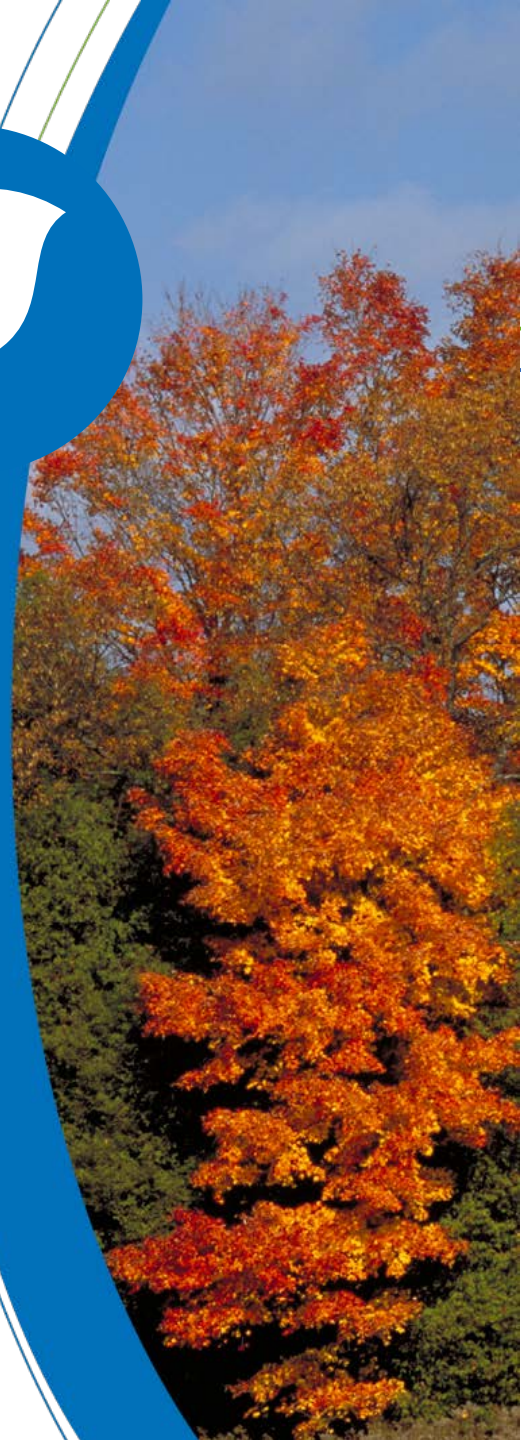


Financial Update

Fall 2021



Q3 Financial Update



2021 budget (cash basis):

Operating	\$104.5M
Capital	\$75.3M
Debt Principal Repayment	\$1.9M
Change in Reserves	<u>\$1.9M</u>
	\$183.4M

As at September 30th, County is on budget with some timing events and impacts from COVID-19:

<i>Timing events</i>	<i>(\$11.2M)</i>
<i>Non-timing events</i>	<i><u>(\$1.8M)</u></i>
<i>Favourable variance</i>	<i>(\$13.0M)</i>

Q3 Financial Update



Timing Events	\$k	Comment
Capital Purchases	(40,502)	GPL & NCAM Project (34,379K), Transportation (4,352K), NCHC - Elgin Park (1,634K), Others (137K)
Short Term Financing – GPL & NCAM Project	34,690	Timing of the project
External Services	(2,856)	Project timing; Transportation (2,169K), Waste (121K), Corp Support (415K), Planning and Development (268K), various others 117K
Gas Tax Funding	(1,350)	Received earlier than anticipated
Transportation Supplies	(428)	Winter Maintenance (251K), Hard Top Maintenance (136K), Others (41K)
Social Services Programs	415	Timing program delivery, Social Services Relief Programming offset by funding
Repairs and Maintenance	413	Timing

Q3 Financial Update



Timing Events	\$k	Comment
Interest Revenue	(353)	Timing of cash flows resulting in improved liquidity
Travel and Training	(262)	Timing/COVID-19
Waste Revenue	(254)	Bag tags 45K, Tipping fees 107K, MRF (507K), Grants and Subsidies 119K, Other (18K)
Leachate	(203)	Treatment and Haulage
Planning and Inspection Revenue	(196)	Higher than expected construction activity
Waste Expenses	176	Timing – Haulage 105K, Composting 38K, Other 33K
Salaries/Wages/Benefits	(175)	Timing – vacation payouts, increases, and training wages
BECN/Ec Dev Programs	171	Timing of program delivery
Utilities & Fuel	(158)	Timing seasonality

Q3 Financial Update



Timing Events	\$k	Comment
Rent and Accommodation Revenue	157	NCHC rent (106K) and GPL accommodations 263K
Transfer to/from reserve	(153)	Timing
Materials & Supplies	110	Various departments (Excluding COVID-19 M&S)
Recoveries	(108)	Miscellaneous recoveries
Financial Services	(90)	Timing – GPL Rebuild interest
GPL Subsidy	(79)	Timing
Surface Treatment Operations	(72)	Timing
OAFVC Operations	(40)	Revenue below budget – expenses reduced to offset
Miscellaneous	(44)	
Total Timing Events	(11,191)	Favourable

Q3 Financial Update



Non-Timing Events	\$k	Comment
GPL COVID-19 Funding	(1,686)	To offset negative impacts from pandemic
External Services – COVID-19	876	Childcare 437K, NCHC cleaning 140K, Facilities cleaning 204K, GPL upgrades 44K, GPL Contracted staff 51K
Transportation Funding	(723)	OCIF and RSIP funding
GPL High Intensity Needs funding	(575)	High Intensity Needs claims
POA Revenue	434	COVID-19 ticket volumes
Salaries/Wages/Benefits – Incremental COVID-19	403	GPL 352K, Paramedics 51K
Materials and Supplies	352	COVID-19 – various departments
Paramedic Subsidy	(318)	Increase larger than budgeted

Q3 Financial Update



Non-Timing Events	\$k	Comment
Paramedic Swabbing Recovery	(255)	Recovery for COVID swabbing
Salaries/Wages/Benefits – Pandemic Pay/Wage Enhancement	252	GPL – offset by funding
Pandemic Pay/Wage Enhancement funding	(252)	GPL – Health Care Aides
Waste Fleet Repairs	248	Extraordinary repairs and rentals
Salaries/Wages/Benefits – Gapping	(233)	Wage gapping estimate
Paramedic COVID-19 Funding	(187)	To offset additional expenses
Travel and Training	(150)	COVID-19 – estimated savings
Total Non-Timing Events	(1,814)	Favourable

Q3 Financial Update



- Investment portfolio CIBC Wood Gundy \$37.9M (market)
- Shorter term funds held in GIC's and BNS High Interest Savings Accounts (HISA)
- Interest revenues earned to date of \$1.2M allocate to reserve; increase over Q3/20 (\$0.9M) reflective of liquidity
- Bank of Canada (BOC) maintaining overnight interest rate to it's lower bound of 0.25% stimulating economic recovery
- Economists anticipate first rate increase from BOC by Q4/22 exiting current monetary stimulus regime; possibly earlier to mitigate inflationary pressures
- Favourable interest rate spread Infrastructure Ontario (IO) Construction Financing 0.67% vs. rate earned on short-term funds invested HISA accounts 0.85-0.95%; therefore, will continue to utilize IO financing towards GPL Redevelopment prior to County reserves

Q3 Financial Update



- Inflationary Pressures; **4.1%** CPI August annualized represents highest level since 2003; Non-residential Building Construction Price Index annual Toronto **7.7%**, Ottawa **10.1%** @ Q2/21
- Inflation Outlook; 2022 **3.1%** CPI
- Canada GDP contracted 0.1% July 2022; total economic activity ~2% below pre-pandemic levels
- Global supply chains continue to be strained reflective in supply chain fragility and inflationary pressures; continue to monitor for future impacts County projects

Financial Forecast



- COVID-19
 - Safe Restart Funding (2020 and 2021 allocations) along with savings from reduced travel, anticipated sufficient to offset related financial pressures (incremental expenses, lost revenues)
 - It is anticipated that COVID-19 funding from MOHLTC for Paramedics and GPL will be sufficient to offset COVID-19 pressures for 2021
 - Social Services Relief Funding will be utilized to the extent possible to offset associated 2021 COVID-19 community relief initiatives
 - Any unused funding will be recovered by the respective ministry

Financial Forecast



- GPL Redevelopment
 - Variance to budget for timing; construction underway
 - Multi-year project; financing secured for construction financing and debenture issuance with IO upon project completion
 - Commencing procurement processes for furniture, fixtures and equipment
- Items carryover 2022 / transferred to reserve
 - Transportation projects and tender savings
 - Waste projects; Residual Waste EA, Backhoe
 - NCHC mortgage savings
 - Training
 - Others to be assessed year-end



Financial Update

Questions?