

2020 Results and 2021 Budget

Board of Directors

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Lake Simcoe Region
conservation authority



Member of Conservation Ontario

Presentation Outline

1. Review of 2020 Highlights and Financial Results
2. 2020 Lessons Learned; Informs 2021 Budget
3. 2021 Annual Operating Plans
4. 2021 Budget
5. Budget Story



2020 Highlights

1. Operational deficit: \$203K, lower than the \$335K year end forecast provided at Q3.
2. Additional (final) draw for work on Scanlon Creek Operations Center: \$134K.
3. Surplus from Offsetting Operational programming. Reserve transfer to payback prior years draw: \$212K.
4. Capital Budget variances due to timing differences, some project work was deferred into 2021



2020 Highlights cont'd

5. Investment returns were down due to lower interest rates & cashflow: \$88K in 2020 (2019: \$172K)
6. Procurement Summary (Appendix 3):
87 Purchase Orders totalling \$1.2M.
7. Offsetting Summary:
 - a) Budget Variances (timing) addressed in 2021 Budget. Funded \$155K for Offsetting projects in 2020.
 - b) Deferred Balances available by Program (Appendix 4).



4th Quarter Corporate Budget Status

At December 31 2020 - shown in '000's			
Revenue:	Full Year Budget	Actual YTD	% of YTD Budget
General Levy	\$ 4,009	\$ 4,009	100%
Special Capital Levy & Municipal Partners	6,663	5,611	84%
Provincial & Federal Funding	1,387	1,130	81%
Revenue Generated by Authority	8,201	2,811	34%
Other Revenue	195	143	74%
Total Revenue:	20,455	13,705	67%
Expenses:			
Corporate Services	6,269	5,531	88%
Ecological Management	5,032	2,041	41%
Education & Engagement	665	560	84%
Greenspace Services	822	936	114%
Planning & Development Services	3,855	3,344	87%
Water Risk Management	4,241	1,848	44%
Watershed Studies & Strategies	1,413	1,097	78%
Total Gross Expenses:	22,296	15,357	69%
Expenses included above related to:			
Tangible Capital Assets	-	1,269	
Internal Fee for Service	1,188	1,039	87%
Expenses before Amortization	21,108	13,049	62%
Amortization	-	321	
Net (deficit) surplus before approved reserve activity	(653)	336	
Board approved draws on reserve:	939	632	
Board approved transfers to reserve:	(286)	(144)	
Other reserve activity:			
Additional Draw required for Scanlon Renovation:		134	
Transfer for offsetting operational surplus to payback reserve draws from prior years:	-	(212)	
Related to Change in Tangible Capital Assets:		(949)	
Operational (deficit) at December 31	\$ 0	\$ (203)	

2020 Major Project Update

Budgeted Projects	Project Value	Expenditures at Year End	Phase
Alcona Flood Relief Project	\$0.2M	\$0.2M	Complete
Scanlon Operations Centre	\$1.1M	\$1.2M	Complete
Macro Economic Study	\$0.1M	\$0.1M	Complete
Restoration Projects	\$0.1M	\$0.1M	Complete - Cawthra Mulock, Goodyear
Other Projects	\$0.2M	\$0.2M	3 Complete - Monitoring projects continue into 2021
Offsetting Projects	\$4.2M	\$0.2M	In Progress/Change to Budgeting in 2021 to better account for timing
Stormwater Projects	\$0.6M	\$0.3M	York Region/Aurora Projects Carryover to 2021
Asset Management	\$0.4M	\$0.1M	Vehicles/Building Improvements Carryover to 2021
LID Projects	\$0.2M	\$0.1M	2 Substantially Complete - 1 Carryover to 2021
MECP - Land Cover Mapping	\$0.1M	\$0.0M	Deferred to 2021



Update on Reserves: \$1.9M*

2020 Year-end Balances*	
Asset Management	\$471K
Rate Stabilization	\$860K
Working Capital	\$550K
Restricted	\$34K

*Draft Unaudited Balances



2020 Results: Lessons Learned

1. Issue: Delays in development are impacting revenue and fee assumptions (delayed growth/insufficient infrastructure)

For 2021:

- a) Conduct external review of Fee schedule
- b) Work with Municipal/Provincial partners

2. Issue: COVID-19 related additional costs & lost revenue

For 2021:

- a) Need to plan for safe return to office
- b) Develop contingency plans to address lost revenues

2020 Results: Lessons Learned cont'd

3. Issue: Budgeting in 2020 for Offsetting projects

For 2021:

2021 Budget to better reflect planned annual spending

4. Issue: Improvements in charge out rates to ensure full cost recovery

For 2021:

a) Updates to the billable rates

b) Improvements to leadership allocations



Transition from 2020 to 2021

1. 2020 Audited Financial Statements require Board of Director approval in April
2. Annual Operating Plans for 2021 have been developed
3. 2021 Budget to be approved by the Board of Directors
4. 2021 Budget companion report nearing completion



2021 Annual Operating Priorities (1-5)

1. Respond to Bill 108/229 and implement prescribed changes
2. Complete 2022-24 strategic plan
3. Continue to respond and adapt to impacts of the COVID-19 pandemic
4. Complete a corporate communications and engagement strategy
5. Implement new records management process



2021 Annual Operating Priorities (6-10)

6. Complete asset management plan (financial strategy)
7. Complete design and tender for new Education and Training Centre
8. Implement land disposition strategy
9. Begin Phase 1 (scoping) of Scanlon Creek Conservation Area master plan
10. Complete a review of planning and development fees



2021 Annual Operating Priorities (11-14)

11. Implement federal Lake Simcoe funding program when it becomes available.
12. Modernize watershed/sub-watershed planning
13. Develop implementation plan for climate change mitigation and adaptation strategies
14. Continue to advance the stormwater optimization project



Proposed 2021 Budget is within Guidelines!

Budget Guidelines – Board Approved July 24, 2020

	Guideline	Budget
Inflation	Up to 1.00%	When applicable
COLA	Up to 1.00%	1.00%
Strategic Initiatives	0.00%	0.00%
General Levy	1.00%	1.00%
Special Operating	1.00%	1.00%
Special Capital	1.00%	1.00%



Summary of Budget Presentations

Municipality	Status	Approval/ Within Envelope
York	Budget Presentation	Yes
Barrie	No Presentation requested	Yes
Durham	No Presentation requested	Yes
Bradford-West Gwillimbury	Budget Presentation	Yes
Innisfil	Budget Presentation	Yes
Oro-Medonte	Budget Presentation	Yes
Ramara	No Presentation requested	Unknown
New Tecumseth	No Presentation requested	Yes
Kawartha Lakes	No Presentation requested	Yes

Operating and Capital Budget

Expenditures	2020 (000's)	Change (000's)	2021 (000's)
Operating	\$14,034	\$224	\$14,258
Capital and Projects	\$ 7,074	(\$3,336)	\$3,738
Total	\$21,108	(\$3,112)	\$17,996

Expenditures are Decreasing by \$3.1M

Total Change in Capital: (\$3.3M)

- Change in accounting treatment for Offsetting programs
- Scanlon Creek Operations Centre Renovation complete

Total Change in Operating: \$0.2M

- COLA and Step Increases
- Inflation (1%) when applicable

Total Change (\$3.1M)



Expenditures By Service Areas

Service Area	2021	2020	+/-	Drivers
Corporate	3.9M	3.9M		
Ecological Management	2.7M	2.5M	+0.2M	Larger tree planting program
Education & Engagement	0.6M	0.6M		
Greenspace Services	0.8M	0.7M	+0.1M	Staffing (COLA and reallocation), lease for extra vehicle & efficiencies
Planning & Development Services	3.6M	3.6M		
Water Risk Management	1.8M	1.8M		
Watershed Studies & Strategies	0.8M	0.9M	(0.1M)	Staffing moved to funded projects
Capital	3.7M	7.1M	(3.3M)	Reduction in offsetting budget and SCOC renovation completed
Total Expenditures	\$18.0M	\$21.1M	(\$3.1M)	



Revenues are Decreasing by \$2.5M

Revenue Category	2020	2021	+/-	%
Levy	\$4.0M	\$4.0M	\$0.04M	1.0%
Special Capital/ Operating	\$4.8M	\$4.8M	\$0.04M	1.0%
End of One-Time Funding	\$1.8M	\$1.5M	(\$0.4M)	N/A
Provincial/Federal	\$1.6M	\$2.2M	\$0.6M	42%
Revenue Generated by Authority	\$8.1M	\$5.2M	(\$2.9M)	(36%)
Other	\$0.2M	\$0.3M	\$0.05M	26%
TOTAL	\$20.5M	\$18.0M	(\$2.5M)	(12%)



2021 Budget: Reserve Activity

Reserves	Opening Balance	Description	2021 Proposed Reserve Contribution	2021 Proposed Reserve Draws	Projected Ending Balance
Asset Management	\$471K	Contribution	\$373K		
		Maintenance		(\$141K)	
		Software/Hardware		(\$17K)	
		Field Vehicles		(\$105K)	\$581K
Rate Stabilization	\$860K	Interest	\$40K		
		Engagement Strategy		(\$30K)	
		One-time Operating		(\$25K)	\$845K
Working Capital	\$550K	COVID Renovations		(\$20K)	
		Audio Visual System		(\$50K)	
		Computer/Furniture		(\$12K)	\$468K
Restricted	\$34K	No activity planned			\$34K
	\$1,915K		\$413K	(\$400K)	\$1,928K



2021 Capital Budget:

2021 Capital Investments

Offsetting Projects	\$1.1M
Restoration Projects	\$0.6M
Asset Management	\$0.6M
Stormwater Projects	\$0.4M
Salt Reduction Projects	\$0.4M
LID Projects	\$0.2M
Land Cover Projects	\$0.2M
Watershed Plan Modernization	\$0.2M
Water Science and Monitoring	\$0.1M
Total	\$3.7M

2021 Budget: Budget Story

1. Board approval is final step for 2021 Budget
2. Respecting the Taxpayer: Status Quo Budget – No new FTEs
3. New Strategic Plan(2022-2024) will guide future program and investment decisions
4. Found cost savings and additional revenue to stay within our funding partners guidelines
5. Transition Year: Impact of Bill 108/229

