

2025 Q2 Financial Update and Forecast

Board of Directors

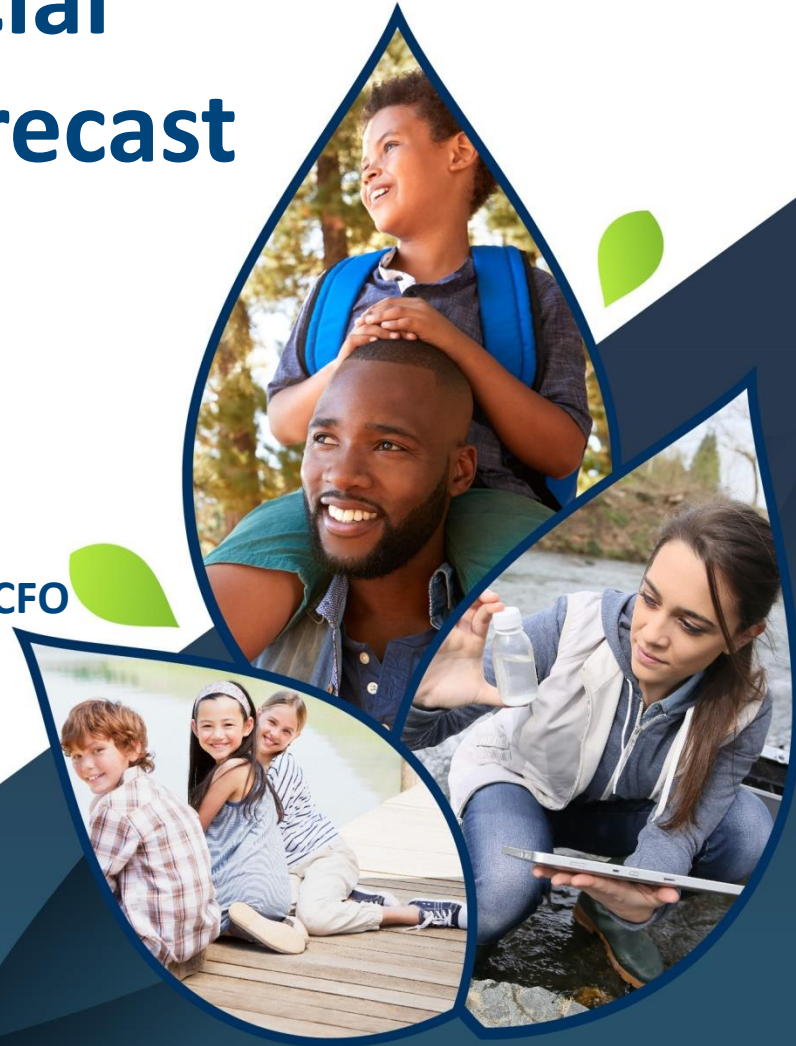
July 25, 2025

Mark Critch, CPA, CMA,
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 Second Quarter Highlights
3. Progress on Projects and Capital Investments
4. Highlights for the 2025 Forecast at June
5. Projected Reserve Activity in 2025
6. Next Steps: Opportunities and Risks
7. Questions



Executive Summary

1. Operational surplus on June 30th is \$308K.
2. Progressing well on Annual Priorities for 2025.
3. Forecasting a deficit for year end, staff monitoring application volumes and other fees/revenue, as well as spending on Capital and Annual Priorities
4. Projects are progressing well and are within budget. Some larger offsetting projects expected to be funded in Q4
5. Reserve activity expected to be in line with 2025 Budget.



Second Quarter Highlights

Service Area	Surplus/ (Deficit)	Drivers
Corporate Services	303K	Temporary gapping related to the timing of hiring Human Resources and Finance positions, open position in Communications due to a leave. Timing on engaging work for talent management.
Ecological Management	42K	Temporary Salary Gapping – timing of project work on MECP and Stormwater agreements that closed in Q1/Q2.
Education and Engagement	10K	School programming revenues up slightly over the year-to-date budget
Greenspace Services	(20K)	Overage in costs associated with land initiatives related to the Authority's land acquisition and disposition strategy
Planning and Development Services	(46K)	Volume of applications are down which affects revenue, offset with deferral of expense until review at Q3.
Water Risk Management	(28K)	Impact of the fees changes in the Offsetting Policy – review at Q3 will determine need for reserve draw.
Watershed Studies and Strategies	47K	Salary Gapping related to timing on hiring an open position and some consulting work that is expected to materialize in Q3/Q4
Total	\$ 308K	Overall Operational Surplus at June 30; 1.95% of \$15.8M Operating budget



2025 Projects – A Progress Update

2025 Projects	Total Project Value	Expenditures at June 30,2025
Offsetting Projects	\$3.9M	\$0.5M
Simcoe Hydrology and Coefficient Monitoring	0.7M	0.3M
Restoration Projects	0.4M	0.2M
Climate Change Studies	0.3M	0.2M
Stormwater Management Inspection and Maintenance	0.3M	0.2M
Landcover Update	0.2M	0.1M
Watershed Plan Modernization	0.2M	0.0M
Urban Forest Study Projects	0.1M	0.0M
Infrastructure Hazard Projects	0.1M	0.0M
Other Projects	<u>0.2M</u>	<u>0.1M</u>
Total	\$6.4M	\$1.6M

What's Happening in our Projects

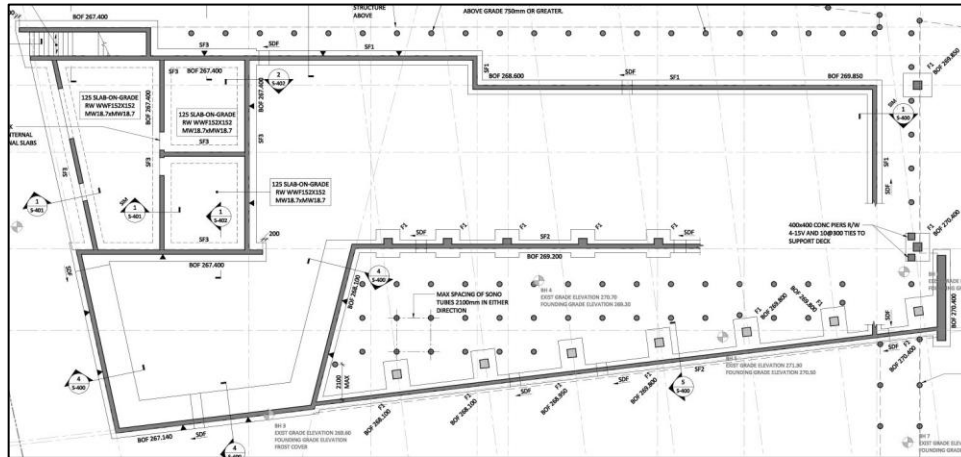
1. Progress is often determined by our partners (municipal & landowners) schedule and timelines
2. Seasonality – most progress in the summer and fall months
3. Projects aren't typically completed within the calendar year, with many funding agreements spanning into 2026



2025 Capital Investments

2025 Capital Investments	Total Investment	Expenditures at June 30, 2025
Scanlon Creek Nature Centre	\$8.1M	\$2.0M
Lake Simcoe Preserve	0.2M	0.0M
Infrastructure and Building	0.7M	0.0M
Machinery and Equipment	<u>0.1M</u>	<u>0.1M</u>
Total	\$9.1M	\$2.1M

Scanlon Creek Nature Centre Progress Update



Large Classroom Teacher's Room Classrooms



Meeting Room Washrooms Exterior Deck Footprint

Progressing on track for:

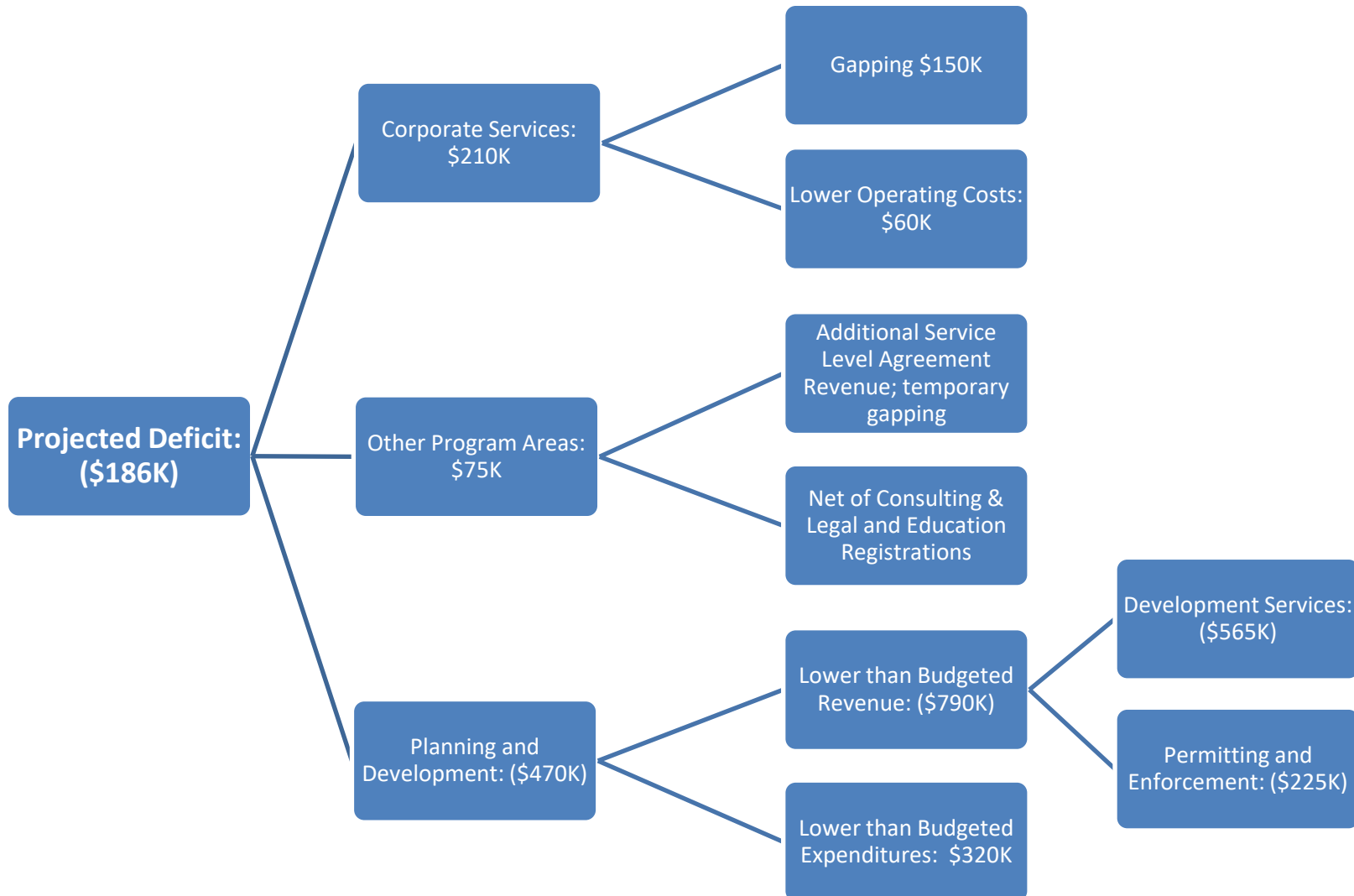
- Occupancy in April/May
- School Programming in September 2026

Spending to June: \$2.0M

Funding Sources:

- Federal Funding(60%): \$1.2M
- Donations through the Foundation: \$0.8M

Highlights of the Forecast for Year End



Forecasted Reserve Activity for 2025

Forecasted Appropriations to/(from) Reserves for 2025	Budget	Forecast
1. 2025 Budgeted Reserve Draws	(1,275K)	(1,218K)
2. 2025 Budgeted Reserve Contributions	1,255K	1,127K
3. Impact of the transfer of priority properties	-	TBD
Total Forecasted Reserve Activity	(\$20K)	(\$91)

Next Steps – Opportunities & Risks

1. Staff to monitor Planning and Development Volumes
2. Impact of Acquired/Disposed Land in 2025
3. Nature Centre construction project timelines and costs(currently on track)
4. Preliminary 2026 Budget submissions will be sent out to our municipal partners in August
5. Staff will incorporate Q2 and Q3 trends into the 2026 Operating Budget



Questions?