

HANWELL RURAL COMMUNITY
Consolidated Financial Statements
December 31, 2018

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INDEPENDENT AUDITORS' REPORT

**TO HER WORSHIP THE MAYOR
AND MEMBERS OF THE COUNCIL**

Opinion

We have audited the accompanying consolidated financial statements of HANWELL RURAL COMMUNITY (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2018 and 2017, and the consolidated statements of changes in net assets (debt), operations, and accumulated surplus, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2018 and 2017, and its results of operations and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Daye Kelly & Associates
CHARTERED PROFESSIONAL ACCOUNTANTS

Fredericton, New Brunswick
February 20, 2019

HANWELL RURAL COMMUNITY
Consolidated Statement of Financial Position

December 31	2018	2017
FINANCIAL ASSETS		
Cash (Note 3)	\$1,108,771	\$1,637,146
Receivables (Note 4)	<u>286,039</u>	<u>355,554</u>
	<u>1,394,810</u>	<u>1,992,700</u>
LIABILITIES		
Accounts payable and accruals (Note 5)	35,387	75,386
Long term debt (Note 7)	1,100,000	-
Temporary financing (Note 6)	<u>908,131</u>	<u>1,167,448</u>
	<u>2,043,518</u>	<u>1,242,834</u>
NET ASSETS (DEBT)	<u>(648,708)</u>	<u>749,866</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule C)	3,678,469	1,648,068
Prepaid	<u>8,182</u>	<u>2,171</u>
	<u>3,686,651</u>	<u>1,650,239</u>
ACCUMULATED SURPLUS	\$3,037,943	\$2,400,105
COMMITMENT (Note 9)		

APPROVED BY

Mayor

Clerk

HANWELL RURAL COMMUNITY**Consolidated Statement of Changes in Net Assets (Debt)**

For the Years Ended December 31	2018	2017
Annual Surplus	\$ 637,838	\$ 733,612
Acquisition of tangible capital assets (Schedule C)	(2,097,751)	(1,310,228)
Proceeds on disposal of tangible capital assets	4,000	16,349
Amortization of tangible capital assets	64,168	37,001
(Gain) loss on disposal of tangible capital assets	(817)	3,559
	<u>(1,392,562)</u>	<u>(519,707)</u>
Acquisition of prepaid assets	<u>(6,012)</u>	<u>(913)</u>
Decrease in net assets	(1,398,574)	(520,620)
Net Assets - beginning of year	<u>749,866</u>	<u>1,270,486</u>
Net Assets (Debt) - end of year	\$ (648,708)	\$ 749,866

HANWELL RURAL COMMUNITY**Consolidated Statement of Operations**

For the Years Ended December 31	2018	2018	2017
	Budget	Actual	Actual
REVENUE			
Warrant of assessment	\$1,811,695	\$1,811,695	\$1,701,629
Other revenue from own sources	20,200	66,688	50,908
Gas Tax Fund contributions	-	314,590	303,933
Community equalization	42,689	42,689	41,918
Other government grants	-	-	181,666
Other provincial funding	-	18,486	-
Interest	-	16,610	6,417
	<u>1,874,584</u>	<u>2,270,758</u>	<u>2,286,471</u>
EXPENDITURES			
General government services	497,344	553,031	458,490
Protective services	409,105	358,480	418,529
Transportation services	65,000	43,960	42,678
Environmental health services	329,760	327,103	302,086
Environmental development services	164,310	147,330	142,690
Recreation and cultural services	349,136	203,016	188,386
	<u>1,814,655</u>	<u>1,632,920</u>	<u>1,552,859</u>
ANNUAL SURPLUS	<u>\$ 59,929</u>	637,838	733,612
ACCUMULATED SURPLUS - BEGINNING OF YEAR		<u>2,400,105</u>	<u>1,666,493</u>
ACCUMULATED SURPLUS - END OF YEAR		<u>\$3,037,943</u>	<u>\$2,400,105</u>

HANWELL RURAL COMMUNITY**Consolidated Statement of Cash Flow**

For the Years Ended December 31**2018****2017**

OPERATING TRANSACTIONS

Annual surplus	\$ 637,838	\$ 733,612
Amortization of tangible capital assets	64,168	37,001
Change in receivables	69,515	(204,978)
Change in payables and accruals	(39,999)	41,562
Change in prepaid expenses	(6,012)	(913)
(Gain) loss on disposal of tangible capital assets	(817)	3,559
	<u>724,693</u>	<u>609,843</u>

CAPITAL TRANSACTIONS

Acquisition of tangible capital assets	(2,097,751)	(1,310,228)
Proceeds on disposal of tangible capital assets	4,000	16,349
	<u>(2,093,751)</u>	<u>(1,293,879)</u>

FINANCING ACTIVITIES

Proceeds of long term debt	1,100,000	-
Proceeds of interim financing	908,131	1,167,448
Payments on interim financing	(1,167,448)	-
	<u>840,683</u>	<u>1,167,448</u>

INCREASE (DECREASE) IN CASH

(528,375) 483,412

CASH - BEGINNING OF YEAR1,637,146 1,153,734**CASH - END OF YEAR**\$ 1,108,771 \$ 1,637,146

REPRESENTED BY:

Cash for operating	\$ 15,795	\$ 46,535
Cash held in reserve	<u>1,092,976</u>	<u>1,590,611</u>
	<u>\$ 1,108,771</u>	<u>\$ 1,637,146</u>

Notes to Consolidated Financial Statements

December 31, 2018

1. PURPOSE OF THE ORGANIZATION

The Municipality was incorporated as a rural community by the Province of New Brunswick Municipalities Act on May 23, 2014. As a municipality, it is exempt from income tax under section 146(1)(c) of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are the responsibility of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The focus of PSA financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Municipality.

The entities included in the consolidated financial statements are as follows: General Government Services, Protective Services, Transportation Services, Environmental Health Services, Environmental Development Services, Recreation and Cultural Services, and Fiscal Services.

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

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality.

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by the Minister of Local Government on January 15, 2018.

Revenue recognition

- (a) Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.
- (b) Other revenue is recorded when it is earned.

Notes to Consolidated Financial Statements

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

Financial Instruments

The Municipality's financial instruments consist of cash, receivables, accounts payable and accruals, temporary financing and long-term debt. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of the instruments approximate their carrying value, unless otherwise noted.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with a chartered bank.

Tangible capital assets

The Municipality has adopted the provisions of PSA section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Asset type	Years
Leasehold improvements	3 years
Signs	10-15 years
Furniture and fixtures	3-5 years
Computer equipment	3-5 years
Automotive equipment	3-5 years
Walking trails, park and playground equipment	5-25 years
Pavement and parking lots	10-20 years
Buildings	40 years
Fire and emergency equipment	5 years
Land	N/A
Assets under construction	N/A

Segmented information

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

Notes to Consolidated Financial Statements

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)General government services

This department is responsible for the overall governance and financial administration of the Municipality. This includes council functions, general and financial management, legal matters and compliance with legislation, and civic relations.

Protective services

This department is responsible for the provision of fire protection, emergency measures, animal control and other protective measures.

Transportation services

This department is responsible for common services, street lighting, traffic services, parking and other transportation related functions.

Environmental health services

This department is responsible for the provision of waste collection and disposal.

Environmental development services

This Department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including the parks and playgrounds and other recreational and cultural facilities.

3. CASH

	<u>2018</u>	<u>2017</u>
Restricted cash	\$1,092,976	\$1,590,611
Unrestricted cash	<u>15,795</u>	<u>46,535</u>
	<u>\$1,108,771</u>	<u>\$1,637,146</u>

Restricted cash consists of amounts held by the General Operating Reserve Fund (\$95,340), the General Capital Reserve Fund (\$722,797), and the Capital Fund (\$274,839). The amount in the Capital Fund is contributions received from the Gas Tax Fund, for future capital expenditures.

Notes to Consolidated Financial Statements

December 31, 2018

4. RECEIVABLES

	2018	2017
Province of New Brunswick	\$ 23,483	\$ 153,219
HST receivable	262,556	153,381
Funds held in Solicitor's Trust Account	-	48,954
	<u>\$ 286,039</u>	<u>\$ 355,554</u>

5. ACCOUNTS PAYABLE AND ACCRUALS

	2018	2017
Trade payables and accruals	\$ 22,187	\$ 60,786
Accrued benefits	13,200	14,600
	<u>\$ 35,387</u>	<u>\$ 75,386</u>

6. TEMPORARY FINANCING

The Municipality obtained temporary financing at prime plus 0.00% from BMO for the following projects.

	2018	2017
Fire station construction	\$ -	\$1,025,022
Playground (Canada 150 project)	-	142,426
Community centre construction	908,131	-
	<u>\$ 908,131</u>	<u>\$1,167,448</u>

This temporary financing was approved by the Province in advance of the start of construction of the community centre. The fire station temporary financing converted to long-term debt in the current year and the playground project was 100% funded by a grant from the federal government.

HANWELL RURAL COMMUNITY**Notes to Consolidated Financial Statements**

December 31, 2018

7. LONG-TERM DEBT

	<u>2018</u>	<u>2017</u>
Debenture - Province of New Brunswick 2.1% - 3.7% - due 2038 - OIC #17-0053	\$1,100,000	\$ -
Current portion	<u>(40,000)</u>	<u>-</u>
	<u>\$1,060,000</u>	<u>\$ -</u>

Principal repayments required during the next five years are as follows:

2019	\$ 40,000
2020	41,000
2021	42,000
2022	43,000
2023	45,000

8. SHORT-TERM BORROWINGS COMPLIANCE**Operating borrowing**

The Municipalities Act prescribes a limit to bank indebtedness of 4% of the current year's budget for the General Operating Fund. The Municipality is within this limit.

Interfund borrowing

All interfund accounts at December 31, 2018 represent current year transactions and are in compliance with the policy established by the Department of Local Government.

9. COMMITMENT

The Municipality entered into a lease agreement with Combined Holdings Ltd. on July 29, 2014 for a period of 3 years, after which the lease reverted to a month to month contract. The lease is for office space for the Municipality. The Municipality also entered into a lease agreement with Ricoh Canada on October 27, 2014 for a period of 5 years. The lease is for office equipment for the Municipality.

Lease commitments are estimated at:

2019	\$ 672
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Notes to Consolidated Financial Statements

December 31, 2018

10. RESERVE FUNDS

All transfers of funds in and out of Reserve Funds require a resolution of Council and the amount held in the Operating Reserve Funds shall not exceed 5% of the total expenditures that were budgeted for the previous fiscal year. The Municipality is in compliance with these requirements.

HANWELL RURAL COMMUNITY

General Operating Fund

Comparison of Revenue and Expenditures to Budget and Previous Year

For the Years Ended December 31	2018	2018	2017
	Budget	Actual	Actual
REVENUE			
Warrant of assessment	\$1,811,695	\$1,811,695	\$1,701,629
Other revenue from own sources	20,200	69,889	52,139
Other provincial funding	-	18,486	-
Community equalization	42,689	42,689	41,918
Surplus of second previous year	32,271	32,271	1,481
	<u>1,906,855</u>	<u>1,975,030</u>	<u>1,797,167</u>
EXPENDITURES			
General government services	467,594	448,246	410,397
Protective services	390,605	358,480	418,529
Transportation services	65,000	43,960	42,678
Environmental health services	329,760	327,103	302,086
Environmental development services	164,310	147,330	142,690
Recreation and cultural services	319,386	203,016	188,387
Fiscal services	170,200	446,743	241,359
	<u>1,906,855</u>	<u>1,974,878</u>	<u>1,746,126</u>
SURPLUS FOR THE YEAR	\$ -	\$ 152	\$ 51,041

HANWELL RURAL COMMUNITY

General Operating Fund

**Supplementary Schedule of
Comparison of Revenue and Expenditures to Budget and Previous Year**

For the Years Ended December 31	2018	2018	2017
	Budget	Actual	Actual
OTHER REVENUE FROM OWN SOURCES			
Building licenses and permits	\$ 20,000	\$ 49,041	\$ 42,273
Other	<u>200</u>	<u>20,848</u>	<u>9,866</u>
	\$ 20,200	\$ 69,889	\$ 52,139
EXPENSES			
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor	\$ 14,957	\$ 14,052	\$ 14,759
Councillors	56,894	55,401	55,511
Development seminars	4,000	2,120	1,494
Other legislative costs	<u>1,000</u>	<u>1,099</u>	<u>914</u>
	<u>76,851</u>	<u>72,672</u>	<u>72,678</u>
Administrative			
Salaries and benefits	173,550	175,258	146,185
Travel, training, meetings, and per diems	5,000	6,193	4,876
Advertising, communication, and promotion	21,550	11,663	18,048
Bond and liability insurance	11,000	7,135	9,402
Occupancy costs	39,100	34,253	29,578
Property taxes	-	317	-
Legal	<u>10,000</u>	<u>3,182</u>	<u>2,210</u>
	<u>260,200</u>	<u>238,001</u>	<u>210,299</u>
Financial management			
External audit	9,000	13,360	10,080
Cost of assessment	<u>98,543</u>	<u>98,543</u>	<u>95,761</u>
	<u>107,543</u>	<u>111,903</u>	<u>105,841</u>
Other general government services			
Office supplies	5,000	10,239	4,238
Telephone and internet	2,900	3,578	2,591
Computer support, subscriptions and maintenance	2,600	3,694	6,623
Grants, dues and fees	<u>12,500</u>	<u>8,159</u>	<u>8,127</u>
	<u>23,000</u>	<u>25,670</u>	<u>21,579</u>
	\$ 467,594	\$ 448,246	\$ 410,397
PROTECTIVE SERVICES			
Fire			
Administration	\$ 364,605	\$ 353,303	\$ 412,428
Force	<u>-</u>	<u>1,775</u>	<u>1,325</u>
	<u>364,605</u>	<u>355,078</u>	<u>413,753</u>
Emergency measures			
Sentinal Alarm licensing	<u>26,000</u>	<u>3,402</u>	<u>4,776</u>
	\$ 390,605	\$ 358,480	\$ 418,529

HANWELL RURAL COMMUNITY

General Operating Fund

**Supplementary Schedule of
Comparison of Revenue and Expenditures to Budget and Previous Year**

For the Years Ended December 31	2018 Budget	2018 Actual	2017 Actual
TRANSPORTATION SERVICES			
Street lighting	\$ 47,000	\$ 42,151	\$ 37,768
Street signs	<u>18,000</u>	<u>1,809</u>	<u>4,910</u>
	\$ 65,000	\$ 43,960	\$ 42,678
ENVIRONMENTAL HEALTH SERVICES			
Solid waste collection	\$ 149,499	\$ 149,574	\$ 131,039
Recycling collection	70,261	71,002	67,539
Tipping fees	<u>110,000</u>	<u>106,527</u>	<u>103,508</u>
	\$ 329,760	\$ 327,103	\$ 302,086
ENVIRONMENTAL DEVELOPMENT SERVICES			
Community development and rural planning	\$ 144,310	\$ 144,310	\$ 142,690
Other community development	<u>20,000</u>	<u>3,020</u>	<u>-</u>
	\$ 164,310	\$ 147,330	\$ 142,690
RECREATION AND CULTURAL SERVICES			
Community Development	\$ -	\$ -	\$ 442
Hanwell Days	10,000	7,672	7,409
Sports and recreation fees	152,386	152,386	143,386
Parks and playgrounds	105,000	35,840	33,422
Civic relations	26,000	7,118	3,728
Community centre	<u>26,000</u>	<u>-</u>	<u>-</u>
	\$ 319,386	\$ 203,016	\$ 188,387
FISCAL SERVICES			
Interest on debt	\$ 78,000	\$ 44,752	\$ 7,128
Bank service charges	<u>200</u>	<u>206</u>	<u>408</u>
	78,200	44,958	7,536
Transfer to own funds			
General Capital Reserve Fund	-	217,000	140,000
General Operating Reserve Fund	-	9,100	29,700
General Capital Fund (Capital Expenditures)	<u>92,000</u>	<u>175,685</u>	<u>64,123</u>
	\$ 170,200	\$ 446,743	\$ 241,359

HANWELL RURAL COMMUNITY

Tangible Capital Assets

For the Years Ended December 31

2018 2017

COST

Balance - beginning of year
 Add: Net additions during the year
BALANCE - END OF YEAR

Land	\$ 129,643	\$ 10,990	\$ 47,337	\$ 11,150	\$ 7,883	\$ 11,908
Leasehold Improvements	44,495	-	2,676	5,621	-	1,666
	<u>174,138</u>	<u>10,990</u>	<u>50,013</u>	<u>16,771</u>	<u>7,883</u>	<u>13,574</u>

ACCUMULATED AMORTIZATION

Balance - beginning of year
 Add: Amortization during the year
BALANCE - END OF YEAR

	-	10,990	11,265	5,143	1,137	8,667
	-	-	3,205	2,011	379	3,240
	<u>-</u>	<u>10,990</u>	<u>14,470</u>	<u>7,154</u>	<u>1,516</u>	<u>11,907</u>

NET BOOK VALUE OF

TANGIBLE CAPITAL ASSETS

	\$ 174,138	\$ -	\$ 35,543	\$ 9,617	\$ 6,367	\$ 1,667
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COST

Balance - beginning of year
 Add: Net additions during the year
 Less: Disposals during the year
BALANCE - END OF YEAR

Buildings	\$ 1,131,569	\$ 130,925	\$ 18,991	\$ 191,306	\$ 2,089	\$ 31,458	\$ 434,929
Parks and Trails	2,029,400	-	-	13,893	-	-	1,310,228
	<u>3,160,969</u>	<u>130,925</u>	<u>18,991</u>	<u>205,199</u>	<u>2,089</u>	<u>(5,304)</u>	<u>(19,909)</u>
						<u>26,154</u>	<u>1,725,248</u>

ACCUMULATED AMORTIZATION

Balance - beginning of year
 Add: Amortization during the year
 Less: Accumulated amortization on disposals
BALANCE - END OF YEAR

	\$ 1,286	\$ 11,948	\$ 1,900	\$ 12,260	\$ -	\$ 12,584	\$ 40,179
	30,429	6,546	950	12,177	-	5,231	37,001
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,122)</u>	<u>-</u>
	<u>31,715</u>	<u>18,494</u>	<u>2,850</u>	<u>24,437</u>	<u>-</u>	<u>15,693</u>	<u>77,180</u>

NET BOOK VALUE OF

TANGIBLE CAPITAL ASSETS

	\$ 3,129,254	\$ 112,431	\$ 16,141	\$ 180,762	\$ 2,089	\$ 10,461	\$ 1,648,068
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Schedule D

HANWELL RURAL COMMUNITY

Schedule of Segment Disclosure

For the Year Ended December 31

2018

	General Government Services	Protective Services	Transportation Services	Environmental Health	Environmental Development	Recreation and Culture	Consolidated
REVENUES							
Warrant of assessment	\$ 605,966	\$ 371,112	\$ 61,756	\$ 313,304	\$ 156,110	\$ 303,447	\$ 1,811,695
Sale of service, fines and other fees	66,688	-	-	-	-	-	66,688
Community equalization	14,279	8,745	1,455	7,382	3,678	7,150	42,689
Other government transfers	-	18,486	-	-	-	314,590	333,076
Bank interest	16,610	-	-	-	-	-	16,610
	<u>703,543</u>	<u>398,343</u>	<u>63,211</u>	<u>320,686</u>	<u>159,788</u>	<u>625,187</u>	<u>2,270,758</u>
EXPENDITURES							
Salaries and benefits	244,712	-	-	-	-	-	244,712
Goods and services	201,320	328,315	43,960	327,103	147,330	177,469	1,225,497
Amortization	8,456	30,165	-	-	-	25,547	64,168
Cost of assessment	98,543	-	-	-	-	-	98,543
	<u>553,031</u>	<u>358,480</u>	<u>43,960</u>	<u>327,103</u>	<u>147,330</u>	<u>203,016</u>	<u>1,632,920</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ 150,512	\$ 39,863	\$ 19,251	\$ (6,417)	\$ 12,458	\$ 422,171	\$ 637,838

Schedule E

HANWELL RURAL COMMUNITY

Reconciliation of Annual Surplus

December 31, 2018

	General Operating Fund	General Capital Fund	General Capital Reserve	General Operating Reserve	Total
2018 Annual surplus	\$ 624,429	\$ 7,140	\$ 5,590	\$ 679	\$ 637,838
Adjustments to annual surplus for funding requirements					
Second previous year's surplus	32,271	-	-	-	32,271
Contributions from external sources	(314,590)	314,590	-	-	-
Transfers between the general operating fund and the general capital fund	(175,685)	175,685	-	-	-
Transfers between the general operating fund and the general operating reserve fund	(9,100)	-	-	9,100	-
Transfers between the general operating fund and the general capital reserve fund	(217,000)	-	217,000	-	-
Other adjustments	(3,524)	-	-	-	(3,524)
Amortization expense	64,168	(64,168)	-	-	-
Gain on disposal of Tangible Capital Assets	(817)	817	-	-	-
Total adjustments to 2018 annual surplus (deficit)	(624,277)	426,924	217,000	9,100	28,747
2018 Annual fund surplus	\$ 152	\$ 434,064	\$ 222,590	\$ 9,779	\$ 666,585

HANWELL RURAL COMMUNITY

Statement of Reserves

For the Years Ended December 31	2018		2017	
	General Operating Reserve	General Capital Reserve	Total	Total
ASSETS				
Cash	\$ 95,340	\$ 722,797	\$ 818,137	\$ 585,766
ACCUMULATED SURPLUS	\$ 95,340	\$ 722,797	\$ 818,137	\$ 585,766
REVENUE				
Interest	\$ 679	\$ 5,590	\$ 6,269	\$ 1,655
Transfer from General Operating Fund	<u>9,100</u>	<u>217,000</u>	<u>226,100</u>	<u>169,700</u>
	9,779	222,590	232,369	171,355
EXPENDITURES				
Transfer from General Capital Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,909)</u>
SURPLUS FOR THE YEAR	\$ 9,779	\$ 222,590	\$ 232,369	\$ 191,264

RESOLUTION #26-12-2018 - December 20, 2018

Transfer \$9,100 from the General Operating Fund to the General Operating Reserve Fund.

RESOLUTION #27-12-2018 - December 20, 2018

Transfer \$70,000 from the General Operating Fund to the General Capital Reserve Fund.

RESOLUTION #28-12-2018 - December 20, 2018

Transfer \$147,000 from the General Operating Fund to the General Capital Reserve Fund.

HANWELL RURAL COMMUNITY

General Operating Fund

Reconciliation of Budget to PSA Budget

December 31, 2018

	Operating Budget General	Tangible Capital Asset Additions	Transfers	Total
REVENUE				
Warrant of assessment	\$1,811,695	\$ -	\$ -	\$1,811,695
Other revenue from own sources	20,200	-	-	20,200
Community equalization	42,689	-	-	42,689
Surplus of second previous year	32,271	-	(32,271)	-
	<u>1,906,855</u>	<u>-</u>	<u>(32,271)</u>	<u>1,874,584</u>
EXPENDITURES				
General government services	467,594	-	29,750	497,344
Protective services	390,605	-	18,500	409,105
Transportation services	65,000	-	-	65,000
Environmental health services	329,760	-	-	329,760
Environmental development services	164,310	-	-	164,310
Recreational and cultural services	319,386	-	29,750	349,136
Fiscal services	170,200	(92,000)	(78,200)	-
	<u>1,906,855</u>	<u>(92,000)</u>	<u>(200)</u>	<u>1,814,655</u>
SURPLUS	\$ -	\$ 92,000	\$ (32,071)	\$ 59,929