

Section III – Items for the Information of the Board

TO: Chair and Members of the Executive Committee
Friday, February 7, 2025 Meeting

FROM: Linda Charlebois, Director, Corporate Services

RE: 2024 NINE MONTHS FINANCIAL REPORTS

KEY ISSUE

Receipt of Toronto and Region Conservation Authority's (TRCA) unaudited expenditures as of the end of the third quarter, September 30, 2024, for informational purposes.

RECOMMENDATION:

IT IS RECOMMENDED THAT the 2024 Financial Report for the nine-month period ending September 30, 2024, be received.

BACKGROUND

As part of TRCA's financial governance procedures, staff are presenting the 2024 Nine Month Financial Report, which covers the period from January 1, 2024, through to September 30, 2024. This report provides information on the spend rate of expenditures and recognition of revenue for the first nine months of 2024. For the purposes of this report, TRCA's four categories of revenue have been combined into one category titled 'Revenue' in the attached financial charts, and includes:

- Authority Generated: Revenues raised through activities such as user fees, retail, rentals, program fees, event fees, and investment and interest income.
- Government Funded: Municipal, federal and provincial grants and contract services.
- Levies: Operating and Capital levies from municipal partners.
- Reserves: Accumulated surplus which is intended to finance unforeseen costs related to ongoing operations or unfunded capital expenses for the organization.

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- 4 respectively. The attachments provide a summary analysis of expenditures and revenues to date and the variance explanations by Program Area. The variance threshold for both revenues and expenditures are +/- 10% and \$500,000 from anticipated. Variances within these thresholds are deemed to be within the expected range. The capital expenditures report contains twelve (12) reportable variances and eight (8) revenue reportable variances for the nine-month period, whereas the operating expenditure report contains one (1) reportable expenditure and four (4) revenue reportable variances. Attachment 5 provides explanations for each reportable variance.

Item 10.2

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: January 24, 2025

Attachments: 5

Attachment 1: 2024 Nine Month Capital Expenditures

Attachment 2: 2024 Nine Month Capital Revenues

Attachment 3: 2024 Nine Month Operating Expenditures

Attachment 4: 2024 Nine Month Operating Revenues

Attachment 5: 2024 Nine Month Financial Report – Variance Explanations