

Financial Statements of

**HAMILTON REGION
CONSERVATION
AUTHORITY**

Year ended December 31, 2025

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.



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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.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 29, 2026

HAMILTON REGION CONSERVATION AUTHORITY


Statement of Financial Position

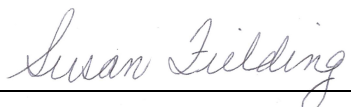
December 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
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>
Financial liabilities:		
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>
Total net financial assets	9,068,767	10,419,804
Non-financial assets:		
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>
Contingent liabilities (note 14)		
Contractual obligations (note 15)		
Commitments (note 15)		
Accumulated surplus (note 10)	\$ 73,986,941	\$ 72,369,782

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
	18,471,948	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

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

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

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	\$ 1,221,364

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
<u>Total</u>	<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	26,119,191
Buildings and building improvements	10,272,760	-	-	220,611	10,493,371
Machinery and equipment	3,361,909	215,794	(15,525)	-	3,562,178
Vehicles	3,508,425	347,278	(358,391)	-	3,497,312
Work-in-progress	2,669,909	3,518,094	(1,018,413)	-	5,169,590
Total	\$ 87,740,933	\$ 5,969,276	\$ (1,392,329)	\$ 1,124,513	\$ 93,442,393

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
Total	\$ 27,448,766	\$ 1,597,759	\$ (315,980)	\$ 115,251	\$ 28,845,796

	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
Total	\$ 61,418,142	\$ 64,596,777

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	\$ (345,201)
Adjustments to adopted budget:	
Amortization of tangible capital assets	(1,600,000)
Block funding for major maintenance and capital projects	2,000,000
<hr/>	
Restated budgeted deficit	\$ 54,799

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, with comparative information for 2024

	Budget (note 17)	2025	2024
Revenues:			
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>
Expenses:			
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>7,385,288</u>	<u>6,853,693</u>	<u>6,336,171</u>
Annual deficit	\$ (3,140,318)	\$ (2,689,307)	\$ (2,281,566)

HAMILTON REGION CONSERVATION AUTHORITY

Schedule 2 – Watershed Management Services

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

	Budget 2025	Actual 2025	Actual 2024
	(note 17)		
Revenues:			
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>
Expenses:			
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>
Annual (deficit) surplus	<u>\$ (340,400)</u>	<u>\$ 782,144</u>	<u>\$ 52,951</u>

HAMILTON REGION CONSERVATION AUTHORITY

Schedule 3 – Land Management Operations

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

	Budget 2025	Actual 2025	Actual 2024
	(note 17)		
Revenues:			
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
Expenses:			
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
Annual surplus	\$ 3,572,517	\$ 3,533,546	\$ 3,253,678

HAMILTON REGION CONSERVATION AUTHORITY

Schedule 4 – Westfield Heritage Village

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

	Budget 2025	Actual 2025	Actual 2024
	(note 17)		
Revenues:			
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
	1,014,946	994,612	1,223,546
Expenses:			
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
	1,051,946	1,003,636	1,089,915
Annual surplus (deficit)	\$ (37,000)	\$ (9,024)	\$ (55,842)