

2022 Q3 Financial Update and Forecast

Board of Directors

November 25, 2022

Mark Critch, CPA, CMA,

GM, Corporate and Fin. Services/CFO



Lake Simcoe Region
conservation authority



Member of Conservation Ontario

Presentation Outline

1. Executive Summary
2. Year to Date Third Quarter Highlights
3. Progress on Capital Investments in 2022
4. Assumptions for 2022 Forecast
5. Highlights for the 2022 Forecast at September
6. Summary of Financial Condition - Reserves
7. Next Steps: Opportunities and Risks
8. Questions

Executive Summary

1. Operational deficit on September 30th (\$13)K.
2. Progressing well on 12 Annual Priorities for 2022.
3. Forecasting a surplus for year end – up about 100K over Q2 forecast.
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.



3rd Quarter Highlights

Service Area	Surplus/ (Deficit)	Drivers
Greenspace Services	(130)K	Expenditures related to property taxes. Staff continue to work with external sources to minimize property tax liability.
Planning & Development	127K	Variances in open positions, new fees and year-to-date applications down
Total	(\$13)K	Overall Operational (Deficit) at September 30; Less than 0.1% of the \$15.8M Operating budget

Progress on Capital Investments in 2022

2022 Capital Investments	Project Value	Expenditures at September 30,2022	Status
Offsetting Projects	\$1.8M	\$0.1M	4 projects in progress – 1 complete
Stormwater	\$1.4M	\$1.0M	5 projects in progress – 1 complete
Infrastructure Hazard	\$0.7M	\$0.1M	2 projects in progress
LID & Monitoring	\$0.4M	\$0.2M	6 projects In progress
Shoreline Hazard & Flood Risk	\$0.4M	\$0.2M	1 project In progress – 1 complete
Other	\$0.8M	\$0.6M	7 projects in progress – 3 complete
Education Facility Design & Build	\$0.8M	\$0.1M	Awaited funding, now in progress
Infrastructure & Furniture	\$0.5M	\$0.1M	In progress
Equipment & Vehicles	\$0.3M	\$0.1M	In progress
Hardware	\$0.1M	\$0.0M	In progress
Total	\$7.1M	\$1.7M	



Assumptions for the 2022 Forecast

1. Forecast built prior to announcement of Bill 23 legislation; impact to be determined
2. Reviewed the volume of Permit and Development applications vs new assumptions (updated fees).
3. Staff are monitoring some key trends:
 - Interest rates, impact on revenue
 - Legal Fees
 - Education revenue
4. Projecting an operational surplus position of \$35K for year end.



Highlights from the 2022 Forecast at Q2

Forecasted Appropriations to/(from) Reserves for 2022	Budget	Forecast
1. Operational Programming Surplus	-	35
2. 2022 Budgeted Reserve Draws	(1,031)	(615)
3. 2022 Budgeted Reserve Contributions	963	1,066
4. Transfer Surplus from Operational Offsetting - Restoration & Corporate	-	650
5. Unbudgeted Reserve Transfers related to funds received with specific designations		25
Total Forecasted Reserve Activity	(68)	1,161

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	402	1,137
Working Capital	460	(50)	410
Rate Stabilization	2,309	798	3,107
Restricted	34	11	45
Grand Total	3,538	1,161	4,699



Next Steps – Opportunities & Risk

1. Key trends from forecast have been used to inform the 2023 Operational Budget.
2. Uncertainty of what the impact of Bill 23 will play on operational processes and budget
3. Updated Asset Management Financial Report is under development
4. Reserve Policy update will be brought to the Board for review and endorsement
5. Results of the external procurement audit will impact 2023 Budget and actuals



Questions?