

## Section III – Items for the Information of the Board

**TO:** Chair and Members of the Executive Committee  
Friday, September 8, 2023 Meeting

**FROM:** Michael Tolensky, Chief Financial and Operating Officer

**RE:** **2023 SIX MONTH FINANCIAL REPORT**

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### **KEY ISSUE**

Receipt of Toronto and Region Conservation Authority's (TRCA) unaudited expenditures as of the end of the second quarter, June 30<sup>th</sup>, 2023, for informational purposes.

### **RECOMMENDATION:**

**IT IS RECOMMENDED THAT the 2022 Financial Report for the six-month period ending June 30, 2023, be received.**

### **BACKGROUND**

As part of TRCA's financial governance procedures, staff are presenting the 2023 Six Month Financial Report, which covers the period from January 1, 2023, through to June 30, 2023. This report provides information on the spend rate of expenditures for the first six 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 2023-2034 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 fourteen (14) reportable variances for the six-month period, whereas the operating report contains three (3) reportable variances. 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.

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**Date: September 8, 2023**

**Attachments: 3**

Attachment 1: Six Month Financial Report - Capital

Attachment 2: Six Month Financial Report - Operating

Attachment 3: Six Month Financial Report – Variance Explanations