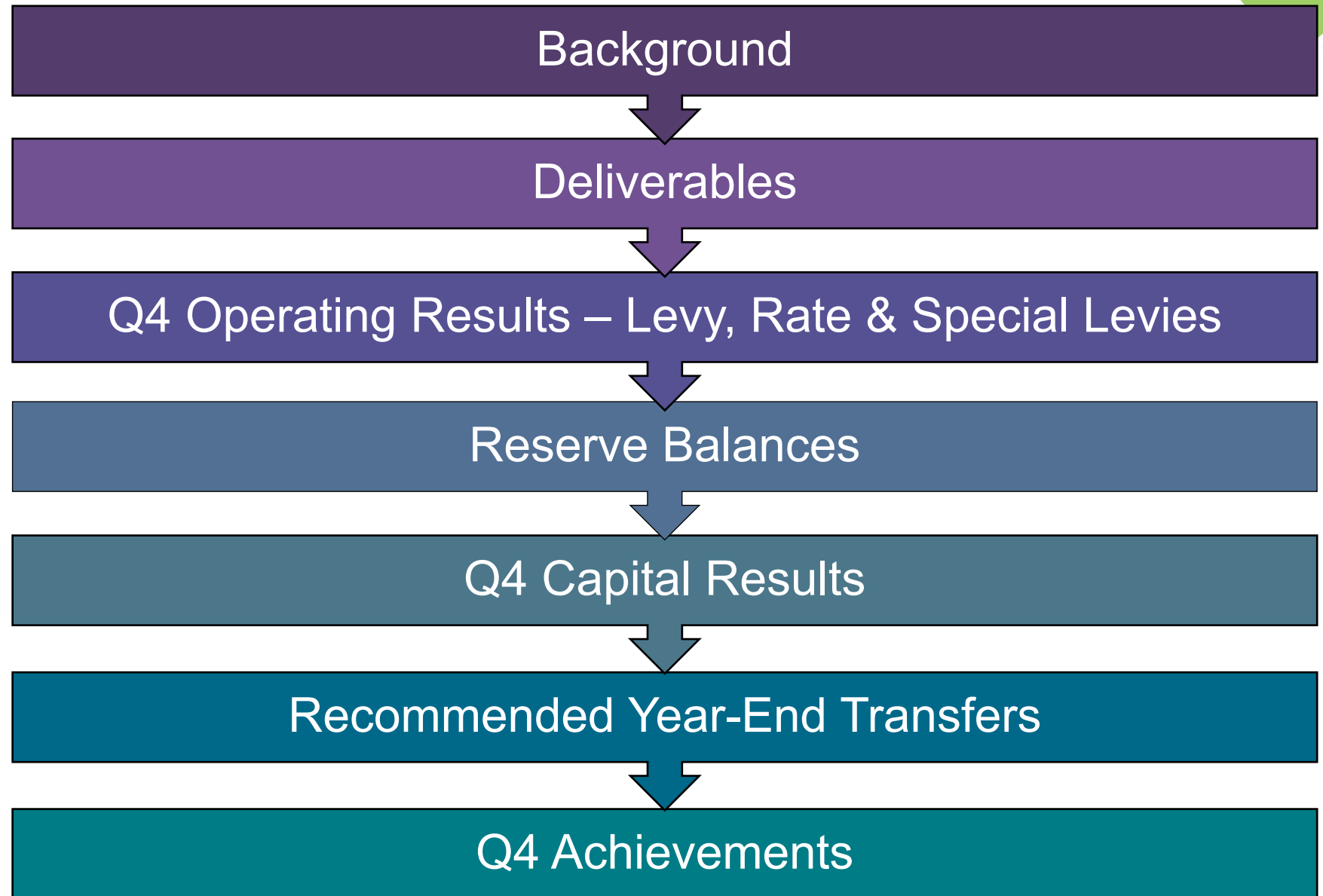


# Q4 2024 Financial Update

Corporate Services Committee

March 5, 2024

# Agenda



# Background

Policies that guide our **financial strategy** and how we allocate resources:

Budget Planning By-Law

Capital Financing Policy



Policies that guide our **financial reporting** requirements:

Budget  
Control By-  
Law

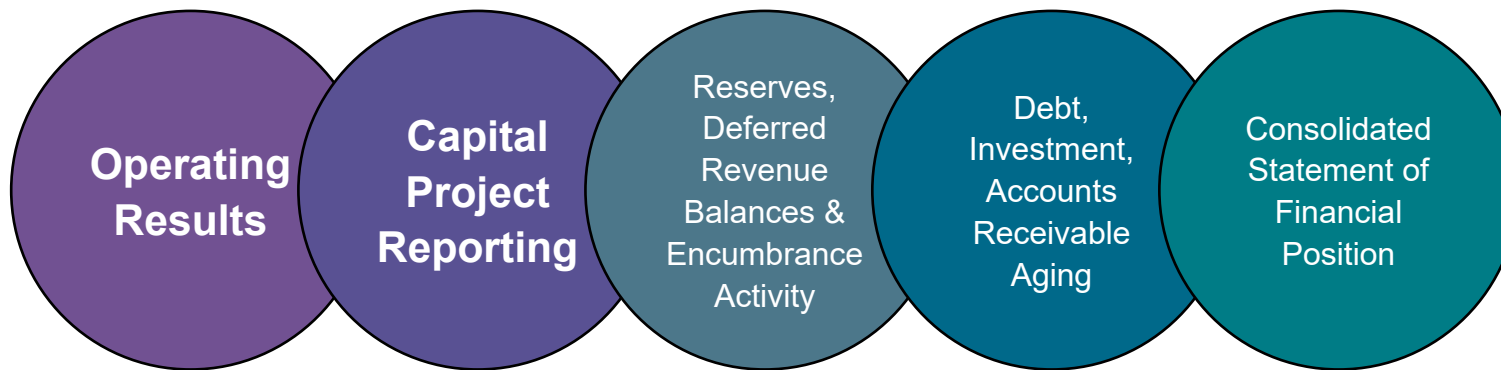
Reserve and  
Reserve  
Fund Policy

Operating  
Surplus /  
Deficit  
Policy

Financial  
Reporting  
and  
Forecasting  
Policy

# Deliverables Continued

The report is available on the Niagara Region's external website and contains information on:



**Q4 Achievements Update** on the Niagara Region's external website:

[Growing Better Together: Council Strategic Priorities 2023-2026 - Niagara Region, Ontario](https://niagararegion.ca/priorities)

(<https://niagararegion.ca/priorities>)

# 2024 Key Messages

- Overall corporate operating surplus to be reinvested into reserves
  - Surplus/deficit as a % of gross expenditures are below 2% for most areas
- Strategy for year-end transfers aligned with policy and will focus on getting Stabilization Reserves within target then contributing to Capital Reserves

# Year-End Operating Results

# 2024 Q4 High-Level Results

(After Indirect Allocations, in millions of dollars)

	Q4 Surplus/ (Deficit)	Percentage of Expense Budget
Regional Departments and General Government	\$12.1	1.50%
ABC's	N/A	
Court Services	\$0.1	0.70%
Niagara Regional Housing	(\$0.2)	(0.53%)
Niagara Regional Police Services	(\$1.9)	(0.80%)
Niagara Peninsula Conservation Authority	\$0.0	0.00%
Total ABC's	(\$2.0)	(0.69%)
Total General Levy Supported	\$10.1	1.81%

# 2024 Q4 High-Level Results

(After Indirect Allocations, in millions of dollars) continued

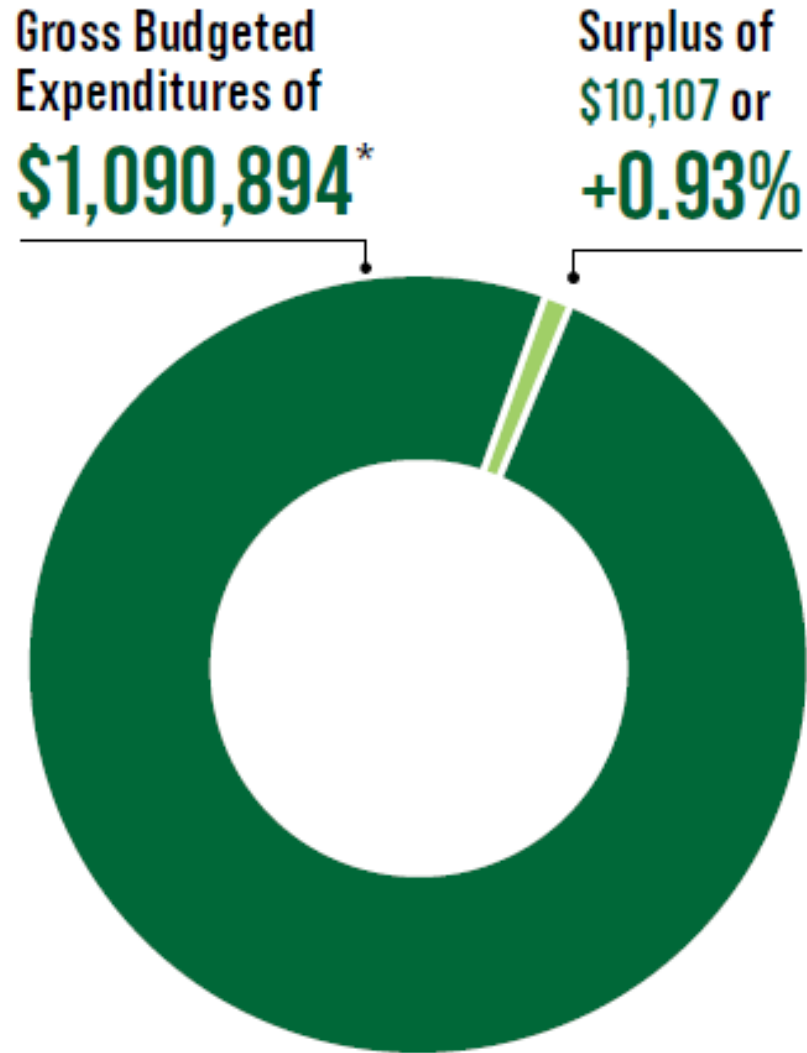
	Q4 Surplus/ (Deficit)	Percentage of Expense Budget
Rate Departments & Special Levy	n/a	n/a
Rate: W/WW	\$2.3	1.33%
Special Levy: NTC	\$1.5	1.81%
Special Levy: Waste Management	\$3.7	7.03%



# Q4 Summary Results


## General Levy

(In millions of dollars)



## Financial Statement Highlights

 **+\$10,067**  
variance in tax write offs and supplemental taxes revenue

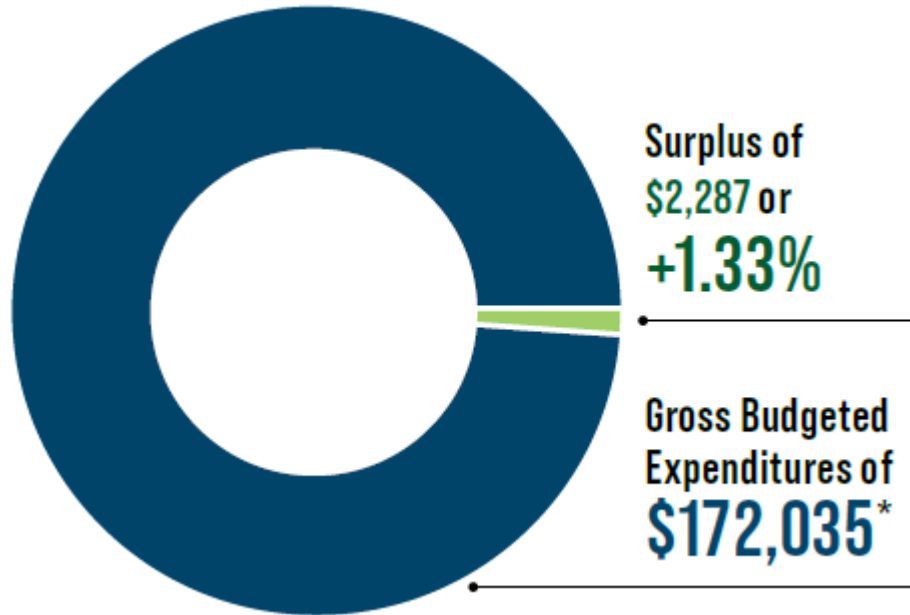
 **+\$2,002**  
net savings related to general planning grants

 **+\$6,066**  
reduction in legal liability expense

 **-\$13,156**  
variance in development charge grants

# Q4 Summary Results – Rate Drivers

Water and Wastewater  
(In millions of dollars)



## Water Financial Statement Highlights



**+\$657**  
variance in emergency  
equipment repairs



**+\$1,000**  
variance in water sales

## Wastewater Financial Statement Highlights



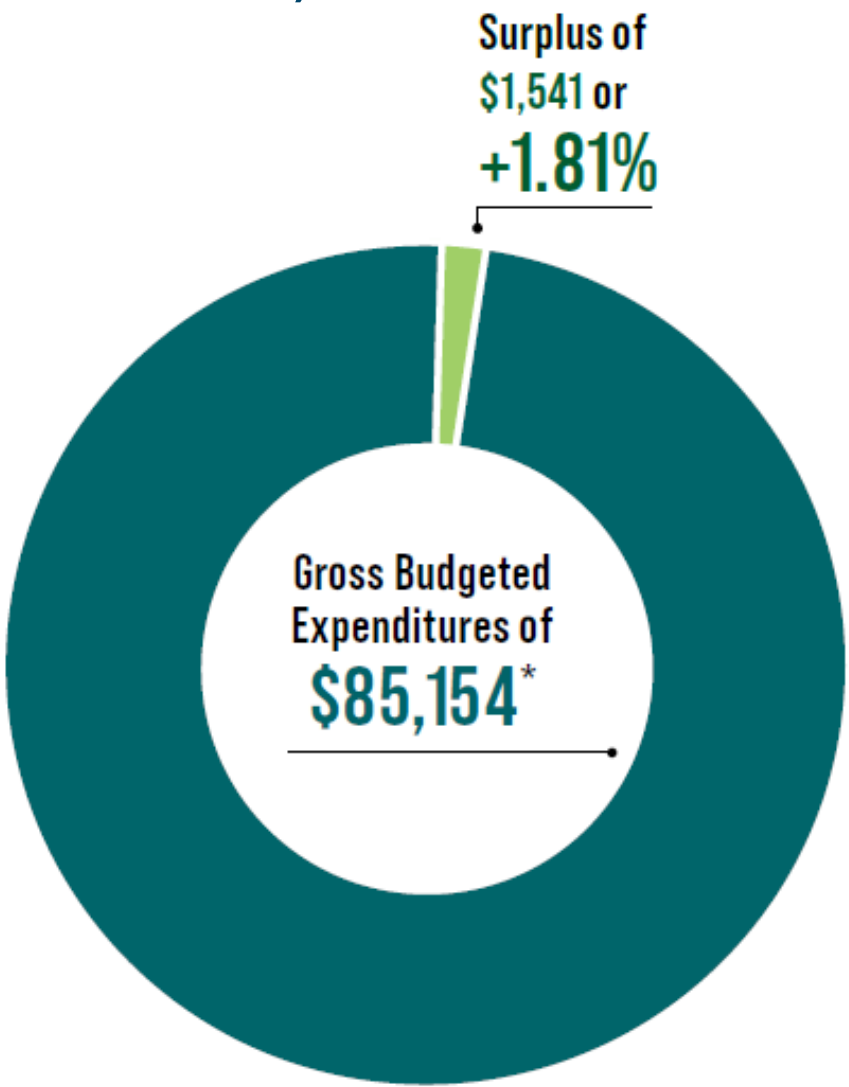
**+\$658**  
variance in utility costs due  
to plant optimization and  
mild weather



**-\$633**  
variance in repairs and  
maintenance due to aging  
infrastructure and equipment

# Q4 Summary Results – Special Levy

Niagara Transit Commission  
(In millions of dollars)



## Financial Statement Highlights



**+\$3,725**

Variance in higher than anticipated fare revenue



**-\$4,166**

Variance in labour related costs

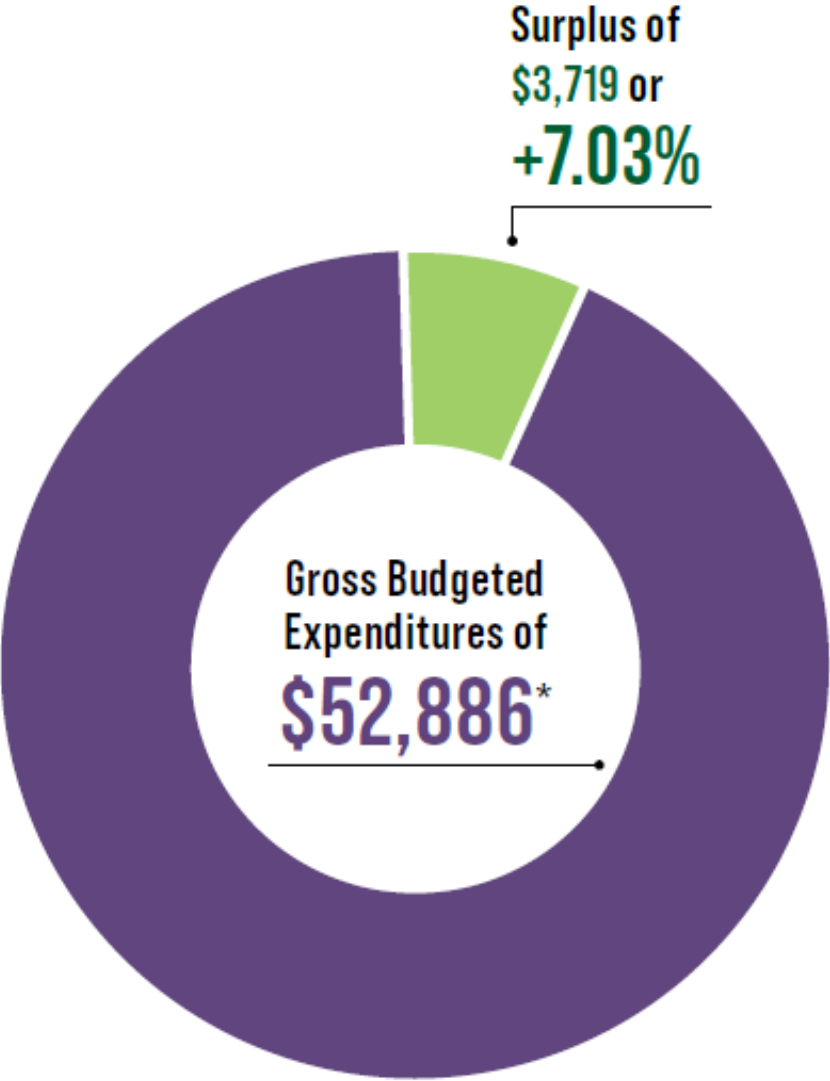


**+\$1,497**

variance in supplemental tax revenue

# Q4 Summary Results – Special Levy

Waste Management  
(In millions of dollars)



## Financial Statement Highlights



**+\$732**  
lower than anticipated  
escalation costs in contracts



**+\$489**  
labour related savings due to  
salary gapping and position  
vacancy management



**+\$500**  
variance in  
supplemental taxes

# Encumbrances

(in millions of dollars)

Encumbrance accounting is a mechanism to facilitate the accounting of goods and services where an obligation to purchase has occurred, but the goods or services had not been received by year end

Department	2024	2023	2022
Governance	\$ -	\$ -	\$ -
General Government	\$ 1.5	\$ 2.3	\$ 7.6
Corporate Administration	\$ 0.1	\$ 0.3	\$ 0.4
Corporate Services	\$ 0.6	\$ 0.8	\$ 1.2
Community Services	\$ 0.4	\$ 0.4	\$ 0.7
Growth Strategy & Economic Development	\$ 0.6	\$ 0.5	\$ 0.8
Public Health & Emergency Services	\$ -	\$ -	\$ -
Niagara Regional Housing	\$ -	\$ -	\$ 0.4
Niagara Transit Commission	\$ 1.6	\$ 1.9	\$ 2.0
Public Works - Transportation	\$ 1.0	\$ 1.0	\$ 1.1
Public Works - Waste Management	\$ 1.0	\$ 1.4	\$ 1.1
Public Works - Water/ Wastewater	\$ 5.0	\$ 5.7	\$ 6.0
<b>TOTAL</b>	<b>\$ 11.8</b>	<b>\$ 14.3</b>	<b>\$ 21.3</b>

\$4,880 of the total encumbrance in 2024 relates to incentive and grant programs

# 2024 Q4 – Taxpayer Relief Reserve

(in millions of dollars)

	2024 Budget	2024 Actuals	2025 Budget	2026 Forecast
<b>Opening Balance</b>	<b>\$36.6</b>	<b>\$36.6</b>	<b>\$38.5</b>	<b>\$28.1</b>
Bill 23 Impacts	(\$0.6)	(\$0.6)	-	-
Council Reserve Draw (Tax mitigation strategy)	(\$4.0)	(\$4.0)	(\$2.0)	
One-time Transfers (net)	(\$0.6)	(\$0.6)	(\$3.0)	\$0.1
Homelessness 2024 Budget Pressure (One-time)	(\$2.4)	(\$2.4)	-	-
Extra Working Day	(\$1.1)	(\$1.1)	-	-
Smart Growth - RDC Reduction Funding Strategy *	-	-	\$2.0	\$4.9
Project Eagle DC Grant	-	-	(\$5.4)	(\$5.0)
Recommended Yearend Transfer per CSD 8-2025	-	\$10.6	-	-
<b>Closing Balance</b>	<b>\$27.9</b>	<b>\$38.5</b>	<b>\$30.1</b>	<b>\$28.1</b>
Commitments - Smart Growth DC Refunds *			(\$2.0)	(\$6.9)
<b>Available Balance</b>			<b>\$28.1</b>	<b>\$21.2</b>

- 2024 surplus improved our reserve position to 5% of gross expenditures
- 2025 and 2026 known commitments will reduce this to 2.7% of gross expenditures

# Stabilization Reserve Position

(in millions of dollars)

Stabilization Reserve (Note 1)	Balance at Dec. 31, 2024 Before Year-End Transfer	Recommended Year-End Transfer	Balance at Dec. 31, 2024	Reserve Target Balance Low (10%)	Reserve Target Balance High (15%)	Conclusion
Taxpayer Relief	\$27.9	\$10.6	\$38.5	\$77.7	\$116.6	Under Target
Transit Stabilization	\$2.1	\$1.5	\$3.6	\$8.1	\$12.1	Under Target
Water Stabilization	\$2.9	\$0	\$2.9	\$2.7	\$4.1	Within Target
Wastewater Stabilization	\$0.9	\$0.1	\$1.0	\$7.0	\$10.5	Under Target
Waste Management Stabilization	\$7.8	\$0	\$7.8	\$4.8	\$7.2	Above Target
Police Contingency	\$2.5	(\$0.5)	\$2.0	N/A	N/A	Assessed by NRPS
Police Services Board Contingency	\$0.2	\$0	\$0.2	N/A	N/A	Assessed by NRPS

## Notes:

- (1) When setting targets, Niagara Region considers all levy gross expenditures, excluding ABCs
- (2) The recommended year-end transfers include activity to capital reserves. Full balances and detail on all capital reserves is included in the Q4 Financial Update which is Appendix 4 to CSD 8-2025

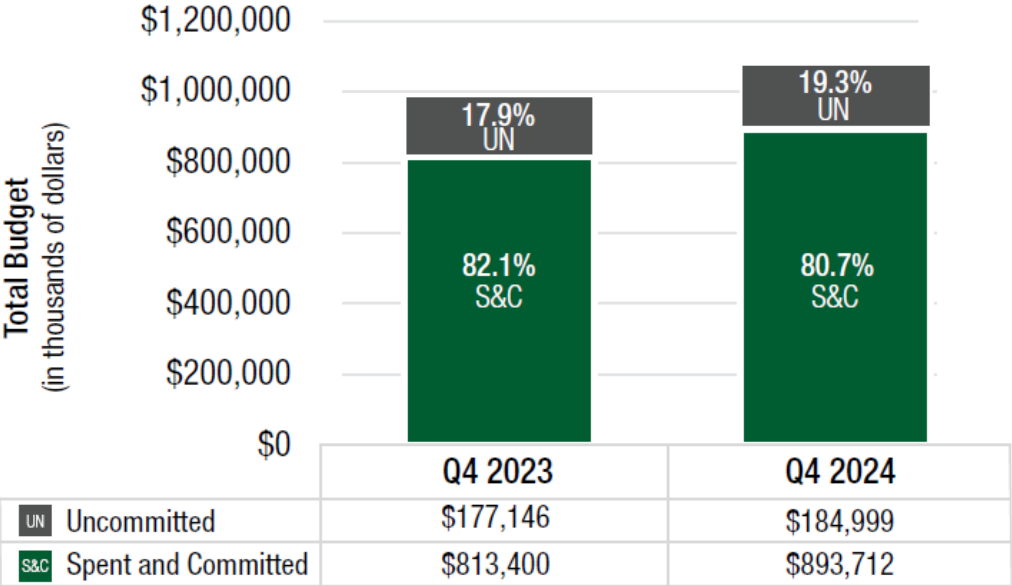
# Capital Program Highlights



# Capital Project Status

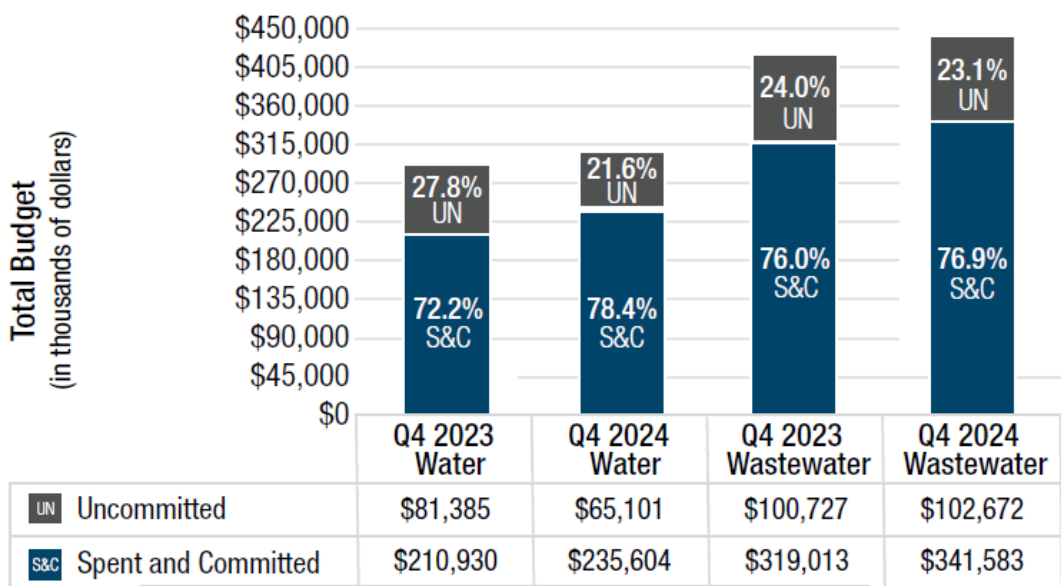
## Levy

Project Budgets Spent and/or Committed at Quarter End  
Active projects with budgets greater than \$1 million.



## Water and Wastewater

Project Budgets Spent and/or Committed at Quarter End  
Active projects with budgets greater than \$1 million.

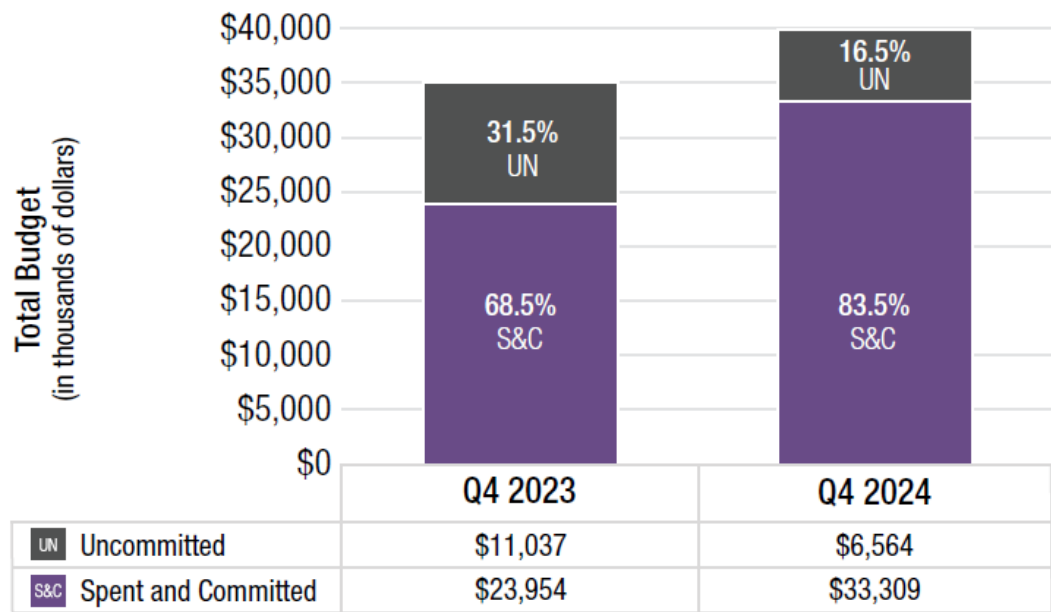


Year over year capital spend is growing in water & wastewater programs due increasing capital investment.

# Capital Project Status Continued

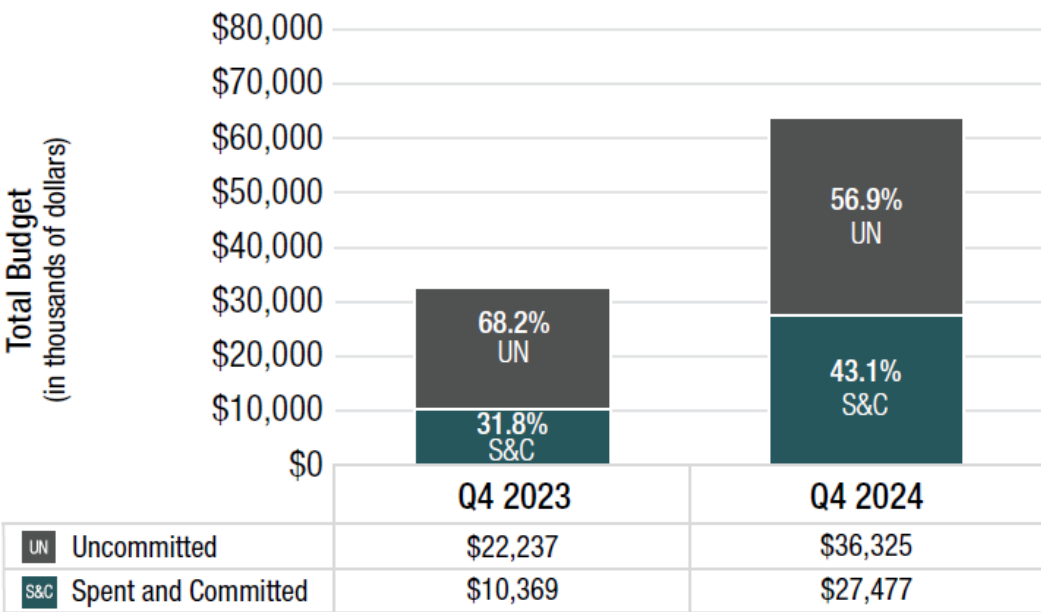
## Waste Management

Project Budgets Spent and/or Committed at Quarter End  
Active projects with budgets greater than \$1 million.



## Niagara Transit Commission

Project Budgets Spent and/or Committed at Quarter End  
Active projects with budgets greater than \$1 million.



Niagara Transit Commission’s first capital budget was in 2024 resulting in an increase in projects managed

# Capital Variance Projects

## Levy

Year-to-Date Capital Variance Project Transfers



## Water and Wastewater

Year-to-Date Capital Variance Project Transfers



## Waste Management

Year-to-Date Capital Variance Project Transfers



**Net of \$16.0 million** has been made available for future capital

# Capital Variance Projects

- \$30.3 million to be held in the Capital Variance Projects (1% of budget for active capital projects)
- Assist with significant inflationary pressures and economic uncertainty

CVP (in millions)	Opening Balance	Contributions /(Draws)	Transfer to Capital Reserves	Uncommitted Balance at December 31, 2024
Levy	\$5.7	(\$1.4)	-	\$4.3
Waste Management	\$1.0	\$1.3	(\$1.3)	\$1.0
Wastewater	\$4.3	\$7.4	-	\$11.7
Water	\$11.3	\$8.7	(\$6.7)	\$13.3
<b>Total</b>	<b>\$22.3</b>	<b>\$10.6</b>	<b>(\$8.0)</b>	<b>\$30.3</b>

# Year-end Recommendations

- Outlined in CSD 8-2025
- Aligned with Operating Surplus/Deficit Policy
  - Allocated to/from reserves depending on balance relative to target
- Maintaining Capital Variance Projects balances provides flexibility to address in year variances inclusive of inflationary risks and economic uncertainty
- Use of debt charge placeholder to substitute approved but unissued debt for South Niagara Wastewater Treatment Solution Project reduces overall debt requirement for the project

# Strategic Priority and Business Plan Highlights

# Quarterly Achievements

- Quarterly Achievements report has been included as Appendix 8
- The report compiles highlights across the corporation on Council priority actions and business plan activities showcasing key milestones and accomplishments
- Each project indicates whether it is connected to a council priority action using the 'Growing Better Together' icon and a status update
- An 'on track' status means the project is progressing as expected with regards to timing, capacity, and resourcing.



# Effective Region



## Hauled Biosolid Rate Review

Council Strategic Priority  
Completed



## Modernizing Procurement By-Law

Council Strategic Priority  
On Track



## Health Impact Assessments

Business Plan  
Completed



# Green and Resilient Region



## Biosolids Master Plan

Council Strategic Priority  
Completed



## Environmental Sustainability of Long-Term Care Homes

Business Plan  
On Track



## Corporate Climate Change Action Plan

Council Strategic Priority  
On Track

# Equitable Region



## Multi-Year Accessibility Plan

Business Plan  
Completed

## Situation Table

Council Strategic Priority  
On Track

## Niagara Prosperity Initiative

Council Strategic Priority  
On Track



# Prosperous Region



## Physician Recruitment

Council Strategic Priority  
On Track



## Project Eagle

Council Strategic Priority  
On Track



## EarlyON Service Enhancement Strategy

Business Plan Project  
Completed

# Next Steps

- Preparation of Consolidated Financial Statements
- Completion of external audit April 2025
- In-Year review of council priorities to COTW April 2025
- Presentation to Audit Committee on May 20, 2025
- Annual Report to be published in June 2025

# Questions?

**Melanie Steele, CPA, CA**  
**Associate Director, Reporting & Analysis**

**Suzanne Madder**  
**Associate Director, Strategic Initiatives**