

Section III – Items for the Information of the Board

TO: Chair and Members of the Executive Committee
Friday, June 10, 2022 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **2022 THREE MONTH FINANCIAL REPORT**
Receipt of Unaudited Expenditures (January 1, 2022 to March 31, 2022)

KEY ISSUE

Receipt of Toronto and Region Conservation Authority's (TRCA) unaudited expenditures as of the end of the first quarter, March 31st, 2022, for informational purposes.

RECOMMENDATION

IT IS RECOMMENDED THAT the 2022 Financial Report for the three-month period ending March 31, 2022, be received.

BACKGROUND

As part of TRCA's financial governance procedures, staff are presenting the 2021 Three Month Financial Report, which covers the period from January 1, 2022, through to March 31, 2022. This report provides information on the spend rate of expenditures for the first three months of 2022.

RATIONALE

TRCA believes in transparency and accountability for its spending, revenue recognition and performance of service delivery objectives against approved budgets, for both the organization and for each project and program as an individual endeavor. This is further supported by TRCA's core values of integrity, collaboration, accountability, respect, and excellence. TRCA recognizes that all projects and programs offered have cost implications and that all costs incurred are reasonable and practical in support of services. Transparency throughout the budget management process is achieved in part through the analysis and reporting on year-to-date revenues/expenses as compared to the current fiscal year budget. To improve the accuracy in reporting anticipated issues in expenditures, TRCA established a seasonal forecasting baseline using historical data from the past three years to estimate the seasonal variances within each program area.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategy set forth in the TRCA 2013-2022 Strategic Plan:
Strategy 9 – Measure performance

FINANCIAL DETAILS

The capital and operating report by Service Area and underlying Program Areas are provided in **Attachments 1 and 2** respectively. The attachments provide a summary analysis of expenditures to date and the variance explanations by Program Area which have a variance threshold of +/- 10% and \$500,000 from anticipated quarterly spend rates. Variances within these thresholds are deemed to be within the expected range. The capital report contains eight (8) reportable variances for the three-month period, whereas the operating report contains one (1) reportable variance. **Attachment 3** provides explanations for each reportable variance.

Item 9.1

DETAILS OF WORK TO BE DONE

As TRCA's financial governance procedures and systems continue to evolve over time, internal processes for in-year billing from vendors, invoicing of customers and recognition of deferred revenue/internal recoveries will become a greater area of focus for the organization.

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Date: June 10, 2022

Attachments: 3

Attachment 1: Capital Budget Expenditures

Attachment 2: Operating Budget Expenditures

Attachment 3: Variance Explanations