

Section III – Items for the Information of the Board

TO: Chair and Members of the Board of Directors
Friday, May 26, 2023 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **2023 THREE MONTH FINANCIAL REPORT**
Receipt of Unaudited Expenditures (January 1, 2023, to March 31, 2023)

KEY ISSUE

Receipt of Toronto and Region Conservation Authority's (TRCA) unaudited expenditures as of the end of the first quarter, March 31st, 2023, for informational purposes.

RECOMMENDATION:

IT IS RECOMMENDED THAT the 2023 Financial Report for the three-month period ending March 31, 2023, 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, 2023, through to March 31, 2023. This report provides information on the spend rate of expenditures for the first three months of 2023.

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 TRCA's 2022-2034 Strategic Plan

This report supports the following Pillar and Outcome set forth in TRCA's 2023-2034 Strategic Plan:

Pillar 4 Service Excellence:

4.4 Transparent decision making and accountable results

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 two (2) reportable variance. **Attachment 3** provides explanations for each reportable variance.

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.

Report prepared by: Jenifer Moravek

Email: jenifer.moravek@trca.ca

For Information contact: Michael Tolensky, (437) 880-2278

Email: michael.tolensky@trca.ca

Date: May 5, 2023

Attachments: 3

Attachment 1: 2023 Three Month Financial Report – Capital Expenditures

Attachment 2: 2023 Three Month Financial Report – Operating Expenditures

Attachment 3: 2023 Three Month Financial Report – Variance Explanations