



MAYOR'S ANNUAL REPORT

HIGHLIGHTS OF THE

2025 FINANCIAL REPORT

Presented by
Mayor JEREMY LEVI

Tabled at a Regular Council meeting of the Town of Hampstead
22 September 2026

PRESENTATION

In compliance with Section 105.2.2 of the Cities and Towns Act and following the filing of the Town of Hampstead's audited 2025 financial statements, I am pleased to provide residents with a transparent overview of our financial position, the results achieved during 2025, and the priorities that will guide our work in 2026.

The independent auditor concluded that the financial statements present fairly, in all material respects, the Town's financial position as at December 31, 2025, and the results of its activities and cash flows for the year, in accordance with Canadian public sector accounting standards.

HIGHLIGHTS OF THE AUDITED 2025 FINANCIAL STATEMENTS

Operating surplus

For the year ended December 31, 2025, the Town recorded an operating surplus for tax purposes of \$3.848 million, compared with \$1.467 million in 2024.

Operating revenues totalled \$36.453 million, exceeding the adopted budget of \$34.527 million. The principal revenue sources were:

- Taxes: \$28,956,442
- Imposition of duties: \$4,276,420
- Transfers: \$989,993
- Services rendered: \$727,138
- Interest revenue: \$689,448
- Fines and penalties: \$390,581
- Payments in lieu of taxes and other revenues: \$422,482

Operating charges totalled \$34.305 million, including \$2.242 million in amortization. The resulting surplus related to activities was \$2.147 million before the fiscal reconciliation required for municipal reporting.

Accumulated and unrestricted surplus

At December 31, 2025, the unrestricted operating surplus stood at \$5.132 million, up from \$4.486 million at the end of 2024. In addition, the Town held \$5.353 million in restricted operating surpluses and \$400,443 in financial reserves and reserved funds, including the working fund and election reserve.

These balances provide the Town with flexibility to address future infrastructure requirements, unforeseen operational pressures, and Council-approved priorities while maintaining sound fiscal discipline.

Long-term debt

As of December 31, 2025, the Town's bonds and notes totalled \$1.976 million, down from \$2.586 million at the end of 2024. During the year, the Town repaid \$610,300 of long-term debt.

After deducting amounts receivable that are specifically allocated to debt repayment, the net long-term debt of the municipal administration was \$1.308 million, compared with \$1.878 million in 2024. This continued reduction reflects a prudent approach to borrowing and debt repayment.

(See Appendix 1 for the estimated debt repayment schedule.)

Financial position and liquidity

The Town ended 2025 with net financial assets of \$9.312 million, compared with \$7.826 million in 2024. Cash and cash equivalents increased to \$6.906 million from \$5.639 million, strengthening the Town’s capacity to meet its obligations and manage planned investments.

The accumulated surplus reached \$43.918 million, including the Town’s net investment in capital assets of \$33.819 million.

CAPITAL EXPENDITURES

Restoring and maintaining Hampstead’s infrastructure remained a priority in 2025. The Town invested \$3.018 million in capital assets, compared with \$2.869 million in 2024.

The principal 2025 investments included:

Category	Amount
Roads, streets and sidewalks	\$1,592,523
Machinery, tools and equipment	\$960,688
Vehicles	\$354,310
Furniture and office equipment	\$65,090
Administrative buildings	\$45,223
Total acquisitions	\$3,017,834

THREE-YEAR CAPITAL PROGRAM

The Three-Year Capital Program remains more than a budgeting tool. It is the framework through which Council aligns infrastructure needs, available funding, operational capacity, and the long-term interests of residents.

The 2025 results demonstrate the Town's ability to continue investing while reducing its direct long-term debt. This provides a solid foundation for future road, equipment, public space, and municipal-facility projects, subject to annual budget approval and procurement requirements.

LOOKING FORWARD TO 2026

Building on this sound financial foundation, 2026 will be a year of disciplined planning and visible action. The Town will focus on the following priorities:

A clear strategic direction

The Town has created its 2026–2030 Strategic Plan to provide a clear and forward-looking direction for municipal decision-making, resource allocation, service delivery, and community engagement. The plan is centred on four priorities: infrastructure; parks and recreation; public security; and communications and community relations. It will be translated into practical annual objectives so residents can see how long-term commitments become measurable action.

A sustained focus on road rehabilitation

Road and sidewalk rehabilitation will remain a leading priority. The Town will continue to plan and deliver renewal projects based on infrastructure condition, safety, service continuity, long-term value, and available funding. This work includes ongoing rehabilitation projects and a broader, structured approach to the progressive renewal of Hampstead's road network.

Stronger action on empty lots and properties left vacant

The Town will strengthen the tools available to address vacant or poorly maintained properties. This includes using existing nuisance and property-maintenance By-law and authority, advancing measures that support the landscaping or repair of properties cleared by demolition, and ensuring that owners meet their responsibilities to maintain their lots and buildings.

The Town will also move forward with a carefully designed framework for a surtax on vacant or underused residential dwellings, using the authority provided under section 500.5.1 of the Cities and Towns Act. The objective is to encourage properties to be occupied, repaired, rented, redeveloped, or sold, while providing fair exemptions, clear notice, an appropriate review process, and a legally defensible system of administration and enforcement.

Together, these measures are intended to empower the Town to act more effectively where prolonged vacancy, abandonment, or inadequate maintenance adversely affects neighbouring properties and the community.

Safer roads, parks, and public spaces

The security of our residents throughout Hampstead's roads, parks, and public spaces remains a high priority for 2026. Through the Town's road safety project, we will continue advancing measures designed to improve traffic calming, pedestrian safety, and the overall safety of the public spaces used by residents and families.

CONCLUDING REMARKS

The 2025 financial results confirm that the Town of Hampstead remains in a strong and responsible financial position. Revenues exceeded budget, reserves remained healthy, net financial assets increased, capital investment continued, and the Town's direct long-term debt declined.

The strengthened financial and administrative control measures introduced midway through 2024 have now had the opportunity to take effect. The 2025 results demonstrate the value of improved financial oversight, expenditure monitoring, procurement practices, and interdepartmental coordination. The Town remains firmly focused on fiscal responsibility and accountability, ensuring that public funds are managed carefully, decisions are supported by sound information, and municipal resources are directed towards the priorities that matter most to residents.

The Town has also increased its efforts to identify and access available grant funding from both the provincial and federal governments. These efforts help the Town pursue priority projects while reducing pressure on local taxpayers. In 2026, the Town will continue strengthening this work and expanding its efforts to secure external funding wherever suitable programmes are available.

Our objective is not simply to preserve this financial strength, but to use it wisely. Sound finances allow us to renew infrastructure, improve municipal services, protect the quality of our neighbourhoods, and respond to the priorities residents have identified.

As Mayor, I reaffirm my commitment to transparent, accountable, and disciplined municipal leadership. Together with Council and our dedicated municipal employees, we will continue building a Town that is safe, peaceful, family-friendly, resilient, and prepared for the future.

Thank you for your continued trust and for your active participation in shaping Hampstead's future.

Mayor Jeremy Levi

APPENDIX 1

Estimated payments on long-term debt

Category	Amount
2026	\$1,039,400
2027	\$317,700
2028	\$578,300
2029	\$40,200
2030	\$0
2031 and later	\$0
TOTAL BONDS AND NOTES	\$1,975,600

Note: Amounts are based on the audited 2025 financial statements as of December 31, 2025. The statement of financial position reports long-term debt net of \$10,457 in deferred expenditures, for a carrying amount of \$1,965,143.