



Consolidated Financial Statements of

**RURAL COMMUNITY OF
HANWELL**

And Independent Auditor's Report thereon

Year ended December 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and the Members of the Council of Rural Community of Hanwell

Opinion

We have audited the consolidated financial statements of Rural Community of Hanwell (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations and changes in accumulated surplus for the year then ended
- the consolidated statement of changes in net assets (debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and its consolidated results of operations, its consolidated changes in net assets (debt) and its consolidated 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 auditor's report.

We are independent of the Entity 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.

Other Matter - Comparative Information

The financial statements for the year ended end of December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 19, 2024.



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

Management is responsible for the preparation and fair presentation of the 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 Entity'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 either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- 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 Entity'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 Entity 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.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Fredericton, Canada

March 25, 2025

RURAL COMMUNITY OF HANWELL

Consolidated Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash (note 2)	\$ 3,739,761	\$ 2,762,758
Accounts receivable	88,935	92,829
Federal government and its agencies (note 3)	37,754	37,983
Pension asset (note 4)	64,600	42,500
	<u>3,931,050</u>	<u>2,936,070</u>
Financial liabilities:		
Accounts payable and accrued liabilities	231,137	93,402
Sick leave accrual (note 6)	61,500	47,300
Deferred revenue (note 7)	1,591,804	1,338,973
Long-term debt (note 8)	1,858,000	1,943,000
	<u>3,742,441</u>	<u>3,422,675</u>
Net assets (debt)	188,609	(486,605)
Non financial assets:		
Tangible capital assets (note 5)	7,104,299	7,178,977
Prepaid expenses and deposits	65,544	81,407
	<u>7,169,843</u>	<u>7,260,384</u>
Accumulated surplus	<u>\$ 7,358,452</u>	<u>\$ 6,773,779</u>

See accompanying notes to consolidated financial statements.

On behalf of the Rural Community:



Mayor



CAO/Treasurer

RURAL COMMUNITY OF HANWELL

Consolidated Statement of Operations and Changes in Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
Revenue:			
Property tax warrant	\$ 3,677,569	\$ 3,677,569	\$ 3,347,503
Revenue from own sources (note 14)	355,157	589,576	457,132
Services provided to other governments	109,305	150,703	130,266
Community funding and equalization	28,113	28,113	36,835
Gas tax contributions	-	103,308	208,933
Other government transfers	30,968	183,278	1,508,794
	<u>4,201,112</u>	<u>4,732,547</u>	<u>5,689,463</u>
Expenses:			
General government services	1,185,572	1,108,672	973,379
Protective services	682,585	1,015,901	860,963
Transportation services	68,764	59,649	62,436
Environmental health services	615,500	540,293	661,582
Environmental development services	473,021	490,774	480,398
Recreation and cultural services	773,233	932,585	677,018
	<u>3,798,675</u>	<u>4,147,874</u>	<u>3,715,776</u>
Annual surplus	402,437	584,673	1,973,687
Accumulated surplus, beginning of year	6,773,779	6,773,779	4,800,092
Accumulated surplus, end of year	\$ 7,176,216	\$ 7,358,452	\$ 6,773,779

See accompanying notes to consolidated financial statements.

RURAL COMMUNITY OF HANWELL

Consolidated Statement of Changes in Net Assets (debt)

Year ended December 31, 2024, with comparative information for 2023

	2025	2024
Annual surplus	\$ 584,673	\$ 1,973,687
Acquisition of tangible capital assets	(553,599)	(1,772,322)
Amortization of tangible capital assets	628,277	565,809
Change in prepaid expenses	15,863	(49,965)
Proceeds on disposal of tangible capital assets	-	2,400
Change in net financial assets	675,214	719,609
Net debt, beginning of year	(486,605)	(1,206,214)
Net assets (debt), end of year	\$ 188,609	\$ (486,605)

See accompanying notes to consolidated financial statements.

RURAL COMMUNITY OF HANWELL

Consolidated Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 584,673	\$ 1,973,687
Item not involving cash:		
Amortization of tangible capital assets	628,277	565,809
Changes in non-cash operating working capital:		
Accounts receivable	3,894	(89,465)
Prepaid expenses	15,863	(49,784)
Federal government and its agencies	229	62,814
Post employment benefits payable (receivable)	(22,100)	(11,900)
Accounts payable and accrued liabilities	137,735	64,349
Post employment benefits payable (receivable)	14,200	(8,300)
Deferred revenue	252,831	193,261
	<u>1,615,602</u>	<u>2,700,471</u>
Financing activities:		
Payment of long-term debt	(85,000)	(83,000)
Capital activities:		
Acquisition of tangible capital assets	(553,599)	(1,772,322)
Proceeds on disposal of tangible capital asses	-	2,218
	<u>(553,599)</u>	<u>(1,770,104)</u>
Increase in cash	977,003	847,367
Cash, beginning of year	2,762,758	1,915,391
Cash, end of year	<u>\$ 3,739,761</u>	<u>\$ 2,762,758</u>

See accompanying notes to consolidated financial statements.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements

Year ended December 31, 2024

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.

1. 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.

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

(a) 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.

(b) Budget:

The budget figures contained in these consolidated financial statements were approved by Council on December 14, 2023 and the Minister of Environment and Local Government on December 14, 2023.

(c) Revenue recognition:

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.

Other revenue is recorded when it is earned.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(d) 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.

(e) 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.

(f) 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:

Asset	Rate
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 and fixtures	3-5 years
Pavement and parking lots	5-15 years
Signs	10-15 years
Roads and street	20-80 years
Engineering structures	10-80 years

(g) Use of estimates:

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.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(h) 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.

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.

(i) Post employment benefits:

The Rural Community has a pension plan as documented in Note 4.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

2. Cash:

	2024	2023
Unrestricted General operating	\$ 75,476	\$ 42,272
General Capital Reserve	1,931,876	1,339,549
General Operating Reserve	127,234	121,955
Gas Tax Funds	1,590,845	1,246,724
General Capital	14,330	12,258
	<u>\$ 3,739,761</u>	<u>\$ 2,762,758</u>

Restricted cash are bank accounts held for specific purposes and includes Gas Tax Funds, General Capital Funds, General Capital Reserve Funds, and General Operating Reserve Funds.

3. Federal government and its agencies:

	2024	2023
Canada Revenue Agency (HST refund)	\$ 37,754	\$ 37,983

4. 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 employee and employer representatives under the provisions of the Local Governance 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, 2022 and resulted in an overall NB MEPP accrued benefit obligation of \$148,620,600 based on the accounting basis.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

4. Pension asset (continued):

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, 2023:

- the expected inflation rate of 2.10% per annum
- the discount rate used to determine the accrued benefit obligation is 6.05% per annum
- the expected rate of return on assets is 6.05% per annum
- retirement age varies by age and employment category
- estimated average remaining service life ("EARSL") is 14.0 years

The actuarial valuation prepared as at December 31, 2022 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 \$12,228,600, a change of \$13,522,700 from the December 31, 2021 surplus of \$1,294,100. Based on the assumptions as at December 31, 2022, 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.

As at December 31, 2022, the NB MEPP provides benefits for 325 retirees. Total benefit payments to retirees and terminating employees during 2024 are estimated to be approximately \$5,440,900 (actual 2023, \$7,516,800) in totality for the NB MEPP.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

4. Pension asset (continued):

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.95%. 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 2024 are estimated to be approximately \$9,335,000 (actual 2023 \$9,159,600 in totality for the NB MEPP).

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

- The average age of the 5 active employees covered by the NB MEPP is 45 (as at December 31, 2022)
- Benefit Payments were \$0 in 2023 and were estimated to be \$0 in 2024
- Combined Contributions were \$44,600 in 2023 and were estimated to be \$46,000 in 2024

In addition to determining the position of the NB MEPP as it relates to the Rural Community as at December 31, 2022, and December 31, 2023, NB MEPP's actuary performed an extrapolation of the December 31, 2023 accounting valuation to determine the estimated position as at December 31, 2024. The extrapolation assumes assumptions used as at December 31, 2024 remain unchanged from December 31, 2023. The extrapolation also assumes assets return 6.05% 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:

	2024	2023
Change in actuarial estimates	\$ 10,600	\$ (10,600)
Accrued benefit asset (liability) at beginning of period	42,500	34,500
Pension expense for the year	(11,500)	(3,700)
Employer contributions	23,000	22,300
Accrued benefit asset (liability) at end of period	\$ 64,600	\$ 42,500

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

5. Tangible capital assets:

Cost	December 31, 2023	Additions	Disposals	December 31, 2024
Land	\$ 174,138	\$ 79,430	-	\$ 253,568
Buildings	8,206,225	29,499	-	8,235,724
Machinery and equipment	1,370,532	10,796	(9,819)	1,371,509
Motor vehicles	1,981,599	316,768	-	2,298,367
Parks and playgrounds	1,438,455	117,106	-	1,555,561
	\$ 13,170,949	\$ 553,599	(9,819)	\$ 13,714,729

Accumulated amortization	December 31, 2023	Amortization	Disposals	December 31, 2024
Buildings	\$ 3,747,401	\$ 207,594	-	\$ 3,954,995
Machinery and equipment	623,752	134,445	(9,819)	748,378
Motor vehicles	1,365,305	212,083	-	1,577,388
Parks and playgrounds	255,514	74,155	-	329,669
	\$ 5,991,972	\$ 628,277	(9,819)	\$ 6,610,430

Net book value	December 31, 2023	December 31, 2024
Land	\$ 174,138	\$ 253,568
Buildings	4,458,824	4,280,729
Machinery and equipment	746,780	623,131
Motor vehicles	616,294	720,979
Parks and playgrounds	1,182,941	1,225,892
	\$ 7,178,977	\$ 7,104,299

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

6. Sick leave accrual:

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.

	2024	2023
Opening balance	\$ 47,300	\$ 55,600
Current period service cost	24,500	26,300
Benefit payments	(10,300)	(34,600)
	\$ 61,500	\$ 47,300

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, is a funded benefit, and does not require an actuarial valuation.

7. Deferred revenue:

	2024	2023
Balance beginning of year	\$ 1,338,973	\$ 1,145,037
Gas tax funds received during the year	295,783	353,321
Interest earned on gas tax funds	59,498	49,080
Gas tax funds used during the year	(103,308)	(208,933)
Change in damage deposit balances	858	468
Balance end of year	\$ 1,591,804	\$ 1,338,973

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

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

8. Long-term debt:

	2024	2023
Debenture - Province of New Brunswick - 2.10% to 3.70% - due 2038 - OIC #17-0053	\$ 843,000	\$ 889,000
Debenture - Province of New Brunswick - 1.95% to 2.95% - due 2039 - OIC #18-0012	1,015,000	1,054,000
	<u>\$ 1,858,000</u>	<u>\$ 1,943,000</u>

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

9. 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.

Interfund borrowing

Interfund accounts 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 and did not have any new capital borrowings in the current or previous year.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

10. 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.

	General Capital Reserve	General Operating Reserve	Total
Cash	\$ 1,931,876	\$ 127,235	\$ 2,059,111
Accumulated surplus, beginning	\$ 1,339,549	\$ 121,955	\$ 1,461,504
Interest earned	58,197	5,280	63,477
Transfers in	550,000	-	550,000
Transfers out	(15,870)	-	(15,870)
Accumulated surplus	\$ 1,931,876	\$ 127,235	\$ 2,059,111

Moved by Councillor David Holt and seconded by Deputy Mayor Susan Jonah to authorize and direct the clerk to purchase a zero turn lawn mower up to a maximum of \$17,000 from the Capital Reserve Fund.

Regular meeting of Council - April 17, 2024

Moved by Councillor Darren MacKenzie and seconded by Councillor Holly Hyslop to contribute \$550,000 from the General Operating Fund to the Capital Reserve Fund.

Regular meeting of Council - December 18, 2024

Treasury Account 0123 1124-312, Interest 4.8%	\$ 127,235
Treasury Account 0123 1996-639, Interest 6.3%	1,931,876
	\$ 2,059,111

Certified by CAO/Treasurer

Municipal Seal

Jenni L Parker

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

11. Segmented disclosure:

	General and fiscal	Protective services	Transportation	Environmental health	Environmental development	Recreation and culture	2024 Total	2023 Total
Revenue:								
Property tax warrant	\$ 1,008,573	\$ 892,154	\$ 52,382	\$ 474,480	\$ 430,993	\$ 818,987	\$ 3,677,569	\$ 3,347,503
Sale of service, fines and other fees	353,685	150,703	-	-	119,776	116,115	740,279	614,898
Community funding and equalization	7,710	6,820	400	3,627	3,295	6,261	28,113	36,835
Other government transfers	152,447	7,331	-	-	-	23,500	183,278	1,481,294
Gas tax fund	-	29,499	-	-	-	73,809	103,308	208,933
	1,522,415	1,086,507	52,782	478,107	554,064	1,038,672	4,732,547	5,689,463
Expenses:								
Salaries and benefits	475,877	-	-	-	-	125,813	601,690	432,476
Goods and services	516,431	645,212	59,648	540,294	490,775	574,233	2,826,593	2,654,718
Amortization	55,389	340,348	-	-	-	232,540	628,277	565,808
Interest / lease payments	60,972	30,342	-	-	-	-	91,314	62,774
	1,108,669	1,015,902	59,648	540,294	490,775	932,586	4,147,874	3,715,776
Surplus (deficit) for the year	\$ 413,746	\$ 70,605	(6,866)	(62,187)	\$ 63,289	\$ 106,086	\$ 584,673	\$ 1,973,687

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

12. Reconciliation of annual surplus:

	General operating fund	General capital fund	General operating reserve fund	General capital reserve fund	Total
Adjustments to annual surplus (deficit) for funding requirements					
Second previous year's surplus	\$ 57,563	\$ -	\$ -	\$ -	-
Second previous year's deficit	(628)	-	-	-	-
Transfer from general operating fund to general capital fund	(434,421)	434,421	-	-	-
Transfer from general operating fund to general capital reserve fund	(550,000)	-	-	550,000	-
Transfer from general capital reserve fund to general capital fund	-	15,870	-	(15,870)	-
Long-term debt principal repayment	(85,000)	85,000	-	-	-
Amortization expense	628,277	(628,277)	-	-	-
Change in amount recorded under PSA for defined benefit liability	(34,000)	-	-	-	-
Gas tax revenue	(103,308)	103,308	-	-	-
Total adjustments to annual surplus (deficit)	(521,517)	10,322	-	534,130	-
Annual surplus	520,443	753	5,280	58,197	584,673
Annual fund surplus (deficit)	\$ (1,074)	\$ 11,075	\$ 5,280	\$ 592,327	\$ 584,673

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

13. Operating budget to PSA Budget:

	Operating budget general	Transfers	Total
Revenue:			
Property tax warrant	\$ 3,677,569	\$ -	\$ 3,677,569
Revenue from own sources	355,157	-	355,157
Services provided to other governments	109,305	-	109,305
Community funding and equalization	28,113	-	28,113
Other government transfers	30,968	-	30,968
Surplus of second previous year	57,563	(57,563)	-
	<u>4,258,675</u>	<u>(57,563)</u>	<u>4,201,112</u>
Expenditures:			
General government services	1,124,659	60,913	1,185,572
Protective services	647,690	34,895	682,585
Transportation services	68,764	-	68,764
Environmental health services	615,500	-	615,500
Environmental development services	473,021	-	473,021
Recreational and cultural services	773,233	-	773,233
Fiscal services - Long-term debt repayments	85,000	(85,000)	-
Fiscal services - Lease payments	34,895	(34,895)	-
Fiscal services - Interest	60,913	(60,913)	-
Fiscal services - Interfund transfers	150,000	(150,000)	-
Deficit of second previous year	628	(628)	-
Capital expenditures	224,372	(224,372)	-
	<u>4,258,675</u>	<u>(460,000)</u>	<u>3,798,675</u>
Surplus	\$ -	\$ 402,437	\$ 402,437

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. PSA revenue and expense support:

	2024 Budget	2024 Actual	2023 Actual
Revenue:			
Services to other governments:			
Fire protection	\$ 109,305	\$ 150,703	\$ 130,266
Other own source:			
Community events and rentals	38,000	94,886	40,246
Building permits	127,157	140,256	140,460
Bank interest	-	64,230	36,139
Recreation registrations	35,000	21,229	20,107
Facility rental	25,000	72,035	55,624
Other	50,000	77,163	65,776
Tourism levy	80,000	119,776	98,780
	<u>\$ 355,157</u>	<u>\$ 589,575</u>	<u>\$ 457,132</u>

General Government Services:

Legislative:

Mayor	\$ 24,905	\$ 24,823	\$ 23,088
Councillors	135,072	129,123	99,852
Professional development	6,000	3,181	4,433
Other legislative expenses	4,500	2,236	2,540
	<u>170,477</u>	<u>159,363</u>	<u>129,913</u>

Administrative:

Salaries and wages	369,104	355,391	277,649
Other admin	11,000	12,912	4,454
Pension adjustment	-	(34,000)	(11,900)
Office building	121,400	114,601	112,399
Legal services	60,000	3,714	62,407
Other expenses	34,500	44,323	12,447
	<u>596,004</u>	<u>496,941</u>	<u>457,456</u>

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. PSA revenue and expense support (continued):

	2024 Budget	2024 Actual	2023 Actual
Financial management and common services:			
External audit	30,000	30,000	19,762
Civic relations	18,300	9,858	13,409
Cost of assessment	208,647	208,647	186,901
Regional & collaborative services	18,231	18,232	7,752
Interest on long-term debt	59,413	59,414	61,581
Bank charges	1,500	1,559	1,192
	<u>336,091</u>	<u>327,710</u>	<u>290,597</u>
Other general government services:			
Public liability insurance	\$ 60,000	\$ 42,849	\$ 31,688
Grants to organizations	8,000	7,550	7,271
Other general government services	15,000	18,870	-
Amortization	-	55,389	56,454
	<u>83,000</u>	<u>124,658</u>	<u>95,413</u>
	<u>\$ 1,185,572</u>	<u>\$ 1,108,672</u>	<u>\$ 973,379</u>
	2024 Budget	2024 Actual	2023 Actual
Protective Services:			
Fire:			
Administration	1,850	1,467	-
Force and personnel	133,500	130,996	104,284
Alarms	2,000	1,628	2,648
Station and building	161,000	99,501	134,999
Equipment	179,000	252,605	127,221
Lease payments	34,895	30,342	31,643
Other fire services	67,300	57,104	64,833
	<u>579,545</u>	<u>573,643</u>	<u>465,628</u>
Other:			
Emergency measures	73,800	72,669	65,447
Animal and pest control	26,709	26,709	25,736
RSC Contributions - Public Safety	2,531	2,532	-
Amortization	-	340,348	304,152
	<u>103,040</u>	<u>442,258</u>	<u>395,335</u>
	<u>\$ 682,585</u>	<u>\$ 1,015,901</u>	<u>\$ 860,963</u>

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2024

14. PSA revenue and expense support (continued):

	2024 Budget		2024 Actual		2023 Actual
Transportation Services:					
Roads and streets:					
Street lights	\$ 58,300	\$	54,041	\$	50,577
Traffic signs	7,500		2,644		4,307
RSC Contributions - Transportation	2,964		2,964		7,552
	\$ 68,764	\$	59,649	\$	62,436
Environmental Health Services:					
Solid waste collection	\$ 313,000	\$	304,379	\$	327,148
Solid waste disposal	240,000		194,490		207,488
Recycling	62,500		41,424		126,946
	\$ 615,500	\$	540,293	\$	661,582
Environmental Development Services:					
RSC Contributions - Local planning	\$ 360,824	\$	360,820	\$	326,600
Other community development	7,000		2,229		3,494
Contribution to RSC- Economic development	41,984		41,984		55,152
Tourism	5,000		27,529		38,004
Contribution to RSC - Tourism	58,213		58,212		57,148
	\$ 473,021	\$	490,774	\$	480,398
Recreational and Culture Services:					
Community centres and halls	\$ 19,500	\$	58,096	\$	41,444
Community centre personnel	56,000		46,487		49,211
Parks and playgrounds	176,300		77,845		60,105
Parks personnel	32,925		29,909		20,189
Recreation personnel	69,300		76,417		46,881
Contribution to RSC - Recreation	330,158		326,422		218,293
Other recreation	89,050		84,869		35,693
Amortization	-		232,540		205,202
	\$ 773,233	\$	932,585	\$	677,018

RURAL COMMUNITY OF HANWELL

Schedule 1 - Consolidated Comparison of Revenue and Expenditures to Budget and Previous Year

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
General Services:			
Revenue:			
Property tax warrant	\$ 3,677,569	\$ 3,677,569	\$ 3,347,503
Tourism	80,000	119,776	98,780
Fire protection	109,305	150,703	130,266
Facility rental	25,000	72,035	55,624
Recreation	35,000	21,229	20,107
Building permits	127,157	140,256	140,460
Community events and rentals	38,000	94,886	40,246
Miscellaneous	50,000	77,163	65,776
Provincial grants	30,834	183,144	27,500
Community funding and equalization	28,113	28,113	36,835
Surplus of second previous year	57,563	57,563	42,180
Payment in lieu of taxes	134	134	243
	4,258,675	4,622,571	4,005,520
Expenditures:			
General government services	1,124,659	1,026,310	866,052
Protective services	647,690	645,211	525,168
Transportation services	68,764	59,649	62,436
Environmental health services	615,500	540,293	661,582
Environmental development services	473,021	490,774	480,398
Recreation and cultural services	773,233	700,045	471,816
Fiscal services	555,808	1,161,363	935,969
	4,258,675	4,623,645	4,003,421
Surplus (deficit) for the year	\$ -	\$ (1,074)	\$ 2,099

RURAL COMMUNITY OF HANWELL

Schedule 2 - Consolidated General Operating Fund - Revenue and Expenditures Support

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
General Government Services:			
Legislative:			
Mayor	\$ 24,905	\$ 24,823	\$ 23,088
Councillors	135,072	129,123	99,852
Professional development	6,000	3,181	4,433
Other legislative expenses	4,500	2,236	2,540
	<u>170,477</u>	<u>159,363</u>	<u>129,913</u>
Administrative:			
Salaries - admin	369,104	355,391	277,649
Other admin	11,000	12,912	4,454
Legal services	60,000	3,714	62,407
Office building	121,400	114,601	112,399
Other expenses	34,500	44,323	12,447
	<u>596,004</u>	<u>530,941</u>	<u>469,356</u>
Financial management and common services:			
External audit	30,000	30,000	19,762
Civic relations	18,300	9,858	13,409
Cost of assessment	208,647	208,647	186,901
Regional & collaborative services	18,231	18,232	7,752
	<u>275,178</u>	<u>266,737</u>	<u>227,824</u>
Other general administrative services:			
Public liability insurance	60,000	42,849	31,688
Grants to organizations	8,000	7,550	7,271
Other general government services	15,000	18,870	-
	<u>83,000</u>	<u>69,269</u>	<u>38,959</u>
	<u>\$ 1,124,659</u>	<u>\$ 1,026,310</u>	<u>\$ 866,052</u>

RURAL COMMUNITY OF HANWELL

Schedule 2 - Consolidated General Operating Fund - Revenue and Expenditures Support
(continued)

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
Protective Services:			
Fire:			
Administration	\$ 1,850	\$ 1,467	\$ -
Force and personnel	133,500	130,996	104,284
Alarms	2,000	1,628	2,648
Station and building	161,000	99,501	134,999
Equipment	179,000	252,605	127,221
Other fire services	67,300	57,104	64,833
	<u>544,650</u>	<u>543,301</u>	<u>433,985</u>
Other:			
Emergency measures	73,800	72,669	65,447
Animal and pest control	26,709	26,709	25,736
RSC Contributions - Public Safety	2,531	2,532	-
	<u>103,040</u>	<u>101,910</u>	<u>91,183</u>
	<u>\$ 647,690</u>	<u>\$ 645,211</u>	<u>\$ 525,168</u>
Transportation Services:			
Roads and streets:			
Street lights	\$ 58,300	\$ 54,041	\$ 50,577
Street signs	7,500	2,644	4,307
RSC Contributions - Transportation	2,964	2,964	7,552
	<u>\$ 68,764</u>	<u>\$ 59,649</u>	<u>\$ 62,436</u>

RURAL COMMUNITY OF HANWELL

Schedule 2 - Consolidated General Operating Fund - Revenue and Expenditures Support
(continued)

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
Environmental Health Services:			
Solid waste collection	\$ 313,000	\$ 304,379	\$ 327,148
Solid waste disposal	240,000	194,490	207,488
Recycling	62,500	41,424	126,946
	\$ 615,500	\$ 540,293	\$ 661,582
Environmental Development Services:			
RSC Contributions - Local planning	\$ 360,824	\$ 360,820	\$ 326,600
Other community development	7,000	2,229	3,494
Contribution to RSC- Economic development	41,984	41,984	55,152
Tourism	5,000	27,529	38,004
Contribution to RSC - Tourism	58,213	58,212	57,148
	\$ 473,021	\$ 490,774	\$ 480,398
Recreation and Culture Services:			
Community centres and halls	\$ 19,500	\$ 58,096	\$ 41,444
Community centre personnel	56,000	46,487	49,211
Parks and playgrounds	176,300	77,845	60,105
Park personnel	32,925	29,909	20,189
Recreation personnel	69,300	76,417	46,881
Contribution to RSC - Recreation	330,158	326,422	218,293
Other recreation	89,050	84,869	35,693
	\$ 773,233	\$ 700,045	\$ 471,816
Fiscal Services:			
Debt charges:			
Principal	\$ 85,000	\$ 85,000	\$ 83,000
Interest on long-term debt	59,413	59,414	61,581
Bank charges	1,500	1,558	1,193
Deficit of 2nd prior year	628	628	26,530
Lease payments	34,895	30,342	31,643
	181,436	176,942	203,947
Capital expenditures	224,372	434,421	62,022
Transfers to reserves	150,000	550,000	670,000
	374,372	984,421	732,022
	\$ 555,808	\$ 1,161,363	\$ 935,969