

Attachment 5: TRCA 2024 Year End Financial Report – Variance Explanations

CAPITAL REPORTABLE VARIANCE NOTES

A	The lower than anticipated expenditures are related to the Toronto Storm Water Management (SWM) Ponds Maintenance and Retrofits program. The final agreement was signed by the City of Toronto at the end of Q4. TRCA will commence mobilization, dewatering for three (3) SWM ponds, and initiate sediment removal of one (1) pond in Q1 2025. The bulk of the work is scheduled for Q2 and Q3 with substantial completion anticipated by year-end 2025. Once these works are taken into account, the variance is \$336K and 7% which is within the acceptable threshold.
B	The lower than anticipated expenditures are related to projects within the Erosion Management program, including Rainbow Creek Sanitary Decommissioning, 39-41 Topcliff, Centennial Park Watercourse Restoration, and Carabram Park Remediation. Implementation delays were caused by closing agreements, final permit authorizations, sub-contractor hold ups, and weather constraints resulting in late construction starts with substantial completion anticipated by Q4 2025. Once these works are taken into account, the variance is \$5M and 8% which is within the acceptable threshold.
C	The higher-than-anticipated expenditures are related to the Keating Channel Dredging fee-for-service project, which was executed mid-year to support the City of Toronto with the Port Lands' operations and management. These unbudgeted expenditures are fully funded and recovered by the City of Toronto under a revenue agreement. Once this is taken into account, the variance is \$350K and 7% which is within the acceptable threshold.
D	The lower-than-anticipated expenditures are related to the Annandale Restoration Project, which remains in its final design and planning stages. While site preparation, archaeology, and access staging began in late 2024, the majority of restoration and construction is scheduled for 2025 and 2026. Additionally, Ajax will be incorporating extra trail construction in 2026. Once these works are taken into account, the variance is \$478K and 4% which is within the acceptable threshold.
E	The lower-than-anticipated expenditures are related to the Forest Management and Managing Hazard Trees in Peel Region, primarily due to salary savings resulting from the vacancy of the Senior Project Manager of Forestry and the delayed hiring of an Indigenous Consultation Consultant to complete the Forest Management Plan. This work is scheduled for Q2 2025. Once these activities are taken into account, the variance is \$130K and 9% which is within the acceptable threshold.
F	The lower-than-anticipated expenditures are primarily related to two (2) Fee for Service (FFS) projects and a group of new compensation projects; 1) Humber Bay Park East Pond Design Enhancement was delayed due to engineering changes and contractor delays. The City and TRCA have finalized the workplan where substantial completion is anticipated by the end of Q3 2025; 2) NIF Grant: Rowntree Mills Wetland Enhancements is a FFS project with the City of Toronto that received an extension through the NIF funding program. TRCA will commence construction in Q1 2025, and extended the agreement to the end of 2025 to add an additional growing season. A total of four (4) compensation restoration projects including Habitat Structures, ORCCR Planting, Coastal Wetlands Restoration, and Pomona Creek Restoration are currently being designed and planned for implementation in 2025 and 2026 to match these compensation funds with grant funding and municipal partnerships. Once these works are taken into account, the variance is \$2.3M and 9% which is within the acceptable threshold.
G	The lower-than-anticipated expenditures are related to a pending property closing with Metrolinx, which is anticipated by Q1 2025. Once this is taken into account, the variance is \$168K and 8% which is within the acceptable threshold.
H	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 \$876K and 9% which is within the acceptable threshold.
I	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 \$1M and 7% which is within the acceptable threshold.
J	The lower-than-anticipated expenditures are related to the Peel Multi-Use Trail Bolton Resource Management Tract project and Rouge Park Whitchurch-Stouffville trail project. Both projects experienced implementation delays with some elements now underway continuing into 2025. Once these factors are taken into account, the variance is \$425K and 7% which is within the acceptable threshold.
K	The lower-than-anticipated expenditures are related to The Village at Black Creek south parking lot improvements, which experienced delays in project mobilization and construction. Substantial completion is anticipated during Q1 2025. Once this is taken into account, the variance is \$141K and 9% which is within the acceptable threshold.
L	The lower-than-anticipated expenditures are related to delays in construction of the new entrance and parking lot at Bolton Camp and timing of invoices. The project has substantial completion with minimal deficiencies to be completed in Q1 of 2025. Once this is taken into account, the variance is \$456K and 8% which is within the acceptable threshold.

M	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 to high Life Cycle Assessment (LCA) CO2e emissions. In addition, changes in staffing have delayed work with the SNAP's GHG calculator. Expenditures began to increase in Q4 and will continue into Q1 2025. Once this is taken into account, the variance is \$621K and 9% which is within the acceptable threshold.
N	The lower-than-anticipated expenditures are related to staff vacancies and the delay in issuance of external consulting contracts for the Tommy Thompson Visitor Experience Plan. These delays were pending confirmation of funding, scope, and governance with the City of Toronto, as well as the subsequent recruitment of a Senior Project Manager. Additionally, within the Rural Clean Water Program, a private landowner withdrew a project in 2024, prompting staff to advance additional projects for 2025 implementation to allocate the deferred funds. Once these considerations are taken into account, the variance is \$377K and 10% which is within the acceptable threshold.
O	The lower-than-anticipated expenditures are related to Climate Key Performance Indicators in Peel and York, the preparatory nature of the project tasks, whereby data acquisition, processing and preliminary analysis is a requirement to proceeding further. These projects are ongoing and will incur more significant expenditures into 2025, supported by partner municipalities. Once these works are taken into account, the variance is \$456K and 8% which is within the acceptable threshold.
P	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 Q1 of 2025. Once this is taken into account, the variance is \$1M and 5% which is within the acceptable threshold.
Q	The lower-than-anticipated revenues are related to the Toronto Storm Water Management Ponds Maintenance and Retrofits program, noted above in A. Once these works are taken into account, the variance is \$450K and 10% which is within the acceptable threshold.
R	The lower-than-anticipated revenues are related to deferred shoreline protection and restoration works at Humber Bay Park East to accommodate the City's construction access for their ponds project. Once these works are taken into account, the variance is \$5.7M and 9% which is within the acceptable threshold.
S	The higher-than-anticipated revenues are related to the Keating Channel Dredging FFS project that was only executed mid year to support the City of Toronto with operations and management of the Port Lands noted above in C. Once these works are taken into account, the variance is \$460K and 10% which is within the acceptable threshold.
T	The lower-than-anticipated revenues are related to delays in implementation for The Meadoway Section 3, noted above in H. Once this is taken into account, the variance is \$902K and 9% which is within the acceptable threshold.
U	The lower-than-anticipated revenues are related to the cashflow and timing of approved matching reserve funding associated with the Canda Community Revitalization Fund grant. Once this is taken into account, the variance is \$42K and 10% which is within the acceptable threshold.
V	The lower-than-anticipated expenditures are related to the Peel Trail program and Rouge Park Whitchurch-Stouffville trail project delays, noted above in J. Once these works are taken into account, the variance is \$629K and 10% which is within the acceptable threshold.
W	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, noted above in L. Once this is taken into account, the variance is \$455K and 8% which is within the acceptable threshold.
X	The revenue variance is related to reserve draws required to fund the new Head Office Administrative building. This will be adjusted at the formal year end through surpluses and draws from the reserve. Once this is taken into account, the variance is \$800K and 9%, which is within the acceptable threshold.

OPERATING REPORTABLE VARIANCE NOTES

Y	The lower-than-anticipated expenditures are related to the Inland Fill program, that imported less material than originally forecasted for 2024 for Brock North. Once this is taken into account, the variance is \$66K and 6% which is within the acceptable threshold.
Z	The lower-than-anticipated expenditures are related to gapping of three (3) positions within the Strategic Business Planning and Performance business unit during 2024. Once this is taken into account, the variance is \$376K and 9% which is within the acceptable threshold.

AA	The higher-than-anticipated expenditures are related to infrastructure work at the Boyd Office that will be offset prior to the formal year end procedures. Once this is taken into account, the variance is \$224k and 4%, which is within the acceptable threshold.
BB	The higher-than-anticipated expenditures are related to the Vehicle and Equipment program which saw lower usage and recovery during 2024. Staff plan to review recovery rates in 2025 to propose a new rate structure that will recover all required costs. Once this is taken into account, the variance is \$6K and 2% which is within the acceptable threshold.
CC	The lower-than-anticipated revenues are related to Environmental Assessment Planning and Permitting that was low due to a reduced volume in new FFS Environmental Assessment Act review applications and lower than expected service level agreement review submissions related to the Metrolinx GO-RER and Bus programs. Once these considerations are taken into account, the variance is \$620K and 10% which is within the acceptable threshold.
DD	The lower-than-anticipated revenues are related specifically to School Programs. Revenue for both overnight and day-visit school programs were lower than planned due to schools ability to participate in field trips. Once this is taken into account, the variance is \$572K and 9% which is within the acceptable threshold.
EE	The higher-than-anticipated revenues are driven by higher than budgeted investment income during 2024 due to market fluctuations. Once this is taken into account, the variance is \$412k and 8%, which is within the acceptable threshold.