

2023 Q3 Financial Update and Forecast

Board of Directors

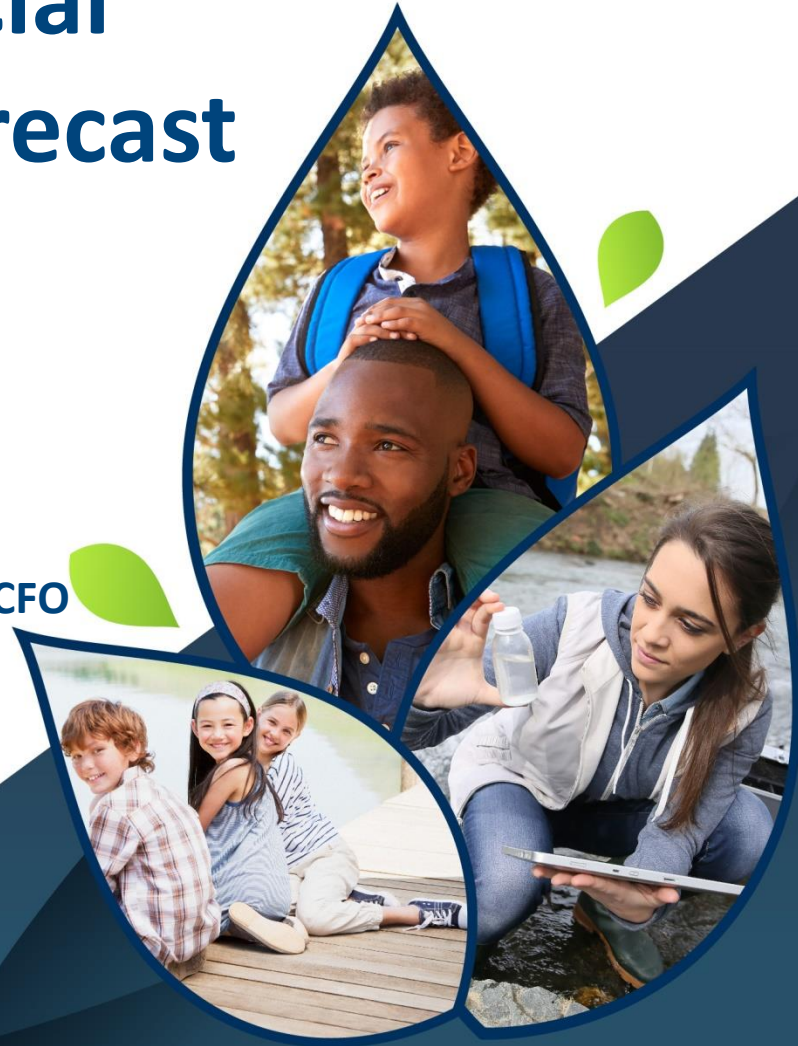
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General Manager

Corporate and Financial 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 Projects and Capital Investments
4. Highlights for the 2023 Forecast at September
5. Next Steps: Opportunities and Risks
6. Re-cap: Presentation Summary
7. Questions



Executive Summary

1. Operational surplus on September 30th is \$545K.
2. Progressing well on Annual Priorities for 2023.
3. Forecasting a surplus for year end
4. Projects are progressing well and are within budget, many will carry over into 2024
5. Reserve contributions expected to be in line with budget, draws are under budget.



Third Quarter Highlights

Service Area	Surplus/ (Deficit)	Drivers
Corporate Services	440K	Open FTE positions, lower operational expenses in training, utilities and leases; higher interest
Education & Engagement	100K	Increase in revenue for school programming and salary gapping
Greenspace Services	9K	Small surplus on a Fee for Service project
Planning & Development	(21)K	Shortfall in Planning fees due to Bill 23, Bill 109 (causing industry delays) and economic drivers, offset with salary gapping
Water Risk Management	18K	Operational savings on maintenance on transferred asset
Watershed Studies and Strategies	<u>(1)K</u>	Programs and projects are on track
Total	\$545K	Overall Operational Surplus at September 30; Less than 2.8% of \$19.8M Operating budget



2023 Projects

2023 Projects	Total Project Value	Expenditures at September 30,2023
Offsetting Projects	\$2.3M	\$0.1M
Mouth of Western Creek Restoration	\$1.2M	\$0.0M
Stormwater Projects	\$0.8M	\$0.2M
Other Projects	\$0.8M	\$0.4M
Restoration	\$0.4M	\$0.0M
Lake Simcoe Conservation Preserve	\$0.3M	\$0.1M
Floodplain Mapping	\$0.2M	\$0.0M
Watershed Plan Modernization	\$0.2M	\$0.1M
Infrastructure Hazard Project	\$0.1M	\$0.0M
Greenspace Projects	<u>\$0.1M</u>	<u>\$0.1M</u>
Total	\$6.4M	\$1.0M

2023 Year End forecasted expenditures for Projects: \$4.5M



What's Happening in our Projects

1. Our progress is often determined by our partners (municipal and landowners) schedule and timelines
2. Projects aren't typically completed within the calendar year, with many funding agreements spanning into 2024
3. Accurately budgeting projects and in-year spending in the Offsetting Programs has been challenging, due to timing



2023 Capital Investments

2023 Capital Investments	Total Investment	Expenditures at September 30, 2023
Education Facility Design & Build	\$0.7M	\$0.0M
Infrastructure & Furniture	\$0.5M	\$0.3M
Equipment & Vehicles	<u>\$0.5M</u>	<u>\$0.3M</u>
Total	\$1.7M	\$0.6M

2023 Year End forecasted expenditures for Capital: \$1.6M



Items to Watch for at Year End

1. Treatment of deferred revenue at year-end; could lead to an increase in surplus position
2. Timing of confidential land matter; could reduce the surplus position prior to year end
3. Building the 2024 budget and reporting structure in accordance with the new *Conservation Authorities Act* guidelines.



Highlights of the Forecast - September

Forecasted Appropriations to/(from) Reserves for 2023	Budget	Forecast
1. Operational Programming Surplus	-	291
2. Transfer to Asset Management from Savings in Lease Payments		59
3. 2023 Budgeted Reserve Draws	(1,235)	(910)
4. 2023 Budgeted Reserve Contributions	1,326	1,326
5. Expense related to confidential land matter (required accounting entry, non-cash transaction)	-	(1,025)
Total Forecasted Reserve Activity	91	(259)

Next Steps – Opportunities & Risk

1. Staff have been monitoring key trends identified at Q2 and adjusted Q3 forecast as needed:
 - Savings in Operational expenses
 - Status of open FTE positions
 - Deferred revenue
 - Volume of Planning Applications
2. Key trends from forecast will be used to inform the 2024 Operational Budget, currently in progress.
3. 2024 Budget Timelines: Draft Budget-at-a-Glance in January, with Budget approval in March 2024



Re-cap: Presentation Summary

1. Surplus at Q3: \$545K, Year End projection: \$350K;
2. Reserve contributions are being made and reserve draws are under budget;
3. Projects and Capital spending are on-track but timelines extend into 2024;
4. Staff are watching for year-end entries related to deferred revenue and land matters.



Questions?