

Grand River Conservation Authority

Report number: GM-12-23-102

Date: December 15, 2023

To: Members of the Grand River Conservation Authority

Subject: Financial Summary for the Period Ending November 30, 2023

Recommendation:

THAT the Financial Summary for the period ending November 30, 2023 be approved.

Summary:

The Financial Statements include the 2023 *actual* year-to-date income and expenditures. The budget approved at the February 24, 2023 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 net surplus of \$929,000 at year-end is anticipated.

Report:

The Financial Statements for the period ending November 30, 2023 are attached.

- A. Municipal Funding decreased by \$40,000
 - Municipal funding for Conservation Services program related to RWQP grants to landowners decreased by \$40,000 due to reduced activity.
- B. Provincial Funding decreased by \$420,000
 - Provincial funding for Water Control Structures program decreased by \$400,000 due to timing of expected expenditures related to Water and Erosion Control Infrastructure (WECI) projects.
 - Provincial funding for Conservation Services program decreased by \$20,000 due no Upper Grand restoration Rural Water Quality Program (RWQP) projects in 2023, funding will remain in deferred revenue.
- C. Self-Generated Revenue net impact - nil
 - Donation income for Forestry program decreased by \$50,000 due to a reduction in ecological restoration special project expenditures.
 - Hydro production revenue increased by \$50,000.
- D. Operating Expenses decreased by \$200,000
 - Water Control Structures expenses increased by \$10,000, comprised of compensation and benefits expense decrease of \$70,000 due to vacancy savings and consulting expense increase of \$80,000 related to preparing a water control structures asset management plan.
 - Resource Planning expenses decreased by \$130,000, comprised of compensation and benefits decrease of \$150,000 due to vacancy savings and consulting expenses increase of \$20,000.
 - Conservation Lands property taxes increased by \$25,000 due in part to additional properties incorporated into this program area (namely, certain vacant residential rental properties).
 - Conservation Services expenses decreased by \$70,000, comprised of compensation and benefits decrease of \$30,000 due to reallocation of wages to special projects,

administration expenses decrease of \$20,000 due to savings as a result of reduced travel expenditures, and other operating expenditures decrease of \$20,000 due to inactivity in RWQP Upper Grand restoration projects.

- Communications expenses decreased by \$85,000, comprised of compensation and benefits decrease of \$65,000 due to vacancy savings, administration expenses decrease of \$10,000 due to savings as a result of reduced travel expenditures, and other operating expenditures decrease of \$10,000 due to a reduction in exhibits and tours.
- Corporate Services administration expenses decreased by \$50,000 due to a reduction in travel, board meeting, and telephone related expenditures.
- Property Rentals compensation and benefits decreased by \$100,000 due to vacancy savings.
- Conservation Area expenses increased by \$200,000, comprised of compensation and benefits increase of \$100,000 and other operating expenses increase of \$100,000 due to increased park attendance creating additional expenses.

E. Capital Expenses decreased by \$950,000

- WECl project expenditures decreased by \$800,000 due to timing of expected work completion.
- Motor Pool capital expenditures decreased by \$150,000 due to delivery delays. Purchases will be deferred and included in the 2024 budget.

F. Special Project Expenses decreased by \$90,000

- Forestry special project expenditures decreased by \$50,000 related to ecological restoration projects.
- Conservation Services RWQP expenditures decreased by \$40,000 as a result of the timing in distribution of grants to landowners.

G. Funding from Reserves decreased by \$235,000

- Funding from the Water Management operating reserve decreased by \$115,000 due to engineering staff vacancy savings of \$70,000 in Water Control Structures and \$45,000 in Resource Planning.
- Funding from Land Sale Proceeds reserve increased by \$80,000 to fund work on a Water Control Structures asset management plan.
- Funding from Water Control Structures reserve decreased by \$50,000 due to a reduction in spending on WECl projects.
- Funding from Motor Pool Reserve decreased by \$150,000 due to deferral of capital expenditures.

H. Funding to Reserves increased by \$230,000

- Transfer to Water Control Structures Reserve increased by \$350,000 due to timing of spending on WECl projects. These funds will be utilized for project completion before March 31, 2024.
- Transfer to Watershed Restoration Reserve increased by \$30,000 due to savings realized due to special project funding.
- Transfer to the General Capital reserve increased by \$50,000 due to surplus hydro revenue.
- Funding to Conservation Area Reserve decreased by \$200,000 due to increased forecast expenditures.

Financial Implications:

The activity summarized will result in a \$929,000 surplus as at December 31, 2023.

Other Department Considerations:

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

Prepared by:

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Approved by:

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