

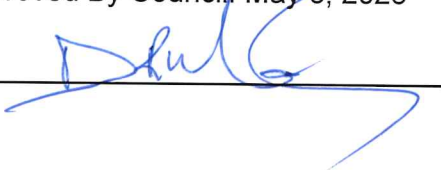


Hanwell Rural Community 2025 Annual Report



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Date Approved By Council: May 6, 2026

Mayor: 

Clerk: 

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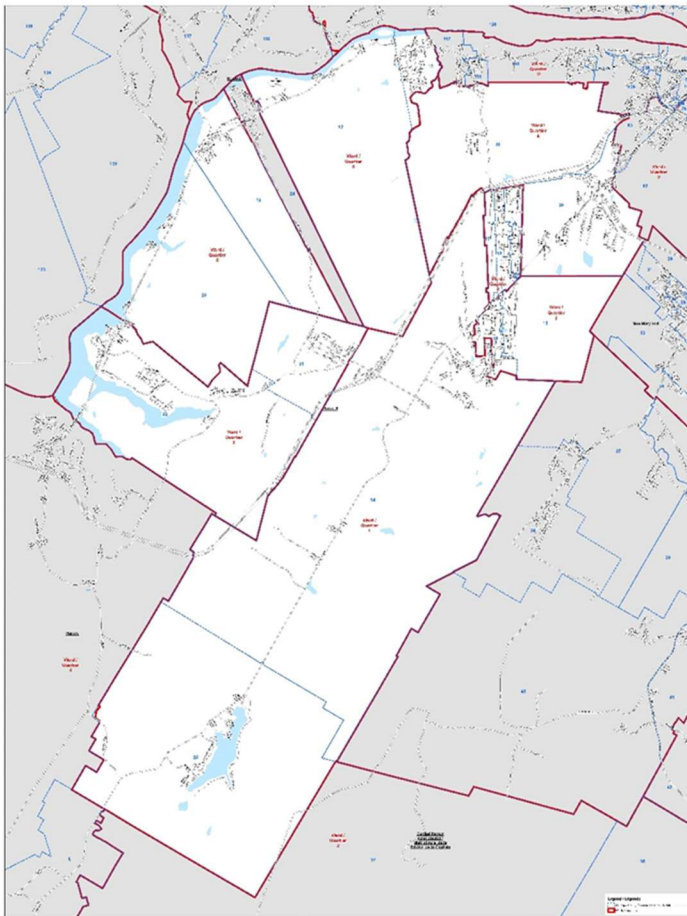
Introduction

Per Section 105 of the Local Governance Act, S.N.B. 2017, c.18, a local government is required to prepare an annual report containing information prescribed by Section 4 of the New Brunswick Regulation 2018-54, under the Act. The information required in the annual report includes, but is not limited to, governance and financial information, information respecting the delivery of local government services, and information respecting grants and economic development activities for the preceding fiscal year.

In accordance with Section 105(3) of the Act, Section 6 of the New Brunswick Regulation 2018-54 further requires that the annual report be posted to the local government's website and be available for public examination in the clerk's office during regular business hours.

Hanwell Rural Community's report contains herein general information about the municipality as well as detailed information regarding the municipal council, council meetings, and the types of services provided by the municipality with their budgeted and actual cost.

Consolidated Financial Statements for 2025 were prepared by KPMG LLP and have been included at the end of this report.



About Hanwell Rural Community

Hanwell was formed on May 23, 2014. On January 1, 2023, a portion of the Local Service Districts of Upper Kingsclear and Island View amalgamated with Hanwell to form a new community – Hanwell Rural Community. The new municipality consists of six (6) wards, and its council is comprised of one (1) mayor and eight (8) councillors; a councillor from each ward and two (2) councillors at large.

The municipality's borders extend westward, along NB Route 102, from the Fredericton City limits to Longs Creek bridge, and southwest, along NB Route 640, to the Harvey boundary, encompassing Yoho Lake.

Hanwell Rural Community currently has a population of approximately 7,500, and includes an industrial/business park, businesses, residential subdivisions, rural properties, a volunteer fire department (Upper Kingsclear Hanwell Fire Department) with three (3) fire stations located in Upper Kingsclear, Hanwell, and

Island View, five (5) parks/playgrounds, sports fields, a trail system with an accessibility loop, and a bicycle skills park. Hanwell Rural Community also has a Recreation Services Agreement with the City of Fredericton and a Community Use of Schools Agreement with Hanwell Park Academy school for use of gymnasium, arena, field, and playground facilities.

Mayor's Message

On behalf of Hanwell Council and staff, we are pleased to present the 2025 Annual Municipal Report. As we reflected on 2025, our organization celebrated a year of delivering meaningful community planning, upgrades to our fire department, and new construction or upgrades to our parks for our residents.

Council and staff understood the immense challenges faced by our community, especially when resources were limited and knowing that our residents were facing rising costs of living. Our focus was to help residents and our commercial partners live healthy and fulfilling lives, while maintaining a low tax rate.

Protecting the environment by working with our provincial partners and residents to draft a Climate Change Adaption Plan as well as a Community Wildfire Resiliency Plan that will benefit us now and for future generations.

In 2023, the Upper Kingsclear Fire Department, as well as the Kingsclear Local Service District, was annexed to Hanwell as part of the province's Government Reform Initiative. Hanwell is very fortunate to have dedicated volunteers that make up our Upper Kingsclear Hanwell Fire Department, but it does come at a cost. Over the next 10 years, upgrades to equipment and fire trucks will be necessary, so it is imperative that funds are budgeted annually for future expenditures. This year, as indicated in the report, a new fire truck pumper was purchased as well as bunker gear and various pieces of equipment.

Last year was also busy with the Recreation Department as council and staff worked very hard to complete the Recreation Master Plan which will be adopted in 2026. We are also pleased to provide our residents of Yoho with a newly constructed playground, park, and pavilion for everybody's enjoyment.

Over the last 5 years, council has heard from our residents that as they age, they want to downsize but must move outside of the community due to a shortage of senior complexes, care homes, or affordable housing. With this in mind, we purchased 17 acres on the Hanwell Road as well as 40 acres on Lunn Lane for future development. In June 2025, we hired a company to work with council and the province to determine what type of care facilities might be needed in Hanwell and we are looking forward to receiving the needs assessment report by mid-2026.

As the election is scheduled for May 11, 2026, I would like to thank our members of council that reigned during the 2021-2025 term, our staff, fire department, stakeholders, and our residents for committing yourself to ensuring Hanwell is the "best place to live, work, and play", and wish the new council a successful term.

Sincerely,

Mayor Dave Morrison

2025 Council Composition of Hanwell Rural Community



Mayor
Dave Morrison



Deputy Mayor
Susan Jonah
Ward 1



Councillor
Holly Hyslop
Ward 2



Councillor
Tim Fox
Ward 3



Councillor
David Holt
Ward 4
(Resigned Nov. 2025)



Councillor
Jarred Dooley
Ward 5



Councillor
Lee Crouse
Ward 6



Councillor
Darren MacKenzie
Councillor at Large



Councillor
Candice Dekleva
Councillor at Large

Council Remuneration

Position	2025 Remuneration
Mayor	\$ 25,290.00
Deputy Mayor	\$ 18,758.00
Councillor (per)	\$ 16,945.00

For 2025, a budget of \$11,000 for professional development expenses and a budget of \$1,290 for other legislative expenses was allotted to council.

Annual salaries for members of council include any committee-related attendance or work; however, should any member of council miss pay or salary from their regular employment for council-related functions or work, a per diem of \$300.00 will be paid to that council member upon authorization by council.

Regular Council Meetings

Council meets for regular council meetings on the third Wednesday of each month in Council Chambers, located at the municipal office. All council meetings are open to the public. The following table represents Council's attendance record for all regular council meetings held in 2025.

✓ = present ✗ = absent ● = virtual attendance	January 15	February 19	March 19	April 16	May 21	June 18	July 16	August 20	September 17	October 15	November 19	December 17
Mayor Morrison	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Deputy Mayor Jonah	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
Councillor Crouse	✓	●	✓	✓	✓	✓	●	✓	✗	✓	✓	●
Councillor Dekleva	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓
Councillor Dooley	✓	✓	✓	✓	✓	✓	✓	✓	●	✓	✓	✓
Councillor Fox	●	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
Councillor Holt	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	
Councillor Hyslop	✓	✓	✓	✓	✓	✓	●	●	✓	✓	✓	✓
Councillor MacKenzie	✓	✓	✓	✓	●	✓	✓	✓	✓	✓	✓	✓

Special Council Meetings and Emergency Council Meetings

There were seven (7) special council meetings, and one (1) emergency council meeting held in 2025. The following tables represent the agenda items and council attendance for the special council meetings and emergency council meeting.

Date of Special Meeting	Agenda Item(s) for Special Meeting
March 25	<ul style="list-style-type: none"> • Presentation – Audited Financial Statements • Presentation – Black Arcs Inc. • Land for Public Purposes – Tranquil Valley Estates Subdivision • Canada Community Building Fund • <i>Closed Session</i>
May 8	<ul style="list-style-type: none"> • Community Energy and Emissions Plan (CEEP) • Playground Equipment – Yoho Park • Lawn Maintenance – Hanwell Place • Plug-In NB Charging Rebates for Business • Changes for Council Composition and/or Wards • Donation Request – Fredericton High School (FHS) Safe Grad • <i>Closed Session</i>
July 9	<ul style="list-style-type: none"> • <i>Closed Session</i>
July 28	<ul style="list-style-type: none"> • UMN B Voting Nomination • <i>Closed Session</i>
August 26	<ul style="list-style-type: none"> • Presentation – Councillor Dekleva – Review of Hanwell Health Needs • DTI Update • Donation Request – 2025 Kidney Walk • <i>Closed Session</i>
Emergency Meeting September 22	<ul style="list-style-type: none"> • Transfer of Funds from Capital Reserve Fund to General Operating Fund
October 28	<ul style="list-style-type: none"> • Recycling • Physician Recruitment • Mayor and Council Compensation • Remuneration By-Law #28-2022 Amendment – First Reading • <i>Closed Session</i>
November 6	<ul style="list-style-type: none"> • Rescind Motion #23-10-2025 • Woods Road Entrance Tender Awarding

	March 25	May 8	July 9	July 28	August 26	September 22	October 28	November 6
✓ = present ✗ = absent ● = virtual attendance								
Mayor Morrison	✓	✓	✓	✓	✓	✓	✓	✓
Deputy Mayor Jonah	✓	✓	✓	✓	✓	✓	✓	✓
Councillor Crouse	✗	✗	✓	✗	✗	✗	✗	✓
Councillor Dekleva	✓	✓	✓	✗	✓	✓	✓	✓
Councillor Dooley	✓	✓	✓	✓	✓	✓	●	✓
Councillor Fox	✓	✓	✓	✓	✓	✓	✓	✓
Councillor Holt	✓	✓	✓	✓	✗	✗	✗	✗
Councillor Hyslop	✓	✓	✗	✓	●	✓	✓	✓
Councillor MacKenzie	✓	✓	✓	✓	✓	✓	✓	✓

Closed Sessions

A council may move into closed session during a regular or special meeting of council for reasons provided for under Section 68(1) of the *Local Governance Act*. During 2025, the council of Hanwell Rural Community moved into closed session during meetings held on the following dates for the following reasons:

January 15	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(b) of the <i>Local Governance Act</i> • Matter pursuant to s.68(1)(d) of the <i>Local Governance Act</i>
February 19	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(d) of the <i>Local Governance Act</i> • Matter pursuant to s.68(1)(f) of the <i>Local Governance Act</i>
March 19	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(c) of the <i>Local Governance Act</i>
March 25	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(c) of the <i>Local Governance Act</i>
May 8	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(f) of the <i>Local Governance Act</i>
May 21	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(b) of the <i>Local Governance Act</i> • Matter pursuant to s.68(1)(c) of the <i>Local Governance Act</i>
July 9	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(d) of the <i>Local Governance Act</i> • Matter pursuant to s.68(1)(f) of the <i>Local Governance Act</i>
July 16	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(d) of the <i>Local Governance Act</i> • Matter pursuant to s.68(1)(f) of the <i>Local Governance Act</i>
July 28	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(d) of the <i>Local Governance Act</i>
August 20	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(c) of the <i>Local Governance Act</i>
August 26	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(c) of the <i>Local Governance Act</i>
September 17	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(b) of the <i>Local Governance Act</i>
October 15	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(b) of the <i>Local Governance Act</i>
October 28	<ul style="list-style-type: none"> • Matter pursuant to s.68(1)(c) of the <i>Local Governance Act</i> • Matter pursuant to s.68(1)(d) of the <i>Local Governance Act</i>

Council Committees

Hanwell Rural Community has various mandated, standing, and special/ad-hoc committees. Some committees are committees of the whole while others appoint some members of council. At times, a councillor is appointed to an outside committee as a representative of Hanwell Rural Community. These committees serve to provide recommendations to council throughout the year.

Mayor Morrison	- Infrastructure and Parks Management Committee, Finance Committee, Board Member of Capital Region Service Commission, Public Safety Committee (Chair), Capital Region Service Commission Governance Committee, Hanwell Days Committee
Deputy Mayor Jonah	- Rural Plan Review Committee, Infrastructure and Parks Management Committee, Finance Committee, Economic Expansion Committee, Hanwell Days Committee
Councillor Crouse	- Infrastructure and Parks Management Committee, Finance Committee, Hanwell Days Committee
Councillor Dekleva	- Rural Plan Review Committee, Infrastructure and Parks Management Committee, Finance Committee, Hanwell Days Committee
Councillor Dooley	- Infrastructure and Parks Management Committee, Finance Committee, Hanwell Days Committee
Councillor Fox	- Rural Plan Review Committee, Infrastructure and Parks Management Committee, Finance Committee, Governance and Policies Committee, Community Development Committee, Hanwell Days Committee
Councillor Holt	- Infrastructure and Parks Management Committee, Finance Committee, Hanwell Days Committee
Councillor Hyslop	- Infrastructure and Parks Management Committee, Finance Committee, Hanwell Days Committee
Councillor MacKenzie	- Infrastructure and Parks Management Committee, Finance Committee, Governance and Policies Committee, Hanwell Days Committee

Hanwell Rural Community Staff

In 2025, Hanwell Rural Community had seven (7) permanent staff positions which included CAO/Treasurer, Clerk/Assistant Treasurer, Assistant Clerk/Records Manager, Recreation and Parks Director, Administrative and Communications Coordinator, Building Maintenance Officer, and a Facilities and Program Coordinator (hired in June 2025). The rural community also employed seven (7) students for year-round gym attendant and summer parks and recreation positions.

A consultant was contracted to provide a comparative human resource needs assessment to determine staffing needs based on services provided by Hanwell Rural Community and comparative to similar-sized local governments. The assessment is scheduled to be completed in 2026.

Community Events

Throughout 2025, Hanwell Rural Community hosted several annual community events and socials, including the addition of themed trivia nights and a fall apple and pumpkin pie social.

Easter Eggstravaganza – a family-focused event held at Hanwell Place with an attendance of around 180 parents and children who made their way around the hall to different stations, creating a variety of spring-themed crafts, and stopping to meet a very special guest to collect some Easter treats!



Hanwell Days - a weekend of community fun with something for everyone! The 2025 Hanwell Days kicked off Friday June 13 with a family movie night under the stars at David Bell Memorial Park, followed by events throughout the day on Saturday June 14 including a family breakfast put on by the Upper Kingsclear Hanwell Fire Department at Station 1, afternoon kid's event and live local music, and an all-ages outdoor music concert featuring Carlin Fraser Band (Chris Stapleton tribute), Bobcaygeon (Tragically Hip tribute), and Green River Revival (CCR tribute). Hanwell Days wrapped up on Sunday June 15 with a golf tournament held at Kingswood Golf Course. The 2025 Hanwell Days saw approximately 500 to 600 attendees of all ages throughout various events over the weekend as well as 17 teams of four (4) registered for the golf tournament.



Pie Socials – summer and fall pie socials were held on July 17 (strawberry), August 12 (blueberry), and September 25 (apple and pumpkin). With an average of 70 people registered for each social event, it was a great opportunity for members of the community to come out to Hanwell Place, enjoy some delicious pie, and chat with members of the Hanwell Rural Community council and recreation staff.

Trivia Nights – geared for families, themed trivia nights were held every other week over the summer months, providing a chance for attendees to work their brains and engage in some friendly competition.

Spookfest – Hanwell Rural Community’s annual Halloween event, Spookfest, saw upwards of 400 parents and children dressed up in costume and navigating their way through room after room of fun. The event included indoor activities such as Halloween-themed games and crafts in the main hall, a creepy laboratory-themed mystery food touch room, a barren wasteland-themed cowboy shootout room, a haunted hallway for those who dared to enter, and a cauldron full of Halloween treats. Outside, attendees enjoyed story-time hosted by the Hanwell Witch, and spider dogs and a touch-a-truck fire truck experience put on by the Upper Kingsclear Hanwell Fire Department.



Remembrance Day Ceremony – In honour of those who have served and continue to serve, Hanwell Rural Community hosted a Remembrance Day Ceremony at the Veteran’s Memorial, located at Hanwell Place. After the ceremony, attendees were invited into the hall at Hanwell Place for a light luncheon. The ceremony saw approximately 350 guests in attendance.

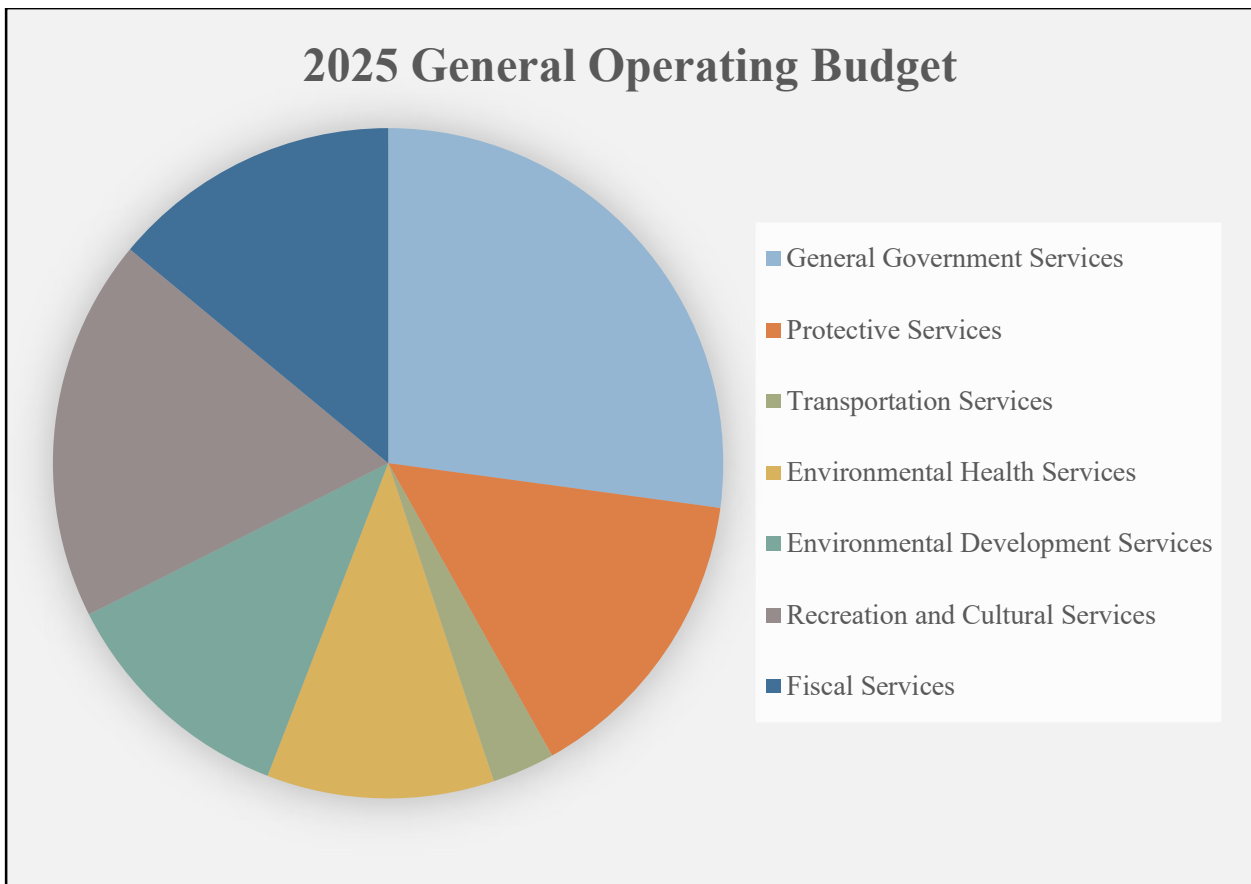


Christmas Open House and Tree Lighting Ceremony – one of Hanwell community’s most favourite events, the 2025 Christmas Open House and Tree Lighting Ceremony saw Hanwell Place host around 300 community members. The evening kicked off outside with hot chocolate, a speech from Mayor Morrison, and the lighting of the 25’ Hanwell Christmas tree. Following the tree lighting, guests were invited into the hall to meet our special guest, Santa Claus, and treated to a light supper of sandwiches and wraps, fruit and vegetable trays, and, of course, Christmas baked goodies.

2025 Budget

For 2025, Hanwell Rural Community had a total tax base of \$1,118,057,700, and a total general operating budget of \$4,711,313. Community services provided for by the municipality’s general operating budget fall under these departmental areas: General Government Services, Protective Services, Transportation Services, Environmental Health Services, Environmental Development Services, Recreation and Cultural Services, and Fiscal Services.

The following is a chart illustrating the breakdown of the general operating budget by department, a brief explanation of the services provided within each department, and the budgeted amounts versus actual expenditures:



General Government Services

Responsible for the overall governance and financial administration of Hanwell Rural Community, general government services includes council functions, general and financial management, legal matters, civic relations, and compliance with legislation.

General government services expenditures for 2025 also include fees paid to the Capital Region Service Commission for the provincially mandated service of cooperative and regional planning in the amount of \$8,664.00.

Total Budget	\$ 1,278,325
Total Expenditures	\$ 1,118,868

Protective Services

Protective services is responsible for the provision of fire protection, emergency measures, and other protective measures such as public safety and animal and pest control. Hanwell Rural Community has one (1) volunteer fire department, the Upper Kingsclear Hanwell Fire Department, with three (3) stations located in Upper Kingsclear, Hanwell, and Island View.

Protective services expenditures for 2025 also include fees paid to the Capital Region Service Commission for the provincially mandated service of regional public safety committee in the amount of \$2,696.00.

Total Budget	\$ 694,337
Total Expenditures	\$ 730,142

*overage due to expenses for Community Wildfire Resiliency Plan; grant to be received in 2026

Transportation Services

Transportation services is responsible for street lighting, signage, and other transportation-related expenditures such as those costs for provincially mandated services provided by the Capital Region Service Commission.

In 2025, Hanwell Rural Community paid fees to the Capital Region Service Commission in the amount of \$1,124.00 for these mandated regional transportation services.

The transportation services budget for 2025 also included funds to complete phase one of a traffic study to examine the congestion around the business/industrial park in Hanwell. Phase two is slated to be conducted in 2026.

DTI continues to provide road and street service as they did prior to the reform.

Total Budget	\$ 142,123
Total Expenditures	\$ 97,445

Environmental Health Services

Environmental health services is responsible for the provision of solid waste collection, solid waste disposal, and recycling services.

Total Budget	\$ 517,000
Total Expenditures	\$ 493,520

Environmental Development Services

Services in this category are provided by the Capital Region Service Commission and include planning and zoning, economic development, and research and planning studies. Environmental development services also includes tourism initiatives provided by Fredericton Tourism.

During 2025, Hanwell Rural Community paid fees in the amount of \$483,836.00 to the Capital Region Service Commission for the provincially mandated services of regional tourism promotion (\$45,692.00), regional economic development (\$44,236.00), community development (\$8,040.00), and local planning (\$385,868.00).

Total Budget	\$ 550,838
Total Expenditures	\$ 518,443

Recreation and Cultural Services

Hanwell Rural Community has five (5) parks, a ballfield, a soccerfield, a trail system with an accessibility loop, a multipurpose hard surface, an outdoor gym, a bicycle skills park, and organizes several special events and recreational programming throughout the year. In addition, Hanwell Rural Community has a Recreation Services Agreement with the City of Fredericton and a Community Use of Schools Agreement with Hanwell Park Academy school for use of gymnasium, arena, field, and playground facilities.

Recreation and cultural services is responsible for the maintenance, operation, and personnel of Hanwell Rural Community’s recreational and cultural facilities, including parks, playgrounds, and the Hanwell Place community centre.

Recreation and cultural services expenditures for 2025 also include fees paid to the Capital Region Service Commission for the provincially mandated service of regional sport, recreation and cultural infrastructure support and development in the amount of \$3,672.00.

Total Budget	\$ 869,488
Total Expenditures	\$ 853,354

Fiscal Services

Fiscal services includes capital purchases, projects, debenture repayments, and transfers to capital reserves fund (for future expenditures/projects). Monetary contributions made by the Federal or Provincial governments to capital projects are recorded under revenue, while the project expenses are recorded under fiscal services.

Total Budget	\$ 659,202
Total Expenditures	\$ 997,372

*monetary contributions from Capital Reserve Fund for land purchases not included, only expenses

Donations, Grants, Financial Contributions

The following donations, grants, and/or financial contributions of \$500.00 or more were made by council in 2025:

Amount	Recipient	Cause
\$ 1,000.00	Coldest Night of the Year	Rest Stop Sponsorship – Fredericton Walk
\$ 500.00	Kidney Foundation of Canada, NB Chapter	Kidney Walk - Fredericton
\$ 500.00	NB Crime Stoppers	40 th Anniversary Celebration
\$ 1,000.00	Kingsclear Community School	Field Trip Opportunities for Students - 2025-26 School Year
\$ 500.00	Canadian Down Syndrome Swim Team	Competitive Swimming Goals
\$ 800.00	Fredericton District Soccer Assoc. U17 Premiership Girls	Competitive Soccer Goals
\$ 2,000.00	Hanwell Park Academy	Christmas Donation for Families
\$ 750.00	Fredericton Homeless Shelters	Year-End Donation for Programs
\$ 750.00	Fredericton Community Kitchens	Year-End Donation for Programs
\$ 1,000.00	Kingsclear Community School	Christmas Donation for Families
\$ 750.00	Salvation Army	Year-End Donation for Programs
\$ 2,500.00	Coldest Night of the Year	John Howard Society Fundraiser
\$ 3,000.00	Greener Village	Year-End Donation for Programs

Capital Projects, Improvements, and Repairs

Hanwell Rural Community moved forward with various capital projects during 2025. The following is a list of completed/almost completed projects and their respective costs (*all costs reflect the HST rebate provided to Hanwell Rural Community and are rounded to the nearest dollar*):

1. Yoho Park

Aspect of Project	Contractor	Description	Cost
Site Engineering	GEMTEC Consulting Engineers and Scientists	Provided engineering services to oversee the site preparation, including the parking lot.	\$ 6,196.00
Site Clearing	Matt Harris & Son Ltd.	Land clearing at the site and debris removal.	\$ 26,473.00
Groundwork	TMC Contracting	Groundwork for the new park, including parking lot, was carried out by TMC Contracting.	\$ 30,848.00
Playground Structures	JIL Engineering & Construction Ltd.	Playground structures for the new park were purchased from and installed by JIL Engineering & Construction Ltd.	\$133,157.00
Engineering for Pavilion Structure	Lockstead Engineering	Engineering services for the timber frame pavilion structure at the new park.	\$ 2,816.00
Pavilion Structure	Atlantic Post & Beam Construction Ltd.	A timber frame pavilion was constructed to provide a shaded rest area at the new park.	\$ 42,903.00
<i>*Landscaping to be completed in 2026</i>			
Total Project Cost			\$242,393.00



2. Drainage - Upper Kingsclear Hanwell Fire Station 3

Due to water drainage issues at Upper Kingsclear Hanwell Fire Station 3, located in Island View, TMC Contracting was contracted to dig up and install new drain tile and new decks in the front and rear of the structure. Paving, included in this cost, was unable to be completed due to the time of year and will be completed in 2026.

Repair Cost: \$58,439.00

3. Water Treatment Systems – Upper Kingsclear Hanwell Fire Stations 1 and 2

Water treatment systems, including water softener, air induction, and UV filtration, were installed at Upper Kingsclear Hanwell Fire Stations 1 and 2 to address and improve water issues.

Station 1	\$ 6,883.00
Station 2	<u>6,518.00</u>

Improvement Cost: \$13,401.00

4. Heating System – Hanwell Place Community Centre

Repair services were carried out by PMC Energy Ltd. to address and repair the heating issues in the Community Centre at Hanwell Place.

Repair Cost: \$12,404.00

5. Landscaping – Hanwell Place Playground

New wood chips were purchased from JIL Engineering & to improve the safety of the playground at Hanwell Place.

Improvement Cost: \$ 7,425.00

6. Permanent Electricity – David Bell Memorial Park

Aspect of Project	Contractor	Description	Cost
Groundwork and Pad	TMC Contracting	Site preparation and construction of a pad to support a shipping container to house the permanent electricity for the site.	\$ 1,773.00
Shipping Container		An existing asset housed at Upper Kingsclear Hanwell Fire Station 1 moved to David Bell Memorial Park to house the electrical panel.	N/A
Installation of Permanent Electricity	D Mac Electrical	Installation of electrical equipment to provide permanent 200-amp electrical service to the site.	\$ 3,470.00
Total Project Cost			\$ 5,243.00

7. Tree Removal – Hanwell Place Nature Trail

Wildwood Tree Services Inc. was contracted to remove uprooted and decayed trees that were presenting a safety hazard on the trail system.

Improvement Cost: \$ 4,954.00

8. Landscaping at Bicycle Skills Park

New mulch was purchased to make visual and safety improvements to the site.

Improvement Cost: \$ 2,503.00

Capital Expenditures

In addition to capital projects, improvements, and repairs, Hanwell Rural Community had several capital expenditures during the year. Listed in the table below are 2025 capital expenditures (*all costs reflect the HST rebate provided to Hanwell Rural Community and are rounded to the nearest dollar*):

Product/Service	Cost
Fire Truck (Pumper) for Upper Kingsclear Hanwell Fire Department (<i>reflective of total cost, includes \$200,000.00 deposit paid in 2024 reflected in the 2024 Annual Report</i>)	\$1,217,138.00
Land Purchase (Hanwell Road) (<i>cost includes purchase price, legal fees, and any purchase conditions fees</i>)	\$640,728.00
Land Purchase (Lunn Lane) (<i>cost includes purchase price, legal fees, and any purchase conditions fees</i>)	\$303,620.00
Bunker Gear and Uniforms for Upper Kingsclear Hanwell Fire Department	\$ 46,971.00
Fire Prop Machine Simulator for Upper Kingsclear Hanwell Fire Department	\$ 11,300.00
Tables and Banquet Chairs (Plus Chair Dolly) for Upper Kingsclear Community Centre	\$ 11,037.00
Fire Hose for Upper Kingsclear Hanwell Fire Department	\$ 10,950.00
Conversion of Rescue Fire Truck for Recreation Student Use (Including Truck Box and Installation, Repairs, and Maintenance)	\$ 9,132.00
Land Purchase (Marlow Road) (<i>cost includes purchase price, legal fees, and any purchase conditions fees</i>)	\$ 8,400.00
Industrial Fan for Upper Kingsclear Hanwell Fire Department	\$ 8,233.00
Refrigerator for Upper Kingsclear Community Centre	\$ 5,053.00
Door Opener for Bay Door at Upper Kingsclear Hanwell Fire Station	\$ 4,733.00
Ariens Snowblower for Community Centre	\$ 4,703.00
Fire Q Communication Application/Program	\$ 3,650.00
Rescue Equipment (Rope) for Upper Kingsclear Hanwell Fire Department	\$ 3,432.00
Sound Equipment and Speakers	\$ 3,004.00
Picnic Tables	\$ 2,103.00

Community Planning

During 2025, Hanwell Rural Community launched a redesigned website to ensure easier and better access to community information for residents. Hanwell Rural Community also entered into contracts to initiate the following plans and studies falling under the umbrella of community planning (*all costs reflect the HST rebate provided to Hanwell Rural Community and are rounded to the nearest dollar*):

Community Plan/Study	Cost
Community Wildfire Resiliency Plan (<i>To be completed in 2026, cost is reflective of amount paid in 2025</i>)	\$ 62,700.00
Recreation Master Plan (<i>To be completed in 2026</i>)	\$ 62,306.00
Transportation Study (Phase 1) (<i>Phase 2 to be completed in 2026</i>)	\$ 28,032.00
Climate Change Adaptation Plan (<i>To be completed in 2026</i>)	N/A (Provincial Funding in Place)

Consolidated Financial Statements – December 31, 2025

The following attachment contains the consolidated financial statements for Hanwell Rural Community as at December 31, 2025:

Consolidated Financial Statements of

**RURAL COMMUNITY OF
HANWELL**

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP
Frederick Square
77 Westmorland Street, Suite 700
Fredericton, NB E3B 6Z3
Canada
Telephone 506 452 8000
Fax 506 450 0072

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, 2025
- the consolidated statement of operations and changes in accumulated surplus for the year then ended
- the consolidated statement of changes in net financial 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, 2025 and its consolidated results of operations, its consolidated changes in net financial 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.



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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.



Page 3

- 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 23, 2026

RURAL COMMUNITY OF HANWELL

Consolidated Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash (note 2)	\$ 3,267,892	\$ 3,739,761
Accounts receivable	726,159	88,935
Federal government and its agencies (note 3)	62,110	37,754
Pension asset (note 4)	76,900	64,600
	<u>4,133,061</u>	<u>3,931,050</u>
Financial liabilities:		
Accounts payable and accrued liabilities	136,882	231,137
Sick leave accrual (note 6)	78,900	61,500
Deferred revenue (note 7)	2,034,413	1,591,804
Long-term debt (note 8)	2,803,000	1,858,000
	<u>5,053,195</u>	<u>3,742,441</u>
Net financial assets (debt)	(920,134)	188,609
Non financial assets:		
Tangible capital assets (note 5)	8,687,433	7,104,299
Prepaid expenses and deposits	77,158	65,544
	<u>8,764,591</u>	<u>7,169,843</u>
Accumulated surplus	<u>\$ 7,844,457</u>	<u>\$ 7,358,452</u>

See accompanying notes to consolidated financial statements.

On behalf of the Rural Community:

Signed by:

Dave Morrison

Mayor

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Signed by:

Jerril Parker

CAO/Treasurer

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RURAL COMMUNITY OF HANWELL

Consolidated Statement of Operations and Changes in Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Property tax warrant	\$ 4,237,730	\$ 4,237,731	\$ 3,677,569
Revenue from own sources (note 14)	363,500	459,511	589,576
Services provided to other governments	75,590	108,032	150,703
Community funding and equalization	21,392	21,392	28,113
Canada Community Building Fund	-	266,752	103,308
Other government transfers	11,000	24,500	183,278
	<u>4,709,212</u>	<u>5,117,918</u>	<u>4,732,547</u>
Expenses:			
General government services	1,397,427	1,262,547	1,108,672
Protective services	694,337	1,160,367	1,015,901
Transportation services	142,123	97,445	59,649
Environmental health services	517,000	493,520	540,293
Environmental development services	550,838	518,443	490,774
Recreation and cultural services	869,488	1,099,591	932,585
	<u>4,171,213</u>	<u>4,631,913</u>	<u>4,147,874</u>
Annual surplus	537,999	486,005	584,673
Accumulated surplus, beginning of year	-	7,358,452	6,773,779
Accumulated surplus, end of year	\$ -	\$ 7,844,457	\$ 7,358,452

See accompanying notes to consolidated financial statements.

RURAL COMMUNITY OF HANWELL

Consolidated Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Annual surplus	\$ 486,005	\$ 584,673
Acquisition of tangible capital assets	(2,317,167)	(553,599)
Amortization of tangible capital assets	731,326	628,277
Change in prepaid expenses	(11,614)	15,863
Proceeds on disposal of tangible capital assets	2,707	-
Change in net financial assets	(1,108,743)	675,214
Net financial assets (debt), beginning of year	188,609	(486,605)
Net financial assets (debt), end of year	\$ (920,134)	\$ 188,609

See accompanying notes to consolidated financial statements.

RURAL COMMUNITY OF HANWELL

Consolidated Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 486,005	\$ 584,673
Item not involving cash:		
Amortization of tangible capital assets	731,326	628,277
Changes in non-cash operating working capital:		
Decrease (increase) accounts receivable	(637,224)	3,894
Decrease (increase) in prepaid expenses	(11,614)	15,863
Decrease (increase) in federal government receivable	(24,356)	229
Increase in pension asset	(12,300)	(22,100)
Increase (decrease) in accounts payable and accrued liabilities	(94,255)	137,735
Increase in post employment benefits payable	17,400	14,200
Increase in deferred revenue	442,609	252,831
	<u>897,591</u>	<u>1,615,602</u>
Financing activities:		
Payment of long-term debt	(88,000)	(85,000)
Proceeds of long-term debt	1,033,000	-
	<u>945,000</u>	<u>(85,000)</u>
Capital activities:		
Acquisition of tangible capital assets	(2,317,167)	(553,599)
Proceeds on disposal of tangible capital assets	2,707	-
	<u>(2,314,460)</u>	<u>(553,599)</u>
Increase (decrease) in cash	(471,869)	977,003
Cash, beginning of year	3,739,761	2,762,758
Cash, end of year	<u>\$ 3,267,892</u>	<u>\$ 3,739,761</u>

See accompanying notes to consolidated financial statements.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements

Year ended December 31, 2025

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)(d) 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 public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board (PSAB) of CPA Canada and the New Brunswick Municipal Reporting Handbook for Municipal Reporting.

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 5, 2024 and the Minister of Environment and Local Government on December 6, 2024.

(c) 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.

(d) 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, 2025

1. Significant accounting policies (continued):

(e) 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 eligible expenditures are incurred.

Government transfers that contain external stipulations, such as Canada Community Building Fund allocations, are recognized as liabilities until the conditions for use have been met.

Other revenue is recorded when it is earned.

(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) 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.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

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.

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.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(i) Use of estimates:

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards 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.

2. Cash:

	2025	2024
Unrestricted General Operating	\$ 16,676	\$ 75,476
General Capital Reserve	1,647,414	1,931,876
CCBF Funds	1,348,225	1,590,845
General Operating Reserve	230,337	127,234
General Capital	25,240	14,330
	\$ 3,267,892	\$ 3,739,761

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

3. Federal government and its agencies:

	2025	2024
Canada Revenue Agency (HST refund)	\$ 62,110	\$ 37,754

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

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, 2023 and resulted in an overall NB MEPP accrued benefit obligation of \$158,648,800 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, 2024:

- 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, 2023 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 \$9,496,000, a change of \$2,732,600 from the December 31, 2022 deficit of \$12,228,600. Based on the assumptions as at December 31, 2023, 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, 2023, the NB MEPP provides benefits for 332 retirees. Total benefit payments to retirees and terminating employees during 2025 are estimated to be approximately \$5,705,700 (actual 2024, \$8,265,100) in totality for the NB MEPP.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

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 7.93%. 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 2025 are estimated to be approximately \$10,714,400 (actual 2024 \$10,407,800 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 6 active employees covered by the NB MEPP is 42.7 (as at December 31, 2023)
- Benefit Payments were \$15,200 in 2024 and were estimated to be \$0 in 2025
- Combined Contributions were \$54,000 in 2024 and were estimated to be \$55,600 in 2025

In addition to determining the position of the NB MEPP as it relates to the Rural Community as at December 31, 2023, and December 31, 2024, NB MEPP's actuary performed an extrapolation of the December 31, 2024 accounting valuation to determine the estimated position as at December 31, 2025. The extrapolation assumes assumptions used as at December 31, 2025 remain unchanged from December 31, 2024. 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:

	2025	2024
Change in actuarial estimates	\$ 8,300	\$ 1,700
Accrued benefit asset (liability) at beginning of period	64,600	43,100
Pension expense for the year	(23,800)	(7,200)
Employer contributions	27,800	27,000
Accrued benefit asset (liability) at end of period	\$ 76,900	\$ 64,600

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

5. Tangible capital assets:

Cost	December 31, 2024	Additions	Disposals	December 31, 2025
Land	\$ 253,568	\$ 950,633	\$ -	\$ 1,204,201
Buildings	8,235,724	107,403	-	8,343,127
Machinery and equipment	1,371,509	-	-	1,371,509
Motor vehicles	2,298,367	1,017,138	-	3,315,505
Parks and playgrounds	1,555,561	241,993	(5,952)	1,791,602
	\$ 13,714,729	\$ 2,317,167	\$ (5,952)	\$ 16,025,944

Accumulated amortization	December 31, 2024	Amortization	Disposals	December 31, 2025
Buildings	\$ 3,954,995	\$ 223,732	\$ -	\$ 4,178,727
Machinery and equipment	748,378	133,920	-	882,298
Motor vehicles	1,577,388	287,778	-	1,865,166
Parks and playgrounds	329,669	85,896	(3,245)	412,320
	\$ 6,610,430	\$ 731,326	\$ (3,245)	\$ 7,338,511

Net book value	December 31, 2024	December 31, 2025
Land	\$ 253,568	\$ 1,204,201
Buildings	4,280,729	4,164,400
Machinery and equipment	623,131	489,211
Motor vehicles	720,979	1,450,339
Parks and playgrounds	1,225,892	1,379,282
	\$ 7,104,299	\$ 8,687,433

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

6. Sick leave accrual:

The Rural Community provides accumulating, non-vesting sick leave of 1.5 days per month for full-time employees. In accordance with PS 3255, the obligation for compensated absences is accrued based on expected future utilization attributable to services rendered to date. Given the size of the plan and the immateriality of the obligation, management estimated the liability using a simplified method without a formal actuarial valuation.

	2025	2024
Opening balance	\$ 61,500	\$ 47,300
Current period service cost	34,600	24,500
Benefit payments	(17,200)	(10,300)
	\$ 78,900	\$ 61,500

7. Deferred revenue:

	2025	2024
Balance beginning of year	\$ 1,591,804	\$ 1,338,973
CCBF funds received during the year	672,456	295,783
Interest earned	37,221	59,498
CCBF funds used during the year	(266,752)	(103,308)
Change in damage deposit balances	(316)	858
Balance end of year	\$ 2,034,413	\$ 1,591,804

Under PS 3410 and municipal policy, Canada Community Building Fund (CCBF) revenues are recognized as the related eligible expenditures are incurred; unspent funds and related interest are recorded as deferred revenue.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

8. Long-term debt:

	2025	2024
Debenture BT-37-2018 - Province of New Brunswick - 2.10% to 3.70% - due 2038 - OIC #17-0053	\$ 795,000	\$ 843,000
Debenture BW 51-2019 - Province of New Brunswick - 1.95% to 2.95% - due 2039 - OIC #18-0012	975,000	1,015,000
Debenture CH 30-2025 - Province of New Brunswick - 2.85% to 4.67% - due 2040 - OIC #24-0057	1,033,000	-
	\$ 2,803,000	\$ 1,858,000

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, 2025

10. Reserve funds:

All transfers to and from reserve funds must be authorized by Council resolution. The balance in the General Operating Reserve Fund may not exceed 5% of prior year budgeted operating expenditures, in accordance with the requirements of the Province of New Brunswick. The Rural Community is in compliance with these requirements.

	General Capital Reserve	General Operating Reserve	Total
Cash	\$ 1,647,414	\$ 230,337	\$ 1,877,751
Accumulated surplus, beginning	\$ 1,931,876	\$ 127,234	\$ 2,059,110
Interest earned	40,538	3,103	43,641
Transfers in	460,000	100,000	560,000
Transfers out	(785,000)	-	(785,000)
Accumulated surplus	\$ 1,647,414	\$ 230,337	\$ 1,877,751

Moved by Councillor Darren MacKenzie and seconded by Councillor David Hold to authorize CAO to transfer \$500,000 from the Capital Reserve Fund to the Capital Fund for the purchase of land.

Regular meeting of Council - April 16, 2025

Moved by Deputy Mayor Susan Jonah and seconded by Councillor Jared Dooley to authorize CAO to transfer \$285,000 from the Capital Reserve Fund to the Capital Fund for the purchase of land.

Regular meeting of Council - September 22, 2025

Moved by Deputy Mayor Susan Jonah and seconded by Councillor Candice Dekleva to authorize CAO to transfer \$460,000 from the General Operating Fund to the Capital Reserve Fund.

Regular meeting of Council - December 17, 2025

Moved by Deputy Mayor Susan Jonah and seconded by Councillor Darren MacKenzie to authorize CAO to transfer \$100,000 from the General Operating Fund to the Operating Reserve Fund.

Regular meeting of Council - December 17, 2025

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

10. Reserve funds (continued):

Treasury Account ***-1124-312, Interest 4.8%	\$ 230,337
Treasury Account ***-1996-639, Interest 6.3%	1,647,414
	<hr/>
	\$ 1,877,751

Certified by CAO/Treasurer

Signed by:



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RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

11. Segmented disclosure:

	General and fiscal	Protective services	Transportation	Environmental health	Environmental development	Recreation and culture	2025 Total	2024 Total
Revenue:								
Property tax warrant	\$ 1,155,967	\$ 1,062,414	\$ 89,220	\$ 451,859	\$ 474,678	\$ 1,003,593	\$ 4,237,731	\$ 3,677,569
Sale of service, fines and other fees	126,900	108,032	-	-	212,162	120,449	567,543	740,279
Community funding and equalization	5,836	5,363	450	2,281	2,396	5,066	21,392	28,113
Other government transfers	-	-	-	-	-	24,500	24,500	183,278
Canada Community Building Fund	-	-	-	-	-	266,752	266,752	103,308
	1,288,703	1,175,809	89,670	454,140	689,236	1,420,360	5,117,918	4,732,547
Expenses:								
Salaries and benefits	401,359	-	-	-	-	143,854	545,213	601,690
Goods and services	705,208	730,142	97,445	493,520	518,443	709,500	3,254,258	2,826,593
Amortization	54,864	430,225	-	-	-	246,237	731,326	628,277
Interest / lease payments	101,116	-	-	-	-	-	101,116	91,314
	1,262,547	1,160,367	97,445	493,520	518,443	1,099,591	4,631,913	4,147,874
Surplus (deficit) for the year	\$ 26,156	\$ 15,442	\$ (7,775)	\$ (39,380)	\$ 170,793	\$ 320,769	\$ 486,005	\$ 584,673

Segment totals agree to the Statement of Operations.

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

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					
Transfer from general operating fund to general capital fund	\$ 2,101	\$ -	\$ -	\$ -	2,101
Transfer from general operating fund to general capital reserve fund	(248,277)	248,277	-	-	-
Transfer from general operating fund to general operating reserve fund	(460,000)	-	-	460,000	-
Transfer from general capital reserve fund to general capital fund	(100,000)	-	100,000	-	-
Long-term debt principal repayment	-	785,000	-	(785,000)	-
Amortization expense	(88,000)	88,000	-	-	-
Change in amount recorded under PSA for defined benefit liability	731,326	(731,326)	-	-	-
Canada Community Building Fund revenue	(12,300)	-	-	-	-
Other fund adjustments	(266,752)	266,752	-	-	-
Total adjustments to annual surplus (deficit)	-	-	-	-	(2,101)
	(441,902)	656,703	100,000	(325,000)	-
Annual surplus (per statement of operations)	441,802	563	3,103	40,537	486,005
Annual fund surplus (deficit)	\$ (100)	\$ 657,266	\$ 103,103	\$ (284,463)	\$ 486,005

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

13. Operating budget to PSA Budget:

	Operating budget general	Transfers	Total
Revenue:			
Property tax warrant	\$ 4,237,730	\$ -	\$ 4,237,730
Revenue from own sources	363,500	-	363,500
Services provided to other governments	75,590	-	75,590
Community funding and equalization	21,392	-	21,392
Other government transfers	11,000	-	11,000
Surplus of second previous year	2,101	(2,101)	-
	4,711,313	(2,101)	4,709,212
Expenditures:			
General government services	1,278,325	119,102	1,397,427
Protective services	694,337	-	694,337
Transportation services	142,123	-	142,123
Environmental health services	517,000	-	517,000
Environmental development services	550,838	-	550,838
Recreational and cultural services	869,488	-	869,488
Fiscal services - Long-term debt repayments	88,000	(88,000)	-
Fiscal services - Interest	119,102	(119,102)	-
Fiscal services - Interfund transfers	100,000	(100,000)	-
Capital expenditures	352,100	(352,100)	-
	4,711,313	(540,100)	4,171,213
Surplus	\$ -	\$ 537,999	\$ 537,999

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support:

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Services to other governments:			
Fire protection	\$ 75,590	\$ 108,032	\$ 150,703
Other own source:			
Community events and rentals	52,000	74,426	94,886
Building permits	136,500	87,935	140,256
Bank interest	-	44,223	64,230
Recreation registrations	20,000	17,616	21,229
Facility rental	10,000	28,407	72,035
Other	57,000	82,677	77,163
Tourism levy	88,000	124,227	119,776
	<u>\$ 363,500</u>	<u>\$ 459,511</u>	<u>\$ 589,575</u>

General Government Services:

Legislative:

Mayor	\$ 26,500	\$ 25,749	\$ 24,823
Councillors	142,500	136,609	129,123
Professional development	11,000	3,891	3,181
Other legislative expenses	1,290	1,043	2,236
	<u>181,290</u>	<u>167,292</u>	<u>159,363</u>

Administrative:

Salaries and wages	441,600	401,359	355,391
Other admin	29,000	11,122	12,912
Pension adjustment	-	(12,300)	(34,000)
Office building	161,400	102,589	114,601
Legal services	65,000	10,670	3,714
Other expenses	26,800	57,456	44,323
	<u>723,800</u>	<u>570,896</u>	<u>496,941</u>

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support (continued):

	2025 Budget	2025 Actual	2024 Actual
Financial management and common services:			
External audit	30,000	32,015	30,000
Civic relations	18,100	17,704	9,858
Cost of assessment	229,467	229,467	208,647
Regional & collaborative services	8,668	8,664	18,232
Interest on long-term debt	89,102	77,408	59,414
Cost of borrowing	28,000	21,859	-
Bank charges	2,000	1,848	1,559
	<u>405,337</u>	<u>388,965</u>	<u>327,710</u>
Other general government services:			
Public liability insurance	\$ 64,000	\$ 37,347	\$ 42,849
Grants to organizations	23,000	15,565	7,550
Other general government services	-	27,618	18,870
Amortization	-	54,864	55,389
	<u>87,000</u>	<u>135,394</u>	<u>124,658</u>
	<u>\$ 1,397,427</u>	<u>\$ 1,262,547</u>	<u>\$ 1,108,672</u>

	2025 Budget	2025 Actual	2024 Actual
Protective Services:			
Fire:			
Administration	11,850	970	1,467
Force and personnel	144,725	122,471	130,996
Alarms	2,000	2,480	1,628
Station and building	167,600	155,858	99,501
Equipment	186,000	203,884	252,605
Lease payments	-	-	30,342
Other fire services	68,000	64,736	57,104
	<u>580,175</u>	<u>550,399</u>	<u>573,643</u>
Other:			
Emergency measures	79,200	142,027	72,669
Animal and pest control	32,265	35,020	26,709
RSC Contributions - Public Safety	2,697	2,696	2,532
Amortization	-	430,225	340,348
	<u>114,162</u>	<u>609,968</u>	<u>442,258</u>
	<u>\$ 694,337</u>	<u>\$ 1,160,367</u>	<u>\$ 1,015,901</u>

RURAL COMMUNITY OF HANWELL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025

14. PSA revenue and expense support (continued):

	2025 Budget		2025 Actual		2024 Actual
Transportation Services:					
Roads and streets:					
Street lights	\$ 58,000	\$	57,882	\$	54,041
Traffic signs	8,000		10,407		2,644
RSC Contributions - Transportation	1,123		1,124		2,964
Transportation study	75,000		28,032		-
	\$ 142,123	\$	97,445	\$	59,649
Environmental Health Services:					
Solid waste collection	\$ 310,000	\$	315,614	\$	304,379
Solid waste disposal	190,000		177,906		194,490
Recycling	17,000		-		41,424
	\$ 517,000	\$	493,520	\$	540,293
Environmental Development Services:					
RSC Contributions - Local planning	\$ 393,908	\$	393,908	\$	360,820
Other community development	17,000		2,465		2,229
Contribution to RSC- Economic development	44,236		44,236		41,984
Tourism	50,000		32,142		27,529
Contribution to RSC - Tourism	45,694		45,692		58,212
	\$ 550,838	\$	518,443	\$	490,774
Recreational and Culture Services:					
Community centres and halls	\$ 20,500	\$	78,149	\$	58,096
Community centre personnel	56,000		46,234		46,487
Parks and playgrounds	177,700		127,328		77,845
Parks personnel	34,000		34,456		29,909
Recreation personnel	141,300		109,398		76,417
Contribution to RSC - Recreation	339,088		358,519		326,422
Other recreation	100,900		99,270		84,869
Amortization	-		246,237		232,540
	\$ 869,488	\$	1,099,591	\$	932,585

RURAL COMMUNITY OF HANWELL

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

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
General Services:			
Revenue:			
Property tax warrant	\$ 4,237,730	\$ 4,237,731	\$ 3,677,569
Tourism	88,000	124,227	119,776
Fire protection	75,590	108,032	150,703
Facility rental	10,000	28,407	72,035
Recreation	20,000	17,616	21,229
Building permits	136,500	87,935	140,256
Community events and rentals	52,000	74,426	94,886
Miscellaneous	57,000	82,677	77,163
Provincial grants	11,000	24,500	183,144
Community funding and equalization	21,392	21,392	28,113
Surplus of second previous year	2,101	2,101	57,563
Payment in lieu of taxes	-	-	134
	4,711,313	4,809,044	4,622,571
Expenditures:			
General government services	1,278,325	1,118,868	1,026,310
Protective services	694,337	730,142	645,211
Transportation services	142,123	97,445	59,649
Environmental health services	517,000	493,520	540,293
Environmental development services	550,838	518,443	490,774
Recreation and cultural services	869,488	853,354	700,045
Fiscal services	659,202	997,372	1,161,363
	4,711,313	4,809,144	4,623,645
Surplus (deficit) for the year	\$ -	\$ (100)	\$ (1,074)

RURAL COMMUNITY OF HANWELL

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

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
General Government Services:			
Legislative:			
Mayor	\$ 26,500	\$ 25,749	\$ 24,823
Councillors	142,500	136,609	129,123
Professional development	11,000	3,891	3,181
Other legislative expenses	1,290	1,043	2,236
	<u>181,290</u>	<u>167,292</u>	<u>159,363</u>
Administrative:			
Salaries - admin	441,600	401,359	355,391
Other admin	29,000	11,122	12,912
Legal services	65,000	10,670	3,714
Office building	161,400	102,589	114,601
Other expenses	26,800	57,456	44,323
	<u>723,800</u>	<u>583,196</u>	<u>530,941</u>
Financial management and common services:			
External audit	30,000	32,015	30,000
Civic relations	18,100	17,704	9,858
Cost of assessment	229,467	229,467	208,647
Regional & collaborative services	8,668	8,664	18,232
	<u>286,235</u>	<u>287,850</u>	<u>266,737</u>
Other general administrative services:			
Public liability insurance	64,000	37,347	42,849
Grants to organizations	23,000	15,565	7,550
Other general government services	-	27,618	18,870
	<u>87,000</u>	<u>80,530</u>	<u>69,269</u>
	<u>\$ 1,278,325</u>	<u>\$ 1,118,868</u>	<u>\$ 1,026,310</u>

RURAL COMMUNITY OF HANWELL

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

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Protective Services:			
Fire:			
Administration	\$ 11,850	\$ 970	\$ 1,467
Force and personnel	144,725	122,471	130,996
Alarms	2,000	2,480	1,628
Station and building	167,600	155,858	99,501
Equipment	186,000	203,884	252,605
Other fire services	68,000	64,736	57,104
	<u>580,175</u>	<u>550,399</u>	<u>543,301</u>
Other:			
Emergency measures	79,200	142,027	72,669
Animal and pest control	32,265	35,020	26,709
RSC Contributions - Public Safety	2,697	2,696	2,532
	<u>114,162</u>	<u>179,743</u>	<u>101,910</u>
	<u>\$ 694,337</u>	<u>\$ 730,142</u>	<u>\$ 645,211</u>
Transportation Services:			
Roads and streets:			
Street lights	\$ 58,000	\$ 57,882	\$ 54,041
Street signs	8,000	10,407	2,644
RSC Contributions - Transportation	1,123	1,124	2,964
Transportation study	75,000	28,032	-
	<u>\$ 142,123</u>	<u>\$ 97,445</u>	<u>\$ 59,649</u>

RURAL COMMUNITY OF HANWELL

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

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget	2025 Actual	2024 Actual
Environmental Health Services:			
Solid waste collection	\$ 310,000	\$ 315,614	\$ 304,379
Solid waste disposal	190,000	177,906	194,490
Recycling	17,000	-	41,424
	\$ 517,000	\$ 493,520	\$ 540,293
Environmental Development Services:			
RSC Contributions - Local planning	\$ 393,908	\$ 393,908	\$ 360,820
Other community development	17,000	2,465	2,229
Contribution to RSC- Economic development	44,236	44,236	41,984
Tourism	50,000	32,142	27,529
Contribution to RSC - Tourism	45,694	45,692	58,212
	\$ 550,838	\$ 518,443	\$ 490,774
Recreation and Culture Services:			
Community centres and halls	\$ 20,500	\$ 78,149	\$ 58,096
Community centre personnel	56,000	46,234	46,487
Parks and playgrounds	177,700	127,328	77,845
Park personnel	34,000	34,456	29,909
Recreation personnel	141,300	109,398	76,417
Contribution to RSC - Recreation	339,088	358,519	326,422
Other recreation	100,900	99,270	84,869
	\$ 869,488	\$ 853,354	\$ 700,045
Fiscal Services:			
Debt charges:			
Principal	\$ 88,000	\$ 88,000	\$ 85,000
Interest on long-term debt	89,102	77,408	59,414
Bank charges	2,000	1,848	1,558
Cost of borrowing	28,000	21,859	-
Deficit of 2nd prior year	-	-	628
Lease payments	-	-	30,342
	207,102	189,115	176,942
Capital expenditures	352,100	248,257	434,421
Transfers to reserves	100,000	560,000	550,000
	452,100	808,257	984,421
	\$ 659,202	\$ 997,372	\$ 1,161,363