

Financial Update

- Summer 2024



Q2 Financial Update



2024 Budget (cash basis – as approved Dec 2023):

Operating	\$141.8M
Capital	\$67.4M
Debt Principal Repayment	\$1.1M
Change in Reserves	<u>(\$9.3M)</u>
	\$201.0M

As at June 30th, County is on budget with a total favourable variance of \$13,068K.

Q2 Operating Statement



	Actual	Budget	Variance
Revenue	\$87,567K	\$85,503K	\$2,064K
Expenditures	\$73,746K	\$77,711K	(\$3,965K)
Investments (TCAs)	\$21,125K	\$35,415K	(\$14,290K)
Financing (Short term Debt)	(\$16,997K)	(\$24,248K)	\$7,252K
Surplus/(Deficit)	\$9,693K	(\$3,374K)	\$13,068K

Significant Variances



Items	\$k	Comment
Capital Projects	(6,959)	Timing – NCHC (1,728K), Housing (3,777K), Transportation (1,672K), Others 218K
Salaries/Wages/Benefits	(1,953)	Gapping, Union increases, Benefits (timing)
Interest	(1,742)	Interest on investments (1,302K), Project construction financing (440K)
GPL Subsidy	(1,251)	Prior year adjustments (867K), Operating subsidy (384K)
Housing Project Funding	1,225	Timing - Elgin Park 584K, 473 Ontario 641K

Note: Negative numbers are favourable

Significant Variances Cont'd



Items	\$k	Comment
Transportation Supplies	(634)	Timing – Winter Maintenance (358K), Hard Top Maintenance (110K), Surface Treatment (263K)
GPL & NCAM Project	(79)	Timing of works (7,331K), net of construction financing 7,252K

Note: Negative numbers are favourable

2024 Financial Update



- The Bank of Canada (BOC) has made two (0.25%) reductions in 2024 to its overnight lending rate which now sits at 4.5%.
- The BOC maintains that monetary policy is working to reduce price pressures in Canada and that inflation will gradually ease and return to the 2% target in the second half of 2025. CPI 2.7% June 2024 (12-month change); Non Residential Building construction price index 4.8% (GTA Q2 2023 to Q2 2024)
- Higher interest rates are a significant concern for the County with the GPL & NCAM project funded mostly by debt. As of Aug 1st, the Infrastructure Ontario rate for a 25-year debenture was 4.52%

2024 Financial Update



- The BOC predicts that the global economy will grow around 3% in 2024 and 2025.
- Canadian economic growth has been relatively weak but is expected to strengthen in the second half of 2024.
- BOC Canadian GDP forecast growth of 1.2% in 2024 and 2.1% in 2025.