

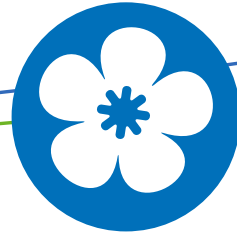


2023 Financial Results

June 19, 2024

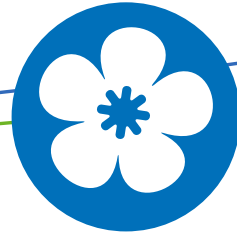


Presentation Outline



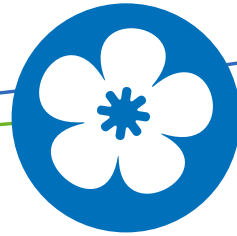
- New Accounting Standards
- Financial Trends
- Accumulated Surplus Summary
- Revenue & Expenses
- Debt
- Reserves
- Summary
- Supplemental Information

New Accounting Standards



- PS 3450 Financial Instruments
 - Investments now recorded at fair/market value
- PS 3280 Asset Retirement Obligations (ARO)
 - Landfill Liability
 - Asbestos Remediation

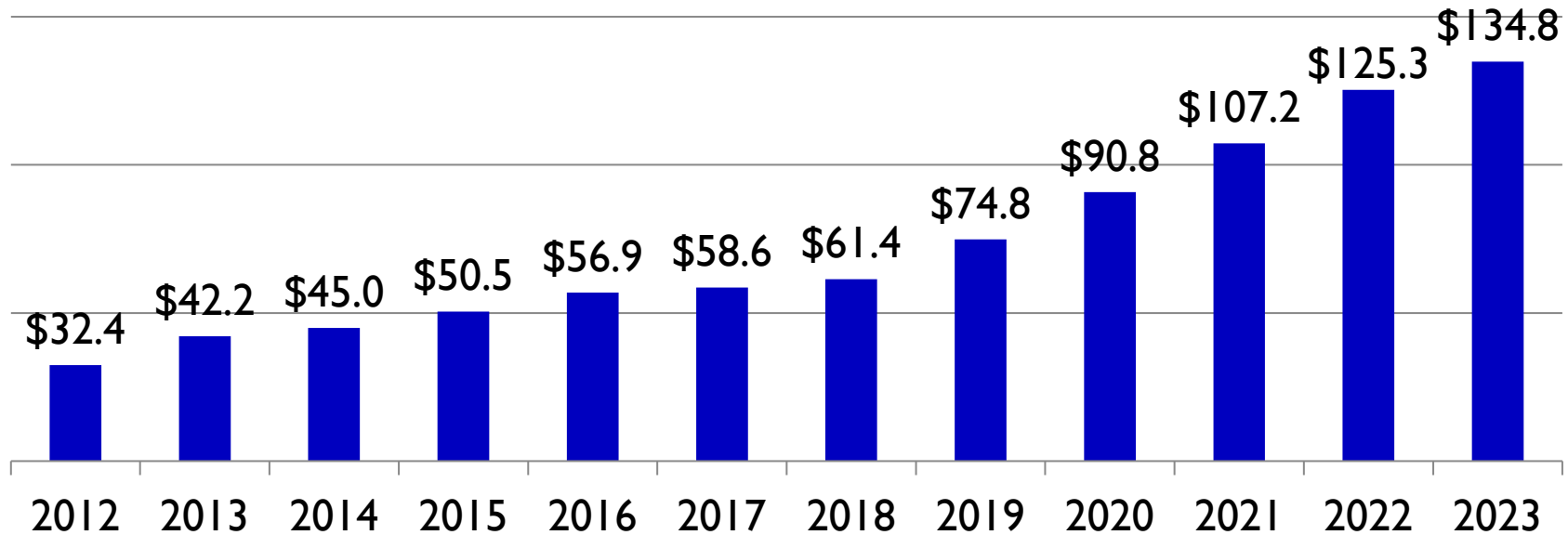
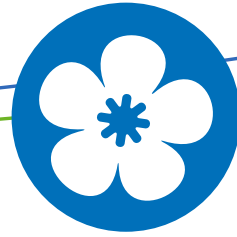
Financial Trends



	2021	2022	2023
Financial Assets	107,234,471	125,300,327	134,793,552
Liabilities	<u>83,382,867</u>	<u>113,204,558</u>	<u>145,126,109</u>
Net Financial Assets/(Liabilities)	23,851,604	12,095,769	(10,332,557)
Non-Financial Assets	<u>200,272,458</u>	<u>236,542,713</u>	<u>289,206,104</u>
Accumulated Surplus	224,124,062	248,638,482	278,873,547

- ▶ Net financial assets/(liabilities) decreased by 185.4%
 - ▶ Construction financing for GPL/NCAM Redevelopment project
- ▶ Non-financial assets increased by 22.3%
 - ▶ Capital investments to date (work in progress) for GPL/NCAM Redevelopment and Elgin Street Housing Projects
 - ▶ Capital acquisitions showing some improvement relative to amortization
- ▶ Continued positive trend of increased accumulated surplus
 - ▶ Increased reserves, debt under control relative to County's Debt Policy

Financial Assets (\$M)



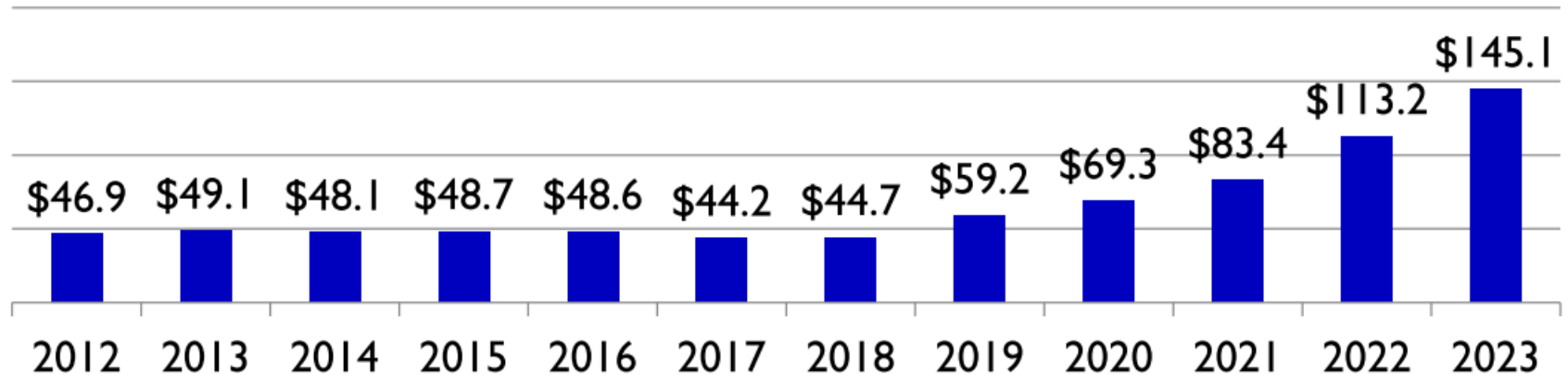
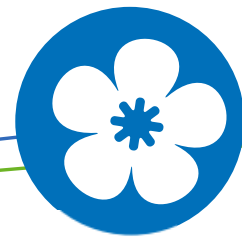
▶ Cash & investments increased \$10.6M

- ▶ Carryover projects
- ▶ GPL/NCAM Redevelopment financing utilization of Construction Financing over Reserves based on preferential interest rate spread
- ▶ Development Charges
- ▶ Annual Surplus
- ▶ Cash on hand decreased

▶ Receivables decreased \$1.1M

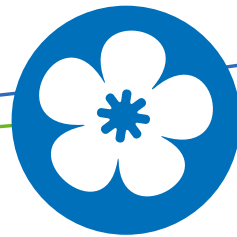
- ▶ Timing - HST rebate receivable

Financial Liabilities (\$M)



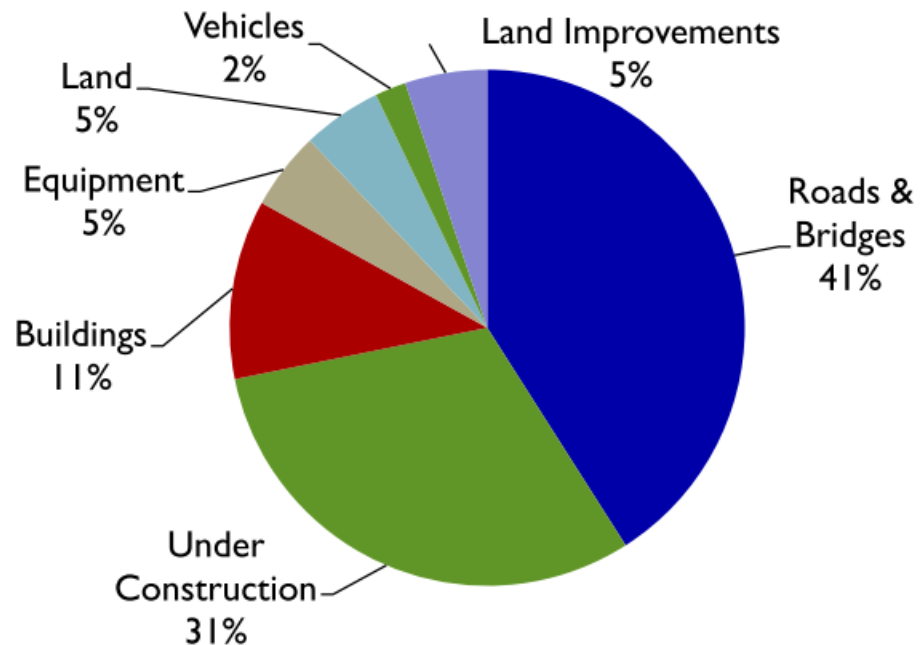
- ▶ AP increased \$2.7M
 - ▶ Timing of provincial funding (Paramedics, C&SS) and accrued payroll
- ▶ Deferred revenues decreased \$1.0M
- ▶ Short term advances increased \$24.7M (Construction financing GPL/NCAM Redevelopment)
- ▶ Long Term Debt decreased \$1.2M (Paying down existing debt)
- ▶ Landfill closure/post-closure liability eliminated with adoption of Asset Retirement Obligation standard – net increase \$6.3M
 - ▶ Landfill liability and estimate of asbestos remediation for County and NCHC buildings
- ▶ Employee future benefit liability increased \$0.4M
 - ▶ Liability per actuarial review

Capital

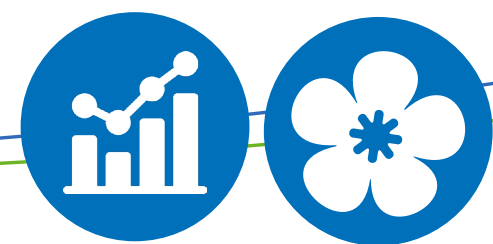


- ▶ Net book value of assets increased \$52.1M
 - ▶ Acquisition cost \$45.6M
 - ▶ Amortization (\$10.5M)
 - ▶ ARO (new) \$17.0M
- ▶ ~\$9.5M in 2023 projects deferred to 2024

Total asset NBV is \$288M

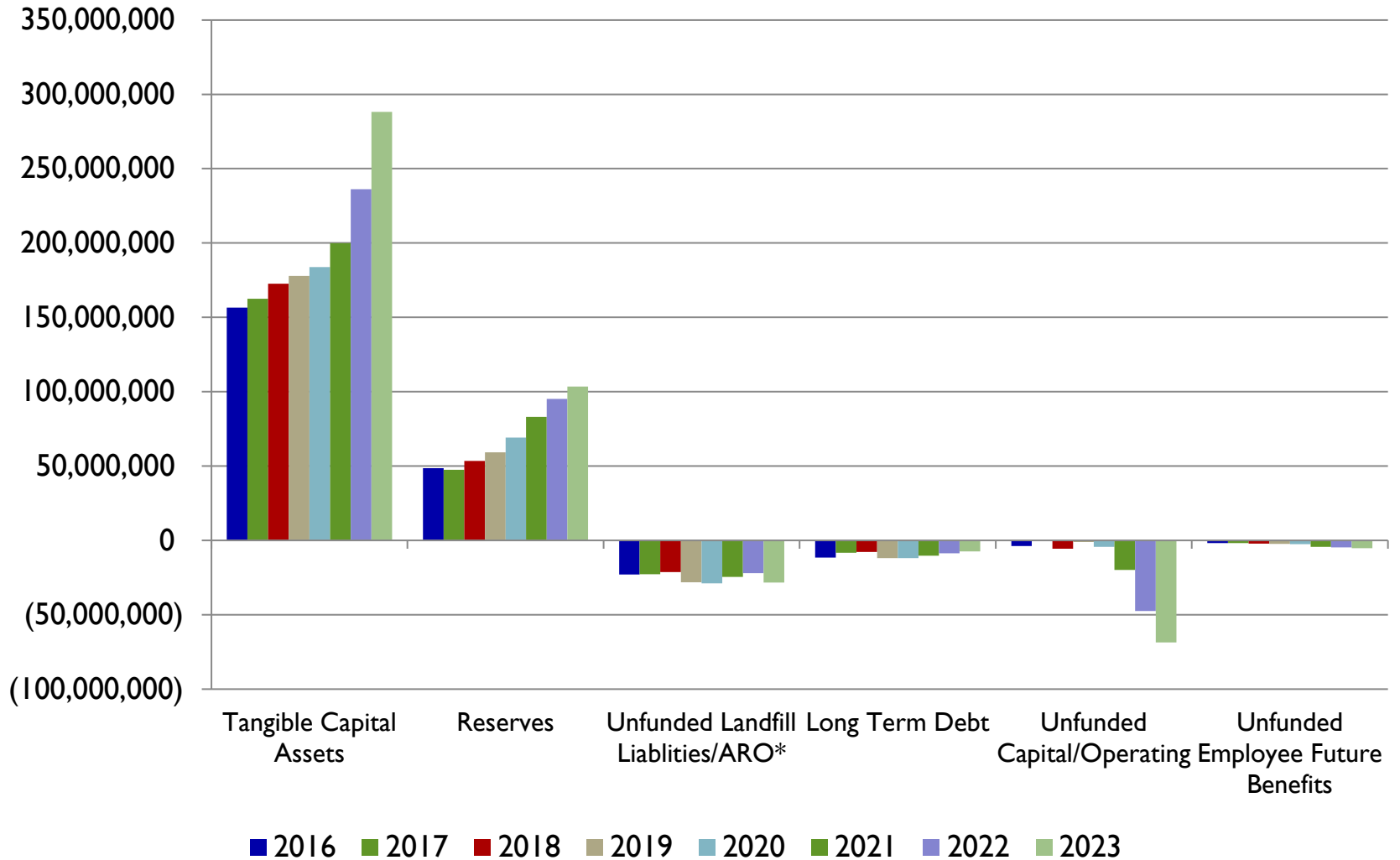
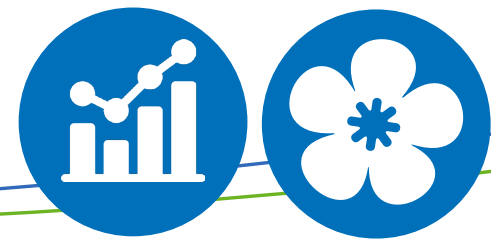


Accumulated Surplus

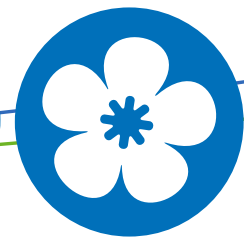


	2021	2022	2023	Change 2022/2023
Surplus/(Deficit)				
Unfunded landfill closure & post-closure liability*	(24,511,900)	(21,995,200)	-	21,995,200
Unfunded employee future benefits liability	(4,319,842)	(4,711,154)	(5,106,588)	(395,272)
Unfunded Operating – DC's	<u>(68,461)</u>	<u>(65,136)</u>	<u>(30,162)</u>	<u>34,974</u>
	(28,900,203)	(26,771,490)	(5,136,588)	21,634,902
Invested in Capital Assets				
Tangible capital assets – NBV	199,907,552	236,149,156	288,266,955	52,117,799
Long term debt	(10,261,491)	(8,584,177)	(7,401,617)	1,182,560
Unfunded capital	(19,777,564)	(47,378,476)	(68,587,783)	(21,209,307)
Asset Retirement Obligation*	-	-	<u>(28,290,204)</u>	<u>(28,290,204)</u>
	<u>169,868,497</u>	<u>180,186,503</u>	<u>180,476,860</u>	<u>290,357</u>
Surplus	140,968,294	153,415,01	175,340,272	21,925,259
Reserves	<u>83,155,768</u>	<u>95,223,469</u>	<u>103,533,275</u>	<u>8,309,806</u>
Accumulated Surplus	224,124,060	248,638,48	278,873,547	30,235,065

Components of the Accumulated Surplus



2023 Highlights - Revenue



2023 Actual	2023 Budget	2022 Actual
\$153.5M	\$151.0M	\$144.8M

▶ Total revenue \$2.5M over budget:

- ▶ Investment income
- ▶ GPL subsidies, high intensity needs claims
- ▶ Homelessness funding
- ▶ Waste diversion funding
- ▶ Paramedic funding
- ▶ Planning and Inspection revenue
- ▶ Supplementary taxes
- ▶ Member municipal surface treatment

▶ Offset by:

- ▶ CWELCC subsidy
- ▶ Timing Development Charges
- ▶ Waste: MRF commodity revenue, bag tag revenue
- ▶ POA fines
- ▶ Timing COCHI funding Elgin Park Redevelopment

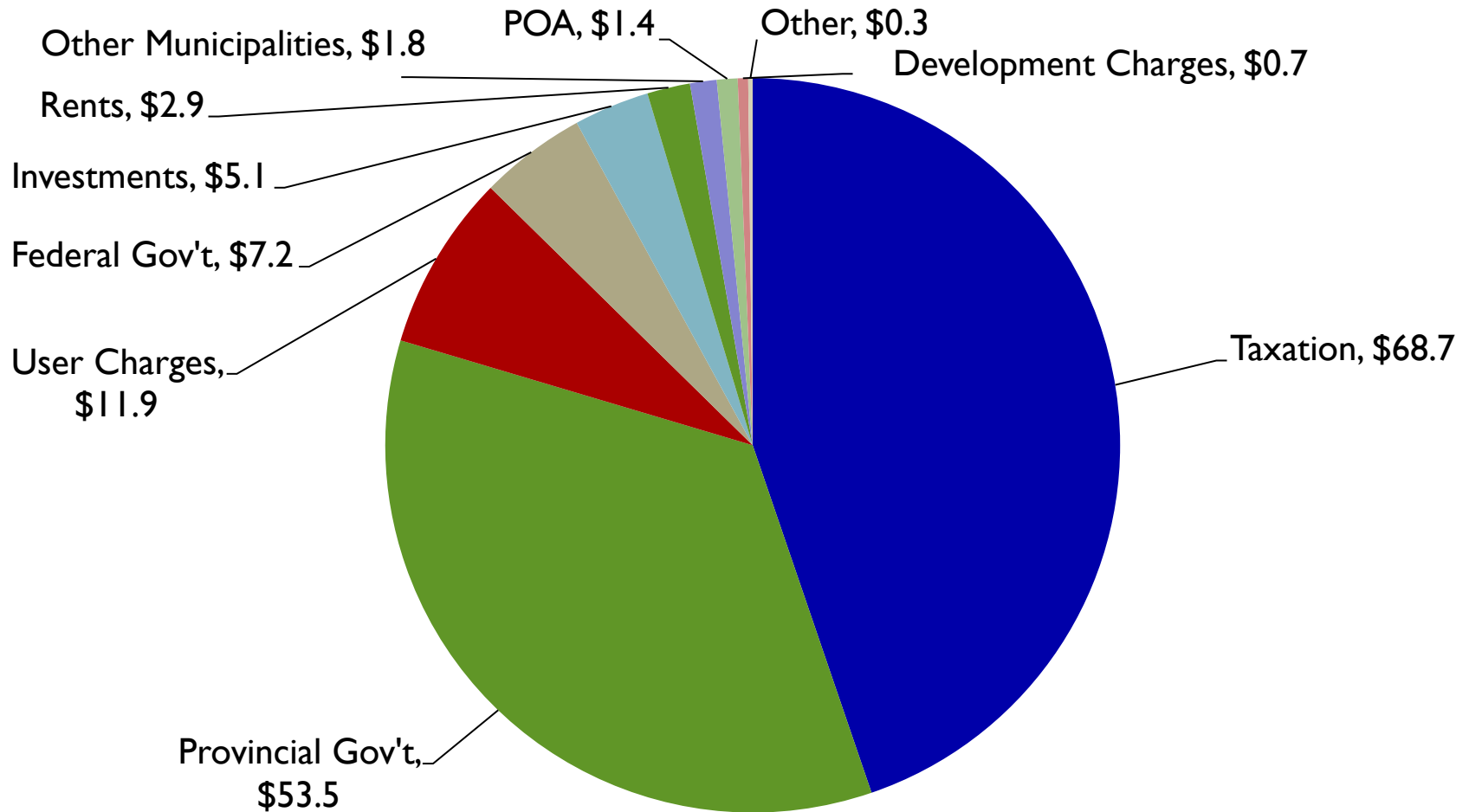
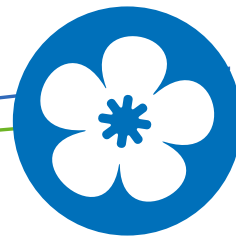
▶ Total revenue \$8.7M over 2022:

- ▶ General levy increase
- ▶ Investment income
- ▶ C&SS: Ontario Works, CWELCC,
- ▶ Waste diversion funding
- ▶ Paramedic/Paramedicine funding
- ▶ GPL: Subsidies, high intensity needs, resident revenue
- ▶ Member municipal surface treatment
- ▶ Development charges
- ▶ Supplementary taxes

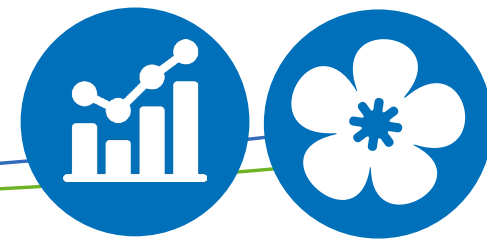
▶ Offset by:

- ▶ Waste: MRF commodity revenue, bag tag revenue
- ▶ CMHC and COCHI funding (Elgin Park)

Revenue by Type (\$M)



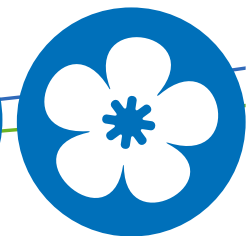
2023 Highlights - Expenses



2023 Actual	2023 Budget	2022 Actual
\$123.3M	\$139.5M	\$120.2M

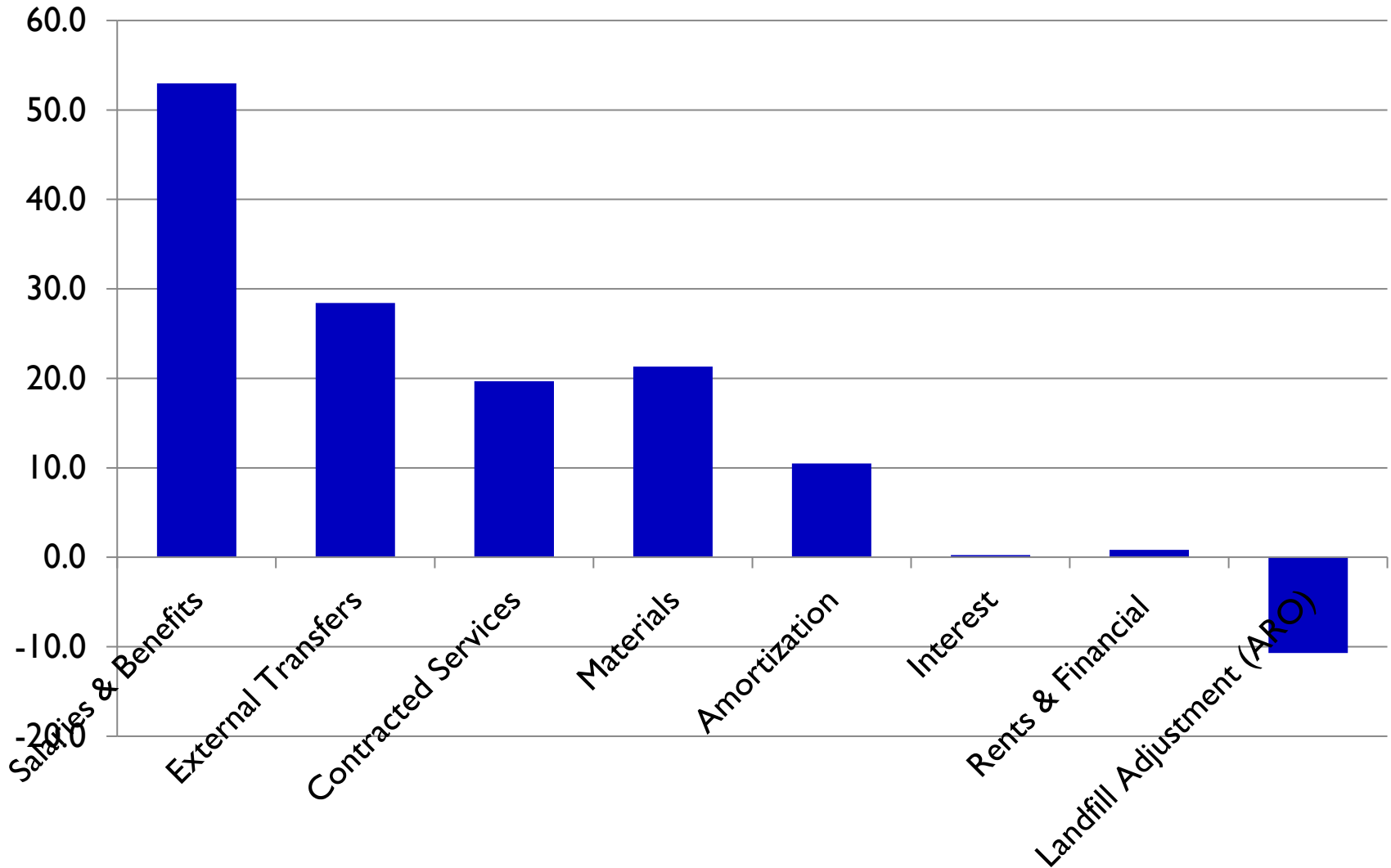
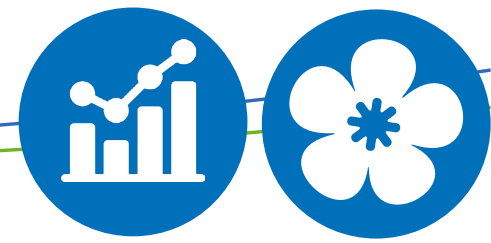
- ▶ Expenses were \$16.2M under budget due to:
 - ▶ Landfill Adjustment – new ARO standard (10.7M)
 - ▶ Wage gapping (Paramedics, Transportation, Waste)
 - ▶ Facilities R&M
 - ▶ Travel and Training
 - ▶ C&SS: CWELCC Program Delivery, Non profit subsidy, Capital Build Incentive program
 - ▶ Elgin Park – interest on financing
 - ▶ Fuel
 - ▶ Winter Control / Salt
 - ▶ Timing - NCAM external services rebuild
- ▶ Offset by:
 - ▶ Indexing of Waste collection contract
 - ▶ Fleet – R&M and supplies
 - ▶ GPL: High intensity needs, PSW OT
 - ▶ Ontario Works (caseload)
- ▶ Expenses were \$3.1M more than 2022 due to:
 - ▶ CWELCC Program Delivery
 - ▶ Paramedicine LTC
 - ▶ Ontario Works (caseload)
 - ▶ Indexing of Waste collection contract
 - ▶ Inflation
 - ▶ Change in employee future benefits liability
 - ▶ Fleet repairs
- ▶ Offset by:
 - ▶ Winter Control / Salt
 - ▶ Facilities R&M
 - ▶ Brighton landfill debt paid off

2023 Highlights – Expenses

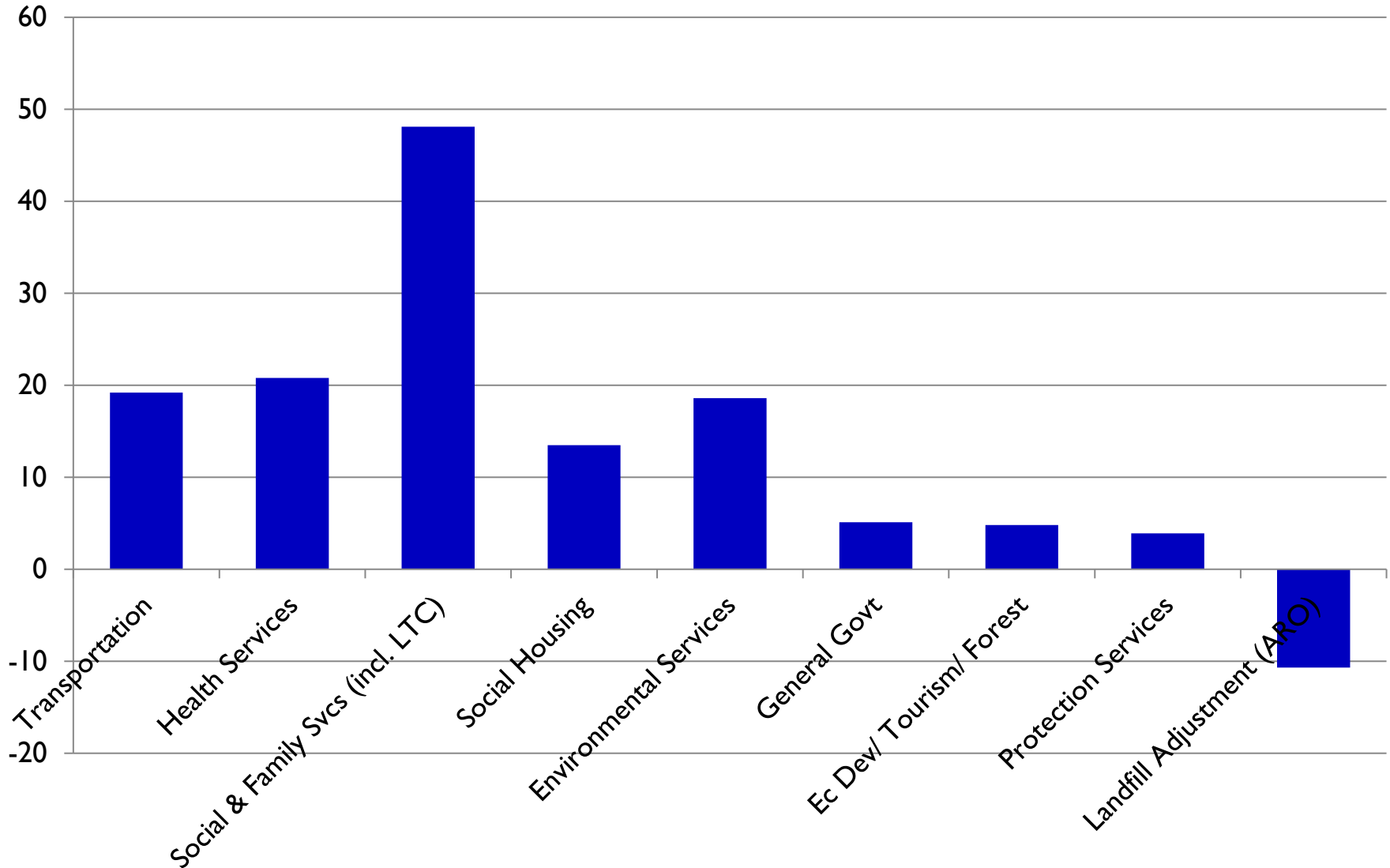
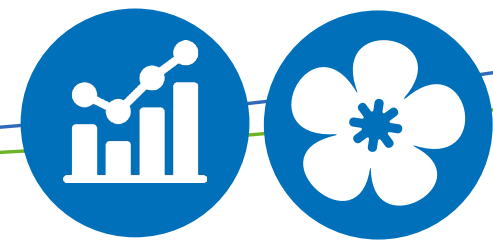


	<u>2023</u>
Operations	
Operating expenses	\$123.1M
Non-cash Items	
TCA Amortization, Disposals/write-downs	\$10.5M
Landfill closure/post-closure liability*	(\$22.0M)
Asset Retirement Obligation (new)	\$10.9M
Accretion Expense (new)	\$0.4M
Employee future benefits liability	<u>\$0.4M</u>
	\$0.2M
Total	\$123.3M

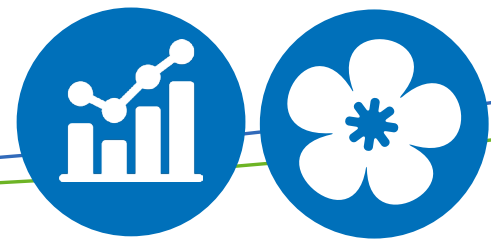
Expenses by Type (\$M)



Expenses by Service (\$M)

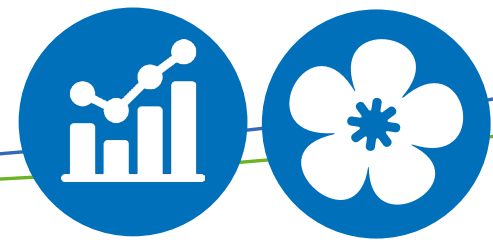


Debt



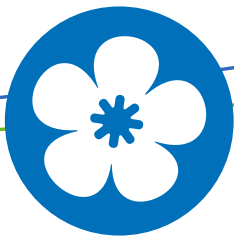
- ▶ Long term debt decreased from \$8.6M to \$7.4M
- ▶ No new long-term debt issued
- ▶ Annual debenture payments reduced liability
- ▶ Short term advances of \$66.8M; construction financing to date for GPL/NCAM Redevelopment that will convert to long term debt upon project completion
- ▶ Upcoming debentures for GPL/NCAM Redevelopment and Elgin Park Redevelopment Phase 2024/25
- ▶ Debt continues to remain below the annual repayment limit set by MMAH and the County's Debt Policy

Reserves

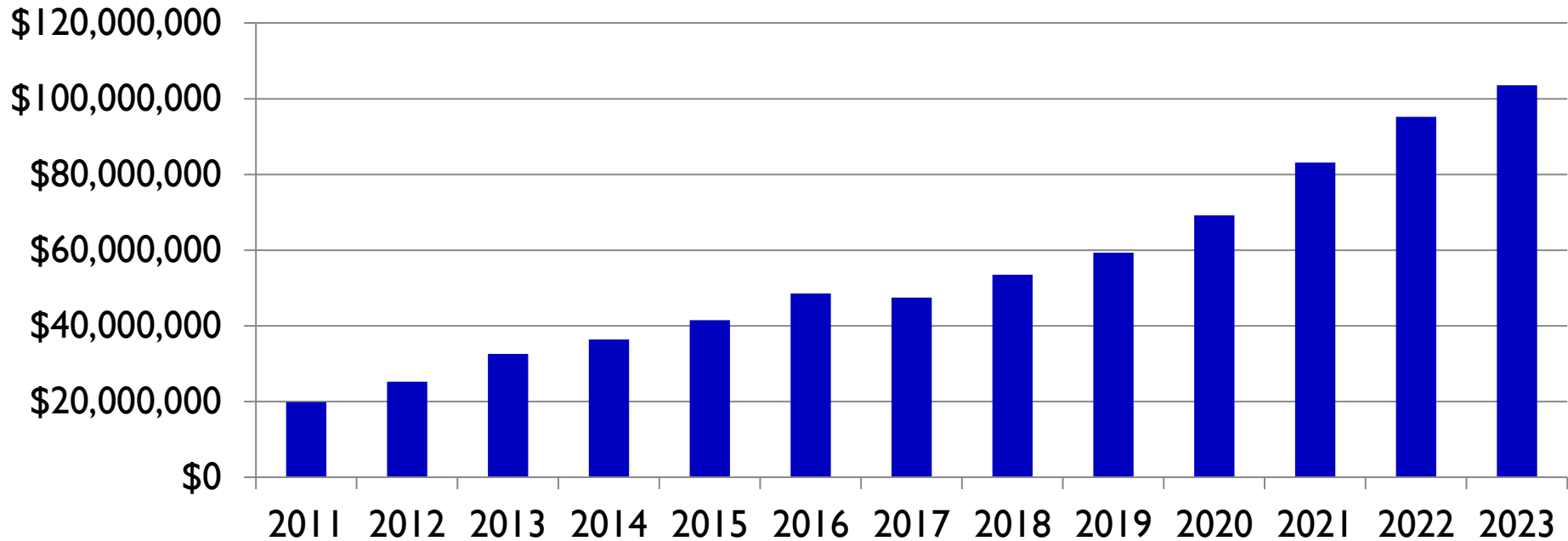


- ▶ Reserves increased \$8.3M
 - ▶ ~\$6.7M 2023 TCA funding carryover to 2024
 - ▶ ~\$2.8M 2023 non-TCA funding carryover to 2024
 - ▶ ~\$1.2M overall net reserve withdrawals
- ▶ Total Reserves are \$103.5M
- ▶ Small annual surplus in 2023 of 879K
- ▶ Started drawing money from reserves for large capital projects like GPL & NCAM and social housing projects
- ▶ Will draw more from reserves for Trent River bridge and placeholder for possible joint operations base
- ▶ Improved flexibility for financing future projects and initiatives and towards any successful Provincial/Federal funding bids
- ▶ Realignment of reserves completed in 2021 based on new Reserve Policy and financing strategies - sets parameters for reserve utilization and optimal reserve levels

Reserves cont'd

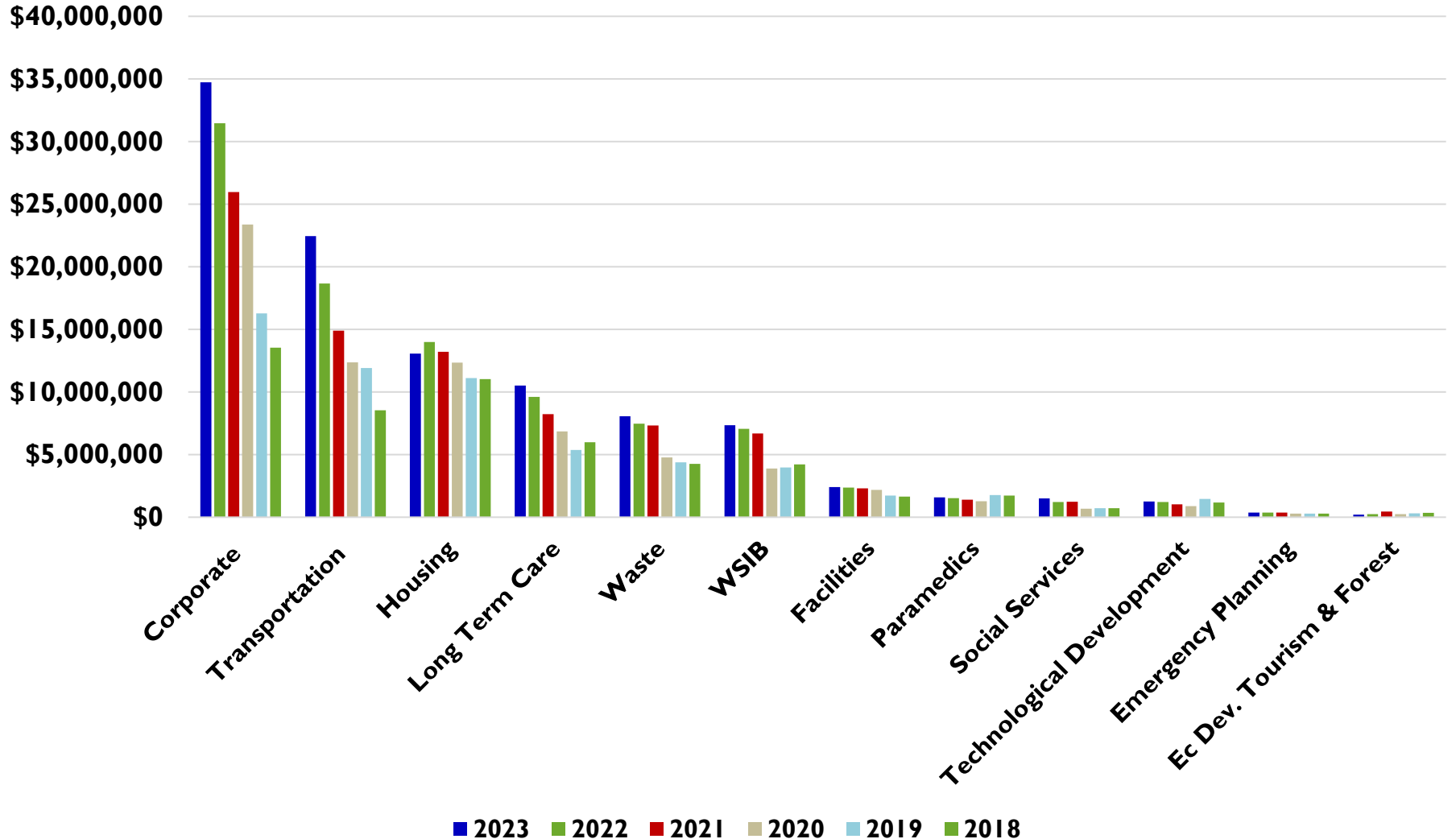
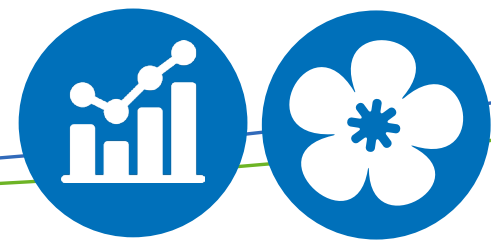


Reserves



- ▶ Total reserves represent 73% of 2024 annual operating budget (incl. debt servicing costs)
- ▶ Reserves by 2027 estimated 37% of annual operating budget based on commitments in long-term financial plan for financing major construction projects and stabilization
- ▶ Greater reliance on reserves for capital as a result of inflation with upcoming update of long term financial model and implications of updated Asset Management Plans

Reserves by Type



Summary



- ▶ Continued positive trend in the overall financial position of the County
- ▶ Continue to face challenges with asset renewal needs and inflation
- ▶ Need to continue strategies under the Long-Term Financial Planning Framework focusing on sustainability and fiscal responsibility
- ▶ Reserve policy aligned with financing strategies
 - ▶ Reserves to be used for large construction projects
- ▶ Debt servicing aligned with debt policy thresholds
 - ▶ GPL & NCAM to be financed with debt



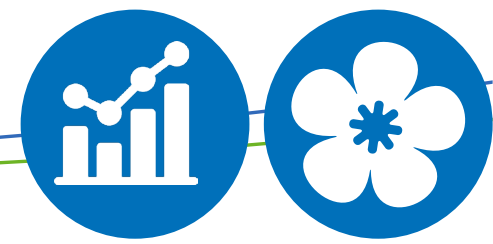


Supplemental Slides



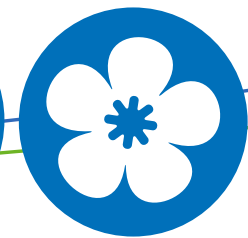
2023 Financial Results

Long Term Debt Summary



Purpose	Maturity	2019	2020	2021	2022	2023
Brighton Cell Western Half	May 2020	74,547	-	-	-	-
Brighton Landfill Expansion 2017	Sep 2022	1,539,459	1,037,844	524,778	-	-
Paramedic Power Lift Stretchers	Dec 2023	527,162	401,332	271,609	137,873	-
Cramahe Emergency Base	Sep 2027	977,497	866,786	752,976	635,979	515,708
Brighton Landfill Expansion 2008	Mar 2028	761,775	687,607	609,746	528,006	442,205
Blacklock II Reconstruction	Mar 2028	474,486	428,291	379,794	328,883	275,427
Roseneath Emergency Base	Sep 2029	1,452,424	1,320,999	1,186,681	1,049,404	909,105
Brighton Landfill Expansion 2019	Sep 2029	4,079,338	3,710,213	3,332,960	2,947,401	2,553,351
Trent Hills Emergency Base	Dec 2030	-	1,478,242	1,330,418	1,182,595	1,034,770
600 William St.	Sep 2035	2,056,814	1,966,726	1,872,529	1,774,036	1,671,051
Total Debt		11,943,502	11,898,040	10,261,491	8,584,177	7,401,617

Reserves Summary



Reserve Fund	2018	2019	2020	2021	2022	2023
Social Housing	11,027,006	11,116,089	12,345,013	13,214,520	13,996,086	13,062,798
Corporate Services	12,535,595	15,240,250	22,328,464	25,728,515	31,052,209	34,329,006
Transportation	8,535,169	11,920,881	12,368,654	14,896,343	18,675,783	22,447,463
GPL	6,001,408	5,377,053	6,853,903	8,225,735	9,604,982	10,517,757
Health & Safety	4,413,222	4,198,388	4,135,694	6,934,004	7,475,984	7,757,707
Waste	4,272,470	4,381,418	4,774,273	4,980,002	5,116,799	5,523,885
Landfill Closure	-	-	-	2,350,000	2,350,000	2,550,000
Facilities	1,655,398	1,725,645	2,177,960	2,310,702	2,360,702	2,410,702
Paramedics	1,731,318	1,771,075	1,270,131	1,409,187	1,528,131	1,589,238
Technological Development	1,168,773	1,456,379	884,881	1,032,453	1,207,154	1,248,280
Working Funds	821,274	821,275	821,274	-	-	-
Social Services	726,903	715,903	685,669	1,245,169	1,223,169	1,505,869
Ec Dev, Tourism and Forest	341,924	316,724	257,138	459,620	257,952	211,052
Emergency Planning	290,050	295,050	300,050	369,518	374,518	379,518
Total	53,520,510	59,336,130	69,203,104	83,155,768	95,223,469	103,533,275