other	(325,000)	-	-
Change in L.U.D. balances	\$ -	(11,539)	4,963
Unexpended balance, beginning of year		20,589	15,626
Unexpended balance, end of year		\$ 9,050	\$ 20,589

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF FINANCIAL POSITION FOR UTILITIES
As at December 31, 2020

SCHEDULE 8

	2020					2019
	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	499,465	-	-	408,774	-	912,323
	<u>\$ 499,465</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,774</u>	<u>\$ -</u>	<u>\$ 912,323</u>
LIABILITIES						
Accounts payable and accrued liabilities	\$ -	\$ 32,500	\$ -	\$ -	\$ -	\$ 32,500
Deferred revenue	-	-	-	-	-	-
Long-term debt (Note 9)	991,433	-	473,334	2,703,466	873,882	5,854,526
Due to other funds	-	4,472	235,358	-	302,059	344,904
	<u>991,433</u>	<u>36,972</u>	<u>708,692</u>	<u>2,703,466</u>	<u>1,175,941</u>	<u>6,231,930</u>
NET FINANCIAL ASSETS (NET DEBT)	<u>\$ (491,968)</u>	<u>\$ (36,972)</u>	<u>\$ (708,692)</u>	<u>\$ (2,294,692)</u>	<u>\$ (1,175,941)</u>	<u>\$ (5,319,607)</u>
NON-FINANCIAL ASSETS						
Tangible capital assets (Schedule 1)	\$ 3,577,485	\$ 4,786,317	\$ 3,116,349	\$ 4,884,979	\$ 3,684,166	\$ 19,897,579
Inventories	-	-	-	8,213	5,090	16,460
Prepaid expenses	-	-	-	-	-	-
	<u>3,577,485</u>	<u>4,786,317</u>	<u>3,116,349</u>	<u>4,893,192</u>	<u>3,689,256</u>	<u>19,914,039</u>
FUND SURPLUS (DEFICIT)	<u>\$ 3,085,517</u>	<u>\$ 4,749,345</u>	<u>\$ 2,407,657</u>	<u>\$ 2,598,500</u>	<u>\$ 2,513,315</u>	<u>\$ 14,594,432</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Summary
For the Year Ended December 31, 2020

SCHEDULE 9

	Budget	2020	2019
REVENUE			
Water			
Water fees	\$ 174,773	\$ 240,782	\$ 166,898
Bulk Water fees	13,600	-	-
sub-total- water	188,373	240,782	166,898
Sewer			
Sewer fees	292,064	368,460	324,697
Lagoon tipping fees	15,901	43,480	50,480
sub-total- sewer	307,965	411,940	375,177
Property taxes	877,127	877,127	847,642
Government transfers			
Operating	-	-	-
Capital	200,000	233,381	-
sub-total- government transfers	200,000	233,381	-
Other			
Hydrant rentals	13,230	13,230	11,745
Connection charges	600	10,500	2,500
Installation service	-	-	-
Penalties	4,805	5,058	4,354
Contributed tangible capital assets	-	355,325	79,500
Investment income	-	-	-
Administration fees	-	64,428	54,536
Gain on sale of tangible capital assets	-	-	-
Other income	459,519	623,331	244,611
sub-total- other	478,154	1,071,872	397,246
Total revenue	\$ 2,051,619	\$ 2,835,102	\$ 1,786,963

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Summary
For the Year Ended December 31, 2020

SCHEDULE 9

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
EXPENSES			
General			
Administration	\$ 121,134	\$ 172,942	\$ 125,664
Training costs	-	-	-
Billing and collection	7,968	2,388	2,998
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>129,102</u>	<u>175,330</u>	<u>128,662</u>
Water General			
Purification and treatment	136,196	144,455	145,205
Water purchases	-	-	-
Transmission and distribution	50,175	40,698	28,403
Hydrant maintenance	-	220	3,542
Other water supply costs	8,025	2,558	2,346
Connection costs	2,663	2,326	2,785
sub-total- water general	<u>197,059</u>	<u>190,257</u>	<u>182,281</u>
Water Amortization & Interest			
Amortization	-	160,280	161,501
Interest on long term debt	61,685	58,906	66,666
sub-total- water amortization & interest	<u>61,685</u>	<u>219,186</u>	<u>228,167</u>
Sewer General			
Collection system costs	80,511	70,305	66,892
Treatment and disposal cost	320,396	271,949	280,952
Lift Station costs	125,207	118,981	102,358
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>526,114</u>	<u>461,235</u>	<u>450,202</u>
Sewage Amortization & Interest			
Amortization	-	735,417	696,074
Interest on long term debt	157,295	148,060	170,059
sub-total- sewer amortization & interest	<u>157,295</u>	<u>883,477</u>	<u>866,133</u>
Total expenses	<u>1,071,255</u>	<u>1,929,485</u>	<u>1,855,445</u>
NET OPERATING SURPLUS	980,364	905,617	(68,482)
TRANSFERS			
Transfer to capital	(679,000)	-	-
Transfers from (to) operating fund	(800,398)	-	171,746
Transfers from (to) reserve funds	<u>499,035</u>	<u>(145,715)</u>	<u>1,343,226</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ 1</u>	759,902	1,446,490
FUND SURPLUS, BEGINNING OF YEAR		<u>14,594,432</u>	<u>13,147,942</u>
FUND SURPLUS, END OF YEAR		<u>\$ 15,354,334</u>	<u>\$ 14,594,432</u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Mitchell Utility

For the Year Ended December 31, 2020

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
REVENUE			
Sewer			
Sewer fees	\$ 59,878	\$ 60,573	\$ 57,918
Lagoon tipping fees	15,901	14,640	15,030
sub-total- sewer	<u>75,779</u>	<u>75,213</u>	<u>72,948</u>
Property taxes	<u>269,446</u>	<u>269,446</u>	<u>269,456</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	-	1
Contributed tangible capital assets	-	71,875	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	-	6,915	469
sub-total- other	<u>-</u>	<u>78,790</u>	<u>470</u>
Total revenue	<u>\$ 345,225</u>	<u>\$ 423,449</u>	<u>\$ 342,874</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Mitchell Utility
For the Year Ended December 31, 2020

SCHEDULE 9

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
EXPENSES			
General			
Administration	\$ 22,540	\$ 35,455	\$ 22,773
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>22,540</u>	<u>35,455</u>	<u>22,773</u>
Sewer General			
Collection system costs	23,191	13,901	15,796
Treatment and disposal cost	25,848	12,533	17,486
Lift Station costs	4,200	2,026	-
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>53,239</u>	<u>28,460</u>	<u>33,282</u>
Sewage Amortization & Interest			
Amortization	-	244,557	214,648
Interest on long term debt	47,768	44,843	53,480
sub-total- sewer amortization & interest	<u>47,768</u>	<u>289,400</u>	<u>268,128</u>
Total expenses	<u>123,547</u>	<u>353,315</u>	<u>324,183</u>
NET OPERATING SURPLUS	221,678	70,134	18,691
TRANSFERS			
Transfers to capital	-	-	-
Transfers from (to) operating fund	(221,678)	-	-
Transfers from (to) reserve funds	-	55,154	930,435
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	125,288	949,126
FUND SURPLUS, BEGINNING OF YEAR		<u>2,960,229</u>	<u>2,011,103</u>
FUND SURPLUS, END OF YEAR		<u>\$ 3,085,517</u>	<u>\$ 2,960,229</u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Blumenort Utility

For the Year Ended December 31, 2020

	Budget	2020	2019
REVENUE			
Sewer			
Sewer fees	\$ 112,320	\$ 112,360	\$ 111,560
Lagoon tipping fees	-	-	5,490
sub-total- sewer	<u>112,320</u>	<u>112,360</u>	<u>117,050</u>
Property taxes	<u>-</u>	<u>-</u>	<u>-</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	3	10
Contributed tangible capital assets	-	195,750	31,050
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	<u>198,642</u>	<u>526,558</u>	<u>170,925</u>
sub-total- other	<u>198,642</u>	<u>722,305</u>	<u>201,985</u>
Total revenue	<u>\$ 310,962</u>	<u>\$ 834,665</u>	<u>\$ 319,035</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Blumenort Utility
For the Year Ended December 31, 2020

SCHEDULE 9

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
EXPENSES			
General			
Administration	\$ 28,005	\$ 29,794	\$ 26,330
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>28,005</u>	<u>29,794</u>	<u>26,330</u>
Sewer General			
Collection system costs	17,765	9,561	16,660
Treatment and disposal cost	187,770	152,108	174,099
Lift Station costs	32,577	25,818	20,506
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>238,112</u>	<u>187,487</u>	<u>211,265</u>
Sewage Amortization & Interest			
Amortization	-	251,565	250,578
Interest on long term debt	-	-	-
sub-total- sewer amortization & interest	<u>-</u>	<u>251,565</u>	<u>250,578</u>
Total expenses	<u>266,117</u>	<u>468,846</u>	<u>488,173</u>
NET OPERATING SURPLUS	44,845	365,819	(169,138)
TRANSFERS			
Transfer to capital	(48,000)	-	-
Transfer from (to) operating fund	-	-	-
Transfers from (to) reserve funds	<u>3,155</u>	<u>(373,784)</u>	<u>(68,225)</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	(7,965)	(237,363)
FUND SURPLUS, BEGINNING OF YEAR		<u>4,757,310</u>	<u>4,994,673</u>
FUND SURPLUS, END OF YEAR		<u><u>\$ 4,749,345</u></u>	<u><u>\$ 4,757,310</u></u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE OF UTILITY OPERATIONS - New Bothwell Utility

For the Year Ended December 31, 2020

SCHEDULE 9

	Budget	2020	2019
REVENUE			
Sewer			
Sewer fees	\$ 32,202	\$ 32,498	\$ 31,166
Lagoon tipping fees	-	7,630	10,040
sub-total- sewer	32,202	40,128	41,206
Property taxes	74,695	74,695	70,112
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	-	-	-
Other			
Hydrant rentals	-	-	-
Connection charges	-	-	-
Installation service	-	-	-
Penalties	-	-	13
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	-	-
Gain on sale of tangible capital assets	-	-	-
Other income	126,741	84,112	72,944
sub-total- other	126,741	84,112	72,957
Total revenue	\$ 233,638	\$ 198,935	\$ 184,275

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - New Bothwell Utility
For the Year Ended December 31, 2020

SCHEDULE 9

	Budget	2020	2019
EXPENSES			
General			
Administration	\$ 15,309	\$ 33,813	\$ 14,668
Training costs	-	-	-
Billing and collection	-	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	15,309	33,813	14,668
Sewer General			
Collection system costs	5,400	6,728	4,971
Treatment and disposal cost	39,750	32,439	33,568
Lift Station costs	21,113	19,138	12,843
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	66,263	58,305	51,382
Sewage Amortization & Interest			
Amortization	-	63,428	63,428
Interest on long term debt	20,578	18,396	20,991
sub-total- sewer amortization & interest	20,578	81,824	84,419
Total expenses	102,150	173,942	150,469
NET OPERATING SURPLUS	131,488	24,993	33,806
TRANSFERS			
Transfer to capital	(10,000)	-	-
Transfers from (to) operating fund	(66,625)	-	17,091
Transfers from (to) reserve funds	(54,862)	(13,690)	481,016
CHANGE IN UTILITY FUND BALANCE	\$ 1	11,303	531,913
FUND SURPLUS, BEGINNING OF YEAR		2,396,354	1,864,441
FUND SURPLUS, END OF YEAR		\$ 2,407,657	\$ 2,396,354

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Grunthal Utility

For the Year Ended December 31, 2020

	Budget	2020	2019
REVENUE			
Water			
Water fees	\$ 105,453	\$ 122,110	\$ 103,490
Bulk Water fees	12,000	-	-
sub-total- water	<u>117,453</u>	<u>122,110</u>	<u>103,490</u>
Sewer			
Sewer fees	62,000	118,072	95,204
Lagoon tipping fees	-	11,970	11,730
sub-total- sewer	<u>62,000</u>	<u>130,042</u>	<u>106,934</u>
Property taxes	<u>341,855</u>	<u>341,855</u>	<u>334,687</u>
Government transfers			
Operating	-	-	-
Capital	-	-	-
sub-total- government transfers	<u>-</u>	<u>-</u>	<u>-</u>
Other			
Hydrant rentals	7,020	7,020	6,615
Connection charges	600	10,500	2,500
Installation service	-	-	-
Penalties	3,269	3,252	2,826
Contributed tangible capital assets	-	-	-
Investment income	-	-	-
Administration fees	-	35,476	30,294
Gain on sale of tangible capital assets	-	-	-
Other income	102,179	5,746	273
sub-total- other	<u>113,068</u>	<u>61,994</u>	<u>42,508</u>
Total revenue	<u>\$ 634,376</u>	<u>\$ 656,001</u>	<u>\$ 587,619</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Grunthal Utility
For the Year Ended December 31, 2020

SCHEDULE 9

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
EXPENSES			
General			
Administration	\$ 38,026	\$ 57,625	\$ 43,089
Training costs	-	-	-
Billing and collection	6,568	-	-
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>44,594</u>	<u>57,625</u>	<u>43,089</u>
Water General			
Purification and treatment	73,546	80,387	79,504
Water purchases	-	-	-
Transmission and distribution	29,316	18,913	16,823
Hydrant maintenance	-	220	1,771
Other water supply costs	8,025	2,558	2,346
Connection costs	490	371	576
sub-total- water general	<u>111,377</u>	<u>102,449</u>	<u>101,020</u>
Water Amortization & Interest			
Amortization	-	71,526	73,860
Interest on long term debt	42,618	40,568	45,477
sub-total- water amortization & interest	<u>42,618</u>	<u>112,094</u>	<u>119,337</u>
Sewer General			
Collection system costs	20,177	39,260	20,309
Treatment and disposal cost	56,434	65,100	51,036
Lift Station costs	59,938	56,637	62,803
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>136,549</u>	<u>160,997</u>	<u>134,148</u>
Sewage Amortization & Interest			
Amortization	-	131,677	123,837
Interest on long term debt	73,729	70,183	78,674
sub-total- sewer amortization & interest	<u>73,729</u>	<u>201,860</u>	<u>202,511</u>
Total expenses	<u>408,867</u>	<u>635,025</u>	<u>600,105</u>
NET OPERATING SURPLUS	225,509	20,976	(12,486)
TRANSFERS			
Transfer to capital	(176,000)	-	-
Transfers from (to) operating fund	(355,251)	-	136,911
Transfers from (to) reserve funds	305,742	256,605	-
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	277,581	124,425
FUND SURPLUS, BEGINNING OF YEAR		<u>2,320,919</u>	<u>2,196,494</u>
FUND SURPLUS, END OF YEAR		<u>\$ 2,598,500</u>	<u>\$ 2,320,919</u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 9

SCHEDULE OF UTILITY OPERATIONS - Kleefeld Utility

For the Year Ended December 31, 2020

	Budget	2020	2019
REVENUE			
Water			
Water fees	\$ 69,320	\$ 118,672	\$ 63,408
Bulk Water fees	1,600	-	-
sub-total- water	<u>70,920</u>	<u>118,672</u>	<u>63,408</u>
Sewer			
Sewer fees	25,664	44,957	28,849
Lagoon tipping fees	-	9,240	8,190
sub-total- sewer	<u>25,664</u>	<u>54,197</u>	<u>37,039</u>
Property taxes	<u>191,131</u>	<u>191,131</u>	<u>173,387</u>
Government transfers			
Operating	-	-	-
Capital	200,000	233,381	-
sub-total- government transfers	<u>200,000</u>	<u>233,381</u>	<u>-</u>
Other			
Hydrant rentals	6,210	6,210	5,130
Connection charges	-	-	-
Installation service	-	-	-
Penalties	1,536	1,809	1,504
Contributed tangible capital assets	-	87,700	48,450
Investment income	-	-	-
Administration fees	-	28,952	24,242
Gain on sale of tangible capital assets	-	-	-
Other income	31,957	-	-
sub-total- other	<u>39,703</u>	<u>124,671</u>	<u>79,326</u>
Total revenue	<u>\$ 527,418</u>	<u>\$ 722,052</u>	<u>\$ 353,160</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF UTILITY OPERATIONS - Kleefeld Utility
For the Year Ended December 31, 2020

SCHEDULE 9

	<u>Budget</u>	<u>2020</u>	<u>2019</u>
EXPENSES			
General			
Administration	\$ 17,254	\$ 16,255	\$ 18,804
Training costs	-	-	-
Billing and collection	1,400	2,388	2,998
Utilities (telephone, electricity, etc.)	-	-	-
sub-total- general	<u>18,654</u>	<u>18,643</u>	<u>21,802</u>
Water General			
Purification and treatment	62,650	64,068	65,701
Water purchases	-	-	-
Transmission and distribution	20,859	21,785	11,580
Hydrant maintenance	-	-	1,771
Other water supply costs	-	-	-
Connection costs	2,173	1,955	2,209
sub-total- water general	<u>85,682</u>	<u>87,808</u>	<u>81,261</u>
Water Amortization & Interest			
Amortization	-	88,754	87,641
Interest on long term debt	19,067	18,338	21,189
sub-total- water amortization & interest	<u>19,067</u>	<u>107,092</u>	<u>108,830</u>
Sewer General			
Collection system costs	13,978	855	9,156
Treatment and disposal cost	10,594	9,769	4,763
Lift Station costs	7,379	15,362	6,206
Transportation services	-	-	-
Connection costs	-	-	-
Other sewage & disposal costs	-	-	-
sub-total- sewer general	<u>31,951</u>	<u>25,986</u>	<u>20,125</u>
Sewage Amortization & Interest			
Amortization	-	44,190	43,583
Interest on long term debt	15,220	14,638	16,914
sub-total- sewer amortization & interest	<u>15,220</u>	<u>58,828</u>	<u>60,497</u>
Total expenses	<u>170,574</u>	<u>298,357</u>	<u>292,515</u>
NET OPERATING SURPLUS	356,844	423,695	60,645
TRANSFERS			
Transfer to capital	(445,000)	-	-
Transfers from (to) operating fund	(156,844)	-	17,744
Transfers from (to) reserve funds	<u>245,000</u>	<u>(70,000)</u>	<u>-</u>
CHANGE IN UTILITY FUND BALANCE	<u>\$ -</u>	353,695	78,389
FUND SURPLUS, BEGINNING OF YEAR		<u>2,159,620</u>	<u>2,081,231</u>
FUND SURPLUS, END OF YEAR		<u><u>\$ 2,513,315</u></u>	<u><u>\$ 2,159,620</u></u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 10

RECONCILIATION OF THE FINANCIAL PLAN TO THE BUDGET

For the Year Ended December 31, 2020

	Financial Plan General	Financial Plan Utilities	LUD	Amortization (TCA)	Interest Expense	Transfers	Long Term Accruals	Consolidated Entities	PSAB Budget
REVENUE									
Property taxes	\$ 8,880,200	877,127	1,069,481	\$ -	\$ -	\$ (1,946,608)	\$ -	\$ -	\$ 8,880,200
Grants in lieu of taxation	112,417	-	-	-	-	-	-	-	112,417
User fees	1,301,899	-	-	-	-	-	-	-	1,301,899
Permits, licences and fines	677,791	-	-	-	-	-	-	-	677,791
Investment income	150,298	-	-	-	-	-	-	-	150,298
Other revenue	635,952	-	100,000	-	-	-	-	-	735,952
Water and sewer	-	1,174,492	-	-	-	-	-	-	1,174,492
Grants - Province of Manitoba	1,272,000	-	-	-	-	-	-	-	1,272,000
Grants - other	1,129,092	-	-	-	-	-	-	-	1,129,092
Transfers from general fund	-	-	45,000	-	-	(45,000)	-	-	-
Transfers from reserves	1,851,974	588,250	234,531	-	-	(2,674,755)	-	-	-
Total revenue	<u>\$ 16,011,623</u>	<u>\$ 2,639,869</u>	<u>\$ 1,449,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,666,363)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,434,141</u>
EXPENSES									
General government services	\$ 1,862,673	\$ -	\$ 99,752	\$ 139,070	\$ -	\$ (86,449)	\$ -	\$ -	\$ 2,015,046
Protective services	1,285,623	-	-	301,047	-	(153,000)	-	-	1,433,670
Transportation services	5,221,974	-	462,594	1,275,488	-	(1,329,000)	-	-	5,631,056
Environmental health services	908,145	-	4,890	10,627	-	-	-	-	923,662
Public health and welfare services	8,602	-	-	-	-	-	-	-	8,602
Regional planning and development	210,017	-	1,500	-	-	-	-	-	211,517
Resource cons and industrial dev	85,500	-	-	-	-	-	-	-	85,500
Recreation and cultural services	1,540,099	-	8,050	158,900	-	(244,506)	-	-	1,462,543
Water and sewer services	-	1,071,255	-	895,697	-	-	-	-	1,966,952
Fiscal services:									
Transfer to capital	-	679,000	703,536	-	-	(1,382,536)	-	-	-
Transfer to utility	877,127	-	-	-	-	(877,127)	-	-	-
Transfer to LUD	1,069,481	-	-	-	-	(1,069,481)	-	-	-
Debt charges	281,540	800,398	-	-	-	(1,081,938)	-	-	-
Short term interest	-	-	-	-	-	-	-	-	-
Transfer to reserves	2,655,291	89,215	168,690	-	-	(2,913,196)	-	-	-
Allowance for tax assets	5,551	-	-	-	-	(5,551)	-	-	-
Total expenses	<u>\$ 16,011,623</u>	<u>\$ 2,639,868</u>	<u>\$ 1,449,012</u>	<u>\$ 2,780,829</u>	<u>\$ -</u>	<u>\$ (9,142,784)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,738,548</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (2,780,829)</u>	<u>\$ -</u>	<u>\$ 4,476,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,695,593</u>

RURAL MUNICIPALITY OF HANOVER
ANALYSIS OF TAXES ON ROLL
December 31, 2020

SCHEDULE 11

	2020	2019
Balance, beginning of year	\$ 1,853,860	\$ 1,776,315
Add:		
Tax levy (Schedule 12)	20,292,324	19,647,931
Taxes added	523,152	539,368
Penalties or interest	158,520	168,975
Other accounts added	-	-
Tax Adjustments (Redemption Fees)	1,400	1,550
Tax Adjustments (A/R Added to Taxes)	-	-
Sub-total	20,975,396	20,357,824
Deduct:		
Cash collections - current	17,107,015	16,426,085
Cash collections - arrears	1,579,923	1,475,176
Write-offs	1,453	440
Title value of land sales	-	-
Title value of tax title acquired	-	-
Tax discounts	-	-
M.P.T.C. - cash advance	2,431,784	2,378,578
Other credits (specify)	-	-
Sub-total	21,120,175	20,280,279
Balance, end of year	\$ 1,709,081	\$ 1,853,860

RURAL MUNICIPALITY OF HANOVER
ANALYSIS OF TAX LEVY
For the Year Ended December 31, 2020

SCHEDULE 12

	2020			2019
	Assessment	Mill Rate	Levy	Levy
Other governments (L.U.D.):				
LUD of Blumenort	\$ 79,336,430	\$ 4.255	\$ 337,577	\$ 332,708
LUD of Mitchell	\$ 88,992,010	\$ 5.000	444,960	432,023
LUD of Grunthal	\$ 61,519,730	\$ 4.500	276,839	269,066
sub-total- L.U.D.			<u>1,059,375</u>	<u>1,033,798</u>
Debt charges:				
Frontage	\$ -	\$ -	23,852	35,742
LI.D.	\$ -	\$ -	-	-
Kleefeld Street 2382-15	\$ 41,642,350	\$ 0.532	22,154	22,164
Grunthal Utility	\$ 71,359,640	\$ 4.750	338,958	331,832
Kleefeld Utility	\$ 50,462,210	\$ 3.787	191,100	173,315
New Bothwell Utility	\$ 22,934,690	\$ 3.250	74,538	69,957
Mitchell Utility	\$ 101,260,630	\$ 2.650	268,341	268,171
New Bothwell Rec Centre 2381-15	\$ 24,767,970	\$ 0.558	13,821	13,809
BFD Hall 2408-17	\$ 816,884,910	\$ 0.103	84,139	-
BFD Trucks 2408-17	\$ 816,884,910	\$ 0.100	81,688	81,797
PW Shop 2375-15	\$ 816,884,910	\$ 0.220	179,715	179,648
sub-total- Debt charges			<u>1,278,306</u>	<u>1,176,435</u>
Deferred surplus	\$ -	\$ -	-	-
Reserves:				
Machinery Replacement Reserve	\$ 772,197,230	\$ 0.702	542,082	491,834
Fire Hall/Equipment Reserve	\$ 772,197,230	\$ 0.255	196,910	196,878
Recreation Reserve	\$ 772,197,230	\$ 0.501	386,871	181,012
Office Reserve	\$ 772,197,230	\$ 0.071	54,826	49,760
sub-total- Reserves			<u>1,180,690</u>	<u>919,485</u>
General municipal	\$ 772,197,230	\$ 0.472	<u>364,477</u>	<u>707,461</u>
Rural Area	\$ 542,349,060	\$ 6.179	<u>3,351,175</u>	<u>3,072,113</u>
Special levies:				
Fire Protection	\$ 816,884,910	\$ 0.884	722,126	771,338
Garbage Disposal	\$ -	\$ -	498,511	483,788
Sewage Disposal	\$ -	\$ -	-	-
sub-total- Special levies			<u>1,220,637</u>	<u>1,255,125</u>
Business tax (rate%)	\$ -	\$ -	-	-
Total municipal taxes (Schedule 2)			<u>8,454,660</u>	<u>8,164,416</u>
Education support levy	\$ 68,852,570	\$ 8.828	<u>607,830</u>	<u>617,905</u>
Special levies:				
Hanover School Division	\$ 766,960,380	\$ 14.642	<u>11,229,834</u>	<u>10,865,609</u>
sub-total- Special levies			<u>11,229,834</u>	<u>10,865,609</u>
Total education taxes			<u>11,837,664</u>	<u>11,483,515</u>
Total tax levy (Schedule 11)			<u>\$ 20,292,324</u>	<u>\$ 19,647,931</u>

RURAL MUNICIPALITY OF HANOVER
SCHEDULE OF GENERAL OPERATING FUND EXPENSES
For the Year Ended December 31, 2020

SCHEDULE 13

	2020 Actual	2019 Actual
General government services:		
Legislative	\$ 311,591	\$ 362,951
General administrative	1,296,603	1,333,871
Other	147,427	201,590
	<u>1,755,621</u>	<u>1,898,412</u>
Protective services:		
Police	-	-
Fire	1,093,707	1,123,592
Emergency measures	10,449	9,240
Other	361,767	357,409
	<u>1,465,923</u>	<u>1,490,241</u>
Transportation services:		
Road transport		
Administration and engineering	1,902,643	1,807,526
Road and street maintenance	2,659,955	2,665,208
Ditches and drainage	164,470	140,392
Sidewalk and boulevard maintenance	6,358	2,550
Street lighting	34,649	27,936
Other	-	-
Air transport	-	-
Public transit	-	-
Other	-	-
	<u>4,768,075</u>	<u>4,643,612</u>
Environmental health services:		
Waste collection and disposal	418,821	376,530
Recycling	298,170	277,855
Other	196,663	200,040
	<u>913,654</u>	<u>854,425</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	204,559	197,877
Urban renewal	-	-
Beautification and land rehabilitation	-	-
Urban area weed control	-	-
Other	-	-
	<u>204,559</u>	<u>197,877</u>
Resource conservation and industrial development		
Rural area weed control	415	1,832
Drainage of land	-	-
Veterinary services	-	-
Water resources and conservation	24,500	73,250
Regional development	30,495	36,086
Industrial development	-	-
Tourism	-	-
Other	-	-
	<u>55,410</u>	<u>111,168</u>
Sub-totals forward	<u>\$ 9,171,844</u>	<u>\$ 9,204,337</u>

RURAL MUNICIPALITY OF HANOVER

SCHEDULE OF GENERAL OPERATING FUND EXPENSES

For the Year Ended December 31, 2020

SCHEDULE 13

	2020 Actual	2019 Actual
Sub-totals forward	\$ 9,171,844	\$ 9,204,337
Recreation and cultural services:		
Administration	583,248	799,510
Community centers and halls	204,002	308,635
Swimming pools and beaches	-	-
Golf courses	-	-
Skating and curling rinks	97,552	127,143
Parks and playgrounds	114,043	137,617
Other recreational facilities	48,808	8,704
Museums	-	-
Libraries	10,480	12,340
Other cultural facilities	-	-
	1,058,133	1,393,949
Total expenses	\$ 10,229,977	\$ 10,598,286

RURAL MUNICIPALITY OF HANOVER

SCHEDULE 14

RECONCILIATION OF ANNUAL SURPLUS (DEFICIT) - Unaudited

December 31, 2020

	2020		2019
	General	Utility	Total
MUNICIPAL NET SURPLUS (DEFICIT) UNDER THE MUNICIPAL ACT	\$ 184,044	\$ (234,224)	\$ (50,180)
Adjustments for reporting under public sector accounting standards			
Eliminate expense - transfers to reserves	5,149,090	497,982	5,647,072
Eliminate revenue - transfers from reserves	(2,227,006)	(352,267)	(2,579,273)
Increase revenue - reserve funds interest	140,390	-	140,390
Increase revenue - reserve fund other revenue	-	-	-
Increase expense - reserve fund other expenses	-	-	-
Decrease revenue - internally funded debentures	-	-	-
Eliminate expense - repayments of internally funded debentures	-	-	-
Eliminate transfers between funds	-	-	-
Increase (Decrease) revenue - Net surplus (deficit) of consolidated entities	(149,822)	-	(149,822)
Decrease expense - elimination of contributions to consolidated entities	158,701	-	158,701
Eliminate revenue - transfer from nominal surplus(es)	-	-	-
Increase (decrease) revenue - gain (loss) on sale of tangible capital assets	(65,810)	-	(65,810)
Decrease revenue - proceeds on sale of tangible capital assets	(160,655)	-	(160,655)
Increase expense - amortization of tangible capital assets	(1,885,132)	(895,697)	(2,780,829)
Decrease revenue - proceeds from long term debt	-	-	-
Decrease expense - principal portion of debenture debt	202,997	812,410	1,015,407
Increase revenue - contributions of tangible capital assets	1,323,085	159,575	1,482,660
Eliminate expense - acquisitions of tangible capital assets	2,757,332	917,838	3,675,170
NET SURPLUS (DEFICIT) PER CONSOLIDATED STATEMENT OF OPERATIONS	\$ 5,427,214	\$ 905,617	\$ 6,332,831