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## 2016 OPERATING BUDGET BRIEFING NOTE

### Economic Development & Culture Division - 2016 Preliminary Operating Budget vs. 2014 Actual

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#### Issue/Background:

Budget Committee at its meeting on January 11, 2016 (BU16.1) requested the General Manager of Economic Development and Culture provide a budget briefing note on a gross/net comparison of the 2014 actuals to the 2016 proposed divisional budget, such report to demonstrate the division's trend, net of Pan Am spending and funding, to the January 18, 2016 meeting of the Budget Committee.

#### Key Points:

- The Economic Development and Culture (EDC) Division advances the City's prosperity, opportunity and liveability by making Toronto a place where business and culture thrive.
- Over the past number of years, the Division has undergone several restructurings (corporately and within the Division). Over time, the mechanics of the consolidation of budgets has resulted in misalignment of some expenditures and revenues between services and activities. The most recent restructuring occurred in late 2014. Realignment of the line by line activities to the new structure will be completed in 2016.
- As has been the case over the last 6 years, EDC's net expenditures have been on budget, and again, total net expenditures in 2015 is projected to be on budget.
- For purposes of the comparison of the 2016 Preliminary Budget to the 2014 actuals for EDC, approximately \$0.4 million of gross expenditures in 2014 and associated revenues of the same amount pertaining to the Pan Am Games have been removed from the 2014 actuals.
- Net Preliminary Budget of \$54.0 million in 2016 is \$5.4 million higher than the actual 2014 net expenditure of \$48.7 million due primarily to the increase in tax based funding for Arts and Culture of \$4.0 million. The balance is due to a lower budgeted revenue of about \$0.5 million compared to 2014 actual (the budgeted amount for 2016 is consistent with budget revenue for 2015). The final main factor is salary and benefits inflation of about \$0.6 million.
- Gross Preliminary Budget of \$70.2 million in 2016 is \$1.6 million higher than the actual 2014 gross expenditures of \$68.6 million due to salaries and benefits inflation of \$0.6 million and pass through funding from the Province for the Starter Company of \$1.0 million.
- There is no change in 2016 to the number of FTEs of 297.5 from the 2014 number.

- Please refer to the Appendix which shows actual gross expenditures and revenues for 2014 and the 2016 Preliminary Operating Budget for EDC in service view and by activity, excluding new and enhanced requests that have been referred to the Budget Process.

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**Appendix**  
**2016 Preliminary Operating Budget vs. 2014 Actual**

(In \$000s)	2014 Actual (Excluding PanAm)	2016 Preliminary Operating Budget	Change - 2016 Preliminary Operating Budget vs. 2014 Actual	
	\$	\$	\$	%
<b>Economic Competitiveness Services</b>				
BIA Support & Governance	1,997.5	1601.3	(396.2)	(19.8%)
Research & Policy on Toronto	1,533.3	1696.9	163.6	10.7%
Sectors Development	2,602.0	2667.9	65.9	2.5%
Strategic Alliances	777.0	1353.5	576.5	74.2%
Visitor Information	982.0	1386.1	404.1	41.2%
<b>Gross Expenditures</b>	<b>7,891.8</b>	<b>8,705.7</b>	<b>813.9</b>	<b>10.3%</b>
BIA Support & Governance	682.3	390.3	(292.0)	(42.8%)
Research & Policy on Toronto	9.8	32.5	22.7	231.6%
Sectors Development	217.3	189.0	(28.3)	(13.0%)
Strategic Alliances	305.5	538.0	232.5	76.1%
Visitor Information	878.5	858.6	(19.9)	(2.3%)
<b>Total Revenues</b>	<b>2,093.4</b>	<b>2,008.4</b>	<b>(85.0)</b>	<b>(4.1%)</b>
<b>Net Expenditures</b>	<b>5,798.4</b>	<b>6,697.3</b>	<b>898.9</b>	<b>15.5%</b>
<b>Cultural Services</b>				
Arts Programming	4,495.8	2,774.8	(1,721.0)	(38.3%)
Cultural Development	3,681.2	2,477.8	(1,203.4)	(32.7%)
Events Programming	8,158.2	7,140.2	(1,018.0)	(12.5%)
Heritage Programming	11,276.1	13,874.5	2,598.4	23.0%
Cultural Grants	26,500.8	27,830.1	1,329.3	5.0%
<b>Gross Expenditures</b>	<b>54,112.1</b>	<b>54,097.4</b>	<b>(14.7)</b>	<b>(0.0%)</b>
Arts Programming	616.0	611.6	(4.4)	(0.7%)
Cultural Development	1,200.3	351.7	(848.6)	(70.7%)
Events Programming	2,488.8	2,263.0	(225.8)	(9.1%)
Heritage Programming	2,893.9	3,353.6	459.7	15.9%
Cultural Grants	7,402.2	3,200.0	(4,202.2)	(56.8%)
<b>Total Revenues</b>	<b>14,601.2</b>	<b>9,779.9</b>	<b>(4,821.3)</b>	<b>(33.0%)</b>
<b>Net Expenditures</b>	<b>39,510.9</b>	<b>44,317.5</b>	<b>4,806.6</b>	<b>12.2%</b>
<b>Business Services</b>				
Business Rention & Expansion	2,087.9	2,022.9	(65.0)	(3.1%)
Entrepreneurship Support	3,037.0	4,096.0	1,059.0	34.9%
Filming Activity	1,427.9	1,243.0	(184.9)	(12.9%)
<b>Gross Expenditures</b>	<b>6,552.8</b>	<b>7,361.9</b>	<b>809.1</b>	<b>12.3%</b>
Business Rention & Expansion	207.0	0.0	(207.0)	(100.0%)
Entrepreneurship Support	2,390.3	3,805.9	1,415.6	59.2%
Filming Activity	579.0	547.0	(32.0)	(5.5%)
<b>Total Revenues</b>	<b>3,176.3</b>	<b>4,352.9</b>	<b>1,176.6</b>	<b>37.0%</b>
<b>Net Expenditures</b>	<b>3,376.5</b>	<b>3,009.0</b>	<b>(367.5)</b>	<b>(10.9%)</b>
<b>Total</b>				
Gross Expenditures	68,556.7	70,165.0	1,608.3	2.3%
Revenues	19,870.9	16,141.2	(3,729.7)	(18.8%)
<b>Total Net Expenditures</b>	<b>48,685.8</b>	<b>54,023.8</b>	<b>5,338.0</b>	<b>11.0%</b>
<b>Approved Positions</b>	<b>297.5</b>	<b>297.5</b>	<b>0.0</b>	<b>0.0%</b>

\* Excluding the decrease in revenues from the Sign Tax Reserve of \$4 million, the total net increase is \$1,338.0K or 2.7%.