

2022 Q2 Financial Update and Forecast

Board of Directors

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Lake Simcoe Region
conservation authority



Member of Conservation Ontario

Presentation Outline

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Executive Summary

1. Operational deficit at Q2 \$(43K).
2. Progressing well on 12 Annual Priorities for 2022.
3. Forecasting a minor deficit for year end – majority of this is related to property expenditures.
4. All other programs and projects are anticipated to be in line with budget or funding guidelines.
5. Reserve activity expected to be in line with budget.



2nd Quarter Highlights

Service Area	Surplus/ (Deficit)	Drivers
Ecological Management	(3)K	Small deficit in Tree Planting, will be funded once Spring invoicing takes place
Greenspace Services	(130)K	Expenditures related to property taxes and legal/appraisals on land transfers, acquisitions, and disposals. Staff continue to work with municipality to minimize ongoing property tax
Planning & Development	90K	Variances in open positions, new fees and year-to-date applications down
Total	(43)K	Overall Operational (Deficit) at June 30; Less than 0.3% of the \$15.8M Operating budget

Progress on Capital Investments in 2022

2022 Capital Investments	Project Value	Expenditures at June 30,2022	Status
Offsetting Projects	\$1.8M	\$0.1M	4 projects in progress – 1 complete
Stormwater	\$1.4M	\$0.8M	5 projects in progress
Infrastructure Hazard	\$0.7M	\$0.1M	2 projects in progress
LID & Monitoring	\$0.4M	\$0.1M	6 projects In progress
Shoreline Hazard & Flood Risk	\$0.4M	\$0.1M	1 project In progress – 1 complete
Other	\$0.8M	\$0.4M	7 projects in progress – 2 complete
Education Facility Design & Build	\$0.8M	\$0.1M	In progress
Infrastructure & Furniture	\$0.5M	\$0.0M	In progress
Equipment & Vehicles	\$0.3M	\$0.0M	In progress
Hardware	\$0.1M	\$0.0M	In progress
Total	\$7.1M	\$1.7M	



Assumptions for the 2022 Forecast

1. Conservation Authority staff will continue to work using the Hybrid Work Business Policy through to the end of 2022.
2. Budgeted reserve draws will be made to finish Annual Priorities work when needed and where budgeted.
3. Anticipating that budgeted reserve activities (Draws and Transfers) for capital purchases and projects will take place as expected.
4. Projecting an operational deficit position of (\$70)K for year end.



Highlights from the 2022 Forecast at Q2

Forecasted Appropriations to/(from) Reserves for 2022	Budget	Forecast
1. Operational Programming Deficit	-	(70)
2. 2022 Budgeted Reserve Draws	(1,031)	(982)
3. 2022 Budgeted Reserve Contributions	963	1,013
4. Transfer Surplus from Operational Offsetting - Restoration & Corporate	-	341
Total Forecasted Reserve Activity	(68)	302



Summary of Financial Condition - Reserves

Reserve Category	Opening Balance January 1, 2022	Forecasted Appropriations to/(from) Reserve	Forecasted Ending Balance December 31, 2022
Asset Management	735	287	1,022
Working Capital	460	(273)	187
Rate Stabilization	2,309	288	2,597
Restricted	34	-	34
Grand Total	3,538	302	3,840



Next Steps – Opportunities & Risk

1. Staff will use the forecast at Q2 to identify and monitor key trends – legal fees and volume on Permit & Development Applications
2. Use the forecast to help inform the development of the 2023 Budget.
3. Pending final direction from the Ministry of Environment, Conservation and Parks review:
 - a. Asset Management Financial Report will be developed
 - b. Reserve Policy update will be brought to the Board for review and endorsement



Questions?