

Attachment 5: 2023 TRCA Variance Explanations

2023 Year End Financial Report – Variance Explanations

CAPITAL REPORTABLE VARIANCE NOTES	
A	The lower than anticipated expenditures are related to City of Toronto Waterfront Consultation staff gapping and deferred initiatives with City of Toronto staff. Once this is taken into account, the variance is \$48k and 3%, which is within the acceptable threshold.
B	The lower than anticipated expenditures are primarily attributed to the Toronto and Markham Stormwater Management Fee for Service Programs. In both cases, the bulk of the implementation work was completed by the end of Q4 as per the agreements. The remaining funds are being carried forward to be used for warranty work in 2024 and 2025. Should warranty work not be required, the agreement will be amended to include additional scope targeting priority partner Stormwater work. The York Stormwater Management capital account also contributed with a carry forward into 2024 to complete the guidebook and undertake additional hydrometrics for future York Region works. Once these are taken into account, the variance is \$441k and 8% which is within the acceptable threshold.
C	The lower than anticipated expenditures are related to delays in initiation of work at Lakeland Drive and other projects under the Valley Erosion Hazard Portfolio requiring agreement with private land owners. There have also been some delays as we look into construction delivery and build capacity to tender out larger dollar value contracts. Once these are taken into account, the variance is \$5.5M and 8% which is within the acceptable threshold.
D	The lower than anticipated expenditures are related to the Flood Hazard Identification and Mapping Program (FHIMP) jurisdictional spills project that was declined due to staff capacity to support the project. Once this is taken into account, the variance is \$277k and 7% which is within the acceptable threshold.
E	The lower than anticipated expenditures are related to the Seaton Development Monitoring project which had a new development schedule and deferred delivery of original deliverables out through 2030 including reporting and analyse. Aquatic, terrestrial, and groundwater deliverables have all been undertaken as planned in 2023. Once this is taken into account, the variance is \$179k and 6%, which is within the acceptable threshold.

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F	<p>The higher than anticipated expenditures are primarily related to expanded scope as a result successful grant applications for the Brock North Wetland Project, and also the King City Restoration Project. These projects received funding from Environment and Climate Change Canada, and Parks, and Natural Resources Canada. Additionally, two Fee for Services projects expanded scope for 2023 and into 2024 including the Rouge Urban National Park Restoration partnership to meet the requirements of the 2Billion Tree planting program, and also a new partnership with City of Toronto to undertake the Centennial Park Restoration Project. Once these are taken into account, the variance is \$201k and 7% which is within the acceptable threshold.</p>
G	<p>The lower than anticipated expenditures are related to engineering delays with Humber Bay Park East Pond Restoration Fee for Service Project with the City of Toronto. Shoreline engineering and foundation construction have again commenced, and substantial completion is anticipated by Q2 of 2024. The remaining bridge and planting and then commence and will be substantially completed by Q4 of 2024, and the scope and duration of the fee for service agreement with the City of Toronto will be updated to reflect further increases in scope. In addition the capital Toronto Waterfront Terrestrial and Aquatic Restoration project was carried forward into 2024 for the Long Pond project to match grant funding in that year. Once this is taken into account, the variance is \$1.6M and 6% which is within the acceptable threshold.</p>
H	<p>The lower than anticipated expenditures are related to transactions (limited distance agreement and easements) that are delayed and anticipated to occur in 2024. Once this is taken into account, the variance is \$170k and 6% which is within the acceptable threshold.</p>
I	<p>The lower than anticipated expenditures are related to workshop delays within the Albion Hill Master Plan implementation, which is anticipated to be occupied by Q1 2024. Once this is taken into account, the variance is \$918k and 9% which is within the acceptable threshold.</p>
J	<p>The lower than anticipated expenditures related to Scarborough Bluff West Environmental Assessment is due to timing of work associated with a multi-year delivery plan. Funds will carry over into 2024. Once this is taken into account, the variance is \$1.4M and 9% which is within the acceptable threshold.</p>

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K	The higher than anticipated expenditures are related to Bruce's Mill Canadian Community Revitalization Fund (CCRF) that was deferred from 2022 and completed in Q2 of 2023. Once this is taken into account, the variance is \$19k and 10% which is within the acceptable threshold.
L	The lower than anticipated expenditures are related to savings in scope with Macleod Estate Trail and Claireville North trail work (Queen Street Parking Lot) being delayed until 2024. Once these are taken into account, the variance is \$576k and 9% which is within the acceptable threshold.
M	The lower than anticipated expenditures are related to the site entrance improvements at Bolton Camp which was tendered in Q3 2023 with substantial completion anticipated in Q2 of 2024. Once this is taken into account, the variance is \$509k and 8% which is within the acceptable threshold.
N	The lower than anticipated expenditures are related to projects within Partners in Project Green (PPG), SNAP and Community Transformation. PPG was successful in obtaining an NRCan grant for the Futureproof your Fleet program which deferred other projects such as light duty fleet programs to 2024. Additionally initiatives within the Floatables Strategy were initiated in 2023 with substantial completion anticipated by Q3 of 2024. SNAP had delays in a channel restoration project in Brampton deferred to Q3 2024 along with staff gapping. Once these are taken into account, the variance is \$537k and 8% which is within the acceptable threshold.
O	The lower than anticipated expenditures are related to delays with the Morningside Legacy project, detailed design and stakeholder consultation continues with construction delayed until Q3 of 2024. Once these are taken into account, the variance is \$327K and 8% which is within the acceptable threshold.
P	The lower than anticipated expenditures are related to the new Administrative Office construction delays. As a result, payment cashflow timelines have shifted. Additionally, Asset Management delays related to road surface improvements and asphaltting at Indian Line that have been delayed until Q2 2024. Once these are taken into account, the variance is \$1.3M and 6% which is within the acceptable threshold.

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<p>Q</p>	<p>The lower than anticipated revenues are related to delays in initiation of work at Lakeland Drive and other projects under the Valley Erosion Hazard Portfolio as noted above in "B". There have also been some delays as we look into construction delivery and build capacity to tender out larger dollar value contracts. Once these are taken into account, the variance is \$5.6M and 8%, which is within the acceptable threshold.</p>
<p>R</p>	<p>The higher than anticipated revenues are primarily related to a compensation project; Annandale Golf Course Restoration that received unplanned revenue in 2023, and the additional grant funding received for the Brock North Wetland Project, noted above in "F". Work for Annandale is expected to commence in late 2024 and continue through 2025. In addition, three Fee for Services projects including Eglington Flats Valleylands Restoration, Centennial Park Restoration Project, and Rouge National Urban Park Ecological Restoration Project were developed and received funding in 2023. Once these are taken into account the variance is \$303k and 10% which is within the acceptable threshold.</p>
<p>S</p>	<p>The lower than anticipated revenues are related to the Fee for Service Humber Bay Park East Pond Restoration project in partnership with City of Toronto, noted above in "G". Engineering delays have pushed final bridge and boardwalk construction to Q3 of 2024. Upon completion, the final funds will be invoiced as per the agreement. Once this is taken into account, the variance is \$1.6M and 6%, which is within the acceptable threshold.</p>
<p>T</p>	<p>The lower than anticipated revenues are related to delays in disposition activities that will occur in Q4 as noted above in "H". Once this is taken into account, the variance is \$270k and 10%, which is within the acceptable threshold.</p>
<p>U</p>	<p>The lower than anticipated revenues are related to Albion Hills Master Plan delays noted above in "I". Once this is taken into account, the variance is \$918k and 9%, which is within the acceptable threshold.</p>
<p>V</p>	<p>The higher than anticipated revenue is related to Bruce's Mill CCRF noted above in "K". Once this is taken into account, the variance is \$19k and 10%, which is within the acceptable threshold.</p>
<p>W</p>	<p>The lower than anticipated revenues are related to the Bolton Camp project, noted above in "M", CCRF funding was anticipated in 2023 however has been deferred to Q1 2024 in line with grant eligibility. Once this is taken into account, the variance is \$513k and 8% which is within the acceptable threshold.</p>

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X	The lower than anticipated revenues are related to delays with Morningside Legacy project noted above in "O". Once this is taken into account, the variance is \$427k and 10%, which is within the acceptable threshold.
Y	The lower than anticipated revenues are related to the new Administrative Office noted above in "P". Once this is taken into account, the variance is \$1.3M and 6%, which is within the acceptable threshold.

OPERATING REPORTABLE VARIANCE NOTES

Z	The lower than anticipated expenditures are related to staff gapping in Environmental Assessment Planning and Permitting and lower than anticipated Metrolinx project submissions during 2023. Once these are taken into account, the variance is \$491k and 8%, which is within the acceptable threshold.
AA	The higher than anticipated expenditures are related to the Interim Head Office rent that was unbudgeted in 2023 that has been offset in 2023 year end. Once this is taken into account, the variance is \$439k and 10%, which is within the acceptable threshold.
BB	The higher than anticipated expenditures are due to more project recoveries related to capital projects that have occurred to date. Once this is taken into account, the variance is \$294k and 10%, which is within the acceptable threshold.
CC	The higher than anticipated expenditures are related to the timing of Vehicle and Equipment purchases for the organization which include many that were deferred from 2022 due to supply chain shortages. Approximately \$1.9M of vehicle and equipment expenditures are being offset by operating surplus in 2023 which was charged against the Vehicle Reserve which is now in a deficit of \$2M. Vehicle and Equipment recovery rates will be reviewed in Q1 2024 along with new spending plans to recover the deficit. Once this is taken into account, the variance is \$19k and 10%, which is within the acceptable threshold.
DD	The lower than anticipated revenues are related to lower project submissions for Metrolinx as noted above in "Z" as well as lower permit applications during 2023. Once these are taken into account, the variance is \$500k and 8%, which is within the acceptable threshold.

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EE	The lower than anticipated revenues are related to School Program smaller group sizes at Kortright, Albion Hills Field Centre, Claremont Nature Centre and Lake St. George Field Centre. Once this is taken into account, the variance is \$470k and 8%, which is within the acceptable threshold.
FF	The higher than anticipated revenues are driven by higher interest rates and cash balances, resulting in \$2.5M additional investment income over budget. Cash balances increased steadily through 2023 from monthly average of \$35M in January 2023 to an average of \$62M for December. Cash balance increased as a result of deferred revenues for capital projects. Once this is taken into account, the variance is \$368K and 10%, which is within the acceptable threshold.