



To: Board of Management

From: R. D. Hale
Chief Operating Officer

Subject: **OPERATING BUDGET VARIANCE – JUNE 2012**

Date: 2012-09-17

Summary:

This report outlines the Zoo's operating variance for the period ending 2012-06-30 and provides a year-end projection.

Recommendation:

It is recommended that this report be received for information.

Financial Impact:

As of the end of June, the full-year projection for Net Expenditures to the City is to be on plan from a Net Expenditure perspective.

Background:

In accordance with the Financial By-law No. 2-2010, this operating budget variance report is being submitted to the Board for information. The reporting also meets the requirements of City Council. A June variance report was forwarded to the Financial Planning Division in July in accordance with the specified timeline.

Comments/Discussion:

In the first half of 2012, the Toronto Zoo was a very popular destination. Attendance through the end of June, 2012, is ahead of budget by 13.8% and 21.1% versus prior year. The attendance was highly influenced by the positive news associated with the polar bear cub, the penguin chicks, and the new White Lion Exhibit. As well, the warmer than usual weather in the first half of the year set numerous records with the temperature averaging close to a full 1°C higher than the average during the first half of 2011.

Year-to-date attendance of 597,353 visitors through the end of June 2012 is ahead of budget by 72,291 visitors (13.8%). The variance to budget consists of an increase in general admission

attendance by 29,546, member visits by 46,515, and a slight shortfall in school groups of 3,770. The favourable to budget attendance levels have resulted in increased admissions, parking, retail, rides, food and membership revenue contributing to a total favourable revenue variance of \$943.0 thousand.

The combined impact of the increased revenues and under spending in expenditures results in a favourable variance of \$1,386.5 thousand in net expenditures, or 17.1%. In the weeks leading up to the busy summer season, attendance and resulting revenue were observed to move more in line with the year-to-date budget versus the variance reported in Q1. As such, the full year projection submitted with the June 2012 variance report indicates on plan performance for the year.

R. D. Hale
Chief Operating Officer

List of Attachments:

Schedule I - Overview, Year-to-Date at June 2012



**OPERATING VARIANCE SUBMISSION
FOR THE SIX MONTHS ENDED JUNE 30, 2012**

OVERVIEW

TITLE TORONTO ZOO

YEAR-TO-DATE AT JUNE 30, 2012

*("ACTUAL" is Adjusted Actual from
Accrual Worksheet - Schedule 4)*

Gross Expenditure:

	ACTUAL	BUDGET	VARIANCE OVER/(UNDER)	
	(\$000s)	(\$000s)	(\$000s)	%
Consulting Costs <i>(cost elements 4078, 4079, 4089, 4091, 4093)</i>	32.3	52.4	(20.1)	(38.4%)
Utility Costs <i>(cost elements 2215, 2220, 2230, 2250)</i>	1,169.7	1,470.8	(301.1)	(20.5%)
Other Expenditures	19,716.3	19,838.6	(122.3)	(0.6%)
Total Gross Expenditure	20,918.3	21,361.8	(443.5)	(2.1%)
Revenue	14,202.4	13,259.4	943.0	7.1%
NET EXPENDITURE	6,715.9	8,102.4	(1,386.5)	(17.1%)

POSITIONS

Approved Positions at JUNE 30, 2012

	ACTUAL	BUDGET	VARIANCE OVER/(UNDER)	
	No.	No.	No.	%
Permanent / Full Time	267.0	277.0	(10.0)	(3.6%)
Temp / Seasonal / Casual Part Time	111.0	111.0	0.0	0.0%
Total Positions	378.0	388.0	(10.0)	(2.6%)

PROJECTIONS TO YEAR-END

Gross Expenditure:

	ACTUAL	BUDGET	VARIANCE OVER/(UNDER)	
	(\$000s)	(\$000s)	(\$000s)	%
Consulting Costs <i>(cost elements 4078, 4079, 4089, 4091, 4093)</i>	104.8	104.8	0.0	0.0%
Utility Costs <i>(cost elements 2215, 2220, 2230, 2250)</i>	2,805.6	2,805.6	0.0	0.0%
Other Expenditures	42,750.5	42,750.5	0.0	0.0%
Total Gross Expenditure	45,660.9	45,660.9	0.0	0.0%
Revenue	34,552.9	34,552.9	0.0	0.0%
NET EXPENDITURE	11,108.0	11,108.0	0.0	0.0%