



# **Budget & Administration Committee Meeting Agenda**

Thursday, April 21, 2022





## **Budget & Administration Committee Meeting**

**Thursday April 21, 2022 at 6:00 P.M.**

**This meeting will be held in person for Budget and Administration Committee members and designated, limited staff only.**

**The public may view the meeting live on HCA's You Tube Channel:**  
<https://www.youtube.com/user/HamiltonConservation>

**1. Welcome** – Moccio

**2. Declaration of Conflict of Interest**

**3. Approval of Agenda**

**4. Delegations**

**5. Consent Items**

5.1. Approval of Budget & Administration Committee Minutes  
– March 17, 2022

5.2. 1<sup>st</sup> Quarter 2022 WSIB Injury Statistics

**6. Business Arising from the Minutes**

**7. Staff Reports/Memorandums**

Memorandums to be received

- |     |   |             |
|-----|---|-------------|
| 7.1 | Status Update – 2022 Job Evaluation                                     | – Peck      |
| 7.2 | 1 <sup>st</sup> Quarter Financial Results – Operating                   | – McDougall |
| 7.3 | 1 <sup>st</sup> Quarter Financial Results – Capital & Major Maintenance | – McDougall |
| 7.4 | 1 <sup>st</sup> Quarter Vendor Report                                   | – McDougall |
| 7.5 | Asset Disposition Report  | – McDougall |

Reports for recommendation

- |     |   |                   |
|-----|---|-------------------|
| 7.6 | 2021 Report by the Auditors                                       | – Melanie Duggard |
| 7.7 | 2021 12 Month Financial Results<br>– Audited Financial Statements | – McDougall       |

7.8 Reserve Funds and Balances Report

– McDougall

- 8. New Business**
- 9. In-Camera Items**
- 10. Next Meeting – May 19, 2022**
- 11. Adjournment**

## Hamilton Conservation Authority Minutes

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### Budget & Administration Committee

**March 17, 2022**

Minutes of the Budget & Administration Committee meeting held on Thursday, March 17, 2022 at 6:00 p.m. at the HCA main office, 838 Mineral Springs Road, in Ancaster, and livestreamed on YouTube.

**Present:**                **Santina Moccio, in the Chair**  
                              **Dan Bowman**  
                              **Jim Cimba**  
                              **Lloyd Ferguson – by videoconference**  
                              **Maria Topalovic**

**Regrets:**                **None**

**Staff Present:**        **Lisa Burnside, Matt Hall, Neil McDougall, Scott Peck, and Jaime Tellier, and Nancy Watts**

**Others Present:**    **None**

#### **1. Welcome**

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

#### **2. Declarations of Conflict of Interest**

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

#### **3. Approval of Agenda**

The Chair requested any additions or deletions to the agenda. There were none.

**BA 2210**

**MOVED BY: Maria Topalovic  
SECONDED BY: Dan Bowman**

**THAT the agenda be approved.**

**CARRIED**

#### **4. Delegations**

There were none.

#### **5. Consent Items**

The following consent items were adopted:

- 5.1. Approval of Budget & Administration Committee Minutes – February 17, 2022
- 5.2. WSIB Injury Statistics from January – 12 months (2021)

The status of lost time injuries was discussed. Nancy Watts advised there have been no lost time injuries since December. There has been one approved medical aid incident in 2022.

#### **6. Business Arising from the Minutes**

There was none.

#### **7. Staff Reports/Memoranda**

##### **7.1. 12-month Financial Results – Operating**

Neil McDougall presented a summary of the report noting that 2021 was very similar to 2020 in that HCA's Conservation Areas remained popular as destinations for safe activities during the pandemic. Revenues associated with Conservation Area admissions were high as a result of the increased visitation. The revenues are a combination of increased membership pass sales, day admissions, and additional fee stations in parking lots. The marina was also fully operational and camping remained popular.

In 2022, there is a softening in day pass and membership pass sales, which was expected with the easing of pandemic related restrictions. Projected pass sales for



2022 may remain higher than pre-pandemic levels, however are unlikely to sustain 2020 or 2021 levels.

Staff are conscientious in managing surplus funds to have a reserve and for special projects. Staff will return to an upcoming Budget & Administration Committee meeting with the annual reserves report on how surplus funds will be allocated to special projects, such as land acquisition and the development of the Saltfleet Conservation Area, and an emergency reserve.

The members thanked staff for their efforts over the year.

## 7.2. 12-month Financial Results – Capital & Major Maintenance

Neil McDougall presented a summary of the report noting it shows a breakdown of expenditures for major maintenance and capital projects on a per Conservation Area basis. He highlighted various projects and maintenance work completed, including construction of the cabins at Valens Lake Conservation Area, construction of a lab at the main office for ecology and engineering field staff, a shoreline stabilization project at Fifty Point, and installation of an automated gate at Eramosa Karst Conservation Area, as well as trail, bridge, and hazard tree maintenance throughout the areas, including Dundas Valley, Hamilton Mountain Conservation Areas and Westfield Heritage Village.

In total, HCA spent 2.2 million on capital projects and major maintenance, with 40% on spent on major maintenance and 60% on capital projects. This is a typical distribution of funds, balanced between new projects and maintenance.

Members posed questions to staff regarding the Valens cabins and environmental studies and improvements to Tiffany Falls and Artaban Road parking lots.

The prioritization scheme for projects and maintenance was reviewed. The development of the capital budget each year is based on a combination of factors that are taken into account which include master plans, building and bridge inspection reports, feedback from area staff and input and analysis by senior management. Consideration is given for safety-related projects, infrastructure improvements, and those that meet legislative requirements. The approach to scheduling projects and maintenance, and therefore the capital budget, based on planning and regular evaluations, was praised.

## 7.3. 4<sup>th</sup> Quarter Vendor Report

Neil McDougall introduced the report. There were no questions.

**BA 2211****MOVED BY: Dan Bowman  
SECONDED BY: Maria Topalovic****THAT the memoranda entitled Twelve-month Financial Results – Operating, Twelve-month Financial Results – Capital & Major Maintenance, and 4<sup>th</sup> Quarter Vendor Report, be received for information.****CARRIED****7.4. Hybrid Meeting Participation and Livestreaming**

Lisa Burnside presented a summary of the report that upgrades to the technology in the HCA auditorium provides for hybrid meeting capabilities and recommendation to continue livestreaming of meetings.

A sound quality issue was identified during the meeting with the new audiovisual equipment which was resolved by turning the table microphones off. An additional issue related to calling up documents on line was also experienced, however that was identified as being related to member's individual computer. Lisa indicated staff will continue to test the equipment to identify and resolve any further issues.

Lloyd Ferguson left the meeting at this point to attend to an appointment.

There was discussion regarding the potential for hybrid meeting participation to eventually lead to fewer members attending in person or to fully transitioning to electronic meetings. It was noted that generally members prefer to attend in person however, flexibility to attend by telephone or by videoconference is appreciated when members are unable to attend in person and that this is already permitted in the administrative bylaws.

**BA 2212****MOVED BY: Jim Cimba  
SECONDED BY: Maria Topalovic****THAT the Budget & Administration Committee recommends to the Board of Directors:****THAT the Board of Directors approve the livestreaming of Board of Director and Advisory Board meetings when in-person meetings resume to provide for an additional method of public participation once the new audio visual technology in the HCA auditorium is finalized; and****THAT staff be directed to bring a report to an upcoming Budget & Administration Committee to address any necessary revisions or clarifications in HCA's**



**Administrative By-law as a result of the addition to livestream and any housekeeping amendments related to hybrid participation.**

**CARRIED**

## **8. New Business**

### **8.1. City of Hamilton Citizen Code of Conduct Training**

Jim Cimba inquired about a recent newspaper article indicating that citizen appointees by the City of Hamilton to local boards and committees will be required to attend an upcoming code of conduct training session and if this applied to the citizen appointees on HCA's Board of Directors. Lisa Burnside advised that HCA is an organization that has citizen appointments by the City of Hamilton, however HCA has not been advised of the training at this time. Citizen members at the meeting confirmed that they have also not been contacted.

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

**BA 2213**

**MOVED BY: Dan Bowman**

**SECONDED BY: Maria Topalovic**

**THAT the Budget and Administration Committee moves *in camera* for matters of law, personnel and property.**

**CARRIED**

**During the *in camera* session, one legal matter and one personnel were discussed.**

### **9.1. Confidential Verbal Update – BA/Mar 01-2022**

Nancy Watts provided a verbal update regarding a legal matter and answered the members' questions.

### **9.2. Confidential Verbal Update – BA/Mar 02-2022**

Lisa Burnside provided a verbal update regarding a personnel matter and answered the members' questions.

**BA 2214**

**MOVED BY: Maria Topalovic**

**SECONDED BY: Jim Cimba**

**THAT the Budget and Administration Committee moves out of *in camera*.**

**CARRIED**

**10. Next Meeting**

The next meeting of the Budget and Administration Committee will be held on Thursday, April 21, 2022 at 6:00 p.m.

**11. Next Meeting Adjournment**

On motion, the meeting adjourned.

# Memorandum

**TO:** Budget & Administration Committee

**FROM:** Lisa Burnside, Chief Administrative Officer (CAO)

**PREPARED BY:** Nancy Watts, Director of Human Resources & Wellness

**MEETING DATE:** April 21, 2022

**RE:** Workplace Safety & Insurance Board (WSIB)  
First Quarter review report for 2022

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## BACKGROUND

Workplace safety and insurance is a no-fault insurance system for work-related injuries and diseases. It is governed by the *Workplace Safety and Insurance Act, 1997* (WSIA), and is managed by the WSIB.

## STAFF COMMENT

### ***How the WSIB defines “accident”***

- a chance event caused by a physical or natural incident, i.e., falling off a ladder or frostbite
- a wilful and intentional act, but not an act of the worker, i.e., being assaulted by a co-worker, and
- a disablement, which may be a condition that has emerged gradually over time, and cannot be attributed to a clearly defined time or place, i.e., carpal tunnel syndrome,
- is an “unexpected result” of the worker’s duties, wherein an accident that was originally believed to be minor resulted in disablement at a later date, i.e., a back injury from bending over to pick up equipment.

### ***How the WSIB defines “occupational disease”***

- a disease resulting from exposure to a substance that is related to a particular industrial process, trade or occupation
- a disease peculiar to, or characteristic of, a particular industrial process, trade or occupation,

- a medical condition that, in the WSIB's opinion, requires a worker to be removed either temporarily or permanently from exposure to a substance because the condition may be a precursor to an occupational disease
- a disease listed in the WSIB applicable to firefighters and fire investigators.

A worker who suffers from, and is impaired by, an occupational disease is entitled to receive benefits under the WSIB as if the disease were a personal injury by accident.

***WSIB reportable Injuries –First quarter review (January through March 2022)***

***There are 2 approved claims reported January through March 2022***

| Claim type                | January thru March 2022       | January thru March 2021       | Comments – 2022 incidents  |
|---------------------------|-------------------------------|-------------------------------|--|
|                           | <b><i>Full time staff</i></b> | <b><i>Full time staff</i></b> |  |
| Medical Aid               | 1                             | 0                             | Slip and Fall: Worker lost balance while rearranging lumber on a loader and fell backwards on the wood, hurting tail bone. |
| Lost Time                 | 0                             | 0                             |  |
|                           | <b><i>Casual Staff</i></b>    | <b><i>Casual Staff</i></b>    |  |
| Medical Aid               | 1                             | 0                             | Slip and Fall: Worker lost footing while walking on icy trail, slipped and fell, hurting tail bone and wrists.             |
| Lost Time                 | 0                             | 0                             |  |
| <b>Year to date Total</b> | <b>2</b>                      | <b>0</b>                      |  |

## STRATEGIC PLAN LINKAGE

The initiative refers directly to the HCA Strategic Plan 2019 - 2023:

- **Strategic Priority Area – Organizational Excellence**
  - Providing a positive and safe environment for both staff and visitors

## AGENCY COMMENTS

Not applicable.

## **LEGAL/FINANCIAL IMPLICATIONS**

HCA generally has a good safety record with minor reportable incidents. Once an injury has occurred it is important to return the injured worker to work as quickly and safely as possible and HCA has a strong early return to work program administered through human resources.

## **CONCLUSIONS**

It is important that HCA as an employer, maintain a healthy and safe workplace and to prevent workplace injuries and occupational diseases.



# Memorandum

**TO:** Budget & Administration Committee

**FROM:** Nancy Watts, Director of Human Resources & Wellness  
Lisa Burnside, Chief Administrative Officer (CAO)

**MEETING DATE:** April 21, 2022

**RE:** Status Update - Job Evaluation and Competitive Market Salary Survey 2022

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## BACKGROUND

In May 2021, The Budget and Administration Committee endorsed the staff recommendation for HCA to undertake a job evaluation and competitive market salary survey. This recommendation was approved by the Board of Directors in June 2021.

Given that the previous consultant that led the past two job evaluations for HCA has wound up her business, it was noted that HCA would seek to seek the services of a new provider. As noted in the 2022 operating budget presentation to the B&A and Board in the Fall of 2021, HCA staff would be undertaking recruitment and selection of an HR Coordinator to assist with this project and other HR duties in 2022.

## STAFF COMMENT

Staff have now successfully brought on board a new HR Coordinator as of end of January 2022. Additionally, staff have undertaken a market review and selected ML Consulting, working with president and key consultant, Marianne Love, who has extensive experience in the field and has performed or is currently performing similar projects for a dozen other Conservation Authorities and also has extensive municipal experience, including local municipalities Town of Grimsby and Township of Puslinch.

The job evaluation process has been launched to staff late-March 2022 with a roll of our new job description template that will be completed for all full time and contract staff which will detail the skill, effort, responsibilities and working conditions for evaluation and scoring, allowing for each position to be ranked in the organization. The template form does take dedicated time to complete between the supervisor and employee and with upwards of 100 positions to document, this first phase will take three months given



current workload through HCA divisions, however, this will be time well spent as it will create a new standardized job description format for positions at HCA.

A second component of the job evaluation process is the comparison of salaries for HCA positions to comparable jobs within the market. The information gathered is then used to match identified benchmark positions and analyze survey data to assess external equity and will be undertaken by the consultant during summer.

It is anticipated that results from the internal evaluation and market survey will be reported back to the Executive Team by September for review and analysis with recommendations returned to the Budget & Administration Committee in Fall 2022.

It is noted that internal equity of positions within HCA along with competitive salaries is important for staff morale, critical for staff retention and future recruitment efforts. As endorsed by the Board in 2011, it is not the intention that the HCA lead the market in regards to wages, but rather to have its wage ranges to meet a competitive percentile range.

## **STRATEGIC PLAN LINKAGE**

The initiative refers directly to the HCA Strategic Plan 2019 - 2023:

- **Strategic Priority Area – Organizational Excellence**
  - Attracting and retaining a skilled workforce and promoting staff training, mentoring and succession planning
  - Support a dynamic and resilient culture of learning, safety and engagement through professional development, training and ongoing assessment

## **AGENCY COMMENTS**

Not applicable.

## **LEGAL/FINANCIAL IMPLICATIONS**

The total cost of the project is anticipated to be under \$50,000 and budget funds have been set aside in the 2022 Human Resources to cover this cost. Costs to implement any recommendations resulting from the review will be returned to the Budget and Administration Committee for endorsement and factored into future budgets.

## **CONCLUSIONS**

This memorandum has been provided to update the Budget & Administration committee that the services of an external firm have been retained to undertake a job evaluation and market review for HCA to ensure internal equity, competitiveness and pay equity are in place with the recommendations resulting from the review to follow in Fall 2022.

# Memorandum

**TO:** Budget & Administration Committee

**FROM:** Neil McDougall, Secretary-Treasurer

**MEETING DATE:** April 21, 2022

**RE:** HCA 1<sup>st</sup> Quarter Financial Results – Operating

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## Hamilton Region Conservation Authority

|                               | 3 mos.<br><u>2022</u> | 3 mos.<br><u>2021</u> | \$<br><u>Variance</u> | Budget<br><u>2022</u> | Actual<br><u>2021</u> | \$<br><u>Variance</u> |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Watershed Planning & Eng.     | \$ (64)               | \$ 145                | \$ (210)              | \$ -                  | \$ -                  | \$ -                  |
| Conservation Areas            | \$ 279                | \$ 415                | \$ (136)              | \$ 1,236              | \$ 2,422              | \$ (1,186)            |
| Westfield Heritage Village CA | \$ 42                 | \$ 48                 | \$ (6)                | \$ -                  | \$ 93                 | \$ (93)               |
| Corporate Services            | <u>\$ 63</u>          | <u>\$ 134</u>         | <u>\$ (71)</u>        | <u>\$ (1,236)</u>     | <u>\$ 490</u>         | <u>\$ (1,726)</u>     |
| Net surplus                   | <u>\$ 320</u>         | <u>\$ 742</u>         | <u>\$ (423)</u>       | <u>\$ -</u>           | <u>\$ 3,005</u>       | <u>\$ (3,005)</u>     |

### Summary of Results

The first quarter of the year is usually the least active quarter in the year and this played out to be true in 2022. The economy was the most open it has been for three first quarters and the softness in attendance expected to accompany the availability of returning entertainment options did occur.

How much retreating the surplus may make in 2022 is difficult to project at this time but there should be strong indicators by the time we complete the second quarter in June.

## Corporate Services

|   | 3 mos.<br><u>2022</u> | 3 mos.<br><u>2021</u> | \$<br><u>Variance</u> | Budget<br><u>2022</u> | Actual<br><u>2021</u> | \$<br><u>Variance</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>                               |                       |                       |                       |                       |                       |                       |
| Levy  | \$ 592                | \$ 629                | \$ (37)               | \$ 2,418              | \$ 2,908              | \$ (490)              |
| Equipment                                     | 246                   | 240                   | 6                     | 1,141                 | 1,313                 | (172)                 |
| Foundation                                    | 13                    | 47                    | (34)                  | 185                   | 92                    | 93                    |
| Management fees                               | 62                    | 47                    | 15                    | 400                   | 202                   | 198                   |
| School Fees                                   | 22                    | 21                    | 0                     | 70                    | 86                    | (16)                  |
| Interest                                      | 26                    | 20                    | 6                     | 90                    | 92                    | (2)                   |
| Rental houses                                 | 42                    | 43                    | (1)                   | 178                   | 177                   | 1                     |
| Other   | <u>24</u>             | <u>1</u>              | <u>23</u>             | <u>4</u>              | <u>2</u>              | <u>3</u>              |
| Total   | 1,027                 | 1,048                 | (21)                  | 4,487                 | 4,872                 | (385)                 |
| <b>Expenses</b>                               |                       |                       |                       |                       |                       |                       |
| Staff   | 645                   | 708                   | (63)                  | 3,595                 | 3,187                 | 408                   |
| Utilities                                     | 77                    | 50                    | 27                    | 313                   | 321                   | (8)                   |
| Equipment                                     | 8                     | 9                     | (1)                   | 84                    | 51                    | 33                    |
| Materials & supplies                          | 7                     | 13                    | (6)                   | 101                   | 71                    | 30                    |
| Other   | <u>227</u>            | <u>134</u>            | <u>94</u>             | <u>1,629</u>          | <u>752</u>            | <u>877</u>            |
| Total   | <u>964</u>            | <u>914</u>            | <u>50</u>             | <u>5,723</u>          | <u>4,382</u>          | <u>1,341</u>          |
| <b>Net surplus / (deficit)</b>                | <u>\$ 63</u>          | <u>\$ 134</u>         | <u>\$ (71)</u>        | <u>\$ (1,236)</u>     | <u>\$ 490</u>         | <u>\$ (1,726)</u>     |
| <b>Land, Vehicle &amp; equipment activity</b> |                       |                       |                       |                       |                       |                       |
| Donations & misc.                             | -                     | -                     | -                     | -                     | -                     | -                     |
| Transfer from Reserves                        | <u>-</u>              | <u>-</u>              | <u>-</u>              | <u>300</u>            | <u>478</u>            | <u>(178)</u>          |
|   | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ 300</u>         | <u>\$ 478</u>         | <u>\$ (178)</u>       |
| Land  | 506                   | -                     | 506                   | -                     | 47                    | (47)                  |
| Vehicles & misc.                              | <u>147</u>            | <u>138</u>            | <u>9</u>              | <u>300</u>            | <u>431</u>            | <u>(131)</u>          |
|   | <u>\$ 653</u>         | <u>\$ 138</u>         | <u>\$ 515</u>         | <u>\$ 300</u>         | <u>\$ 478</u>         | <u>\$ (178)</u>       |

### Revenues

Levy was slightly lower than last year, consistent with Budget.

Equipment revenue matched last year as operations were again anticipating a "normal" Spring.

All other revenues were near last year with no reason to expect significant variances in 2022.

### Expenses

Staffing is the major cost in Corporate Services and it remains under Budget for the 1st quarter.

As with revenue, there are no indications that there will be any major departure from Budget.

### Net surplus / (deficit)

The Budget for 2022 anticipated a decline from that achieved in 2021 so it is not surprising that the 1st quarter, which is the lightest quarter, started off in that manner.

For comparative purposes, the 1st quarter of 2019 (pre-pandemic), after adjusting for a timing difference in the receipt of the City Levy, was \$65K in surplus. A small \$2K above what was achieved in this year.

The land purchase reflects the consummation of the land secured in Puslinch late last year while the vehicles included two replacement tractors.

## Conservation Areas

|                                | 3 mos.<br><u>2022</u> | 3 mos.<br><u>2021</u> | \$<br><u>Variance</u> | Budget<br><u>2022</u> | Actual<br><u>2021</u> | \$<br><u>Variance</u> |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>                |                       |                       |                       |                       |                       |                       |
| Admissions                     | \$ 224                | \$ 466                | \$ (242)              | \$ 3,172              | \$ 3,935              | \$ (763)              |
| Marina                         | 633                   | 631                   | 3                     | 1,464                 | 1,555                 | (91)                  |
| Camping                        | 62                    | 83                    | (21)                  | 1,409                 | 1,592                 | (182)                 |
| Concessions                    | 2                     | 3                     | (1)                   | 226                   | 171                   | 55                    |
| Other                          | <u>109</u>            | <u>34</u>             | <u>76</u>             | <u>444</u>            | <u>380</u>            | <u>65</u>             |
| Total                          | 1,031                 | 1,217                 | (186)                 | 6,715                 | 7,632                 | (917)                 |
| <b>Expenses</b>                |                       |                       |                       |                       |                       |                       |
| Staff                          | 384                   | 411                   | (28)                  | 3,046                 | 2,739                 | 306                   |
| Equipment                      | 135                   | 120                   | 16                    | 684                   | 688                   | (4)                   |
| Utilities                      | 61                    | 63                    | (1)                   | 298                   | 301                   | (3)                   |
| Materials & Supplies           | 36                    | 31                    | 5                     | 391                   | 573                   | (182)                 |
| Contracts & Consultants        | 10                    | 7                     | 4                     | 131                   | 106                   | 24                    |
| Other                          | <u>125</u>            | <u>170</u>            | <u>(45)</u>           | <u>930</u>            | <u>804</u>            | <u>127</u>            |
| Total                          | <u>752</u>            | <u>802</u>            | <u>(50)</u>           | <u>5,480</u>          | <u>5,211</u>          | <u>269</u>            |
| <b>Net surplus / (deficit)</b> | <u>\$ 279</u>         | <u>\$ 415</u>         | <u>\$ (136)</u>       | <u>\$ 1,236</u>       | <u>\$ 2,422</u>       | <u>\$ (1,186)</u>     |

### Revenues

Gate admissions and pass sales declined from last year by half. Pass sales in the quarter were down by 12%. However, the 2022 pass sales of 1,795 were double that sold in pre-pandemic 2019. Marina operations was once again at full capacity and camping heading that way with all sites selling rapidly as campers scramble to secure their spots. Other revenues benefitted from a Foundation contribution coming from the Eramosa Karst Endowment fund.

Compared to 2019, total revenue was down only \$80K, 7%.

### Expenses

Staffing costs were down slightly from last year but not expected to continue that way. Equipment charges rose as new rates apply with replacement equipment. Other costs were down due to timing of camping reservation fees which will equalize next quarter. All other costs remained essentially flat with a year ago.

Total costs were higher than 2019 by 10%, which over three years is not much more than inflation.

### Net surplus

A softness in attendance was expected and consequently anticipated in the Budget. The key contributors of boating and camping are holding up well which is of greatest importance.

For comparative purposes, the 1st quarter of 2019 (pre-pandemic), was similar to that of 2021 so 2022's 1st quarter is short of both those comparators by over \$100K. However, the first quarter represents less than 20% of the year leaving time to make it back to Budget levels.

## Westfield Heritage Village Conservation Area

|                                | 3 mos.<br><u>2022</u> | 3 mos.<br><u>2021</u> | \$<br><u>Variance</u> | Budget<br><u>2022</u> | Actual<br><u>2021</u> | \$<br><u>Variance</u> |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>                |                       |                       |                       |                       |                       |                       |
| Levy                           | \$ 154                | \$ 151                | \$ 3                  | \$ 624                | \$ 614                | \$ 10                 |
| Events                         | 50                    | -                     | 50                    | 42                    | -                     | 42                    |
| Admissions                     | 7                     | 15                    | (8)                   | 74                    | 69                    | 5                     |
| School Programs                | -                     | -                     | -                     | 20                    | 0                     | 20                    |
| Other                          | <u>6</u>              | <u>50</u>             | <u>(44)</u>           | <u>74</u>             | <u>128</u>            | <u>(54)</u>           |
| Total                          | 217                   | 216                   | 1                     | 834                   | 811                   | 23                    |
| <b>Expenses</b>                |                       |                       |                       |                       |                       |                       |
| Staff                          | 114                   | 111                   | 3                     | 554                   | 512                   | 42                    |
| Advertising & Promotion        | 8                     | 7                     | 1                     | 60                    | 29                    | 31                    |
| Utilities                      | 22                    | 17                    | 5                     | 52                    | 46                    | 6                     |
| Materials & Supplies           | 6                     | 6                     | 0                     | 36                    | 21                    | 15                    |
| Equipment                      | 13                    | 14                    | (1)                   | 51                    | 64                    | (14)                  |
| School Programs                | -                     | 1                     | (1)                   | 20                    | 1                     | 19                    |
| Other                          | <u>11</u>             | <u>12</u>             | <u>(1)</u>            | <u>61</u>             | <u>42</u>             | <u>19</u>             |
| Total                          | <u>174</u>            | <u>167</u>            | <u>7</u>              | <u>834</u>            | <u>718</u>            | <u>116</u>            |
| <b>Net surplus / (deficit)</b> | <u>\$ 42</u>          | <u>\$ 48</u>          | <u>\$ (6)</u>         | <u>\$ -</u>           | <u>\$ 93</u>          | <u>\$ (93)</u>        |

### Revenues

City support remains the primary source of funding.

Events were returned, opening with the Maple Syrup program, incorporating the reservation system.

Admission was down but no doubt cannibalized by the Maple Syrup events.

Other revenue declined due to the lack of any major filming project in this quarter.

### Expenses

Staff expense are the largest cost component and began the year as expected.

All other expenses were within reasonable tolerances.

### Net Surplus

It is hoped the regular admission volume plateaus at a level higher than it left in 2019 but as with all other locations some backtracking from 2021 levels is expected. With the addition of more events this year a break-even at yearend is a very reasonable expectation.

## Watershed Management Services

|                                | 3 mos.<br><u>2022</u> | 3 mos.<br><u>2021</u> | \$<br><u>Variance</u> | Budget<br><u>2022</u> | Actual<br><u>2021</u> | \$<br><u>Variance</u> |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenues</b>                |                       |                       |                       |                       |                       |                       |
| Levy                           | \$ 416                | \$ 349                | \$ 67                 | \$ 1,698              | \$ 1,159              | \$ 539                |
| Transfer from reserves         | -                     | -                     | -                     | 22                    | 280                   | (258)                 |
| Grants                         | -                     | 94                    | (94)                  | 203                   | 474                   | (271)                 |
| Conservation Foundation        | -                     | -                     | -                     | -                     | 1                     | (1)                   |
| Permits, fees & misc.          | <u>97</u>             | <u>77</u>             | <u>20</u>             | <u>280</u>            | <u>314</u>            | <u>(34)</u>           |
| Total                          | 513                   | 519                   | (7)                   | 2,203                 | 2,228                 | (937)                 |
| <b>Expenses</b>                |                       |                       |                       |                       |                       |                       |
| Staff                          | 360                   | 345                   | 15                    | 1,969                 | 1,644                 | 325                   |
| Contracts & Consultants        | 180                   | 7                     | 172                   | 10                    | 127                   | (117)                 |
| Materials & Supplies           | 1                     | -                     | 1                     | 52                    | 23                    | 30                    |
| Utilities                      | 11                    | 5                     | 6                     | 24                    | 17                    | 7                     |
| Transfer to reserves           | -                     | -                     | -                     | -                     | 283                   | (283)                 |
| Other                          | <u>26</u>             | <u>17</u>             | <u>9</u>              | <u>148</u>            | <u>135</u>            | <u>13</u>             |
| Total                          | <u>577</u>            | <u>374</u>            | <u>203</u>            | <u>2,203</u>          | <u>2,228</u>          | <u>(25)</u>           |
| <b>Net surplus / (deficit)</b> | <u>\$ (64)</u>        | <u>\$ 145</u>         | <u>\$ (210)</u>       | <u>\$ -</u>           | <u>\$ -</u>           | <u>\$ -</u>           |

### Revenues

Levy for the quarter was above last year as more has been allocated to the division in support of the additional activities taken on to accomplish targets set within the Strategic Plan.

Grants will be recognized as projects get underway, many in the second quarter.

Permits off to a good start with many applications submitted.

### Expenses

Staff costs are higher than last year, as expected, and will grow as the full compliment is brought on to address the scheduled work.

Contractors and consultant costs are higher than last year but all for fully funded projects.

### Net deficit

The first quarter deficit is entirely due to the timing of grant and reserve funding recognition.

A balanced Budget for the year is still anticipated.





# Memorandum

**TO:** Budget & Administration Committee

**FROM:** Neil McDougall, Secretary-Treasurer

**MEETING DATE:** April 21, 2022

**RE:** HCA 1<sup>st</sup> Quarter Financial Results – Capital & Major Maintenance

---

## Valens Lake Conservation Area

|                           |              |    |        |
|---------------------------|--------------|----|--------|
| <b>Major Maintenance</b>  | <b>5.8%</b>  |    |        |
| Buildings                 |              | \$ | 447    |
| Gates/Fences              |              |    | 181    |
| Utilities                 |              |    | 326    |
| Forestry                  |              |    | 2,772  |
| <b>Project</b>            | <b>94.2%</b> |    |        |
| West campground expansion |              |    | 181    |
| Cabins                    |              |    | 60,365 |
|                           |              |    | <hr/>  |
|                           |              | \$ | 64,272 |

## Christie Lake Conservation Area

|                          |              |    |         |
|--------------------------|--------------|----|---------|
| <b>Major Maintenance</b> | <b>27.8%</b> |    |         |
| Roads & Trails           |              | \$ | 2,132   |
| Building maintenance     |              |    | 3,600   |
| Forestry                 |              |    | 21,392  |
| Bridges                  |              |    | 3,146   |
| Other                    |              |    | 70      |
| <b>Project</b>           | <b>72.2%</b> |    |         |
| Entrance road rebuild    |              |    | 16,814  |
| Webster Pay & Display    |              |    | 62,150  |
|                          |              |    | <hr/>   |
|                          |              |    | 109,304 |

### **Dundas Valley Conservation Area & Woodend**

#### **Major Maintenance 86.1%**

|                      |       |
|----------------------|-------|
| Building maintenance | 423   |
| Roads & trails       | 2,178 |
| Forestry             | 4,155 |
| Other                | 15    |

#### **Project 13.9%**

|                                    |     |
|------------------------------------|-----|
| Tiffany Falls parking improvements | 617 |
| Hermitage site improvements        | 472 |

7,860

### **Fifty Point Conservation Area**

#### **Major Maintenance 90.6%**

|                      |           |
|----------------------|-----------|
| Building maintenance | \$ 10,693 |
| Masterplans          | 4,788     |
| Roads & trails       | 243       |
| Forestry             | -         |
| Other                | 130       |

#### **Project 9.4%**

|                         |       |
|-------------------------|-------|
| Boat launch ramp repair | 1,518 |
| Marina channel dredging | 128   |

17,500

### **Hamilton Mountain Conservation Area**

#### **Major Maintenance 59.9%**

|                    |         |
|--------------------|---------|
| Roads & trails     | \$ 693  |
| Bridges/Boardwalks | 112,437 |
| Fencing/Gates      | 1,237   |
| Masterplans        | 8,950   |
| Forestry           | 5,423   |

#### **Project 40.1%**

|                           |        |
|---------------------------|--------|
| Devil's Punchbowl fencing | 82,958 |
| 60 Arbour Road demolition | 2,461  |
| HMCA Karst autogates      | 935    |

215,094

**Westfield Heritage Village Conservation Area**

**Major Maintenance      82.2%**

|                      |        |
|----------------------|--------|
| Building maintenance | 20,258 |
| Roads & trails       | 32     |
| Forestry             | 4,145  |

**Project                      17.8%**

|                       |       |
|-----------------------|-------|
| New Trail Development | 5,284 |
|                       | -     |

29,719

**Three months Capital and MM**

\$ 443,749



# Memorandum

**TO:** Budget & Administration Committee

**FROM:** Neil McDougall, Secretary-Treasurer

**MEETING DATE:** April 21, 2022

**RE:** HCA 1<sup>st</sup> Quarter Vendor Report

---

## Vendor Summary for Payments January - March, 2022

|  |            |                               |
|--|------------|-------------------------------|
| LAND PURCHASE                                  | \$ 505,634 | Puslinch property             |
| OAKRIDGE GROUP INC.                            | 214,181    | Saltfleet wetland             |
| COLEMAN EQUIPMENT INC.                         | 118,986    | Loader, accessories           |
| TECHNOLOGIES CONNECT & GO INC.                 | 83,309     | Wildwaterworks POS            |
| MAXIMUM FENCE INCORPORATED                     | 79,100     | DPB safety fencing            |
| KING FENCE SYSTEMS                             | 68,952     | Webster fencing               |
| OLIVER LUMBER (GOODFELLOW INC.)                | 62,220     | Decking                       |
| STOLTZ SALES & SERVICE(ELMIRA)                 | 55,455     | Tractor                       |
| GENIGLACE INC.                                 | 44,011     | CL Safety Boom                |
| AUDCOMP GROUP INC.                             | 37,763     | Computer services & supplies  |
| FREW ENERGY INC                                | 35,392     | Gas, diesel                   |
| CONSERVATION ONTARIO                           | 29,409     | Membership, first installmet  |
| SUPERIOR PROPANE INC                           | 26,590     | Propane, all areas            |
| HAMILTON, CITY OF,TAX SECTION                  | 25,966     | 1st installment               |
| HAMILTON, CITY OF (Cheque)                     | 24,212     | License fees, pumper truck    |
| BEARD WINTER LLP                               | 23,777     | Legal for tribunal            |
| WATER'S EDGE ENVIRONMENTAL SOLUTIONS TEAM LTD. | 22,643     | Fifty Point channel / wetland |
| INSTA INSULATION                               | 16,295     | Valens cabins                 |
| NET ACCESS SYSTEMS INC                         | 15,978     | Internet                      |
| ALEXANIAN CARPET AND FLOORING                  | 14,193     | Confederation workshop        |
| DURABOND JANITORIAL SERVICES LTD               | 13,657     | Cleaning service              |

|  |                     |       |                             |            |     |
|--|---------------------|-------|-----------------------------|------------|-----|
| CHAMBERLAIN PLUMBING AND MECHANICAL INC.   | 12,182              |       | Misc. plumbing              |            |     |
| ZUZEK INC.                                 | 11,764              |       | Shoreline Management Plan   |            |     |
| BEATTIES BASICS OFFICE PRODUCTS            | 11,487              |       | Office supplies             |            |     |
| BERRN CONSULTING LTD.                      | 11,230              |       | Mobile AED units            |            |     |
| MARCO'S PAINTING & DECOR O/A MARCOS ROMERO | 11,215              |       | Fifty Point / Confederation |            |     |
| UNIFIRST CANADA LTD.                       | <u>11,064</u>       |       | Uniforms/clothing           |            |     |
|  | 1,586,664           | 87.7% | # OF LARGE VENDORS          | 27         | 16% |
| ALL OTHER < \$5,000                        | <u>223,434</u>      | 12.3% | # OF SMALL VENDORS          | <u>144</u> | 84% |
|  | <u>\$ 1,810,098</u> |       |                             | <u>171</u> |     |

# Memorandum

**TO:** Budget & Administration Committee

**FROM:** Neil McDougall, Secretary-Treasurer

**DATE:** April 21, 2022

**RE:** 2021 Asset Disposal Summary

| <u>Asset<br/>Description</u> | <u>Initial<br/>Value</u> | <u>Cumulative<br/>Amortization</u> | <u>Net Book<br/>Value</u> | <u>Proceeds</u>  | <u>Net<br/>Gain</u> | <u>Where<br/>Disposed</u> |
|------------------------------|--------------------------|------------------------------------|---------------------------|------------------|---------------------|---------------------------|
| 60~ Mower Unit 69            | \$ 10,573                | \$ 10,573                          | \$ -                      | \$ 3,291         | \$ 3,291            | Bryan's Auction           |
| 60~ Mower Unit 71            | 10,573                   | 10,573                             | -                         | 3,232            | 3,232               | Bryan's Auction           |
| 60~ Mower Unit 72            | 11,875                   | 11,875                             | -                         | 3,381            | 3,381               | Bryan's Auction           |
| 60~ Mower Unit 73            | 11,381                   | 11,381                             | -                         | 3,269            | 3,269               | Bryan's Auction           |
| 60~ Mower Unit 75            | 8,193                    | 5,763                              | 2,430                     | 3,316            | 886                 | Bryan's Auction           |
| 60~ Mower Unit 76            | 8,193                    | 5,763                              | 2,430                     | 3,007            | 577                 | Bryan's Auction           |
| 60~ Mower Unit 80            | 10,546                   | 9,544                              | 1,002                     | 3,185            | 2,183               | Bryan's Auction           |
| 60~ Mower Unit 86            | 11,875                   | 11,875                             | -                         | 3,356            | 3,356               | Bryan's Auction           |
| Flat Bed Crane Unit 412      | 41,080                   | 41,080                             | -                         | 4,885            | 4,885               | Bryan's Auction           |
|                              | <u>\$ 124,289</u>        | <u>\$ 118,427</u>                  | <u>\$ 5,862</u>           | <u>\$ 30,922</u> | <u>\$ 25,060</u>    |                           |

Last year all conservation area Z-turn mowers were replaced. The mowers that became obsolete with those replacements were made available for disposal but held until this Spring to maximize proceeds.

The crane was originally used for heavy lifting in the field but became redundant once the new generation of backhoes and skid steers were added to the fleet. Being little used and requiring an annual inspection as a "lifting device", it was sold.





**Hamilton Region Conservation Authority**

**Financial Statements**

December 31, 2021

DRAFT

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# Independent auditor's report

To the Members of  
**Hamilton Region Conservation Authority**

DRAFT

Hamilton, Canada  
May 5, 2022

Chartered Professional Accountants  
Licensed Public Accountants

DRAFT

# Hamilton Region Conservation Authority Statement of Financial Position

December 31

2021

2020

## Financial assets

|                                    |                      |                      |
|------------------------------------|----------------------|----------------------|
| Cash and cash equivalents (Note 4) | \$ 19,142,629        | \$ 17,096,940        |
| Accounts receivable                | 605,965              | 614,752              |
| Total financial assets             | <u>\$ 19,748,594</u> | <u>\$ 17,711,692</u> |

## Liabilities

|   |                     |                     |
|---|---------------------|---------------------|
| Accounts payable and accrued liabilities  | \$ 1,336,561        | \$ 1,292,276        |
| Due to Confederation Beach Park           | 143,112             | 212,500             |
| Due from Hamilton Conservation Foundation | 1,555               | -                   |
| Employee future benefit costs (Note 7)    | 177,477             | 202,071             |
| Deferred revenues (Note 8)                | 845,492             | 773,849             |
| Long-term debt (Note 9)                   | -                   | 179,611             |
| Total liabilities                         | <u>\$ 2,504,197</u> | <u>\$ 2,660,307</u> |

|                             |                      |                      |
|-----------------------------|----------------------|----------------------|
| <b>Net financial assets</b> | <b>\$ 17,244,397</b> | <b>\$ 15,051,385</b> |
|-----------------------------|----------------------|----------------------|

## Non-financial assets

|                                  |                      |                      |
|----------------------------------|----------------------|----------------------|
| Inventory                        | 77,948               | 76,325               |
| Prepaid expenses                 | 296,693              | 248,401              |
| Tangible capital assets (Page 7) | <u>46,469,287</u>    | <u>45,528,905</u>    |
| Total non-financial assets       | <u>\$ 46,843,928</u> | <u>\$ 45,853,631</u> |

|                                      |                      |                      |
|--------------------------------------|----------------------|----------------------|
| <b>Accumulated surplus</b> (Note 10) | <b>\$ 64,088,325</b> | <b>\$ 60,905,016</b> |
|--------------------------------------|----------------------|----------------------|

Contingent liabilities, contractual obligations and commitments (Notes 14 and 15)

On behalf of the Authority

\_\_\_\_\_ Chair \_\_\_\_\_ Vice Chair

See accompanying notes to the financial statements

# Hamilton Region Conservation Authority

## Statement of Operations

For the Year Ended December 31

2021

2021

2020

|   | <u>Budget</u><br>(Note 16) | <u>Actual</u>        | <u>Actual</u>        |
|---|----------------------------|----------------------|----------------------|
| <b>Revenues</b>                             |                            |                      |                      |
| Municipal levy & special projects           | \$ 6,480,150               | \$ 6,678,400         | \$ 6,585,955         |
| Admissions, product, service & program fees | 5,561,050                  | 7,500,657            | 5,994,100            |
| Federal & Provincial grants                 | 223,996                    | 473,527              | 1,134,720            |
| Rentals                                     | 984,736                    | 759,597              | 558,828              |
| Hamilton Conservation Foundation            | 182,375                    | 161,542              | 444,491              |
| Regulatory fees                             | 300,000                    | 303,490              | 227,134              |
| Management fees                             | 426,000                    | 202,424              | 182,977              |
| Interest                                    | 75,000                     | 91,524               | 114,375              |
| Private and In-Kind donations (Note 11)     | 8,500                      | 2,110                | 9,304                |
| Other income                                | 33,670                     | 398,455              | 195,094              |
|   | <u>14,275,477</u>          | <u>16,571,726</u>    | <u>15,446,978</u>    |
| <b>Expenditures</b>                         |                            |                      |                      |
| Wages & benefits                            | 8,688,861                  | 7,330,403            | 6,718,769            |
| Staff expenses                              | 307,313                    | 1,252,533            | 1,115,703            |
| Contractors / consultants                   | 475,350                    | 538,435              | 802,526              |
| Utilities                                   | 665,270                    | 692,010              | 582,489              |
| Materials & supplies                        | 458,310                    | 442,988              | 342,694              |
| Products for resale                         | 283,650                    | 309,921              | 227,468              |
| Professional fees                           | 427,250                    | 677,673              | 200,770              |
| Miscellaneous expense (Note 13)             | 1,240,338                  | 992,004              | 659,400              |
|   | <u>12,546,341</u>          | <u>12,235,966</u>    | <u>10,649,819</u>    |
| Amortization                                | <u>1,050,000</u>           | <u>1,152,451</u>     | <u>1,159,568</u>     |
|   | <u>13,596,341</u>          | <u>13,388,417</u>    | <u>11,809,387</u>    |
| Annual surplus for the year                 | <u>\$ 679,136</u>          | <u>\$ 3,183,309</u>  | <u>\$ 3,637,591</u>  |
| Accumulated surplus, beginning of year      | 60,905,016                 | 60,905,016           | 57,267,425           |
| Accumulated surplus, end of year            | <u>\$ 61,584,152</u>       | <u>\$ 64,088,325</u> | <u>\$ 60,905,016</u> |

See accompanying notes to the financial statements



# Hamilton Region Conservation Authority

## Statement of Cash Flows

December 31

2021

2020

Change in cash and cash equivalents

### Operating

|  |                  |                  |
|--|------------------|------------------|
| Annual surplus                                     | \$ 3,183,309     | \$ 3,637,591     |
| Non-cash changes to operations                     |                  |                  |
| Amortization                                       | 1,152,451        | 1,159,568        |
| Change in accounts receivable                      | 8,787            | 60,596           |
| Change in inventory                                | (1,623)          | 24,069           |
| Change in prepaid expenses                         | (48,292)         | (21,973)         |
| Change in employee future benefit costs            | (24,594)         | (17,818)         |
| Change in accounts payable and accrued liabilities | 44,285           | (394,201)        |
| Non-cash net disposal of assets                    | (25,061)         |                  |
| Change in Due from HC Foundation                   | 1,555            | 61,978           |
| Change in Due to (from) from Confederation Park    | (69,388)         | (103,611)        |
| Change in deferred revenues                        | 71,643           | 204,733          |
|  | <u>4,293,073</u> | <u>4,610,933</u> |

### Financing

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Repayment of long term debt | <u>(179,611)</u> | <u>(216,290)</u> |
|-----------------------------|------------------|------------------|

### Capital

|   |                    |                    |
|---|--------------------|--------------------|
| Net proceeds on disposal of tangible capital assets | 30,922             | 2,640              |
| Purchase of tangible capital assets                 | <u>(2,098,695)</u> | <u>(1,581,427)</u> |
|   | <u>(2,067,773)</u> | <u>(1,578,787)</u> |

Net change in cash and cash equivalents 2,045,689 2,815,856

Cash and cash equivalents

Beginning of year 17,096,940 14,281,084

End of year \$ 19,142,629 \$ 17,096,940

See accompanying notes to the financial statements

# Hamilton Region Conservation Authority

## Statement of Changes in Net Financial Assets

For the year ended December 31

2021

2021

2020

|   | <u>Budget</u>        | <u>Actual</u>        | <u>Actual</u>        |
|---|----------------------|----------------------|----------------------|
| Annual surplus                                      | \$ 679,136           | \$ 3,183,309         | \$ 3,637,591         |
| Purchase of tangible capital assets                 | (2,000,000)          | (2,098,695)          | (1,581,427)          |
| Net proceeds on disposal of tangible capital assets | -                    | 5,861                | 2,640                |
| Amortization  | 1,050,000            | 1,152,451            | 1,159,568            |
| Change in inventory                                 | -                    | (1,623)              | 24,069               |
| Change in prepaid expenses                          | -                    | (48,292)             | (21,973)             |
|   | <u>(950,000)</u>     | <u>(990,297)</u>     | <u>(417,122)</u>     |
| Change in net financial assets                      | (270,864)            | 2,193,012            | 3,220,469            |
| Net financial assets, beginning of year             | <u>15,051,385</u>    | <u>15,051,385</u>    | <u>11,830,916</u>    |
| Net financial assets, end of year                   | \$ <u>14,780,521</u> | \$ <u>17,244,397</u> | \$ <u>15,051,385</u> |

See accompanying notes to the financial statements

## Hamilton Region Conservation Authority

### Schedule of Tangible Capital Assets

|                                 | Land                 | Land Improvements   | Infrastructure      | Building & Building Improvements | Machinery & Equipment | Vehicles          | Work In Progress (WIP) | December 31 2021            | December 31 2020     |
|---------------------------------|----------------------|---------------------|---------------------|----------------------------------|-----------------------|-------------------|------------------------|-----------------------------|----------------------|
| <b>Cost</b>                     |                      |                     |                     |                                  |                       |                   |                        |                             |                      |
| Beginning of year               | \$ 28,672,747        | \$ 3,833,721        | \$ 21,715,534       | \$ 8,073,566                     | \$ 1,987,014          | \$ 2,584,045      | \$ 1,937,700           | <b>\$ 68,804,327</b>        | \$ 67,298,505        |
| Additions                       | 35,000               | 355,192             | 79,884              | 60,846                           | 362,951               | 341,955           | 862,867                | <b>2,098,695</b>            | 1,581,427            |
| Disposals                       | -                    | -                   | -                   | -                                | -                     | (124,289)         | -                      | <b>(124,289)</b>            | (75,605)             |
| Transfer from WIP               | -                    | -                   | -                   | -                                | -                     | -                 | -                      | -                           | -                    |
| End of year                     | <u>28,707,747</u>    | <u>4,188,913</u>    | <u>21,795,418</u>   | <u>8,134,412</u>                 | <u>2,349,965</u>      | <u>2,801,711</u>  | <u>2,800,567</u>       | <b><u>70,778,733</u></b>    | <u>68,804,327</u>    |
| <b>Accumulated Amortization</b> |                      |                     |                     |                                  |                       |                   |                        |                             |                      |
| Beginning of year               | -                    | 2,767,445           | 13,305,309          | 4,321,915                        | 805,913               | 2,074,840         | -                      | <b>23,275,422</b>           | 22,188,818           |
| Annual amortization             | -                    | 114,394             | 486,250             | 187,560                          | 216,849               | 147,397           | -                      | <b>1,152,451</b>            | 1,159,568            |
| Disposals                       | -                    | -                   | -                   | -                                | -                     | (118,427)         | -                      | <b>(118,427)</b>            | (72,964)             |
| End of year                     | <u>-</u>             | <u>2,881,839</u>    | <u>13,791,559</u>   | <u>4,509,475</u>                 | <u>1,022,762</u>      | <u>2,103,810</u>  | <u>-</u>               | <b><u>24,309,446</u></b>    | <u>23,275,422</u>    |
| Net book value                  | <u>\$ 28,707,747</u> | <u>\$ 1,307,074</u> | <u>\$ 8,003,859</u> | <u>\$ 3,624,937</u>              | <u>\$ 1,327,203</u>   | <u>\$ 697,901</u> | <u>\$ 2,800,567</u>    | <b><u>\$ 46,469,287</u></b> | <u>\$ 45,528,905</u> |

\*Retirements - Computer hardware and software, once fully amortized, are removed from both assets and accumulated amortization

See accompanying notes to the financial statements

# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2021

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### 1. Nature of operations

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

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### 2. Summary of significant accounting policies

#### Basis of accounting and management responsibility

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

#### Accrual accounting

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

#### Revenues and expenditures

Revenues are comprised of grants, contributions, user fees, management fees, regulatory fees and revenue from other Authority services. Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are recorded in the period that the goods or services are acquired, whether or not revenues for those expenditures are raised in the current or following periods.

#### Donations

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

#### Cash and cash equivalents

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

# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2021

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### 2. Summary of significant accounting policies – continued

#### Pension plans

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

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

#### Tangible capital assets

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

Service life of tangible capital assets is estimated as follows:

|                                  |                 |
|----------------------------------|-----------------|
| Land improvements                | 10 - 20 years   |
| Infrastructure                   | 20 - 75 years   |
| Building & building improvements | 40 years        |
| Machinery, equipment             | 3 - 10 years    |
| Vehicles (light and heavy duty)  | 15 - 35 percent |

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

#### Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

#### Inventory

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

#### Use of estimates

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

# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2021

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### 2. Summary of significant accounting policies – continued

#### Contaminated sites

The Authority has implemented PS3260, Liability for contaminated sites. This requires organizations to record a liability if they have a contaminated site that meets the specified criteria. The standard defines contamination as the introduction into air, soil, water or sediment of a chemical, organic or radioactive or live organism that exceeds a prescribed environmental level. The standard generally applies to sites that are not in productive use. Sites that are in productive use are only considered contaminated if there was an unexpected event that resulted in contamination.

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### 3. Confederation Beach Park

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

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

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

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### 4. Restricted cash

Included in cash and cash equivalents is \$202,897 (2020 – \$201,885) that was received as an endowment fund which has been externally restricted by the organization that contributed the amount.

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### 5. Government remittances payable

Included in accounts receivable, accounts payable and accrued liabilities are government remittances receivable of \$52,527 (2020 – payable \$45).

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# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2021

### 6. Related party transactions

|   | <u>2021</u>  | <u>2020</u>  |
|---|--------------|--------------|
| Municipal funding recognized as revenue in the current year           | \$ 6,678,400 | \$ 6,585,955 |
| Receivable from the City of Hamilton                                  | 27,828       | 212,164      |
| Management fees from Confederation Beach Park                         | 202,424      | 182,977      |
| Funding from the Hamilton Conservation Foundation                     | 161,542      | 444,491      |
| Municipal taxes paid to the City of Hamilton and Township of Puslinch | (115,556)    | (115,913)    |

### 7. Employee future benefit costs

|                                       | <u>2021</u>       | <u>2020</u>       |
|---------------------------------------|-------------------|-------------------|
| Accumulated Sick Leave Liability      | \$ 35,988         | \$ 39,262         |
| Supplemental early retirement package | 93,220            | 104,435           |
| Post-retirement benefits              | 48,269            | 58,375            |
|                                       | <u>\$ 177,477</u> | <u>\$ 202,072</u> |

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

The Authority committed in October, 2002 to pay a former general manager a supplemental early retirement package. At the end of the current year, the cost of an annuity to satisfy this obligation was \$93,220 (2020 - \$104,435) based on competitive quotes received from several insurance companies.

The Authority is committed to provide full health, life and vision coverage for all employees who have retired prior to the age of 65 for the period until they reach 65 years of age. A liability has been set up based on the current benefit rates for those retirees eligible for this coverage. The estimated value of these benefits in the current year is \$48,269 (2020 - \$58,375).

### 8. Deferred revenues

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

|                           | <u>2021</u>       | <u>2020</u>       |
|---------------------------|-------------------|-------------------|
| Storage fees and deposits | <u>\$ 845,492</u> | <u>\$ 773,849</u> |

# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2021

### 9. Long term debt

|   | 2021 | 2020       |
|---|------|------------|
| City of Hamilton 4.25% loan - Wind-up DB pension plan<br>\$187,245 payable annually, matures June, 2021 | \$ - | \$ 179,611 |

Interest on long term debt of \$3,816 (2020 - \$11,294) was paid during the year.

### 10. Accumulated surplus

|  | 2021          | 2020          |
|--|---------------|---------------|
| Reserve Funds  |               |               |
| Acquisitions of provincially significant<br>lands or eligible water related projects | \$ 6,200,509  | \$ 4,257,373  |
| Future projects and operating areas  | 9,580,664     | 8,651,128     |
| Tangible Capital Assets  | 46,469,287    | 45,528,905    |
| Unfunded long term debt  | -             | (179,611)     |
| Operating surplus  | 1,837,865     | 2,647,221     |
| Accumulated surplus  | \$ 64,088,325 | \$ 60,905,016 |

### 11. Donations in kind

During this year the Authority was not the beneficiary of any donations in kind of tangible capital assets. Last year a nominal amount with an appraised value of \$6,707 were received.

### 12. Defined contribution pension plan

Employer contributions to the Authority's defined contribution pension plan for the year was \$313,250 (2020 - \$316,423). The Plan is designed whereby employee contributions, ranging from 2% to 6% of gross salary, are matched by the employer.



# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2021

### 13. Miscellaneous expense breakdown

|                                       | 2021              | 2020              |
|---------------------------------------|-------------------|-------------------|
| Computer software, hardware & support | \$ 159,707        | \$ 69,382         |
| Property taxes                        | 123,857           | 110,279           |
| Mechanical & garage supplies          | 116,797           | 102,034           |
| Memberships & subscriptions           | 100,114           | 83,519            |
| Postage, printed material & supplies  | 52,876            | 118,290           |
| Communications & advertising          | 50,865            | 100,625           |
| Third party equipment rental          | 22,840            | 18,108            |
| Interest & banking                    | 17,736            | 36,190            |
| All other                             | 347,212           | 20,973            |
|                                       | <u>\$ 992,004</u> | <u>\$ 659,400</u> |

### 14. Contingent liabilities

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

### 15. Contractual obligations and commitments

As at December 31, 2020, the Authority is committed to \$18,543 (2020 - \$26,060) with respect to ongoing contracts for equipment in the following years:

|      |              |
|------|--------------|
| 2022 | \$ 6,983     |
| 2023 | 5,761        |
| 2024 | 3,278        |
| 2025 | <u>2,520</u> |
|      | \$ 18,543    |

# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2021

### 16. Budget figures

The budgeted figures are presented for comparison purposes and were adopted by the Authority on January 19<sup>th</sup>, 2021. The adopted budget conforms to the Canadian Public Sector Accounting Standards except for the effect of the acquisition and amortization of tangible capital assets and principal repayment on debt. A reconciliation of the adopted and reported budgets is as presented below.

#### Adopted budget:

|                                      |            |
|--------------------------------------|------------|
| Budgeted annual surplus for the year | \$ 180,000 |
|--------------------------------------|------------|

#### Adjustments to adopted budget:

|  |                  |
|--|------------------|
| Amortization of tangible capital assets                  | (1,050,000)      |
| Block funding for major maintenance and capital projects | 2,000,000        |
| Removal of intercompany and funding from reserves        | <u>(450,864)</u> |

#### Restated budgeted surplus

|  |                   |
|--|-------------------|
|  | <u>\$ 679,136</u> |
|--|-------------------|

# Hamilton Region Conservation Authority

## Schedule of Corporate Support

| For the Year Ended December 31              | 2021                  | 2021                | 2020              |
|---|-----------------------|---------------------|-------------------|
|   | <u>Budget</u>         | <u>Actual</u>       | <u>Actual</u>     |
| <b>Revenues</b>                             |                       |                     |                   |
| Municipal levy & special projects           | \$ 2,574,556          | \$ 2,908,142        | \$ 2,617,582      |
| Private and In-Kind donations               | -                     | -                   | 4,784             |
| Rentals                                     | 572,186               | 455,242             | 407,657           |
| Management fees                             | 426,000               | 202,424             | 182,977           |
| Hamilton Conservation Foundation            | 181,375               | 92,263              | 157,637           |
| Admissions, product, service & program fees | 45,250                | 86,039              | 40,720            |
| Federal & Provincial grants                 | -                     | -                   | 892,588           |
| Interest                                    | 75,000                | 91,524              | 114,375           |
| Other income                                | 500                   | 320,493             | 28,718            |
|   | <u>3,874,867</u>      | <u>4,156,127</u>    | <u>4,447,038</u>  |
| <b>Expenditures</b>                         |                       |                     |                   |
| Wages & benefits                            | 3,298,130             | 2,602,384           | 2,613,075         |
| Staff expenses                              | 174,158               | 689,056             | 541,071           |
| Utilities                                   | 309,070               | 328,532             | 239,438           |
| Contractors / consultants                   | 118,250               | 85,885              | 90,826            |
| Materials & supplies                        | 112,150               | 59,186              | 66,622            |
| Professional fees                           | 193,350               | 188,361             | 152,377           |
| Miscellaneous expense (Note 13)             | 839,410               | 729,454             | 347,269           |
|   | <u>5,044,518</u>      | <u>4,682,858</u>    | <u>4,050,678</u>  |
| Amortization                                | <u>200,000</u>        | <u>245,369</u>      | <u>252,663</u>    |
|   | <u>5,244,518</u>      | <u>4,928,227</u>    | <u>4,303,341</u>  |
| Annual surplus (deficit)                    | <u>\$ (1,369,651)</u> | <u>\$ (772,100)</u> | <u>\$ 143,697</u> |

# Hamilton Region Conservation Authority

## Schedule of Watershed Management Services

| For the Year Ended December 31    | 2021               | 2021                    | 2020               |
|-----------------------------------|--------------------|-------------------------|--------------------|
|                                   | <u>Budget</u>      | <u>Actual</u>           | <u>Actual</u>      |
| <b>Revenues</b>                   |                    |                         |                    |
| Municipal levy & special projects | \$ 1,484,219       | <b>\$ 1,158,883</b>     | \$ 1,411,033       |
| Federal & Provincial grants       | 193,996            | <b>473,527</b>          | 242,132            |
| Regulatory fees                   | 300,000            | <b>303,490</b>          | 227,134            |
| Hamilton Conservation Foundation  | -                  | <b>1,027</b>            | 31,242             |
| Private and In-Kind donations     | 1,500              | <b>510</b>              | 997                |
| Other income                      | 250                | <b>10,678</b>           | 22,796             |
|                                   | <u>1,979,965</u>   | <u><b>1,948,115</b></u> | <u>1,935,334</u>   |
| <b>Expenditures</b>               |                    |                         |                    |
| Wages & benefits                  | 1,804,750          | <b>1,423,770</b>        | 1,436,761          |
| Staff expenses                    | 34,105             | <b>221,429</b>          | 243,159            |
| Contractors / consultants         | 52,000             | <b>126,881</b>          | 221,789            |
| Materials & supplies              | 45,310             | <b>22,503</b>           | 22,205             |
| Utilities                         | 25,000             | <b>16,750</b>           | 19,492             |
| Professional fees                 | 9,700              | <b>14,697</b>           | 12,075             |
| Miscellaneous expense (Note 13)   | 74,923             | <b>60,930</b>           | 55,866             |
|                                   | <u>2,045,788</u>   | <u><b>1,886,960</b></u> | <u>2,011,347</u>   |
| Annual surplus (deficit)          | <u>\$ (65,823)</u> | <u><b>\$ 61,155</b></u> | <u>\$ (76,013)</u> |

| For the Year Ended December 31 | 2021 | 2021 | 2020 |
|--------------------------------|------|------|------|
|--------------------------------|------|------|------|

| For the Year Ended December 31 | 2021 | 2021 | 2020 |
|--------------------------------|------|------|------|
|--------------------------------|------|------|------|

# Hamilton Region Conservation Authority

## Schedule of Westfield Heritage Village

For the Year Ended December 31 2021 2021 2020

|                                 | <u>Budget</u>       | <u>Actual</u>           | <u>Actual</u>     |
|---------------------------------|---------------------|-------------------------|-------------------|
| <b>Revenues</b>                 |                     |                         |                   |
| Federal and Provincial grants   | \$ 5,000            | \$ -                    | \$ -              |
| Municipal contributions         | 611,375             | <b>611,375</b>          | 747,340           |
| User fees                       | 103,000             | <b>171,914</b>          | 119,076           |
| Donations                       | 2,000               | <b>1,600</b>            | 3,523             |
| Grants                          | 5,000               | -                       | -                 |
| Food and novelty                | 25,000              | <b>1,980</b>            | 2,673             |
| Other Authority generated       | 22,200              | <b>26,465</b>           | 14,988            |
|                                 | <u>773,575</u>      | <u><b>813,334</b></u>   | <u>887,600</u>    |
| <b>Expenditures</b>             |                     |                         |                   |
| Wages & benefits                | 592,040             | <b>479,583</b>          | 431,144           |
| Staff expenses                  | 2,450               | <b>69,965</b>           | 60,946            |
| Utilities                       | 48,600              | <b>46,128</b>           | 46,048            |
| Products for resale             | 16,700              | <b>817</b>              | 5,372             |
| Materials & supplies            | 39,700              | <b>21,822</b>           | 21,583            |
| Contractors / consultants       | 11,600              | <b>21,433</b>           | 6,100             |
| Professional fees               | 19,300              | <b>16,840</b>           | 12,849            |
| Miscellaneous expense (Note 13) | 95,600              | <b>24,602</b>           | 37,388            |
|                                 | <u>825,990</u>      | <u><b>681,189</b></u>   | <u>621,430</u>    |
| Amortization                    | <u>50,000</u>       | <u><b>78,641</b></u>    | <u>75,524</u>     |
|                                 | <u>875,990</u>      | <u><b>759,830</b></u>   | <u>696,954</u>    |
| Annual surplus                  | <u>\$ (102,415)</u> | <u><b>\$ 53,504</b></u> | <u>\$ 190,646</u> |

# **Confederation Beach Park**

## **Financial Statements**

December 31, 2021

DRAFT

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# Independent auditor's report

TO BE PRESENTED AT BOARD MEETING

DRAFT

Independent Auditor's Report (cont'd)

Hamilton, Canada

May 5, 2022

Chartered Professional Accountant

# Confederation Beach Park Statement of Financial Position

December 31

2021

2020

## Financial assets

|   |                   |                   |
|---|-------------------|-------------------|
| Due from Hamilton Region Conservation Authority | <u>\$ 143,112</u> | <u>\$ 212,502</u> |
|---|-------------------|-------------------|

## Liabilities

|                            |          |               |
|----------------------------|----------|---------------|
| Deferred revenues (Note 3) | <u>-</u> | <u>12,403</u> |
|----------------------------|----------|---------------|

|                   |          |               |
|-------------------|----------|---------------|
| Total liabilities | <u>-</u> | <u>12,403</u> |
|-------------------|----------|---------------|

|                             |                       |                |
|-----------------------------|-----------------------|----------------|
| <b>Net financial assets</b> | <u><b>143,112</b></u> | <u>200,099</u> |
|-----------------------------|-----------------------|----------------|

## Non-financial assets

|                         |                  |                  |
|-------------------------|------------------|------------------|
| Tangible capital assets | <u>4,657,211</u> | <u>4,952,767</u> |
|-------------------------|------------------|------------------|

|                                     |                            |                            |
|-------------------------------------|----------------------------|----------------------------|
| <b>Accumulated surplus (Note 5)</b> | <u><b>\$ 4,800,323</b></u> | <u><b>\$ 5,152,866</b></u> |
|-------------------------------------|----------------------------|----------------------------|

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Contingencies (Note 7)

On behalf of the Authority

\_\_\_\_\_ Chair \_\_\_\_\_ Vice Chair

# Confederation Beach Park

## Statement of Operations

| For the Year Ended December 31           | 2021                      | 2021                | 2020                |
|--|---------------------------|---------------------|---------------------|
|  | <u>Budget</u><br>(Note 8) | <u>Actual</u>       | <u>Actual</u>       |
| <b>Revenues</b>                          |                           |                     |                     |
| Municipal contributions                  | \$ 1,145,000              | \$ 1,177,742        | \$ 1,339,788        |
| Lease and rentals                        | 400,000                   | 660,050             | 460,704             |
| Admissions, product and service fees     | 180,000                   | 54,434              | 23,591              |
| Other income                             | 7,870                     | 4,472               | 200                 |
|  | <u>1,732,870</u>          | <u>1,896,698</u>    | <u>1,824,283</u>    |
| <b>Expenditures (Note 6)</b>             |                           |                     |                     |
| Operating                                | 1,345,469                 | 1,484,116           | 1,425,651           |
| Management fees                          | 202,401                   | 202,424             | 182,977             |
| Marketing                                | 10,000                    | 4,095               | 15,556              |
|  | <u>1,557,870</u>          | <u>1,690,635</u>    | <u>1,624,184</u>    |
| Amortization                             | <u>350,000</u>            | <u>358,507</u>      | <u>363,254</u>      |
|  | <u>1,907,870</u>          | <u>2,049,142</u>    | <u>1,987,438</u>    |
| Net annual deficit for the year          | \$ (175,000)              | \$ (152,444)        | \$ (163,155)        |
| Operating surplus distribution (Note 10) | <u>-</u>                  | <u>(200,099)</u>    | <u>(280,047)</u>    |
| Deficit for the year                     | <u>\$ (175,000)</u>       | <u>\$ (352,543)</u> | <u>\$ (443,202)</u> |
| Accumulated surplus, beginning of year   | 5,152,866                 | 5,152,866           | 5,596,068           |
| Accumulated surplus, end of year         | <u>\$ 4,977,866</u>       | <u>\$ 4,800,323</u> | <u>\$ 5,152,866</u> |

See accompanying notes to the financial statements

# Confederation Beach Park

## Statement of Changes in Net Financial Assets

| For the Year Ended December 31              | 2021                | 2021                | 2020                |
|---|---------------------|---------------------|---------------------|
|   | <u>Budget</u>       | <u>Actual</u>       | <u>Actual</u>       |
| Annual deficit for the year                 | <u>\$ (175,000)</u> | <u>\$ (152,444)</u> | <u>\$ (163,155)</u> |
| Net proceeds on disposal of assets          | -                   | 639                 | -                   |
| Acquisition of tangible capital assets      | (175,000)           | (63,590)            | -                   |
| Amortization                                | 350,000             | 358,507             | 363,254             |
| Operating surplus distribution (Note 10)    | <u>(200,099)</u>    | <u>(200,099)</u>    | <u>(280,047)</u>    |
| Change in net financial assets              | (200,099)           | (56,986.61)         | (79,948)            |
| Net financial assets, beginning of the year | <u>200,099</u>      | <u>200,099</u>      | <u>280,047</u>      |
| Net financial assets, end of year           | <u>\$ -</u>         | <u>\$ 143,112</u>   | <u>\$ 200,099</u>   |

## Confederation Beach Park Schedule of Tangible Capital Assets

Year Ended December 31

|                                 | Land<br>Improvements | Infrastructure      | Building &<br>Building<br>Improvements | Machinery &<br>Equipment | Work In<br>Progress<br>(WIP) | Total<br>2021              | Total<br>2020       |
|---------------------------------|----------------------|---------------------|--|--------------------------|------------------------------|----------------------------|---------------------|
| <b>Cost</b>                     |                      |                     |  |                          |                              |                            |                     |
| Beginning of year               | \$ 27,589            | \$ 12,244,156       | \$ 5,246,415                           | \$ 282,166               | \$ -                         | <b>\$ 17,800,326</b>       | \$ 17,800,326       |
| Additions                       | -                    | 11,300              | -                                      | 37,290                   | 15,000                       | <b>63,590</b>              | -                   |
| Disposals                       | -                    | -                   | -                                      | (4,260)                  | -                            | <b>(4,260)</b>             | -                   |
| End of year                     | <u>27,589</u>        | <u>12,255,456</u>   | <u>5,246,415</u>                       | <u>315,196</u>           | <u>15,000</u>                | <b><u>17,859,656</u></b>   | <u>17,800,326</u>   |
| <b>Accumulated amortization</b> |                      |                     |  |                          |                              |                            |                     |
| Beginning of year               | 8,277                | 9,950,329           | 2,700,934                              | 188,019                  | -                            | <b>12,847,559</b>          | 12,484,305          |
| Annual amortization             | 1,103                | 199,710             | 123,970                                | 33,724                   | -                            | <b>358,507</b>             | -                   |
| Disposals                       | -                    | -                   | -                                      | (3,621)                  | -                            | <b>(3,621)</b>             | 363,254             |
| End of year                     | <u>9,380</u>         | <u>10,150,039</u>   | <u>2,824,904</u>                       | <u>218,122</u>           | <u>-</u>                     | <b><u>13,202,445</u></b>   | <u>12,847,559</u>   |
| <b>Net book value</b>           | <u>\$ 18,209</u>     | <u>\$ 2,105,417</u> | <u>\$2,421,511</u>                     | <u>\$ 97,074</u>         | <u>\$ 15,000</u>             | <b><u>\$ 4,657,211</u></b> | <u>\$ 4,952,767</u> |

See accompanying notes to the financial statements

# Confederation Beach Park

## Notes to the Financial Statements

December 31, 2021

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### 1. Nature of operations

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

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### 2. Summary of significant accounting policies

#### Basis of accounting and management responsibility

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

#### Accrual accounting

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

#### Revenues and expenditures

Revenues are comprised of municipal contributions, admissions, product and service fees and leases, rentals and other activities. Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenues. Expenditures are recorded in the period that the goods or services are acquired, whether or not revenues for those expenditures are raised in the current or following periods.

#### Donations

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

# Confederation Beach Park

## Notes to the Financial Statements

December 31, 2021

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### 2. Summary of significant accounting policies - continued

#### Tangible capital assets

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

Service life of tangible capital assets is as follows:

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

#### Government transfers

Government transfers are recognized in the financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

#### Internal vehicle and equipment rentals

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

#### Use of estimates

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

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### 3. Deferred revenues

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

|                                    | 2021 | 2020      |
|------------------------------------|------|-----------|
| For Wild Waterworks season passes: | \$ - | \$ 12,403 |



# Confederation Beach Park

## Notes to the Financial Statements

December 31, 2021

### 4. Related party transactions

Confederation Beach Park paid \$202,424 (2019 - \$182,977) in management fees to the Hamilton Region Conservation Authority. These amounts were calculated in accordance with the management agreement.

### 5. Accumulated surplus

|                                  | 2021                | 2020                |
|----------------------------------|---------------------|---------------------|
| Accumulated surplus consists of: |                     |                     |
| Tangible capital assets          | \$ 4,657,211        | \$ 4,952,767        |
| Operating surplus                | 143,112             | 200,099             |
| Accumulated surplus              | <u>\$ 4,800,323</u> | <u>\$ 5,152,866</u> |

### 6. Expenditures by object

|  | 2021                | 2020                |
|--|---------------------|---------------------|
| Salaries, wages & employee benefits      | \$ 868,049          | \$ 765,699          |
| Contracts/consulting                     | 145,474             | 242,820             |
| Materials, goods, supplies and utilities | 474,688             | 432,688             |
| Management fees                          | <u>202,424</u>      | <u>182,977</u>      |
|  | <u>\$ 1,690,635</u> | <u>\$ 1,624,184</u> |

### 7. Contingencies

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

# Confederation Beach Park

## Notes to the Financial Statements

December 31, 2021

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### 8. Budget figures

The budgeted figures are presented for comparison purposes and were adopted by the City of Hamilton on March 4<sup>th</sup>, 2021. The adopted budget conforms to the Canadian Public Sector Accounting Standards except for the effect of the acquisition and amortization of tangible capital assets and principle repayment on debt. A reconciliation of the adopted and reported budgets is as presented below.

**Adopted budget:**

|                                 |      |
|---------------------------------|------|
| Net annual surplus for the year | \$ - |
|---------------------------------|------|

**Adjustments to adopted budget**

Less:

|                      |           |
|----------------------|-----------|
| Amortization expense | (350,000) |
|----------------------|-----------|

Plus:

|                                       |         |
|---------------------------------------|---------|
| Capital & special maintenance funding | 175,000 |
|---------------------------------------|---------|

|  |           |
|--|-----------|
| Annual (deficit)/surplus per Statement of Operations | (175,000) |
|--|-----------|

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### 9. Absence of Cash Flow Statement

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

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### 10. Operating surplus distribution

As required under article 15. Trust Monies, Surplus Funds and operating deficits of the Confederation Beach Park Management agreement “(2) Any operating surplus shall be transferred to the Waterpark Reserve fund in accordance with the resolutions approved by City Council on December 9, 2015 in response to Report PW11005c/FCS15090”. The Waterpark Reserve fund is in the custody of, and managed by, the City of Hamilton.

# Confederation Beach Park Schedule of Operating Activity

December 31, 2021

## Confederation Beach Park Schedule of Operating Activity

|  | Budget<br>2021<br>(unaudited) | Actual<br>2021<br>(unaudited) | Actual<br>2020<br>(unaudited) |
|--|-------------------------------|-------------------------------|-------------------------------|
| <b>Open Greenspace Park and Lakeland Centre</b>        |                               |                               |                               |
| Revenues   |                               |                               |                               |
| City support   | \$ 670,000                    | \$ 670,000                    | \$ 670,000                    |
| Lakeland centre  | 150,000                       | 131,134                       | 73,254                        |
| Facilities, films, etc.                                | 37,870                        | 62,964                        | 42,643                        |
|  | <u>857,870</u>                | <u>864,098</u>                | <u>785,897</u>                |
| Expenses   |                               |                               |                               |
| Park operations  | 600,000                       | 611,433                       | 507,537                       |
| Lakeland centre  | 100,000                       | 165,476                       | 57,124                        |
| Adv, G&A, ins.   | 24,340                        | 5,994                         | 4,803                         |
| Management fees  | 108,650                       | 116,440                       | 84,699                        |
|  | <u>832,990</u>                | <u>899,343</u>                | <u>654,163</u>                |
| Open Greenspace Park surplus                           | <u>\$ 24,880</u>              | <u>\$ (35,245)</u>            | <u>\$ 131,734</u>             |
| <b>Commercial Operations</b>                           |                               |                               |                               |
| Revenues   |                               |                               |                               |
| Wild Waterworks admissions                             | \$ -                          | \$ 2,343                      | \$ (297)                      |
| City support   | 300,000                       | 300,000                       | 425,000                       |
| Wild WaterWorks food                                   | -                             | -                             | -                             |
| Park commercial tenants                                | 400,000                       | 522,516                       | 368,896                       |
|  | <u>700,000</u>                | <u>824,859</u>                | <u>793,599</u>                |
| Expenses   |                               |                               |                               |
| Water park operations                                  | 550,000                       | 369,133                       | 504,499                       |
| Concession operations                                  | -                             | 234                           | 2,502                         |
| Marketing & Advertising                                | 5,000                         | 3,890                         | 14,778                        |
| Admin/Ins/Water  | 70,000                        | 166,455                       | 105,177                       |
| Management fees  | 99,880                        | 85,983                        | 98,278                        |
|  | <u>724,880</u>                | <u>625,695</u>                | <u>725,234</u>                |
| Commercial surplus/(deficit)                           | <u>\$ (24,880)</u>            | <u>\$ 199,164</u>             | <u>\$ 68,365</u>              |
| <b>Combined operations surplus</b>                     | <b>\$ -</b>                   | <b>\$ 163,919</b>             | <b>\$ 200,099</b>             |
| Less:  |                               |                               |                               |
| Amortization expense                                   | (350,000)                     | (358,507)                     | (363,254)                     |
| Capital and special maintenance expense                | (175,000)                     | (229,188)                     | (244,788)                     |
| Plus:  |                               |                               |                               |
| Capital & special maintenance funding                  | 175,000                       | 207,742                       | 244,788                       |
| Capital addback  | <u>175,000</u>                | <u>63,590</u>                 | <u>-</u>                      |
| <b>Surplus / (deficit) per Statement of Operations</b> | <u><b>\$ (175,000)</b></u>    | <u><b>\$ (152,444)</b></u>    | <u><b>\$ (163,155)</b></u>    |



# Report

**TO:** Budget & Administration Committee

**FROM:** Neil McDougall, Secretary-Treasurer

**MEETING DATE:** April 21, 2022

**RE:** Reserve Funds and Balances as of December 31, 2021

## STAFF RECOMMENDATION

**THAT the Budget & Administration Committee recommends to the Board of Directors:**

**THAT the allocation of the 2021 operating surplus primarily be directed to the East Mountain (Saltfleet) wetland project with minor adjustments to other reserves as outlined in the table report and further;**

**THAT the Westfield regular projects are recategorized to be part of Construction Capital and Major Maintenance projects keeping the monies from the Friends of Westfield and the Westfield Endowment fund separately.**

|   |   | 2021<br>Opening  | 2021<br>Operating<br>Surplus | 2021<br>Closing  |
|---|---|------------------|------------------------------|------------------|
| Construction Capital and Major Maintenance projects       | a | \$ 2,482         | \$ 179                       | \$ 2,661         |
| Watershed Engineering projects                            | b | 1,152            | 4                            | 1,156            |
| East Mountain wetland construction/land acquisition funds | c | 4,303            | 1,487                        | 5,790            |
| General land acquisition funds                            | d | 1,951            | 49                           | 2,000            |
| Major equipment replacement funds                         | e | 440              | 60                           | 500              |
| Westfield FOW & endowment fund                            | f | 589              | (347)                        | 242              |
| Seasonal operating shortfall protection                   | g | 2,919            | 281                          | 3,200            |
| Human resources fund                                      | h | 500              | -                            | 500              |
| Legal issues  | i | 300              | -                            | 300              |
| Unscheduled capital                                       | j | 650              | 350                          | 1,000            |
| Records management  | k | 270              | -                            | 270              |
|   |   | <u>\$ 15,556</u> | <u>\$ 2,063</u>              | <u>\$ 17,619</u> |

## Descriptions:

- a Shortage of staff kept us from making inroads into the carryforward list; better year expected in 2022
- b Projects slower than expected with supply issues and consulting speeds being a concern
- c Applying the bulk of the current year surplus in support of land acquisition and wetland construction
- d Maintaining reserve for non-East Mountain land purchases when they become available
- e Maintaining reserve to replace major construction equipment when needed
- f Regular projects rolled into (a) above allowing isolation of endowment fund and Friends of Westfield
- g Small improvement to operating reserve to guard against bad weather or unforeseen issues
- h Maintain for potential costs of job evaluation project
- i Maintain for unexpected legal challenges
- j Rounded up reserve for capital items unanticipated
- k Maintain for software purchases / storage requirements