



## **Board of Directors**

### **Addendum**

**June 4, 2026 at 6:00 p.m.**

**This meeting will be hybrid; in-person and virtually via Webex Platform**

**All hybrid meetings can be viewed live on HCA's You Tube Channel:  
<https://www.youtube.com/user/HamiltonConservation>**

#### **5. Consent items for Applications, Minutes and Correspondence**

- 5.3 Approved – March 19, 2026 Budget & Administration Committee Minutes – for receipt only Page 1

#### **9. Reports from Budget & Administration Committee and Conservation Advisory Board**

- 9.1 Budget & Administration Committee – May 29, 2026 (Recommendations) – Susan Fielding
- 9.1.1 BA 2608 2025 Report by the Auditors Page 5
- 9.1.2 BA 2609 2025 12-month Financial Results – Audited Financial Statements Page 35

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# Hamilton Conservation Authority

## Minutes

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### Budget & Administration Committee

**March 19, 2026**

Minutes of the Budget & Administration Committee meeting held on Thursday, March 19, 2026 at 2:00 p.m., via Webex platform, and livestreamed on YouTube.

**Present:** Susan Fielding, in the Chair  
Brad Clark  
Maureen Wilson

**Regrets:** Lisa DiCesare, Alex Wilson

**Staff Present:** Lisa Burnside, Gord Costie, Marlene Ferreira, Scott Fleming, Liam Fletcher, Brandon Good, Matt Hall, Amanda Martin, Scott Peck, Mike Stone, Jaime Tellier, and Sandra Winninger

**Others Present:** None

#### 1. Welcome

The Chair called the meeting to order and welcomed everyone present.

#### 2. Declarations of Conflict of Interest

The Chair asked members to declare any conflicts under the HCA Administrative By-law. There were none.

#### 3. Approval of Agenda

The Chair requested any additions or deletions to the agenda.

**BA 2601**

**MOVED BY: Brad Clark**  
**SECONDED BY: Maureen Wilson**

**THAT the agenda be approved.**

**CARRIED****4. Delegations**

There were none.

**5. Election of Vice Chair**

This item was tabled. It will be added to the agenda of the Budget and Administration meeting scheduled for April 23, 2026.

**BA 2602**

**MOVED BY: Brad Clark  
SECONDED BY: Maureen Wilson**

**THAT the election of the Vice Chair for the Budget and Administration Committee be tabled until the April 23, 2026 meeting.**

**CARRIED****6. Consent Items**

The following consent items were adopted:

- 6.1. Approval of Budget & Administration Committee Minutes – November 20, 2025
- 6.2. Remuneration for Members of the Board of Directors for 2025
- 6.3. Workplace Safety & Insurance Board 2025 Year-end Statistics

**7. Business Arising from the Minutes**

There was none.

**8. Staff Reports/Memoranda**Memorandums to be received8.1. HCA 2025 Financial Results – Operating

Scott Fleming provided a summary of the memorandum indicated that the results are preliminary and will be finalized through the upcoming audit process. At this time, HCA is showing a small operating surplus.

In response to a question posed by Brad Clark, Scott Fleming confirmed that self-generated revenue is required to balance the HCA operating budget.

**BA 2603**

**MOVED BY: Maureen Wilson  
SECONDED BY: Brad Clark**

**THAT the Memorandum entitled HCA 2025 Financial Results - Operating be received.**

**CARRIED**

8.2. HCA 2025 Financial Results – Capital and Major Maintenance

Matt Hall provided a summary of the memorandum, highlighting the capital and major maintenance projects completed during 2025.

**BA 2604**

**MOVED BY: Maureen Wilson  
SECONDED BY: Brad Clark**

**THAT the Memorandum entitled HCA 2025 Financial Results – Capital and Major Maintenance be received.**

**CARRIED**

8.3. HCA 2025 Vendor Report

Scott Fleming provided a summary of the memorandum and answered members' questions.

**BA 2605**

**MOVED BY: Brad Clark  
SECONDED BY: Maureen Wilson**

**THAT the Memorandum entitled HCA 4<sup>th</sup> Quarter Vendor Report be received.**

**CARRIED**

**9. New Business**

There was none.

**10. In-Camera Items for Matters of Law, Personnel and Property**

There was none.

**11. Next Meeting**

The next meeting of the Budget and Administration Committee will be held on Thursday, April 23, 2026 at 2:00 p.m. at the HCA Main Administration Office – Woodend Auditorium, 838 Mineral Springs Road, Ancaster, Ontario.

**12. Adjournment**

On motion, the meeting adjourned.

# Hamilton Conservation Authority

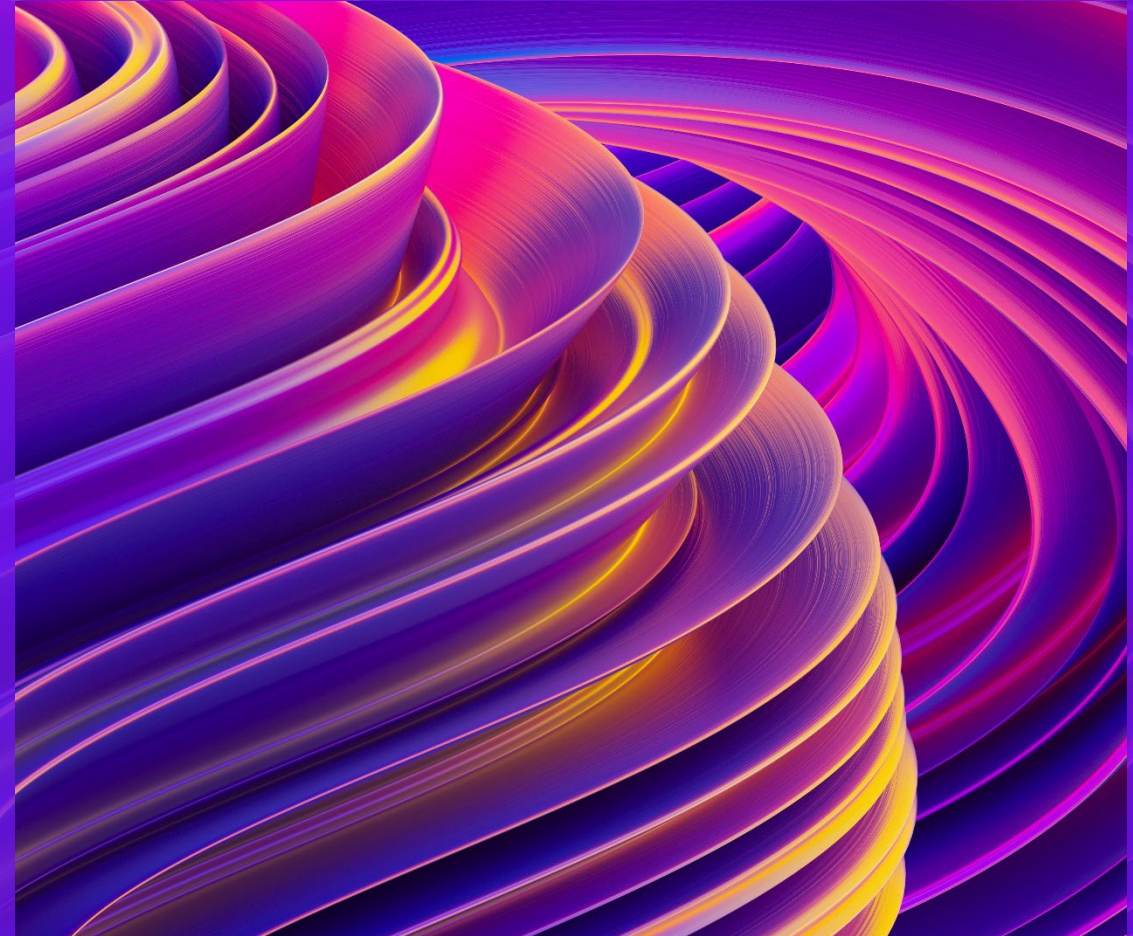
**Audit Findings Report  
for the year ended December 31, 2025**

The KPMG LLP logo, featuring the text 'KPMG LLP' in a white, cursive script font, with a horizontal line underneath.

Licensed Public Accountants

Prepared as of May 28, 2026 for presentation to the Audit Committee  
on May 29, 2026

[kpmg.ca/audit](https://kpmg.ca/audit)



# KPMG contacts

## Key contacts in connection with this engagement



**David Marks**

Lead Audit Engagement Partner

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Audit Manager

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# Table of contents

## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

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# Audit highlights



No matters to report



Matters to report – see link for details

## Status

We have completed the audit of the financial statements (“financial statements”), with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.



## Significant changes

Significant changes since our audit plan



## Risks and results

- Materiality
- Risk of management override of controls
- Presumed risk of fraudulent revenue recognition
- Other risks of material misstatement

## Policies and practices

- Accounting policies and practices
- Other financial reporting matters

## Audit Quality

Learn more about how we deliver audit quality.

## Independence

Annual Statement of Compliance

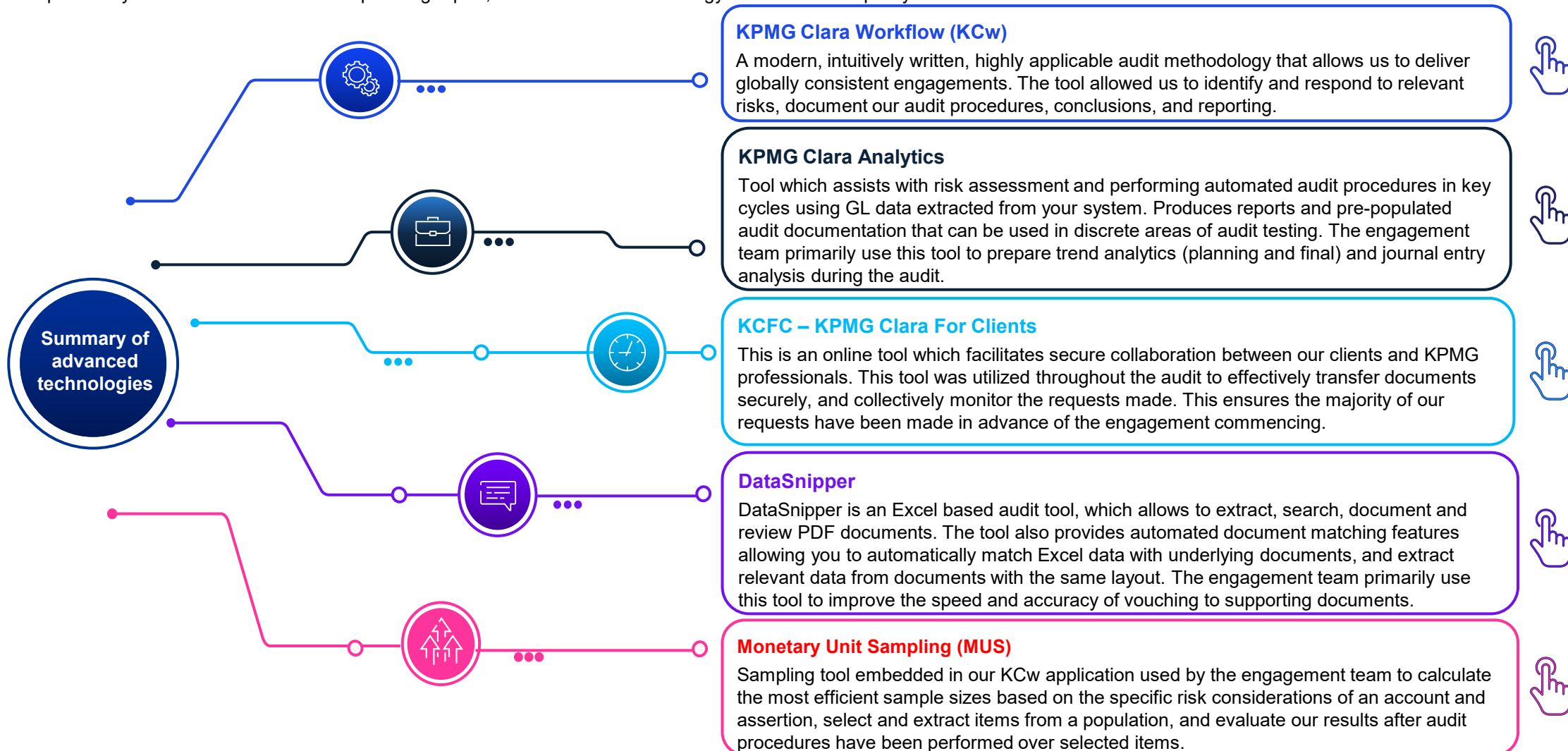


The purpose of this report is to assist you, as a member of the Audit Committee, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, the Audit Committee, and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Technology highlights

As previously communicated in our audit planning report, we have utilized technology to enhance the quality and effectiveness of the audit.



KPMG's software audit tools are intended to be used as internal enablement tools in conjunction with the performance of audit services. Information resulting from use of software audit tools may not be used as a basis for management's conclusions as to the fairness of presentation of its financial statements or form a part of the internal control.



# Status

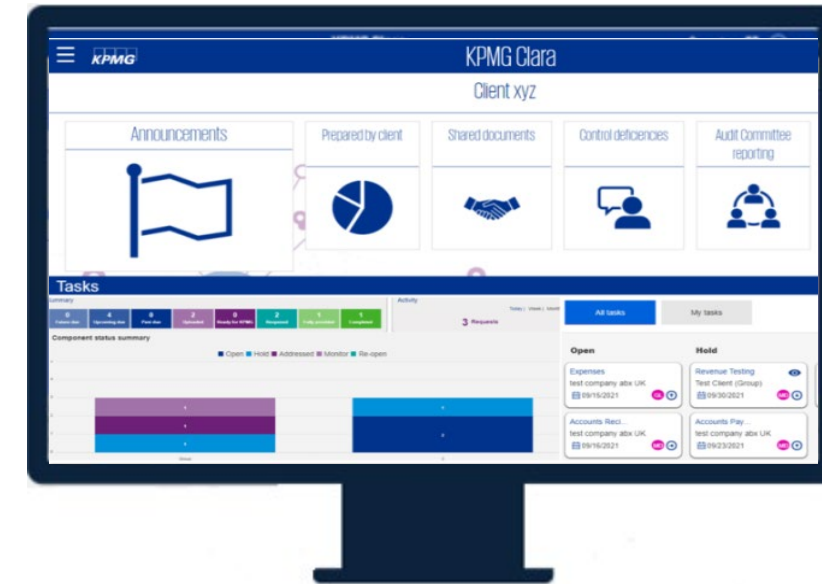
As of May 28, 2026, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Final quality control procedures and review;
- Completing our discussions with the Audit Committee;
- Inquiries regarding subsequent events;
- Obtaining evidence of the Board of Director's approval of the financial statements; and
- Receipt of the signed management representation letter.

We will update the Audit Committee, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor's report is provided in the draft financial statements.

## KPMG Clara for Clients (KCC)



### Real-time collaboration and transparency

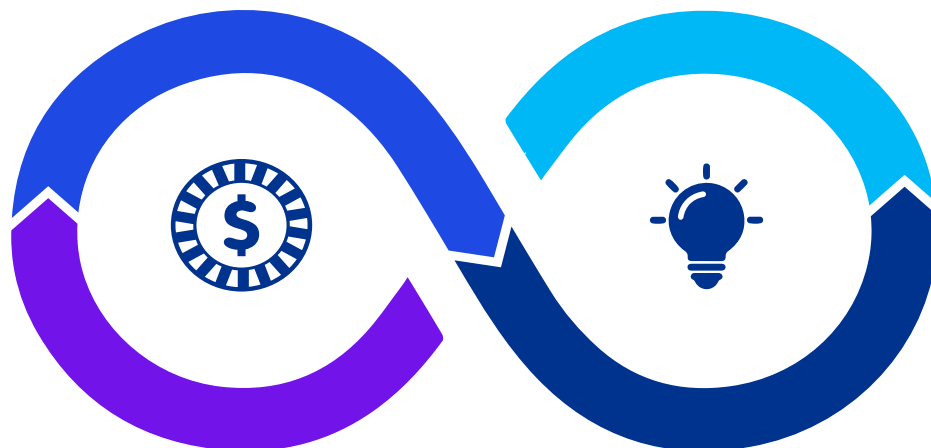
We leveraged **KCC** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCC to coordinate requests with management.





# Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

## Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

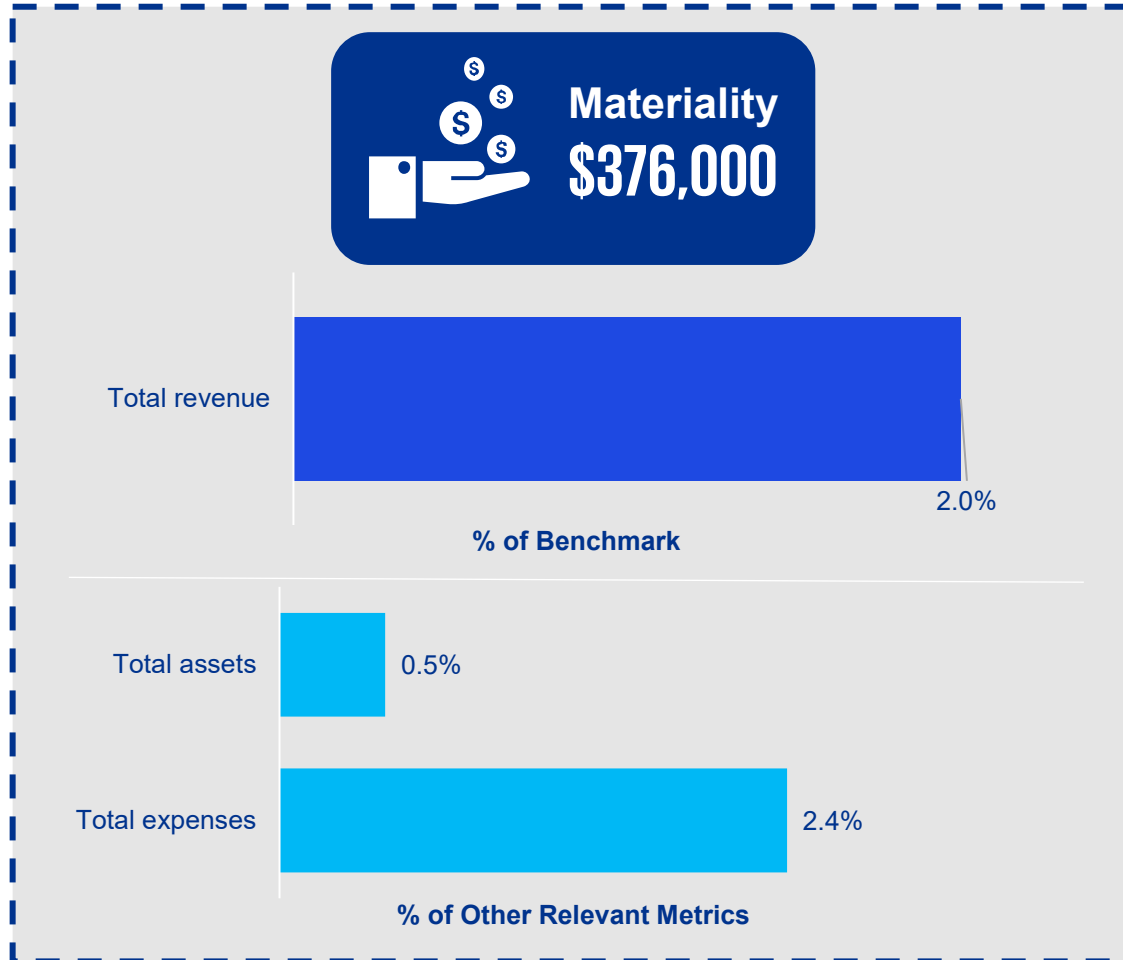
## Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.



# Materiality



**Total Revenue**  
**\$18,835,985**

**Total Assets**  
**\$76,136,704**

**Total Expenses**  
**\$16,102,371**



# Significant risks and results

We highlight our significant findings in respect of **significant risks**.



## Management Override of Controls

RISK OF  
  
FRAUD

### Significant risk

### Estimate?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

### Our response

- Evaluated the design and implementation of controls surrounding the review of journal entries and found these controls to be appropriate.
- Identified journal entries exhibiting specific high-risk criteria and inquired with management to understand the business rationale for these journal entries and traced each entry to their source documents.
- Assessed significant estimates for management bias by obtaining management's calculations and corroborating the inputs to those calculation by tracing to source documents and confirming that assumptions made by management were appropriate.

We did not identify any misstatements or evidence of management override of controls in the performance of our procedures.

### Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Grant revenues and deferred contributions

### Other risk of material misstatement

### Estimate?

Grant revenue and deferred contributions - Risk of error over completeness, existence and accuracy of grant revenue including related deferrals. No

### Our response

- Vouched all municipal levy revenue recognized in the year to the related annual levies approved in the applicable municipal budgets.
- Vouched a sample of grant revenues recognized in the year to their corresponding third-party funding agreements and tested the related expenditures to confirm that the performance obligations associated with the revenues were satisfied at the time of recognition.

### Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Authority generated fees and other revenue

### Other risk of material misstatement

### Estimate?

Authority generated fees and other revenue - Risk of error over completeness, existence and accuracy of revenue including related deferrals. No

### Our response

- Used a monetary unit sampling technique to select a sample of authority generated revenues for substantive testing.
- Revenues across various revenue streams were reconciled to their source documents, including bank deposit statements.

### Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Tangible Capital Assets and Intangible Assets

### Other risk of material misstatement

### Estimate?

Tangible capital assets - Risk of error over completeness, existence and accuracy of tangible capital assets and intangible assets.

No

### Our response

- Used a monetary unit sampling technique to select a sample of capital asset additions for substantive testing.
- Vouched capital asset additions to their related source documents, ensuring the amount recorded was consistent with the source document.
- Recalculated depreciation expense for the year to ensure that the recorded expense is consistent with the useful lives prescribed by the Authority's accounting policies.
- Assessed the presentation and disclosure of tangible capital assets on the financial statements.

### Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Operating expenditures, including payroll

### Other risk of material misstatement

### Estimate?

Operating expenditures, including payroll - Risk of error over completeness, existence and accuracy of operating expenditures. No

### Our response

- Used a monetary unit sampling technique to select a sample of operating expenditures and agreed the items selected to source documentation.
- Performed a search for unrecorded liabilities by inspecting populations of expenses recorded subsequent to year-end that may relate to the current fiscal year.
- Selected significant accruals recorded at year-end, obtained the source document and assessed the reasonability of the information and assumptions used to prepare the calculation.
- Used a monetary unit sampling technique to select a sample of payroll expenditures and agreed the items selected to source documentation, including payroll registers, employment contracts and bank statements.
- Obtained the source document for the employee future benefits liability and evaluated the reasonability of the assumptions and data used to prepare the document.

### Significant qualitative aspects of the Company's accounting practices

No significant qualitative aspects to note.



# Accounting policies and practices



## Initial selection of significant accounting policies and practices

There were no new accounting policies.



## Description of new or revised significant accounting policies and practices

There were no changes to accounting policies and practices during the year.



## Significant qualitative aspects

No significant qualitative aspects of accounting policies and practices.



# Other financial reporting matters

We also highlight the following:



**Financial statement presentation - form, arrangement, and content**



No matters to report



**Concerns regarding application of new accounting pronouncements**



No matters to report.

See [Appendix: Accounting Standards](#) for proposed future accounting standards



**Significant qualitative aspects of financial statement presentation and disclosure**



No matters to report.





# Our commitment to delivering audit quality

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.

KPMG is committed to fulfilling our public interest role in providing robust assurance that can benefit investors and other stakeholders.

Businesses are integrating technology in ways once unimaginable. Geopolitical changes and inflationary pressures continue to drive uncertainty, and businesses need to take action to respond to societal threats like climate change.

The pace and scale of change only strengthens our resolve to ensure the quality, consistency and adaptability of our services are fit for this new future. Audit and assurance quality remains the highest priority at KPMG.

Through sustained innovation, we aim to consistently deliver superior audit quality. Across the global organization:

- KPMG firms have implemented a consistent risk-based approach to our system of quality management to drive audit and assurance quality, enabling us to meet the requirements of the International Standard on Quality Management 1 (ISQM 1).
- We are utilising powerful technologies on audit and assurance engagements, including artificial intelligence, and leveraging our alliances with technology leaders such as Microsoft to further enhance quality and provide even more value through deeper analysis of businesses, no matter their size.
- We believe the same level of rigour, quality, consistency and trust that is applied to financial statement information by companies should also apply to ESG reporting. Therefore, across the global organization we have deployed an assurance methodology, KPMG Clara workflow and learning tools to upskill and build teams to provide assurance on ESG reporting that helps our clients build a more sustainable future.

We encourage you to read our Transparency Report to learn more about our system of quality management and our firm's statement on the effectiveness of our SoQM:



[KPMG Canada Transparency Report](#)



# How do we deliver audit quality?

Quality essentially means doing the right thing and remains our highest priority. We have strengthened the consistency and robustness of our system of quality management to meet the requirements of ISQM 1 (CSQM 1), issued by the International Audit and Assurance Standards Board. Foundational for quality management, KPMG's globally consistent approach to ISQM 1 drives compliance with the standard and our efforts to strengthen trust and transparency with clients, the capital markets and the public we serve.

Aligned with ISQM 1 (CSQM 1), our SoQM meets the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements.

Our **Global Quality Framework** outlines how we deliver quality and how every KPMG professional contributes to its delivery.



'**Perform quality engagements**' sits at the core, along with our commitment to continually monitor and remediate to fulfil our quality drivers.



Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.



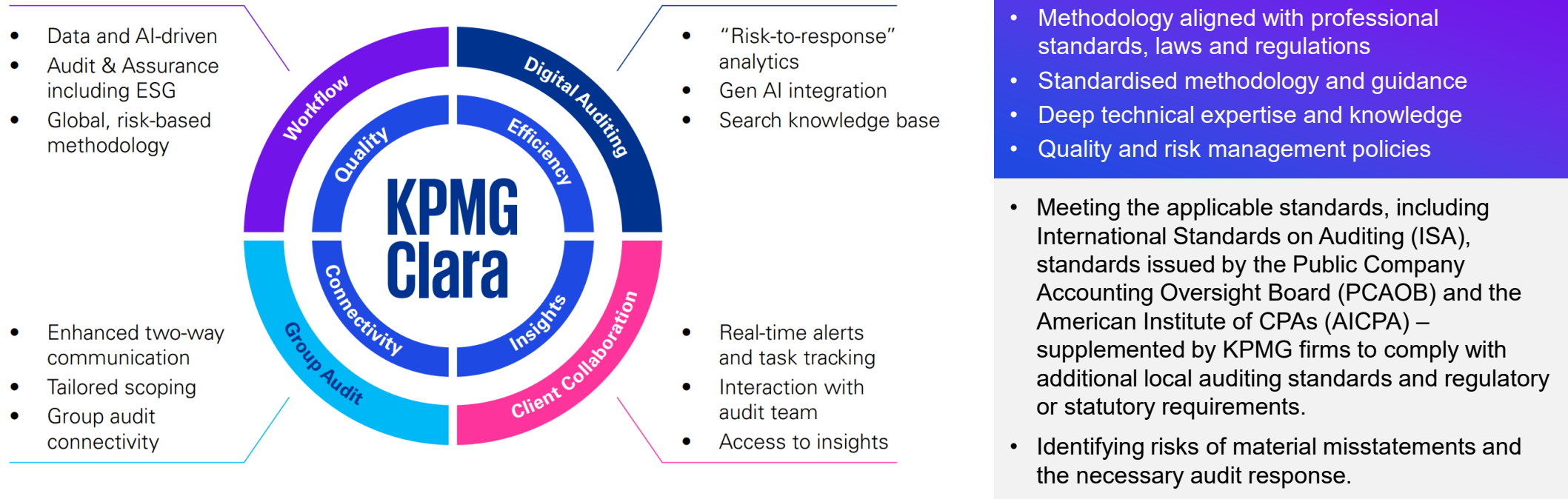
**Doing the right thing. Always.**



# The KPMG Audit

## Globally consistent audit and assurance methodology and tools

As a scalable, intuitive cloud-based platform, KPMG Clara is driving globally consistent execution across all KPMG member firms. It enables delivery of KPMG audit and assurance methodologies through data-enabled workflows, which align with the applicable audit and assurance standards and provide an improved experience to audit and assurance professionals.





# Independence

As a firm, we are committed to being and being seen to be independent. We apply the following ethical requirements, including independence requirements, in:

- the rules of professional conduct / code of ethics applicable to the practice of public accounting issued by various professional accounting bodies in Canada (“CPA code”) that are relevant to audits of financial statements of reporting issuers or listed entities; and
- the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA independence rules”) that are relevant to audits of financial statements of public interest entities.

The following processes and procedures have been established by the firm to ensure independence is maintained:



Dedicated ethics & independence partners



Process for reporting breaches of professional standards and policy, and documented disciplinary policy



Ethics, independence and integrity training for all staff



International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Operating policies, procedures and guidance contained in our quality & risk management manual



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

## Statement of Compliance

We confirm that, as of the date of this communication, **we are in compliance** with relevant ethical requirements regarding independence in Canada.



# Appendices

**A**

Required communications

**B**

Draft Audit Report

**C**

Management Rep Letter

**D**

New auditing standards

**E**

New accounting standards

**F**

Insights

**G**

Technology



# Appendix A: Other required communications



## Engagement terms

A copy of the engagement letter and any subsequent amendments has been provided to the Audit Committee.



## CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2024 Interim Inspections Results](#)
- [CPAB Regulatory Oversight Report: 2024 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2025 Interim Inspections Results](#)



# Appendix B: Draft auditor's report

The draft auditor's report is provided separately



# Appendix C: Management representation letter(s)

The management representation letter is provided separately



# Appendix D: Newly effective and upcoming changes to auditing standards

Effective for periods beginning on or after December 15, 2024

## ISA 260/CAS 260

.....  
Communications  
with those charged  
with governance

Summary of Changes:

New requirements for the auditor to communicate:

- about the relevant ethical requirements, including those related to independence, that the auditor applied to the audit of the financial statements; and
- any enhanced independence requirement that the auditor applied specific to the audit of financial statements of certain entities.

## ISA 700/CAS 700

.....  
Forming an opinion  
and reporting on  
the financial  
statements

Summary of Changes:

New requirements for the auditor to publicly disclose when the auditor applied independence requirements specific to audits of financial statements of certain entities WHEN the ethical requirements require public disclosure.



# Appendix E: Newly accounting standards

Standard	Summary and implications
<b>Concepts Underlying Financial Performance</b>	<ul style="list-style-type: none"> <li>The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted.</li> <li>The framework provides the core concepts and objectives underlying Canadian public sector accounting standards.</li> <li>The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.</li> </ul>
<b>Financial Statement Presentation</b>	<ul style="list-style-type: none"> <li>The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted.</li> <li>The proposed section includes the following: <ul style="list-style-type: none"> <li>Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.</li> <li>Separating liabilities into financial liabilities and non-financial liabilities.</li> <li>Restructuring the statement of financial position to present total assets followed by total liabilities.</li> <li>Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).</li> <li>Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.</li> <li>A new provision whereby an entity can use an amended budget in certain circumstances.</li> <li>Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.</li> </ul> </li> <li>The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.</li> </ul>



# Appendix F: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

## KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

## Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

## Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Assurance & Related Services, Canadian Securities Matters, and US Outlook reports.

## Accelerate - The key issues driving the audit committee agenda

Discover the most pressing risks and opportunities that face audit committees, boards and management teams.

## Sustainability Reporting

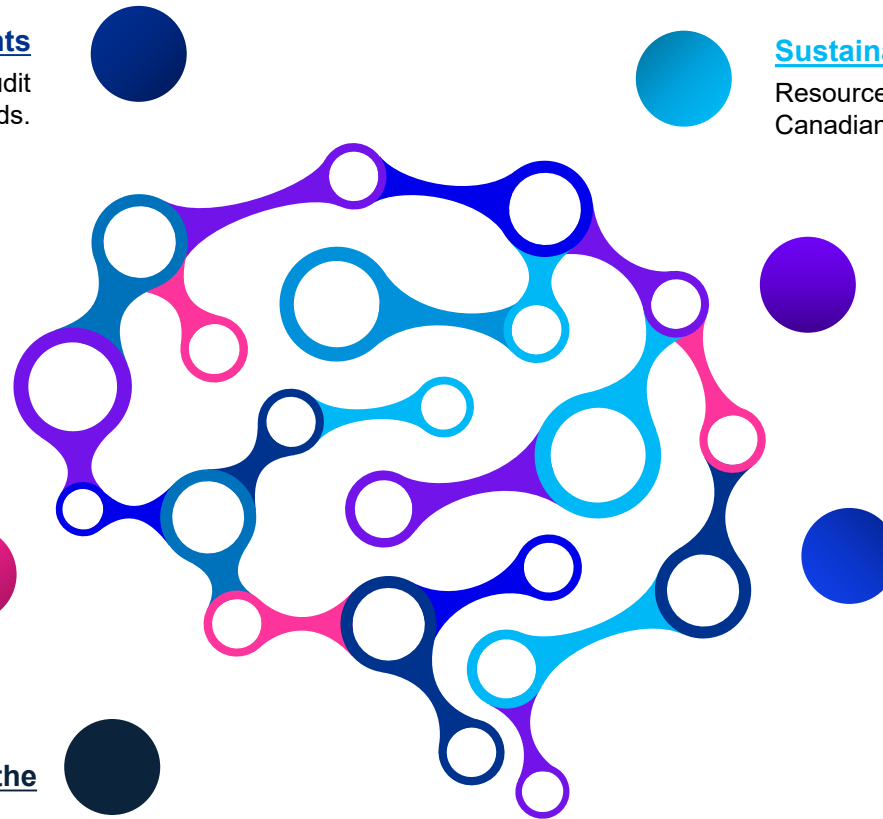
Resource centre on implementing the new Canadian reporting standards

## IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on accounting, financial reporting and sustainability reporting.

## Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.





# Appendix G: Continuous evolution

## Our investment:

We are in the midst of a five-year investment to develop our people, digital capabilities, and advanced technology.

## Responsive delivery model

Tailored to you to drive impactful outcomes around the quality and effectiveness of our audits.

## Result: A better experience

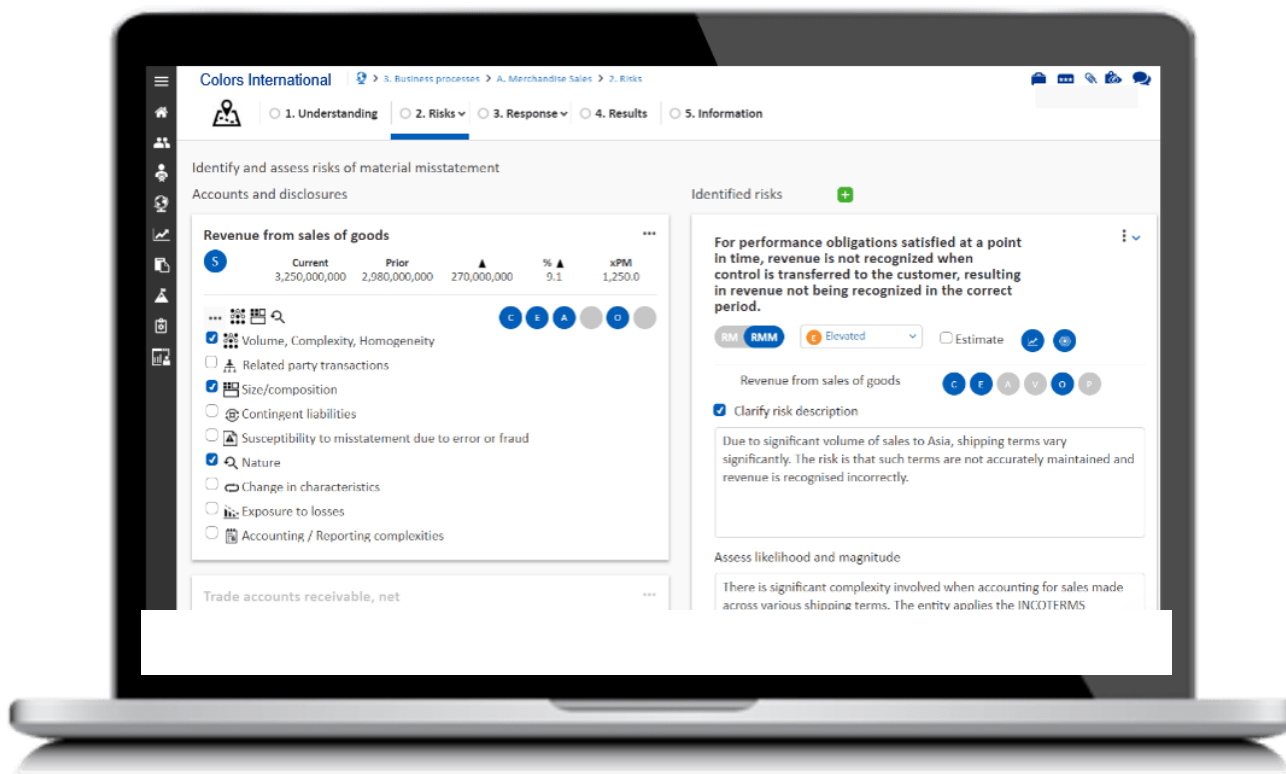
Enhanced quality, reduced disruption, increased focus on areas of higher risk, and deeper insights into your business.





# Appendix G: KPMG Clara Generative AI

With our global alliance partner Microsoft, we have embarked on a journey to embed Generative AI into our smart audit platform—KPMG Clara. This will make our auditors more productive and give them the tools to provide quicker feedback, make more insightful connections, and deliver a better audit experience.



## AI done right

Although early adoption is key, we are focused on avoiding reliance on a 'black box' so we're building 'explainability' and 'traceability' at the core.



## Bolstered productivity

Focused on removing time-consuming low value tasks, we'll apply our skills in other, more judgmental areas or in order to give insights to you.



## Quality at our fingertips

We are teaching our model with our knowledge databases to capture our vast experience. This means quality information accessible in seconds.



## Secure integration

KPMG Clara has been built on a solid and secure Azure Cloud backbone, allowing us to easily integrate Generative AI in partnership with Microsoft.



# Celebrating our Canadian Heritage and Commitment

**KPMG** puts Canada first as part of our commitment to our teams, clients and communities. We are one of Canada's largest professional services firms providing audit, tax, advisory and law services and can proudly say the following:

- **Canadian-Owned and Operated.** We are immensely proud to be 100% Canadian-owned and operated. When you choose us, you support a company deeply rooted in Canadian values, committed to the success of our nation. Our local decision-making ensures we understand and address the unique challenges and opportunities faced by Canadian businesses.
- **Investing in Our Communities.** Our success is intertwined with the well-being of the communities we serve. We actively participate in initiatives that foster growth, innovation, and prosperity across the country.
- **Creating Opportunities and Building Expertise.** As one of Canada's largest professional services firms, we provide jobs and opportunities to thousands of talented individuals. Our extensive network of professionals brings a wealth of knowledge and expertise, ensuring the highest quality of service for our clients.

As you consider your auditors and advisors of the future look to us to support you close to home.

Sincerely,

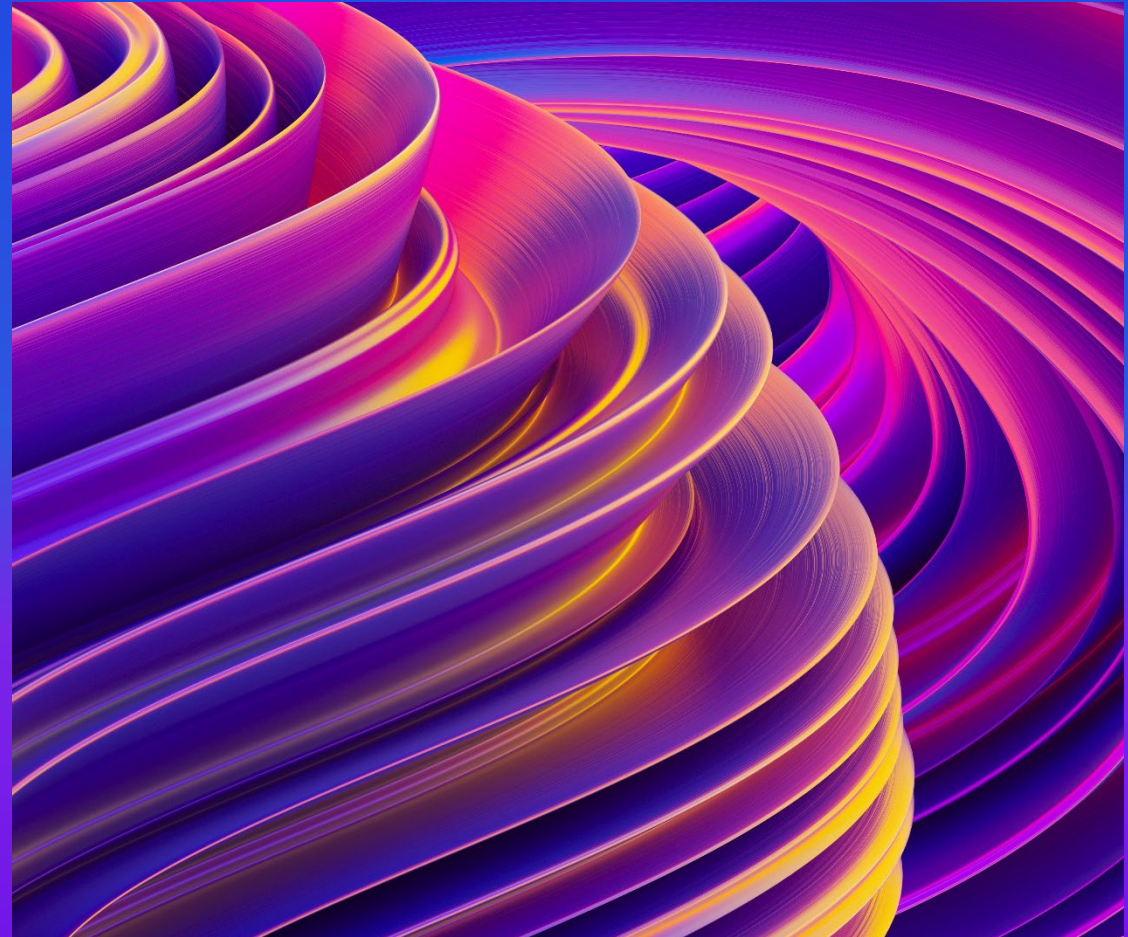
**KPMG**





<https://kpmg.com/ca/en/home.html>

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Financial Statements of

**HAMILTON REGION  
CONSERVATION  
AUTHORITY**

Year ended December 31, 2025

DRAFT

# HAMILTON REGION CONSERVATION AUTHORITY

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Year ended December 31, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Hamilton Region Conservation Authority

### ***Opinion***

We have audited the financial statements of Hamilton Region Conservation Authority (the "Entity"), which comprise:

- the statement of financial position as at end of December 31, 2025
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the 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 financial position of the Entity as at December 31, 2025, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our 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.

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.

### ***Other Matter – Comparative Information***

The financial statements as at and for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 24, 2025.

### ***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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

(date)

# HAMILTON REGION CONSERVATION AUTHORITY

## Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
<b>Financial assets:</b>		
Cash and cash equivalents (note 4)	\$ 9,716,950	\$ 11,662,520
Accounts receivable	2,061,028	684,786
Due from Confederation Beach Park	1,151,804	1,797,445
Due from Hamilton Conservation Foundation	53,000	41,975
	<u>12,982,782</u>	<u>14,186,726</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 5)	1,297,523	1,479,453
Asset retirement obligation (notes 2 and 6)	1,221,364	1,231,856
Employee future benefit costs (note 8)	135,942	165,659
Deferred revenue (note 9)	1,259,186	889,954
	<u>3,914,015</u>	<u>3,766,922</u>
<b>Total net financial assets</b>	<b>9,068,767</b>	<b>10,419,804</b>
<b>Non-financial assets:</b>		
Inventory	102,539	166,957
Prepaid expenses	218,858	364,879
Tangible capital assets (note 16)	64,596,777	61,418,142
	<u>64,918,174</u>	<u>61,949,978</u>
<b>Contingent liabilities (note 14)</b>		
<b>Contractual obligations (note 15)</b>		
<b>Commitments (note 15)</b>		
<b>Accumulated surplus (note 10)</b>	<b>\$ 73,986,941</b>	<b>\$ 72,369,782</b>

The accompanying notes are an integral part of these financial statements.

On behalf of the Authority:

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Director

# HAMILTON REGION CONSERVATION AUTHORITY

## Statement of Operations

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

	Budget 2025	Actual 2025	Actual 2024
	(note 17)		
Revenue:			
Admissions, products, services and program fees	\$ 8,165,970	\$ 8,256,087	\$ 7,726,923
Municipal levy and special projects	7,108,396	8,108,397	6,965,072
Rentals	1,090,485	954,553	970,434
Hamilton Conservation Foundation	201,700	1,088,398	875,759
Management fees	551,700	617,936	571,482
Interest	520,000	297,762	525,524
Federal and provincial grants	330,996	312,820	524,530
Regulatory fees	310,000	291,661	336,650
Private and in-kind donations (note 11)	-	6,867	202,032
Gain on sale of tangible capital assets	-	77,490	2,832
Other income	249,500	63,995	134,747
	18,528,747	20,075,966	18,835,985
Expenses:			
Wages and benefits	11,758,232	11,969,200	9,795,113
Staff expense	236,340	267,105	1,558,335
Contractors/consultants	586,100	889,535	1,156,217
Utilities	836,634	787,865	779,870
Professional fees	796,020	816,445	773,406
Materials and supplies	565,223	660,130	653,295
Products for resale	313,075	281,945	315,920
Miscellaneous expenses (note 13)	1,780,324	1,132,824	1,070,215
Amortization	1,600,000	1,653,758	1,574,920
	18,473,948	18,458,807	17,677,291
Annual surplus	54,799	1,617,159	1,158,694
Accumulated surplus, beginning of year	72,369,782	72,369,782	71,211,088
Accumulated surplus, end of year	\$ 72,424,581	\$ 73,986,941	\$ 72,369,782

The accompanying notes are an integral part of these financial statements.

# HAMILTON REGION CONSERVATION AUTHORITY

## Statement of Changes in Net Financial Assets

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

	2025	2024
Annual surplus	\$ 1,617,159	\$ 1,158,694
Purchase of tangible capital assets	(4,950,864)	(2,901,471)
Asset retirement obligations	60,533	(1,185,048)
Proceeds on disposal of tangible capital assets	135,426	6,515
Gain on disposal of tangible capital assets	(77,490)	(2,832)
Amortization	1,653,758	1,574,920
Change in inventory	64,418	(33,607)
Change in prepaid expenses	146,023	152,950
Change in net financial assets	(1,351,037)	(1,229,879)
Net financial assets, beginning of year	10,419,804	11,649,683
Net financial assets, end of year	\$ 9,068,767	\$ 10,419,804

The accompanying notes are an integral part of these financial statements.

# HAMILTON REGION CONSERVATION AUTHORITY

## Statement of Cash Flows

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

	2025	2024
Operating activities:		
Annual surplus	\$ 1,617,159	\$ 1,158,694
Items not affecting cash:		
Amortization	1,653,758	1,574,920
Asset retirement obligation	60,533	(1,185,048)
Accretion expense of asset retirement obligation	(10,492)	46,808
Gain on disposal of tangible capital assets	(77,490)	(2,832)
	<u>3,243,468</u>	<u>1,592,542</u>
Change in non-cash operating working capital:		
Accounts receivable	(1,376,242)	3,055,268
Inventory	64,418	(33,607)
Prepaid expenses	146,023	152,950
Employee future benefit costs	(29,717)	11,066
Accounts payable and accrued liabilities	(181,930)	414,593
Due to Hamilton Conservation Foundation	(11,025)	(43,410)
Due from Confederation Beach Park	645,641	(1,714,475)
Deferred revenue	369,232	(7,281)
	<u>2,869,868</u>	<u>3,427,646</u>
Capital activities:		
Proceeds on disposal of tangible capital assets	135,426	6,515
Increase in tangible capital assets – asset retirement obligation	-	1,185,048
Purchase of tangible capital assets	(4,950,864)	(2,901,471)
	<u>(4,815,438)</u>	<u>(1,709,908)</u>
Increase in cash and cash equivalents	(1,945,570)	1,717,738
Cash and cash equivalents, beginning of year	11,662,520	9,944,782
Cash and cash equivalents, end of year	<u>\$ 9,716,950</u>	<u>\$ 11,662,520</u>

The accompanying notes are an integral part of these financial statements.

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements

Year ended December 31, 2025

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## 1. Nature of operations:

The Hamilton Region Conservation Authority (the "Authority") was established in 1966 under the Conservation Authorities Act of Ontario to manage a designated watershed of approximately 112,000 acres of which the Authority owns over 11,000. The Authority is financed from municipal contributions, government grants, donations, user fees, product sales and services.

## 2. Significant accounting policies:

The financial statements of the Hamilton Region Conservation Authority are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Authority are as follows:

### (a) Accrual accounting:

These statements reflect the incorporation of the full accrual basis of accounting and the reporting of the change in net financial assets and accumulated surplus. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt of payment of cash or its equivalent. Accrual accounting recognizes a liability until the obligation or condition(s) underlying the liability is partially or wholly satisfied. Accrual accounting recognized an asset until the future economic benefit underlying the asset is partially or wholly used or lost.

### (b) Revenue recognition:

#### (i) Government transfers:

Government transfers, which include municipal grants, provincial transfer payments and major project funding, are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. If government transfers contain stipulations which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 2. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

#### (ii) Other revenue:

Other revenue from transactions with performance obligations, such as admissions, product, service and program fee, user fees, management fees, regulatory fees, rental income and revenue from other Authority services and major projects of goods or rendering of services, are recognized as the Authority satisfies a performance obligation by providing the promised goods or services to the payor. Other revenue from transactions with no performance obligations are recognized when the Authority has the ability to claim or retain an inflow of economic resources and when a past transaction or event is an asset. Amounts collected for services that have not yet been rendered are recorded as deferred revenue and recognized when the related services are performed.

### (c) Donations:

Donations are recorded in income in the period they are received, unless designated for a specific purchase that is to occur in a later period at which time the related revenue will be recognized. Donated tangible capital assets, materials and services are recorded at fair market value when fair value can be reasonably estimated.

### (d) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and balances held in the bank.

### (e) Pension plans:

The Authority maintains a defined contribution plan for employees with more than one year service and who were hired subsequent to January 1, 2006.

Under the plan, the Authority matches employee contributions to a maximum of 6% of gross income.

### (f) Tangible capital assets:

Tangible capital assets are comprised of property, plant and equipment and are recognized as assets in the period they are acquired. Tangible capital assets are recorded at cost which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided on a straight-line basis, declining balance for vehicles, over the estimated useful life for all assets except land which is not amortized. Work in progress assets are not amortized until the asset is available for productive use.

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 2. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

Service life of tangible capital assets is estimated as follows:

Asset	Estimated Useful Life
Land improvements	10-20 years
Infrastructure	20-75 years
Building & building improvements	40 years
Machinery, equipment	3-10 years
Vehicles (light and heavy duty)	15-35%

The Authority has a collection of art and historical buildings which now include a multitude of artifacts and chattels which came with the acquisition of the Westfield Heritage Village. None of these are included as part of the tangible capital assets due to the lack of any objective value comparatives.

(g) Inventory:

Inventories for resale are valued at the lower of cost or net realizable value.

(h) Financial instruments:

The Authority initially measures its financial assets and financial liabilities at fair value and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and amounts due from Confederation Beach Park.

Financial liabilities measured at amortized cost include accounts payable, due to Confederation Beach Park and due to Hamilton Conservation Foundation.

(i) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 2. Significant accounting policies (continued):

### (j) Contaminated sites

Contaminated sites are the result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met: (a) an environmental standard exists; (b) contamination exceeds the environmental standard; (c) the Authority is directly responsible or accepts responsibility for the liability; (d) future economic benefits will be given up; and (e) a reasonable estimate of the liability can be made. Changes in this estimate are recorded in the Authority's statement of operations.

## 3. Confederation Beach Park

These statements do not include the operating revenues and expenditures relating to Confederation Beach Park which is a separate and distinct operation owned by the City of Hamilton and managed by the Authority under a formal management agreement with the municipality.

All existing real and personal Confederation Beach Park property as at January 1, 1980, all subsequently acquired properties, and any surpluses or deficits generated during a fiscal year will remain the exclusive property of the City of Hamilton.

Under the terms of the management agreement, the Hamilton Region Conservation Authority has exclusive authority to manage specifically defined areas of Confederation Beach Park for the City of Hamilton. In payment for the management function, the Authority receives a management fee of 15% of operating expenditures. This management fee accrues to the Authority for its own purposes. The newest version of the management agreement has been agreed to and signed by both the City of Hamilton and the Hamilton Region Conservation Authority and runs from January 1, 2017 until December 31, 2026, inclusive.

## 4. Restricted cash

Included in cash and cash equivalents is \$235,528 (2024 – \$228,683) that was received as an endowment fund which has been externally restricted by the organization that contributed the amount.

## 5. Government remittances payable

Included in accounts payable and accrued liabilities are government remittances payable of \$61,262 (2024 – \$93,561).

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 6. Asset retirement obligations:

The asset retirement obligation is recognized based on management's best estimate of the future expenditures required to settle the obligation. A liability has been established, reflecting the estimated costs associated with the retirement of tangible capital assets. Under the prospective method, the assumptions used at the time of initial recognition are those in effect when the legal obligation was incurred. These assumptions are reviewed and, if necessary, updated on an annual basis as part of the ongoing assessment.

All liabilities for asset retirement obligations are recognized at current estimated costs, discounted to their present value at the rate of 4.45% (2024 – 3.95%).

	Asbestos	Wells	Underground Storage Tanks	2025 Total
Balance, beginning of year	\$ 241,671	\$ 222,822	\$ 767,363	\$ 1,231,856
Accretion expense for the year	9,817	9,052	31,172	50,041
Remeasurement in the year	(11,876)	(10,949)	(37,708)	(60,533)
Balance, end of year	\$ 239,612	\$ 220,925	\$ 760,827	\$ 1,221,634

## 7. Related party transactions:

	2025	2024
Municipal funding recognized as revenue in the current year		
City of Hamilton	\$ 8,074,678	\$ 6,932,756
Township of Puslinch	33,719	32,316
Funding from the Hamilton Conservation Foundation	1,088,398	875,759
Management fees from Confederation Beach Park	617,936	571,482
Municipal taxes paid to the City of Hamilton and Township of Puslinch	144,906	(138,137)
Receivable from (payable to) the City of Hamilton	880,847	(500,508)

## 8. Employee future benefit costs:

	2025	2024
Accumulated sick leave liability	\$ 21,575	\$ 21,249
Supplemental early retirement package	76,236	99,819
Post-retirement benefits	38,131	44,591
	\$ 135,942	\$ 165,659

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 8. Employee future benefit costs (continued):

Under the Authority's sick leave plan, certain employees hired prior to January 1, 1993 become entitled to a cash payment when they leave the Authority's employment. The liability for these accumulated days, to the extent they are vested and could be taken in cash by employees on termination, is funded by operations.

The Authority committed in October 2002 to pay a former general manager a supplemental early retirement package. At the end of the current year, the cost of an annuity to satisfy this obligation was \$76,236 (2024 - \$99,819) based on competitive quotes received from several insurance companies.

The Authority is committed to provide full health, life and vision coverage for all employees who have retired prior to the age of 65 for the period until they reach 65 years of age. A liability has been set up based on the current benefit rates for those retirees eligible for this coverage. The estimated value of these benefits in the current year is \$38,131 (2024 - \$44,591).

## 9. Deferred revenue:

Revenue received but not earned at year-end is as follows:

	2025	2024
Storage fees and deposits	\$ 1,259,186	\$ 889,954

## 10. Accumulated surplus:

	2025	2024
Reserve funds:		
Acquisition of provincially significant lands or eligible water related projects	\$ 2,114,377	\$ 3,065,690
Future projects and operating areas	7,583,348	8,454,951
Tangible capital assets	64,596,777	61,418,142
Asset retirement obligation to be funded	(1,221,364)	(1,231,856)
Surplus generated to be allocated to reserves	913,803	662,855
Accumulated surplus	\$73,986,941	\$ 72,369,782

## 11. Donations in-kind:

During the year, in addition to cash donations, the Authority was the beneficiary through donations in kind of tangible capital assets with a total appraised value of \$2,867 (2024 - \$1,432).

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 12. Defined contribution pension plan:

Employer contributions to the Authority's defined contribution pension plan for the year was \$431,680 (2024 - \$379,076). The Plan is designed whereby employee contributions, ranging from 2% to 6% of gross salary, are matched by the employer.

## 13. Miscellaneous expense breakdown:

	2025	2024
Computer software, hardware and support	\$ 373,125	\$ 268,945
Property taxes	144,906	138,137
Communications and advertising	52,317	117,693
Memberships and subscriptions	114,326	103,773
Postage, printed materials and supplies	111,487	102,142
Mechanical and garbage supplies	128,739	94,240
Third party equipment rental	90,713	51,234
Accretion of asset retirement obligations	50,041	46,808
Interest and banking	13,504	15,054
All other	53,666	132,189
	<u>\$ 1,132,824</u>	<u>\$ 1,070,215</u>

## 14. Contingent liabilities

The Authority is involved from time to time in litigation, which arises in the normal course of business. In respect of any outstanding claims, the Authority believes that insurance coverages are adequate, and that no material exposure exists on the eventual settlement of such litigation.

## 15. Contractual obligations and commitments:

As at December 31, 2025, the Authority is committed to \$11,474 (2024 - \$17,174) with respect to ongoing contracts for equipment in the following years:

2026	\$ 3,912
2027	3,912
2028	3,212
2029	438
Total	<u>\$ 11,474</u>

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 16. Tangible capital assets:

Cost	Balance at December 31, 2024	Transfers and additions	Transfers, disposals and adjustments	ARO	Balance at December 31, 2025
Land	\$ 36,776,652	\$ 453,460	\$ -	\$ -	\$ 37,230,112
Land improvements	7,370,639	-	-	-	7,370,639
Infrastructure	23,780,639	1,434,650	-	903,902	26,119,370
Buildings and building improvements	10,272,760	-	-	220,611	10,493,371
Machinery and equipment	3,361,909	215,794	(15,525)	-	3,562,179
Vehicles	3,508,425	347,278	(358,391)	-	3,497,311
Work-in-progress	2,669,909	3,518,094	(1,018,413)	-	5,169,590
<b>Total</b>	<b>\$ 88,926,160</b>	<b>\$ 5,969,276</b>	<b>\$ (1,392,329)</b>	<b>\$ 1,124,513</b>	<b>\$ 93,442,573</b>

Accumulated Amortization	Balance at December 31, 2024	Transfers and additions	Transfers, disposals and adjustments	ARO	Balance at December 31, 2025
Land improvements	\$ 3,482,057	\$ 267,869	\$ -	\$ -	\$ 3,749,926
Infrastructure	14,677,263	481,378	-	92,641	15,251,282
Buildings and building improvements	5,172,788	229,706	-	22,610	5,425,104
Machinery and equipment	1,700,989	308,126	(15,525)	-	1,993,590
Vehicles	2,415,669	310,680	(300,455)	-	2,425,894
<b>Total</b>	<b>\$ 27,508,018</b>	<b>\$ 1,597,759</b>	<b>\$ 315,980</b>	<b>\$ 115,251</b>	<b>\$ 28,845,796</b>

	Net book value December 31, 2024	Net book value December 31, 2025
Land	\$ 36,776,652	\$ 37,230,112
Land improvements	3,888,582	3,620,713
Infrastructure	10,008,487	10,868,088
Buildings and building improvements	5,320,836	5,068,268
Machinery and equipment	1,660,920	1,568,589
Vehicles	1,092,756	1,071,417
Work-in-progress	2,669,909	5,169,590
<b>Total</b>	<b>\$ 61,418,142</b>	<b>\$ 64,596,777</b>

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 17. Budget figures:

The budgeted figures are presented for comparison purposes and were adopted by the Authority on December 5, 2024. The adopted budget conforms to the Canadian Public Sector Accounting Standards except for the effect of the acquisition and amortization of tangible capital assets and principal repayment on debt. A reconciliation of the adopted and reported budgets is as presented below.

Adopted budget:	
Budgeted annual surplus for the year	\$ (345,200)
Adjustments to adopted budget:	
Amortization of tangible capital assets	(1,600,000)
Block funding for major maintenance and capital projects	2,000,000
Restated budgeted deficit	\$ 54,800

## 18. Financial Instruments:

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Authority's financial instruments. The maximum exposure to credit risk for the financial assets would be the carrying values shown on the statement of financial position.

### (a) Credit risk:

The Authority is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Authority's maximum exposure to credit risk represents the sum of the carrying value of its cash and cash equivalents and accounts receivable. The Authority's cash and cash equivalents are with a Canadian chartered bank and as a result management believes the risk of loss to be remote. The Authority provides credit to its customers in the normal course of operations. Management believes that the Authority's credit risk with respect to accounts receivable is limited. The Authority manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts. There has been no change in the risk from 2024.

### (b) Liquidity risk:

Liquidity risk refers to the adverse consequence that the Authority will encounter difficulty in meeting obligations associated with financial liabilities, which are comprised of accounts payable and accrued liabilities, due to Confederation Beach Park and due to Hamilton Conservation Foundation. The Authority manages liquidity risk by monitoring its cash flow requirements on a regular basis. Management believes its overall liquidity risk to be minimal as the Authority's financial assets are considered to be highly liquid.

# HAMILTON REGION CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 18. Financial Instruments (continued):

### (b) Liquidity risk (continued):

The following table sets out the expected maturities, representing undiscounted cash flows of its financial liabilities.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 1,297,523	\$ -	\$ -	\$ -	\$ 1,297,523

### (c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk.

It is management's opinion that unless otherwise noted, the Authority is not exposed to significant market risk arising from its financial instruments. There has been no change in the risk from 2024.

### (d) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority's cash and cash equivalents earn interest at prevailing market rates and management believes the interest rate exposure related to these financial instruments is negligible. There has been no change in the risk from 2024.

# HAMILTON REGION CONSERVATION AUTHORITY

Schedule 1 – Corporate Support

Year ended December 31, 2025

	Budget	2025	2024
<b>Revenues:</b>			
Municipal levy and special projects	\$ 2,072,985	\$ 2,366,025	\$ 2,373,508
Management fees	551,700	617,936	571,482
Interest	520,000	297,762	525,524
Rentals	631,335	478,787	264,739
Hamilton Conservation Foundation	201,700	278,916	182,376
Admissions, product, service and program fees	80,000	104,426	111,228
Private and in-kind donations	-	11,046	-
Other income	187,250	9,488	25,748
	<u>4,244,970</u>	<u>4,164,386</u>	<u>4,054,605</u>
<b>Expenses:</b>			
Wages and benefits	4,566,509	3,867,629	3,492,210
Staff expense	149,740	907,985	780,194
Utilities	379,725	244,161	327,862
Contractors/consultants	181,250	230,840	245,059
Professional fees	226,350	257,287	218,187
Materials and supplies	98,600	73,435	77,601
Miscellaneous expenses (note 13)	1,283,114	748,112	715,291
Amortization	500,000	524,244	479,767
	<u>7,885,288</u>	<u>6,853,693</u>	<u>6,336,171</u>
<b>Annual deficit</b>	<b>\$(3,140,318)</b>	<b>\$ (2,689,307)</b>	<b>\$(2,281,566)</b>

# HAMILTON REGION CONSERVATION AUTHORITY

## Schedule 2 – Watershed Management Services

Year ended December 31, 2025

	Budget 2025	Actual 2025	Actual 2024
<b>Revenues:</b>			
Municipal levy & special projects	\$ 2,362,135	\$ 3,069,648	\$ 1,839,033
Regulatory fees	310,000	291,661	336,650
Federal and provincial grants	330,996	311,095	290,484
Private and in-kind donations	-	4,000	200,600
Hamilton Conservation Foundation	-	45,529	17,245
Other income	-	1,217	5,912
	<u>3,003,131</u>	<u>3,723,150</u>	<u>2,689,924</u>
<b>Expenses:</b>			
Wages and benefits	2,701,381	2,326,791	2,040,281
Staff expense	23,400	322,924	288,717
Contractors/consultants	232,700	125,040	123,591
Professional fees	79,500	22,038	60,320
Materials and supplies	94,550	50,122	34,615
Utilities	23,000	22,695	19,913
Miscellaneous expenses (note 13)	189,000	71,396	69,536
	<u>3,343,531</u>	<u>2,941,006</u>	<u>2,636,973</u>
<b>Annual (deficit) surplus</b>	<b>\$ (340,400)</b>	<b>\$ 782,144</b>	<b>\$ 52,951</b>

# HAMILTON REGION CONSERVATION AUTHORITY

## Schedule 3 – Land Management Operations

Year ended December 31, 2025

	Budget 2025	Actual 2025	Actual 2024
<b>Revenues:</b>			
Admissions, product, service and program fees	\$7,745,800	\$ 7,878,725	\$ 7,271,186
Municipal levy & special projects	2,000,000	1,965,357	2,000,000
Hamilton Conservation Foundation	-	762,427	656,957
Rentals	459,150	463,409	601,459
Federal and provincial grants	-	1,725	232,389
Other income	60,750	44,685	103,087
Gain (loss) on sale of tangible capital assets	-	77,490	2,832
	10,265,700	11,193,818	10,867,910
<b>Expenses:</b>			
Wages and benefits	3,640,501	3,789,501	3,614,068
Contractors/consultants	160,950	498,274	767,861
Materials and supplies	324,573	479,658	474,710
Professional fees	477,220	512,844	468,393
Staff expense	178,150	385,120	398,598
Utilities	375,909	459,988	374,909
Products for resale	299,825	270,748	304,941
Miscellaneous expenses (note 13)	236,055	234,787	214,853
Amortization	1,000,000	1,029,352	995,899
	6,693,183	7,660,272	7,614,232
<b>Annual surplus</b>	<b>\$ 3,572,517</b>	<b>\$ 3,533,546</b>	<b>\$ 3,253,678</b>

# HAMILTON REGION CONSERVATION AUTHORITY

Schedule 4 – Westfield Heritage Village

Year ended December 31, 2025

	Budget 2025	Actual 2025	Actual 2024
<b>Revenues:</b>			
Municipal contributions	\$ 673,276	\$ 672,724	\$ 653,666
Municipal levy & special projects		34,643	189,473
User fees	324,170	258,763	329,676
Hamilton Conservation Foundation	-	1,526	19,181
Food and novelty	16,000	14,174	14,833
Donations	-	2,867	1,432
Other authority generated	1,500	9,915	15,285
	<u>1,014,946</u>	<u>994,612</u>	<u>1,223,546</u>
<b>Expenses:</b>			
Wages and benefits	733,391	560,567	648,554
Staff expense	1,500	75,781	90,826
Materials and supplies	47,500	56,914	66,369
Utilities	60,000	61,021	57,186
Professional fees	12,950	25,175	26,506
Contractors/consultants	11,200	35,182	19,706
Products for resale	13,250	11,197	10,979
Miscellaneous expenses (note 13)	72,155	80,062	70,535
Amortization	100,000	97,737	99,254
	<u>1,051,946</u>	<u>1,003,636</u>	<u>1,089,915</u>
<b>Annual surplus (deficit)</b>	<b>\$ (37,000)</b>	<b>\$ (9,024)</b>	<b>\$ (55,842)</b>

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Financial Statements of

**CONFEDERATION BEACH PARK**

Year ended December 31, 2025

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# CONFEDERATION BEACH PARK

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Year ended December 31, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Hamilton Region Conservation Authority

### ***Opinion***

We have audited the financial statements of Confederation Beach Park (the "Entity"), which comprise:

- the statement of financial position as at end of December 31, 2025
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the 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 financial position of the Entity as at December 31, 2025, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our 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.

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.

### ***Other Matter – Comparative Information***

The financial statements as at and for the year ended December 31, 2024 were audited by another auditor who expressed a qualified opinion on those financial statements on July 24, 2025 for the delay in the implementation of PS 3280 – *Asset retirement obligations*.

### ***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.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

(date)

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# CONFEDERATION BEACH PARK

## Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
<b>Financial Assets</b>		
Due from City of Hamilton	\$ 838,406	\$ 1,190,874
<b>Financial Liabilities</b>		
Due to Hamilton Region Conservation Authority	1,151,804	1,797,445
Asset retirement obligations (note 11)	33,845	34,136
Deferred revenue	36,629	22,767
	<u>1,222,278</u>	<u>1,854,348</u>
<b>Net debt</b>	(383,872)	(663,474)
<b>Non-Financial Assets</b>		
Prepaid expenses	155,832	140,510
Tangible capital assets (note 5)	3,595,596	3,916,413
	<u>3,751,428</u>	<u>4,056,923</u>
<b>Contingencies (note 7)</b>		
<b>Accumulated surplus (note 4)</b>	<u>\$ 3,367,556</u>	<u>\$ 3,393,449</u>

See accompanying notes to financial statements.

On behalf of the Authority:

\_\_\_\_\_ Chair

\_\_\_\_\_ Director

# CONFEDERATION BEACH PARK

## Statement of Operations

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

	2025 Budget (note 8)	2025 Actual	2024 Actual
<b>Revenue:</b>			
Admissions, product and service fees	\$ 2,390,000	\$ 2,807,307	\$ 2,305,585
Municipal contributions	1,035,000	1,060,906	1,187,763
Lease and rentals	583,000	759,560	691,047
Other income	40,000	56,107	42,791
	<u>4,048,000</u>	<u>4,683,880</u>	<u>4,227,186</u>
<b>Expenses (note 6):</b>			
Operating	3,541,478	4,275,173	4,111,547
Management fees	537,522	617,936	571,482
Marketing	42,000	20,489	24,842
	<u>4,121,000</u>	<u>4,913,598</u>	<u>4,707,871</u>
Annual deficit before amortization and operating surplus distribution	(73,000)	(229,718)	(480,685)
Amortization	350,000	319,139	348,222
Annual deficit before operating surplus distribution	(423,000)	(548,857)	(828,907)
Operating surplus distribution (note 10)	-	522,964	100,424
Annual deficit	(423,000)	(25,893)	(728,483)
Accumulated surplus, beginning of year	3,393,449	3,393,449	4,121,932
Accumulated surplus, end of year	<u>\$ 2,970,449</u>	<u>\$ 3,367,556</u>	<u>\$ 3,393,449</u>

See accompanying notes to financial statements.

# CONFEDERATION BEACH PARK

## Statement of Changes in Net Financial Assets (Debt)

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

	2025 Budget (note 8)	2025 Actual	2024 Actual
Annual deficit	\$ (423,000)	\$ (548,857)	\$ (828,907)
Acquisition of tangible capital assets	(175,000)	-	(9,444)
Changes in estimate of tangible capital assets - asset retirement obligations	-	1,678	(32,839)
Amortization	350,000	319,139	348,222
Change in prepaid expenses	-	(15,322)	(140,510)
Operating surplus distribution (note 10)	-	522,964	100,424
Change in net debt	(248,000)	279,602	(563,054)
Net debt, beginning of year	(663,474)	(663,474)	(100,420)
Net debt, end of year	\$ (911,474)	\$ (383,872)	\$ (663,474)

See accompanying notes to financial statements.

# CONFEDERATION BEACH PARK

Notes to Financial Statements

Year ended December 31, 2025

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## 1. Nature of operations:

Under the terms of a management agreement originating December 1, 1991, the Hamilton Region Conservation Authority (the "Authority") has exclusive authority to manage Confederation Beach Park (the "Organization") for the City of Hamilton. In payment of the management function, the Authority receives a management fee of 15% of operating expenditures. This management fee accrues to the Authority for its own purposes. All existing real and personal Confederation Beach Park property as at December 1, 1991, all subsequently acquired properties, and any surpluses or deficits generated during a fiscal year will remain the exclusive property of the City of Hamilton. The newest version of the management agreement has been agreed to and signed by both the City of Hamilton and the Hamilton Region Conservation Authority and runs from January 1, 2017 until December 31, 2026, inclusive.

## 2. Summary of significant accounting policies:

### (a) Basis of accounting and management responsibility:

The financial statements of the Confederation Beach Park are the responsibility of and prepared by management of the Hamilton Region Conservation Authority in accordance with Canadian Public Sector Accounting Standards ("PSAS"). The more significant accounting policies are summarized as follows:

### (b) Accrual accounting:

These statements reflect the incorporation of the full accrual basis of accounting and the reporting of the change in net financial assets and accumulated surplus. The accrual basis of accounting recognizes the effect of transactions and events in the period in which the transactions and events occur, regardless of whether there has been a receipt of payment of cash or its equivalent. Accrual accounting recognizes a liability until the obligation or condition(s) underlying the liability is partially or wholly satisfied. Accrual accounting recognizes an asset until the future economic benefit underlying the asset is partially or wholly used or lost.

### (c) Revenue recognition:

#### (i) Government transfers:

Government transfers, which include municipal grants, provincial transfer payments and major project funding, are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made. If government transfers contain stipulations which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

# CONFEDERATION BEACH PARK

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 2. Summary of significant accounting policies (continued):

### (c) Revenue recognition (continued):

#### (ii) Other revenue:

Other revenue from transactions with performance obligations, such as admissions, product and service fees, leases and rental and major projects of goods or rendering of services, are recognized as the Organization satisfies a performance obligation by providing the promised goods or services to the payor. Other revenue from transactions with no performance obligations are recognized when the Organization has the authority to claim or retain an inflow of economic resources and when a past transaction or event is an asset. Amounts collected for services that have not yet been rendered are recorded as deferred revenue and recognized when the related services are performed.

#### (iv) Donations:

Donations are recorded in income in the period they are received. Donation pledges are recognized when a realizable value can be determined, and collection is assured. Donated tangible capital assets, materials and services are recorded at fair market value when fair value can be reasonably estimated.

### (d) Tangible capital assets:

Tangible capital assets are recorded at cost which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided on a straight-line basis over the estimated useful life for all assets. Work in progress assets are not amortized until the asset is available for productive use.

Service life of tangible capital assets is as follows:

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Land improvements	10 - 20 years
Building & building improvements	40 years
Machinery, equipment	3 - 10 years
Infrastructure	20 - 40 years

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### (e) Internal vehicle and equipment rentals:

Authority owned vehicles and equipment are charged on an hourly basis to the appropriate expenditure categories at rates comparable to prevailing rates in the private business sector.

# CONFEDERATION BEACH PARK

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 2. Summary of significant accounting policies (continued):

### (f) Use of estimates:

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

## 3. Related party transactions

Confederation Beach Park paid \$617,936 (2024 - \$571,482) in management fees to the Hamilton Region Conservation Authority. These amounts were calculated in accordance with the management agreement. Further, the Authority paid for expenses of Confederation Beach Park which are receivable from the City of Hamilton and are payable to the Authority amounting to \$838,406 (2024 - \$1,190,874).

## 4. Accumulated surplus:

	2025	2024
Accumulated surplus, consists of:		
Operating deficit	\$ (288,178)	\$ (522,964)
Tangible capital assets	3,595,596	3,916,413
Accumulated surplus	\$ 3,307,418	\$ 3,393,449

# CONFEDERATION BEACH PARK

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 5. Tangible capital assets:

	Land improvements	Infrastructure	Building and building improvements	Machinery and equipment	2025 Total	2024 Total
<b>Cost:</b>						
Balance, beginning of year	\$ 27,589	\$ 12,381,553	\$ 5,253,599	\$ 531,017	\$ 18,226,597	\$ 18,184,314
Additions	–	–	–	–	–	9,444
ARO remeasurement	–	(1,463)	(215)	–	(1,678)	32,839
Balance, end of year	\$ 27,589	\$ 12,380,090	\$ 5,253,384	\$ 531,017	\$ 18,224,919	\$ 18,226,597
<b>Accumulated amortization:</b>						
Balance, beginning of year	\$ 12,691	\$ 10,712,325	\$ 3,167,129	\$ 418,039	\$ 14,310,184	\$ 13,961,962
Annual amortization	1,104	170,605	102,821	43,058	317,588	346,580
ARO amortization	–	1,352	199	–	1,551	1,642
Balance, end of year	\$ 13,795	\$ 10,884,282	\$ 3,270,149	\$ 461,097	\$ 14,629,323	\$ 14,310,184
Net book value	\$ 13,794	\$ 1,495,808	\$ 1,983,235	\$ 69,920	\$ 3,595,596	\$ 3,916,413

## 6. Expenditures by object:

	2025	2024
Salaries, wages and employee benefits	\$ 2,536,757	\$ 2,511,241
Contracts/consulting	251,049	333,480
Materials, goods, supplies, utilities and miscellaneous	1,507,856	1,291,668
Management fees	617,936	571,482
	\$ 4,913,598	\$ 4,707,871

## 7. Contingencies:

Confederation Beach Park is involved from time to time in litigation which arises in the normal course of business. In respect of any outstanding claims, the organization believes that insurance coverage is adequate, and that no material exposure exists on the eventual settlement of such litigation. Therefore, no provision has been made in the accompanying financial statements.

# CONFEDERATION BEACH PARK

Notes to Financial Statements (continued)

Year ended December 31, 2025

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## 8. Budget figures:

The budgeted figures are presented for comparison purposes and conforms to the Canadian Public Sector Accounting Standards except for the effect of the acquisition and amortization of tangible capital assets and principal repayment on debt. A reconciliation of the adopted and reported budgets is as presented below.

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Adopted budget:	
Net annual deficit for the year	\$ (248,000)
Adjustments to adopted budget:	
Less: Amortization expense	(350,000)
Plus: Capital & special maintenance funding	175,000
Annual deficit per Statement of Operations	<u>\$ (423,000)</u>

## 9. Absence of cash flow statement:

As part of the management agreement referenced in Note 1, Confederation Beach Park has no separate bank account and all cash transactions and changes in working capital are handled by the Authority and are reflected solely in the Due to/from account. Consequently, a cash flow statement for this entity would serve no value and is purposely omitted.

## 10. Operating surplus distribution:

As required under article 15, Trust Monies, Surplus Funds and operating deficits of the Confederation Beach Park Management agreement "(2) Any operating surplus (deficit) shall be transferred to (from) the Waterpark Reserve fund in accordance with the resolutions approved by City Council on December 9, 2015 in response to Report PW11005c/FCS15090". The Waterpark Reserve fund is in the custody of, and managed by, the City of Hamilton. Any deficit not covered through this reserve fund, will be paid to the Authority by City of Hamilton.

# CONFEDERATION BEACH PARK

Notes to Financial Statements (continued)

Year ended December 31, 2025

## 11. Asset retirement obligations:

The asset retirement obligation is recognized based on management's best estimate of the future expenditures required to settle the obligation. A liability has been established, reflecting the estimated costs associated with the retirement of tangible capital assets. Under the prospective method, the assumptions used at the time of initial recognition are those in effect when the legal obligation was incurred. These assumptions are reviewed and, if necessary, updated on an annual basis as part of the ongoing assessment.

All liabilities for asset retirement obligations are recognized at current estimated costs, discounted to their present value at the rate of 4.45% (2024 - 3.95%).

	Asbestos	Wells	Underground storage tanks	2025 Total	2024 Total
Balance, beginning of year	\$ 4,378	\$ 5,413	\$ 24,345	\$ 34,136	\$ -
ARO liability recorded on adoption of the ARO standard (note 3)	-	-	-	-	32,839
Accretion expense for the year	178	220	989	1,387	1,297
Remeasurement in the year	(215)	(266)	(1,197)	(1,678)	-
Balance, end of year	\$ 4,341	\$ 5,367	\$ 24,137	33,845	\$ 34,136

## 12. Financial Instruments:

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Organization's financial instruments.

Liquidity risk:

Liquidity risk refers to the adverse consequence that the Confederation Beach Park will encounter difficulty in meeting obligations associated with financial liabilities, which are comprised of due to Hamilton Region Conservation Authority. The Organization manages liquidity risk by monitoring its cash flow requirements on a regular basis.

The following table sets out the expected maturities, representing undiscounted cash flows of its financial liabilities:

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Due to Hamilton Region Conservation Authority	\$ 1,151,804	\$ -	\$ -	\$ -	\$ 1,151,804

# CONFEDERATION BEACH PARK

Schedule of Operating Activity  
(Unaudited)

Year ended December 31, 2025

	2025 Budget	2025 Actual	2024 Actual
<b>Open Greenspace Park and Lakeland Centre:</b>			
Revenue:			
City support	\$ 886,000	\$ 886,000	\$ 860,000
Lakeland Centre	133,000	151,517	132,614
Facilities, films, etc.	101,000	86,970	101,559
	1,120,000	1,124,487	1,094,173
Expenses:			
Park operations	539,174	740,820	655,165
Lakeland Centre	317,000	307,598	291,909
Advertising, general administration and insurance	28,000	42,583	33,533
Management fees	132,626	161,513	146,045
	1,016,800	1,252,515	1,126,652
Open Greenspace Park and Lakeland Centre deficit	103,200	(128,028)	(32,479)
<b>Commercial operations:</b>			
Revenue:			
Wild Waterworks admissions	2,230,000	2,633,385	2,139,738
Wild Waterworks food	163,000	177,829	161,448
Park commercial tenants	611,000	573,272	502,992
	3,004,000	3,384,486	2,804,178
Expenses:			
Water park operations	2,299,000	2,497,486	2,350,622
Concession operations	135,000	119,217	141,875
Marketing and advertising	42,000	19,464	23,600
Administration, insurance, water	392,000	393,788	320,890
Management fees	430,200	456,422	425,437
	3,298,200	3,486,377	3,262,424
Commercial operations deficit	(294,200)	(101,891)	(458,246)
Combined operations deficit	(191,000)	(229,920)	(490,725)
Less:			
Amortization expense	(350,000)	(319,139)	(348,222)
Capital and special maintenance expense	(175,000)	(174,704)	(327,763)
Plus:			
Capital and special maintenance funding	175,000	174,906	328,359
Capital add-back	175,000	-	9,444
Deficit per statement of operations	\$ (366,000)	\$ (548,857)	\$ (828,907)

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