

# Financial Update: 2<sup>nd</sup> Quarter 2019

Board of Directors

July 26, 2019

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**Lake Simcoe Region**  
conservation authority



Member of Conservation Ontario

# Financial Update – Presentation Outline

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## 2<sup>nd</sup> Quarter Highlights

1. Continued delays in development is impacting LSPOP revenue assumptions in 2019; reserve draw required
2. 2019 MNRF funding reduced by \$64K; reserve draw required
3. Scanlon Operation Centre redevelopment underway, expected completion in early 2020
4. Asset management plan support is commencing in Q3, completion in Q4 to inform 2021 Budget



# 2<sup>nd</sup> Quarter Corporate Budget Status

At June 30 2019 - shown in '000's



<b>Revenue :</b>	Full Year Budget	YTD Budget	Actual YTD	% of YTD Budget
General Levy	\$ 3,898	\$ 1,949	\$ 1,344	69%
Special Capital Levy & Municipal Partners	7,999	3,999	3,265	82%
Provincial & Federal Funding	1,709	854	722	85%
Revenue Generated by Authority	6,981	3,491	1,854	53%
Other Revenue	437	218	113	52%
<b>Total revenue</b>	<b>21,023</b>	<b>10,512</b>	<b>7,298</b>	<b>69%</b>
<b>Expenses:</b>				
Corporate Services	7,002	3,501	2,334	67%
Ecological Management	5,330	2,665	1,441	54%
Education & Engagement	584	292	286	98%
Greenspace Services	998	499	459	92%
Planning & Development Services	3,655	1,827	1,501	82%
Water Risk Management	3,473	1,736	1,283	74%
Watershed Studies & Strategies	2,297	1,148	1,234	107%
<b>Total gross expenses:</b>	<b>23,339</b>	<b>11,669</b>	<b>8,538</b>	<b>73%</b>
<b>Expenses included above related to:</b>				
Internal Fee for Service	2,000	1,000	1,037	104%
<b>Net expenses</b>	<b>21,339</b>	<b>10,669</b>	<b>7,501</b>	<b>70%</b>
Net (deficit) before reserve activity	(315)	(158)	(203)	129%
Board approved draws on reserve	315	158	75	48%
<b>Other reserve activity:</b>				
Draw for Offsetting operational expenditures	-	-	154	
<b>Operational surplus at June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26</b>	

# Service Area Overview

<b>Corporate Services</b>	<b>YTD Budget</b>	<b>Actual YTD</b>	<b>% of YTD Budget</b>	
<b>Total Expenses</b>	2,953	1,884	64%	• Scanlon Infrastructure Project
<b>Total Revenue</b>	2,821	1,808	64%	
<b>Required Draws on Reserve</b>	132	74	56%	• Funds for Support of Connect Campaign
<b>Net Revenue (Expenses)</b>	<u>\$ -</u>	<u>\$ (2)</u>		
<b>Ecological Management</b>	<b>YTD Budget</b>	<b>Actual YTD</b>	<b>% of YTD Budget</b>	
<b>Total Expenses</b>	2,487	1,257	51%	• Ecological Restoration Projects
<b>Total Revenue</b>	2,487	1,175	47%	
<b>Required Draws on Reserve</b>	-	86		• Revenue from Tree Planting
<b>Net Revenue (Expenses)</b>	<u>\$ -</u>	<u>\$ 4</u>		

\*shown in '000s

# Service Area Overview

Education & Engagement	YTD Budget	Actual YTD	% of YTD Budget	  <b>On Track</b>
Total Expenses	287	280	98%	
Total Revenue	287	280	98%	
Required Draws on Reserve	-	-		
Net Revenue (Expenses)	<u>\$ -</u>	<u>\$ -</u>		
Greenspace Services	YTD Budget	Actual YTD	% of YTD Budget	  <b>On Track</b>
Total Expenses	452	426	94%	
Total Revenue	426	425	100%	
Required Draws on Reserve	26	1	4%	
Net Revenue (Expenses)	<u>\$ -</u>	<u>\$ -</u>		


\*shown in '000s

# Service Area Overview

Planning & Development	YTD Budget	Actual YTD	% of YTD Budget	
Total Expenses	1,827	1,496	82%	<ul style="list-style-type: none"> <li>• Open position to be filled in Q3</li> </ul>
Total Revenue	1,827	1,519	83%	
Required Draws on Reserve	-	-		
Net Revenue (Expenses)	\$ -	\$ 23		
Water Risk Management	YTD Budget	Actual YTD	% of YTD Budget	
Total Expenses	1,656	1,162	70%	<ul style="list-style-type: none"> <li>• Water Restoration projects</li> </ul>
Total Revenue	1,656	1,095	66%	
Required Draws on Reserve	-	67		<ul style="list-style-type: none"> <li>• Timing variances</li> </ul>
Net Revenue (Expenses)	\$ -	\$ -		

\*shown in '000s

# Service Area Overview

Watershed Studies & Strategies	YTD Budget	Actual YTD	% of YTD Budget	 <b>On Track</b>
Total Expenses	1,008	997	99%	
Total Revenue	1,008	997	99%	
Required Draws on Reserve	-	-		
Net Revenue (Expenses)	\$ -	\$ -		

\*shown in '000s



# Key Capital Projects in 2019

Budgeted Projects	Project Value*	Forecasted Expenditures at Year End	Carryforward to 2020	Phase
<b>Restoration Projects</b>	\$1.6M		\$0.3M	
- Pangman Springs Wetland Restoration		\$0.4M		Complete
- East Holland Fish Barrier Removal		\$0.1M		Complete
- Cawthra Mulock Restoration		\$0.1M		In Progress
- Grassland Restoration Projects		\$0.1M		In Progress
- York Region Stormwater Management		\$0.4M		In Progress
- Upper Kidds Creek Restoration		\$0.2M		In Progress
<b>Offsetting Projects</b>	\$2.5M		\$2.1M	
- Luck Property Wetland Restoration		\$0.4M		Anticipated start in Q3
<b>Scanlon Ops Centre Renovation</b>	\$1.5M	\$1.0M	\$0.5M	In Progress
<b>Stormwater Management Economic Study</b>	\$1.0M	\$1.0M		In Progress
<b>Ecological &amp; Water Management Assistance</b>	\$0.4M	\$0.4M		In Progress
<b>Other Projects</b>	\$0.4M	\$0.4M		In Progress



# Key Assumptions for the 2019 Forecast at Q2

1. All municipal funding partners pay their full funding notices for 2019
2. Draws from the rate stabilization will cover deficits related to offsetting programs and the reduction in MNRF funding
3. Change of revenue recognition for Special Capital will eliminate most deferred revenue at year end
4. Any infrastructure gap identified in the asset management work will be addressed in the 2021 Budget



# Highlights for the 2019 Forecast at Q2

## Forecasted Appropriations to/(from) Rate Stabilization Reserve for 2019:

	<u>Budget</u>	<u>Forecast</u>
1. Draw for Offsetting operational expenditures	-	(350)
2. Change in Revenue Recognition of Special Capital Funds	-	275
3. Reduction in MNRF Transfer Payment	-	(64)
4. Operational Programming Deficit	-	(82)



# Forward Looking: Opportunities and Risks

- 1) Impact of Bill 108
- 2) Timing of LSPOP Revenue
- 3) Status of Source Water Protection and Section 39  
Natural Hazard Management funding for future years
- 4) Education programming in the Fall
- 5) Adequacy of Reserves in the short term



**Thank you!**

**Questions?**

