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7.1.2025 HCA Q1 Financial – Operating

– Scott Fleming

Budget & Administration Committee.

Lisa Burnside, CAO.

Scott Fleming, Director of Finance & Central Support Services

May 15, 2025.

HCA Q1 Financial Results – Operating.

Hamilton Region Conservation Authority - Net Results (in thousands)

	3 mos. <u>2025</u>	3 mos. <u>2024</u>	\$ <u>Variance</u>	Budget <u>2025</u>	Actual <u>2024</u>	\$ <u>Variance</u>
Watershed Management & Services	\$ 115	\$ 53	\$ 62	\$ -	\$ -	\$ -
Conservation Areas	\$ 453	\$ 488	\$ (35)	\$ 1,569	\$ 1,462	\$ 107
Westfield Heritage Village CA	\$ 15	\$ 27	\$ (12)	\$ -	\$ 22	\$ (93)
Central Support Services	\$ (424)	\$ (148)	\$ (263)	\$ (1,569)	\$ (930)	\$ (639)
Net surplus	<u>\$ 159</u>	<u>\$ 420</u>	<u>\$ (262)</u>	<u>\$ -</u>	<u>\$ 554</u>	<u>\$ (554)</u>

The results to the end of the first quarter in Conservation Areas Services demonstrated continued strong performance, being the primary contributor to HCA's overall surplus position. That being said, results were not as favourable compared to the exceptional performance seen in 2023 & 2024.

Watershed Management Services delivered a strong performance as well and more than achieved a break-even status, besting its performance from the previous year. Current results align with budgeted expectations for 2025.

Westfield Heritage Village Conservation Area continues to achieve favourable results, with a \$15K surplus position through the end of the first quarter.

Central Support Services is currently operating in a deficit position as budgeted. However, despite this deficit, performance is tracking favourably to budget expectations and is entirely offset by CAS' strong performance.

Overall, HCA is off to a strong start in 2025 with a Q1 surplus position of \$159K.

Watershed Management Services						
	3 mos. <u>2025</u>	3 mos. <u>2024</u>	\$ <u>Variance</u>	Budget <u>2025</u>	Actual <u>2024</u>	\$ <u>Variance</u>
Revenues						
Levy	\$ 572	\$ 539	\$ 33	\$ 2,306	\$ 1,783	\$ 523
Permits, fees & misc.	57	104	(47)	310	338	(28)
Grants	115	97	18	336	497	(161)
Transfer from reserves	-	-	-	95	696	(601)
Other	-	-	-	181	1,433	(1,252)
Total	<u>744</u>	<u>741</u>	<u>3</u>	<u>3,228</u>	<u>4,051</u>	<u>(823)</u>
Expenses						
Staff	590	544	46	2,709	2,351	358
Materials & Supplies	6	1	5	115	35	80
Utilities	10	6	5	23	20	3
Equipment	12	10	2	15	64	(49)
Contracts & Consultants	4	108	(104)	233	1,457	(1,224)
Other	<u>7</u>	<u>20</u>	<u>(13)</u>	<u>135</u>	<u>125</u>	<u>10</u>
Total	<u>630</u>	<u>688</u>	<u>(58)</u>	<u>3,228</u>	<u>4,051</u>	<u>(823)</u>
Net surplus / (deficit)	<u>\$ 115</u>	<u>\$ 53</u>	<u>\$ 62</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>

WMS revenues are nearly identical to prior year, with a slight shift in revenue streams being the main difference year over year. Of note, Planning fees are down \$48K from 2024, largely a result of Conservation Authorities no longer being able to comment on Natural Heritage issues for permits as a result of changes to the Conservation Authorities Act coming into force on April 1, 2024. Further, changes to the Planning Act is also impacting the Conservation Authority and the City of Hamilton and combining these two headwinds is resulting in HCA reduced permit and planning application volumes.

On the expenditure side, most items are tracking similar to prior year with the exception of Staffing and Contracts & Consultants. Staffing spend has increased in 2025 with additional staff having been added, whereas Contracts & Consultants has very minimal spend as in 2024 significant work was completed on Saltfleet Wetland project which was not the case in Q1 2025.

A balanced budget for the year is anticipated within Watershed Management Services.

Conservation Areas Services

	3 mos. <u>2025</u>	3 mos. <u>2024</u>	\$ <u>Variance</u>	Budget <u>2025</u>	Actual <u>2024</u>	\$ <u>Variance</u>
Revenues						
Admissions	\$ 271	\$ 335	\$ (64)	\$ 3,683	\$ 3,400	\$ 283
Marina	1,126	1,041	85	1,604	1,519	85
Camping	50	92	(42)	1,905	1,834	70
Cabins	45	33	12	213	199	14
Concessions	3	5	(2)	246	234	12
Other	72	71	1	410	733	(323)
Total	<u>1,568</u>	<u>1,579</u>	<u>(11)</u>	<u>8,060</u>	<u>7,920</u>	<u>141</u>
Expenses						
Staff	604	595	9	3,755	3,664	91
Equipment	156	169	(12)	807	852	(45)
Utilities	87	74	13	375	374	1
Materials & Supplies	61	56	5	330	333	(3)
Contracts & Consultants	12	16	(4)	135	185	(50)
Other	195	181	14	1,090	1,049	41
Total	<u>1,115</u>	<u>1,091</u>	<u>24</u>	<u>6,492</u>	<u>6,457</u>	<u>34</u>
Net surplus / (deficit)	<u>\$ 453</u>	<u>\$ 488</u>	<u>\$ (35)</u>	<u>\$ 1,569</u>	<u>\$ 1,462</u>	<u>\$ 106</u>

Conservation Area revenues are slightly down from prior year, however, the revenue mix has shifted due to challenging weather conditions effecting both regular Admissions as well as Camping. Despite some variable weather in the quarter, revenues performed well, ending the quarter with nearly the same revenue total as the exceptionally strong performance in 2024, achieving nearly 99% of the revenues brought in at the same time last year. With all areas performing well overall, we are cautiously optimistic that budgeted revenues will be realized by year's end.

Overall, expenses are tracking similarly to 2024, with no concerns noted.

In summary, Conservation Area Services are having another good year, tracking to budgeted expectations. CAS is in a solid position to head into the busy summer months of Q2 and Q3.

Westfield Heritage Village Conservation Area

	3 mos. <u>2025</u>	3 mos. <u>2024</u>	\$ <u>Variance</u>	Budget <u>2025</u>	Actual <u>2024</u>	\$ <u>Variance</u>
Revenues						
Levy	\$ 168	\$ 163	\$ 5	\$ 673	\$ 654	\$ 20
Events	63	66	(3)	160	119	41
Admissions	15	21	(6)	73	82	(8)
School Programs	6	10	(4)	62	58	4
Other	<u>2</u>	<u>0</u>	<u>1</u>	<u>42</u>	<u>91</u>	<u>(50)</u>
Total	254	261	(6)	1,010	1,004	6
Expenses						
Staff	152	147	5	653	667	(14)
Utilities	27	22	5	60	57	3
Equipment	15	15	0	58	61	(3)
Materials & Supplies	11	8	3	48	48	(0)
School Programs	8	8	0	35	38	(3)
Advertising & Promotion	9	13	(4)	103	36	66
Other	<u>17</u>	<u>21</u>	<u>(3)</u>	<u>55</u>	<u>75</u>	<u>(20)</u>
Total	<u>240</u>	<u>233</u>	<u>6</u>	<u>1,010</u>	<u>982</u>	<u>28</u>
Net surplus / (deficit)	<u>\$ 15</u>	<u>\$ 27</u>	<u>\$ (13)</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ (22)</u>

Similarly, to Conservation Areas Services, Westfield Heritage Village and Conservation Area is experiencing strong results thus far in 2025, nearly equalling the high-water revenue marks of 2024 & 2023.

Overall, expenses are tracking similarly to 2024, with no concerns noted.

Currently with a \$15K surplus, Westfield Heritage Village is also heading into the summer months in a strong position.

Central Support Services

	3 mos. <u>2025</u>	3 mos. <u>2024</u>	\$ <u>Variance</u>	Budget <u>2025</u>	Actual <u>2024</u>	\$ <u>Variance</u>
Revenues						
Levy	\$ 514	\$ 516	\$ (2)	\$ 2,073	2,472	\$ (399)
Equipment	272	270	3	1,372	1,336	36
Management Fees	98	92	6	552	571	(20)
Interest	87	143	(56)	520	526	(6)
Rental houses	38	41	(3)	180	165	15
Foundation	14	-	14	212	182	29
Other	20	29	(9)	429	143	286
Total	<u>1,029</u>	<u>1,091</u>	<u>(48)</u>	<u>5,126</u>	<u>5,396</u>	<u>(58)</u>
Expenses						
Staff	1,055	842	212	4,599	4,160	439
Utilities	63	81	(18)	370	320	51
Contracts & Consultants	25	69	(45)	181	288	(107)
Materials & Supplies	10	7	3	99	79	19
Other	301	239	62	1,445	1,478	(33)
Total	<u>1,454</u>	<u>1,239</u>	<u>215</u>	<u>6,694</u>	<u>6,326</u>	<u>369</u>
Net surplus / (deficit)	<u>\$ (424)</u>	<u>\$ (148)</u>	<u>\$ (263)</u>	<u>\$ (1,569)</u>	<u>\$ (930)</u>	<u>\$ (639)</u>
Land, Vehicle & equipment activity						
Donations & misc.	-	232	(232)	-	232	(232)
Transfer from Reserves	-	-	-	300	365	(65)
	<u>\$ -</u>	<u>\$ 232</u>	<u>\$ (232)</u>	<u>\$ 300</u>	<u>\$ 597</u>	<u>\$ (297)</u>
 Land	-	-	-	-	14	(14)
Vehicles & misc.	185	163	22	300	598	(298)
	<u>\$ 185</u>	<u>\$ 163</u>	<u>\$ 22</u>	<u>\$ 300</u>	<u>\$ 612</u>	<u>\$ (312)</u>

As can be seen above, Central Support Services revenue is similar to the prior year. Interest Income is the only outlier, having declined from prior year as interest rates have fallen year over year.

Expenditures have increased year over year with the addition of some positions, found in the Staff line, along with COLA increases. Other items are tracking as expected to budget with no concerns of note.

The 2025 Budget anticipated a decline from 2024 levels, and thus far the results have come in as expected.

Purchased one Farm King Tri-Deck Mower, two John Deere Zero Turn Mowers, as well as Furniture for the Woodend Renovation.