

**RURAL COMMUNITY OF HANWELL**  
**Consolidated Financial Statements**  
**December 31, 2021**

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## INDEPENDENT AUDITORS' REPORT

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

### **Opinion**

We have audited the accompanying consolidated financial statements of RURAL COMMUNITY OF HANWELL (the Rural Community), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of changes in net debt, operations and accumulated surplus, and cash flows for the year 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 Rural Community as at December 31, 2021, and its results of operations and its cash flows for the year then ended 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Rural Community in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Rural Community'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 Rural Community's financial reporting process.



## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 Rural Community'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 Rural Community'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 consolidated 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 Rural Community to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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**

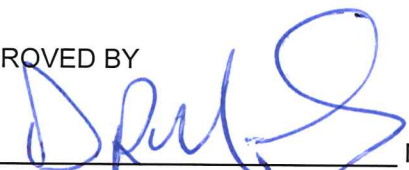
Fredericton, New Brunswick  
March 1, 2022



**RURAL COMMUNITY OF HANWELL**  
**Consolidated Statement of Financial Position**

<b>December 31</b>	<b>2021</b>	<b>2020</b>
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$1,993,407	\$1,398,279
Receivables		
General	9,411	-
Federal government and its agencies (Note 4)	32,566	31,994
Province of New Brunswick and its agencies (Note 5)	13,026	19,518
Pension asset (Note 6)	27,900	18,300
	<u>2,076,310</u>	<u>1,468,091</u>
<b>LIABILITIES</b>		
Payables and accruals	30,297	31,542
Deferred revenue (Note 7)	1,195,721	559,911
Accrued sick leave obligation (Note 8)	38,300	32,900
Long-term debt (Note 9)	2,106,000	2,184,000
	<u>3,370,318</u>	<u>2,808,353</u>
<b>NET DEBT</b>	<u>(1,294,008)</u>	<u>(1,340,262)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 14)	6,046,689	5,776,178
Accumulated amortization	(675,161)	(470,765)
	<u>5,371,528</u>	<u>5,305,413</u>
Prepaid expenses	30,715	22,916
	<u>5,402,243</u>	<u>5,328,329</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$4,108,235</u>	<u>\$3,988,067</u>

APPROVED BY

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Clerk

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**RURAL COMMUNITY OF HANWELL****Consolidated Statement of Changes in Net Debt**

<b>For the Year Ended December 31</b>	<b>2021</b>	<b>2020</b>
Annual Surplus	\$ 120,168	\$ 432,434
Acquisition of tangible capital assets (Note 14)	(280,841)	(237,992)
Amortization of tangible capital assets (Note 14)	<u>214,726</u>	<u>182,640</u>
	54,053	377,082
Use (acquisition) of prepaid assets	<u>(7,799)</u>	<u>1,354</u>
Increase (decrease) in net assets	46,254	378,436
Net Debt - beginning of year	<u>(1,340,262)</u>	<u>(1,718,698)</u>
Net Debt - end of year	<u>\$(1,294,008)</u>	<u>\$(1,340,262)</u>

# RURAL COMMUNITY OF HANWELL

## Consolidated Statement of Operations

For the Year Ended December 31	2021	2021	2020
	Budget (Note 18)	Actual	Actual
<b>REVENUE</b>			
Property tax warrant	\$2,206,810	<b>\$2,206,810</b>	\$2,162,682
Revenue from own sources	76,300	<b>130,529</b>	236,565
Services provided to other governments	76,571	<b>76,571</b>	76,630
Community funding and equalization	43,376	<b>43,376</b>	43,376
Gas tax contributions	-	<b>25,237</b>	70,644
Other government transfers	-	<b>298,984</b>	4,266
Tourism levy	-	<b>8,049</b>	-
	<u>2,403,057</u>	<u><b>2,789,556</b></u>	<u>2,594,163</u>
<b>EXPENDITURES</b>			
General government services	690,644	<b>1,021,063</b>	677,562
Protective services	540,043	<b>595,549</b>	535,717
Transportation services	68,000	<b>113,838</b>	44,795
Environmental health services	364,035	<b>357,040</b>	369,142
Environmental development services	231,743	<b>168,031</b>	159,075
Recreation and cultural services	343,999	<b>413,867</b>	375,438
	<u>2,238,464</u>	<u><b>2,669,388</b></u>	<u>2,161,729</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 164,593</u>	<b>120,168</b>	432,434
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>		<u><b>3,988,067</b></u>	<u>3,555,633</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>		<b>\$4,108,235</b>	<b>\$3,988,067</b>



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

<b>For the Year Ended December 31</b>	<b>2021</b>	<b>2020</b>
<b>OPERATING TRANSACTIONS</b>		
Operating annual surplus	\$ 120,168	\$ 432,434
Amortization of tangible capital assets	214,726	182,640
Changes in receivables - General	(9,411)	-
Changes in receivables - Federal Government and its agencies	(572)	30,823
Changes in receivables - Province of New Brunswick and its agencies	6,492	4,705
Changes in payables and accruals	(1,245)	543
Changes in deferred revenue	635,810	257,158
Accrued sick leave	5,400	8,800
Post employment benefits payable (receivable)	(9,600)	(3,300)
Change in prepaid expenses	(7,799)	1,354
	<u>953,969</u>	<u>915,157</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	<u>(280,841)</u>	<u>(237,992)</u>
<b>FINANCING TRANSACTIONS</b>		
Payment of long-term debt	<u>(78,000)</u>	<u>(76,000)</u>
<b>INCREASE IN CASH</b>	<b>595,128</b>	<b>601,165</b>
<b>CASH - BEGINNING OF YEAR</b>	<b><u>1,398,279</u></b>	<b><u>797,114</u></b>
<b>CASH - END OF YEAR</b>	<b><u>\$1,993,407</u></b>	<b><u>\$1,398,279</u></b>
<b>REPRESENTED BY:</b>		
General Operating Fund	\$ 52,638	\$ 64,088
Restricted:		
General Capital Fund	1,207,181	568,103
General Capital Reserve	618,825	651,325
General Operating Reserve	<u>114,763</u>	<u>114,763</u>
	<b><u>\$1,993,407</u></b>	<b><u>\$1,398,279</u></b>

**Notes to Consolidated Financial Statements**

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**December 31, 2021**

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**1. PURPOSE OF THE ORGANIZATION**

The Rural Community was incorporated as a rural community by the Province of New Brunswick Local Governance Act on May 23, 2014. As a Rural Community, 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 Rural Community are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada.

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

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

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

**Reporting entity**

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net assets 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 Rural Community and which are owned or controlled by the Rural Community.

Interdepartmental and organizational transactions and balances are eliminated.

**Budget**

The budget figures contained in these consolidated financial statements were approved by Council on November 10, 2020 and the Minister of Environment and Local Government on November 18, 2020.

**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**

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**December 31, 2021**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Measurement Uncertainty**

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles for local governments requires management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**Financial Instruments**

The Rural Community's financial instruments consist of cash, accounts receivable, accounts payable and accruals, deferred revenue, and long-term debt. Unless otherwise noted, it is management's opinion that the Rural Community 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, balances with banks and short term deposits with original maturities of three months or less.

**Tangible capital assets**

The Rural Community 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:

<b>Asset type</b>	<b>Years</b>
Land improvements (parks and trails)	10-50 years
Buildings	10-60 years
Machinery and equipment	5-50 years
Vehicles	3-15 years
Computer equipment	3-5 years
Furniture & fixtures	3-5 years
Pavement and parking lots	5-15 years
Signs	10-15 years



## Notes to Consolidated Financial Statements

December 31, 2021

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Segmented information**

The Rural Community is a diversified entity that provides a wide range of services to its residents. For management reporting purposes, the Rural Community'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. Community services are provided by departments as follows:

General government services

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

Protective services

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

Transportation services

This department is responsible for 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 Community 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.

**Post Employment Benefits**

The Rural Community has a sick leave benefit as documented in Note 8 and a pension plan as documented in Note 6.

**3. CASH**

	2021	2020
Restricted cash	\$1,940,769	\$1,334,191
Unrestricted cash	<u>52,638</u>	<u>64,088</u>
	<u>\$1,993,407</u>	<u>\$1,398,279</u>

Restricted cash are bank accounts held for specific purposes and includes Gas Tax Funds, General Capital (Community Centre & Recreation Capital), General Capital Reserve Funds (Note 17), and General Operating Reserve Funds (Note 17).

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

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**December 31, 2021**

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**4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES**

	2021	2020
Canada Revenue Agency (HST refund)	\$ 32,566	\$ 31,994

**5. DUE FROM PROVINCIAL GOVERNMENT AND ITS AGENCIES**

	2021	2020
Regional Service Commission 11	\$ 13,026	\$ 10,252
Department of Environment and Local Government	-	4,266
Department of Tourism, Heritage, and Culture	-	5,000
	<u>\$ 13,026</u>	<u>\$ 19,518</u>

**6. PENSION ASSET**

The Rural Community and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Municipalities Act of New Brunswick. The NB MEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NB MEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2019 and resulted in an overall NB MEPP accrued benefit obligation of \$135,126,100 based on the accounting basis.

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2020:

- the expected inflation rate of 2.10% per annum
- the discount rate used to determine the accrued benefit obligation is 5.55% per annum
- the expected rate of return on assets is 5.55% per annum
- retirement age varies by age and employment category
- estimated average remaining service life (EARSLS) is 13.0 years

The actuarial valuation prepared as at December 31, 2019 indicated that the market value of net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$641,800, a change of \$6,896,200 from the December 31, 2018 deficit of \$7,538,000. Based on the assumptions as at December 31, 2019, the actuary expects the level of employer and employee contributions to be sufficient to fund the current service cost and going concern special payments, as required by the Pension Benefits Act.

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

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**December 31, 2021**

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**6. PENSION ASSET (continued)**

As at December 31, 2019, the NB MEPP provides benefits for 277 retirees. Total benefit payments to retirees and terminating employees during 2021 are estimated to be approximately \$4,641,200 (actual 2020, \$5,662,100) in totality for the NB MEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 8.00%. Each participating body contributes an amount that equals their employees contribution amounts. Pension Fund Assets are invested in Short Term Securities, Bonds, Canadian Equities and Foreign Equities. Combined employees and participating bodies' contributions for 2021 are estimated to be approximately \$7,136,800 (actual 2020 \$6,929,400 in totality for the NB MEPP).

The following summarizes the NB MEPP data as it relates to the Hanwell Rural Community:

- The average age of the 3 active employees covered by the NB MEPP is 49.8 (as at December 31, 2019)
- Benefit Payments were \$0 in 2020 and were estimated to be \$0 in 2021
- Combined Contributions were \$25,800 in 2020 and were estimated to be \$26,600 in 2021

In addition to determining the position of the NB MEPP as it relates to the Hanwell Rural Community as at December 31, 2019, and December 31, 2020, NB MEPP's actuary performed an extrapolation of the December 31, 2020 accounting valuation to determine the estimated position as at December 31, 2021. The extrapolation assumes assumptions used as at December 31, 2021 remain unchanged from December 31, 2020. The extrapolation also assumes assets return 5.55% net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

	<i>Estimated</i>	
	<b>2021</b>	<b>2020</b>
<b>Accrued benefit liability / (asset)</b>		
Accrued benefit liability / (asset) at beginning of period	\$ (18,300)	\$ (15,000)
Pension expense for the year	3,700	7,000
Less: Employer contributions	<u>(13,300)</u>	<u>(10,300)</u>
Accrued benefit liability / (asset) at end of period	<b>\$ (27,900)</b>	<b>\$ (18,300)</b>

**7. DEFERRED REVENUE**

	Gas Tax Fund	Other deposits received	Total
2021 - Balance beginning of year	\$ 553,851	\$ 6,060	\$ 559,911
Funds received during the year	666,907	-	666,907
Funds used during the year	<u>(25,237)</u>	<u>(5,860)</u>	<u>(31,097)</u>
<b>2021 - Balance end of year</b>	<b>\$1,195,521</b>	<b>\$ 200</b>	<b>\$1,195,721</b>

The balance at the end of the year represents the excess of funds received during the year over the expenses incurred during the year.



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

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**December 31, 2021**

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**8. ACCRUED SICK LEAVE OBLIGATION**

The Rural Community provides sick leave that accumulates at 1.5 days per month for full-time employees. This leave accumulates but does not vest.

	<u>2021</u>	<u>2020</u>
<b>Accrued employee benefit obligation:</b>		
Opening balance	\$ 32,900	\$ 24,100
Current period service cost	11,400	11,700
Benefit payments	<u>(6,000)</u>	<u>(2,900)</u>
	<u>\$ 38,300</u>	<u>\$ 32,900</u>

As in accordance with PSA 3255.15-.20 accumulating non-vesting sick leave that is paid only upon illness-related absences is accounted for using accrual accounting and is a funded benefit and does not require an actuarial valuation.

**9. LONG-TERM DEBT**

	<u>2021</u>	<u>2020</u>
Certificate of indebtedness - Province of New Brunswick 2.10% to 3.70% - due 2038 - OIC #17-0053	\$ 977,000	\$1,019,000
Certificate of indebtedness - Province of New Brunswick 1.95% to 2.95% - due 2039 - OIC #18-0012	<u>1,129,000</u>	<u>1,165,000</u>
	<u>\$2,106,000</u>	<u>\$2,184,000</u>

Approval of the Municipal Capital Borrowing Board has been obtained for the long-term debt.

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

2022	\$ 80,000
2023	83,000
2024	87,000
2025	88,000
2026	90,000
Later	<u>1,678,000</u>
	<u>\$ 2,106,000</u>

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

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

Notes to Consolidated Financial Statements

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December 31, 2021

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**10. SHORT-TERM BORROWINGS COMPLIANCE (continued)**

**Interfund borrowing**

All interfund accounts at December 31, 2021 represent current year transactions and are in compliance with the policy established by the Department of Local Government.

**Interim borrowing for capital**

The Rural Community does not have any interim borrowing for capital.

The Rural Community did not have any new capital borrowings in the current or previous year.

**11. RESERVE FUNDS**

All transfers of funds into and disbursed from 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 Rural Community is in compliance with these requirements.

**12. COVID-19 PANDEMIC**

In March 2020, a worldwide pandemic was declared by the World Health Organization. This pandemic has resulted in a widespread health crisis that has affected the economies and financial markets around the world resulting in an economic downturn. The Rural Community is continually monitoring the potential impact on its operations and, to the date of the authorization of these consolidated financial statements, has not been significantly impacted. However, COVID-19 may affect the ability to continue at its current level of operations. The full extent of the impact on the Rural Community's future financial results is uncertain, given the length and severity of these developments and cannot be reliably estimated.

**13. COMPARATIVE FIGURES**

Prior year figures have been reclassified where applicable to conform to current presentation.

# RURAL COMMUNITY OF HANWELL

## Notes to Consolidated Financial Statements

For the Year Ended December 31

2021 2020

### 14. TANGIBLE CAPITAL ASSETS

#### COST

Balance - beginning of year  
Add: Net additions during the year  
Less: Disposals during the year

#### BALANCE - END OF YEAR

#### ACCUMULATED AMORTIZATION

Balance - beginning of year  
Add: Amortization during the year  
Less: Accumulated amortization on disposals

#### BALANCE - END OF YEAR

#### NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS

	Land	Buildings	Machinery and Equipment	Parks and Playgrounds	Motor Vehicles	Total	Total
\$	174,138	\$4,834,420	\$ 229,136	\$ 454,584	\$ 83,902	\$5,776,178	\$5,538,186
	-	4,943	16,820	52,786	206,292	280,841	237,992
	-	-	(10,330)	-	-	(10,330)	-
	<u>174,138</u>	<u>4,839,363</u>	<u>235,626</u>	<u>507,370</u>	<u>290,194</u>	<u>6,046,689</u>	<u>5,776,178</u>
	-	273,276	67,412	92,373	37,704	470,765	288,125
	-	121,599	23,421	28,447	41,259	214,726	182,640
	-	-	(10,330)	-	-	(10,330)	-
	-	<u>394,875</u>	<u>80,503</u>	<u>120,820</u>	<u>78,963</u>	<u>675,161</u>	<u>470,765</u>
\$	174,138	\$4,444,488	\$ 155,123	\$ 386,550	\$ 211,231	\$5,371,528	\$5,305,413



# RURAL COMMUNITY OF HANWELL

## Notes to Consolidated Financial Statements

For the Year Ended December 31

2021 2020

### 15. SEGMENT DISCLOSURE

#### REVENUES

Property tax warrant  
Sale of service, fines, and other fees  
Community funding and equalization  
Other government transfers

General	Protective Services	Transportation Services	Environmental Health	Environmental Development	Recreation and Culture	Consolidated	Consolidated
\$ 680,878	\$ 532,406	\$ 67,038	\$ 358,887	\$ 228,466	\$ 339,135	\$ 2,206,810	\$ 2,162,682
108,103	-	-	-	-	30,475	138,578	236,565
13,382	10,465	1,318	7,054	4,491	6,666	43,376	43,376
271,009	76,571	-	-	-	53,212	400,792	151,540
<u>1,073,372</u>	<u>619,442</u>	<u>68,356</u>	<u>365,941</u>	<u>232,957</u>	<u>429,488</u>	<u>2,789,556</u>	<u>2,594,163</u>

#### EXPENSES

Salaries and benefits  
Goods and services  
Amortization  
Interest

170,408	-	-	-	-	72,068	242,476	284,327
730,147	530,625	113,838	357,040	168,031	246,062	2,145,743	1,698,062
54,068	64,924	-	-	-	95,737	214,729	179,340
66,440	-	-	-	-	-	66,440	-
<u>1,021,063</u>	<u>595,549</u>	<u>113,838</u>	<u>357,040</u>	<u>168,031</u>	<u>413,867</u>	<u>2,669,388</u>	<u>2,161,729</u>

#### SURPLUS (DEFICIT) FOR THE YEAR

\$ 52,309	\$ 23,893	\$ (45,482)	\$ 8,901	\$ 64,926	\$ 15,621	\$ 120,168	\$ 432,434
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# RURAL COMMUNITY OF HANWELL

## Notes to Consolidated Financial Statements

For the Year Ended December 31

2021 2020

### 16. RECONCILIATION OF ANNUAL SURPLUS

	General Operating Fund	General Capital Fund	Gen, Operating Reserve Fund	Gen. Capital Reserve Fund	
Consolidated annual surplus (deficit)	\$ 301,659	\$ (181,491)	\$ -	\$ -	\$ 120,168 \$ 432,434
<b>Adjustments to annual surplus (deficit) for funding requirements:</b>					
Second previous year's surplus	23,407	-	-	-	23,407 152
Transfer from General Operating Fund to General Capital Fund	(110,104)	110,104	-	-	- -
Transfer from General Operating Fund to General Capital Reserve Fund	(105,000)	-	-	105,000	- -
Transfer from General Capital Reserve Fund to General Capital Fund	-	137,500	-	(137,500)	- -
Long-term debt principal payment	(78,000)	78,000	-	-	- -
Amortization expense	-	214,728	-	-	214,728 182,640
Change in amount recorded under PSA for defined benefit liability	(9,600)	-	-	-	(9,600) (3,300)
Total adjustments to annual surplus (deficit)	(279,297)	540,332	-	(32,500)	228,535 179,492
<b>FUND SURPLUS (DEFICIT) FOR THE YEAR</b>	\$ 22,362	\$ 358,841	\$ -	\$ (32,500)	\$ 348,703 \$ 611,926

# RURAL COMMUNITY OF HANWELL

## Notes to Consolidated Financial Statements

For the Year Ended December 31

2021

2020

### 17. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Total	Total
<b>ASSETS</b>				
Cash	\$ 114,763	\$ 618,825	\$ 733,588	\$ 766,088
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	\$ 114,763	\$ 651,325	\$ 766,088	\$ 488,618
<b>SURPLUS (DEFICIT) - FOR THE YEAR</b>	-	(32,500)	(32,500)	277,470
<b>ACCUMULATED SURPLUS - END OF YEAR</b>	\$ 114,763	\$ 618,825	\$ 733,588	\$ 766,088
<b>REVENUE</b>				
Transfer from General Operating Funds	\$ -	\$ 105,000	\$ 105,000	\$ 276,000
Interest	-	-	-	1,470
	-	105,000	105,000	277,470
<b>EXPENDITURES</b>				
Transfer to General Capital Fund	-	137,500	137,500	-
<b>SURPLUS (DEFICIT) - FOR THE YEAR</b>	\$ -	\$ (32,500)	\$ (32,500)	\$ 277,470

### Name of Investment

### Interest Rate

Treasury Account 0123 1124-312

0.0%

Treasury Account 0123 1996-639

0.0%

Moved by Councillor Holly Hyslop, seconded by Councillor Darren MacKenzie that \$137,500 be transferred from the General Capital Reserve Fund to the General Capital Fund for the purchase of a ladder truck for the Hanwell Fire Station.

#03-10-2021 - Regular meeting of Council, October 15, 2021.

Moved by Deputy Mayor Susan Jonah, seconded by Councillor Holly Hyslop that \$105,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

#11-12-2021 - Regular meeting of Council, December 15, 2021.

I hereby certify that the above are true and exact copies of resolutions adopted by council.

Municipal Seal

Terri Parker, Clerk

March 1, 2022  
Date

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

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**December 31, 2021**

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**18. OPERATING BUDGET TO PSA BUDGET**

	Operating Budget General	Transfers	Total
<b>REVENUE</b>			
Property tax warrant	\$2,206,810	\$ -	\$2,206,810
Revenue from own sources	76,300	-	76,300
Services provided to other governments	76,571	-	76,571
Community funding and equalization	43,376	-	43,376
Other government transfers	-	-	-
Surplus of second previous year	23,407	(23,407)	-
	<u>2,426,464</u>	<u>(23,407)</u>	<u>2,403,057</u>
<b>EXPENDITURES</b>			
General government services	624,182	66,462	690,644
Protective services	540,043	-	540,043
Transportation services	68,000	-	68,000
Environmental health services	364,035	-	364,035
Environmental development services	231,743	-	231,743
Recreational and cultural services	343,999	-	343,999
Fiscal services			
Long-term debt repayments	78,000	(78,000)	-
Interest	66,462	(66,462)	-
Transfer from Gen. Operating Fund to Gen. Capital Fund	110,000	(110,000)	-
	<u>2,426,464</u>	<u>(188,000)</u>	<u>2,238,464</u>
<b>SURPLUS</b>	\$ -	\$ 164,593	\$ 164,593

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# RURAL COMMUNITY OF HANWELL

## Notes to Consolidated Financial Statements

For the Year Ended December 31	2021	2021	2020
	Budget	Actual	Actual
<b>19. PSA REVENUE AND EXPENSE SUPPORT</b>			
<b>REVENUE</b>			
Services to other governments			
Fire protection	\$ 76,571	\$ 76,571	\$ 76,630
Other own source			
Community events and rentals	15,000	22,475	10,787
Building permits	61,000	68,779	195,558
Community contributions	-	8,000	-
Interest	-	-	2,158
Other	300	31,275	28,062
	<u>\$ 76,300</u>	<u>\$ 130,529</u>	<u>\$ 236,565</u>
<b>General Government Services</b>			
Legislative			
Mayor	\$ 18,984	\$ 18,661	\$ 18,072
Councillors	68,065	65,678	57,396
Professional development	6,000	4,045	100
Other legislative expenses	2,000	1,929	1,650
	<u>95,049</u>	<u>90,313</u>	<u>77,218</u>
Administrative			
Salaries and wages	127,485	126,557	123,603
Pension adjustment	-	(9,600)	(3,300)
Office building	109,830	77,989	78,151
Other	3,000	36,387	1,650
Solicitor	7,500	5,167	5,744
	<u>247,815</u>	<u>236,500</u>	<u>205,848</u>
Financial management and common services			
Salaries and wages	45,470	43,851	45,325
External audit	18,200	19,606	21,186
Civic relations	13,400	12,005	15,008
Regional and collaborative services	2,718	2,718	2,908
Cost of assessment	106,085	106,085	103,111
	<u>185,873</u>	<u>184,265</u>	<u>187,538</u>
Other general government services			
Interest and bank charges	66,462	66,440	67,685
Public liability insurance	18,750	26,218	21,295
Grants to organizations	5,000	2,592	16,443
Hanwell school grant	-	325,000	-
Regional aquatic centre feasibility study grant	-	22,850	-
Other expenses	71,695	12,817	51,638
Amortization	-	54,068	49,897
	<u>161,907</u>	<u>509,985</u>	<u>206,958</u>
	<u>\$ 690,644</u>	<u>\$1,021,063</u>	<u>\$ 677,562</u>



# RURAL COMMUNITY OF HANWELL

## Notes to Consolidated Financial Statements

For the Year Ended December 31	2021	2021	2020
	Budget	Actual	Actual
<b>19. PSA REVENUE AND EXPENSE SUPPORT (continued)</b>			
<b><i>Protective Services</i></b>			
Fire			
Protection	\$ 521,593	\$ 521,320	\$ 453,108
Fire force	6,750	3,962	46,233
Amortization	-	64,924	32,682
	<u>528,343</u>	<u>590,206</u>	<u>532,023</u>
Emergency measures			
Disaster control	5,000	-	-
Training and development	3,000	1,799	-
Sentinal emergency alert system	3,700	3,544	3,544
Other expenses	-	-	150
	<u>11,700</u>	<u>5,343</u>	<u>3,694</u>
	\$ 540,043	\$ 595,549	\$ 535,717
<b><i>Transportation Services</i></b>			
Street lighting	\$ 47,000	\$ 44,565	\$ 43,759
Signs	6,000	10,697	1,036
Other transportation	<u>15,000</u>	<u>58,576</u>	<u>-</u>
	\$ 68,000	\$ 113,838	\$ 44,795
<b><i>Environmental Health Services</i></b>			
Solid waste collection	\$ 157,500	\$ 156,791	\$ 160,188
Solid waste disposal	127,235	121,036	131,151
Recycling	<u>79,300</u>	<u>79,213</u>	<u>77,803</u>
	\$ 364,035	\$ 357,040	\$ 369,142
<b><i>Environmental Development Services</i></b>			
Planning (Other local government)	\$ 164,743	\$ 164,744	\$ 158,340
Other community development	51,500	-	-
Other community development	2,000	-	123
Business Park	3,500	1,673	612
Community improvement	<u>10,000</u>	<u>1,614</u>	<u>-</u>
	\$ 231,743	\$ 168,031	\$ 159,075
<b><i>Recreation and Cultural Services</i></b>			
Sports and recreation fees (Other local government)	\$ 164,049	\$ 164,049	\$ 159,450
Community Centre	25,000	27,039	30,623
Salaries and wages	55,950	72,068	40,193
Parks and playgrounds	66,000	48,047	40,577
Civic relations	33,000	6,927	4,534
Amortization	-	95,737	100,061
	\$ 343,999	\$ 413,867	\$ 375,438



**RURAL COMMUNITY OF HANWELL****General Operating Fund****Comparison of Revenue and Expenditures to Budget and Previous Year**

<b>For the Year Ended December 31</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>REVENUE</b>			
Property tax warrant	\$2,206,810	<b>\$2,206,810</b>	\$2,162,682
Revenue from own sources	76,300	<b>122,529</b>	234,407
Services provided to other governments	76,571	<b>76,571</b>	76,630
Community funding and equalization	43,376	<b>43,376</b>	43,376
Special assessment	-	<b>15,865</b>	-
Other government transfers	-	<b>283,119</b>	4,266
Tourism levy	-	<b>8,049</b>	-
Surplus of second previous year	23,407	<b>23,407</b>	152
	<u>2,426,464</u>	<u><b>2,779,726</b></u>	<u>2,521,513</u>
<b>EXPENDITURES</b>			
General government services	624,182	<b>910,155</b>	563,280
Protective services	540,043	<b>530,625</b>	503,035
Transportation services	68,000	<b>113,838</b>	44,795
Environmental health services	364,035	<b>357,040</b>	369,142
Environmental development services	231,743	<b>168,031</b>	159,075
Recreation and cultural services	343,999	<b>318,130</b>	275,377
Fiscal services	254,462	<b>359,544</b>	586,346
	<u>2,426,464</u>	<u><b>2,757,363</b></u>	<u>2,501,050</u>
<b>SURPLUS FOR THE YEAR</b>	<b>\$ -</b>	<b>\$ 22,363</b>	<b>\$ 20,463</b>

## RURAL COMMUNITY OF HANWELL

## General Operating Fund - Revenue and Expenditures Support

For the Year Ended December 31	2021	2021	2020
	Budget	Actual	Actual
<b>REVENUE FROM OWN SOURCES</b>			
Building permits	\$ 61,000	\$ 68,779	\$ 195,558
Community centre rentals	15,000	22,475	10,787
Miscellaneous	300	31,275	28,062
	<u>\$ 76,300</u>	<u>\$ 122,529</u>	<u>\$ 234,407</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
Legislative			
Mayor	\$ 18,984	\$ 18,661	\$ 18,072
Councillors	68,065	65,678	57,396
Professional development	6,000	4,045	100
Other legislative expenses	2,000	1,929	1,650
	<u>95,049</u>	<u>90,313</u>	<u>77,218</u>
Administrative			
Salaries and wages	127,485	126,557	123,603
Office building	109,830	77,989	78,151
Other	3,000	36,387	1,650
Solicitor	7,500	5,167	5,744
	<u>247,815</u>	<u>246,100</u>	<u>209,148</u>
Financial management and common services			
Salaries and wages	45,470	43,851	45,325
External audit	18,200	19,606	21,186
Civic relations	13,400	12,005	15,008
Regional and collaborative services	2,718	2,718	2,908
Cost of assessment	106,085	106,085	103,111
	<u>185,873</u>	<u>184,265</u>	<u>187,538</u>
Other general administrative services			
Public liability insurance	18,750	26,218	21,295
Grants to organizations	5,000	2,592	16,443
Hanwell school grant	-	325,000	-
Regional aquatic centre feasibility study grant	-	22,850	-
Other expenses	71,695	12,817	51,638
	<u>95,445</u>	<u>389,477</u>	<u>89,376</u>
	<u>\$ 624,182</u>	<u>\$ 910,155</u>	<u>\$ 563,280</u>

**RURAL COMMUNITY OF HANWELL****General Operating Fund - Revenue and Expenditures Support**

<b>For the Year Ended December 31</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>PROTECTIVE SERVICES</b>			
Fire			
Protection	\$ 521,593	\$ 521,320	\$ 453,108
Fire force	<u>6,750</u>	<u>3,962</u>	<u>46,233</u>
	<u>528,343</u>	<u>525,282</u>	<u>499,341</u>
Emergency measures			
Disaster control	5,000	-	-
Training and development	3,000	1,799	-
Sentinal emergency alert system	3,700	3,544	3,544
Other expenses	<u>-</u>	<u>-</u>	<u>150</u>
	<u>11,700</u>	<u>5,343</u>	<u>3,694</u>
	<u>\$ 540,043</u>	<u>\$ 530,625</u>	<u>\$ 503,035</u>
<b>TRANSPORTATION SERVICES</b>			
Street lighting	\$ 47,000	\$ 44,565	\$ 43,759
Signs	6,000	10,697	1,036
Other transportation	<u>15,000</u>	<u>58,576</u>	<u>-</u>
	<u>\$ 68,000</u>	<u>\$ 113,838</u>	<u>\$ 44,795</u>
<b>ENVIRONMENTAL HEALTH SERVICES</b>			
Solid waste collection	\$ 157,500	\$ 156,791	\$ 160,188
Solid waste disposal	127,235	121,036	131,151
Recycling	<u>79,300</u>	<u>79,213</u>	<u>77,803</u>
	<u>\$ 364,035</u>	<u>\$ 357,040</u>	<u>\$ 369,142</u>
<b>ENVIRONMENTAL DEVELOPMENT SERVICES</b>			
Planning (Other local government)	\$ 164,743	\$ 164,744	\$ 158,340
Research and planning studies	51,500	-	-
Other environmental development services	2,000	-	123
Beautification and other	3,500	1,673	612
Other community development	<u>10,000</u>	<u>1,614</u>	<u>-</u>
	<u>\$ 231,743</u>	<u>\$ 168,031</u>	<u>\$ 159,075</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
Sports and recreation fees (Other local government)	\$ 164,049	\$ 164,049	\$ 159,450
Community Centre	25,000	27,039	30,623
Salaries and wages	55,950	72,068	40,193
Parks and playgrounds	66,000	48,047	40,577
Civic relations	<u>33,000</u>	<u>6,927</u>	<u>4,534</u>
	<u>\$ 343,999</u>	<u>\$ 318,130</u>	<u>\$ 275,377</u>

**RURAL COMMUNITY OF HANWELL****General Operating Fund - Revenue and Expenditures Support**

<b>For the Year Ended December 31</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>FISCAL SERVICES</b>			
Debt charges			
Interest on long-term debt	\$ 65,462	\$ 65,461	\$ 67,202
Principal	78,000	78,000	76,000
Bank service charges	1,000	979	483
	<u>144,462</u>	<u>144,440</u>	<u>143,685</u>
Transfer to own funds			
Capital expenditures	110,000	110,104	166,661
General Capital Reserve Fund	-	105,000	270,000
General Operating Reserve Fund	-	-	6,000
	<u>110,000</u>	<u>215,104</u>	<u>442,661</u>
	<b>\$ 254,462</b>	<b>\$ 359,544</b>	<b>\$ 586,346</b>