



**Hamilton  
Conservation  
Authority**

A Healthy Watershed for Everyone

May 29, 2023

**Via Email: [clerk@hamilton.ca](mailto:clerk@hamilton.ca)**

Mayor Horwath and Council  
Hamilton City Hall  
71 Main Street West, 2<sup>nd</sup> Floor  
Hamilton, Ontario  
L8P 4Y5

**RE: Hamilton Conservation Authority – 2022 Audited Financial Statements**

Dear Mayor Horwath and Councillors,

In accordance with section 38(3) of the Conservation Authorities Act, enclosed please find the 2022 auditors report for Hamilton Conservation Authority. Per the Act, the report is being circulated to the Ministry of Natural Resources and Forestry and our participating municipalities.

Sincerely,

Lisa Burnside  
Chief Administrative Officer

Enclosure



**Hamilton Region Conservation Authority**  
**Financial Statements**  
December 31, 2022

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# Independent auditor's report

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

## Opinion

We have audited the financial statements Hamilton Region Conservation Authority, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hamilton Region Conservation Authority as at December 31, 2022, and the results of its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing Hamilton Region Conservation Authority's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Hamilton Region Conservation Authority or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing Hamilton Region Conservation Authority's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hamilton Region Conservation Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Hamilton Region Conservation Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Hamilton Region Conservation Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Hamilton, Canada  
May 4, 2023

Chartered Professional Accountants  
Licensed Public Accountants

# Hamilton Region Conservation Authority Statement of Financial Position

December 31

2022

2021

## Financial assets

|                                    |                      |                      |
|------------------------------------|----------------------|----------------------|
| Cash and cash equivalents (Note 4) | \$ 14,457,266        | \$ 19,142,629        |
| Accounts receivable                | 718,979              | 605,965              |
| Total financial assets             | <u>\$ 15,176,245</u> | <u>\$ 19,748,594</u> |

## Liabilities

|  |                     |                     |
|--|---------------------|---------------------|
| Accounts payable and accrued liabilities | \$ 1,681,428        | \$ 1,336,561        |
| Due to Confederation Beach Park          | 448,177             | 143,112             |
| Due to Hamilton Conservation Foundation  | -                   | 1,555               |
| Employee future benefit costs (Note 7)   | 151,695             | 177,477             |
| Deferred revenues (Note 8)               | 928,159             | 845,492             |
| Total liabilities                        | <u>\$ 3,209,459</u> | <u>\$ 2,504,197</u> |

**Net financial assets** \$ 11,966,786 \$ 17,244,397

## Non-financial assets

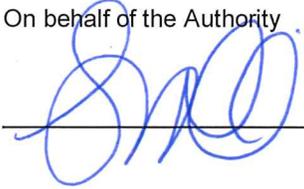
|                                  |            |            |
|----------------------------------|------------|------------|
| Inventory                        | 155,208    | 77,948     |
| Prepaid expenses                 | 433,414    | 296,693    |
| Tangible capital assets (Page 7) | 53,212,454 | 46,469,287 |

Total non-financial assets \$ 53,801,076 \$ 46,843,928

**Accumulated surplus** (Note 9) \$ 65,767,862 \$ 64,088,325

Contingent liabilities, contractual obligations and commitments (Notes 13 and 14)

On behalf of the Authority



Chair



Director

# Hamilton Region Conservation Authority

## Statement of Operations

| For the Year Ended December 31              | 2022                 | 2022                 | 2021                 |
|---|----------------------|----------------------|----------------------|
|   | Budget<br>(Note 15)  | Actual               | Actual               |
| <b>Revenues</b>                             |                      |                      |                      |
| Admissions, product, service & program fees | \$ 6,552,132         | \$ 6,795,666         | \$ 7,500,657         |
| Municipal levy & special projects           | 6,740,000            | 6,748,592            | 6,678,400            |
| Rentals                                     | 887,105              | 888,197              | 759,597              |
| Hamilton Conservation Foundation            | 185,764              | 738,410              | 161,542              |
| Management fees                             | 400,000              | 438,067              | 202,424              |
| Federal & Provincial grants                 | 201,246              | 368,378              | 473,527              |
| Federal grant recovery                      | -                    | (892,588)            | -                    |
| Interest                                    | 90,000               | 360,970              | 91,524               |
| Regulatory fees                             | 280,250              | 301,194              | 303,490              |
| Private and In-Kind donations (Note 10)     | 1,470                | 20,441               | 2,110                |
| Other income                                | 48,750               | 61,019               | 111,177              |
|   | <u>15,386,717</u>    | <u>15,828,346</u>    | <u>16,284,448</u>    |
| <b>Expenditures</b>                         |                      |                      |                      |
| Wages & benefits                            | 9,120,320            | 7,275,492            | 7,330,403            |
| Staff expenses                              | 200,235              | 1,216,359            | 1,252,533            |
| Contractors / consultants                   | 355,670              | 1,211,987            | 538,435              |
| Utilities                                   | 695,211              | 787,468              | 692,010              |
| Professional fees                           | 622,611              | 743,549              | 677,673              |
| Materials & supplies                        | 576,875              | 559,676              | 442,988              |
| Products for resale                         | 300,303              | 301,723              | 309,921              |
| Miscellaneous expense (Note 12)             | 1,537,257            | 793,643              | 704,726              |
|   | <u>13,408,483</u>    | <u>12,889,897</u>    | <u>11,948,688</u>    |
| Amortization                                | <u>1,050,000</u>     | <u>1,258,911</u>     | <u>1,152,451</u>     |
|   | <u>14,458,483</u>    | <u>14,148,808</u>    | <u>13,101,139</u>    |
| Annual surplus for the year                 | <u>\$ 928,234</u>    | <u>\$ 1,679,537</u>  | <u>\$ 3,183,309</u>  |
| Accumulated surplus, beginning of year      | 64,088,325           | 64,088,325           | 60,905,016           |
| Accumulated surplus, end of year            | <u>\$ 65,016,558</u> | <u>\$ 65,767,862</u> | <u>\$ 64,088,325</u> |

See accompanying notes and schedules to the financial statements

# Hamilton Region Conservation Authority

## Statement of Cash Flows

December 31

2022

2021

Change in cash and cash equivalents

### Operating

|  |                  |                  |
|--|------------------|------------------|
| Annual surplus                                     | \$ 1,679,537     | \$ 3,183,309     |
| Items not affecting cash                           |                  |                  |
| Amortization                                       | 1,258,911        | 1,152,451        |
| Loss (gain) on disposal of tangible capital assets | 375,952          | (25,061)         |
|  | <u>3,314,400</u> | <u>4,310,699</u> |
| Non-cash changes to operations                     |                  |                  |
| Change in accounts receivable                      | (113,014)        | 8,787            |
| Change in inventory                                | (77,260)         | (1,623)          |
| Change in prepaid expenses                         | (136,721)        | (48,292)         |
| Change in employee future benefit costs            | (25,782)         | (24,594)         |
| Change in accounts payable and accrued liabilities | 344,867          | 44,285           |
| Change in Due to Hamilton Conservation Foundation  | (1,555)          | 1,555            |
| Change in Due to Confederation Beach Park          | 305,065          | (69,388)         |
| Change in deferred revenues                        | 82,667           | 71,643           |
|  | <u>3,692,667</u> | <u>4,293,073</u> |

### Financing

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

### Capital

|   |                    |                    |
|---|--------------------|--------------------|
| Proceeds on disposal of tangible capital assets | 6,000              | 30,922             |
| Purchase of tangible capital assets             | (8,384,030)        | (2,098,695)        |
|   | <u>(8,378,030)</u> | <u>(2,067,773)</u> |

|   |             |           |
|---|-------------|-----------|
| Net change in cash and cash equivalents | (4,685,363) | 2,045,689 |
|---|-------------|-----------|

Cash and cash equivalents

|                   |                      |                      |
|-------------------|----------------------|----------------------|
| Beginning of year | <u>19,142,629</u>    | <u>17,096,940</u>    |
| End of year       | <u>\$ 14,457,266</u> | <u>\$ 19,142,629</u> |

See accompanying notes and schedules to the financial statements

# Hamilton Region Conservation Authority

## Statement of Changes in Net Financial Assets

| For the year ended December 31                  | 2022                 | 2022                        | 2021                 |
|---|----------------------|-----------------------------|----------------------|
|   | <u>Budget</u>        | <u>Actual</u>               | <u>Actual</u>        |
| Annual surplus                                  | \$ 928,234           | <b>\$ 1,679,537</b>         | \$ 3,183,309         |
| Purchase of tangible capital assets             | (2,000,000)          | <b>(8,384,031)</b>          | (2,098,695)          |
| Proceeds on disposal of tangible capital assets | -                    | <b>6,000</b>                | 30,922               |
| Loss (gain) on sale of tangible capital assets  | -                    | <b>375,952</b>              | (25,061)             |
| Amortization                                    | 1,050,000            | <b>1,258,911</b>            | 1,152,451            |
| Change in inventory                             | -                    | <b>(77,260)</b>             | (1,623)              |
| Change in prepaid expenses                      | -                    | <b>(136,721)</b>            | (48,292)             |
|   | <u>(950,000)</u>     | <u><b>(6,957,149)</b></u>   | <u>(990,296)</u>     |
| Change in net financial assets                  | (21,766)             | <b>(5,277,612)</b>          | 2,193,013            |
| Net financial assets, beginning of year         | <u>17,244,398</u>    | <u><b>17,244,398</b></u>    | <u>15,051,385</u>    |
| Net financial assets, end of year               | <u>\$ 17,222,631</u> | <u><b>\$ 11,966,786</b></u> | <u>\$ 17,244,398</u> |

See accompanying notes and schedules to the financial statements

## Hamilton Region Conservation Authority Schedule of Tangible Capital Assets

| Cost                            | Land          | Land<br>Improvements | Infrastructure | Building &<br>Building<br>Improvements | Machinery &<br>Equipment | Vehicles     | Work In<br>Progress (WIP) | December 31<br>2022 | December 31<br>2021 |
|---------------------------------|---------------|----------------------|----------------|--|--------------------------|--------------|---------------------------|---------------------|---------------------|
|                                 |               |                      |                |  |                          |              |                           |                     |                     |
| Beginning of year               | \$ 28,707,747 | \$ 4,188,913         | \$ 21,795,418  | \$ 8,134,412                           | \$ 2,349,965             | \$ 2,801,711 | \$ 2,800,567              | \$ 70,778,733       | \$ 68,804,327       |
| Additions                       | 2,500,000     | 96,541               | 537,341        | -                                      | 205,745                  | 461,558      | 4,582,845                 | 8,384,030           | 2,098,695           |
| Disposals                       | -             | -                    | (754,320)      | (17,951)                               | (72,844)                 | (17,000)     | -                         | (862,115)           | (124,289)           |
| Transfer from WIP               | 504,000       | 2,186,386            | 832,731        | 1,799,759                              | 376,647                  | -            | (5,699,523)               | -                   | -                   |
| End of year                     | 31,711,747    | 6,471,840            | 22,411,170     | 9,916,220                              | 2,859,513                | 3,246,270    | 1,683,889                 | 78,300,647          | 70,778,733          |
| <b>Accumulated Amortization</b> |               |                      |                |  |                          |              |                           |                     |                     |
| Beginning of year               | -             | 2,881,839            | 13,791,559     | 4,509,475                              | 1,022,762                | 2,103,810    | -                         | 24,309,445          | 23,275,422          |
| Annual amortization             | -             | 149,794              | 427,536        | 208,125                                | 257,470                  | 215,986      | -                         | 1,258,911           | 1,152,451           |
| Disposals                       | -             | -                    | (447,932)      | -                                      | (22,207)                 | (10,023)     | -                         | (480,162)           | (118,427)           |
| End of year                     | -             | 3,031,633            | 13,771,163     | 4,717,600                              | 1,258,025                | 2,309,773    | -                         | 25,088,193          | 24,309,446          |
| Net book value                  | \$ 31,711,747 | \$ 3,440,207         | \$ 8,640,007   | \$ 5,198,620                           | \$ 1,601,488             | \$ 936,497   | \$ 1,683,889              | \$ 53,212,454       | \$ 46,469,287       |

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

# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2022

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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, 2022

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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, 2022

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

#### Contaminated sites

Contaminated sites are the result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met: a) an environmental standard exists; b) contamination exceeds the environmental standard; c) the Authority is directly responsible or accepts responsibility for the liability; d) future economic benefits will be given up; and e) a reasonable estimate of the liability can be made. Changes in this estimate are recorded in the Authority's statement of operations.

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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 \$207,377 (2021 – \$202,897) 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 payable and accrued liabilities are government remittances payable of \$103,429 (2021 – \$52,527).

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# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2022

### 6. Related party transactions

|   | <u>2022</u>  | <u>2021</u>  |
|---|--------------|--------------|
| Municipal funding recognized as revenue in the current year           | \$ 6,748,592 | \$ 6,678,400 |
| Funding from the Hamilton Conservation Foundation                     | 738,410      | 161,542      |
| Management fees from Confederation Beach Park                         | 438,067      | 202,424      |
| Receivable from (Payable to) the City of Hamilton                     | (20,380)     | 27,828       |
| Municipal taxes paid to the City of Hamilton and Township of Puslinch | (141,109)    | (115,556)    |

### 7. Employee future benefit costs

|                                       | <u>2022</u>       | <u>2021</u>       |
|---------------------------------------|-------------------|-------------------|
| Accumulated Sick Leave Liability      | \$ 22,730         | \$ 35,988         |
| Supplemental early retirement package | 85,199            | 93,220            |
| Post-retirement benefits              | 43,766            | 48,269            |
|                                       | <u>\$ 151,695</u> | <u>\$ 177,477</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 \$85,199 (2021 - \$93,220) 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 \$43,766 (2021 - \$48,269).

### 8. Deferred revenues

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

|                           | <u>2022</u> | <u>2021</u> |
|---------------------------|-------------|-------------|
| Storage fees and deposits | \$ 928,159  | \$ 845,492  |

# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2022

### 9. Accumulated surplus

|   | <u>2022</u>          | <u>2021</u>          |
|---|----------------------|----------------------|
| Reserve Funds   |                      |                      |
| Acquisitions of provincially significant lands or eligible water related projects | \$ 3,561,449         | \$ 6,200,509         |
| Future projects and operating areas   | 7,257,919            | 9,293,386            |
| Tangible Capital Assets   | 53,212,454           | 46,469,287           |
| Operating surplus   | <u>1,736,040</u>     | <u>2,125,143</u>     |
| Accumulated surplus   | <u>\$ 65,767,862</u> | <u>\$ 64,088,325</u> |

### 10. Donations in kind

During the year, in addition to cash donations, the Authority was the beneficiary through donations in kind of tangible capital assets with a total appraised value of \$1,488 (2021 - \$ Nil).

### 11. Defined contribution pension plan

Employer contributions to the Authority's defined contribution pension plan for the year was \$358,227 (2021 - \$313,250). The Plan is designed whereby employee contributions, ranging from 2% to 6% of gross salary, are matched by the employer.

### 12. Miscellaneous expense breakdown

|                                       | <u>2022</u>       | <u>2021</u>       |
|---------------------------------------|-------------------|-------------------|
| Computer software, hardware & support | \$ 166,874        | \$ 159,707        |
| Mechanical & garage supplies          | 147,121           | 116,797           |
| Property taxes                        | 141,109           | 123,857           |
| Memberships & subscriptions           | 102,584           | 100,114           |
| Postage, printed material & supplies  | 72,012            | 52,876            |
| Communications & advertising          | 54,077            | 50,865            |
| Third party equipment rental          | 30,993            | 22,840            |
| Interest & banking                    | 15,088            | 17,736            |
| All other                             | <u>63,785</u>     | <u>59,934</u>     |
|                                       | <u>\$ 793,643</u> | <u>\$ 704,726</u> |

# Hamilton Region Conservation Authority

## Notes to the Financial Statements

December 31, 2022

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### 13. 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.

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### 14. Contractual obligations and commitments

As at December 31, 2022, the Authority is committed to \$11,559 (2021 - \$18,543) with respect to ongoing contracts for equipment in the following years:

|      |    |              |
|------|----|--------------|
| 2023 | \$ | 5,761        |
| 2024 |    | 3,278        |
| 2025 |    | <u>2,520</u> |
|      | \$ | 11,559       |

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### 15. Budget figures

The budgeted figures are presented for comparison purposes and were adopted by the Authority on November 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 principal repayment on debt. A reconciliation of the adopted and reported budgets is as presented below.

#### Adopted budget:

Budgeted annual surplus for the year \$ 450

#### 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>(22,216)</u> |

**Restated budgeted surplus** \$ 928,234

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# Hamilton Region Conservation Authority

## Schedule of Corporate Support

| For the Year Ended December 31              | 2022                  | 2022                  | 2021                |
|---|-----------------------|-----------------------|---------------------|
|   | <u>Budget</u>         | <u>Actual</u>         | <u>Actual</u>       |
| <b>Revenues</b>                             |                       |                       |                     |
| Municipal levy & special projects           | \$ 2,418,085          | \$ 2,676,663          | \$ 2,908,142        |
| Rentals                                     | 488,285               | 489,858               | 455,242             |
| Management fees                             | 400,000               | 438,067               | 202,424             |
| Interest                                    | 90,000                | 360,970               | 91,524              |
| Hamilton Conservation Foundation            | 185,264               | 152,108               | 92,263              |
| Admissions, product, service & program fees | 74,000                | 101,875               | 86,039              |
| Federal grant recovery                      | -                     | (892,588)             | -                   |
| Other income                                | -                     | 5,324                 | 33,215              |
|   | <u>3,655,634</u>      | <u>3,332,277</u>      | <u>3,868,849</u>    |
| <b>Expenditures</b>                         |                       |                       |                     |
| Wages & benefits                            | 3,565,249             | 2,449,392             | 2,602,384           |
| Staff expenses                              | 124,800               | 636,361               | 689,056             |
| Utilities                                   | 321,750               | 368,691               | 328,532             |
| Professional fees                           | 172,913               | 229,308               | 188,361             |
| Contractors / consultants                   | 152,500               | 213,691               | 85,885              |
| Materials & supplies                        | 101,100               | 71,544                | 59,186              |
| Miscellaneous expense (Note 12)             | 1,215,137             | 516,444               | 442,176             |
|   | <u>5,653,449</u>      | <u>4,485,430</u>      | <u>4,395,580</u>    |
| Amortization                                | <u>200,000</u>        | <u>333,340</u>        | <u>245,369</u>      |
|   | <u>5,853,449</u>      | <u>4,818,770</u>      | <u>4,640,949</u>    |
| Annual surplus (deficit)                    | <u>\$ (2,197,815)</u> | <u>\$ (1,486,493)</u> | <u>\$ (772,100)</u> |

## Hamilton Region Conservation Authority Schedule of Watershed Management Services

| For the Year Ended December 31    | 2022             | 2022                       | 2021             |
|-----------------------------------|------------------|----------------------------|------------------|
|                                   | <u>Budget</u>    | <u>Actual</u>              | <u>Actual</u>    |
| <b>Revenues</b>                   |                  |                            |                  |
| Municipal levy & special projects | \$ 1,698,310     | <b>\$ 1,448,324</b>        | \$ 1,158,883     |
| Regulatory fees                   | 280,250          | <b>301,194</b>             | 303,490          |
| Federal & Provincial grants       | 201,246          | <b>292,378</b>             | 473,527          |
| Private and In-Kind donations     | 1,470            | <b>5,353</b>               | 510              |
| Hamilton Conservation Foundation  | -                | -                          | 1,027            |
| Other income                      | -                | <b>5,409</b>               | 10,678           |
|                                   | <u>2,181,276</u> | <u><b>2,052,658</b></u>    | <u>1,948,115</u> |
| <b>Expenditures</b>               |                  |                            |                  |
| Wages & benefits                  | 1,954,496        | <b>1,533,944</b>           | 1,423,770        |
| Contractors / consultants         | 10,170           | <b>239,741</b>             | 126,881          |
| Staff expenses                    | 27,000           | <b>205,624</b>             | 221,429          |
| Materials & supplies              | 52,050           | <b>54,519</b>              | 22,503           |
| Professional fees                 | 28,282           | <b>45,317</b>              | 14,697           |
| Utilities                         | 23,500           | <b>22,660</b>              | 16,750           |
| Miscellaneous expense (Note 12)   | 72,494           | <b>58,531</b>              | 60,930           |
|                                   | <u>2,167,992</u> | <u><b>2,160,335</b></u>    | <u>1,886,960</u> |
| Annual surplus (deficit)          | <u>\$ 13,284</u> | <u><b>\$ (107,677)</b></u> | <u>\$ 61,155</u> |

# Hamilton Region Conservation Authority

## Schedule of Land Management Operations

For the Year Ended December 31

2022

**2022**

2021

|   | <u>Budget</u>       | <u>Actual</u>              | <u>Actual</u>       |
|---|---------------------|----------------------------|---------------------|
| <b>Revenues</b>                             |                     |                            |                     |
| Municipal levy & special projects           | \$ 2,000,000        | \$ <b>2,000,000</b>        | \$ 2,000,000        |
| Admissions, product, service & program fees | 6,269,132           | <b>6,457,101</b>           | 7,240,724           |
| Hamilton Conservation Foundation            | 500                 | <b>586,302</b>             | 68,252              |
| Rentals                                     | 397,820             | <b>385,941</b>             | 277,890             |
| Other income                                | 48,750              | <b>50,286</b>              | 67,284              |
|   | <u>8,716,202</u>    | <u><b>9,479,630</b></u>    | <u>9,654,150</u>    |
| <b>Expenditures</b>                         |                     |                            |                     |
| Wages & benefits                            | 3,013,388           | <b>2,784,847</b>           | 2,824,666           |
| Contractors / consultants                   | 185,000             | <b>697,213</b>             | 304,236             |
| Professional fees                           | 392,973             | <b>435,892</b>             | 457,775             |
| Materials & supplies                        | 388,025             | <b>382,081</b>             | 339,477             |
| Utilities                                   | 297,761             | <b>336,884</b>             | 300,600             |
| Staff expenses                              | 47,235              | <b>313,008</b>             | 272,083             |
| Products for resale                         | 298,303             | <b>297,108</b>             | 309,104             |
| Miscellaneous expense (Note 12)             | 180,751             | <b>180,914</b>             | 177,018             |
|   | <u>4,803,437</u>    | <u><b>5,427,947</b></u>    | <u>4,984,960</u>    |
| Amortization                                | <u>800,000</u>      | <u><b>844,758</b></u>      | <u>828,441</u>      |
|   | <u>5,603,437</u>    | <u><b>6,272,705</b></u>    | <u>5,813,401</u>    |
| Annual surplus                              | <u>\$ 3,112,765</u> | <u><b>\$ 3,206,925</b></u> | <u>\$ 3,840,749</u> |

# Hamilton Region Conservation Authority

## Schedule of Westfield Heritage Village

| For the Year Ended December 31  | 2022           | 2022                    | 2021             |
|---------------------------------|----------------|-------------------------|------------------|
|                                 | <u>Budget</u>  | <u>Actual</u>           | <u>Actual</u>    |
| <b>Revenues</b>                 |                |                         |                  |
| Municipal contributions         | \$ 623,605     | \$ <b>623,605</b>       | \$ 611,375       |
| User fees                       | 207,000        | <b>227,697</b>          | 171,914          |
| Federal and Provincial grants   | -              | <b>76,000</b>           | -                |
| Donations                       | -              | <b>15,088</b>           | 1,600            |
| Food and novelty                | 2,000          | <b>8,993</b>            | 1,980            |
| Other Authority generated       | 1,000          | <b>12,398</b>           | 26,465           |
|                                 | <u>833,605</u> | <u><b>963,781</b></u>   | <u>813,334</u>   |
| <b>Expenditures</b>             |                |                         |                  |
| Wages & benefits                | 587,187        | <b>507,310</b>          | 479,583          |
| Staff expenses                  | 1,200          | <b>61,366</b>           | 69,965           |
| Contractors / consultants       | 8,000          | <b>61,342</b>           | 21,433           |
| Utilities                       | 52,200         | <b>59,234</b>           | 46,128           |
| Materials & supplies            | 35,700         | <b>51,533</b>           | 21,822           |
| Professional fees               | 28,443         | <b>33,032</b>           | 16,840           |
| Products for resale             | 2,000          | <b>4,615</b>            | 817              |
| Miscellaneous expense (Note 12) | 68,875         | <b>37,753</b>           | 24,602           |
|                                 | <u>783,605</u> | <u><b>816,184</b></u>   | <u>681,189</u>   |
| Amortization                    | <u>50,000</u>  | <u><b>80,813</b></u>    | <u>78,641</u>    |
|                                 | <u>833,605</u> | <u><b>896,997</b></u>   | <u>759,830</u>   |
| Annual surplus                  | <u>\$ -</u>    | <u><b>\$ 66,784</b></u> | <u>\$ 53,504</u> |