

# END OF OCTOBER FINANCIAL REPORTING

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**Lake Simcoe Region**  
conservation authority

# Overview of Presentation

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- High level summary of LSRCA's Financial status

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- Identify high level issues

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- Review forecast and discuss next steps

# Big Picture: End of October Financials

	YTD 2017 Budget	2017 Actuals	Variance	%
Revenue	\$13.0	\$11.0	(\$2.0)	-15%
Less: Expenditures & Adjustments	(\$13.6)	(\$11.1)	(2.5)	-19%
Board Approved Reserve Draw	\$0.6	\$0.0	0.6	0%
Surplus/(Deficit)	(\$0.0)	(\$0.1)	(\$0.1)	

## Key Points:

- 1) Board Approval Reserve Draws are done at year end, as required
- 2) Year to date, the LSRCA is on track with \$64K deficit (0.4%)
- 3) Planning and Regulation fee revenue is above budget assumptions
- 4) Capital projects deferred into 2018:
  - a) Watershed Planning & Urban Restoration Program (\$0.5M)
  - b) Scanlon Creek Operations Building Project (\$0.6M)
  - c) Ghost Canal project (\$0.5M)

\* Revenues are only recognized when there are expenditures.

# High Level Issues



- Strategic plan priority actions continue, update coming to the Board in 2018
- Programs and financials are being transitioned to the Harmonized programs for 2018
- Planning underway for LSPOP and ECA programs that commence in 2018

# Progress on 2017 Outcomes



- 11 Low Impact Development pilots completed:
  - Stormwater volume reduction
  - Phosphorous reduction
- Education programs expanded
- Introduced salt reduction strategy
- Ecological Offset program
- 20 Provincial and Federal Grants received, enabling \$1.67 Million in work to be completed

# Segmented Financials: What's Happening

Science & Research	YTD Budget	YTD Actuals	Variance
Revenue	\$3.7	\$3.0	\$0.7
Board approved draw	\$0.1	\$0.0	\$0.1
Less: Expenditures	\$3.8	\$3.0	\$0.8
Surplus/(Deficit)	\$0.0	(\$0.0)	\$0.0

## Key Points:

Deficit position: (\$33K):

- unbudgeted equipment and repair costs
- staffing costs for a Natural Heritage Mapping position.
- Timing variances of capital projects

Protection & Restoration	YTD Budget	YTD Actuals	Variance
Revenue	\$5.4	\$4.7	\$0.7
Board approved draw	\$0.2	\$0.0	\$0.2
Less: Expenditures	\$5.6	\$4.7	\$0.9
Surplus/(Deficit)	\$0.0	\$0.0	\$0.0

## Key Points:

Surplus position: \$31K,

- 2017 fee increases are having a positive impact on finances
- Ghost Canal project has commenced

# Segmented Financials: What's Happening

Education & Engagement	YTD Budget	YTD Actuals	Variance
Revenue	\$1.0	\$1.0	\$0.0
Board approved draw	\$0.1	\$0.0	\$0.1
Less: Expenditures	\$1.1	\$1.0	\$0.1
Surplus/(Deficit)	\$0.0	(\$0.0)	\$0.0

## Key Points:

Deficit position: (\$35K)

- Enhanced communication staff for Source Water Protection
- Signage for head office
- Staff gapping savings
- Donations and fees for service are above budget

Leadership & Support	YTD Budget	YTD Actuals	Variance
Revenue	\$3.0	\$2.3	\$0.7
Board approved draw	\$0.3	\$0.0	\$0.3
Less: Expenditures	\$3.3	\$2.3	\$1.0
Surplus/(Deficit)	\$0.0	\$0.0	\$0.0

## Key Points:

Deficit position: (\$27K)

- Purchase of the tractor contributes to current deficit position
- Offset by surplus in operations for interest earned on investments & property rental fees.

# 2017 Forecast for LSRCA

2017 Forecasted Surplus/(Deficit)	2017 Budget	2017 Forecast	Variance
Science & Research	(\$0.1)	(\$0.1)	\$0.0
Protection & Restoration	(\$0.2)	\$0.0	\$0.2
Education & Engagement	(\$0.1)	(\$0.0)	\$0.1
Leadership & Support	<u>(\$0.3)</u>	<u>(\$0.2)</u>	<u>\$0.1</u>
Net before reserve draws*	(\$0.7)	(\$0.3)	\$0.4
Board Approved Reserve Draw (Net)	<u>\$0.7</u>	<u>\$0.3</u>	<u>\$0.4</u>
Surplus (Deficit)	\$0.0	\$0.0	\$0.0

\* Totals have been rounded

## Key Points:

- Additional fee revenue from planning and regulation is forecasted to be \$0.2M net above the budget assumptions
- Ecological offsetting payment of \$0.2M will be recognized in 2017
- Additional revenue will reduce the need to draw from reserves by \$0.4M
- 2018 Budget has been updated to include revised revenue assumptions



# Recommendations and Next Steps

- Finance and program staff continue to monitor financial position leading into year end
- Action plan for 2016-2020 Strategic Plan is being developed; will be presented to the Board in 2018
- 2018 Budget assumptions have been updated
- Outcome measures and performance metrics are under development
- Reserve adequacy will be reviewed in 2018



Questions?