



Financial Update

- Winter 2024



Q1 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 March 31st, County is on budget with several timing events:

<i>Timing events</i>	<i>(\$2,315K)</i>
<i>Non-timing events</i>	<i>-</i>
<i>Favourable variance</i>	<i><u>(\$2,315K)</u></i>

Q1 Financial Update



- Timing
 - Capital Projects
 - GPL/NCAM project and associated financing
 - Salaries/Wages and benefits
 - Interest (Revenue and Expense)
 - Transportation Supplies
 - Paramedic Subsidy
 - Repairs and Maintenance
 - GPL Subsidy
 - External Services
 - Court Security Funding
 - Transportation Funding

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Timing Events	\$k	Comment
Capital Projects	(3,448)	Project timing – NCHC (982K), Housing (2,650K), Transportation 73K, Others (111K)
GPL & NCAM Project	2,984	Timing of works (3,765K), net of construction financing 6,749K
Salaries/Wages/Benefits	(999)	Gapping, salary increases (Merit, COLA, Union)
Interest	(781)	Interest on investments (611K) and timing of project construction financing (170K)
Transportation Supplies	(255)	Timing – Winter maintenance

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Timing Events	\$k	Comment
Paramedic Subsidy	208	Timing – CP and CP LTC programs
Repairs & Maintenance	188	Timing various departments
GPL Subsidy	(129)	High intensity needs claims
External Services	(124)	Timing – various projects
Court Security Funding	123	Timing
Transportation Funding	(116)	Timing – OCIF funding

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Timing Events	\$k	Comment
POA Revenue	99	Ticket volumes
NCAM Grant	(90)	Timing
Miscellaneous	25	
Total Timing Events	(2,315)	Favourable

2024 Financial Update



- The Bank of Canada (BOC) is projecting that inflation will remain around 3% in Q2 2024, ease below 2.5% in the second half of 2024, and return to the target rate (2%) in 2025.
- CPI 2.9% March 2024 (12-month change).
- Building construction price indexes Non-residential 5.5% / Residential Building Construction Index 10.1% (GTA Q4 2022 to Q4 2023).
- Higher interest rates remain a significant concern for the County with the GPL & NCAM project funded mostly by debt. As of April 15th, the Infrastructure Ontario rate for a 25-year debenture was 4.93%.

2024 Financial Update



- Bank of Canada (BOC) held its overnight lending rate at 5.0% during its latest announcement on April 10th.
- BOC has kept its overnight lending rate constant for several months because inflation has been slow to come down.
- After stalling in the latter part of 2023, economic growth has picked up in Canada. The BOC credits this to population growth and household spending.
- The BOC predicts Canadian GDP growth will be approximately 1.5% in 2024 and an average of 2% in 2025 and 2026.