

Grand River Conservation Authority

Report number: GM-12-21-98

Date: December 17, 2021

To: Members of the Grand River Conservation Authority

Subject: Financial Summary for the Period Ending November 30, 2021

Recommendation:

THAT the Financial Summary for the period ending November 30, 2021 be approved;

AND THAT \$100,000 be transferred to the Personnel reserve;

AND THAT \$100,000 be transferred to the Forestry reserve.

Summary:

The Financial Summary includes the 2021 *actual* year-to-date income and expenditures. The budget approved at the February 26, 2021 General Meeting is included in the *Budget* column. The *Current Forecast* column indicates an estimate of income and expenditures for the whole year. At this time a surplus of \$709,000 at year-end is forecast.

Report:

A. Government Funding decreased by \$629,000.

- Federal funding decreased by \$220,000 for funding related to work to be carried over to 2022 on two NDMP projects.
- Provincial funding decreased by \$270,000 related to deferred work on floodplain mapping special projects.
- Municipal funding from Wellington County for RWQP grants to landowners decreased by \$175,000 due to reduced activity.
- Provincial funding increased by \$14,000 due to Bill 284 – Putting Workers First Act, allowing paid sick time for COVID related reasons for students who would otherwise not have received sick benefits.
- Federal funding increased by \$22,000 due to grants for conservation area student wages.

B. Self-Generated Revenue decreased by \$65,000

- Permit fee revenue increased by \$40,000 and solicitor enquiry fee revenue increased by \$10,000 due to increased demand.
- Burford Nursery revenue (tree sales) increased by \$60,000 due to increased fall tree planting activity.
- Landowner Contributions Revenue decreased by \$20,000 due to less activity.
- Outdoor Education revenue decreased by \$140,000 due to program delivery impacted by COVID and delays in contract negotiations.
- Property Rental agricultural income decreased by \$25,000 due to a reduction in the number of active contracts.

- Foundation funding increased by \$10,000 for conservation area library membership cards.

C. Operating Expenditures decreased by \$590,000

- Water Resources Planning and Environment administration expenses decreased by \$50,000 as a result of reduced travel and staff development spending.
- Resource Planning compensation and benefits expenses decreased by \$60,000 due to staff vacancies.
- Forestry Program expenses decreased by \$120,000 due to decreases of \$75,000 in tree planting program related expenses, \$5,000 in administration expenses, \$15,000 in property taxes, and \$25,000 in compensation and benefit expenses.
- Conservation Services compensation and benefit expenditures decreased by \$30,000 due to special project wage reallocation.
- Communications compensation and benefit expenses decreased by \$25,000 due to staff vacancy.
- Environmental Education compensation and benefit expenses decreased by \$40,000 and school program operating expenditures decreased by \$20,000 due to reduction in program delivery impacted by COVID.
- Corporate Services operational expenditures decreased by \$90,000 due to a reduction in costs related to office equipment maintenance, labour relations and administration (board meetings).
- Property Rental program expenses increased by \$95,000; the result of a \$70,000 increase for residential rental property demolitions and a \$25,000 increase in property taxes.
- Conservation Area expenses decreased by \$250,000 due to revised estimates related to student wages, utilities, and building and roads maintenance costs.

D. Special Project Expenses decreased by \$885,000

- Flood Forecasting and Warning Special Project expenditures decreased by \$710,000 due to deferred spending of \$440,000 related to NDMP floodplain mapping projects and \$270,000 related to other floodplain mapping expenditures. Spending is expected to occur in 2022.
- Conservation Services Rural Water Quality Program expenditures decreased by \$175,000 as a result of the impact of COVID on program delivery. Expenditures are comparable to 2020 expenses.

E. Transfers from Reserve decreased by \$150,000

- Transfer from Land Sale Proceeds Reserve decreased by \$150,000; made up of \$70,000 to fund increased demolition expenses and \$220,000 reduced funding from reserve related to deferred spending for floodplain mapping projects.

F. Transfers to Reserves increased by \$526,000

- Transfer to Personnel Reserve increased by \$100,000 related to surplus resource planning revenue generated.
- Transfer to the Forestry Reserve increased by \$100,000 related to current forecast surplus for the forestry program.

- Transfer to Watershed Restoration Reserve increased by \$30,000 due to special project funding for compensation and benefits.
- Transfer to Conservation Area Reserve increased by \$296,000 as a result of increased funding and reduction in expenditures.

Recommended Reserve Transfers:

- Transfer \$100,000 to Personnel reserve

Resource planning revenue exceeded budget in 2021 and continued strong revenue is budgeted for the future. The staffing complement is also being increased. If revenue targets are not met, the personnel reserve could be accessed to offset the increased staffing costs. Accessing the personnel reserve in the future for this purpose would be subject to board approval.

- Transfer \$100,000 to Forestry reserve

The private land tree planting program realized cost savings in 2021 and it is recommended that these savings be set aside specifically for the forestry program to help fund forestry operations in the future that might otherwise not be covered under the new regulations.

The Financial Summary is attached.

Financial Implications:

The financial summary outlines a forecast net surplus of \$709,000 at December 31, 2021.

Other Department Considerations:

The management committee and appropriate supervisory staff receive monthly financial reports and advise the finance department of applicable forecast adjustments.

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Secretary-Treasurer/Deputy CAO

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