

Section III – Items for the Information of the Board

TO: Chair and Members of the Board of Directors
Friday, January 14, 2022 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **2021 NINE MONTH FINANCIAL REPORT**

KEY ISSUE

Receipt of Toronto and Region Conservation Authority's (TRCA) unaudited expenditures as of the end of the third quarter, September 30, 2021, for informational purposes.

RECOMMENDATION

IT IS RECOMMENDED THAT the 2021 Financial Report for the nine-month period ending September 30, 2021 be received.

BACKGROUND

As part of TRCA's financial governance procedures, staff are presenting the 2021 Nine Month Financial Report, which covers the period January 1, 2021 through to September 30, 2021. This report provides information on the spend rate of expenditures and recognition of revenue for the first nine months of 2021. 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. This 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 endeavour. 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. In order 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 Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategy set forth in the TRCA 2013-2022 Strategic Plan:
Strategy 9 – Measure performance

Item 9.1

FINANCIAL DETAILS

The operating and capital report by Service Area and underlying Program Areas are provided in **Attachments 1 through 4**. The attachments provide a summary analysis of expenditures and revenues to date and the variance explanations by Program Area. The variance threshold for both revenue and expenditures are +/- 10% and \$500,000 from anticipated. Variances within these thresholds are deemed to be within the expected range. **Attachment 5** provides explanations for each reportable variance.

DETAILS OF WORK TO BE DONE

Staff are constantly analyzing TRCA's 2021 operations in the context of COVID-19's impact on the organization's revenues and expenditures and potential for government funding to reduce the negative repercussions of restrictions to our staff complement, while ensuring that the safety of staff and the public is maintained. Staff will continue to provide quarterly financial updates to the Board of Directors. More detailed information on COVID-19's year to date impacts can be found in the report titled *2021 COVID-19 Nine Month Financial Update*.

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Date: November 23, 2021

Attachments: 5

- Attachment 1 - Capital Budget Expenditures
- Attachment 2 - Capital Budget Revenues
- Attachment 3 - Operating Budget Expenditures
- Attachment 4 - Operating Budget Revenues
- Attachment 5 - Variance Explanations