

**Attachment 5: 2024 Nine Month Financial Report – Variance Explanations**

**CAPITAL REPORTABLE VARIANCE NOTES**

<b>A</b>	The lower than anticipated expenditures are related to the Toronto Storm Water Management (SWM) Ponds Maintenance and Retrofits program. The final agreement is with the City of Toronto and is anticipated to be signed in Q4. The City would like TRCA to commence mobilization and dewatering for three (3) SWM ponds in 2025, however, the bulk of the work will begin and be completed in 2025. Once these works are taken into account, the variance is \$258K and 8% which is within the acceptable threshold.
<b>B</b>	The lower than anticipated expenditures are related to Flood Remedial Works in Peel, and it is primarily due to the current labour market for engineering staff and Engineering Services ability to fill the current complement. Due to this shortage in staff resources, major studies have been deferred to 2025. Once this is taken into account, the variance is \$231K and 7% which is within the acceptable threshold.
<b>C</b>	The lower than anticipated expenditures are related to the Annandale Restoration Project which is in final design and planning. Site preparation and invasive treatment will start late in Q4 2024 with the bulk of the construction and planting scheduled for 2025 and 2026. In addition, the Etobicoke Centennial Park Toronto restoration project is currently in construction implementation, with a large volume of work continuing throughout 2025. Final completion is anticipated for Q2 of 2026. Once these works are taken into account, the variance is \$670K and 9% which is within the acceptable threshold.
<b>D</b>	The lower than anticipated expenditures are primarily related to three (3) projects; 1.Coastal Wetland compensation funds that are being used to match funding proposals for Duffin's Marsh and the Morningside Creek project. Both funding proposals were unsuccessful and the projects will not be proceeding until 2025. 2. The Humber Bay Park East Wetland Enhancement was delayed due to engineering changes and contractor delays. The City and TRCA have finalized a new workplan where substantial completion is anticipated by the end of Q2 2025. 3. Loafers Lake Restoration Project commenced in Q2 and substantial completion is expected by the end of Q4. Finally Rountree Mills Park is a fee for service project with the City of Toronto funded through NIF funding. The City received approval to move these funds to 2025 and work will start in Q2 of 2025. Once these works are taken into account, the variance is \$1.3M and 8% which is within the acceptable threshold.
<b>E</b>	The lower than anticipated expenditures are related to a pending property closing with Metrolinx, which is anticipated by the end of Q4. Once this is taken into account, the variance is \$470K and 9% which is within the acceptable threshold.
<b>F</b>	The lower than anticipated expenditures are related to delays in implementation for The Meadoway Section 3. Section 6 is now complete and Section 3 is underway and will continue throughout the end of 2025. Once these considerations are taken into account, the variance is \$208K and 8% which is within the acceptable threshold.
<b>G</b>	The lower than anticipated expenditures are related to the Scarborough Waterfront Project (Brimley Multi-Use Trail component), which has experienced delays due to additional design work requested by the City and extended timelines of permits and property related negotiations arising from changes requested by the City. Once these factors are taken into account, the variance is \$717K and 8% which is within the acceptable threshold.
<b>H</b>	The lower than anticipated expenditures are related to the South Mimico and Rouge Park Whitchurch-Stouffville trail projects. Both projects had delays with implementation with some elements now underway. Once these factors are taken into account, the variance is \$444K and 10% which is within the acceptable threshold.
<b>I</b>	The lower than anticipated expenditures are related to the Village south parking lot improvements which had delays in project mobilization and construction, substantial completion is anticipated during Q4. Once this is taken into account, the variance is \$65K and 7% which is within the acceptable threshold.
<b>J</b>	The lower than anticipated expenditures are related to the deferral of projects in 2023 (energy and GHG emissions savings in Peel building operations) as well as delays in the start up of 2024 projects (biofuel from woody debris), a shift in direction away from renewable diesel and sustainable aviation fuel due high LCA CO2e emissions. In addition, changes in staffing have delayed work with the SNAP's GHG calculator. Expenditures are expected to increase in Q4 2024 and Q1 2025. Once this is taken into account, the variance is \$442K and 9% which is within the acceptable threshold.

<b>K</b>	The lower than anticipated expenditures are related to vacant staff positions and the delay in issuance of external consulting contracts for the Tommy Thompson Visitor Experience Plan which was pending confirmation of funding, scope, and governance with the City of Toronto and subsequent Senior Project Manager recruitment process. Once this is taken into account, the variance is \$230K and 9% which is within the acceptable threshold.
<b>L</b>	The lower than anticipated expenditures are related to the New Administrative Head Office, as the construction period has been extended, with costs being drawn out over a longer period of time resulting in lower progress draws. The majority of costs will be processed by the end of Q4 with some carrying into Q1 of 2025. Once this is taken into account, the variance is \$1.4M and 9% which is within the acceptable threshold.
<b>M</b>	The lower than anticipated revenues are related to Annandale Restoration and ongoing site work at Etobicoke Centennial Park in Toronto, noted above in C. Once these are taken into account, the variance is \$760K and 8% which is within the acceptable threshold.
<b>N</b>	The lower than anticipated revenues are related to Coastal Wetland compensation projects, the Humber Bay Park East Wetland Enhancement, Rountree Mills Park and Loafers Lake Restoration noted above in D. Once these are taken into account, the variance is \$710K and 7% which is within the acceptable threshold.
<b>O</b>	The lower than anticipated revenues are related to delays in implementation for The Meadoway Section 3, noted above in F. Once this is taken into account, the variance is \$42K and 10% which is within the acceptable threshold.
<b>P</b>	The lower than anticipated revenues are related to a reduction in scope for Bruce's Mill Canda Community Revitalization Fund grant. Once this is taken into account, the variance is \$230K and 9% which is within the acceptable threshold.
<b>Q</b>	The lower than anticipated revenues are related to delays to The Village south parking lot improvements noted above in I. Once this is taken into account, the variance is \$86K and 7% which is within the acceptable threshold.
<b>R</b>	The higher than anticipated revenues are related to an unplanned grant from the Canada Community Revitalization Fund, a program operated by the Federal Economic Development Agency for Southern Ontario. The grant supported capital works including site preparation, architectural and electrical work, earthworks and removals, and landscaping relating to the expansion of the Bolton Camp entrance. Once this is taken into account, the variance is \$484K and 9% which is within the acceptable threshold.
<b>S</b>	The lower than anticipated revenues are related to delays within Community Transformations and Sustainable Neighbourhoods, noted in J above. Once this is taken into account, the variance is \$480K and 7% which is within the acceptable threshold.
<b>T</b>	The revenue variance is related to reserve draws required to fund the New Head Office Administrative building. This is adjusted at year end through surplus and draws from the reserve. Once this is taken into account, the variance is \$1.2M and 9%, which is within the acceptable threshold.

**OPERATING REPORTABLE VARIANCE NOTES**

<p><b>U</b></p>	<p>The higher than anticipated expenditures are related to higher project recoveries related to capital projects that have occurred to date. Once this is taken into account, the variance is \$50k and 2%, which is within the acceptable threshold.</p>
<p><b>V</b></p>	<p>The lower than anticipated revenues are related to a reduction in forecasted planning fees. Submitted planning applications were lower than expected through Q3 of 2024. Several large planning applications have been or are expected to be received in Q4 2024 (e.g. North Pickering, Caledon SABE). Once this is taken into account, the variance is \$312K and 4% which is within the acceptable threshold.</p>
<p><b>W</b></p>	<p>The lower than anticipated revenues are related to outstanding unissued Q3 invoices and PARES development revenue being pre-paid for in 2022 to the corporate reserve. Once this is taken into account, the variance is \$262K and 6% which is within the acceptable threshold.</p>
<p><b>X</b></p>	<p>The lower than anticipated revenues are related to a variety of School Programs. Revenue for overnight school programs at Lake St. George and new programs launching at Bruce’s Mill and the Nature School at Claremont generated less revenue than expected. Once this is taken into account, the variance is \$476K and 9% which is within the acceptable threshold.</p>
<p><b>Y</b></p>	<p>The higher than anticipated revenues are driven by higher than budgeted investment income during 2024 due to higher interest rates. Once this is taken into account, the variance is \$348k and 8%, which is within the acceptable threshold.</p>