2025

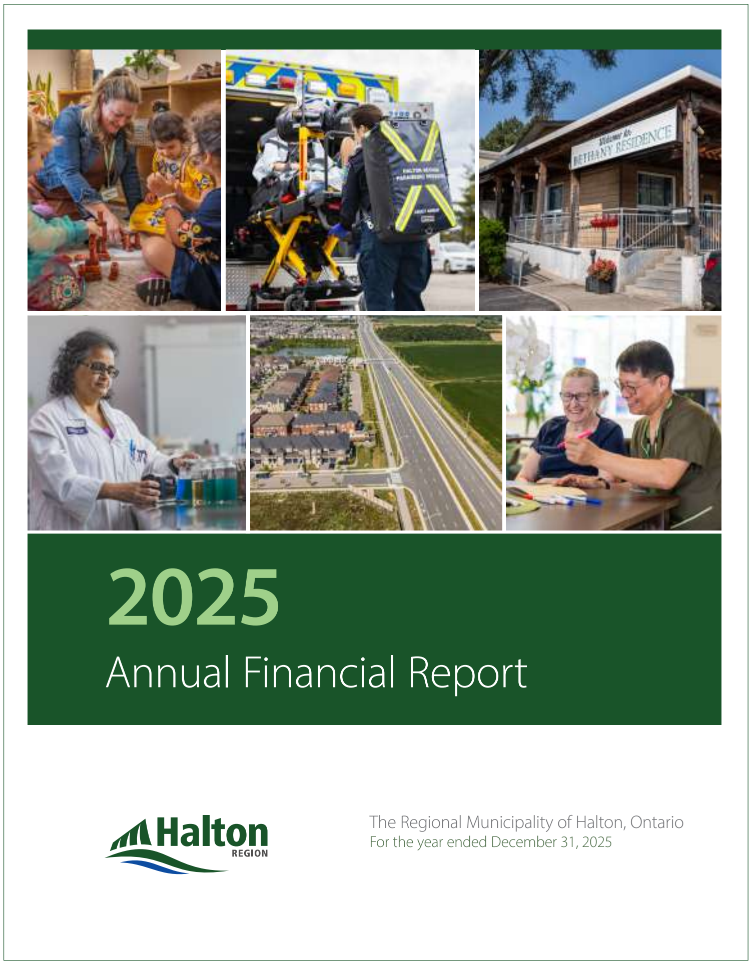
Annual Financial Report

Halton REGION

The Regional Municipality of Halton, Ontario

For the year ended December 31, 2025

On the cover



Pictured on the cover, from left to right, beginning with the top row:

- Support for early learning at one of Halton Region's child care centres.
- Halton Region Paramedic Services provides advanced and basic pre-hospital emergency care to residents.
- Halton Region provides assisted and supportive housing to residents in the community.
- Water quality is tested in Halton Region's water treatment plants, making it safe for residents.
- Construction for Britannia Road Corridor Improvements.
- Providing care services to a resident at one of Halton's Regionally owned and operated long-term care homes.

2025 Annual Financial Report

For the year ended December 31, 2025

The Regional Municipality of Halton, Ontario

The report was prepared by:
Halton Region Finance Department
in co-operation with all Regional departments

Message from Halton Regional Chair Gary Carr

On behalf of Regional Council, I am pleased to present Halton's 2025 Annual Financial Report.

Over the past year, Halton Region has continued to deliver the essential programs and services our community depends on, while making steady progress on the priorities set out in our current Strategic Business Plan. These efforts reflect both Council's direction and the evolving needs of our residents, businesses, and partners.

We recognize that affordability remains a concern for many households. That is why fiscal responsibility continues to guide every decision we make. By maintaining a strong financial position and carefully managing the costs associated with growth-related infrastructure, Halton Region continues to protect tax and rate payers while planning prudently for the future. As a result of this longstanding commitment, we have once again upheld our top credit ratings from S&P Global Ratings (AAA, maintained since 2002) and Moody's Investors Service (Aaa, maintained since 1989).

These credit ratings enable Halton to access the most favourable financing rates, ensuring public dollars go further and directly supporting our long-term capital plan. Over the next decade, we are continuing to make significant investments to support a growing and complete community, including:

- **Water and wastewater infrastructure:** $4.1 billion to support new development and maintain state-of-good-repair for critical facilities.
- **Transportation infrastructure:** $4.3 billion to support Regional roads and mobility infrastructure, including road widening, resurfacing, grade separations, studies, bridges, and culverts.

As economic conditions remain uncertain, Halton Region will continue to balance careful financial stewardship with the need to invest in infrastructure and services that sustain our quality of life. Through this approach, we are ensuring reliable roads, water, and wastewater systems today and for generations to come—keeping Halton a great place to live, work, and thrive.

To learn more about Regional finances and our 2026 Budget & Business Plan, visit the Finance and Transparency page on **halton.ca**.

Sincerely,

Gary Carr
Halton Regional Chair

Contents

Connect with us today:

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Go to **halton.ca**

Sign up for Halton notices and advisories

Visit us at the Halton Regional Centre
1151 Bronte Road, Oakville or a Regional facility*

* Appointment may be required. Please email or call ahead.

Halton Regional Council 2023–2026

Regional Chair
Gary Carr
gary.carr@halton.ca

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Ward 6
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Wards 3 and 4
Jane Fogal
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Halton Regional Council is the decision-making body for Halton Region. The Halton Regional Chair is the head of Regional Council, which is made up of 24 elected representatives, including the Mayors of each Local Municipality.

Council agendas, meeting schedules, documents and streaming video are available online at **halton.ca**.

Welcome to Halton

Recognized for our strong economy, safe communities, green spaces and high quality of life, Halton is a great place to live, work, raise a family and retire.

Our services and high quality of life are key reasons why people and businesses continue to choose Halton. Our growing community is one of the safest and most desirable places to live in Canada. People enjoy the charm of small-town life, bustling downtown areas, scenic views of the Niagara escarpment and waterfront parks as well as our vibrant farms and markets. We are a diverse community with people from many different cultural backgrounds, traditions and religions. Together we learn from each other and embrace our shared values of respect, unity, and understanding.

As one of the fastest growing communities in Canada, Halton is expected to grow to over 1.1 million people and 500,000 jobs by 2051. Halton is an ideal place to work and do business. We are ready to deliver the services and infrastructure our community needs now and in the future. We attract new development and business each year, thanks to easy access to major markets and a highly educated workforce.

Halton Region provides essential services, from clean drinking water and resilient infrastructure to sustainable waste collection services, public health programs and emergency services, financial and family supports, and more, that you can rely on 24/7.

Learn more about all we offer our community at **halton.ca**.

Economic Statistics

666,454
2025 Population[1]

$164B
Total Assessment[2]

13,318
Number of Employers[3]

246,200
Total Jobs in Halton[3]

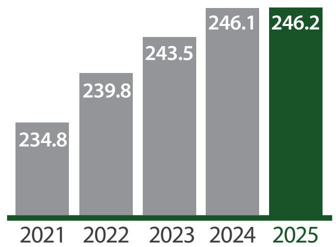
8.2%
Halton Unemployment Rate[4]

78%
Post-Secondary Attainment[5]

$2.8B
Total Construction Value[6]

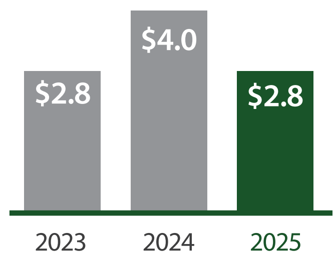
1 Statistics Canada, Annual Demographic Estimates
2 Unweighted Current Value Assessment (CVA), 2025 FIR Schedule 22A
3 Halton Region Employment Survey, 2025
4 Statistics Canada Labour Force Survey, 2025
5 Statistics Canada Census, 2021
6 Statistics Canada, Building Permits Survey, 2025
7 Conference Board of Canada (Forecasts), 2023

Total Jobs[3]
(thousands)



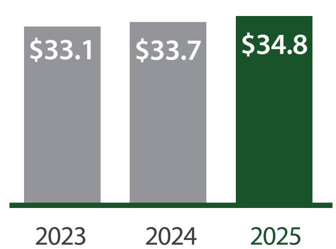
Halton is experiencing sustained employment growth. Consistent with provincial directions, total jobs in the Region have increased over the past 5 years.[3]

Total Construction Value[6]
(billions)



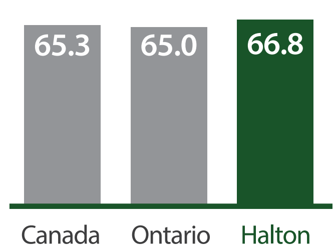
Over the past 5 years, Halton's total building permit construction value was $14.9 billion.[6]

Gross Domestic Product[8]
(billions)



Halton Region's gross domestic product (GDP) reached $34.8 billion in 2025. GDP is forecast to exceed $36.8 billion in Halton by 2027.[7]

Participation Rate[4]
(per cent)



In 2025, the labour force participation rate in Halton averaged 66.8 per cent, higher than the averages provincially and nationally.[4]

Halton Region Strategic Business Plan

The 2023-2026 Strategic Business Plan sets the strategic direction and priorities for Council's four-year term of office and our region's future. Halton's strategic planning process ensures a strong alignment between Council priorities, corporate and departmental business planning and processes, and the Region's Budget and Business Plan.

To support the development of the Plan, residents, businesses and community partners as well as Indigenous People, Communities and First Nations were engaged in a public consultation process. Input received helped to inform the Plan and ensure it reflects what matters most to the community.

The **2023-2026 Strategic Business Plan** identifies 17 goals, which are organized into four key themes. The Plan includes the actions that need to be undertaken to achieve these goals and their respective measures.

The four strategic themes outlined in the 2023-2026 Strategic Business Plan are:

Community Well Being	Focuses on collaborating with partners to deliver the programs, services and supports that the community needs to be safe and healthy.
Infrastructure and Growth	Focuses on ensuring that the necessary infrastructure and services are in place to maintain a high quality of life as the region continues to grow.
Climate Change and the Environment	Focuses on reducing our collective greenhouse gas emissions to mitigate the impacts of climate change.
Excellence in Government	Focuses on our commitment to strong financial management, Truth and Reconciliation and being an employer of choice, as well as transforming service delivery.

Halton Region's Corporate Organization

Regional Council

CAO's Office
A. Farr
Chief Administrative Officer

Health	Social & Community Services	Public Works	Corporate Services	Digital & Information Services	Finance
Dr. D. Lobo Commissioner & Medical Officer of Health	A. Sarchuk Commissioner	L. Jones Commissioner	B. Gray Commissioner & Corporate Counsel	M. Bach Chief Digital & Information Officer	C. Winslow Commissioner & Regional Treasurer

What We Do

Halton Region supports people living and working in the City of Burlington and the Towns of Halton Hills, Milton and Oakville.

From clean drinking water to resilient infrastructure and public health programs, financial assistance and family supports, residents and businesses can rely on Halton Region to deliver programs and services that matter.

Halton Region Programs and Services

- Children's services
- Emergency planning
- Financial assistance
- Housing services and the Halton Community Housing Corporation
- Infrastructure planning
- Infrastructure maintenance and construction
- Paramedic services
- Public health
- Regional roads and transportation
- Small business services
- Long-term care and services for seniors
- Waste management
- Wastewater collection and treatment
- Water purification and distribution

Treasurer’s Report

Cyndy Winslow
Commissioner of Finance and Regional Treasurer

I am pleased to present the consolidated financial statements for the Regional Municipality of Halton (Halton Region or the Region) for the year ended December 31, 2025. These consolidated financial statements and accompanying notes are prepared in accordance with Canadian public sector accounting standards.

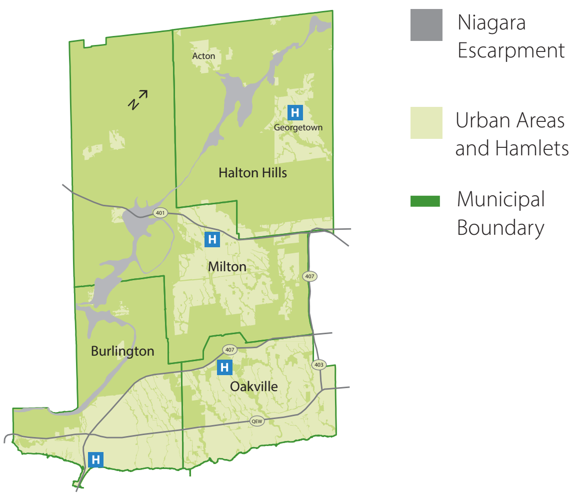
Management at Halton Region is responsible for the information contained in the Annual Financial Report, which includes the consolidated financial statements, notes to the consolidated financial statements and other financial information.

The purpose of the Treasurer’s Report is to analyze and comment on the principal features of the 2025 consolidated financial statements and to highlight key priorities and financial results that occurred during the year. This report communicates to residents, businesses, and partners, the details of the Region’s 2025 financial performance and related information about significant financial policies.

Treasurer's Report

Community Profile

Halton Region is an upper-tier municipality providing services to residents in the City of Burlington and the Towns of Halton Hills, Milton and Oakville. Close to major markets in Canada and the United States, Halton Region is located within the rapidly growing Greater Toronto and Hamilton Area (GTHA), offering expanded business and employment opportunities for more than 666,000 residents and 13,300 businesses.



Populations source: Halton Region Best Planning Estimates, June 2011

2025 Regional Economy Highlights

Halton's economy demonstrated resilience and underlying strength in 2025, supported by solid construction activity, continued job creation, and targeted Federal and Provincial investments that advanced economic diversification and long-term growth objectives. The Region's labour force remains predominantly anchored in professional and highly skilled services, contributing to relatively stable labour market fundamentals despite broader economic volatility. In 2025, Halton's average unemployment rate was 8.2 per cent, an increase from 6.3 per cent in 2024, yet still marginally below the broader GTHA average. Looking ahead, economic conditions in 2026 may be influenced by external factors, including global trade considerations such as tariffs; however, Halton's diversified economic base provides some resilience against these pressures.

Halton benefits from a strong and diverse business community, with established industry clusters in engineering, automotive manufacturing, technology, financial services, food processing, and logistics and distribution. In 2025, the Region was home to approximately 13,318 employers, collectively providing employment to roughly 246,200 workers, underscoring the depth and breadth of local economic activity.

Development activity across Halton remained strong in 2025. The total value of construction approved through building permits reached nearly $2.8 billion, exceeding the approximately $2.6 billion average annual permit value observed over the past decade. Residential development continued to be the primary driver of construction activity, accounting for more than 75 per cent of total building permit value, or approximately $2.1 billion, reflecting sustained housing demand across the Region.

Provincial Updates

On March 10, 2026, the Province announced it is consolidating Ontario's Conservation Authorities (CAs) as outlined in the Memorandum on March 25, 2026 (re: Update on Changes to Conservation Authorities in Ontario). The Province has indicated that there will be no changes to where and how CAs receive funding. On May 7, 2026, Bill 100, the *Better Regional Governance Act, 2026*, received Royal Assent, implementing changes to regional governance in Ontario, as outlined in the Memorandum on April 15, 2026 (re: *Better Regional Governance Act, 2026*), including authorizing the Minister of Municipal Affairs and Housing to appoint the Regional Chair. The Province has also proposed that O. Reg. 530/22 ("the Regulation") be amended to designate Halton Region as subject to the Municipal Act's "strong head of council" provisions.

2023–2026 Strategic Business Plan

The Council-approved 2023–2026 Strategic Business Plan sets the goals and specific actions that help achieve our vision and mission while shaping the future of the Region.

Its four strategic themes include:

Community Well Being

Infrastructure and Growth

Climate Change and the Environment

Excellence in Government

The Plan has been a cornerstone of the Region's commitment to public accountability, transparency, and engagement, and helping to ensure that the needs of the community have been met. Alongside this commitment, the following three guiding principles form the foundation of the Plan:

1. **Partnerships:** Halton Region and its Local Municipalities collaborate with community partners and agencies to deliver effective services and address community needs, while also working with the Provincial and Federal Governments to advance shared priorities and respond to emerging issues.
2. **Strategic Lenses:** Halton Region is committed to implementing its priorities by focusing on equity, diversity, and inclusion, advancing Truth and Reconciliation, taking action against climate change, and protecting the environment.
3. **United Nations Sustainable Development Goals:** The Region is committed to supporting and taking actions in alignment with the United Nations Sustainable Development Goals (SDGs) to build a more sustainable and prosperous future for all.

Report No. CA-09-26 re: 2023-2026 Strategic Business Plan Term in Review provides an overview of key outcomes and progress achieved during the term and highlights many important achievements. This report also demonstrates the outcomes and impacts of collaboration between Regional Council, staff, Local Municipalities and community partners in achieving significant goals.

Strong Long-Term Financial Position

AAA/Aaa Credit Rating

Halton Region's strong financial position was reaffirmed in 2025 with the confirmation of its AAA credit rating by both S&P Global Ratings (AAA) and Moody's Investors Service (Aaa). The Region has consistently maintained these top credit ratings since 2002 from S&P Global Ratings and since 1989 from Moody's Investors Service, underscoring the long-standing strength and stability of its financial management framework.

These ratings reflect Halton Region's sustained record of strong budgetary performance, prudent fiscal stewardship, and well-established financial policies and practices. Key contributing factors include a diversified and resilient economic base, stable and predictable revenue sources, and a positive long-term financial outlook. In addition, the Region uses strategies to mitigate risk including disciplined debt management and the use of developer-funded agreements for growth-related infrastructure.

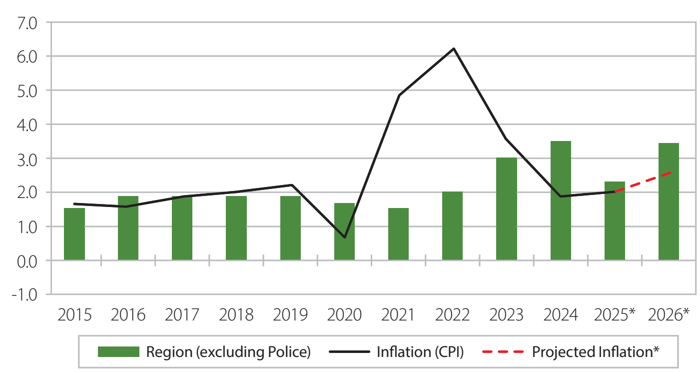
These agreements, implemented through structured allocation programs and financing plans unique to Halton Region, support continued growth while maintaining affordability and financial flexibility for the Region.

Halton's commitment to future planning for operating and capital budgets allows the Region to anticipate spending pressures early, resulting in strong financial outcomes. The AAA/Aaa ratings are the highest investment credit ratings available, allowing the Region to issue debt at the lowest possible cost and in turn reducing the financial impact to tax and rate payers.

Property Taxes

The annual budget continues to sustain service excellence across the Region's core program areas while ensuring the effective implementation of priorities established by Regional Council through the Strategic Business Plan.

Region Tax Impact (excluding Police)



2015 to 2024 actuals from the Bank of Canada (BOC) as of December each year
*2025F & 2026F Bank of Canada Forecast - July 2025 Monetary Policy Report

The 2026 Budget includes a 3.3 per cent increase in the Regional tax levy (excluding Police), maintaining the average annual property tax rate increase for Regional services at or below the rate of inflation.

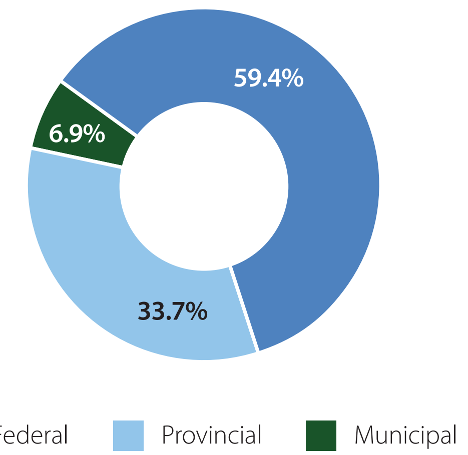
As shown in the graph, despite ongoing challenges from extended periods of high inflation, Halton Region continues to keep taxes low while ensuring continued delivery of essential services, with a focus on efficiency, resource allocation, and supporting growth through strategic investments.

Treasurer's Report

The Region ensures continued financial sustainability through effective financial planning and risk management, which has resulted in maintaining a AAA/Aaa credit rating and keeping property tax increases as low as possible. To achieve this objective, the budget is prepared based on the following principles:

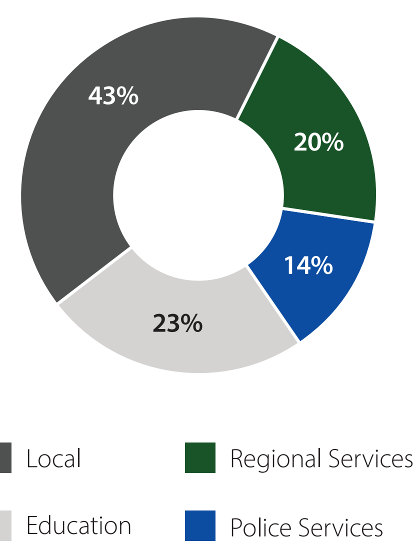
- The annual budget is prepared in accordance with Council approved financial plans, annual targets and policies;
- Halton Region's strong financial position and financial planning principles will be upheld to ensure the Region's AAA/Aaa credit ratings are maintained;
- Strategic investments in additional staff or other resources resulting from growth, program enhancements or additional Federal and Provincial funding require a business case to be considered as part of the annual budget process;
- The annual budget includes investment in the state-of-good-repair of the Region's assets to maintain a good overall condition of the assets as the Region's infrastructure continues to age and expand;
- Regional programs are funded from sustainable revenues to ensure ongoing expenditures are not funded from temporary or one-time revenues;
- 10-year operating and capital budget forecasts are prepared;
- Growth-related capital costs that can be recovered under the *Development Charges Act, 1997* (DCA) be recovered from growth-related revenue in the annual budget;
- In order to proceed with growth in the Region, an acceptable financing plan must be approved prior to development proceeding;
- Halton's own debt limits are not exceeded throughout the 10-year forecasts;
- Reserves are maintained at levels to ensure financial sustainability to support the state-of-good-repair of Regional assets, tax and rate stabilization reserve targets, and to fund specific program requirements; and,
- The budget that is presented to Halton Region tax and rate payers is clear and easy to understand, as evidenced by the annual receipt of the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada (GFOA).

Average Ontario Family 2025 Tax Bill Breakdown



Source: Fraser Institute's Canadian Tax Simulator, 2025.

Percentage Share of 2025 Halton Region Property Tax Bill



Treasurer's Report

Financial Management

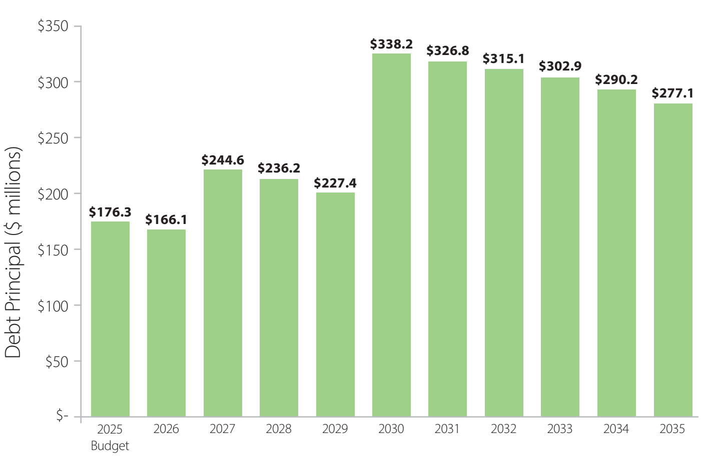
Capital Financing Strategy

The preservation of Halton Region's strong fiscal foundation remains a core strategic objective of Regional Council. Ongoing discipline in managing debt levels, together with the continued maintenance of sufficient reserve balances, is essential to sustaining the Region's long-term financial strength and flexibility.

Long-term financing requirements are driven by the long-term capital infrastructure plan and asset management needs. Halton Region utilizes its reserves to finance the State-of-Good-Repair capital program for existing infrastructure. The Region's reserves, funded through the Build Communities Strong Fund (BCSF) (formerly known as Canada Community Building Fund (CCBF) prior to April 7, 2026) and investment earnings are used to support the Region's pay-as-you-go approach in financing ongoing or recurring life cycle requirements. Debt financing is utilized for significant upgrade and rehabilitation initiatives, ensuring the operating impacts from the significant capital program remain smooth and the timing of revenue recoveries from tax and rate payers is appropriately matched with the benefit of infrastructure.

The following chart illustrates the annual projected debt levels over the next 10 years. Debt levels are expected to peak at $338.2 million in 2030, mainly driven by funding required for the North Operations Paramedic Centre in 2029 (Report No. MO-14-24 re: Paramedic Services 10-Year Master Plan Update).

Projected Outstanding Debt Principal (in $ millions)



Halton Region relies on DCs to finance new infrastructure and for the expansion of existing infrastructure required for growth. The current DC By-law No. 25-22 (Residential and Non-Residential Water and Wastewater, Roads and General Services Development Charges for Built Boundary and Greenfield), was passed by Regional Council on May 25, 2022, and came into effect September 1, 2022. Under Development Charges (DC) legislation, a DC by-law must be updated every 10 years (or sooner) to reflect updated growth forecasts and infrastructure costs. DCs, combined with the Regional interim financing through the Capital Investment Revolving Fund, Tax Capital Reserve and debt, are used for the financing of growth-related projects. In particular, the Regional interim financing is provided for the non-residential employment capital cost share and will be recovered from future DCs, including carrying costs under the financing plan. In 2024 a new allocation program, as discussed in Report No. CA-02-24/PW-04-24/FN-05-24 re: Revised 2023 Allocation Program, has commenced to accelerate infrastructure to support the Provincial Government and Local Municipalities to advance the housing supply and meet their housing pledges. This plan advances the early collection of DCs to ensure that critical infrastructure is delivered in a timely manner to support new development. It also ensures that all growth-related costs eligible for recovery under the DC By-law are fully captured.

The completion of the Integrated Master Plan, as outlined in Report No. PW-36-25 re: Implementation and Next Steps to Deliver Water, Wastewater and Transportation Infrastructure to 2051, establishes critical next steps to support the financing and implementation of water, wastewater, and transportation infrastructure to 2051. This includes the initiation of a new Development Charges Background Study, which is required under the *Development Charges Act, 1997* (DCA) and commenced in 2026. As part of this work, staff will review funding allocations for capital projects identified in the Integrated Master Plan, including growth versus non-growth shares, residential versus non-residential components, and post-period benefit, to inform the calculation of DCs.

Bill 23, *More Homes Built Faster Act, 2022*, together with subsequent amendments introduced through Bill 185, *Cutting Red Tape to Build More Homes Act, 2024*, and Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025*, implemented a series of legislative changes that significantly affected the Region's ability to collect DCs. These measures were intended to advance the Province's objective of accelerating housing supply.

Report No. FN-11-26 re: Statement of 2025 Development Charges Reserve Funds outlines how Bill 23 (*More Homes Built Faster Act, 2022*) and subsequent amendments under Bill 185 (*Cutting Red Tape to Build More Homes Act, 2024*) and Bill 17 (*Protect Ontario by Building Faster and Smarter Act, 2025*) introduced significant changes, including the removal of housing as an eligible service, rental housing discounts, exemptions for non profit, affordable, attainable and long term care housing, elimination of the DCs rate phase in (still applicable to certain existing agreements), deferral of residential development charge payments to occupancy, and removal of interest on instalment payments.

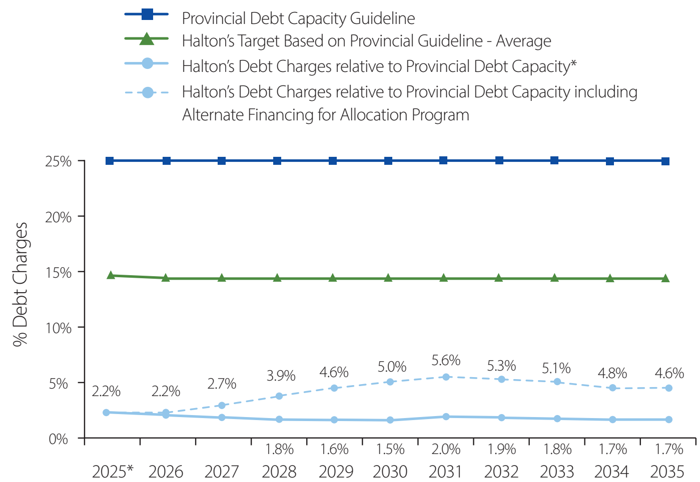
Collectively, as reported through Report No. PW-01-22/FN-11-22/DI-01-22 re: Asset Management Program and Lifecycle Models Update, the legislative changes introduced since 2022 have reduced the Region's DCs by $44.6 million and deferred an additional $32.2 million in collections, which is anticipated to be recovered over the next several years.

Debt Capacity

The Province sets a debt capacity guideline for municipalities at 25 per cent of own revenues. Halton Region's own guideline (10 per cent of total gross operating expenditures) translates to approximately 15 per cent of own revenues. The following chart illustrates the Region's projected position relative to the Province's guideline. The Region's ratios continue to remain well below the Region's guideline. Due to the accelerated infrastructure necessary to meet housing pledges, the financing plan for the 2023 Allocation Program assumes the alternate financing would be some combination of Federal, Provincial and Regional financing.

Given the necessity of water and wastewater capacity to respond to housing needs, financing the delivery of this capacity is a priority. The following chart sets out a forecast that assumes the cost for water and wastewater capacity infrastructure is provided by senior levels of government and also provides a scenario where the Region uses debt (over 30 years) to finance the costs. The trend in Halton's debt charges relative to the Provincial guideline increases based on the debt issuance for the Paramedic Services Headquarters and North Operations Paramedic Centre construction projects over the forecast period.

Projected Debt Charge Position Relative to Provincial Guideline (2025 - 2035)

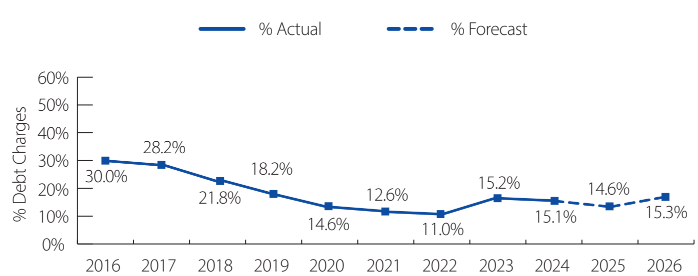


*Debt charges are projected based on inflated debt and include other long-term financial obligations (i.e. lease payments)

Debt to Reserve Ratio

The following Outstanding Debt to Reserves and Reserve Funds chart illustrates the impact of Halton Region's financial plans in terms of the debt-to-reserve ratio. The lower the ratio, the more financial flexibility available to respond to new requirements and the more secure Halton Region's overall financial position. The ratio is expected to increase in 2026 (15.3 per cent) from the 2025 level due declining reserve levels.

Outstanding Debt to Reserves and Reserve Funds



Treasurer's Report

Key Priorities

A Halton Region's vision is to enhance the quality of life for residents of Halton today and into the future. To meet this vision, the 2023-2026 Strategic Business Plan identified four strategic themes that reflected the priorities of Regional Council for the community: Community Well Being, Infrastructure and Growth, Climate Change and the Environment, and Excellence in Government. The Region remains committed to preserving a landscape that is resilient, balanced, productive, and sustainable, while fostering a community that is economically strong, inclusive, and supportive of overall well being.

Community Well Being

Halton Region is dedicated to protecting and enhancing the health and safety of its communities. Regional programs and services continue to evolve in response to changing demographics and the diverse needs of residents. Through strong collaboration with community partners, the Region remains focused on delivering coordinated programs, services, and supports that promote safe, healthy, and thriving communities.

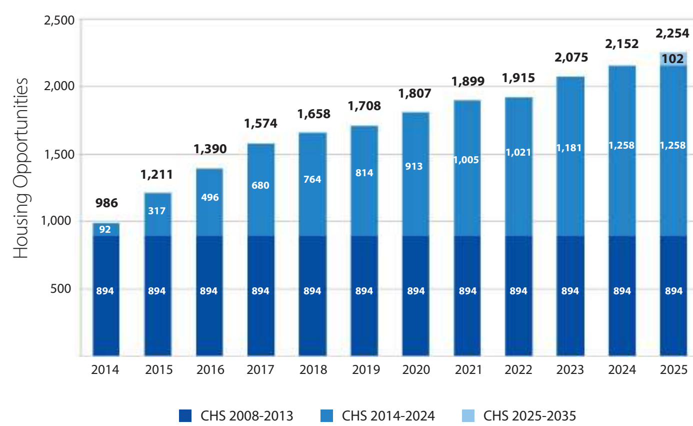
Assisted and Supportive Housing

Halton Region creates assisted and supportive housing opportunities for residents by acquiring new rental units through construction, the preservation of existing stock and the provision of Regional subsidies to make rental costs more affordable. As reported in Report No. SS-11-25 re: Comprehensive Housing Strategy 2025-2035, Halton Region has developed a new Comprehensive Housing Strategy 2025-2035 (CHS) to reflect current and future housing priorities for Halton Region.

The updated CHS was informed by extensive analysis of housing needs in Halton as well as community consultation involving individuals with lived experience, the Local Municipalities, homelessness and community service agencies, and supportive and community housing providers. The four priorities of the updated CHS are to strengthen Halton's homelessness response system, protect and retain existing community housing stock, create new assisted and supportive housing, and advocate for increased funding for housing in Halton.

To keep pace with the 1,258 new units achieved under the previous strategy (2014-2024) and to continue to meet the growing demand, Halton Region aims to create 1,350 new assisted and supportive housing opportunities by 2035 with one third of the required funding provided from each level of government. This includes a standalone commitment to create 450 housing opportunities with Regional investment alone, with matching funding support from the Provincial and Federal Governments to provide 900 additional housing opportunities.

New Assisted Housing Opportunities in Halton (Cumulative Since 2008)



Community Safety and Well being and Halton Region Community Investment Fund

Halton Region also works with community partners on a wide range of issues to support residents who are susceptible to negative social, economic or health outcomes. Two primary vehicles through which this occurs are the Halton Region Community Investment Fund (HRCIF) and the Community Safety and Well Being (CSWB) Plan, both of which serve as mechanisms to identify and respond to human service issues in a collaborative manner. Strong alignment between the HRCIF and CSWB reinforces an integrated approach to planning and investment in keeping with Halton Region's 2023-2026 Strategic Business Plan.

Treasurer's Report

Since 2012, the HRCIF has committed $35.2 million in the areas of community health and social services to respond to current and emerging needs of Halton residents (Report No. SS-17-25 re: Halton Region Community Investment Fund – 2025 Funding Summary). Investments approved through the HRCIF continue to address a broad range of human service needs and priorities to support the health, safety, and well being of Halton residents.

View the Halton Region Community Investment Fund

Canada-Wide Early Learning and Child Care System

Through the 2022-2025 Early Learning and Child Care Plan (Report No. SS-12-22), Halton Region has continued to collaborate with the Ministry of Education and licensed child care service providers to advance the implementation of the Canada-Wide Early Learning and Child Care (CWELCC) System.

As of 2025, approximately 86 per cent of licensed child care programs including child care centres and licensed home child care agencies were participating in the CWELCC System. In 2025, a new child care funding model was implemented, in alignment with Provincial Government direction. This change shifts the child care sector from a revenue replacement model to a cost-based funding model based on legislated provincial benchmarks. Provincial funding now supports the majority of costs in all CWELCC funded child care environments for children aged 0-5.

Effective January 1, 2025, CWELCC exclusively supports children 0-5 years of age. A new Local Priorities fund has been created to complement CWELCC. It consolidates previous funding streams, (including general operating and wage supports for child care operators serving children aged 6-12 years, fee subsidies for children aged 0-12, and specialized supports for children with special needs), into one funding envelope. Local Priorities funding also supports child care sector professional learning and capacity building initiatives. Child care operators outside the CWELCC system are not eligible for provincial child care funding. Effective January 1, 2025, parents enrolled in non-CWELCC child care environments are no longer eligible to receive child care fee subsidies and supports for children with special needs.

Number of Children with Child Care Fee Subsidy

Fee Subsidies support eligible families experiencing low-income and families in receipt of Ontario Works (OW) with the cost of child care. In 2025, a total of 3,396 children accessed child care fee subsidy. Demand for fee subsidy is expected to diminish if the maximum parental fee for a CWELCC child care space is reduced to $10 per day as committed by the Federal and Provincial Governments.

Paramedic Services

Paramedic Services is facing increasing pressures in paramedic operations due to continuous growth. The Paramedic Services 10-Year Master Plan (Report No. MO-14-24 re: Paramedic Services 10-Year Master Plan Update) recommended the hub-and-spoke model as the most effective paramedic services delivery model to meet the increase in call volume associated with the anticipated population growth. Per Report No. MO-05-26 re: Paramedic Services Division Annual Update, in alignment with the hub-and-spoke model, a Paramedic Services Facilities Development Plan has been developed which includes construction of a new South Hub (the Paramedic Services Headquarters development), construction of a new North Hub in Hornby and construction of new smaller community-based stations (i.e. post stations) in each Local Municipality.

Treasurer's Report

Infrastructure and Growth

Halton Region is committed to ensuring that the necessary infrastructure and services are in place to support the Province's objective of delivering 1.5 million new homes in Ontario by 2031, ensuring Halton's high quality of life is maintained as the Region continues to grow. Key priorities include delivering Regional housing-enabling infrastructure required to support housing growth and economic development in Halton communities, maintaining the Region's infrastructure in a state-of-good-repair, improving access to transit, cycling and other active transportation on Regional roads. These priorities that are vital to Halton all need to be addressed while managing the impacts of extended periods of high inflation that have had a significant impact on the cost of goods, services and construction.

Service Delivery Updates

On July 9, 2025, Council was provided with an update on the review of Heritage Services and the Region's historical collection (Report No. CA-13-25 re: Attachment #1, Deaccessioning and Dispersal Approach Summary). As per the report, staff were directed to deaccession items from the Region's historical collection, cease delivering heritage services as of January 1, 2026, and work with the Local Municipalities and local community heritage organizations to address any impacts or opportunities resulting from these changes. Staff will provide council with updates on the implementation progress as required.

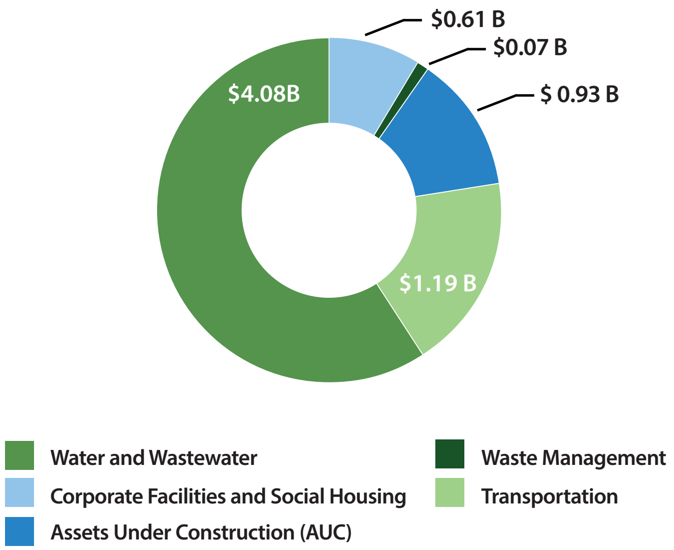
The consultation phase of the Forest Management Plan is anticipated to take place in early 2026 and will be brought to Council for endorsement later in 2026. Participants and consultants were advised that the Woodlands Stewardship Program would not be continuing in 2025 as per Report No. CA-22-24 re: Updates on Service Delivery Post-Bill 23, and staff are now directing applicants and inquiries to similar programs provided by conservation authorities and not-for-profit organizations. In July 2025, through Report No. CA-11-25 re: Service Delivery Updates, Council approved that the Region would continue to administer the Tree By-law; manage the Halton Regional Forests; and work with Conservation Halton to identify and implement approaches that increase collaboration and the efficient management of adjacent forested lands.

Asset Management Plan

Halton Region places a high priority on maintaining its assets and infrastructure in a state-of-good-repair to ensure the provision of reliable services to residents, businesses, and institutions. The Council approved 2025 Asset Management Plan and Updated Asset Management Policy (presented through Report No. PW-14-25/FN-13-25) provides a detailed assessment of the Region's infrastructure and forecasts future investment needs that are in compliance with the requirements of O. Reg. 588/17, aligns with industry best practices and international asset management standards , and shares a line of sight between capital investments and strategic priorities. The assessment of the Region's state of infrastructure highlighted that 80 per cent of the Region's infrastructure is valued at $19.7 Billion and is in Very Good to Good condition, which achieves the target set out in the 2023 – 2026 Strategic Business Plan.

Infrastructure assets have significant value and are key resources used to provide services to the public and improve the quality of life for residents. While the 2025 Asset Management Plan concluded that the Region's assets are functioning reliably and providing the desired services to the community, ongoing renewal of them will be required. As a result, the 2025 Asset Management Plan analyzed current and proposed levels of service and provided a preliminary forecast of estimated infrastructure investment needs moving forward. This plan, along with annual updates of the Regions infrastructure and life cycle forecasting are used to support the development of the Region's 10 Year Capital Budget. Halton Region also endeavours to reduce construction impacts on residents and businesses and achieve the lowest project delivery costs by bundling water, sewer, and road components as large contracts where practical, as well coordinate construction work with the local municipalities.

2025 Tangible Capital Asset Net Book Value
Total $6.88 Billion



Corporate Facilities and Housing

The Region completed Building Condition Assessments (BCAs) in 2024 for 54 social housing properties across Halton, representing approximately 3,790 units. This portfolio includes Halton Community Housing Corporation (HCHC) owned assets, as well as properties operated by community housing providers and supportive housing environments under the Region's funding accountability.

To support long-term financial sustainability, staff reviewed the BCA results and developed a comprehensive social housing capital needs financing plan, which is currently being implemented. The Region will continue to monitor annual capital funding requirements to ensure that all social housing assets are maintained in a state of good repair. The next cycle of BCA reviews is scheduled to commence in 2027.

Climate Change and the Environment

Halton Region is committed to protecting the environment and taking action to address climate change. The Region continues its effort to reduce greenhouse gas emissions of Regional operations to mitigate the impacts of climate change.

The Region also continues to build adaptation measures into its infrastructure and services to help mitigate the risks and impacts associated with severe weather events. Key priorities include:

- taking action to achieve a corporate target of net-zero greenhouse gas emissions prior to 2045;
- building Regional capacity through engagement and advocacy to increase climate literacy, broker partnerships, reinforce mutually beneficial activities, and strengthen corporate climate action;
- maximizing residential waste diversion in Halton; and
- partnering with Conservation Authorities, the Local Municipalities and other stakeholders to protect the environment.

View the 2025 Climate Progress Report

Long-Term Water Meter Strategy

Installation of the Advanced Metering Infrastructure (AMI) system network is complete, with residential and business AMI meter installations continuing through to 2027.

Through the utilization of AMI technology, the water and wastewater system will become more efficient through improved system performance monitoring, which is projected to result in less water being wasted and positive environmental impacts. Improved access to data will allow the proactive identification of leaks and other issues and is anticipated to result in enhanced customer service and a reduction in the number of meter reading issues and service calls to which meter technicians respond.

Solid Waste Management Strategy and Master Plan

As reported in Report No. PW-10-22 re: Recommended Solid Waste Management Strategy 2023–2030, Regional Council endorsed the Solid Waste Management Strategy which provides the framework to develop policy directions that meet the environmental, economic and social outcomes that established the key initiatives.

As per Report No. PW-30-25 re: Blue Box Transition Update, the residential Blue Box program will fully transition to a producer responsibility program on January 1, 2026. Circular Materials Ontario (CMO) is the producer responsibility organization administering the province-wide common collection system. Finalized amendments to O. Reg. 391/21 included deferring the obligation for producers to provide recycling services to new or privately collected multi-residential buildings, schools, and non-profit long-term care and retirement homes until 2031.

Base and provisional services for Solid Waste Collection Services and Front-end and Roll-off Container Collection were awarded to Miller Waste Systems Inc. (starting April 3, 2027) and Advantage Waste Systems Inc. (starting March 30, 2026) as reported through the Council Memorandum dated July 9, 2025 re: Award of Solid Waste Collection Base Contracts and Report No. PW-20-25 re: Solid Waste Collection Services – Provisional Service Recommendations.

As part of a key initiative in the Solid Waste Management Strategy, Halton Region undertook an Automated Cart Demonstration Project with collection having started in October 2023. Report No. PW-15-24 re: Automated Collection Demonstration Project Update, cited overall successful findings from the demonstration project that included enhanced operational efficiency, reduced roadside litter, and positive resident sentiment towards wheeled cart collection.

Automated curbside collection using wheeled carts will commence in April 2027, aligned with the start of the new collection contract, with all households equipped to participate in the program by summer 2028.

Excellence in Government

Halton Region is committed to maintaining long-term financial sustainability through disciplined financial planning and risk management. The Region continues to enhance service delivery by expanding access to digital services and modernizing its technology platforms, strengthening partnerships to advance Truth and Reconciliation through respectful and meaningful relationships with Indigenous Peoples, Communities, and First Nations, and fostering a workplace culture as an employer of choice grounded in Equity, Diversity, and Inclusion.

Digital Strategy Implementation

Halton Region's 2023–2026 Strategic Business Plan continues to prioritize the delivery of high-quality digital services to residents and businesses. To achieve this objective, the Region developed "Digital First: A Digital Strategy for Halton Region" through Report No. ST-07-21 re: Digital Strategy and Audit and Accountability Fund Update. The Strategy provides the framework to modernize the Region's technology platforms and enhance digital services by transforming business processes and services to ensure high-quality online service delivery.

As part of this initiative, Halton Region upgraded its SAP system to the private cloud version of S/4HANA and continues to invest in cloud and subscription-based services to enhance digital services, laying a strong foundation for advancements to daily work. The Strategy also identifies the technologies and infrastructure required to deliver digital services effectively.

Financing Growth Principles

A key principle in accommodating the Region's growth-related capital infrastructure program is that existing tax and rate payers are not impacted, to the extent possible under the *Development Charges Act, 1997* (DCA), by the cost of growth-related capital requirements or the risks related to financing these costs. To achieve this objective while accommodating Provincial growth targets, Regional Council requires a financing plan be approved prior to the accommodation of new growth.

The 2023 Development Financing Plan approved in Report No. CA-02-24/PW-04-24/FN-05-24 re: Revised 2023 Allocation Program, included the release of a minimum of 29,787 units (approximately 16,426 single detached equivalents (SDEs) in Halton, without financial impact to the existing taxpayers to the extent possible under the DCA. To provide flexibility to complete projects expeditiously to meet the housing pledges by 2031, Report No. CA-02-24/PW-04-24/FN-05-24 re: Revised 2023 Allocation Program, included approval of water, wastewater and roads development related infrastructure from 2023 to 2026 and is detailed in the 2025 Capital Report.

Bill 23, *More Homes Built Faster Act, 2022*, together with subsequent amendments introduced through Bill 185, *Cutting Red Tape to Build More Homes Act, 2024*, and Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025*, have introduced considerable changes to the DCA that will impact municipal finances, particularly in growing municipalities such as Halton Region. The majority of changes result in the reduction of DCs being collected. Removing DC chargeable items, providing exemptions and discounts will reduce the amount of DC collection and the ability to fund capital works. Without alternate sources of funding, the changes to the DCA will significantly impact the timing of delivery of infrastructure required to deliver the Province's 1.5 million new homes target and will have a significant negative impact on existing tax and rate payers.

Operating Results Highlights

The consolidated financial statements provide an integrated overview of Halton Region's financial position and operating results. They include the assets, liabilities, revenues, and expenses of all entities that are controlled by, and accountable to, the Region, including the activities of Regional Council committees, the Halton Regional Police Service, and the Halton Community Housing Corporation.

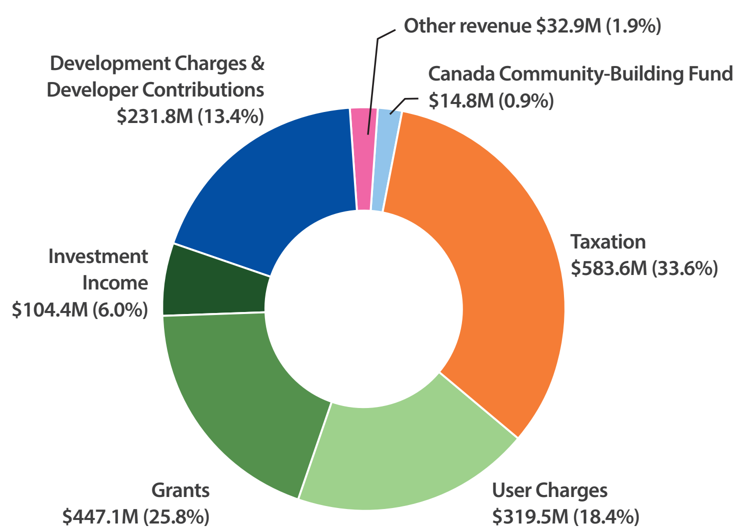
The Consolidated Statement of Operations summarizes the revenues and expenses for 2025. The focus of this statement is the accounting annual surplus, which is the difference between revenues of $1.73 billion and operating expenses of $1.34 billion for the 2025 reporting period. Halton Region reported accounting annual surplus of $392 million in 2025, compared to $509 million in 2024.

The accounting annual surplus is required to fund future capital replacement, finance current tangible capital assets acquisitions and fund debt principal repayments, which are included in the annual budget. The following pie chart provides a summary of the source of revenue used to fund Halton Region's operations and capital investments. Overall, revenue decreased by $959,000, or 0.6 per cent, primarily due to reduced Build Communities Strong Fund expenditures related to roads, water, and wastewater projects, as well as lower-than-expected DCs. The decline in DCs reflects both recent development policy changes and reduced cash flow requirements.

This decrease was partially offset by increases in taxation revenue, government transfers, and user charges. These increases were driven by inflationary and operating pressures associated with population growth, higher grant funding for social and community services, and increased utility revenues resulting from higher consumption.

Expenses in the Consolidated Statement of Operations totaled $1.34 billion in 2025, increasing by $116.7 million or 9.5 per cent, from 2024. This was mainly driven by increases in the government transfers for the Children and General Assistance programs, and increases to other transportation related services.

2025 Halton Region Consolidated Revenues
Total $1.73 Billion



Treasurer's Report

The following provides a summary of services provided to the community for these expenses by program:

Social Housing

Operations of $85.8 million

- Oversight of 5,700 housing units, of which 2,332 are directly operated by Halton Community Housing Corporation
- Rental assistance from Halton Region for 1,132 units and 3,513 units through housing providers
- 2,254 assisted housing opportunities created from 2008 to 2025

Social and Community Services

Operations of $409.6 million

- Financial assistance to an average of 3,770 residents in Halton through Ontario Works per month
- Child care fee assistance to 3,396 children through Fee Subsidy programs
- 30,961 funded licensed child care spaces, including 18,954 spaces for children aged 0-5, and 12,007 spaces for children aged 6-12
- Direct care and service to older adults through 572 beds at Regionally operated long term care homes
- Funding for 78 community projects and programs through the Halton Region Community Investment Fund using one-year and multi-year funds for a total of $5.0 million

Water and Wastewater Services

Operations of $268.4 million

- Treatment of more than 69 million cubic metres of water and 83 million cubic metres of wastewater
- Operation and maintenance of 12 water treatment plants (treatment provided prior to distribution), 22 municipal wells, 6 wastewater treatment plants and 1 biosolids facility
- Operation and maintenance of more than 2,444 kilometres of watermains, 6 bulk water stations, 22 reservoirs and storage facilities, 16 booster stations, more than 2,046 kilometres of wastewater mains and 84 pumping stations

Solid Waste Services

Operations of $55.3 million

- Collection and disposal of 90,439 tonnes of residential garbage and the diversion of 130,550 tonnes of residential Blue Box and organic materials, representing 59 per cent residential diversion rate
- All curbside-serviced households will transition to automated collection using wheeled carts for garbage and organics (Report No. PW-12-26 re: Solid Waste Collection Wheeled Cart Program Delivery Plan)

Treasurer’s Report

Health Services

Operations of $106.5 million

- Ambulance services through the deployment of 30 emergency vehicles and 285 paramedics
- Answered 66,117 paramedic calls and transported 38,896 patients
- Distributed 90,625 influenza vaccines to community partners (excluding pharmacies)
- Completed 5,940 inspections of food premises

Protection Services

Police, emergency management and Conservation Authorities

Operations of $262.1 million

- Police services through the deployment of 876 police officers
- Emergency services for the operation of 911 call centre, which received 163,303 emergency calls
- Contributions to Conservation Halton (with an area of 1,059 km^2, 26 km of shoreline and 8 conservation areas), Grand River Conservation Authority (with an area of 6,800 km^2 and 12 conservation areas) and Credit Valley Conservation (with an area of 1,000 km^2 and 11 conservation areas)

Transportation Services

Operations of $79.7 million

- Maintenance of 1,230 lane kilometres of roadway (kilometres multiplied by the number of lanes), 85 per cent of which were rated as good to very good condition
- Maintenance and operation of 92 bridges, 310 major culverts, 336 signalized intersections and 8,208 streetlights

Other Services

General government, planning and development, and recreation and cultural services

Operations of $74.8 million

- In 2025, Regional Council approved 127 staff reports and 52 by-laws for a total of 179 documents

Treasurer's Report

Financial Statement to Budget Comparison

The purpose of the consolidated financial statements is to provide users with an understanding of the financial position and operating results of Halton Region over the fiscal period. The annual consolidated financial statements of Halton Region are prepared on a full accrual basis in accordance with the Canadian public sector accounting standards (PSAS), as prescribed by the Chartered Professional Accountants of Canada. These accounting standards require Halton Region to record revenue when it is earned and expenses when incurred, regardless of when the funds are received or paid.

Accrual accounting requires tangible capital assets, which provide services for longer than one year, to be recorded at cost in the consolidated financial statements when they are placed into service. Each year, the book value of these long-lived assets is reduced by recording amortization expenses, which represents the cost of services provided by the asset during the year. In addition, transfers to reserves and debt principal repayments are not recorded as expenses in the consolidated financial statements, representing a difference from the Regional Council-approved operating budget.

The key purpose of the budget is to set property taxes and utility rate fees to fund Regional programs, services and infrastructure to ensure the long-term financial sustainability of Halton Region and debt repayment. Debt financing is used, as necessary, in accordance with Regional policies to finance strategic infrastructure initiatives. As the Regional operating budget is prepared on a modified accrual basis, transfers to reserves and debt principal repayments are considered as expenditures in the budget.

In addition, the full cost of acquiring tangible capital assets is included in the capital budget to ensure sufficient funding is in place. Other items that are not recorded on an accrual basis in the budget include expenses for employee future benefits, liabilities for contaminated sites and asset retirement obligations.

Due to the differences in purpose and methodology, Halton Region adjusts the presentation of the budget figures from a modified accrual basis to a PSAS accrual basis as part of the consolidated financial statement preparation and to provide transparency for budgetary performance. The details of the adjustments are included in Note 18 to the Consolidated Financial Statements. The full accrual budget is also included in the Consolidated Statement of Operations and the Consolidated Statement of Change in Net Financial Assets.

When comparing the adjusted operating PSAS accrual-based budget to actual operating results, actual accounting annual surplus is higher than the budgeted amount by $5.9 million. The favourable variance to budgeted annual surplus was primarily driven by higher than anticipated user charges and other revenues.

Accountability and Transparency

Financial Management and Control

The financial management and control at Halton Region is largely governed through by-laws that prescribe purchasing, accounting, investment and risk management procedures, as well as debt policy.

The Finance Department is responsible for providing oversight of the approved budget and for maintaining accurate and reliable financial records, the safeguarding of Regional assets and various reporting functions, including budget variance reports presented to Regional Council.

The Internal Audit team at Halton Region performs independent audits of systems, processes, and controls to ensure compliance with Regional and legislated policies and by-laws. The internal audits assess efficiencies and risks and identify recommendations for improvement, which are communicated to programs for implementation. Summary findings are also communicated to Council through the Audit Committee (Report CA-08-25 re: Updated Internal Audit Charter and Internal Audit Overview).

The Municipal Act, 2001 requires Halton Region to engage independent auditors to express an opinion as to whether the consolidated financial statements present fairly the Region's financial position and operating results. In fulfilling this duty, the external auditors are provided full access to all Halton Region records and transactions and meet periodically with staff to address matters arising from the audit or from new policies and procedures introduced during the fiscal year. Prior to their submission to Halton Regional Council's Audit Committee, the consolidated financial statements are examined by Halton Region's external auditors, Deloitte LLP.

The external auditors performed an audit of the consolidated financial statements in accordance with Generally Accepted Auditing Standards and expressed an unqualified opinion that the consolidated financial statements "present fairly, in all material respects" Halton Region's financial position (Report FN-09-26 re: 2025 Consolidated Financial Statements for Halton Region). The auditors are responsible for advising Halton Region management and the Audit Committee of significant control or operational issues that may be identified during their audit procedures.

Treasurer’s Report

The role of the Audit Committee is to assist Regional Council in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control and the audit process. The Audit Committee also provides a high level of public accountability and assurance that municipal services are administered in an efficient, effective, and economical manner.

Throughout the year, the external auditors meet periodically with management to approve the scope and timing of audit-specific activities and to review any findings and recommendations.

Awards for Financial Reporting and Budget Presentation

The Region’s commitment to developing fiscally responsible budgets and presenting financial information to Halton Region tax and rate payers in a clear and easy-to-understand format was recognized by the Government Finance Officers Association of the United States and Canada.

Regional Municipality of Halton was awarded the Canadian Award for Financial Reporting for its Annual Financial Report for the fiscal year ended December 31, 2024. This is the 19th year the Region has received this award.


Government Finance Officers Association

Canadian Award
for
Financial Reporting

Presented to

Regional Municipality of Halton
Ontario

For its Annual
Financial Report
for the Year Ended

December 31, 2024

Christopher P. Morrill
Executive Director/CEO

To receive the award, a government unit must publish an easily readable and efficiently organized Annual Financial Report, including content that conforms to program standards.

Such reports should go beyond the minimum requirements of Generally Accepted Accounting Principles and demonstrate an effort to clearly communicate the municipal government’s financial picture, address user needs and enhance user understanding of municipal financial reporting.

The Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the program requirements, and we are submitting it to the GFOA for consideration.

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Regional Municipality of Halton, Ontario, for its Annual Budget for the fiscal year beginning January 1, 2025.


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

PRESENTED TO

Regional Municipality of Halton
Ontario

For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morrill
Executive Director

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. This award is valid for a period of one year only. This award reflects the commitment of Regional Council, management, and staff to meet the highest standards of governmental budgeting. Halton Region has received the award for 21 consecutive years, representing a significant achievement in budget development and reporting.

Conclusion

Halton Region’s strong financial position reflects a long-standing commitment to prudent fiscal management, supported by balanced financial policies, strong internal controls, and accurate, timely, and relevant financial reporting. As the Region continues to govern with a long-term perspective, it remains focused on ensuring ongoing financial sustainability through effective financial planning and proactive risk management, thereby maintaining a resilient and sustainable financial position over the long term.

Cyndy Winslow
Commissioner of Finance and Regional Treasurer
May 20, 2026

Consolidated Financial Statements

For the year ended December 31, 2025

Management Report

The management of The Regional Municipality of Halton has prepared the accompanying consolidated financial statements and is responsible for their accuracy and integrity. These financial statements consolidate all operations for which Halton Region has legislative and financial responsibility, as well as the operations of the Halton Regional Police Service and Halton Community Housing Corporation.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. The adoption of these standards provides the reader of the consolidated financial statements a more complete view of Halton Region's assets and financial obligations. The reader is encouraged to review the summary of the significant accounting policies that are disclosed in Note 1 to the consolidated financial statements.

To meet its responsibility, management has developed and maintained a comprehensive system of financial and internal controls, which includes an organizational structure that appropriately segregates authorization and recording functions, employs qualified professional staff and is built on sound budget policies, all of which are subject to a continuing program of internal audit. These controls ensure that the assets of Halton Region are properly safeguarded and that the business transactions of Halton Region are carried out within the legislative authority of the Province of Ontario and within the policies authorized by Regional Council, and that these transactions are completely and accurately reflected in Halton Region's consolidated financial statements and reports.

The Audit Committee of Regional Council reviews and approves the consolidated financial statements before such statements are submitted to Regional Council and published for the residents of Halton Region. As mandated by resolution of Council, the internal and external auditors have access to and regularly meet with the Audit Committee to discuss their audits and the results of their examination.

The 2025 consolidated financial statements have been examined by Halton Region's external auditors, Deloitte LLP, Chartered Professional Accountants, Licensed Public Accountants and their report precedes the consolidated financial statements.

Cyndy Winslow
Commissioner of Finance and Regional Treasurer
May 20, 2026

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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
the Regional Municipality of Halton

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Regional Municipality of Halton as at December 31, 2025, and the consolidated results of its operations, consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Regional Municipality of Halton in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Regional Municipality of Halton'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 Regional Municipality of Halton or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the consolidated financial statements

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 20, 2026

Consolidated Statement of Financial Position

As at December 31, 2025
(Dollars in Thousands)

FINANCIAL ASSETS	2025	2024
Cash and cash equivalents	$ 171,863	$ 173,795
Accounts receivable:		
Water and wastewater	53,236	50,331
Government transfers	60,271	49,466
Other receivables	41,709	47,474
Other current assets	630	631
Investments (Note 2)	3,080,174	3,155,773
Loans receivable (Note 6)	4,629	4,910
Recoverable gross long-term debt from:		
Local Municipalities (Note 4)	308,622	309,221
Total financial assets	3,721,134	3,791,601
LIABILITIES		
Accounts payable and accrued liabilities (Notes 2 and 8)	422,653	452,906
Gross long-term liabilities (Note 4)	245,893	251,897
Sinking fund debentures (Note 4)	328,147	328,147
Deferred revenue (Note 10)	80,134	184,965
Asset retirement obligations (Note 11)	55,212	54,906
Employee future benefits liabilities (Note 13)	128,149	118,382
Total liabilities	1,260,188	1,391,203
NET FINANCIAL ASSETS	**2,460,946**	**2,400,398**
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	6,876,282	6,542,223
Prepaid expenses	23,306	26,941
Inventories	7,197	6,494
Total non-financial assets	6,906,785	6,575,658
ACCUMULATED SURPLUS (NOTE 15)	**$ 9,367,731**	**$ 8,976,056**

Commitments and contractual obligations (Note 7)

Contingent liabilities (Note 8)

Contingent assets (Note 9)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Operations

For the year ended December 31, 2025
(Dollars in Thousands)

REVENUES (NOTE 17)	2025 Budget (Note 18)	2025	2024
Taxation	$ 580,195	$ 583,607	$ 538,178
Development charges and developer contributions	231,806	231,806	302,725
User charges	296,654	319,507	310,243
Government transfers	465,800	447,060	422,623
Canada Community-Building Fund	19,540	14,802	33,804
Investment income	104,072	104,402	96,410
Other revenue	31,349	32,877	31,037
Total revenues	1,729,416	1,734,061	1,735,020
EXPENSES (NOTE 17)			
General government	62,754	60,128	61,550
Social and community services	419,455	409,603	356,317
Social housing	82,418	85,791	92,860
Water and wastewater services	258,407	268,447	238,991
Solid waste services	53,905	55,314	55,089
Protection services	261,580	262,148	235,519
Health services	111,043	106,537	102,722
Transportation services	78,406	79,742	62,013
Infrastructure planning and development	13,256	12,495	18,639
Recreation and cultural services	2,407	2,181	2,017
Total expenses	1,343,631	1,342,386	1,225,717
ANNUAL SURPLUS	385,785	391,675	509,303
ACCUMULATED SURPLUS, BEGINNING OF YEAR	8,976,056	8,976,056	8,466,753
ACCUMULATED SURPLUS, END OF YEAR	**$ 9,361,841**	**$ 9,367,731**	**$ 8,976,056**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2025
(Dollars in Thousands)

	2025 Budget (Note 18)	2025	2024
Annual surplus	$ 385,785	$ 391,675	$ 509,303
Acquisition of tangible capital assets	(507,326)	(507,326)	(582,542)
Amortization of tangible capital assets	159,290	159,290	160,893
Loss on disposal of tangible capital assets	13,229	13,229	3,211
Proceeds on disposal of tangible capital assets	748	748	1,027
Inventory and prepaid expenses	2,932	2,932	(22,884)
Change in net financial assets	54,658	60,548	69,008
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,400,398	2,400,398	2,331,390
NET FINANCIAL ASSETS, END OF YEAR	**$ 2,455,056**	**$ 2,460,946**	**$ 2,400,398**

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

For the year ended December 31, 2025
(Dollars in Thousands)

Cash provided by (used in): **OPERATING ACTIVITIES**	**2025**	**2024**
Annual surplus	$ 391,675	$ 509,303
Items not involving cash:		
Amortization of tangible capital assets	159,290	160,893
Loss on disposal of tangible capital assets	13,229	3,211
Contributed tangible capital assets	(52,420)	(1,765)
Change in non-cash assets and liabilities:		
Accounts receivable	(7,945)	(31,601)
Other current assets	1	48
Accounts payable and accrued liabilities	(30,253)	39,210
Deferred revenue	(104,831)	(57,668)
Inventory and prepaid expenses	2,932	(22,884)
Asset retirement obligations	306	1,184
Employee future benefits liabilities	9,767	13,412
Net change in cash and cash equivalents from operating activities	381,751	613,343
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	748	1,027
Cash used to acquire tangible capital assets	(454,906)	(580,777)
Net change in cash and cash equivalents from capital activities	(454,158)	(579,750)
INVESTING ACTIVITIES		
Loans receivable	281	14
Investments	75,599	(60,130)
Net change in cash and cash equivalents from investing activities	75,880	(60,116)
FINANCING ACTIVITIES		
Long-term debt issued and assumed	34	54,478
Long-term debt repaid	(3,387)	(8,033)
Mortgage repayments	(5,079)	(5,209)
Sinking fund contributions from Local Municipalities	3,027	2,899
Net change in cash and cash equivalents from financing activities	(5,405)	44,135
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,932)	17,612
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	173,795	156,183
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 171,863**	**$ 173,795**

The accompanying notes are an integral part of these Consolidated Financial Statements.

The Corporation of the Regional Municipality of Halton (Regional Municipality of Halton, Halton Region or the Region) is an upper-tier municipality in the Province of Ontario (“Province”), Canada. Halton Region is comprised of four municipalities: the City of Burlington and the Towns of Halton Hills, Milton and Oakville. The provisions of Provincial statutes such as the Municipal Act 2001, Municipal Affairs Act 1990 and related legislation guide its operations.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidated Statements

The consolidated financial statements for Halton Region have been prepared in accordance with Canadian public sector accounting standards (PSAS), as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). The purpose of the consolidated financial statements is to provide users with an understanding of the financial position as at December 31 and operating results of Halton Region over the fiscal period. The Consolidated Statement of Financial Position reports financial assets and liabilities, and the non-financial assets of the Region. Financial assets are available to provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position of the Region and is the sum of the Region's net financial assets and non-financial assets. Significant accounting policies adopted by Halton Region are as follows:

(b) Basis of consolidation

The consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of all entities which are accountable to and controlled by Halton Region. They include the activities of all committees of Regional Council and Boards, Halton Regional Police Service and the Halton Community Housing Corporation (HCHC). All interdepartmental and inter-organizational assets and liabilities and revenues and expenses have been eliminated. Halton Region owns 100% of HCHC and this entity is reported using the consolidated basis method, where inter-company transactions and balances between HCHC and Halton Region are eliminated.

The financial activities of the Halton Digital Access Services Corporation, Royal Botanical Gardens and the Conservation Authorities are excluded from these consolidated financial statements, except to the extent of Halton Region’s contributions to these entities.

The Sinking Fund, established for the retirement of Sinking Fund debentures issued by Halton Region, is administered by Halton Region.

Trust funds which are administered by Halton Region are not included in these consolidated financial statements but are reported separately in Note 16.

(c) Basis of accounting

i. Accrual method of accounting

Halton Region follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

ii. Foreign currency translation

Gains and losses on foreign currency transactions are charged to operations when they are realized.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of accounting (continued)

iii. Revenue recognition

Deferred revenue

Deferred revenue represents revenues which have been collected or are receivable but for which the related services have yet to be performed or eligible expenditures incurred. Deferred revenue is comprised of general deferred revenue, development charges and the Canada Community-Building Fund. Government transfers, including the Canada Community-Building Fund, are recognized when the transfer can be reasonably estimated, is authorized and has met eligibility criteria if required. Development charges and other externally restricted funds are recognized as revenue when the funds are spent for the purpose intended.

Government transfers

Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized, all eligibility criteria are met (if applicable) and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished. Major categories of government transfers are reported in Note 17.

Taxation revenue

Property tax revenue is recognized on an accrual basis when the tax is authorized by the passing of the tax levy by-law. Taxes are levied on properties listed on the assessment roll and are based on the approved budget. Supplementary tax revenue is recognized when additional billings are issued for properties that are added to the assessment roll during the year.

At year-end, Halton Region evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes a liability if the amount can be reasonably estimated.

User charges and other revenue

User charges and other revenue from transactions with performance obligations are recognized when Halton Region satisfies a performance obligation by providing the promised good or service to the payor. For transactions with no performance obligations, these are recognized when Halton Region has authority to claim or retain an inflow of economic resources and when a past transaction or event is an asset. Amounts received prior to the end of the year that will be recognized in subsequent fiscal year are deferred and reported as a liability.

iv. Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(Dollars in Thousands)

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of accounting (continued)

v. Amortization methods

The cost, less residual value, of tangible capital assets is amortized on a straight-line basis over their estimated useful lives. Estimated useful lives for major categories of tangible capital assets are as follows:

General capital:	
Buildings and building improvements	5 to 95 years
Computer hardware	3 to 10 years
Computer software	3 to 10 years
Land	Not amortized
Land improvements	5 to 70 years
Leasehold improvements	Based on lease term
Machinery and equipment	5 to 60 years
Vehicles	3 to 15 years
Infrastructure:	
Buildings and building improvements	5 to 60 years
Land	Not amortized
Land improvements	10 to 25 years
Linear	11 to 90 years
Machinery and equipment	5 to 50 years

For vehicles, computer hardware and software tangible capital assets, one half of a full year's amortization is charged in the year of acquisition and in the final year of useful life. Land tangible capital assets are not amortized. For all other tangible capital assets amortization is calculated on a straight-line basis and commences in the year following acquisition, with a full year's amortization charged in the final year of useful life. No amortization is calculated for assets not in service or under construction until they are available to be put into service.

vi. Contributed tangible assets

All assets contributed to Halton Region are valued at the fair value of the assets at the time of contribution. Revenue at an equal amount is recognized at the time of contribution.

vii. Excluded assets

Intangible assets, works of art, historical treasures, crown lands and natural resources have not been recorded as a reasonable estimate cannot be made and therefore are not recognized on the Consolidated Statement of Financial Position.

Purchased intangible assets, including but not limited to intellectual property such as reports, plans, designs, and other documents created on behalf of Halton Region, have not been recorded in the Consolidated Statement of Financial Position as a reasonable estimate of value cannot be made due to the complexities and uncertainties associated with the valuation of the intellectual property.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of accounting (continued)

viii. Interest on debt to construct tangible capital assets

All interest on debt incurred during construction of related tangible capital assets is expensed in operations in the year incurred.

ix. Contaminated sites

Contaminated sites are defined as 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 organization 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.

x. Inventories

Inventories are valued at the lower of cost and net realizable value.

xi. Reserves and discretionary reserve funds

Halton Region follows the practice of allocating interest income and annual surplus into reserves and discretionary reserve funds that are retained for specific purposes, including maintaining assets in a state-of-good-repair. These reserves and discretionary reserve funds are established by Regional Council resolution or by by-law and are available for future uses. Amounts are only expended in accordance with the terms and policies established by Regional Council.

Reserves and discretionary reserve funds set aside by Regional Council are included in accumulated surplus and are reported in Note 15.

xii. Financial instruments

Financial assets and liabilities are recognized when Halton Region becomes a party to the contractual provisions of the financial instrument.

The carrying value of the financial instruments reported on the Consolidated Statement of Financial Position of Halton Region are measured as follows:

Instrument:	Method:
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Other current assets	Amortized cost
Investments	Amortized cost
Loans receivable	Amortized cost
Recoverable gross long-term debt from Local Municipalities	Amortized cost

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of accounting (continued)

xii. Financial instruments (continued)

Accounts payable	Amortized cost
Gross long-term liabilities	Amortized cost

Amortized costs are amounts measured using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities). This includes allocating the interest income or interest expense over the relevant period, based on the effective interest rate. This methodology is applied to financial assets or financial liabilities that are not in the fair value category. There are no significant remeasurement impacts from financial instruments on the consolidated financial statements of the Region. In the absence of a financial impact, no Statement of Remeasurement Gains and Losses has been included in the consolidated financial statements in the current year.

Cash and cash equivalents, accounts receivable, and accounts payable are initially recorded at their fair value, and subsequently measured at cost net of any provisions for impairment.

Investments are reported at amortized cost as no investments are traded on an active market.

xiii. Investments

Investments consist of fixed income securities issued by Canadian governments, banks and corporations and are carried at cost. When there has been a loss in market value that is not determined to be a temporary decline, the respective investment is written down to recognize the loss. Gains and losses on investments are recorded when incurred and interest is recorded when received or receivable. Discounts and premiums are amortized using the effective interest method. Sinking fund investments are managed as part of Halton Region's overall investment strategy and are included as investments on the Consolidated Statement of Financial Position.

xiv. Use of estimates

The preparation of consolidated 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 at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant estimates relate to accounts receivable, accrued liabilities, asset retirement obligations, employee future benefits and post-employment liabilities and certain expenses.

Estimates are based on information available to management at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

xv. Loans receivable

The loans receivable are valued at cost. Recoverability is assessed annually and a valuation allowance is recorded when recoverability has been impaired. The loans receivable are written off when they are no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized as it is earned. Loans receivable are reported in Note 6.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of accounting (continued)

xvi. Cash and cash equivalents

Cash and cash equivalents include short-term investments with a term to maturity of 90 days or less at acquisition.

xvii. Asset retirement obligations

Asset retirement obligations are provisions for legal obligations for the retirement of Halton Region's tangible capital assets that are either in productive use or no longer in productive use.

An asset retirement obligation is recognized when, as at the financial reporting date:

a. there is a statutory, contractual, or legal obligation to incur retirement costs in relation to a tangible capital asset;
b. the past transaction or event giving rise to the liability has occurred;
c. it is expected that future economic benefits will be given up; and
d. a reasonable estimate of the amount can be made.

Halton Region recognizes asset retirement obligations in the period in which it incurs a statutory, contractual, or legal obligation associated with the retirement of tangible capital assets resulting from acquisition, construction, development, and/or normal operation of the tangible capital assets.

The liabilities are measured initially at management's best estimate of the discounted future cash flows required to settle the retirement obligation. For tangible capital assets that are still in productive use, the estimated retirement costs are capitalized and amortized on the same basis as the related tangible capital asset. For assets that are not recorded or are no longer in productive use, the liability is expensed in the period.

In subsequent periods, the liability is accreted over time. The asset retirement obligations estimates are adjusted, if necessary, for changes in the liability estimate or timing of the future cash flows, as applicable. Accretion expenses are included in the Consolidated Statement of Operations. Actual costs incurred are charged against the asset retirement obligation to the extent of the liability recorded. Differences between actual costs incurred and the liability, if any, are recognized in the Consolidated Statement of Operations when remediation is completed.

xviii. Pensions and employee future benefits liabilities

Halton Region accounts for its participation in the Ontario Municipal Employees Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution plan.

Vacation entitlements are accrued for as entitlements are earned.

Other post-employment benefits and compensated absences liabilities are accrued in accordance with the projected benefit method pro-rated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference to Halton Region's cost of borrowing. Unamortized actuarial gains/losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized gains/losses for event triggered liabilities, such as those determined as claims related to the Workplace Safety and Insurance Board (WSIB), are recognized when determined.

Costs related to prior-period employee services arising from plan amendments are recognized in the period in which the plan is amended.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of accounting (continued)

xviii. Pensions and employee future benefits liabilities (continued)

Halton Region has set aside reserve funds intended to fund certain of these obligations, either in full or in part. These reserve funds were created under municipal by-law and do not meet the definition of a plan asset under *PS 3250 Retirement Benefits*. Therefore, for the purposes of these consolidated financial statements, the plans are considered unfunded.

xix. Canadian Public Sector Accounting standards issued but not yet adopted

The standards noted below were not in effect for the year ended December 31, 2025, and therefore, have not been applied in preparing these consolidated financial statements. Management is assessing the impact of these standards on future statements.

Standards applicable for fiscal years beginning on or after April 1, 2026:

Topic	Description
The Conceptual Framework for Financial Reporting in the Public Sector	The PSAB's Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. PS 1202 Financial Statement Presentation will be adopted concurrently with the new Conceptual Framework.

(Dollars in Thousands)

2. INVESTMENTS

Halton Region's investment policy as approved by Regional Council has an emphasis on the preservation and safety of capital while ensuring the liquidity of funds needed to meet Halton Region's obligations.

	2025		2024	
	Cost	Market Value	Cost	Market Value
Investments	$ 3,080,174	$ 2,994,043	$ 3,155,773	$ 3,057,728

In addition, Halton Region includes in its investment portfolio a balance of $109,629 (2024 - $106,183) which is restricted, as the funds are those of the Town of Halton Hills. These funds are included within Accounts Payable and Accrued Liabilities in the Consolidated Statement of Financial Position.

3. TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost on the Consolidated Statement of Financial Position. Halton Region has tangible capital assets with a net book value of $929,751 (2024 - $848,987) that are not being amortized as they are under construction. During the year there were no write-downs of assets (2024 - $nil). Roads and underground water and sewer systems in the amount of $52,420 (2024 - $1,765) were contributed to Halton Region and were recorded at their fair value at the time of contribution. Halton Region has no tangible capital assets recognized at a nominal value. As per Halton Region's policy, there was no interest capitalized during the year (2024 - $nil). Halton Region owns various works of art and historical treasures that have not been included as tangible capital assets and therefore, are not recognized on the consolidated financial statements. These items are categorized as Museum Historical Artifacts or Museum Archival Materials.

Tangible capital assets related to asset retirement obligations are included at a cost of $18,183 (2024 - $18,593) and accumulated amortization of $13,291 (2024 - $12,585).

(Dollars in Thousands)

3. TANGIBLE CAPITAL ASSETS (CONTINUED)

The following tables summarize tangible capital asset balances by category for the years 2025 and 2024:

Asset Type	Opening Balance 01-Jan-25	Additions/ (Transfers)	Disposals	Ending Balance 31-Dec-25	Opening Accumulated Amortization Balance 01-Jan-25	Amortization	Disposals	Ending Accumulated Amortization Balance 31-Dec-25	Ending Net Book Value 31-Dec-25
General									
Buildings and building improvements	$ 379,378	$ 28,714	$ 87	$ 408,005	$ 168,641	$ 9,630	$ 78	$ 178,193	$ 229,812
Computer hardware	52,922	3,509	310	56,121	36,040	5,980	299	41,721	14,400
Computer software	23,891	10,041	-	33,932	18,981	2,019	-	21,000	12,932
Land	230,339	9,065	-	239,404	-	-	-	-	239,404
Land improvements	91,189	3,712	323	94,578	47,867	2,726	226	50,367	44,211
Leasehold improvements	5,095	-	-	5,095	4,020	146	-	4,166	929
Machinery and equipment	288,421	31,519	3,065	316,875	158,664	9,863	2,831	165,696	151,179
Vehicles	43,459	11,960	3,825	51,594	26,047	6,198	3,176	29,069	22,525
Total general	**1,114,694**	**98,520**	**7,610**	**1,205,604**	**460,260**	**36,562**	**6,610**	**490,212**	**715,392**
Infrastructure									
Buildings and building improvements	659,011	13,135	325	671,821	227,076	13,143	213	240,006	431,815
Land	353,081	16,832	-	369,913	-	-	-	-	369,913
Land improvements	158,943	15,870	676	174,137	82,640	5,235	474	87,401	86,736
Linear	4,867,571	240,488	22,860	5,085,199	1,177,489	71,169	12,703	1,235,955	3,849,244
Machinery and equipment	946,256	41,717	10,087	977,886	458,855	33,181	7,581	484,455	493,431
Total infrastructure	**6,984,862**	**328,042**	**33,948**	**7,278,956**	**1,946,060**	**122,728**	**20,971**	**2,047,817**	**5,231,139**
Assets under construction	**848,987**	**80,764**	**-**	**929,751**	**-**	**-**	**-**	**-**	**929,751**
Total tangible capital assets	**$ 8,948,543**	**$ 507,326**	**$ 41,558**	**$ 9,414,311**	**$ 2,406,320**	**$ 159,290**	**$ 27,581**	**$ 2,538,029**	**$ 6,876,282**

(Dollars in Thousands)

3. TANGIBLE CAPITAL ASSETS (CONTINUED)

Asset Type	Opening Balance 01-Jan-24	Additions/ (Transfers)	Disposals	Ending Balance 31-Dec-24	Opening Accumulated Amortization Balance 01-Jan-24	Amortization	Disposals	Ending Accumulated Amortization Balance 31-Dec-24	Ending Net Book Value 31-Dec-24
General									
Buildings and building improvements	$ 375,416	$ 3,975	$ 13	$ 379,378	$ 152,467	$ 16,186	$ 12	$ 168,641	$ 210,737
Computer hardware	50,615	4,117	1,810	52,922	31,726	6,119	1,805	36,040	16,882
Computer software	21,520	2,371	-	23,891	17,632	1,349	-	18,981	4,910
Land	234,362	(4,023)	-	230,339	-	-	-	-	230,339
Land improvements	89,375	1,814	-	91,189	45,693	2,174	-	47,867	43,322
Leasehold improvements	5,095	-	-	5,095	3,874	146	-	4,020	1,075
Machinery and equipment	282,914	8,469	2,962	288,421	148,846	12,692	2,874	158,664	129,757
Vehicles	41,600	7,282	5,423	43,459	26,651	4,056	4,660	26,047	17,412
Total general	**1,100,897**	**24,005**	**10,208**	**1,114,694**	**426,889**	**42,722**	**9,351**	**460,260**	**654,434**
Infrastructure									
Buildings and building improvements	631,490	29,558	2,037	659,011	215,959	12,825	1,708	227,076	431,935
Land	367,996	(14,915)	-	353,081	-	-	-	-	353,081
Land improvements	153,712	5,514	283	158,943	78,111	4,806	277	82,640	76,303
Linear	4,506,709	367,082	6,220	4,867,571	1,112,977	68,263	3,751	1,177,489	3,690,082
Machinery and equipment	890,817	60,127	4,688	946,256	430,689	32,277	4,111	458,855	487,401
Total infrastructure	**6,550,724**	**447,366**	**13,228**	**6,984,862**	**1,837,736**	**118,171**	**9,847**	**1,946,060**	**5,038,802**
Assets under construction	**737,816**	**111,171**	**-**	**848,987**	**-**	**-**	**-**	**-**	**848,987**
Total tangible capital assets	**$ 8,389,437**	**$ 582,542**	**$ 23,436**	**$ 8,948,543**	**$ 2,264,625**	**$ 160,893**	**$ 19,198**	**$ 2,406,320**	**$ 6,542,223**

(Dollars in Thousands)

4. LONG-TERM LIABILITIES

The use of long-term liabilities to finance capital expenditures are governed by Provincial legislation and internal debt limits set by Regional Council. Provincial legislation gives Halton Region exclusive authority to issue long-term debt for both Halton Region and local municipal purposes. The legislation also permits Halton Region to issue debt on behalf of the Halton District School Board and the Halton Catholic District School Board, at the request of these School Boards. The responsibility for raising the amounts required to service these liabilities lies with the respective Local Municipalities, School Boards and Halton Region. The issued debentures are direct, joint and several obligations of Halton Region and all its Local Municipalities.

Halton Region has purchased $6,469 (2024 - $6,467) of its own debentures which have not been cancelled. This investment in own debentures is included in the investments on the Consolidated Statement of Financial Position. The gross outstanding principal amount from these debentures for 2025 is $273,500 (2024 - $273,500).

Long-term liabilities, reported on the Consolidated Statement of Financial Position, are comprised of the following:

	2025	2024
Long-term liabilities incurred by Halton Region	$ 232,123	$ 233,048
Mortgages payable by HCHC	13,770	18,849
Subtotal gross long-term liabilities	**245,893**	**251,897**
Sinking fund debentures	328,147	328,147
Total long-term liabilities incurred by Halton Region	**574,040**	**580,044**
Less recoverable from Local Municipalities:		
Long-term debentures		
City of Burlington	124,555	114,965
Town of Halton Hills	5,752	6,783
Town of Milton	28,943	34,504
Town of Oakville	70,015	70,585
Subtotal long-term debentures	**229,265**	**226,837**
Sinking Fund debentures		
Town of Milton	11,337	11,769
Town of Oakville	68,021	70,615
Subtotal Sinking Fund debentures	**79,358**	**82,384**
Subtotal Local Municipalities	**308,622**	**309,221**
Less cumulative Sinking Fund contributions from Local Municipalities	25,643	22,616
Net long-term liabilities at year end	**$ 239,775**	**$ 248,207**

(Dollars in Thousands)

4. LONG-TERM LIABILITIES (CONTINUED)

Sinking Fund debentures consist of the following amounts:

Sinking Fund #148-11 was issued on October 11, 2011 for a 30-year term and total value of $106,000.

	2025	2024
Opening balance	$ 29,402	$ 25,611
Halton Region contributions	2,605	2,605
Interest earned	1,358	1,186
Sinking Fund #148-11 balance to date	**$ 33,365**	**$ 29,402**

Sinking Fund #43-15 was issued on April 6, 2015 for a 30-year term and total value of $167,500. Halton Region's portion is $62,500, while $90,000 was borrowed on behalf of the Town of Oakville and $15,000 for the Town of Milton.

	2025	2024
Opening balance	$ 36,077	$ 31,452
Halton Region contributions	1,261	1,262
Oakville contributions	1,816	1,816
Milton contributions	303	303
Interest earned	1,448	1,244
Sinking Fund #43-15 balance to date	**$ 40,905**	**$ 36,077**

Sinking Fund #39-24 was issued on October 29, 2024 for a 30-year term and total value of $54,647.

	2025	2024
Opening balance	$ -	$ -
Halton Region contributions	1,103	-
Interest earned	9	-
Sinking Fund #39-24 balance to date	**$ 1,112**	**$ -**

Annual contributions for Sinking Fund #39-24 began in 2025.

(Dollars in Thousands)

4. LONG-TERM LIABILITIES (CONTINUED)

Halton Region’s long-term liabilities at the end of the year are to be recovered from:

	2025	2024
Property taxes	$ 80,748	$ 84,329
Water	17,067	18,496
Wastewater	20,175	18,249
Development charges	121,785	127,133
Net long-term liabilities at year end	**$ 239,775**	**$ 248,207**

5. CHARGES FOR LONG-TERM LIABILITIES

The charges for the year required to service the long-term liabilities are:

	2025	2024
Gross principal repayment	$ 32,420	$ 34,949
HCHC mortgages	5,079	5,209
Less amounts recovered	(29,032)	(26,916)
Net principal	**8,467**	**13,242**
Gross interest paid	19,996	16,835
HCHC mortgages	640	818
Less amount recovered	(12,427)	(11,475)
Net interest	**8,209**	**6,178**
Total net principal and interest	**$ 16,676**	**$ 19,420**

Debentures bear interest at rates ranging from 1.35% (2024 - 1.10%) to 5.30% (2024 - 5.30%). Mortgages of $13,770 (2024 - $18,849) on the properties of HCHC are secured by a first charge on the assets of HCHC with amortization periods ranging between 10 and 30 years and interest rates ranging between 2.02% (2024 - 0.74%) and 5.94% (2024 - 5.94%).

Net interest on long-term liabilities identified above, are included in the Consolidated Statement of Operations.

(Dollars in Thousands)

5. CHARGES FOR LONG-TERM LIABILITIES (CONTINUED)

The charges shown in the previous table are recovered as follows:

	2025	2024
Property taxes	$ 6,954	$ 6,306
Water and wastewater revenues	-	4,454
Development charges	9,722	8,660
Total	**$ 16,676**	**$ 19,420**

The principal amounts required for long-term liabilities are as follows:

	Installment principal	Sinking Fund #148-11	Sinking Fund #43-15	Sinking Fund #39-24	HCHC mortgages	Total
2026	$ 3,469	$ 3,721	$ 1,771	$ 1,138	$ 4,884	$ 14,983
2027	-	3,842	1,829	1,176	5,557	12,404
2028	-	3,968	1,889	1,214	3,173	10,244
2029	-	4,097	1,950	1,254	156	7,457
2030	-	4,231	2,014	1,295	-	7,540
2030-2054	-	85,868	52,903	48,376	-	187,147
Total	**$ 3,469**	**$ 105,727**	**$ 62,356**	**$ 54,453**	**$ 13,770**	**$ 239,775**

6. LOANS RECEIVABLE

Halton Region has loans receivable in the amount of $4,629 (2024 - $4,910). The loans receivable are valued at cost. Recoverability is assessed annually and a valuation allowance is recorded when recoverability has been impaired. The loans receivable are written off when they are no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized as it is earned.

As per Regional Council report CS-07-07, Halton Region has agreed to provide Conservation Halton with debt financing on capital infrastructure for Watershed Management & Support Services projects. The loans provided to Conservation Halton are based on the actual cost of the project. The repayment amount for 2025 is $420 (2024 - $484). Each loan is repayable over a set period at a variable interest rate listed below.

(Dollars in Thousands)

6. LOANS RECEIVABLE (CONTINUED)

As per Regional Council report DI-03-23 / LPS23-23, Halton Region entered into a loan receivable agreement with Halton Digital Access Services Corporation on June 30, 2023. Annual repayments of $100 will begin on June 30, 2028. Interest charges to incur in the event of default.

	2025	2024
Conservation Halton		
Loans repayable over 10 years bearing interest of 3.0% with maturity dates from 2023 - 2027	$ 20	$ 107
Loans repayable over 20 years bearing interest of 3.0% with maturity dates from 2038 - 2042	846	901
Loans repayable over 30 years bearing interest of 3.2% with maturity dates from 2048 - 2050	3,263	3,402
Total loans receivable from Conservation Halton	**4,129**	**4,410**
Halton Digital Access Services Corporation		
Loans repayable over 5 years, non-interest bearing, beginning 2028	500	500
Total loans receivable from Halton Digital Access Services Corporation	**500**	**500**
Total	**$ 4,629**	**$ 4,910**

7. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

(a) Halton Region has outstanding contractual obligations of $519,253 (2024 - $712,655) for capital works still to be constructed. Regional Council has approved the required financing for these obligations.

(b) Halton Region has entered into operating leases for various office premises and equipment requiring the following payments over the next five years:

2026	$ 1,797
2027	1,138
2028	720
2029	539
2030	542

7. COMMITMENTS AND CONTRACTUAL OBLIGATIONS (CONTINUED)

(c) Halton Region enters into various service contracts and other agreements in the normal course of business, which have been approved by the appropriate level of management or by Regional Council but which have not been reported as commitments.

(d) The Region has issued letters of credit for $5,072 (2024 - $4,878) in order to meet the credit requirements and conditions of certain agreements related to capital projects.

8. CONTINGENT LIABILITIES

Certain legal claims against Halton Region are currently outstanding. No provision has been made for any claims that are expected to be covered by insurance or where the outcome is not determinable. Liabilities for non-insured claims are recorded in the year in which they are determined likely to occur and the amount can be estimated.

At year-end, Halton Region evaluated the likelihood of having to repay taxes as a result of tax appeals or other changes and recognized a liability in the amount of $1,621 (2024 - $1,631) which is included in Accounts payable and accrued liabilities in the Consolidated Statement of Financial Position.

9. CONTINGENT ASSETS

As at December 31, 2025, Halton Region has certain outstanding legal actions in which Halton Region is seeking damages. Halton Region has determined that resolution of these claims in favour of Halton Region is undeterminable as at December 31, 2025.

10. DEFERRED REVENUE

Halton Region's deferred revenue is comprised of obligatory reserve funds and general deferred revenues. A requirement of PSAS is that obligatory reserve funds be reported as deferred revenue. Halton Region has development charge reserve funds in the amount of $nil (2024 - $118,821) and reserve fund for the Canada Community-Building Fund in the amount of $31,716 (2024 - $26,054). These reserve funds are considered obligatory as Provincial and Federal legislation restricts how these funds may be used and, under certain circumstances, how these funds may be refunded. In 2025, development charges collected during the year and those previously collected which had been deferred were used for eligible expenditures, resulting in no deferred revenue from development charge reserves.

In the case of development charges, revenue recognition occurs after the funds have been collected or are receivable and when Halton Region has approved and incurred the eligible expenditures for the capital projects for which the development charges were raised. The funds received before expenditures are incurred are set aside, as required by the *Development Charges Act*, 1997, to defray the cost of growth-related capital projects associated with new development.

(Dollars in Thousands)

10. DEFERRED REVENUE (CONTINUED)

The deferred revenue, reported on the Consolidated Statement of Financial Position, is made up of the following:

	Balance at 31-Dec-24	Inflows	Revenue Earned	Balance at 31-Dec-25
Development charges	$ 118,821	$ 52,064	$ 170,885	$ -
Canada Community-Building Fund	26,054	20,464	14,802	31,716
Total obligatory reserve funds	144,875	72,528	185,687	**31,716**
Unexpended capital financing	7,037	30,401	22,614	14,824
Permits	2,849	1,757	1,534	3,072
Developer accelerated (Note 15)	24,924	10,996	15,233	20,687
Developer water meters	1,749	463	764	1,448
Other	3,531	10,555	5,699	8,387
Total general deferred revenue	40,090	54,172	45,844	**48,418**
Total	$ 184,965	$ 126,700	$ 231,531	**$ 80,134**

11. ASSET RETIREMENT OBLIGATIONS

Halton Region's asset retirement obligations consist of the following:

Regulated substances

Halton Region owns and operates various tangible capital assets including buildings, water mains, wastewater mains, water treatment plants and storm mains that contain certain regulated substances requiring remediation upon decommissioning. The *Canadian Environment Protection Act*, 1999, governs the protection of the environment and human health with respect to regulated substances. In addition, the Canada Occupational Health and Safety Regulations also outlines requirements for exposure control, as well as requirements on disposal and decontamination of these regulated substances.

Landfill

Halton Region owns and operates one active landfill site. It also owns and monitors four inactive landfill sites. The active site has a remaining life expectancy of 31 years, assuming the waste diversion targets are met. Expected closure and post-closure care costs of the active landfill site and the expected monitoring and capital rehabilitation costs of the inactive landfill sites have been reported as a liability on the Consolidated Statement of Financial Position. The estimated length of time required for post-closure care is 40 years. Halton Region also monitors seven inactive landfill sites owned by the Local Municipalities. Under agreements with the four Local Municipalities, Halton Region may recover the cost of capital rehabilitation that may be required and is not responsible for any third-party claims that may result from these inactive sites. The Local Municipalities bear the cost of monitoring the inactive sites and therefore these costs have not been included in the landfill post-closure liability.

(Dollars in Thousands)

11. ASSET RETIREMENT OBLIGATIONS (CONTINUED)

The liability for asset retirement obligations has been estimated using a net present value technique with a discount rate of 3.0%. During the year, the Region revised the cash flows for the landfill liability, with an estimated extension of 10 years in the lifespan of the active landfill site, resulting in a decrease of the asset retirement obligations by $836. A reconciliation of the beginning and ending balance of the liability is as follows:

	2025	2024
Asset retirement obligations at beginning of year	$ 54,906	$ 53,722
Accretion expense	1,196	1,223
Change in estimate	(836)	-
Asset retirement obligation settled during the year	(54)	(39)
Asset retirement obligations at end of year	**$ 55,212**	**$ 54,906**

12. CONTAMINATED SITES

A contaminated site exists when substances introduced into the air, soil, water or sediment exceeds the maximum acceptable environmental standards. A liability for remediation occurs when a site is not in productive use and the estimated liability includes costs directly attributable to remediation activities as well as post remediation, maintenance and monitoring of the contaminated site, net of any expected recoveries.

There are no contaminated sites, as at December 31, 2025, that meet the specified criteria (2024 - $nil).

13. EMPLOYEE FUTURE BENEFITS LIABILITIES

Halton Region provides certain employee benefits that will require funding in future periods. These benefits include sick leave benefits, benefits under the *Workplace Safety and Insurance Board (WSIB) Act*, 1997, long-term disability, early retirement plan, travel benefit, extended health and dental benefits. Halton Region has established reserve funds to mitigate the future impact of these obligations and this has been reported in Note 15.

(Dollars in Thousands)

13. EMPLOYEE FUTURE BENEFITS LIABILITIES (CONTINUED)

Employee future benefits and reserves relating to these liabilities are as follows:

	2025		2024	
	Accrued Liability	Reserve	Accrued Liability	Reserve
Retirement benefits				
Halton Region employees	$ 20,551	$ 25,363	$ 19,673	$ 24,192
Halton Regional Police Service	44,850	36,680	43,002	35,467
WSIB				
Halton Region employees	22,296	25,460	19,414	23,757
Halton Regional Police Service	19,731	2,612	16,601	2,526
Long-term disability				
Halton Region employees	10,063	15,604	9,289	14,704
Halton Regional Police Service	5,395	8,037	5,209	7,216
Vacation pay				
Halton Region employees	5,009	-	4,952	-
Halton Regional Police Service	175	-	169	-
Vested sick leave entitlements				
Halton Regional Police Service	79	111	73	107
Total	**$ 128,149**	**$ 113,867**	**$ 118,382**	**$ 107,969**

Information about Halton Region's benefit plan is as follows:

	2025	2024
Accrued benefit obligation:		
Balance, beginning of year	$ 141,898	$ 132,489
Current benefit cost	13,686	12,786
Interest	6,040	5,620
Benefits paid	(13,921)	(13,487)
Plan amendment	-	4,490
Balance, end of year	147,703	141,898
Unamortized actuarial losses	(19,554)	(23,516)
Liability for benefits	128,149	118,382
Amortization of actuarial losses	$ 3,962	$ 4,004

(Dollars in Thousands)

13. EMPLOYEE FUTURE BENEFITS LIABILITIES (CONTINUED)

The liabilities were determined by an actuarial valuation as at December 31, 2023. The actuarial loss is the result of assumptions used in the actuarial valuation as at December 31, 2023 that varied from assumptions used in prior valuations. These assumptions pertain to the distribution of eligible employee groups, discount rate, benefit cost escalation, mortality and termination rates. The unamortized actuarial loss is amortized over the expected average remaining service life with estimates to December 31, 2026. Halton Region commissions actuarial reviews of the retirement benefits, WSIB and long-term disability obligations every three years.

	2025	Remaining Service Life
Retirement benefits	403	7 to 13 years
WSIB	(14,474)	9 to 10 years
Long-term disability	(5,483)	8 years
Total	**(19,554)**	

The liabilities were based upon a number of assumptions regarding future events, which reflect management's best estimate. Key actuarial assumptions established for this valuation are:

	2025	2024
Expected inflation rate	2.00%	2.00%
Discount rate		
Retirement benefits	4.25%	4.25%
WSIB	4.50%	4.50%
Long-term disability	4.75%	4.75%
Expected salary increase	3.00%	3.00%
Expected dental care cost increase	4.00%	4.00%
Expected health cost increase	4.42% in 2025, reducing by 0.33% per year to 3.75% in 2027	4.75% in 2024, reducing by 0.33% per year to 3.75% in 2027

Sick leave benefit plan

Under a former sick leave benefit plan, some employees hired prior to January 1, 1974, are entitled to receive cash payments for unused sick leave upon termination of employment or retirement. In 2025, payments out of the vested sick leave plan amounted to $nil (2024 - $nil) and have been reported on the Consolidated Statement of Operations. Sick leave benefits of $79 (2024 - $73) are anticipated to be paid out in 2025 and have been reported on the Consolidated Statement of Financial Position.

(Dollars in Thousands)

14. PENSION AGREEMENTS

Halton Region makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of its 4,536 eligible members. This plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on the length of credited service and average earnings.

The accrued benefit obligation of the OMERS Plan as shown in the OMERS financial statements as at December 31, 2025 is $145.2 billion (2024 - $138.2 billion) with an actuarially determined funding deficit of $1.3 billion (2024 - $2.9 billion). OMERS is a multi-employer plan; therefore, Halton Region does not recognize any share of the pension deficit.

Halton Region's contribution to OMERS for its current service amounted to $42,815 (2024 - $38,751) and is included as an expense on the Consolidated Statement of Operations. Employee contributions amounted to $42,815 (2024 - $38,751).

Contributions for employees with a normal retirement age of 65 were made at a rate of 9.0% for earnings up to the yearly maximum pensionable earnings of $71.3 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings. For uniformed police officers with a normal retirement age of 60, those rates were 9.2% and 15.8% respectively.

15. ACCUMULATED SURPLUS

Accumulated surplus consists of the following balances:

	2025	2024
Unexpended capital financing	$ 1,634,211	$ 1,579,076
Reserves and discretionary reserve funds (detailed below)	1,251,938	1,258,942
Sinking fund investment	49,739	42,883
Tangible capital assets	6,876,282	6,542,223
Developer financed assets	(20,687)	(24,924)
Amounts to be recovered in future years:		
From reserves and reserve funds on hand	(122,193)	(115,203)
From future revenues	(301,559)	(306,941)
Total Accumulated Surplus	**$ 9,367,731**	**$ 8,976,056**

Notes to Consolidated Financial Statements

For the year ended December 31, 2025
(Dollars in Thousands)

15. ACCUMULATED SURPLUS (CONTINUED)

	2025	2024
Reserves and discretionary reserve funds set aside by Regional Council:		
Stabilization - rate	$ 25,491	$ 25,670
Stabilization - tax	94,025	87,596
Program specific	130,308	131,885
Workplace safety and insurance	28,072	26,283
Self-insurance - general	8,908	8,505
Self-insurance - employee benefits	85,795	81,686
Asset Retirement Obligation (ARO) Landfill Reserve	24,517	23,553
Equipment replacement - vehicle	4,767	7,572
Equipment replacement - building	3,267	5,135
Equipment replacement - equipment	16,199	21,349
Capital - rate	205,656	257,421
Capital - tax	411,685	385,889
Capital - investment	141,938	115,120
Other	71,310	81,278
Total Reserves and Discretionary Reserve Funds	**$ 1,251,938**	**$ 1,258,942**

16. TRUST FUNDS

Trust Funds, in the amount of $72 (2024 - $54), for the residents of Allendale, Creek Way Village and Post Inn Village, which are administered by Halton Region, have not been included in these consolidated financial statements, and are reported separately on the Statement of Financial Position of the Long Term Care Trust Fund Statements.

17. SEGMENTED INFORMATION

Segmented information has been identified based on lines of service provided by Halton Region and Financial Information Return (FIR) functional categories guidelines. Halton Region's services are provided by departments, divisions and organizational units. Their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of services that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Protection services

The mandate of the protection services is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders, and enforce the law.

Transportation services

The transportation services deliver municipal public works related to the planning, development and maintenance of roadway systems and street lighting.

Water and wastewater services

The water and wastewater services include the collection and treatment of wastewater (including storm) and the treatment and distribution of drinking water in order to provide high-quality drinking water to residents of Halton Region.

Solid waste services

The solid waste services include the planning, collection and disposal of solid waste, administering the green cart program and recycling, including diversion programs and facilities for solid waste.

Health services

The health department delivers a variety of public health programs and services that contribute to healthy communities through partnerships, promotion, prevention, protection and enforcement. Staff work in the community to deliver programs such as paramedic services, immunization, nutrition, insect control and health inspection.

Social and community services

The social and community services department provides programs and services that enhance the quality of life of Halton residents and provides them with social support services, including services for children, youth, families and seniors.

Social housing

Through implementation of the comprehensive housing strategy, Halton Region continues to advocate for the provision of housing solutions for all incomes and all stages of life from emergency shelters and government assisted housing to private sector affordable housing. Operations of HCHC are included as part of the social housing segment.

17. SEGMENTED INFORMATION (CONTINUED)

Other services consists of the general government, infrastructure planning and development, and recreation and cultural services:

General government

General government includes the components of municipal government responsible for governing Halton Region, providing direction and leadership to staff, and sustaining the organization. These divisions and branches supply administrative and financial leadership for Halton Region including adopting by-laws and policy, levying taxes, issuing debentures and providing administrative, technical, facility management, and financial services.

Infrastructure planning and development

Infrastructure planning and development provides a long-term comprehensive approach to planning and development processes to ensure the efficient use of regional infrastructure. Note through Bill 185, Cutting Red Tape to Build More Homes Act, 2024, Halton Region became an “upper-tier municipality without planning responsibilities” effective July 1, 2024.

Recreational and cultural services

Recreational and cultural services foster discovery, appreciation and understanding of the Region's heritage and manage Halton Region's artifact and archival collection. It also oversees the implementation of the Halton Region Waterfront Parks program.

Allocation methodologies

Certain allocation methodologies are employed in the preparation of segmented financial information. Services are funded primarily by taxation such as property tax revenues and by user fees for water and wastewater services. General purpose levy and payment in lieu of taxes are allocated to the segments based on a percentage of budgeted net expenditures approved in the 2025 Budget. In addition, certain government transfers and other revenues have been apportioned based on a percentage of budgeted expenses. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

(Dollars in Thousands)

17. SEGMENTED INFORMATION (CONTINUED)

For additional information see the Consolidated Schedule of Segment Disclosure below for the years 2025 and 2024:

	Protection Services	Transportation Services	Water and Wastewater Services	Solid Waste Services*	Health Services	Social and Community Services	Social Housing	Other Services**	Total Consolidated 2025
Revenues									
Taxation*									
Taxation–own purpose	$ 261,656	$ 74,512	$ 23	$ -	$ 60,379	$ 65,466	$ 54,735	$ 61,406	$ 578,177
Payments in lieu	2,457	700	-	-	567	615	514	577	5,430
User charges	7,453	1,355	286,429	2,869	192	18,509	368	2,332	319,507
Provincial transfers	9,095	145	3,684	-	56,692	333,063	26,346	5,455	434,480
Federal transfers	-	5,198	9,607	-	95	1,314	10,991	177	27,382
Investment income	-	-	8,910	-	-	-	-	95,492	104,402
Development charges and developer contributions	1,885	142,290	69,132	397	982	-	3,981	13,139	231,806
Other revenue	1,715	-	234	8,583	58	942	20,256	1,089	32,877
Total revenues	**284,261**	**224,200**	**378,019**	**11,849**	**118,965**	**419,909**	**117,191**	**179,667**	**1,734,061**
Expenses									
Salaries, wages and employee benefits	199,354	4,143	48,347	5,880	76,431	101,846	9,045	83,259	528,305
Materials	11,642	10,126	44,311	2,152	3,914	7,758	5,580	12,068	97,551
Contracted services	19,819	25,393	45,093	39,881	4,617	18,868	12,242	30,281	196,194
Rents and financial expenses	1,292	8,351	10,206	383	822	261	6,906	751	28,972
Government transfers	12,094	-	1,588	230	1,324	257,245	41,758	6,946	321,185
Debt expense	3,975	-	3,591	-	3	-	640	-	8,209
Amortization of tangible capital assets	11,416	28,443	94,379	2,978	3,003	2,806	5,819	10,446	159,290
Program support	2,556	3,286	20,932	3,810	16,423	20,819	3,801	(71,627)	-
Other operating expenses	-	-	-	-	-	-	-	2,680	2,680
Total expenses	**262,148**	**79,742**	**268,447**	**55,314**	**106,537**	**409,603**	**85,791**	**74,804**	**1,342,386**
Annual surplus	**$ 22,113**	**$ 144,458**	**$ 109,572**	**$ (43,465)**	**$ 12,428**	**$ 10,306**	**$ 31,400**	**$ 104,863**	**$ 391,675**

* The allocation of taxation amount is based on a percentage of budgeted net expenditures.

** Other Services consist of General Government, Infrastructure Planning and Development, and Recreation and Cultural Services.

(Dollars in Thousands)

17. SEGMENTED INFORMATION (CONTINUED)

	Protection Services	Transportation Services	Water and Wastewater Services	Solid Waste Services*	Health Services	Social and Community Services	Social Housing	Other Services**	Total Consolidated 2024
Revenues									
Taxation*									
Taxation–own purpose	$ 214,881	$ 66,388	$ 18	$ 18,592	$ 50,158	$ 59,150	$ 45,600	$ 45,559	$ 500,346
Solid waste levy	-	-	-	32,659	-	-	-	-	32,659
Payments in lieu	2,222	686	-	-	519	612	471	663	5,173
User charges	6,538	13,870	263,348	3,813	71	18,467	524	3,612	310,243
Provincial transfers	9,149	24,010	888	-	55,062	285,535	20,141	1,955	396,740
Federal transfers	-	12,303	21,503	-	115	1,604	24,019	143	59,687
Investment income	-	-	5,208	-	-	-	-	91,202	96,410
Development charges and developer contributions	2,148	167,675	112,393	782	2,063	-	4,801	12,863	302,725
Other revenue	1,723	592	468	6,476	229	835	19,812	902	31,037
Total revenues	**236,661**	**285,524**	**403,826**	**62,322**	**108,217**	**366,203**	**115,368**	**156,899**	**1,735,020**
Expenses									
Salaries, wages and employee benefits	181,427	3,940	45,425	5,165	73,087	95,965	8,320	89,716	503,045
Materials	9,317	574	31,274	1,329	3,663	7,773	6,862	6,243	67,035
Contracted services	16,284	22,418	44,576	42,232	5,334	20,215	11,150	37,702	199,911
Rents and financial expenses	1,495	74	4,545	531	1,023	601	6,436	208	14,913
Government transfers	11,539	21	1,805	233	1,097	209,168	39,945	7,587	271,395
Debt expense	1,957	-	3,398	-	5	-	818	-	6,178
Amortization of tangible capital assets	11,063	31,056	87,218	2,038	2,026	2,767	15,837	8,888	160,893
Program support	2,437	3,930	20,750	3,561	16,487	19,828	3,492	(70,485)	-
Other operating expenses	-	-	-	-	-	-	-	2,347	2,347
Total expenses	**235,519**	**62,013**	**238,991**	**55,089**	**102,722**	**356,317**	**92,860**	**82,206**	**1,225,717**
Annual surplus	**$ 1,142**	**$ 223,511**	**$ 164,835**	**$ 7,233**	**$ 5,495**	**$ 9,886**	**$ 22,508**	**$ 74,693**	**$ 509,303**

* The allocation of taxation amount is based on a percentage of budgeted net expenditures except for Solid Waste as this amount is collected through By-Law 10-24.

** Other Services consist of General Government, Planning and Development, and Recreation and Cultural Services.

(Dollars in Thousands)

18. BUDGET COMPARISON

The budget data presented in these consolidated financial statements are based upon the 2025 budget approved by Regional Council and the HCHC Board of Directors on December 11, 2024.

The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements. Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried out over one or more years. In addition, to ensure comparability of expenses, the allocation of program support costs completed for actual reporting was also applied to the budget amounts.

	2025 Budget
Halton Region approved Operating Revenues budget FN-34-24	**$ 1,426,065**
In-year changes*	1,141
Revised approved budget	1,427,206
Development charges and developer contributions	231,806
Government Transfers	16,534
Other revenue adjustments	35,986
Reclassification between revenue and expense	(428)
HCHC approved Operating Revenues budget (HC-17-24)	**33,255**
HCHC in-year changes**	210
HCHC PSAS adjustments	11,246
HCHC intercompany transactions	(26,399)
Total consolidated revenues	**1,729,416**
Halton Region approved Operating Expenses budget FN-34-24	**1,426,065**
In-year changes*	1,141
Revised approved budget	1,427,206
Transfers to reserves - capital	(277,443)
Transfers from reserves - capital	10,262
Debt charges - principal	(8,356)
Transfers to reserves - operating	(55,106)
Transfers from reserves - operating	4,529
Amortization	154,210
Capital project cost resulting in operating expenses	52,106
Loss (gain) on disposal of tangible capital assets	13,112
Employee future benefits	9,767
Asset retirement obligations	(19)
Reclassification between revenue and expense	(428)
HCHC approved Operating Expenses budget (HC-17-24)	**33,255**
HCHC in-year changes**	210
HCHC PSAS adjustments	2,046
HCHC intercompany transactions	(21,720)
Total consolidated expenses	**1,343,631**
Annual surplus	**$ 385,785**

(Dollars in Thousands)

18. BUDGET COMPARISON (CONTINUED)

In-year changes:

*Refer to Halton Region Report No.:		Amount
FN-10-25 - 2025 Tax Policy	$	108
SS-05-25 - Allocation of Provincial Homelessness Prevention Program Funding 2025-2026 and Federal Reaching Home Update		1,033
Total	**$**	**1,141**

**Refer to Halton Community Housing Corporation Report No.:		Amount
HC-08-25 - Operating and Capital Variance Report for the Period Ending April 30, 2025	$	210
Total	**$**	**210**

19. PUBLIC LIABILITY INSURANCE

Halton Region and HCHC have comprehensive risk management programs in place for the identification, evaluation and treatment of risk designed to minimize or prevent the risk of damage to Halton Region and HCHC properties and the risk of third-party property damage or bodily injury.

	Halton Region		HCHC	
	2025	**2024**	**2025**	**2024**
Insurance period of one year beginning on	1/1/2025	1/1/2024	11/1/2025	11/1/2024
Third party public liability claim limit per occurrence up to	$ 50,000	$ 50,000	$ 5,000	$ 5,000
Maximum deductible limit per occurrence - Liability	100	100	25	25
Maximum deductible limit per occurrence - Property	100	100	100	50
Insurance claims expense	236	239	776	49
Estimated value of outstanding claims	925	1,395	-	5
Self-insurance reserve fund (Note 15)	$ 8,908	$ 8,505	$ N/A	$ N/A

Insurance claims of $236 (2024 - $239), as noted in the above table, are included as an expense in the Consolidated Statement of Operations. The replacement cost coverage per occurrence is set at a limit of $300,000 for Halton Region and $75,000 for HCHC.

HCHC uses purchased insurance and Halton Region uses a combination of self-insurance and purchased insurance to protect themselves financially against the risks that they cannot reasonably control. Halton Region is self-insured for claims such as environmental liability, Councillor and employee legal indemnification. These claims are expensed within the current operating year and are funded through the self-insurance reserve fund as are all Halton Region's insurance claim deductibles.

20. FAIR VALUE AND RISK MANAGEMENT

Financial instruments are classified as either fair value, cost, or amortized cost. Halton Region determines the classification of its financial instruments at initial recognition.

Halton Region is exposed to a variety of financial risks, including credit risk and liquidity risk. Halton Region's overall risk management program seeks to minimize potential adverse effects on financial performance.

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss. Halton Region is exposed to credit risk with respect to accounts receivable and other investments. Halton Region assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in Allowance for Doubtful Accounts. The maximum exposure to credit risk of Halton Region is the carrying value of these assets. Management considers credit risk to be minimal as most of the accounts receivable balance is collected in a timely fashion.

There have been no significant changes to credit risk exposure from prior year.

Liquidity Risk

Liquidity risk is the risk that Halton Region will be unable to fulfill its obligations on a timely basis or at a reasonable cost. Halton Region manages its liquidity risk by monitoring its operating requirements, and prepares a budget, as well as cash forecasts, to ensure that it has sufficient funds to fulfill obligations.

There have been no significant changes to the liquidity risk exposure from prior year, as Halton Region maintains its AAA/Aaa credit rating.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates. Halton Region is not subject to significant interest rate risk as its cash and cash equivalents, investments, and long-term debt have fixed interest rates and are intended to be carried until maturity. Since cash and cash equivalents are carried at amortized cost, their valuation does not change with changes in fair value.

Halton Region follows an investment policy approved by Regional Council.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Halton Region is not exposed to this risk due to the amounts held in foreign currency being immaterial.

21. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted in the current year.

Five-Year Statistical Data (unaudited)

For the year ended December 31, 2025

Five-Year Financial Statistics (unaudited)

(Dollars in Thousands)

	2025	2024	2023	2022	2021
Consolidated Statement of Financial Position					
Financial assets	$ 3,721,134	$ 3,791,601	$ 3,634,660	$ 3,484,634	$ 3,226,898
Non-financial assets	6,906,785	6,575,658	6,135,363	5,776,772	5,550,949
Total Assets	10,627,919	10,367,259	9,770,023	9,261,406	8,777,847
Accounts payable and accrued liabilities	422,653	452,906	413,696	392,021	363,802
Gross long-term liabilities	245,893	251,897	214,749	199,588	213,464
Sinking fund debentures	328,147	328,147	273,500	273,500	273,500
Deferred revenue	80,134	184,965	242,633	304,935	325,465
Asset retirement obligations*	55,212	54,906	53,722	51,274	15,034
Employee future benefits liabilities	128,149	118,382	104,970	98,455	91,972
Total Liabilities	1,260,188	1,391,203	1,303,270	1,319,773	1,283,237
Accumulated Surplus	9,367,731	8,976,056	8,466,753	7,941,633	7,494,610
Consolidated Statement of Operations					
Sources of Revenue					
Property taxes	583,607	538,178	504,053	479,747	464,863
Government transfers					
Ontario	434,480	396,740	378,869	304,414	273,280
Canada	12,580	25,883	10,148	6,135	8,506
User charges	319,507	310,243	276,724	269,273	259,476
Investment income	104,402	96,410	87,109	66,484	65,165
Development charges and developer contributions	231,806	302,725	368,506	339,962	195,577
Canada Community-Building Fund	14,802	33,804	20,003	25,060	14,207
Other revenue	32,877	31,037	32,771	37,303	17,789
Total Revenue	1,734,061	1,735,020	1,678,183	1,528,378	1,298,863
Expenses by Function					
General government	60,128	61,550	47,494	45,897	54,735
Social and community services	409,603	356,317	342,151	243,242	193,119
Social housing	85,791	92,860	72,856	74,724	58,335
Water and wastewater services	268,447	238,991	235,231	223,530	202,480
Solid waste services	55,314	55,089	52,673	49,629	46,625
Protection services	262,148	235,519	212,239	200,647	191,609
Health services	106,537	102,722	105,144	121,726	128,158
Transportation services	79,742	62,013	63,908	70,589	53,493
Infrastructure planning and development	12,495	18,639	19,479	21,244	18,232
Recreation and cultural services	2,181	2,017	1,888	1,579	1,546
Total Expenses by Function	1,342,386	1,225,717	1,153,063	1,052,807	948,332
Annual Surplus	391,675	509,303	525,120	475,571	350,531
Accumulated Surplus, Beginning of Year as Previously Reported	8,976,056	8,466,753	7,941,633	7,494,610	7,144,079
Adjustment on First Time Adoption of PS 3280"	-	-	-	(28,548)	-
Accumulated Surplus, End of Year, as Adjusted	$ 9,367,731	$ 8,976,056	$ 8,466,753	$ 7,941,633	$ 7,494,610

* Adjustment on first time adoption of PS 3280, Asset Retirement Obligations, in 2022.

Five-Year Financial Statistics (unaudited)

(Dollars in Thousands)

	2025	2024	2023	2022 Restated*	2021
ANALYSIS OF EXPENSE BY OBJECT					
Salaries, wages and employee benefits	$ 528,305	$ 503,045	$ 459,198	$ 445,654	$ 437,875
Materials	97,551	67,035	73,506	63,213	56,873
Contracted services	196,194	199,911	198,942	195,236	172,715
Rents and financial expenses	28,972	14,913	15,114	26,172	16,497
Government transfers	321,185	271,395	255,680	166,477	115,506
Debt expense	8,209	6,178	6,602	7,093	7,688
Amortization of tangible capital assets	159,290	160,893	141,742	144,360	137,719
Other operating expenses	2,680	2,347	2,279	4,602	3,459
Total expenses	$ 1,342,386	$ 1,225,717	$ 1,153,063	$ 1,052,807	$ 948,332
Consolidated Statement of Change in Net Financial Assets					
Annual surplus	391,675	509,303	525,120	475,571	350,531
Acquisition of tangible capital assets	(507,326)	(582,542)	(503,409)	(375,294)	(286,002)
Amortization of tangible capital assets	159,290	160,893	141,742	144,360	137,719
Loss on disposal of tangible capital assets	13,229	3,211	(1,801)	1,387	4,443
Proceeds on disposal of tangible capital assets	748	1,027	4,260	13,105	1,911
Inventory and prepaid expenses	2,932	(22,884)	617	(2,804)	(282)
Change in net financial assets	60,548	69,008	166,529	256,325	208,320
Net Financial Assets, Beginning of Year	2,400,398	2,331,390	2,164,861	1,943,661	1,735,341
Adjustment on First Time Adoption of PS 3280"	-	-	-	(35,125)	-
Net Financial Assets, End of Year, as Adjusted	$ 2,460,946	$ 2,400,398	$ 2,331,390	$ 2,164,861	$ 1,943,661
NET LONG-TERM LIABILITIES					
Total long-term liabilities	574,040	580,044	488,249	473,088	486,964
Recoverable debt:					
Local Municipalities and School Boards	(308,622)	(309,221)	(261,561)	(235,323)	(232,880)
Cumulative Sinking Fund contributions from Local Municipalities	(25,643)	(22,616)	(19,717)	(16,939)	(14,270)
Net long-term liabilities	239,775	248,207	206,971	220,826	239,814
Recovered from:					
Tax levy	80,748	84,329	49,894	53,842	57,822
Rate supported	37,242	36,745	40,978	46,138	55,704
Development charges	121,785	127,133	116,099	120,846	126,288
	239,775	248,207	206,971	220,826	239,814
OTHER INFORMATION					
Annual Repayment Limit**	239,564	220,914	203,222	186,565	176,108
Reserves	$ 1,251,938	$ 1,258,942	$ 1,352,082	$ 1,471,922	$ 1,434,825

* Adjustment on first time adoption of PS 3280, Asset Retirement Obligations, in 2022.
** The annual repayment limit is calculated at 25% of the Municipalities own source revenues less net debt charges.

Five-Year Financial Statistics (unaudited)

(Dollars in Thousands)

	2025	2024	2023	2022 Restated*	2021
EXPENDITURE ANALYSIS					
Consolidated expenditure per capita	$ 2,014	$ 1,866	$ 1,774	$ 1,653	$ 1,520
Net debt per capita	$ 360	$ 378	$ 318	$ 347	$ 384
Net debt per household	$ 1,017	$ 988	$ 843	$ 920	$ 1,023
Debt charges as a % of consolidated expenditure	0.6 %	1.1 %	1.2 %	1.8 %	2.1 %
REVENUE ANALYSIS					
Property taxes and user charges as a % of consolidated revenue	67.3%	68.1%	70.4%	73.7%	72.2%
Total Government Transfers as a % of consolidated revenue	26.6%	26.3%	24.4%	22.0%	22.8%
Debt charges as a % of consolidated non-grant revenue	0.7%	1.0%	0.9%	1.4%	1.7%
STATISTICS					
Population (a)	666,454	656,926	650,014	637,054	624,094
Households (a)	235,723	251,251	245,652	240,054	234,455
Income per Capita (d)	73,368	71,949	71,596	68,911	67,055
Halton Census division average unemployment rate (b)	8.2%	6.3%	5.3%	5.5%	6.5%
Toronto CMA (c)	8.1%	8.4%	6.7%	6.2%	7.3%
Hamilton CMA (c)	7.2%	7.3%	5.6%	4.7%	5.6%
Area in hectares (a)	96,924	96,924	96,924	96,924	96,924
CONTINUOUS FULL-TIME EMPLOYEES (ACTUAL AS OF DECEMBER 31st)					
Police Services	1,248	1,232	1,159	1,133	1,097
Regional Services	2,390	2,301	2,216	2,151	2,050
TOTAL HALTON REGION EMPLOYEES	3,638	3,533	3,375	3,284	3,147
TYPICAL RESIDENT'S ANNUAL REGIONAL PROPERTY TAXES AND USER CHARGES					
Property taxes	$ 319	$ 301	$ 286	$ 277	$ 271
Water	545	515	496	477	463
Wastewater	628	597	569	547	532
Per $100,000 Current Value Assessment (CVA) Based on 226m3/year residential water consumption					
PROPERTY TAXES COLLECTED					
Total property taxes collected on our behalf by Local Municipalities	$ 580,595	$ 534,938	$ 500,167	$ 473,691	$ 457,417
TAXABLE WEIGHTED ASSESSMENT					
Residential & farm	$ 144,035,185	$ 141,282,591	$ 138,910,128	$ 136,738,967	$ 134,595,535
Commercial & industrial (C/I)	34,183,386	33,749,554	33,020,285	32,811,715	32,887,339
	$ 178,218,571	$ 175,032,145	$ 171,930,413	$ 169,550,682	$ 167,482,874
Annual assessment growth rate	1.8%	1.8%	1.4%	1.2%	1.4%
Ratio of C/I to total taxable assessment	19.2%	19.3%	19.2%	19.4%	19.6%
PERMITS ISSUED**					
Residential	3,563	5,231	4,521	4,331	5,073
Non-residential	81	81	82	106	70

* Adjustment on first time adoption of PS 3280, Asset Retirement Obligations, in 2022.
**Building Permits issued for development activity where development charges are applicable, in accordance with the payment provisions of the Development Charges Act, 1997.
(a) Statistics Canada, Annual Demographics Estimates, and June 2011 Best Planning Estimates
(b) Statistics Canada Labour Force Survey - custom tabulation, 3-month moving average unadjusted
(c) Statistics Canada Table 14-10-0459-01
(d) Conference Board of Canada, 2023

Halton's Business Community and Key Sectors

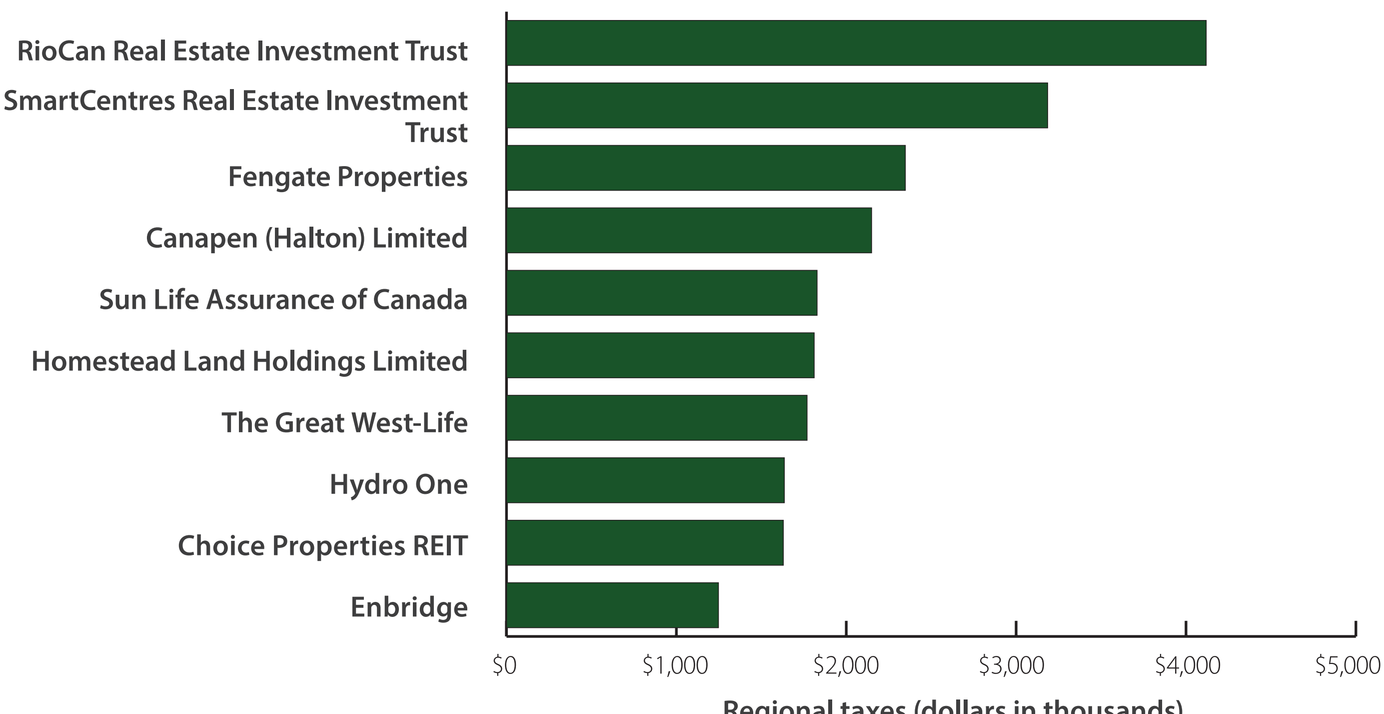
Top Private Sector Employers in Halton in 2025

(Based on number of employees)

Business Name	Location	Sector
Ford Motor Company of Canada (Oakville Assembly Complex)	Oakville	Headquarters and automotive assembly (3,500+ employees)
Collins Aerospace Systems	Oakville	Aerospace parts manufacturing (1,500+ employees)
Gordon Food Service	Milton	Food distribution (1,000+ employees)
Sofina Foods	Burlington	Food processing and distribution (900+ employees)
Evertz Microsystems	Burlington	Electronics equipment manufacturing (500+ employees)
Karmax Heavy Stamping (division of Magna)	Milton	Automotive parts manufacturing (1,000+ employees)
Geotab	Oakville	Information technology and telematics (1,000+ employees)
Modatek Systems (division of Magna)	Milton	Automotive parts manufacturing (900+ employees)
Siemens Canada Ltd.	Oakville	Computer systems design and related services (750+ employees)
Innomar Strategies	Oakville	Health care services and pharmaceutical (750+ employees)

Source: Halton Region Employment Survey, 2025

Principal Corporate Taxpayers in 2025



Source: Halton Tax Analysis Web Application Interface

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Regional Municipality of Halton Ontario

For the Fiscal Year Beginning

January 01, 2025

Christopher P. Morrill

Executive Director

Distinguished Budget Presentation Award

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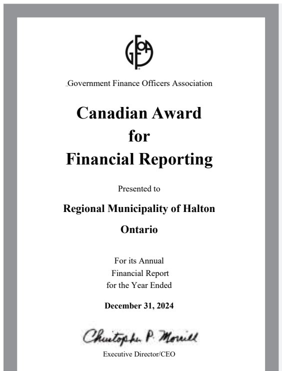
5-Year Directors Award

Burloak, Burlington & Oakville Water Treatment Plants

American Water Works Association



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Halton Region

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Halton Region Paramedic Services

Ontario Association of Paramedic Chiefs