

**THE CORPORATION OF THE
TOWN OF HANOVER
CONSOLIDATED FINANCIAL STATEMENTS**
For the year ended December 31, 2025

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STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

Management's Responsibility for the Consolidated Financial Statements

The management of the Corporation of the Town of Hanover ("Municipality") is responsible for the integrity, objectivity and accuracy of the financial information in the accompanying consolidated financial statements.

The consolidated financial statements have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is disclosed in Note 1 to the consolidated financial statements.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, administration has developed and maintained a system of internal control designed to provide reasonable assurance that the Municipality's assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of the financial statements.

The Chief Administrative Officer and Director of Corporate Services review the financial statements before such statements are submitted to Council and published for the residents of Hanover. The external auditors have access to, and meet with Administration and Council to discuss their audit and the results of their examination.

Council meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matter prior to council's approve of the consolidated financial statements.

The financial statements have been audited by MNP LLP, independent external auditors appointed by council. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Municipality's consolidated financial statements.

Hanover, Ontario



Sherri Walden
Chief Administrative Officer



Jelena Savic
Director of Corporate Services

To the Members of Council of the Corporation of the Town of Hanover:

Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Hanover (the "Municipality"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2025, and the results of its consolidated operations, changes in its net financial assets 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 Consolidated Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

MNP LLP

Hanover, Ontario

Chartered Professional Accountants

August 24, 2026

Licensed Public Accountants

THE CORPORATION OF THE TOWN OF HANOVER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

	2025	2024
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	\$ 12,214,680	\$ 15,849,132
Portfolio investments (note 3)	2,001,818	1,665,033
Taxes receivable	735,507	620,863
Water and wastewater charges receivable	754,559	805,580
Government transfers receivable	3,565,481	1,447,842
Other receivables	2,600,578	1,424,733
Inventory for resale	24,313	29,075
Long-term investments (note 4)	2,756,742	2,756,742
TOTAL FINANCIAL ASSETS	24,653,678	24,599,000
LIABILITIES		
Temporary borrowings (note 6)	18,445	5,824,778
Accounts payable and accrued liabilities	3,626,513	3,765,780
Deferred revenue (note 5)	1,433,311	891,913
Long-term debt (note 7)	6,832,417	112,326
Asset retirement obligations (note 8)	4,995,602	4,919,993
Employee future benefits liability (note 10)	1,321,120	1,164,927
TOTAL LIABILITIES	18,227,408	16,679,717
NET FINANCIAL ASSETS	6,426,270	7,919,283
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	115,610,608	101,324,483
Inventory of supplies	227,996	207,051
Land held for sale	1,946,528	1,935,402
Prepaid expenses	341,248	329,331
TOTAL NON-FINANCIAL ASSETS	118,126,380	103,796,267
ACCUMULATED SURPLUS (note 12)	\$ 124,552,650	\$ 111,715,550

The accompanying notes and schedules are an integral part of these consolidated financial statements

THE CORPORATION OF THE TOWN OF HANOVER

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31, 2025

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
REVENUES			
Taxation	9,948,500 \$	10,001,335 \$	9,228,399
Government transfers (note 15)	10,675,750	10,227,231	7,292,167
Waste and wastewater charges	5,687,800	5,718,602	5,298,122
User fees and service charged	3,839,382	4,252,099	2,271,464
Investment income	376,100	931,519	1,063,309
Donations and contributed assets	376,000	4,026,424	388,011
Other income	555,000	593,565	579,213
TOTAL REVENUES	31,458,532 \$	35,750,775 \$	26,120,685
EXPENSES			
General government	1,798,600 \$	1,949,432 \$	1,882,725
Protection services	5,914,400	5,941,050	5,447,445
Transportation services	2,211,099	3,781,613	2,187,240
Transit	1,088,090	737,772	1,210,635
Environmental services	4,347,350	4,616,637	4,544,254
Health and social services	567,900	709,417	865,798
Recreation and cultural services	4,425,100	4,514,762	4,484,678
Planning and development	567,000	662,992	620,168
TOTAL EXPENSES	20,919,539 \$	22,913,675 \$	21,242,943
ANNUAL SURPLUS	10,538,993	12,837,100	4,877,742
ACCUMULATED SURPLUS - beginning of year	111,715,550	111,715,550	106,837,808
ACCUMULATED SURPLUS - end of year (note 10)	\$ 122,254,543	\$ 124,552,650	\$ 111,715,550

THE CORPORATION OF THE TOWN OF HANOVER

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2025

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
ANNUAL SURPLUS	10,538,993	12,837,100	4,877,742
Acquisition of tangible capital assets	(17,337,000)	(17,649,687)	(12,140,209)
Proceeds on disposal of tangible capital assets	32,000	65,110	62,200
Amortization expense	2,568,300	3,096,115	3,038,874
(Gain)/loss on disposal of tangible capital assets	-	202,338	229,566
	(14,736,700)	(14,286,125)	(8,809,569)
Decrease (increase) in prepaid expenses		(11,917)	(288,642)
Decrease (increase) in inventory of supplies	-	(20,945)	(23,144)
Decrease (increase) in assets held for sale	-	(11,126)	3,017
	-	(43,988)	(308,769)
Change in net financial assets	(4,197,707)	(1,493,013)	(4,240,596)
Net financial assets, beginning of year	7,919,283	7,919,283	12,159,879
Net financial assets, end of year	3,721,576	6,426,270	7,919,283

THE CORPORATION OF THE TOWN OF HANOVER

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	Actual 2025 \$	Actual 2024 \$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus	12,837,100	4,877,742
Non-cash charges to operations		
Amortization and writedown of tangible capital assets	3,298,453	3,268,440
Employee future benefits	156,193	(210,014)
Accretion of asset retirement obligation	86,106	83,633
	16,377,852	8,019,801
Change in non-cash assets and liabilities		
Taxes receivable	(114,644)	(79,284)
Accounts receivable	(3,242,461)	1,615,039
Inventory for resale	4,762	20,849
Accounts payable	(139,272)	1,338,564
Deferred revenue	541,398	(830,532)
Prepaid expenses and inventory of supplies	(43,988)	(308,769)
	13,383,647	9,775,668
CAPITAL		
Acquisition of tangible capital assets	(17,649,687)	(12,140,209)
Proceeds on disposal of tangible capital assets	65,110	62,200
Settlement of asset retirement obligation	(10,497)	(10,240)
	(17,595,074)	(12,088,249)
INVESTING		
Purchase of investments	(336,785)	(345,901)
Proceeds on sale of investments	-	2,000,000
Decrease in loans receivable	-	1,135,083
	(336,785)	2,789,182
FINANCING		
Increase (decrease) in temporary borrowings	(5,806,331)	5,783,169
Additions to long-term liabilities	6,862,350	-
Repayment of long term liabilities	(142,259)	(164,753)
	913,760	5,618,416
Net change in cash and cash equivalents	(3,634,452)	6,095,017
Cash and cash equivalents - beginning of year	15,849,132	9,754,115
Cash and cash equivalents - end of year	12,214,680	15,849,132

The accompanying notes and schedules are an integral part of these consolidated financial statements

The Corporation of the Town of Hanover ("Municipality") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Municipal Affairs Act and related legislation. The Municipality provides municipal services such as fire, public works, planning, parks and recreation and other general government operations.

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are the representation of management and have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) as defined in the CPA Canada Public Sector Accounting Handbook. Significant aspects of the accounting policies are as follows:

a) *Basis of Consolidation*

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the current fund, capital fund, reserves and reserve funds of all municipal organizations, committees, and boards which are owned or controlled by council. All interfund assets, liabilities, revenues and expenses have been eliminated on consolidation.

These entities include:

- Hanover Police Services Board
- Hanover Public Library Board
- Hanover Downtown Improvement Area
- Launch Pad Youth Activity & Technology Centre

A government partnership exists where the Municipality has shared control over the board or entity. The Municipality's pro-rata share of the assets, liabilities, revenues and expenses are reflected in the financial statements using the proportionate consolidation method. The Municipality's proportionate interest of the following government partnerships are reflected in the consolidated financial statements:

- | | |
|---|----------------------|
| • Saugeen Mobility and Regional Transit | 19.0% (2024 – 18.8%) |
| • Hanover / Walkerton Landfill Site | 50.0% (2024 – 50.0%) |
| • Saugeen Municipal Airport | 31.2% (2024 – 31.2%) |

b) *Use of Estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Management has made estimates of historical cost, useful lives and amortization of capital assets. In addition, estimates have been made of asset retirement obligations and employee future benefit costs. By their nature, these estimates are subject to measurement uncertainty and actual

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

results could differ from management's best estimates as additional information becomes more available in the future.

c) Revenue recognition

Taxation revenues are recorded at estimated amounts when they meet the definition of an asset, have been authorized, and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Fines and donations are recognized when collected.

Fees, user charges and other revenues are recorded upon sale of goods or provision of service when collection is reasonably assured.

Investment income earned on surplus funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds is recorded directly to each fund balance and forms part of the respective deferred revenue balances.

Government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash accounts held at financial institutions.

e) County and school board

The Municipality collects taxation revenue on behalf of the school boards and the County of Grey. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Grey are not reflected in these financial statements.

f) Inventory

Inventory of goods held for resale are recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

Assets held for sale, where it is not anticipated that the sale will be completed within one year, are reported as a non-financial asset.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventory of goods held for consumption are recorded as a non-financial asset at the lower of cost and replacement cost. Cost is determined on the first-in first-out basis.

g) Tangible capital assets

Purchased tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Tangible capital assets received as contributions are recorded at their fair value at the date of contribution. Where fair market value cannot be reasonably determined, contributed tangible capital assets are recorded at a nominal amount. Amortization is calculated on a straight-line basis over the estimated useful life of the asset. The useful lives of the assets are based on estimates made by management as follows:

Asset	Useful Life
Land improvements	25 to 40 years
Buildings	50 to 100 years
Building components	10 to 80 years
Equipment	5 to 25 years
Vehicles	5 to 30 years
Infrastructure:	
Road surfaces	20 to 80 years
Utility systems	70 to 100 years

h) Intangible assets

Intangible assets, art and cultural and historic treasures, and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources, are not recorded in these financial statements.

i) Liability for contaminated sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries. Management is not aware of any contaminated sites.

j) Asset retirement obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

k) Employee Future Benefits

The municipality pays post-employment benefits to eligible employees on retirement. The benefits earned are recognized over the service life of the employees using the projected benefit method and management's best estimate of salary escalation, benefit costs, and retirement ages of employees.

Defined contribution plan accounting is applied to the municipality's multi-employer defined benefit pension plan.

l) Trust Funds

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial position and activity of the trust funds are reported separately on the trust fund balance sheet and statement of continuity.

m) Financial Instruments

The Municipality classifies its financial instruments as either fair value or amortized cost.

Cash is measured at fair value. All other financial assets and financial liabilities are measured at amortized cost.

Interest and dividends attributable to financial instruments are reported in the statement of operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

THE CORPORATION OF THE TOWN OF HANOVER
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025
NOTES TO THE FINANCIAL STATEMENTS

2. CASH

Cash consists of deposits at a financial institution. The deposits earn interest at prime less 1.55%, on all business accounts, payable monthly.

The municipality has a line of credit that bears interest at the lender's prime rate less 0.5%. At December 31, 2025, the municipality had undrawn credit capacity under this facility of \$500,000.

Included in cash is \$763,283 (2024 - \$563,229), the use of which is externally restricted by legislation or agreement.

3. INVESTMENTS

	2025	2024
	\$	\$
GICs and Mutual funds	<u>2,001,818</u>	1,665,033
Market value	<u>3,122,372</u>	2,576,450

4. LONG-TERM INVESTMENTS

	2025	2024
	\$	\$
Westario Power Inc. 1,509 common shares	<u>2,756,742</u>	2,756,742

The municipality owns 15.09% of the outstanding shares of Westario Power Inc., a private company incorporated under the laws of the Province of Ontario. The fair value of these shares is not practicable to determine in the absence of published market quotations.

In December 2025, the shareholders of Westario Power Inc., including the Town of Hanover, approved the sale of Westario Power Inc. to ERTH Corporation.

In May 2026, ERTH Corporation made a formal application to the Ontario Energy Board seeking approval for the purchase. As of the date of these financial statements, this approval had not yet been granted.

The total proceeds from the disposition of the common shares of Westario Power Inc. cannot be reliably estimated at this time, and no amounts related to this transaction have been accrued in these financial statements

THE CORPORATION OF THE TOWN OF HANOVER
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025
NOTES TO THE FINANCIAL STATEMENTS

5. DEFERRED REVENUE

	2025	2024
	\$	\$
Obligatory reserve funds		
Provincial Gasoline Tax Funding	710,477	594,127
Canada Community Building Fund (CCBF)	52,807	29,135
	763,284	623,262
Deferred revenue	670,027	268,651
	1,433,311	891,913

The net change during the year in the obligatory reserve fund balances is made up of the following:

	Opening	Contributions received	Investment income	Revenue recognized	Ending
	\$	\$	\$	\$	\$
Obligatory Reserve					
Provincial Gasoline Tax	594,127	740,828	13,472	(637,950)	710,477
CCBF	29,135	260,920	2,904	(240,152)	52,807
	623,262	1,001,748	16,376	(878,102)	763,284

6. TEMPORARY BORROWINGS

	2025	2024
	\$	\$
Infrastructure Ontario Temporary Loan, interest at Prime, interest only payments, due October 2029	-	\$5,800,000
Credit union operating loan, prime rate less 0.50%, calculated and payable monthly	18,445	24,778
	18,445	5,824,778

THE CORPORATION OF THE TOWN OF HANOVER
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7. LONG-TERM DEBT

	<u>2025</u>	<u>2024</u>
	<u>\$</u>	<u>\$</u>
Term loan payable, repaid in the year	\$ -	\$ 112,326
Federation of Canadian Municipalities Term Loan, 4.98%, payable \$213,251 semi-annually principal and interest, due October 2045	5,362,350	-
TD Bank Trail Bridges Loan, 4.49%, payable \$15,538 monthly principal and interest, due September 2035	1,470,067	-
	<u>\$ 6,832,417</u>	<u>\$ 112,326</u>

Principal payments in the next 5 fiscal years and thereafter are as follows:

Principal Repayments	
2026	\$ 284,418
2027	298,195
2028	312,473
2029	327,779
2030	343,661
Thereafter	5,265,891
	<u>\$ 6,832,417</u>

8. ASSET RETIREMENT OBLIGATION

The municipality's financial statements include an asset retirement obligation for asbestos, lead paint and PCB's in the municipality's facilities. The municipality has also included an asset retirement obligation for the closure and post-closure costs with the municipality's active landfill site and post-closure costs of the municipality's closed landfill site. The related asset retirement costs are being amortized on a straight line basis. The liability associated with the closure and post-closure costs has been estimated using a net present value technique with a discount rate of 3.37% (2024 – 3.37%). The liability associated with other asset retirement obligations have not been present valued due to the uncertainty as to when the asbestos will be removed.

The estimated total undiscounted future expenditures are \$11,118,565 (2024 - \$11,139,301). The expenditures are expected to be incurred and liability settled as follows:

\$358,856 incurred over the next 10 years and settled 2026 to 2035;
\$638,428 incurred over the next 20 years and settled 2036 to 2045;
\$2,208,000 incurred over the next 30 years and settled 2046 to 2055;
\$3,389,877 incurred over the next 40 years and settled 2056 to 2065;
\$3,471,857 incurred over the next 50 years and settled 2066 to 2075;
\$901,547 incurred over the next 60 years and settled 2076 to 2085;
\$Nil incurred over the next 70 years and settled 2086 to 2095; and
\$150,000 incurred over the next 80 years and settled 2096 to 2105.

	2025	2024
	\$	\$
Balance, beginning of year	4,919,993	4,846,600
Increase due to accretion expense	86,106	83,633
Decrease due to liability settled during the year	(10,497)	(10,240)
Balance, end of year	4,995,602	4,919,993

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

9. PENSION PLAN

The Municipality makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 109 (2024 – 109) members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefits to be received by the employees based on the length of services and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS by the Municipality for 2025 was \$579,417 (2024 - \$544,353). The contribution rate for 2025 was 9.0% to 15.8% depending on age and income level (2024 – 9.0% to 15.8%).

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Municipality does not recognize any share of the OMERS pension surplus or deficit. The last available report for the OMERS plan was December 31, 2025. At that time the plan reported a \$1.3 billion actuarial deficit (2024 - \$2.9 billion actuarial deficit), based on actuarial liabilities of \$149.6 billion (2024 - \$140.8 billion) and actuarial assets of \$148.3 billion (2024 - \$137.9 billion). Ongoing adequacy of the current contribution rates will need to be monitored as declines in the financial markets may lead to increased future funding requirements.

10. RETIREMENT BENEFIT LIABILITY

The municipality provides retirement benefits other than pensions to substantially all of its full-time employees. The plan provides extended health and life insurance benefits to age 65. Certain employees may take a retirement lump sum payout in lieu of the benefit continuation. The plan is unfunded and requires no contribution from employees.

The retirement benefit liability at December 31 is determined as follows:

	2025	2024
	\$	\$
Retirement benefit accrued benefit obligation	1,289,149	1,312,680
Unamortized actuarial gain (loss)	31,971	(147,753)
Retirement benefit liability	1,321,120	1,164,927

The above amounts were determined by actuarial valuation using the projected benefit method, pro-rated on services. The most recent actuarial report was prepared at December 31, 2024. The accrued benefit obligation shown for 2025 is based on an extrapolation of that 2024 valuation. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, medical premium inflation rates, wage increases, employee turnover, and mortality rates. The assumptions used reflect management's best estimates, but are subject to measurement uncertainty. Actual results could differ significantly from those estimated because of the uncertainty related to future events and conditions. The liability was determined using a discount rate of 4.25%, along with an inflation rate of 2.00% and a compensation increase rate of 2.00% to 3.00%. For extended health care costs, a 5.67% annual rate of increase was assumed for 2026, decreasing to an ultimate annual rate of increase of 4.00% in 2031. For dental costs, a 4.00% annual rate of increase was assumed.

	2025	2024
	\$	\$
Current service cost	92,279	(139,373)
Changes due to plan amendments	102,174	-
Interest costs	50,962	41,863
Amortization of actuarial gain/(loss)	(1,412)	11,483
Total expense for the year	244,003	(86,027)
Benefit payments	(87,811)	(123,987)
Change in liability for the year	156,192	(210,014)

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11. TANGIBLE CAPITAL ASSETS

The carrying value of tangible capital assets not being amortized because they are under construction, development, or have been removed from service is \$10,987,241 (2024 -\$1,561,570).

Certain land assets have been recorded at nominal values. The land can be used to provide future services.

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1).

12. ACCUMULATED SURPLUS

The accumulated surplus reported on the consolidated statement of financial position is comprised of the following:

	2025	2024
	\$	\$
General surplus (deficit)	3,047	(80,389)
Amount invested in land for resale	1,922,006	1,922,006
Amounts invested in tangible capital assets	115,610,608	101,324,483
Reserves and reserve funds set aside for specific purpose by council (note 13)	20,166,128	20,546,696
Amounts to be recovered (note 14)	(13,149,139)	(11,997,246)
	124,552,650	111,715,550
The general surplus is comprised of the following		
General area taxation	76,998	-
Launch Pad Youth Activity & Technology Centre	(59,445)	(59,446)
Saugeen Municipal Airport	(14,506)	(20,943)
	3,047	(80,389)

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13. RESERVES AND RESERVE FUNDS

	2025	2024
	\$	\$
Reserves set aside for specific purpose by Council:		
Working funds	457,434	457,434
WSIB	110,199	113,450
Current		
General government	867,993	789,291
Protection services	99,660	63,669
Health services	3,185	3,305
Westario Power proceeds, set aside in note for future use	-	-
Other	11,781	1,981
Capital		
Protection services	514,929	157,501
Wastewater	2,331,210	1,766,856
Water	1,724,171	1,380,802
Waste collection and disposal	228,812	909,220
Health services	39,882	31,280
Hanover Public Library Board	378,177	352,431
Recreation and culture	45,252	37,751
Planning and development	167,291	158,086
Other capital purposes	1,392,541	2,086,568
	8,372,517	8,309,625
Reserve funds set aside for specific purpose by Council:		
Infrastructure	1,068,732	765,950
Investing in Hanover	1,192,458	945,749
Water	2,805,482	5,048,014
Wastewater	3,890,439	2,645,547
Planning and development	79,758	75,069
Westario Power proceeds, set aside in shares for future use	2,756,742	2,756,742
	11,793,611	12,237,071
Reserves and reserve funds set aside for specific purpose by council, end of the year	20,166,128	20,546,696

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14. AMOUNTS TO BE RECOVERED

The balance of the amounts to be recovered is comprised of the following:

	2025	2024
	\$	\$
Short term debt	-	5,800,000
Long term debt	6,832,417	112,326
Employee future benefits liability	1,321,120	1,164,927
Asset retirement obligation	4,995,602	4,919,993
	13,149,139	11,997,246

The net change during the year in the amounts to be recovered is made up of the following:

	2025	2024
	\$	\$
New debt issued	6,862,350	5,800,000
Principal payments on debt	(5,942,259)	(164,753)
Change in retirement benefit liability	156,192	(210,014)
Change in asset retirement obligation	75,609	73,393
	1,151,892	5,498,626
Increase (decrease) in amounts to be recovered during the year		

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15. GOVERNMENT TRANSFERS

	2025 Budget	2025	2024
	\$	\$	\$
Operating			
Province of Ontario Municipal Partnership Fund (OMPF)	2,241,500	2,241,500	2,055,000
Ontario Lottery and Gaming Corporation	1,313,000	1,253,716	1,332,101
Province of Ontario conditional grants			
General government	-	-	-
Protection services	36,700	57,838	53,564
Transit	600,800	585,398	635,145
Waste collection	-	1,902	107,029
Hanover Public Library Board operating grant	16,500	29,725	17,572
Social and family Services	-	-	18,096
Other	169,750	30,176	21,526
	4,378,250	4,200,255	4,240,033
Government of Canada conditional grants			
Hanover Public Library Board	-	14,825	8,515
Other	2,500	3,020	42,295
	2,500	17,845	50,810
Other Municipalities conditional grants			
Protection services	145,000	145,000	140,800
Roadways	26,600	27,366	19,116
Other	-	-	-
	171,600	172,366	159,916
Total operating transfers	4,552,350	4,390,466	4,450,759
Capital			
Province of Ontario conditional grants			
Roadways	500,000	538,412	442,099
Protection services	-	141,365	370,865
Transit	140,000	52,553	378,587
Water and wastewater	3,153,400	2,689,483	78,167
Recreation and culture services	-	-	421,362
	3,793,400	3,421,813	1,691,080
Government of Canada conditional grants			
Protection services	-	755,669	550,834
Roadways	330,000	-	-
Transit	-	-	-
Water and wastewater	2,000,000	1,659,283	93,809
Recreation and cultural services	-	-	505,685
	2,330,000	2,414,952	1,150,328
Total capital transfers	6,123,400	5,836,765	2,841,408
Total government transfers	10,675,750	10,227,231	7,292,167

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15. GOVERNMENT TRANSFERS (continued)

Included in expenses are government transfers for the following:

	2025 Budget	2025	2024
	\$	\$	\$
Conservation authority	179,200	179,832	148,386
Transit	752,783	334,070	845,774
Other	100,000	99,350	98,250
	1,031,983	613,252	1,092,410

16. OTHER INCOME

	2025 Budget	2025	2024
	\$	\$	\$
Penalties and interest on taxation	80,000	104,506	96,003
Rents	409,100	398,349	388,140
Other	65,900	90,710	95,070
	555,000	593,565	579,213

17. SEGMENTED INFORMATION

The Corporation of the Town of Hanover is a diversified municipal government organization that provides a wide range of services to its citizens such as police, fire, roadways, water, and recreation and cultural services. Distinguishable functional segments have been separately disclosed in the segmented information (Schedule 2). The nature of the segments and the activities they encompass are as follows:

General Government

This segment relates to the revenues and expenses that relate to the operations of the municipality itself and unallocated items that cannot be directly attributed to any specific segment. General administration, council activities and maintenance of municipal buildings are included in the functions of general government.

Protection Services

Protection is comprised of police services, fire protection, emergency plan, building inspections, and animal control.

Transportation Services

Transportation is comprised of the municipality's roadways, storm sewers, sidewalks, street lighting, and winter control. It also includes the municipality's proportionate share of the operations of specialty transportation services and an airport, both services that are shared with surrounding municipalities.

Wastewater and Water Services

This segment treats and distributes the municipality's drinking water and ensures that it meets all provincial standards. It also includes the collection and treatment of wastewater.

17. SEGMENTED INFORMATION (continued)

Environmental Services

Environmental services consist of providing waste and recycling collection and the municipality's share of the operation of the Hanover / Walkerton joint landfill site.

Health Services

Health services are comprised of support to the medical clinic operations, cemetery and the Launch Pad Youth Activity and Technology Centre.

Hanover Public Library Board

This segment provides library services to assist with its citizens' informational needs.

Recreation and Cultural Services

This segment maintains parks and facilities and provides programs meant to improve the health and development of the municipality's citizens. Recreation programs such as skating and swimming lessons are provided at the arena and aquatic centre. The municipality also has a theatre to provide cultural programs.

Planning and Development Services

This segment provides services including residential and commercial planning, review of property development plans, and economic development services for the municipality.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers are measured on the basis of exchange amount. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

- i.* Taxation
Allocated to those segments that are funded through taxation based on their net expenditure for the year.
- ii.* Unconditional grants from OMPF & OLG
Allocated to those segments that are funded through unallocated revenues based on their net expenditure for the year

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18. GOVERNMENT PARTNERSHIPS

The following summarizes the financial position and operations of the municipal joint boards. The Municipality's pro-rata share of these accounts have been reported in the financial statements using the proportionate consolidation method:

	Saugeen Municipal Airport 31.2% \$	S.M.A.R.T 19.0% \$	Hanover / Walkerton Landfill Site 50.0% \$
Financial Assets			
Cash and temporary investments	37,762	25,974	562,370
Accounts receivable	25,822	134,516	111,560
Other financial assets	17,454	-	-
	<u>81,039</u>	<u>160,489</u>	<u>673,930</u>
Liabilities			
Temporary borrowings	-	97,079	-
Accounts payable	89,776	166,868	216,306
Asset retirement obligation	-	-	5,261,376
Other liabilities	-	-	16,844
	<u>89,776</u>	<u>263,947</u>	<u>5,494,526</u>
Net financial assets (net debt)	(8,737)	(103,458)	(4,820,596)
Non financial assets	698,301	1,518,863	8,018,692
Accumulated Surplus	689,564	1,415,405	3,198,096
Accumulated Surplus			
Amounts to be recovered	(46,508)	-	(5,278,220)
Invested in tangible capital assets	698,301	1,415,405	8,018,692
Reserves and reserve funds	37,772	-	457,624
	<u>689,564</u>	<u>1,415,405</u>	<u>3,198,096</u>
Revenues			
Contributions from Town of Hanover	53,500	150,525	210,000
Other government contributions	119,100	641,000	215,258
Other	294,899	2,294,623	1,031,958
Expenses	(444,344)	(2,124,755)	(1,368,994)
Annual surplus (deficit)	23,155	961,393	88,222

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19. BUDGET FIGURES

Under Canadian public sector accounting standards, budget amounts are to be reported on the consolidated statements of operations and change in net financial assets for comparative purposes. The budget amounts for The Corporation of the Town of Hanover are as approved by council and have been restated to conform to the basis of presentation of the revenues and expenses on the consolidated statements of operations and changes in net financial assets.

The following is a reconciliation of the budget approved by council:

	2025 Budget \$	2025 \$	2024 \$
Annual surplus (deficit)	10,538,993	12,837,100	4,877,742
Acquisition of tangible capital assets	(17,337,000)	(17,649,687)	(12,140,209)
Proceeds on disposal of tangible capital assets	32,000	65,110	62,200
Amortization	2,568,300	3,298,453	3,268,440
Acquisition of assets held for sale	-	-	-
Proceeds from borrowings	-	6,862,350	5,800,000
Debt principal repayments	(295,300)	(5,942,259)	(164,753)
	(4,493,007)	(528,934)	1,703,420
Transfers from (to) reserves for operations	4,376,542	988,473	(859,627)
Change in unfunded liabilities	-	231,802	(136,621)
	(116,465)	691,341	707,172
Reserve funds annual surplus	-	(607,905)	(725,359)
General surplus (deficit), beginning of year	(80,389)	(80,389)	(62,202)
General surplus (deficit), end of year	(196,854)	3,047	(80,389)

20. OPERATIONS OF SCHOOL BOARD AND THE COUNTY OF GREY

During the year, the following tax revenue was raised and remitted to the school boards and the County of Grey:

	2025 Budget \$	2025 \$	2024 \$
School boards	2,175,900	2,216,892	2,183,677
County of Grey	3,272,100	3,682,115	3,537,442
	5,448,000	5,899,007	5,721,119

21. TRUST FUNDS

The trust funds administered by the municipality amounting to \$825,146 (2024 - \$798,117) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of financial activities. At December 31, 2025, the trust fund balances are as follows:

	2025	2024
	\$	\$
Cemetery Pre-need Assurance Fund	260,390	252,788
Cemetery Care and Maintenance Funds	564,756	545,329
	825,146	798,117

22. CONTRACTUAL COMMITMENTS

The municipality has commitments with respect to capital projects at December 31, 2025 in the amount of \$4,161,000 (2024 - \$1,771,000)

23. FINANCIAL INSTRUMENTS

Financial Instrument Risk Management

The municipality is exposed to credit risk, liquidity risk and interest rate risk from its financial instruments. This note describes the municipality's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

Credit risk

The municipality is exposed to credit risk through its cash, investments, accounts receivable and loans receivable. Bank balances of \$12,214,680 are held at the same credit union. The Deposit Insurance Corporation of Ontario (DICO) insures deposits to a maximum of \$250,000 per depositor. There is the possibility of non-collection of trade and other receivables. The majority of the municipality's receivables are from ratepayers and government entities. For receivables, the municipality measures impairment of each receivable type based on how long the amounts have been outstanding. The amounts outstanding at year end, which is the municipality's maximum exposure to credit risk related to receivables, were as follows:

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23. FINANCIAL INSTRUMENTS (continued)

	0-30 days	31-90 days	91-365 days	1 to 2 years	3 to 10 years
Cash	12,214,680	-	-	-	-
Investments	2,001,818	-	-	-	-
Taxes receivable	283,588	214,735	53,684	182,657	844
Water and wastewater charges receivable	729,204	23,044	2,311	-	-
Government transfers receivable	3,565,481	-	-	-	-
Other receivables	2,384,037	66,045	14,563	135,933	-
Inventory for resale	24,313	-	-	-	-
Long-term investments	2,756,742	-	-	-	-
	23,959,863	303,824	70,558	318,590	844

Liquidity risk

Liquidity risk is the risk that the municipality encounters difficulty in meeting its obligations as they fall due. The municipality has a planning and budgeting process in place to help determine the funds required to support the municipality's normal operating requirements on an ongoing basis. The municipality is exposed to liquidity risk through its temporary borrowings, accounts payable and accrued liabilities, and long-term liabilities. The municipality ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. Further, the municipality seeks to maintain an available line of credit balance as approved by the appropriate borrowing by-law to meet, at a minimum, expected requirements for a period of at least 90 days. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Within 6 months	6 months to 1 year	1 -5 years	Over 5 years
Temporary borrowings	18,445	-	-	-
Accounts payable and accrued liabilities	2,436,266	1,190,245	-	-
Long-term debt	140,973	143,445	1,282,108	5,265,890
	2,595,684	1,333,690	1,282,108	5,265,890

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The municipality is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the variable rate of temporary borrowings.

24. SUBSEQUENT EVENT

In December of 2025, the Councils of the Town of Hanover and the Municipality of West Grey approved a municipal boundary adjustment affecting approximately 1,600 acres of land along Concessions 1, 2 and 3 of Hanover. As part of the agreement, the Town of Hanover will pay the Municipality of West Grey \$10 million in compensation, payable in equal annual instalments of \$500,000 over the next twenty years.

In May 2026, the Minister of Municipal Affairs and Housing signed the Minister's Restructuring Order implementing the boundary adjustment effective May 1, 2026. As a result, the affected properties are now located within the geographic boundaries of the Town of Hanover and are subject to municipal taxation by the Town of Hanover. Ownership of the properties was not affected by the boundary adjustment.

THE CORPORATION OF THE TOWN OF HANOVER

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

December 31, 2025

	Land and Land Improvements \$	Building \$	Equipment \$	Vehicles \$	Infrastructure \$	Totals \$
COST						
Balance, beginning of year	\$ 10,680,954	\$ 53,332,638	\$ 9,658,132	\$ 3,779,563	\$ 67,259,302	\$ 144,710,589
Add: additions during the year	2,094,651	1,092,405	992,979	437,029	13,032,623	17,649,687
Less: disposals during the year	-	(502,769)	(100,980)	(64,348)	(193,151)	(861,248)
Balance, end of year	\$ 12,775,605	\$ 53,922,274	\$ 10,550,131	\$ 4,152,244	\$ 80,098,774	\$ 161,499,028
ACCUMULATED AMORTIZATION						
Balance, beginning of year	\$ 2,412,558	\$ 16,545,314	\$ 4,067,204	\$ 2,018,906	\$ 18,342,124	\$ 43,386,106
Add: amortization for the year	204,238	1,091,967	384,110	281,557	1,134,243	3,096,115
Less: disposals during the year	-	(370,477)	(100,980)	(50,580)	(71,764)	(593,800)
Balance, end of year	\$ 2,616,796	\$ 17,266,804	\$ 4,350,335	\$ 2,249,883	\$ 19,404,603	\$ 45,888,421
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 10,158,809	\$ 36,655,470	\$ 6,199,797	\$ 1,902,361	\$ 60,694,171	\$ 115,610,608

THE CORPORATION OF THE TOWN OF HANOVER

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

December 31, 2024

	Land and Land Improvements \$	Building \$	Equipment \$	Vehicles \$	Infrastructure \$	Totals \$
COST						
Balance, beginning of year	\$ 10,517,515	\$ 47,510,068	\$ 7,776,354	\$ 3,584,930	\$ 64,369,008	\$ 133,757,875
Add: additions during the year	189,802	6,223,021	2,386,518	320,653	3,020,215	12,140,209
Less: disposals during the year	(26,363)	(400,451)	(504,740)	(126,020)	(129,921)	(1,187,495)
Balance, end of year	\$ 10,680,954	\$ 53,332,638	\$ 9,658,132	\$ 3,779,563	\$ 67,259,302	\$ 144,710,589
ACCUMULATED AMORTIZATION						
Balance, beginning of year	\$ 2,221,297	\$ 15,933,610	\$ 4,049,831	\$ 1,870,348	\$ 17,167,875	\$ 41,242,961
Add: amortization for the year	193,875	965,589	360,278	274,578	1,244,554	3,038,874
Less: disposals during the year	(2,614)	(353,885)	(342,905)	(126,020)	(70,305)	(895,729)
Balance, end of year	\$ 2,412,558	\$ 16,545,314	\$ 4,067,204	\$ 2,018,906	\$ 18,342,124	\$ 43,386,106
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 8,268,396	\$ 36,787,324	\$ 5,590,928	\$ 1,760,657	\$ 48,917,178	\$ 101,324,483

THE CORPORATION OF THE TOWN OF HANOVER

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the year ended December 31, 2025

	General Government \$	Protection Services \$	Transportation Services \$	Wastewater and Water \$	Environmental Services \$	Health Services \$	Hanover Public Library Board \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenue										
Taxation	1,471,370	4,088,401	1,802,954	-	151,093	38,271	497,189	1,612,038	340,019	10,001,335
Fees and user charges	99,928	432,603	1,532,327	5,718,602	732,553	316,687	37,310	1,006,111	94,580	9,970,701
Other government transfers	-	1,099,872	1,203,729	4,348,766	32,078	-	44,550	3,020	-	6,732,015
OMPF & OLG grant	514,207	1,428,794	630,087	-	52,803	13,375	173,755	563,367	118,828	3,495,216
Investment income	667,067	-	-	217,924	29,320	-	11,557	-	5,651	931,519
Donations and other revenue	284,893	24,171	2,804,196	1,015,924	-	314,671	13,742	161,426	966	4,619,989
Total revenues	3,037,465	7,073,841	7,973,293	11,301,216	997,847	683,004	778,103	3,345,962	560,044	35,750,775
Expenses										
Salaries and benefits	1,312,244	4,091,608	744,109	987,149	123,425	185,688	493,860	1,857,849	232,683	10,028,615
Interest on debt	5,560	-	-	-	-	-	-	12,257	-	17,817
Materials and supplies	344,992	1,101,570	2,326,758	1,771,410	395,162	223,772	208,256	1,169,615	356,420	7,897,955
Contracted services	103,557	225,475	137,809	185,433	181,558	115,556	-	50,384	57,812	1,057,584
Government transfers	99,350	179,832	334,070	-	-	-	-	-	-	613,252
Amortization and loss on disposal	83,729	342,565	976,639	820,251	152,249	184,401	43,032	679,509	16,077	3,298,452
Total expenses	1,949,432	5,941,050	4,519,385	3,764,243	852,394	709,417	745,148	3,769,614	662,992	22,913,675
Net surplus/(deficit)	1,088,033	1,132,791	3,453,908	7,536,973	145,453	(26,413)	32,955	(423,652)	(102,948)	12,837,100

THE CORPORATION OF THE TOWN OF HANOVER

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the year ended December 31, 2024

	General Government \$	Protection Services \$	Transportation Services \$	Wastewater and Water \$	Environmental Services \$	Health Services \$	Hanover Public Library Board \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenue										
Taxation	1,058,416	3,609,629	1,656,030	-	244,198	35,717	470,527	1,791,829	362,053	9,228,399
Fees and user charges	66,366	36,852	217,387	5,298,122	603,783	309,267	44,634	914,271	78,904	7,569,586
Other government transfers	-	1,116,063	1,474,947	171,976	108,481	53,174	26,087	935,041	19,296	3,905,065
OMPF & OLG grant	516,232	845,800	1,294,720	-	54,379	7,954	104,778	482,614	80,625	3,387,102
Investment income	705,550	-	-	289,767	43,363	-	16,487	-	8,142	1,063,309
Donations and other revenue	278,204	38,626	36,590	-	-	377,824	10,324	214,554	11,101	967,224
Total revenues	2,624,768	5,646,970	4,679,674	5,759,865	1,054,204	783,936	672,837	4,338,309	560,121	26,120,685
Expenses										
Salaries and benefits	1,162,879	3,448,419	679,003	948,558	125,822	252,353	426,499	1,795,067	259,175	9,097,775
Interest on debt	-	-	-	-	-	-	-	5,103	-	5,103
Materials and supplies	416,309	1,428,170	806,036	1,502,532	639,580	342,435	202,288	1,158,607	324,874	6,820,831
Contracted services	126,651	220,391	94,799	174,593	117,604	128,607	-	59,738	36,000	958,383
Government transfers	98,250	148,386	845,774	-	-	-	-	-	-	1,092,410
Amortization and loss on disposal	78,636	202,079	972,263	883,561	152,004	142,403	42,019	795,357	119	3,268,441
Total expenses	1,882,725	5,447,445	3,397,875	3,509,244	1,035,010	865,798	670,806	3,813,872	620,168	21,242,943
Net surplus/(deficit)	742,043	199,525	1,281,799	2,250,621	19,194	(81,862)	2,031	524,437	(60,047)	4,877,742