

Financial Update

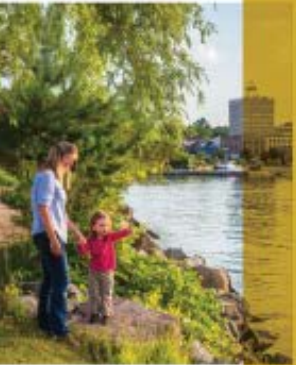
3rd Quarter 2018

Board of Directors

October 26, 2018

Mark Critch, CPA, CMA

GM, Corporate and Financial Services



Lake Simcoe Region
conservation authority

Financial Update: Presentation Outline

1. Corporate Budget Status Summary
2. Q3 Highlights
3. Update on 2018 Projects
4. 2018 Year End Forecast
5. Key Takeaways
6. Questions

3rd Quarter Corporate Budget Status

	2018 Full Year Budget	2018 YTD Budget	2018 Actual YTD	% of YTD Budget
Revenue :				
General Levy	\$ 3,777	2,833	\$ 2,445	86%
Special Capital Levy & Municipal Partners	7,588	5,691	3,798	67%
Provincial & Federal Funding	1,888	1,416	964	68%
Revenue Generated by Authority	4,415	3,311	2,790	84%
Other Revenue	151	113	114	101%
Total Revenue	17,819	13,364	10,110	76%
Expenses:				
Corporate	5,449	4,086	2,781	68%
Ecological Management	3,067	2,300	1,932	84%
Education & Engagement	567	425	416	98%
Greenspace Services	976	732	607	83%
Planning & Development Sservices	2,931	2,199	2,193	100%
Water Risk Management	3,726	2,794	1,505	54%
Watershed Studies & Strategies	1,610	1,207	1,001	83%
Total Gross Expenses:	18,326	13,744	10,434	76%
Required Draws on Reserve	542	406	177	44%
Transfers to Reserve	(35)	(26)	(35)	133%
Net Revenue (Expenses)	\$ -	\$ -	\$ (182)	

3rd Quarter Highlights

Revenues

- Planning review fees are trending \$200K higher than budget (volume driven variance)
- Funding from Phosphorous Offset program (LSPOP) is lower than 2018 budget, startup costs exceed revenue
- Interest revenue is higher through end of September, close to double compared to previous years

Legal Fees

- Legal Fees continue to trend higher than budget

3rd Quarter Highlights

Timing Variances

- Projects in the Ecological and Water Risk Management Restoration Programs
- Environmental Compliance Approvals (ECA); delays in signing of agreements (early 2019)
- Scanlon Operations Centre Renovation Project

Business Excellence Initiatives

- EFT payments and electronic signatures
- New cell phone agreements
- Information management improvements

2018 Projects Update

Budgeted Projects	Project Value*	Phase
Rogers Reservoir (Ghost Canal)	\$0.5M	Completed
Low Impact Development at Magna Centre	\$0.2M	Completed
Solar Panels at Mabel Davis	\$0.15M	Completed
Scanlon Operations Centre Renovation	\$1.5M	In Progress
York Region Phosphorous Removal Demo (Stormwater retrofit)	\$0.5M	In Progress
East Holland River Fish Barrier (Stream Naturalization)	\$0.4M	In Progress
Fish Habitat Rehabilitation	\$0.2M	In Progress
Education and Training Facility Project	\$0.1M	In Progress

New Projects	Project Value*	Phase
Stormwater Management Economic Study	\$1.3M	In Progress
(funding includes FCM, NDMP, NRCan)		

* Project value over multiple budget years

3rd Quarter Forecast

	2018 Budget	2018 Forecast	% of Budget
Revenue :			
General Levy	\$ 3,777	\$ 3,777	100%
Special Capital Levy & Municipal Partners	7,588	5,809	77%
Provincial & Federal Funding	1,888	1,518	80%
Revenue Generated by Authority	4,415	3,473	79%
Other Revenue	151	146	97%
Total Revenue	17,819	14,723	83%
Expenses:			
Corporate	5,449	3,857	71%
Ecological Management	3,067	2,586	84%
Education & Engagement	567	559	99%
Greenspace Services	976	864	88%
Planning & Development Sservices	2,931	2,872	98%
Water Risk Management	3,726	2,656	71%
Watershed Studies & Strategies	1,610	1,451	90%
Total Gross Expenses:	18,326	14,845	81%
Required Draws on Reserve	542	288	53%
Transfers to Reserve	(35)	(35)	100%
Net Revenue (Expenses)	\$ -	\$ 132	

Key Takeaways from 2018 Forecast

1. Funding for LSPOP and Environmental Compliance Approvals will commence in 2019. Reserves to fund LSPOP start-up costs.
2. Service Level Agreement with York Region is expected to be signed in Q4.
3. Additional \$253K funding for Asset Management (pending Board approval)
4. Staff continue to track investment revenue, legal expenses and volume driven fees

Q3 Financial Summary

We are on track!

- ✓ Financial position and progress on projects is on track
- ✓ Most budget variances are related to timing
- ✓ Asset Management funding opportunity will mitigate future funding pressure
- ✓ Staff will continue to look for business excellence opportunities

Questions?