

Operating Variance Report for the Year Ended December 31, 2019

Date: November 10, 2020
To: Budget Committee
From: Chief Financial Officer and Treasurer
Wards: All

SUMMARY

The purpose of this report is to provide Council with the City of Toronto's Operating Variance results for the year ended December 31, 2019 and the disposition of the 2019 year-end operating surplus.

As of December 31, 2019 the City experienced a favourable variance of \$431.1 million net with \$213.8 million in surplus ultimately available for allocation when accounting for the following:

- A significant one-time surplus of \$106.0 million resulting from the merger of City pensions to be dedicated to the underfunded Employee Benefits Reserve Fund;
- \$30.9 million in Toronto Building surplus that the city is obligated to contribute towards the Building Reserve;
- \$40.4 million in planned contributions to underfunded liabilities and reserve funds as detailed in Table 3; and
- \$40.0 million in Capital Financing Reserve commitments consistent with the capital financing strategy.

Table 1 summarizes the financial position of the City's Tax Supported Operations at year-end.

Table 1: Tax Supported Operating Variance Summary (\$ Millions)

Variance (\$M) Favourable / (Unfavourable)	2019 Year-End Results		
	Budget	Actual	Variance
City Operations	2,289.0	2,237.7	51.3

Variance (\$M) Favourable / (Unfavourable)	2019 Year-End Results		
	Budget	Actual	Variance
Agencies	2,099.2	2,089.0	10.2
Corporate Accounts	(75.2)	(444.8)	369.6
Total Variance	4,313.0	3,881.9	431.1
Less: Toronto Building			30.9
Less: Pension Merger			106.0
Less: Planned Contributions to Underfunded Liabilities / Reserves			40.4
Less: Capital Financing Reserve Commitments			40.0
Adjusted Variance			213.8
% of Gross Budget			1.8%

As noted in Table 1 above, for the year ended December 31, 2019 Tax Supported Operations experienced a favourable net variance of \$431.1 million. The key factors contributing to the favourable year-end variance are:

- Favourable net expenditures in City Operations (\$51.3 million) is primarily due to lower than planned salary and benefits while sustaining current service levels, which was partially offset by higher demand in the shelter system and overspending in winter maintenance as a result of this year's winter storms.
- Favourable net expenditures in Agencies (\$10.2 million) driven by under expenditures in Toronto Public Health, Toronto Transit Commission, and Toronto Police Service primarily due to lower than planned salary and benefits while sustaining current service levels and lower than anticipated expenses on automotive parts.
- Favourable net expenditures in Corporate accounts (\$369.6 million) from higher than budgeted revenues from the OMERS pension surplus, Interest/Investment Earnings and Municipal Land Transfer Tax, as well as lower than planned Debt Charges.

Rate Supported Programs:

Rate Supported Programs reported a favourable year-end variance of \$111.4 million. The favourable variance is attributed to gross under expenditures in salary and benefits while maintaining service levels, underspending in contracted services, and timing of maintenance expenses. Revenues also experienced a favourable variance due to receipt of Ontario Stewardship Funding, and one-time capital gain from the sale of property and overall increase in new water and sewer service connections due to higher construction activity, and private water agreements.

Rate Supported Programs are funded entirely by the user fees that are used to pay for the services provided and the infrastructure to deliver them. Solid Waste Management Services and Toronto Water's respective year-end surpluses, if any, must be transferred to the Wastewater and Water Stabilization Reserves and Waste Management Reserve Fund, respectively, to finance capital investments and ongoing capital repairs and maintenance.

Table 2: Rate Supported Net Variance Summary (\$ Millions)

Variance (\$M) Favourable / (Unfavourable)	2019 Year-End		
	Budget	Actual	Variance
Solid Waste Management Services	(0.0)	(56.8)	56.8
Toronto Parking Authority	(66.5)	(76.3)	9.8
Toronto Water	0.0	(44.7)	44.7
Total Variance	(66.5)	(177.9)	111.4

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council approve a one-time amendment to the City's annual surplus allocation policy of contributing 75% of operating surplus to the Capital Financing Reserve to enable alternative surplus allocation requirements.
2. City Council approve the surplus allocation as detailed in Table 3 of this report including a \$213.751 million allocation to the Tax Rate Stabilization Reserve to be used to offset COVID financial impacts in the event adequate Federal/Provincial funding support is not forthcoming.

3. City Council approve the withdrawal from the Sony Centre Stabilization Reserve Fund (XQ2031) of \$0.167 million and Toronto Centre for the Arts Stabilization Reserve Fund (XQ1060) of \$0.167 million to partially mitigate the 2019 year-end deficit of TO Live.

FINANCIAL IMPACT

For the year ended December 31, 2019 Tax Supported Operations experienced a favourable net variance of \$431.1 million.

The year-end surplus available for disposition is \$213.8 million for Tax Supported Operations when accounting for the following:

- Council direction / legislative requirements pertaining to the Toronto Building surplus of \$30.9 million; and
- One-time surplus of \$106.0 million from the pension merger be allocated to the City's Employee Benefits Reserve Fund (XR1002), improving the City's Consolidated Employee Benefits Reserve Fund balance to Employee Benefits Payments ratio from 1.2 as at December 31, 2019 to approximately 1.6 by year-end 2020. This action moves towards the Council approved Employee Benefit Payments Ratio of 2.0.
- \$40.4 million in planned contributions to underfunded liabilities and reserve funds as detailed in Table 3.
- \$40.0 million in Capital Financing Reserve commitments.

The 2019 year-end surplus available for disposition of \$213.8 million represents 1.8% of the City's Gross Expenditure Tax Supported Operating Budget.

The 2019 year-end results are higher than the historical experience as summarized below:

Chart 1: 2013 - 2019 Surplus Available for Distribution

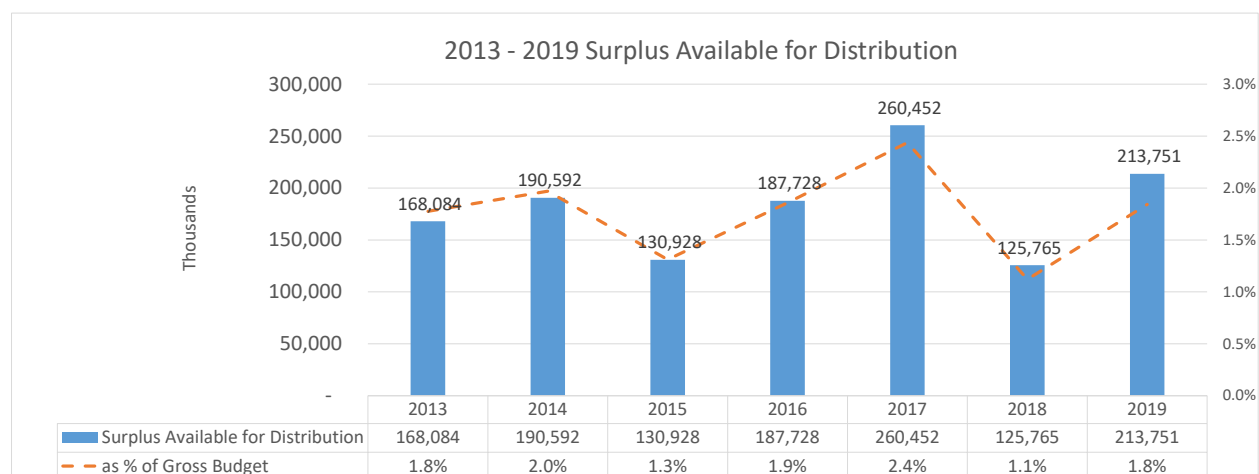


Table 3 summarizes the 2019 recommended year-end surplus distribution after Council directions and legislative requirements; pension merger allocations; planned contributions to underfunded liabilities and reserves; and Capital Financing Reserve commitments are met. A total of \$213.8 will be allocated towards the Tax Stabilization Reserve to help manage COVID-19 financial impacts.

Table 3: 2019 Year-End Operating Results – Tax Supported Programs and Agencies (Millions)

Year-End Operating Results (Surplus)	431.064
Council Direction/Legislative Requirements / Pension Merger:	
Building Code Act Service Improvement Reserve Fund	(30.871)
Pension Merger	(106.000)
Capital Financing Reserve	(40.000)
<i>Planned Contributions to Underfunded Liabilities and Reserve Funds:</i>	
Insurance Reserve Fund	(15.000)
Technology Sustainment Reserve	(5.380)
Assessment Appeal Stabilization Reserve	(5.000)
Toronto Police Services Vehicle and Equipment Reserve	(5.000)
Council Transition Reserve	(3.000)
Sick Leave Reserve Fund (Police)	(3.000)
Exhibition Place Conference Centre Reserve Fund	(2.072)
Police Health Care Spending Reserve Fund	(1.500)
Major Special Event Reserve Fund	(0.500)
Council Furniture and Equipment Reserve Fund	(0.282)
Arena Boards Settlement of Operating Results	(0.041)
Draw from Toronto Centre for the Arts Stabilization Reserve Fund	0.167
Draw from Sony Centre Stabilization Reserve Fund	0.167

<i>Sub-Total</i>	(217.312)
Final Year-End Surplus Available for Distribution	213.751
Surplus Allocation:	
Tax Rate Stabilization Reserve	(213.751)
<i>Sub-Total</i>	(213.751)
Surplus Remaining/(Shortfall)	0.000

Toronto Water and Solid Waste Management Services respective 2019 year-end surpluses will be transferred to the Wastewater and Water Stabilization Reserves and Waste Management Reserve Fund to finance capital investments and ongoing operations. The 2019 final year-end operating results for Rate Supported Operations, excluding Toronto Parking Authority, will be allocated based on the following:
Table 4: 2019 Year-End Net Operating Results – Rate Supported Programs (Millions)

Toronto Water Final Year-End Surplus Available for Distribution	44.730
Wastewater Stabilization Reserve	25.496
Water Stabilization Reserve	19.234
Surplus Remaining / (Shortfall)	0.000
Solid Waste Management Services Final Year-End Surplus Available for Distribution	56.810
Waste Management Reserve Fund	56.810
Surplus Remaining / (Shortfall)	0.000

DECISION HISTORY

At its meeting of March 7, 2019, City Council approved a 2019 Rate-Supported Operating Budget of \$1.844 billion gross and \$0.067 billion net revenue and a 2019 Tax Supported Operating Budget of \$11.559 billion gross and \$4.313 billion net.

This report is provided pursuant to financial management best practices and budgetary control. As part of the City of Toronto's financial accountability framework, quarterly and year-end operating variance reports are submitted to Committees and City Council, to provide financial monitoring information on operating results to date and projections to

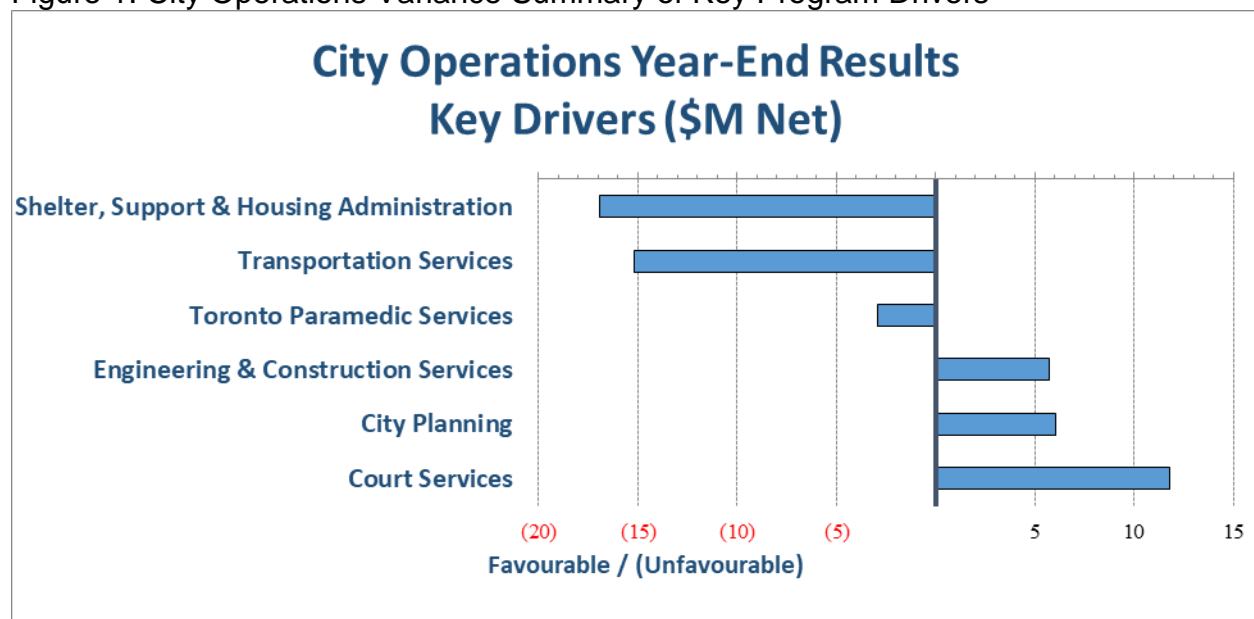
year-end, and on an exception basis, to identify issues that require direction and/or decisions from City Council. In addition, City Council's approval is requested for budget adjustments that amend the 2019 Approved Operating Budget between Programs and Agencies in accordance with the Financial Control By-Law and the City's financial management policies.

COMMENTS

City Operations

As of December 31, 2019, City Operations reported a favourable gross expenditure variance of \$255.1 million or 4% and a revenue shortfall of \$203.8 million or 6%, resulting in a favourable net variance of \$51.3 million or 2%. The key drivers of this year-end favourable net variance are outlined in Figure 1 below:

Figure 1: City Operations Variance Summary of Key Program Drivers



- Shelter, Support & Housing Administration (\$16.9 million net unfavourable): due to the increased demand in the shelter system combined with the increased costs for accommodation, meals and additional security in the Temporary Refugee response program which was partially offset by underspending in the Social Housing Management System from subsidies for mortgage payments, operating costs and rent.
- Transportation Services (\$15.2 million net unfavourable): gross expenditures were unfavourable to budget due to overspending in winter maintenance as a results of

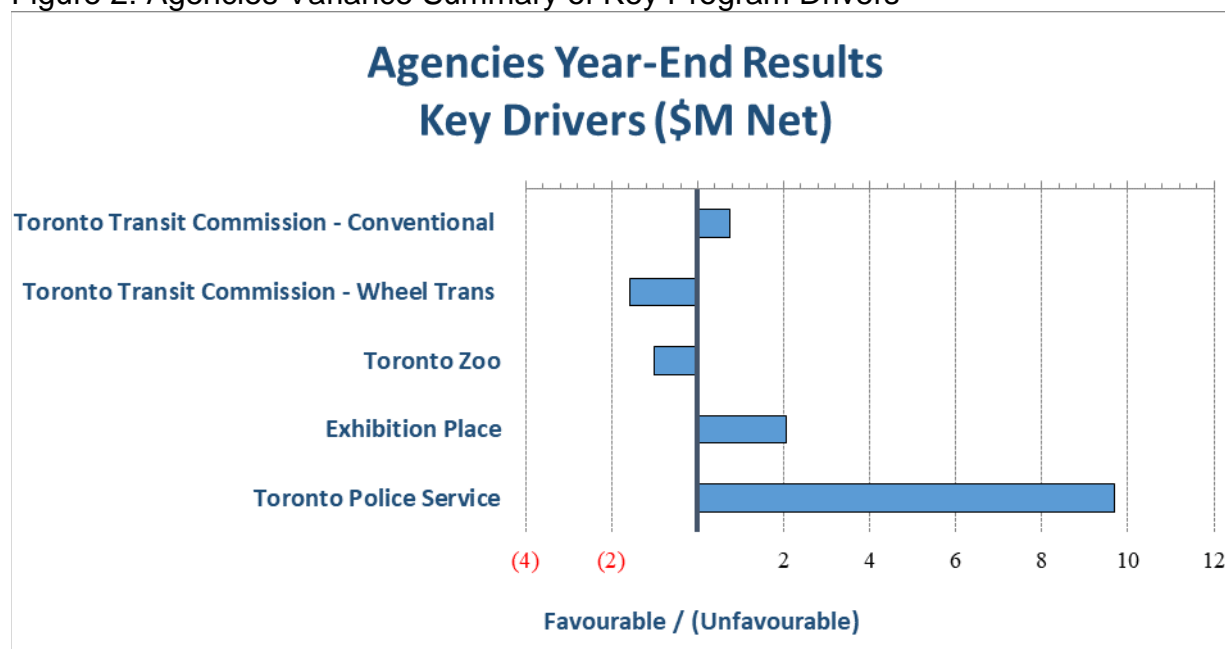
this year's winter storms; overspending in inter-divisional charges from Police due to delay in hiring traffic agents This overspending was partially offset by underspending in salaries and benefits due to vacancies, savings in hydro from lower rates for street lighting, and underspending in repairs contract due to lower volume of roadway repairs. Revenues were also unfavourable to budget as a result of lower utility cut revenues due to timing of recoveries for completed (billed) work; lower capital recoveries and 3rd party accident and recoveries.

- Toronto Paramedic Services (\$2.9 million net unfavourable): due to an increase in gross expenditures from service demand pressures linked to increased call volumes, overtime and WSIB costs as well as lower than expected provincial funding and anticipated revenue from user fees.
- Engineering and Construction Services (\$5.7 million net favourable): gross expenditures were favourable to budget primarily due to vacant positions, and the lower requirements for general equipment. The high vacancy rate reflects the challenges the division faces in attracting and retaining engineering professionals in a highly competitive market. This was partially offset by unfavourable revenue due to lower salaries and benefits recovery from capital projects resulting from vacant positions, lower TTC administrative fees and recoveries, and lower inter-divisional recoveries mainly from Legal Services.
- City Planning (\$6.0 million net favourable): mainly due to underspending in salaries and benefits due to staffing vacancies, lower than anticipated spending in Heritage Grants and lower technical consulting costs as well as higher than budgeted revenue driven by volume of development application review and other fees.
- Court Services (\$11.8 million net favourable): primarily due to under spending in salaries and benefits and non-payroll costs as well as overachieved revenue resulting from the mix of charges filed by different enforcement agencies compared to plan, improved collection rate and the change in accounting method to recognize fine revenue.

Agencies

As of December 31, 2019, Agencies reported a favourable gross expenditure variance of \$20.8 million or 1.0%, and under-achieved revenue of \$10.6 million or 1.0%, which resulted in a favourable net variance of \$10.2 million or 0.5%. The key drivers of this year-end favourable net variance are outlined in Figure 2 below:

Figure 2: Agencies Variance Summary of Key Program Drivers



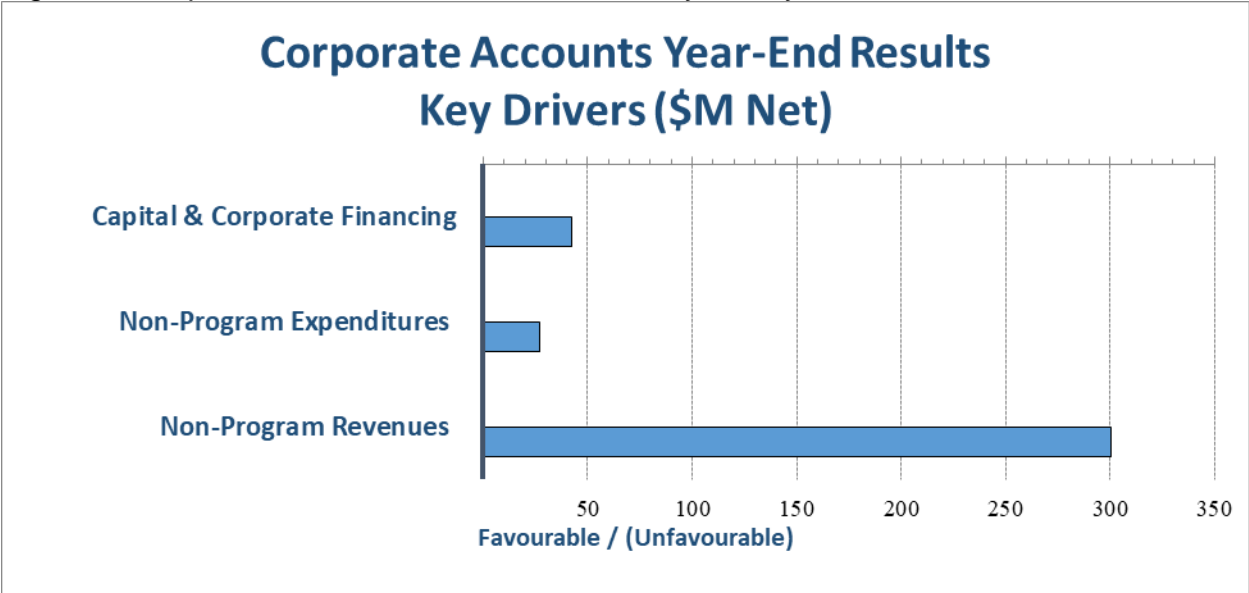
- Toronto Transit Commission - Conventional Service (\$0.7 million net favourable): underspending in employee labour and benefits, departmental non-labour, PRESTO commission expenditure, and accident claim settlements. This was partially offset by unfavourable revenue due mainly due to lower than planned passenger ridership at year end. 2019 revenue and revenue rides were impacted by significant inclement weather experienced in January and February and due to the trend of period pass users transitioning to e-purse given the two-hour transfer.
- Toronto Transit Commission - Wheel - Trans Service (\$1.6 million net unfavourable): Gross expenditures have an unfavourable variance primarily due to contracted taxi service costs, which was partially offset by lower than planned employee salary, wages and benefits. Revenues were favourable due to an adjusted methodology for the allocation of PRESTO monthly pass revenue between Wheel-Trans and TTC Conventional.
- Toronto Zoo (\$1.0 million net unfavourable): lower than budgeted revenue due to weather conditions impacted operations and guest attendance. This was partially offset from favourable gross expenditures primarily due to underspending in salaries and benefits from retirements and vacant positions as well as cost containment measures to minimize revenue shortfall.
- Exhibition Place (\$2.1 million net favourable): due to favourable revenues from event business activities, additional parking revenues from Ontario Place, and the sale of energy due to higher than budgeted energy production from District Energy System. This was partially offset from unfavourable gross expenditures from expenses associated with the additional events.

- Toronto Police Service (\$9.7 million net favourable): gross expenditures are favourable mainly due to lower than anticipated expenses on automotive parts, caretaking, utilities and one-time liability reversals for Harmonized Sales Tax (H.S.T.) expenditures. Favourable revenue variance of \$3.7 million is primarily related to the in-year grants and greater than anticipated volumes for vulnerable sector checks and paid duties.

Corporate Accounts

As of December 31, 2019, Corporate Accounts experienced an unfavourable gross expenditure variance of \$27.1 million or 2% and a favourable revenue variance of \$396.7 million or 22%, which resulted in a favourable net variance of \$369.6 million or 492%. The following key drivers have contributed to the year-end favourable net variance:

Figure 3: Corporate Accounts Variance Summary of Key Drivers



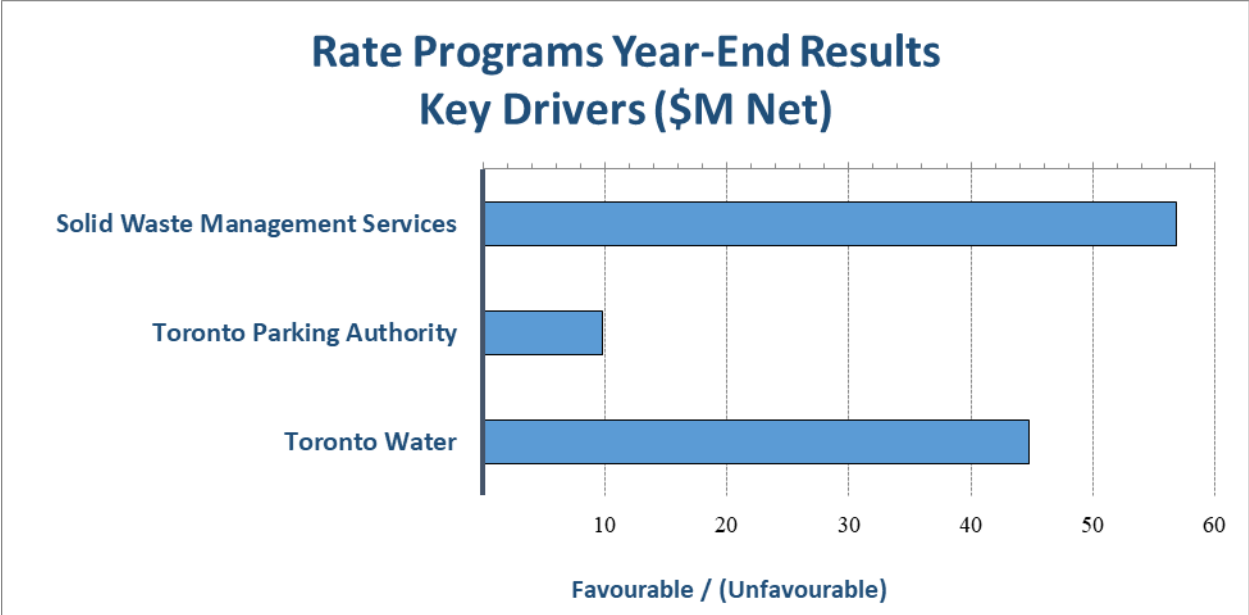
- Capital & Corporate Financing (\$42.1 million net favourable): due to favourable gross expenditure variance primarily from an internal loan payment that is no longer required. Additionally, lower interest rates and later issuance than forecasted also contributed to lower gross under expenditures.
- Non-Program Expenditures (\$26.9 million net favourable): due to lower than anticipated appeals and provision adjustments in Tax Deficiencies, lower than budgeted issuance of Tax Increment Equivalent Grants (TIEG), staff vacancies in Parking Tag Enforcement and Operations, and lower than expected Solid Waste Management rebates issued during the year.

- Non-Program Revenues (\$300.6 million net favourable): primarily due to the OMERS Pension surplus, higher than budgeted interest and investment income earned in the Long-term fund mainly due to one-time realized capital gain and favourable budgeted Municipal Land Transfer Tax revenue due to higher than expected sales activity.

Rate Programs

As of December 31, 2019, Rate Programs reported a favourable gross expenditure variance of \$54.9 million or 3.0% and a favourable revenue variance of \$56.4 million or 3.0%, which resulted in a favourable net variance of \$111.4 million.

Figure 3: Rate Supported Expenditure Variance Dashboard



- Solid Waste Management Services (\$56.8 million net favourable): due to favourable gross expenditures in contracted services and salaries and benefits. The favourable expenditure variance was also complimented by higher than planned revenue primarily due to the receipt of Ontario Stewardship Funding which included funding accruals from 2018 and 2019. The resulting net surplus will be contributed to the Waste Management reserve fund to support the SWMS Capital program
- Toronto Parking Authority (\$9.8 million net favourable): due to favourable gross expenditure variance in salaries and benefits, timing of maintenance expenses and administrative expenses related to advertising and financial audit work. Revenue also had favourable variance mainly due to a one-time gain on sale of property which helped offset unfavourable revenue variance within the Off-Street Parking service and Bike Share program.

- Toronto Water (\$44.7 million net favourable): due to favourable gross expenditure variance in salaries and benefits, lower than planned electricity and natural gas rates and consumption of water due to continued efficiencies. Revenue also had favourable variance mainly due to an overall increase in new water and sewer service connections due to higher construction activity, and private water agreements.

Allocation of the 2019 Surplus - Tax Supported Operations

Building Code Act Service Improvement Reserve Fund:

- In compliance with Section 7 of the Building Code Act, the net operating favourable variance of \$30.9 million for Toronto Building operations must be contributed to the Building Code Act Service Improvement Reserve Fund. Section 7 of the Act stipulates that the total amount of authorized fees collected must not exceed the anticipated reasonable costs to administer and enforce this Act. It also requires the establishment of an obligatory reserve fund to manage fluctuations in volumes of permit activity and allow for investments in service delivery improvements to meet new legislative requirements of the Act regarding the collection of permit fees, expenditures and related reporting requirements.

Pension Merger:

- The completion of the merger with the Ontario Municipal Employees Retirement System (OMERS) of four (4) of the City's five (5) pre-OMERS pension plans, resulted in a surplus of \$106.0 million. It is recommended that the City contribute 100% of the surplus from the pension merger to the City's Employee Benefits Reserve Fund (XR1002), improving the City's Consolidated Employee Benefits Reserve Fund Balance to Employee Benefits Payments Ratio from 1.2 as at December 31, 2019 to approximately 1.6 by year-end 2020. This action will assist in moving towards the Council approved Balance to Employment Benefit Payments Ratio of 2.0.

Allocation of the 2019 Final Year-End Surplus Available for Distribution

Capital Financing

- \$40.0 million of the 2019 final year-end surplus available for distribution will be allocated to the Capital Financing Reserve upon the recommendation of council to amend the Surplus Management Policy. This funding is dedicated to approved capital projects, primarily for Toronto Transit Commission and Transportation Services in the 2020-2029 Approved Capital Budget and Plan.

Underfunded Liabilities and/or Reserve Funds

Insurance Reserve Fund:

- The Insurance Reserve Fund balance has become increasingly inadequate and has not increased proportionally with growing claim liabilities. These claims liabilities (identified and not funded by the Insurance Reserve Fund) are reported as "Other Liabilities" on the balance sheet and reported as part of general government expenses in accordance with Statement No. 10 of the Governmental Accounting Standards Board (GASB 10). If claim liabilities became due and the reserves could not cover the expenditure, the City would attempt to reallocate from operating budgets to fund these obligations. It is recommended that \$15.000 million be allocated to increase the Insurance Reserve Fund balance in order to better offset the total unpaid claim liabilities.

Technology Sustainment Reserve:

- Due to increased lifecycle management costs to support growth and increased remote working due to COVID-19, additional pressures are present on Technology's Services Sustainment Reserve (i.e. replacing desktops with laptops)

Assessment Appeal Stabilization Reserve:

- It is anticipated that 2022 will be the first year of the new property assessment cycle due to the Province postponing reassessment this year due to COVID-19 which will result in increased tax deficiencies/write-offs. To smooth out the impacts from the cyclical nature of the assessment cycle, it is recommended that \$5.000 million be allocated to Assessment Appeal Stabilization Reserve.

Toronto Police Services Vehicle and Equipment Reserve:

- This reserve was established to fund the lifecycle replacement of the Toronto Police Service's fleet of vehicles, information technology equipment and various other equipment items. Based on the 2020 Operating Budget pressures, there was no increase to the contributions to this underfunded reserve. To ensure that there is sufficient funding to support Police's capital program, Toronto Police Service has requested to utilize their 2019 year-end underspending to be added as a one-time contribution of \$5.0 million to this reserve.

Council Transition Reserve and Council Furniture and Equipment Reserve Fund:

- Council Transition Reserve funds the end of Council term transition costs including severance for Members of Council and their staff, costs related to transition team, and other requirements related to Council transition. The Council Furniture and Equipment Reserve funds furniture and equipment requirements of Councillors' and Mayor's Office to meet health & safety and operational requirements. Their funding comes from the annual surplus of the City Council budget at a level to be determined by the Deputy City Manager and Chief Financial Officer. The annual surplus from the Council budget has traditionally been the amount contributed to these reserves. In

2019 the City Council budget ended the year with a favourable variance of \$3.3 million as a result of underspending. As such, an allocation from the overall surplus of \$3.3 million (\$3.0 million to Council Transition Reserve and \$0.3 million to Council Furniture and Equipment Reserves) is proposed to ensure adequate reserve balance to fund future needs.

Sick Leave Reserve Fund (Police):

- This reserve fund provides funding for payment of accumulated sick time credits to employees leaving the City. Current outflow is significantly greater than the contributions from Police Service, resulting in overall pressure for this reserve fund. To ensure a healthy balance in Sick Leave reserve fund is maintained, it is recommended that \$3.0 million be allocated to this reserve fund.

Exhibition Place Conference Centre Reserve Fund:

- City Council, at its meeting of January 17, 2012, reaffirmed the policy that Exhibition Place continue to contribute future operating budget surpluses (if any) to the Exhibition Place Conference Centre Reserve Fund. The Reserve Fund provides financing for short-falls in loan payments to the City from Exhibition Place for a new conference centre. In accordance with Council's direction, \$2.1 million of the Exhibition Place 2019 operating surplus will be allocated to the Exhibition Place Conference Centre Reserve Fund.

Police Healthcare Spending Reserve Fund:

- This reserve fund provides a source of funding for a non-cumulative health care spending account for members of the Toronto Police Service retiring on an unreduced pension until age seventy-five for both the member and their spouse. To ensure sufficient funding is available for the upcoming retirements, it is recommended that \$1.5 million be allocated to Police Health Care Spending reserve fund for future needs.

Major Special Event Reserve Fund:

- The national soccer associations of Canada, the United States of America and Mexico led a joint bid through the United Bid Committee (UBC) to host the 2026 FIFA World Cup in cities across North America which was announced as the successful bid in June of 2018. The City of Toronto is one of 23 Host Candidate Cities (HCC) across the three countries which will be further reduced to the 16 Host Cities when final selections are made by FIFA in late 2021. Toronto is positioned well to be selected as one of the Canadian host cities and it is anticipated that \$2 to \$3 million will be required in 2023 to aid in planning the games. Funding of \$0.5 million of the 2019 final year-end surplus will be transferred to the Major Special Event Reserve Fund to support the planning of the 2026 FIFA World Cup

Arena Boards Settlement of Operating Results:

- Budget Committee at its meeting of October 8, 2020 adopted a report entitled "Arena Boards of Management 2018 Operating Surpluses / Deficits Settlement". In this report the provision of \$0.197 million made in the 2018 Final Year-End Operating Budget Variance Report was in excess of \$0.100 million as only \$0.096 million was needed to settle the overall net deficits of the seven arenas. This \$0.100 million would normally be used to offset the 2019 Final Year-End variance report, given that the Arena Boards of Management collectively reported a \$0.041 million surplus, this amount will be applied to the 2019 Final Year-End variance reported for the Arena Boards.

Draw from Toronto Centre for the Arts Stabilization Reserve Fund and Sony Centre Stabilization Reserve Fund:

- A request included in this report to withdraw funds from the Sony Centre Stabilization Reserve Fund (XQ2031) of \$0.2 million and Toronto Centre for the Arts Stabilization Reserve Fund (XQ1060) of \$0.2 million will enable TO Live to partially mitigate the 2019 year-end deficit.

Tax Rate Stabilization Reserve:

- To ensure the City would have sufficient operating funds in the event of a deficit situation in any given year, the remaining \$213.8 million of the 2019 final year-end surplus available for distribution will be allocated to the Tax Rate Stabilization Reserve.
- This allocation of 2019 surplus is needed to help the City to continue to manage the ongoing financial impact resulting from COVID-19.

Allocation of the 2019 Surplus – Rate Supported Operations

The 2019 year-end operating results for Rate Supported Operations, excluding the Toronto Parking Authority of \$101.5 million, will be allocated based on the following:

- Toronto's Water's operating surplus of \$44.7 million will be transferred to the Water Stabilization Reserve (43%) and Wastewater Stabilization Reserve (57%). The Water and Wastewater Stabilization Reserves are used to offset unanticipated budget variances so as not to unduly impact the Wastewater and Water Operating and Capital Program.
- Solid Waste Management Services' operating surplus of \$56.8 million will be transferred to the Waste Management Reserve Fund. Solid Waste Management Services utilizes this Reserve Fund to finance capital projects which include waste diversion initiatives. This Reserve Fund also provides a contingency for operating program stabilization, as required.

Donations

The City Donations Policy delegates receipt of donations under \$50,000 to Division Heads and also requires that donations be reported as part of the year-end variance process. As set out in Table 6 below, the City received \$0.510 million at year-end.

Table 5: Summary of Donations Received Less than \$50,000

Donor	Amount (\$000s)	Purpose
Economic Development & Culture		
Colborne Lodge, General Cash/From the Box	1.63	General
Market Gallery, General Cash/From the Box	0.09	General
Fort York, General Cash/From the Box	0.51	General
Fort York, Individual Donor	10.75	General
Fort York, Other	3.13	General
Gibson House, General Cash/From the Box	2.03	General
Mackenzie House, General Cash/From the Box	0.62	General
Mackenzie House, Individual Donor	0.04	General
Marketing EDC TAC	0.03	General
Montgomery's Inn, General Cash/From the Box	3.82	General
Montgomery's Inn, Individual Donor	1.97	General
Scarborough, General Cash/From the Box	1.92	General
Spadina House, General Cash/From the Box	1.00	General
Spadina House, General Cash (YOGA Event)	0.56	General
Spadina House, General Cash (Music in the Orchard/Big Picnic)	1.36	General
Spadina House, Individual Donor	1.62	General
<i>Sub-Total</i>	<i>31.07</i>	
Toronto Paramedic Services		
Individual Donor	0.21	Individual donors to Safe City - First Aid, CPR, AED trainings
<i>Sub-Total</i>	<i>0.21</i>	
Parks, Forestry & Recreation		
Dove	10.00	Dove Self-Esteem/Confident Me Project
DUCA Credit Union Ltd.	1.50	Edithvale Community Centre Program Improvements
Individual Donor	0.02	Parks Improvement at High Park
Individual Donor	10.87	St Albans Square Improvement
Individual Donor	0.41	High Park Harvest Festival
Kim IV Prods. Inc.	0.50	Parks Improvement for Withrow Park
Mulholland Ross Group	1.50	Edithvale CC Program Improvements
Pegasus Toronto	1.00	Matty Eckler Community Centre Program Improvements
Rosethorn Tennis Club	1.50	Parks Improvement for Rosethorn Park
Toronto Parks and Trees Foundation	0.76	High Park Improvement
Triple M Metal LP	1.95	Sunnybrook Parks Improvement
United Way Greater Toronto	7.54	Flemingdon Community Centre Program Improvements
Canadian Tire Jumpstart	10.00	Woburn, Cornell, Tall Pines, McGregor Park Improvements
Idaho Productions Ltd	3.00	Eastern Beaches Park Amenities
Fourth Witch Films	2.00	Taylor Creek Park improvements
Fourth Witch Films	0.50	Dieppe Park improvements
RANCH DUPONT- Shawinigan	0.90	High Park Zoo
Salvation Army	0.30	JohnInnes Community Centre baseball uniforms
Good Shepherd Non-for Profit	0.60	JohnInnes Community Centre baseball uniforms
Progress Place Rehab	0.30	JohnInnes Community Centre baseball uniforms
Haven Toronto	0.30	JohnInnes Community Centre baseball uniforms
Ecuhome Corporation	0.30	JohnInnes Community Centre baseball uniforms
Maple Leaf Sports & Entertainment Partnership	22.37	Falstaff Community Centre basketball court refurbishment
Northwood Anne Trois Inc.	0.50	Sunnybrook Parks Improvement
<i>Sub-Total</i>	<i>78.62</i>	
Shelter, Support & Housing Administration		
Individual Donors (multiple donations of small value)	81.33	To be used at various hostel locations
<i>Sub-Total</i>	<i>0.12</i>	
Toronto Employment & Social Services		
VCO Donation Allocation	0.12	General
<i>Sub-Total</i>	<i>0.12</i>	

Table 6: Summary of Donations Received Less than \$50,000

Donor	Amount (\$000s)	Purpose
City Planning		
Urban Design Awards 5200-UR0033	2.90	Toronto Urban Design Awards
<i>Sub-Total</i>	<i>2.90</i>	
Municipal Licensing & Standards		
Individual Donors (multiple donations of small value)	30.33	Care and services related to animals
<i>Sub-Total</i>	<i>30.33</i>	
Transportation Services		
Individual Donor	5.00	StreetArt Program focused on bridge projects.
Toronto Foundation	5.00	StreetArt Program focused on bridge projects.
<i>Sub-Total</i>	<i>10.00</i>	
City Council		
Individual Donor	4.54	Ward 20 events
<i>Sub-Total</i>	<i>4.54</i>	
Heritage Toronto		
Individual Donors	6.50	Plaque funding
CTS Alumni Association	1.00	Plaque funding
Metro Toronto Condo Corp	1.50	Plaque funding
Timmins Martelle	2.30	General Operations
Wawanesa	3.50	General Operations
Primrose	1.00	General Operations
Strategic Giving	1.00	General Operations
Benefaction Foundation	2.00	General Operations
Individual Donors	11.40	General Operations
Individual Donors	2.50	Emerging Historians
<i>Sub-Total</i>	<i>32.70</i>	
TO Live		
Canada Council for the Arts	4.10	Vida Peene trust fund
Individual donors	25.00	Mandela exhibition
Individual donors	11.60	Miscellaneous
<i>Sub-Total</i>	<i>40.70</i>	
Toronto Zoo		
Donations (corporate and individual)	165.91	Various wildlife projects
<i>Sub-Total</i>	<i>165.91</i>	
Toronto Police Service		
Citizen Donation	1.00	Police dog funding
Citizen Donation	30.90	Memorial Fund
<i>Sub-Total</i>	<i>31.90</i>	
Grand Total	510.33	

CONTACT

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SIGNATURE

Heather Taylor
Chief Financial Officer and Treasurer

ATTACHMENTS

Appendix A – City of Toronto Net Expenditures for Year Ended December 31, 2019
Appendix B – City of Toronto Gross Expenditures for Year Ended December 31, 2019
Appendix C – City of Toronto Revenues for Year Ended December 31, 2019
Appendix D – Operating Variance Dashboard for City Programs and Agencies

Appendix A

CITY OF TORONTO CONSOLIDATED NET EXPENDITURES VARIANCE FOR THE YEAR ENDED DECEMBER 31, 2019 (\$000s)

	December 31, 2019			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Community and Social Services				
Housing Secretariat	1,180	1,180	0	0%
Children's Services	85,877	85,703	174	0%
Court Services	(6,625)	(18,414)	11,789	-178%
Economic Development & Culture	73,275	73,332	(57)	0%
Toronto Paramedic Services	85,880	88,779	(2,899)	-3%
Seniors Services and Long-Term Care	46,741	45,847	894	2%
Parks, Forestry & Recreation	326,560	327,172	(612)	0%
Shelter, Support & Housing Administration	463,258	480,178	(16,920)	-4%
Social Development, Finance & Administration	47,750	45,238	2,512	5%
Toronto Employment & Social Services	91,362	86,779	4,583	5%
Sub-Total Community and Social Services	1,215,258	1,215,793	(535)	0%
Infrastructure and Development Services				
City Planning	15,425	9,399	6,026	39%
Fire Services	475,665	471,757	3,908	1%
Office of Emergency Management	2,877	2,573	304	11%
Municipal Licensing & Standards	18,285	13,178	5,108	28%
Policy, Planning, Finance & Administration	6,132	5,136	996	16%
Engineering & Construction Services	4,148	(1,574)	5,722	138%
Toronto Building	(16,891)	(47,762)	30,871	-183%
Transportation Services	230,478	245,679	(15,201)	-7%
Transit Expansion	(17)	0	(17)	100%
Sub-Total Infrastructure and Development Services	736,101	698,385	37,716	5%
Finance and Treasury Services				
Office of the Chief Financial Officer	11,453	10,923	530	5%
Office of the Controller	28,369	28,375	(6)	0%
Sub-Total Finance and Treasury Services	39,822	39,298	524	1%
Corporate Services				
Facilities, Real Estate, Environment & Energy	72,911	69,272	3,639	5%
Fleet Services	313	(179)	491	157%
Technology Services	78,588	78,531	57	0%
311 Toronto	10,148	10,123	25	0%
Sub-Total Corporate Services	161,960	157,748	4,212	3%
City Manager				
City Manager's Office	49,873	48,284	1,589	3%
Sub-Total City Manager	49,873	48,284	1,589	3%
Other City Programs				
City Clerk's Office	31,729	30,945	784	2%
Legal Services	19,627	16,517	3,110	16%
Mayor's Office	2,567	2,525	42	2%
City Council	21,572	18,291	3,281	15%
Sub-Total Other City Programs	75,495	68,278	7,217	10%
Accountability Offices				
Auditor General's Office	6,641	6,305	336	5%
Office of the Integrity Commissioner	573	425	147	26%
Office of the Lobbyist Registrar	1,235	1,198	38	3%
Office of the Ombudsman	1,999	1,964	35	2%
Sub-Total Accountability Offices	10,447	9,892	556	5%
TOTAL - CITY OPERATIONS	2,288,956	2,237,677	51,279	2%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2019

Appendix A

CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES VARIANCE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

	December 31, 2019		Actual vs Budget	
	Year-End Budget	Actual	Favourable / (Unfavourable)	%
Agencies				
Toronto Public Health	63,877	63,363	513	1%
Toronto Public Library	188,093	188,073	21	0%
Association of Community Centres	8,265	8,243	23	0%
Exhibition Place	(173)	(2,244)	2,072	-1201%
Heritage Toronto	401	401	0	0%
TO Live	5,599	6,136	(537)	-10%
Toronto Zoo	12,462	13,460	(998)	-8%
Arena Boards of Management	(18)	(59)	41	-233%
Yonge Dundas Square	23	54	(31)	-138%
CreateTO	0	0	0	n/a
Toronto & Region Conservation Authority	3,833	3,833	0	0%
Toronto Transit Commission - Conventional	621,958	621,220	738	0%
Toronto Transit Commission - Wheel Trans	140,908	142,479	(1,571)	-1%
Toronto Police Service	1,051,463	1,041,764	9,699	1%
Toronto Police Services Board	2,484	2,321	163	7%
TOTAL - AGENCIES	2,099,177	2,089,044	10,198	0%
Corporate Accounts				
Capital Financing - Capital from Current	340,836	340,575	261	0%
Technology Sustainment	19,912	19,912	0	0%
Debt Charges	568,026	526,185	41,841	7%
Capital & Corporate Financing	928,774	886,672	42,102	5%
Non-Program Expenditures				
Tax Deficiencies/Writeoffs	68,529	52,574	15,956	23%
Tax Increment Equivalent Grants (TIEG)	31,184	29,277	1,907	6%
Assessment Function (MPAC)	44,993	44,993	0	0%
Funding of Employee Related Liabilities	70,833	70,797	36	0%
Other Corporate Expenditures	20,409	16,811	3,597	18%
Parking Tag Enforcement & Oper.	71,729	67,287	4,442	6%
Programs Funded from Reserve Funds	0	0	(0)	n/a
Heritage Property Taxes Rebate	2,076	2,076	0	0%
Tax Rebates for Registered Charities	0	0	0	n/a
Solid Waste Management Rebates	109,680	108,730	950	1%
Tax Increment Funding (TIF)	935	935	0	0%
Non-Program Expenditures	420,368	393,479	26,889	6%
Non-Program Revenue				
Payments in Lieu of Taxes	(93,453)	(97,487)	4,034	-4%
Supplementary Taxes	(35,000)	(44,911)	9,911	-28%
Tax Penalty Revenue	(31,000)	(39,019)	8,019	-26%
Interest/Investment Earnings	(110,320)	(191,989)	81,669	-74%
Other Corporate Revenues	(10,495)	(118,124)	107,630	-1026%
Dividend Income	(90,200)	(92,780)	2,580	-3%
Provincial Revenue	(91,600)	(91,600)	0	0%
Municipal Land Transfer Tax	(687,146)	(757,283)	70,138	-10%
Third Party Sign Tax	(9,758)	(9,066)	(691)	7%
Parking Authority Revenues	(51,712)	(57,904)	6,192	-12%
Administrative Support Recoveries - Water	(18,973)	(18,973)	0	0%
Administrative Support Recoveries - Health & EMS	(16,327)	(16,327)	0	0%
Parking Tag Enforcement & Operations Rev	(113,072)	(123,793)	10,721	-9%
Other Tax Revenues	(10,431)	(10,885)	454	-4%
Municipal Accommodation Tax	(27,378)	(28,389)	1,011	-4%
Casino Woodbine	(27,442)	(26,383)	(1,059)	4%
Non-Program Revenues	(1,424,305)	(1,724,912)	300,607	-21%
TOTAL - CORPORATE ACCOUNTS	(75,163)	(444,760)	369,597	-492%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	4,312,970	3,881,971	431,064	10%
RATES SUPPORTED PROGRAMS				
Solid Waste Management Services	(0)	(56,810)	56,810	n/a
Toronto Parking Authority	(66,538)	(76,349)	9,811	-15%
Toronto Water	0	(44,730)	44,730	n/a
TOTAL RATES SUPPORTED PROGRAMS	(66,538)	(177,889)	111,351	-167%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2019

Appendix B

CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES VARIANCE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

	December 31, 2019			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Community and Social Services				
Housing Secretariat	11,087	8,592	2,495	23%
Children's Services	656,515	636,281	20,235	3%
Court Services	52,178	46,547	5,631	11%
Economic Development & Culture	86,750	84,761	1,989	2%
Toronto Paramedic Services	238,234	238,843	(608)	0%
Seniors Services and Long-Term Care	265,812	267,401	(1,590)	-1%
Parks, Forestry & Recreation	478,150	464,697	13,453	3%
Shelter, Support & Housing Administration	1,009,951	961,829	48,123	5%
Social Development, Finance & Administration	73,823	58,555	15,268	21%
Toronto Employment & Social Services	1,147,941	1,059,071	88,871	8%
Sub-Total Community and Social Services	4,020,441	3,826,576	193,865	5%
Infrastructure and Development Services				
City Planning	55,326	52,639	2,688	5%
Fire Services	493,951	495,929	(1,978)	0%
Office of Emergency Management	3,254	2,920	334	10%
Municipal Licensing & Standards	67,947	64,232	3,715	5%
Policy, Planning, Finance & Administration	17,262	15,629	1,633	9%
Engineering & Construction Services	77,607	69,629	7,978	10%
Toronto Building	58,804	52,190	6,614	11%
Transportation Services	401,579	402,870	(1,291)	0%
Transit Expansion	4,390	2,317	2,073	47%
Sub-Total Infrastructure and Development Services	1,180,119	1,158,354	21,765	2%
Finance and Treasury Services				
Office of the Chief Financial Officer	20,953	17,573	3,381	16%
Office of the Controller	80,597	76,185	4,412	5%
Sub-Total Finance and Treasury Services	101,550	93,757	7,793	8%
Corporate Services				
Facilities, Real Estate, Environment & Energy	207,922	203,443	4,479	2%
Fleet Services	58,745	57,275	1,470	3%
Technology Services	132,678	120,055	12,623	10%
311 Toronto	19,329	18,561	768	4%
Sub-Total Corporate Services	418,673	399,333	19,340	5%
City Manager				
City Manager's Office	58,829	60,789	(1,960)	-3%
Sub-Total City Manager	58,829	60,789	(1,960)	-3%
Other City Programs				
City Clerk's Office	51,700	48,954	2,747	5%
Legal Services	65,694	58,343	7,351	11%
Mayor's Office	2,567	2,525	42	2%
City Council	22,157	18,542	3,615	16%
Sub-Total Other City Programs	142,118	128,363	13,754	10%
Accountability Offices				
Auditor General's Office	6,641	6,305	336	5%
Office of the Integrity Commissioner	573	425	147	26%
Office of the Lobbyist Registrar	1,235	1,198	38	3%
Office of the Ombudsman	1,999	1,964	35	2%
Sub-Total Accountability Offices	10,447	9,892	556	5%
TOTAL - CITY OPERATIONS	5,932,177	5,677,064	255,113	4%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2019

Appendix B

CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES VARIANCE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

	December 31, 2019			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Agencies				
Toronto Public Health	256,729	248,895	7,834	3%
Toronto Public Library	207,314	209,948	(2,634)	-1%
Association of Community Centres	8,581	8,614	(33)	0%
Exhibition Place	56,582	60,641	(4,059)	-7%
Heritage Toronto	1,146	1,191	(46)	-4%
TO Live	42,258	37,577	4,682	11%
Toronto Zoo	53,092	49,292	3,800	7%
Arena Boards of Management	9,782	9,517	265	3%
Yonge Dundas Square	3,465	3,326	140	4%
CreateTO	12,940	12,516	424	3%
Toronto & Region Conservation Authority	51,365	51,365	0	0%
Toronto Transit Commission - Conventional	1,910,540	1,904,409	6,131	0%
Toronto Transit Commission - Wheel Trans	149,019	151,457	(2,438)	-2%
Toronto Police Service	1,201,940	1,195,949	5,991	0%
Toronto Police Services Board	4,784	4,000	784	16%
TOTAL - AGENCIES	3,969,539	3,948,697	20,841	1%
Corporate Accounts				
Capital Financing - Capital from Current	340,836	340,575	261	0%
Technology Sustainment	19,912	19,912	0	0%
Debt Charges	634,683	598,706	35,977	6%
Capital & Corporate Financing	995,431	959,192	36,239	4%
Non-Program Expenditures				
Tax Deficiencies/Writeoffs	78,529	52,574	25,956	33%
Tax Increment Equivalent Grants (TIEG)	31,184	29,277	1,907	6%
Assessment Function (MPAC)	44,993	44,993	0	0%
Funding of Employee Related Liabilities	70,833	70,797	36	0%
Other Corporate Expenditures	37,327	110,533	(73,206)	-196%
Parking Tag Enforcement & Oper.	71,729	67,287	4,442	6%
Programs Funded from Reserve Funds	149,791	176,868	(27,077)	-18%
Heritage Property Taxes Rebate	2,076	2,076	0	0%
Tax Rebates for Registered Charities	4,616	4,654	(38)	-1%
Solid Waste Management Rebates	109,680	108,730	950	1%
Tax Increment Funding (TIF)	935	935	0	0%
Non-Program Expenditures	601,693	668,723	(67,030)	-11%
Non-Program Revenue				
Payments in Lieu of Taxes	0	0	0	n/a
Supplementary Taxes	0	0	0	n/a
Tax Penalty Revenue	0	0	0	n/a
Interest/Investment Earnings	9,898	3,684	6,214	63%
Other Corporate Revenues	4,044	6,558	(2,514)	-62%
Dividend Income	7,600	7,600	0	0%
Provincial Revenue	0	0	0	n/a
Municipal Land Transfer Tax	46,045	46,023	22	0%
Third Party Sign Tax	1,154	925	229	20%
Parking Authority Revenues	0	0	0	n/a
Administrative Support Recoveries - Water	0	0	0	n/a
Administrative Support Recoveries - Health & EMS	0	0	0	n/a
Other Tax Revenues	0	646	(646)	n/a
Municipal Accommodation Tax	29,422	29,211	211	1%
Casino Woodbine	458	315	143	31%
Non-Program Revenues	98,621	94,964	3,658	4%
TOTAL - CORPORATE ACCOUNTS	1,695,745	1,722,879	(27,133)	-2%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	11,597,462	11,348,651	248,764	2%
RATE SUPPORTED PROGRAMS				
Solid Waste Management Services	411,620	394,620	17,000	4%
Toronto Parking Authority	100,599	92,757	7,843	8%
Toronto Water	1,331,390	1,301,271	30,118	2%
TOTAL RATE SUPPORTED PROGRAMS	1,843,609	1,788,648	54,961	3%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2019

Appendix C

CITY OF TORONTO CONSOLIDATED REVENUE VARIANCE FOR THE YEAR ENDED DECEMBER 31, 2019 (\$000s)

	December 31, 2019			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Community and Social Services				
Housing Secretariat	9,907	7,412	(2,495)	-25%
Children's Services	570,638	550,578	(20,060)	-4%
Court Services	58,803	64,960	6,158	10%
Economic Development & Culture	13,475	11,429	(2,046)	-15%
Toronto Paramedic Services	152,355	150,064	(2,291)	-2%
Seniors Services and Long-Term Care	219,071	221,555	2,484	1%
Parks, Forestry & Recreation	151,590	137,525	(14,065)	-9%
Shelter, Support & Housing Administration	546,693	481,651	(65,042)	-12%
Social Development, Finance & Administration	26,072	13,317	(12,756)	-49%
Toronto Employment & Social Services	1,056,580	972,292	(84,288)	-8%
Sub-Total Community and Social Services	2,805,183	2,610,782	(194,401)	-7%
Infrastructure and Development Services				
City Planning	39,902	43,240	3,338	8%
Fire Services	18,286	24,172	5,885	32%
Office of Emergency Management	377	347	(29)	-8%
Municipal Licensing & Standards	49,661	51,054	1,393	3%
Policy, Planning, Finance & Administration	11,130	10,493	(637)	-6%
Engineering & Construction Services	73,460	71,203	(2,256)	-3%
Toronto Building	75,695	99,952	24,257	32%
Transportation Services	171,101	157,191	(13,910)	-8%
Transit Expansion	4,407	2,317	(2,090)	-47%
Sub-Total Infrastructure and Development Services	444,018	459,970	15,951	4%
Finance and Treasury Services				
Office of the Chief Financial Officer	9,501	6,649	(2,851)	-30%
Office of the Controller	52,228	47,810	(4,418)	-8%
Sub-Total Finance and Treasury Services	61,728	54,459	(7,269)	-12%
Corporate Services				
Facilities, Real Estate, Environment & Energy	135,011	134,170	(840)	-1%
Fleet Services	58,432	57,454	(979)	-2%
Technology Services	54,090	41,524	(12,566)	-23%
311 Toronto	9,181	8,437	(743)	-8%
Sub-Total Corporate Services	256,713	241,585	(15,128)	-6%
City Manager				
City Manager's Office	8,955	12,505	3,550	40%
Sub-Total City Manager	8,955	12,505	3,550	40%
Other City Programs				
City Clerk's Office	19,971	18,009	(1,963)	-10%
Legal Services	46,067	41,826	(4,241)	-9%
Mayor's Office	0	0	0	n/a
City Council	585	251	(334)	-57%
Sub-Total Other City Programs	66,623	60,086	(6,538)	-10%
Accountability Offices				
Auditor General's Office	0	0	0	n/a
Office of the Integrity Commissioner	0	0	0	n/a
Office of the Lobbyist Registrar	0	0	0	n/a
Office of the Ombudsman	0	0	0	n/a
Sub-Total Accountability Offices	0	0	0	n/a
TOTAL - CITY OPERATIONS	3,643,221	3,439,387	(203,834)	-6%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2019

Appendix C

CITY OF TORONTO
CONSOLIDATED REVENUE VARIANCE
FOR THE YEAR ENDED DECEMBER 31, 2019
(\$000s)

	December 31, 2019			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Agencies				
Toronto Public Health	192,853	185,532	(7,321)	-4%
Toronto Public Library	19,221	21,875	2,654	14%
Association of Community Centres	316	371	55	18%
Exhibition Place	56,755	62,886	6,131	11%
Heritage Toronto	744	790	46	6%
TO Live	36,659	31,440	(5,219)	-14%
Toronto Zoo	40,631	35,833	(4,798)	-12%
Arena Boards of Management	9,800	9,576	(224)	-2%
Yonge Dundas Square	3,443	3,272	(171)	-5%
CreateTO	12,940	12,516	(424)	-3%
Toronto & Region Conservation Authority	47,532	47,532	0	0%
Toronto Transit Commission - Conventional	1,288,583	1,283,189	(5,394)	0%
Toronto Transit Commission - Wheel Trans	8,111	8,978	867	11%
Toronto Police Service	150,477	154,185	3,708	2%
Toronto Police Services Board	2,300	1,679	(621)	-27%
TOTAL - AGENCIES	1,870,362	1,859,653	(10,709)	-1%
Corporate Accounts				
Capital Financing - Capital from Current	0	0	0	n/a
Technology Sustainment	0	0	0	n/a
Debt Charges	66,657	72,520	5,863	9%
Capital & Corporate Financing	66,657	72,520	5,863	9%
Non-Program Expenditures				
Tax Deficiencies/Writeoffs	10,000	0	(10,000)	-100%
Tax Increment Equivalent Grants (TIEG)	0	0	0	n/a
Assessment Function (MPAC)	0	0	0	n/a
Funding of Employee Related Liabilities	0	0	0	n/a
Other Corporate Expenditures	16,918	93,721	76,803	454%
Programs Funded from Reserve Funds	149,791	176,868	27,077	18%
Heritage Property Taxes Rebate	0	0	0	n/a
Tax Rebates for Registered Charities	4,616	4,654	38	1%
Solid Waste Management Rebates	0	0	0	n/a
Tax Increment Funding (TIF)	0	0	0	n/a
Non-Program Expenditures	181,325	275,243	93,919	52%
Non-Program Revenue				
Payments in Lieu of Taxes	93,453	97,487	4,034	4%
Supplementary Taxes	35,000	44,911	9,911	28%
Tax Penalty Revenue	31,000	39,019	8,019	26%
Interest/Investment Earnings	120,218	195,673	75,455	63%
Other Corporate Revenues	14,539	124,683	110,144	758%
Dividend Income	97,800	100,380	2,580	3%
Provincial Revenue	91,600	91,600	0	0%
Municipal Land Transfer Tax	733,191	803,307	70,116	10%
Third Party Sign Tax	10,911	9,991	(920)	-8%
Parking Authority Revenues	51,712	57,904	6,192	12%
Administrative Support Recoveries - Water	18,973	18,973	0	0%
Administrative Support Recoveries - Health & EMS	16,327	16,327	0	0%
Parking Tag Enforcement & Operations Rev	113,072	123,793	10,721	9%
Other Tax Revenues	10,431	11,532	1,100	11%
Municipal Accommodation Tax	56,800	57,600	800	1%
Casino Woodbine	27,900	26,698	(1,202)	-4%
Non-Program Revenues	1,522,926	1,819,875	296,949	19%
TOTAL - CORPORATE ACCOUNTS	1,770,908	2,167,639	396,731	22%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	7,284,492	7,466,679	182,300	3%
RATES SUPPORTED PROGRAMS				
Solid Waste Management Services	411,620	451,431	39,811	10%
Toronto Parking Authority	167,138	169,106	1,968	1%
Toronto Water	1,331,390	1,346,001	14,612	1%
TOTAL RATES SUPPORTED PROGRAMS	1,910,147	1,966,538	56,390	3%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2019

Appendix D

Figure 4: Community and Social Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Housing Secretariat	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	2.5	▲	(2.5)	▼	0.0	—	Ⓞ
Children's Services	4-Month	16.1	▲	(15.1)	▼	1.0	▲	Ⓞ
	6-Month	25.0	▲	(24.0)	▼	1.0	▲	Ⓞ
	9-Month	25.0	▲	(23.5)	▼	1.5	▲	Ⓞ
	12-Month	20.2	▲	(20.1)	▼	0.2	▲	Ⓞ
Court Services	4-Month	2.0	▲	1.6	▲	3.6	▲	Ⓞ
	6-Month	2.5	▲	1.3	▲	3.8	▲	Ⓞ
	9-Month	4.6	▲	5.7	▲	10.3	▲	Ⓞ
	12-Month	5.6	▲	6.2	▲	11.8	▲	Ⓞ
Economic Development & Culture	4-Month	0.8	▲	(1.5)	▼	(0.7)	▼	Ⓡ
	6-Month	(0.7)	▼	0.0	—	(0.7)	▼	Ⓡ
	9-Month	0.7	▲	(0.8)	▼	(0.1)	▲	Ⓡ
	12-Month	2.0	▲	(2.0)	▼	(0.1)	▼	Ⓡ
Toronto Paramedic Services	4-Month	(4.2)	▼	(4.3)	▼	(8.5)	▼	Ⓡ
	6-Month	(0.2)	▼	(0.7)	▼	(0.9)	▼	Ⓡ
	9-Month	0.3	▲	(0.7)	—	(0.5)	▲	Ⓡ
	12-Month	(0.6)	▼	(2.3)	▼	(2.9)	▼	Ⓡ

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Figure 5: Community and Social Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Seniors Services and Long-Term Care	4-Month	0.9	▲	0.0	—	0.9	▲	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	(4.7)	▼	4.8	▲	0.1	▲	Ⓞ
	12-Month	(1.6)	▼	2.5	▲	0.9	▲	Ⓞ
Parks, Forestry & Recreation	4-Month	12.7	▲	(12.7)	▼	0.0	—	Ⓞ
	6-Month	16.9	▲	(16.9)	▼	0.0	—	Ⓞ
	9-Month	16.6	▼	(15.9)	▲	0.7	▲	Ⓞ
	12-Month	13.5	▲	(14.1)	▼	(0.6)	▼	Ⓡ
Shelter, Support & Housing Administration	4-Month	1.9	▲	(1.9)	▼	(0.0)	—	Ⓡ
	6-Month	42.5	▲	(69.9)	▼	(27.4)	▼	Ⓡ
	9-Month	44.0	▲	(70.4)	▼	(26.3)	▲	Ⓡ
	12-Month	48.1	▲	(65.0)	▼	(16.9)	▼	Ⓡ
Social Development, Finance & Administration	4-Month	3.1	▲	(3.3)	▼	(0.2)	▼	Ⓡ
	6-Month	8.5	▲	(8.5)	▼	0.0	—	Ⓞ
	9-Month	11.3	▲	(8.7)	▼	2.5	▲	Ⓞ
	12-Month	15.3	▲	(12.8)	▼	2.5	▲	Ⓞ

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Figure 6: Community and Social Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Employment & Social Services	4-Month	54.7	▲	(54.7)	▼	0.0	—	Ⓞ
	6-Month	68.1	▲	(68.1)	▼	0.0	—	Ⓞ
	9-Month	82.6	▲	(79.7)	▼	3.0	▲	Ⓞ
	12-Month	88.9	▲	(84.3)	▼	4.6	▲	Ⓞ
Total	4-Month	88.2	▲	(92.0)	▼	(3.8)	▼	Ⓡ
	6-Month	162.6	▲	(186.8)	▼	(24.2)	▼	Ⓡ
	9-Month	180.4	▲	(189.1)	▼	(8.7)	▲	Ⓡ
	12-Month	193.9	▲	(194.4)	▼	(0.5)	▼	Ⓡ
Year-End Net Variance	Ⓞ	Ⓞ	<=100%	Ⓡ	>100%			

Appendix D

Community and Social Services

Year End Results

Housing Secretariat:

- Favourable gross expenditure variance of \$2.5 million primarily due to lower than planned consulting expenditures for projects under the "Housing Now" initiative as well as underspending in salaries and benefits resulting from delays in filling vacant positions approved through the 2019 Budget Process.
- Underachieved revenues of \$2.5 million resulting from lower than planned recognition of budgeted reserve draws required to fund affordable housing development projects as a result of project delays.
- On budget. The underspending in project consulting expenditures and salaries and benefits resulting from hiring delays have been fully offset by underachieved revenues corresponding to underspending in affordable housing development projects.

Children's Services:

- Favourable gross expenditure variance of \$20.2 million primarily attributable to underspending in application-based, 100% provincially funded programs: Fee Stabilization Support Funding (\$8.8 million) and Provincial Wage Enhancement (\$5.8 million). The time-limited Fee Stabilization Support Funding program was ended by the Province in April 2019. In addition, approximately \$3.1 million of the favourable variance is related to hiring delays and position adjustments implemented as a cost control measure in anticipation of changes to the provincial budget allocation and funding guidelines.
- Unfavourable revenue variance primarily attributable to underspending in provincially funded programs, partially offset by higher than anticipated fee revenues from families.
- Favourable net variance of \$0.2 million is primarily attributable to underspending program delivery dollars and corresponding revenue reductions.

Court Service:

- Favourable gross expenditure variance of \$5.6 million due to underspending in salaries and benefits resulting from delays in hiring and lower than anticipated expenditures for legal services, tribunal members' honorarium, interpreter services and payments to the province.
- Overachieved revenues of \$6.2 million resulting from the mix of charges filed by different enforcement agencies compared to plan, improved collection rate and the change in accounting method used to recognize fine revenue partially offset by lower than plan charges filed (Budget of 394,834 vs Actual of 328,080 for a variance of 66,754 tickets).
- Favourable net variance of \$11.8 million primarily due to under spending in salaries and benefits and non-payroll costs as well as overachieved revenue resulting from the mix of charges filed by different enforcement agencies compared to plan,

improved collection rate and the change in accounting method to recognize fine revenue partially offset by lower than plan revenues from charges filed.

Economic Development & Culture:

- Unfavorable net expenditures of \$0.1 million or 0.1% above the 2019 Approved Operating Budget is driven by:
- Savings of \$0.8 million in salaries and benefits as a result of unexpected vacancies and delays in hiring; helped offset pressures arising from unanticipated request including Collision Conference, Raptors celebration and Black History Month. Underspending in contributions and transfers of \$1.3 million were primarily due to timing of payments from the Toronto Significant Event Investment Program and the Starter/Summer Company program fully offset by lower than budgeted revenue.
- The expenditure for Nuit Blanche was scaled back to offset underachieved sponsorship revenue for the event.

Toronto Paramedic Services:

- Unfavourable gross expenditure variance of \$0.6 million attributable to increased overtime and WSIB costs resulting from increased workload pressures related to call volume growth partially offset by lower expenditures in salaries and benefits due to attrition and gapping.
- Unfavourable revenue variance of \$2.3 million primarily due to the lower than expected provincial funding as the MOH did not fund inflationary costs in 2019 and lower than anticipated revenues from user fees.
- Unfavourable net variance of \$2.9 million primarily due to service demand pressures from increased call volumes in addition to lower than expected provincial funding.

Seniors Services and Long-Term Care:

- Unfavourable gross expenditure variance of \$1.6 million is due to \$2.5 million in overspending in salaries and benefits as a result of one-time staff orientation costs for the new Point Click Care (Electronic Health Care) system implementation and higher than planned benefit rates, partially offset by underspending in utilities, hydro, natural gas and water, of \$1.0 million.
- Overachieved revenues of \$2.5 million due to additional provincial subsidies and client revenues from increased collection of basic accommodation revenue for 100% claims-based programs.
- Favourable net variance of \$0.9 million reflects the catch-up of prior year costs of 100% claims-based programs such as high intensity needs and Supportive Housing services.

Parks, Forestry & Recreation:

- Parks, Forestry & Recreation is reporting an unfavourable year-end net variance of \$0.6 million or 0.2% consisting of a favourable \$13.5 million or 2.8% gross expenditure variance offset by a revenue shortfall of \$14.1 million or 9.3%.
 - Favourable gross expenditure variance is driven by underspending in salaries and benefits due to the timing of hiring for capital initiatives, partially offset by Bill 148 minimum wage compression. Other underspending in expenditures was due to energy efficiencies, and lower than anticipated services and rents, materials and supplies and other expenditures.

- The unfavourable revenue variance is driven by program activity's interruption due to extreme weather conditions; lower capital recoveries due to project delays; lower reserve draws from the Tree Canopy and Public Realm Reserve Funds; less grants and subsidies associated with Asia Long Horned Beetle Inspections than expected; and reduced registration and user fees due to temporary facility closures, partially offset by overachieved one-time property rental revenue.

Shelter, Support & Housing Administration:

- Favourable gross expenditure variance of \$48.1 million. Underspensing of \$64.3 million gross in flow-through capital grant funding for Social and Affordable Housing has been offset by overspending of \$20.9 million in Hostel Services resulting from a 10% increase in demand in the regular shelter system compared to 2018 and higher than plan per diem costs for the Temporary Refugee Response initiative, exacerbated by unforeseen security costs for Respite Services. As well, the overspending in Hostels has been further mitigated by underspending of \$14.9 million in the Social Housing system service due to savings associated with housing provider subsidies for mortgage payments, operating costs and rent.
- Underachieved revenues of \$65.0 million, primarily due to underspending in capital grants resulting from affordable housing project and timing delays.
- Unfavourable net expenditure variance of \$16.9 million primarily due to the increased demand in the shelter system combined with the increased costs for accommodation, meals and additional security in the Temporary Refugee response program partially offset by underspending in the Social Housing Management System.

Social Development, Finance and Administration:

- Favourable gross expenditure variance of \$15.3 million is primarily from the delayed implementation of the Transit Fair Equity program of \$4.6 million, \$1.4 million in delayed project spending for the Tower Renewal Hi-RIS program, and underspending of \$0.7 million in youth related programming. The 2019 Gross Expenditure underspending also includes federal National Crime Prevention expenditures totaling \$3.8 million and provincial TCHC Gun Violence Reduction Strategy expenditures totaling \$5.0 million. The Federal and Provincial governments did not approve the funding of these two programs.
- Underachieved revenues of \$12.8 million correspond mainly to the unfunded National Crime Prevention and TCHC Gun Violence Reduction Strategy programming, as well as underspending in the Tower Renewal Hi-RIS program. In addition, underspending in youth related and other programming resulted in lower draws from reserves and lower interdivisional recoveries totalling \$2.0 million.
- Favourable net variance of \$2.5 million is primarily from \$4.4 million for the Transit Fair Equity program, partially offset by unrealized revenues due to underspending.

Toronto Employment & Social Services:

- Favourable gross expenditure variance of \$88.9 million primarily due to lower than planned caseload and delayed hiring resulting in lower program delivery costs and client financial benefits.

- Unfavourable revenue variance of \$84.3 million attributed to lower than planned expenditure-based provincial subsidies and lower than anticipated reserve draws.
- Favourable net expenditure variance of \$4.6 million as a result of delayed hiring and lower demand-driven financial benefits and program delivery costs. The 2019 caseload was 81,916; 4,084 cases or 4.7% lower than budget.

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Figure 7: Infrastructure and Development Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
City Planning	4-Month	1.2	▲	(0.7)	▼	0.5	▲	Ⓞ
	6-Month	2.1	▲	(1.5)	▼	0.6	▲	Ⓞ
	9-Month	2.1	—	(1.1)	▲	1.0	▲	Ⓞ
	12-Month	2.7	▲	3.3	▲	6.0	▲	Ⓞ
Fire Services	4-Month	(2.2)	▼	2.1	▲	(0.1)	▼	Ⓡ
	6-Month	(1.6)	▼	2.7	▲	1.1	▲	Ⓞ
	9-Month	(0.8)	▲	4.0	▲	3.2	▲	Ⓞ
	12-Month	(2.0)	▼	5.9	▲	3.9	▲	Ⓞ
Office of Emergency Management	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓢ
	9-Month	0.1	▲	(0.0)	—	0.1	▲	Ⓞ
	12-Month	0.3	▲	(0.0)	—	0.3	▲	Ⓞ
Municipal Licensing & Standards	4-Month	2.6	▲	3.9	▲	6.5	▲	Ⓞ
	6-Month	5.1	▲	(0.1)	▼	5.0	▲	Ⓞ
	9-Month	7.6	▲	(0.1)	—	7.5	▲	Ⓞ
	12-Month	3.7	▲	1.4	▲	5.1	▲	Ⓞ
Policy, Planning, Finance & Administration	4-Month	1.9	▲	(1.5)	▼	0.4	▲	Ⓞ
	6-Month	2.0	▲	(1.8)	▼	0.2	▲	Ⓞ
	9-Month	2.6	▲	(2.3)	▼	0.4	▲	Ⓞ
	12-Month	1.6	▲	(0.6)	▼	1.0	▲	Ⓞ
Engineering & Construction Services	4-Month	7.6	▲	(6.1)	▼	1.5	▲	Ⓞ
	6-Month	7.7	▲	(6.2)	▼	1.5	▲	Ⓞ
	9-Month	8.0	▲	(6.9)	▼	1.1	▼	Ⓞ
	12-Month	8.0	▲	(2.3)	▼	5.7	▲	Ⓞ

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Figure 8: Infrastructure and Development Services Year-End Variance Summary

Staff report for action on Operating Variance Report for the Year Ended December 31, 2019

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Building	4-Month	4.6	▲	7.3	▲	11.9	▲	Ⓞ
	6-Month	5.8	▲	18.9	▲	24.7	▲	Ⓞ
	9-Month	5.8	—	27.1	▲	32.9	▲	Ⓞ
	12-Month	6.6	▲	24.3	▲	30.9	▲	Ⓞ
Transportation Services	4-Month	7.0	▲	(3.9)	▼	3.1	▲	Ⓞ
	6-Month	6.1	▲	(2.6)	▼	3.5	▲	Ⓞ
	9-Month	8.9	▲	(8.6)	▼	0.3	▼	Ⓞ
	12-Month	(1.3)	▼	(13.9)	▼	(15.2)	▼	Ⓡ
Transit Expansion	12-Month	2.1	▲	(2.1)	▼	(0.0)	—	Ⓡ
Total	4-Month	22.8	▲	1.1	▲	23.9	▲	Ⓞ
	6-Month	27.2	▲	9.4	▲	36.6	▲	Ⓞ
	9-Month	34.3	▲	12.1	▲	46.4	▲	Ⓞ
	12-Month	21.8	▲	16.0	▲	37.7	▲	Ⓞ

Year-End	Ⓞ	Ⓞ	<=100%	Ⓡ	>100%
Net Variance					

Appendix D

Infrastructure and Development Services

Year End Results

City Planning:

- City Planning has a favourable net expenditure variance of \$6.0 million comprised of:
- Favourable gross expenditure variance of \$2.7 million mainly due to underspending in salaries and benefits due to staffing vacancies, lower than anticipated spending in Heritage Grants and lower technical consulting costs. The under expenditures are partially offset by higher than anticipated costs in computer equipment, software upgrades and furnishings as a result of office moves and higher inter-divisional charges for Legal and Human Resource services.
- Favourable revenue variance of \$3.3 million due to higher development application review and other fees, which are offset by lower capital, reserve fund and other recoveries for transit development and other projects, due to vacancies and project delays.

Fire Services:

- Unfavourable gross expenditure variance of \$2.0 million is mainly due to overspending for the WSIB costs of \$1.9 million, and over spending in other operational expenses of \$0.2 million, partially offset by underspending in salary and benefits of \$0.2 million attributable to hiring delays.
- Over achieved revenues of \$5.886 million primarily due to higher than planned false alarm fees of \$5.1 million, the receipt of additional HUSAR funding of \$0.4 million, and other revenues of \$0.4 million.
- Favourable net variance of \$3.9 million, reflecting the gross overspending and the over achieved revenues.

Office of Emergency Management:

- Favourable gross expenditure variance of \$0.3 million is mainly due to underspending in salary and benefits of \$0.085 million due to a hiring delay, and underspending in non-salary operational expenses of \$0.249 million, including savings in software & maintenance, and in emergency service supplies.
- Under achieved revenues of \$0.030 million that includes the unbudgeted contribution of \$0.020 million towards phase one of the "Neighbourhood Resilience Assessment" project, administered by the Environment & Energy Division
- Favourable net variance of \$0.304 million, reflecting the gross underspending and the under achieved revenues

Municipal Licensing & Standards:

- Under-expenditures totaling \$6.1 million mainly arise from salaries and benefits savings due to processing time to fill vacancies (\$4.4 million). Lower than anticipated expenditures (\$1.6 million) were experienced for materials, supplies, equipment, contracted services and other expenses. This primarily included delayed spending on vehicles (\$0.2 million), audit consultants (\$0.4 million),

interdivisional charges for IT and Legal Services (\$0.3 million) as well as the delay of grant disbursement to the Toronto Wildlife Centre (\$0.2 million).

- These under-expenditures were partially offset by over-expenditures of \$2.4 million mainly due to:
 - higher than planned contracted services for office construction, related furnishings and computer h/w (\$0.9 million);
 - higher than planned contracted services including general, security, storage, engineering, sidewalk maintenance and locking systems due to cannabis enforcement initiatives (\$0.6 million);
 - higher than planned expenses for uniforms due to onboarding of Bylaw Officers as well as for professional services including medical and dental fees (\$0.4 million).
- The resulting gross expenditures reflect a total favourable variance of \$3.7 million or 5.5% at year-end.
- Higher than planned revenue of \$4.809 million was primarily comprised of \$3.8 million in higher than expected volumes of PTC (Private Transportation Company) applications, trip fees and higher than planned revenue from interdivisional recoveries of \$0.7 million primarily for cannabis enforcement activities.
 - Lower revenue of \$3.4 million was received as mainly the result of:
 - lower than planned volume of business license fees as well as unrealized Short Term Rental revenues due to program delay (\$1.3 million);
 - lower volumes of apartment building registration & inspection fees (\$1.3 million);
 - less than anticipated revenue due to delay of receipt of reserve funding for the Toronto Wildlife Centre grant (\$0.5 million);
 - Lower volumes of animal licensing and adoption fees including those waived for low-income individuals (\$0.4 million).
- The resulting net revenue reflects a total favourable variance of \$1.4 million or 2.8% at year-end.
- The overall resulting net expenditures reflect a total favourable variance (surplus) of \$5.1 million or 27.9% as of year-end.

Policy, Planning, Finance & Administration:

- PPF&A has a favourable net expenditure variance of \$996.0 million comprised of:
- Favourable gross expenditure variance of \$1.6 million due to staffing vacancies as well as lower costs relating to material and supplies, services and rents mainly from employee related costs as result of vacancies, contracted services, equipment, and utilities due to lower usage.
- Unfavourable revenue variance of \$0.6 million due to staffing vacancies, resulting in lower capital recoveries of positions from capital projects and inter-divisional recoveries from client divisions.

Engineering and Construction Services:

- Engineering & Construction Services (ECS) reported a favourable net variance of \$5.7 million, consisting of a favourable gross expenditure variance of \$8.0 million and an unfavourable revenue variance of \$2.3 million.

- Expenditures were lower than budget due to vacant positions, and the lower requirements for general equipment, training, computer hardware and software associated with these positions. The high vacancy rate reflects the challenges the division faces in attracting and retaining engineering professionals in a highly competitive market.
- Revenues were lower than budget due to lower salaries and benefits recovery from capital projects resulting from vacant positions, lower TTC administrative fees and recoveries, and lower inter-divisional recoveries mainly from Legal Services for surveys related to support provided to Metrolinx and Transit Expansion projects due to less work requirements.

Toronto Building:

- Gross expenditures have a favourable variance of \$6.6 million at the end of December 31st, 2019. The variance was primarily due to under spent salaries and benefits by \$4.9 million due to vacancies, under spent consulting costs by \$0.8 million due to delays with the program review, under spent contracted services by \$0.4 million due to lower than expected remedial action costs, and under spent in IT support employee related costs of \$0.3 million resulting from delayed hiring.
- At the end of December 31st, 2019, revenues were over achieved by \$24.3 million. This favourable variance was primarily driven by a sustained higher than budgeted volumes of building permit applications (\$26.7 million). However, this was partially offset by lower than budgeted contribution from reserve fund and other recovery related to the delayed Program Review and underspending in remedial action recovery and delayed Metrolinx projects (\$3.2 million).

Transportation Services:

- Transportation Services reported an unfavourable net variance of \$15.2 million, consisting of an unfavourable gross expenditure variance of \$1.3 million and an unfavourable revenue variance of \$13.9 million.
- Expenditures were higher than budget due to overspending in winter maintenance as a results of this year's winter storms; overspending in inter-divisional charges from Police due to delay in hiring traffic agents; and overspending in school crossing guards contracts due to increased usage of backup crossing guards during the transition of program delivery. This overspending was partially offset by underspending in salaries and benefits due to vacancies, savings in hydro from lower rates for street lighting, and underspending in repairs contract due to lower volume of roadway repairs.
- Revenues were lower than budget as a result of lower utility cut revenues due to timing of recoveries for completed (billed) work; lower capital recoveries and contribution from the Public Realm reserve fund resulting from vacancies relating to the implementation of the organizational review; and lower other revenues and recoveries such as street event permit fees, 3rd party accident and recoveries as volumes have not materialized.

Transit Expansion:

- Gross expenditures had a favourable variance of \$2.1 million at the end of December 31st, 2019. The variance was primarily caused by underspent salaries and benefits by \$1.5 million due to vacancies and underspent professional services

by \$0.5 million related to lower than expected work on technical submission on projects.

- At the end of December 31st, 2019, revenues were under achieved by \$2.1 million. The variance was due to lower than expected expenditure recoveries from the capital budget (\$1.8 million) and from third party recovery (\$0.3 million).

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Figure 9: Finance and Treasury Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Office of the Chief Financial Officer	4-Month	2.1	▲	(1.7)	▼	0.5	▲	Ⓞ
	6-Month	2.1	—	(1.7)	—	0.4	▼	Ⓞ
	9-Month	3.7	▲	(3.1)	▼	0.5	▲	Ⓞ
	12-Month	3.4	▲	(2.9)	▼	0.5	▲	Ⓞ
Office of the Controller	4-Month	2.3	▲	(1.7)	▼	0.5	▲	Ⓞ
	6-Month	2.3	▲	(1.8)	▼	0.5	▲	Ⓞ
	9-Month	4.4	▲	(3.4)	▼	1.0	▲	Ⓞ
	12-Month	4.4	▲	(4.4)	▼	(0.0)	—	Ⓡ
Total	4-Month	4.4	▲	(3.4)	▼	1.0	▲	Ⓞ
	6-Month	4.4	▲	(3.5)	▼	0.9	▲	Ⓞ
	9-Month	8.1	▲	(6.5)	▼	1.6	▲	Ⓞ
	12-Month	7.8	▲	(7.3)	▼	0.5	▲	Ⓞ
Year-End Net Variance		Ⓞ	Ⓞ	<=100%	Ⓡ	>100%		

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Finance and Treasury Services

Year End Results

Office of the Chief Financial Officer:

- For the year ended December 31, 2019, the Office of the Chief Financial Officer is reporting a favourable net variance of \$0.5M. Favourable gross expenditure variance of \$3.4 million, mainly due to delay in filling vacant positions, is offset by \$2.9 million in lower recoveries from Reserves Fund and capital projects.

Office of the Controller:

- For the period ending December 31, 2019, the Office of the Controller is reporting no variance. The expenditure underspending of \$4.4M is mainly due to salary savings from vacant positions offset by unfavourable Revenues of \$4.4M below the budget at year-end mainly due to lower recoveries from reserves and capital position vacancies.

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Figure 10: Corporate Services Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Facilities, Real Estate, Environment & Energy	4-Month	4.5	▲	(4.0)	▼	0.5	▲	Ⓞ
	6-Month	5.7	▲	(5.6)	▼	0.1	▼	Ⓞ
	9-Month	5.7	—	(4.1)	▲	1.7	▲	Ⓞ
	12-Month	4.5	▲	(0.8)	▼	3.6	▲	Ⓞ
Fleet Services	4-Month	(1.3)	▼	1.3	▲	0.0	—	Ⓞ
	6-Month	(1.8)	▼	1.8	▲	0.1	▲	Ⓞ
	9-Month	(0.5)	▲	0.5	▼	0.1	—	Ⓞ
	12-Month	1.5	▲	(1.0)	▼	0.5	▲	Ⓞ
Technology Services	4-Month	11.8	▲	(11.8)	▼	(0.0)	—	Ⓡ
	6-Month	12.7	▲	(12.5)	▼	0.2	▲	Ⓞ
	9-Month	13.8	▲	(13.4)	▼	0.0	—	Ⓞ
	12-Month	12.6	▲	(12.6)	▼	0.1	▲	Ⓞ
311 Toronto	4-Month	1.1	▲	(1.1)	▼	0.0	—	Ⓞ
	6-Month	0.9	▲	(0.9)	▼	0.0	—	Ⓞ
	9-Month	0.9	—	(0.9)	—	0.0	—	Ⓞ
	12-Month	0.8	▲	(0.7)	▼	0.0	—	Ⓞ
Total	4-Month	16.1	▲	(15.6)	▼	0.6	▲	Ⓞ
	6-Month	17.5	▲	(17.1)	▼	0.4	▲	Ⓞ
	9-Month	20.0	▲	(17.8)	▼	2.2	▲	Ⓞ
	12-Month	19.3	▲	(15.1)	▼	4.2	▲	Ⓞ
Year-End Net Variance	Ⓞ	Ⓞ	<=100%	Ⓡ	>100%			

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Corporate Services

Year End Results

Facilities, Real Estate, Environment & Energy:

- Favourable net variance of \$3.6 million.
- Favourable gross expenditures of \$4.5 million primarily attributable to lower labour costs, coupled with underspending in utilities due to lower consumption and hydro rates resulting from global adjustments and positive impact of completed energy retrofits on several Toronto Police buildings. There was additional underspending in Environment & Energy programs funded through reserves, related to the Better Buildings Partnership Loans program. This is partially offset by overspending in contracted services related to demand maintenance requests from internal City clients, and the utilization of external contractors to meet operational and service requirements.
- Unfavourable revenues of \$0.8 million is due to lower recoveries from reserves and local boards related to vacancies, partially offset by an over-collection of inter-divisional revenues and capital recoveries from demand service requests combined with higher leasing revenues.
- There is no significant impact to service levels as a result of year-end vacancies. Any potential risks or impacts identified have been mitigated by a greater reliance on external contractors to support operational requirements. Variances in such areas as utilities, resulted in no impact on service delivery. FREEE is expecting the vacancy rate to stabilize in 2020 and is working with Corporate HR to ensure essential vacant positions are filled in a timely manner.

Fleet Services:

- Favourable net variance of \$0.5 million is attributable to lower salaries and benefits resulting from hiring delays of hard-to-fill positions, higher recoveries due to increased fuel usage, partially offset by increased maintenance costs for vehicles and equipment that have passed their optimum life and lower interdivisional recoveries due to vacancies.

Technology Services:

- A minimal favourable net variance of \$0.1 million is the result of gross expenditure favourability due primarily to vacancies was offset by lower recoveries from the clients and capital projects that were to fund those positions.

311 Toronto:

- Savings in the Project Management Office (\$0.6 million) and underspending in operating contracts (\$0.2 million) underlie the gross expenditure favourability, which is offset by lower recoveries from capital (\$0.6 million) and lower recoveries from reserves for Tax and Utilities calls training (\$0.2 million) resulting and in a favourable net variance of \$0.03 million.
- Achieved 81% of calls answered within 75 seconds, meeting the 80% Council approved service level.

Appendix D

City Manager's Office

Figure 11: City Manager's Office Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
City Manager's Office	4-Month	(1.3)	▼	1.3	▲	0.0	—	Ⓞ
	6-Month	(3.2)	▼	3.2	▲	0.0	—	Ⓞ
	9-Month	(1.4)	▲	2.2	▼	0.9	▲	Ⓞ
	12-Month	(2.0)	▼	3.5	▲	1.6	▲	Ⓞ
Year-End Net Variance	Ⓞ	Ⓞ	<=100%	Ⓡ	>100%			

Year End Results

City Manager's Office:

- Favourable net variance of \$1.6 million or 3.2% is primarily the result of staff vacancies. Overspending in gross expenditures due to an overspent salaries & benefits is offset by higher interdivisional recoveries for temporary unbudgeted service agreements with City divisions such as the Toronto Urban Fellows (TUF) Initiative

Appendix D

Figure 12: Other City Programs Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
City Clerk's Office	4-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
	6-Month	0.1	—	0.0	—	0.1	—	Ⓞ
	9-Month	2.5	▲	(2.1)	▼	0.4	▲	Ⓞ
	12-Month	2.7	▲	(2.0)	▼	0.8	▲	Ⓞ
Legal Services	4-Month	4.6	▲	(4.2)	▼	0.4	▲	Ⓞ
	6-Month	5.6	▲	(4.2)	▼	1.5	▲	Ⓞ
	9-Month	5.8	▲	(4.1)	▲	1.7	▲	Ⓞ
	12-Month	7.4	▲	(4.2)	▼	3.1	▲	Ⓞ
Mayor's Office	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
City Council	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	1.3	▲	0.0	—	1.3	▲	Ⓞ
	12-Month	3.6	▲	(0.3)	▼	3.3	▲	Ⓞ
Total	4-Month	4.7	▲	(4.2)	▼	0.5	▲	Ⓞ
	6-Month	5.7	▲	(4.2)	▼	1.6	▲	Ⓞ
	9-Month	9.6	▲	(6.3)	▼	3.4	▲	Ⓞ
	12-Month	13.8	▲	(6.5)	▼	7.2	▲	Ⓞ
Year-End Net Variance	Ⓞ	Ⓞ	<=100%	Ⓞ	>100%			

Appendix D

Other City Programs

Staff report for action on Operating Variance Report for the Year Ended December 31, 2019

Year End Results

City Clerk's Office:

- Favourable variance of \$0.8 million or 2.5% in net expenditures due mainly to lower spending in salaries and benefits as a result of delays in filling staff vacancies during the year.

Legal Services:

- Favourable net variance of \$3.1 million is mainly attributable to lower salaries and benefits resulting from staff vacancies and delays in the hiring process, partially offset by lower interdivisional recoveries.

Mayor's Office:

- Favourable variance of \$0.04 million or 1.6% mainly due to lower spending in Salaries and Benefits.

City Council:

- Favourable net variance of \$3.3 million or 15.2% mainly due to underspending in Staff salary envelope, Councillors' Constituency Services and Office Budgets and General Council Budget due to the impacts to Councillor office operations as a result of the Council transition, which included a significant change to the ward boundaries in the 2018 election.

Appendix D

Figure 13: Accountability Offices Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Auditor General's Office	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.3	▲	0.0	—	0.3	▲	Ⓞ
Office of the Integrity Commissioner	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
	9-Month	0.1	—	0.0	—	0.1	—	Ⓞ
	12-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
Office of the Lobbyist Registrar	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Office of the Ombudsman	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Total	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
	9-Month	0.1	—	0.0	—	0.1	—	Ⓞ
	12-Month	0.6	▲	0.0	—	0.6	▲	Ⓞ
Year-End Net Variance	Ⓞ	Ⓞ	<=100%	Ⓞ	>100%			

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Accountability Offices

Year End Results

Auditor General's Office:

- Favourable variance of \$0.3 million or 5.1% due mainly to lower spending in Salaries & Benefits as a result of staff vacancies for the year, and lower spending in Equipment. This is partially offset by higher spending in Services and Rents.

Integrity Commissioner's Office:

- Favourable variance of \$0.2 million or 25.7% due to lower spending in salaries and benefits as a result of filling the new legal counsel position, partially offset by higher spending in services and rent mostly related to expenses for external legal services.

Lobbyist Registrar's Office:

- Favourable variance of \$0.04 million or 3.0% due to lower spending in services and rents and partially offset by higher salaries and benefits cost for the year.

Ombudsman's Office:

- Favourable variance of \$0.04 million or 1.7% due mainly to lower spending in Services and Rents, partially offset by higher spending in Salaries & Benefits and Equipment for the year.

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Figure 14: Agencies Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Public Health	4-Month	3.5	▲	(3.3)	▼	0.2	▲	Ⓞ
	6-Month	2.5	▼	(2.5)	▲	0.0	▼	Ⓞ
	9-Month	5.5	▲	(5.2)	▼	0.3	▲	Ⓞ
	12-Month	7.8	▲	(7.3)	▼	0.5	▲	Ⓞ
Toronto Public Library	4-Month	(2.2)	▼	2.2	▲	0.0	—	Ⓞ
	6-Month	(2.5)	▼	2.5	▲	0.0	—	Ⓞ
	9-Month	(2.8)	▼	2.8	▲	0.0	—	Ⓞ
	12-Month	(2.6)	▼	2.7	▲	0.0	—	Ⓞ
Association of Community Centres	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓜ
	12-Month	(0.0)	—	0.1	▲	0.0	—	Ⓞ
Exhibition Place	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	(2.4)	▼	4.0	▲	1.6	▲	Ⓞ
	12-Month	(4.1)	▼	6.1	▲	2.1	▲	Ⓞ
Heritage Toronto	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	(0.0)	—	0.0	—	0.0	—	Ⓞ

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Figure 15: Agencies Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
TO Live	4-Month	0.8	▲	(0.8)	▼	0.0	—	Ⓞ
	6-Month	0.8	▲	(0.8)	▼	(0.0)	—	Ⓡ
	9-Month	2.1	▲	(2.1)	▼	0.0	—	Ⓞ
	12-Month	4.7	▲	(5.2)	▼	(0.5)	▼	Ⓡ
Toronto Zoo	4-Month	0.9	▲	(0.9)	▼	0.0	—	Ⓞ
	6-Month	1.0	▲	(0.9)	▼	0.1	▲	Ⓞ
	9-Month	2.9	▲	(3.8)	▼	(0.9)	▼	Ⓡ
	12-Month	3.8	▲	(4.8)	▼	(1.0)	▼	Ⓡ
Arena Boards of Management	4-Month	(0.0)	—	0.1	▲	0.0	—	Ⓞ
	6-Month	(0.0)	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	(0.0)	—	(0.0)	—	Ⓡ
	12-Month	0.3	▲	(0.2)	▼	0.0	—	Ⓞ
Yonge Dundas Square	4-Month	(0.1)	▼	0.1	▲	0.0	—	Ⓞ
	6-Month	0.1	▲	(0.1)	▼	(0.0)	—	Ⓡ
	9-Month	0.1	—	(0.1)	—	(0.0)	—	Ⓡ
	12-Month	0.1	▲	(0.2)	▼	(0.0)	—	Ⓡ
CreateTO	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	(0.0)	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.4	▲	(0.4)	▼	0.0	—	Ⓞ
Toronto & Region Conservation Authority	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ

Appendix D

Figure 16: Agencies Year-End Variance Summary

Staff report for action on Operating Variance Report for the Year Ended December 31, 2019

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Transit Commission - Conventional	4-Month	15.5	▲	(20.0)	▼	(4.5)	▼	Ⓡ
	6-Month	16.0	▲	(19.0)	▼	(3.0)	▼	Ⓡ
	9-Month	22.9	▲	(21.2)	▼	1.7	▲	Ⓞ
	12-Month	6.1	▲	(5.4)	▼	0.7	▲	Ⓞ
Toronto Transit Commission - Wheel Trans	4-Month	0.8	▲	0.8	▲	1.5	▲	Ⓞ
	6-Month	(0.0)	—	1.0	▲	1.0	▲	Ⓞ
	9-Month	(2.6)	▼	0.9	▼	(1.7)	▼	Ⓡ
	12-Month	(2.4)	▼	0.9	▲	(1.6)	▼	Ⓡ
Toronto Police Service	4-Month	(9.2)	▼	9.2	▲	0.0	—	Ⓞ
	6-Month	(15.4)	▼	15.4	▲	0.0	—	Ⓞ
	9-Month	(20.9)	▼	23.8	▲	2.9	▲	Ⓞ
	12-Month	6.0	▲	3.7	▲	9.7	▲	Ⓞ
Toronto Police Services Board	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.8	▲	(0.6)	▼	0.2	▲	Ⓞ
Total	4-Month	9.9	▲	(12.6)	▼	(2.7)	▼	Ⓡ
	6-Month	2.5	▲	(4.3)	▼	(1.9)	▼	Ⓡ
	9-Month	4.7	▲	(0.8)	▲	3.8	▲	Ⓞ
	12-Month	20.8	▲	(10.6)	▼	10.2	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓡ	>100%			

Appendix D

City Agencies

Year End Results

Toronto Public Health:

- Favourable gross expenditure variance of \$7.8 million mainly attributed to \$5.4 million of underspending in salary and benefits and non-payroll expenditures of \$2.4 million. This savings is a result of the divisional cost containment measures put in place earlier in the year in response to the funding uncertainties created by the 2019-20 Provincial Budget announcement of the proposed modernization of public health.
- Underachieved revenues of \$7.3 million are mainly due to lower provincial revenues recovered as a result of lower expenditures from provincially cost shared and 100% Provincial and other funded programs.
- Favourable net variance of \$0.5 million reflects the cost containment measures (underspending with corresponding underachieved revenues) implemented in response to the uncertainty of provincial funding.

Toronto Public Library:

- Toronto Public Library (TPL) reported a favorable net variance of \$0.02 million, consisting of an unfavorable gross expenditure variance of \$2.6 million and a favourable revenue variance of \$2.7 million.
- Expenditures were higher than budget as a result of specific library initiatives, which were fully funded by grants from the TPL Foundation, as well as greater than budgeted spending for branch security, and infrastructure maintenance as a result of urgent repairs to building components and systems; partially offset by a favourable expenditure variance in utilities.
- Revenues were higher than budget due to supplementary grant revenues from the TPL Foundation to enhance specific library initiatives, which was partially offset by lower than budgeted fines and fees revenues. The decreasing fines revenue is the result of the continued growth in the usage of e-materials and introduction of additional on-line methods for patrons to be notified of pending fines which results in fewer fines or fines being paid in a more timely manner.

Association of Community Centres:

- Unfavourable gross variance of \$0.04 million as a result of higher than planned professional services required to temporarily assist with financial management duties of a vacant Director position and higher than planned operating expenditures in response to higher usage of the facility space at Swansea Town Hall due to more than expected room rentals.
- Overachieved revenues of \$0.1 million due to higher than anticipated room rental revenues from Swansea Town Hall.
- Favourable net variance of \$0.02 million mainly driven by higher room rental revenues, partially offset by professional fees and higher than planned operating expenditures.

Exhibition Place:

- Exhibition Place reported a favourable net expenditure variance of \$2.1 million. This variance was attributable to an increase in revenues of \$6.1 million from event business activities, additional parking revenues from Ontario Place, and the sale of energy due to higher than budgeted energy production from District Energy System. These increased revenues were offset by a corresponding increase in costs of \$4.1 million associated with these events.

Heritage Toronto:

- Heritage Toronto was on budget. While Heritage Toronto did experience an increase of \$0.1 million in gross expenditures related to an audience development study, these costs were completely offset by an increase in donations.

TO Live:

- TO Live reported unfavourable net expenditure of \$0.5 million or 9.6% above the 2019 Approved Operating Budget, consisting of an unfavourable revenue variance of \$5.2 million partially offset by a favourable gross expenditure variance of \$4.7 million.
- Expenditures and revenues were lower than budget mainly attributed to less than anticipated performances and lower ticket sales as well as underspending in equipment repairs and chattel asset purchases funded from the Facility Fee Reserve Fund.
- A request included in this report to withdraw funds from the Sony Centre Stabilization Reserve Fund (XQ2031) of \$0.2 million and Toronto Centre for the Arts Stabilization Reserve Fund (XQ1060) of \$0.2 million will enable TO Live to partially mitigate the 2019 year-end deficit.

Toronto Zoo:

- Unfavorable net expenditure of \$1.0 million or 8.0% above the 2019 Approved Operating Budget is driven by:
- Weather conditions impacted operations and guest attendance which resulted in \$4.8 million shortfall in revenue.
- Gross expenditures are under budget by \$3.8 million due to underspending in salaries and benefits from retirements and vacant positions as well as cost containment measures to minimize revenue shortfall.
- In addition to cost mitigation, the Zoo also offered many NEW programs in 2019 to generate guests interest including the naming contest for baby zebra, Doors Open, Dream Day, Pride celebration, Wild Encounters programming, re-opening of the Kangaroo Walkthrough, Zoo's 45th Anniversary, Brew at the Zoo, Boo at the Zoo, Nuit Blanche and Terra Lumina. Some of these program generated new revenue for the Zoo. The Zoo attracted 1.210 million visitors in 2019, representing an 8% increase from 2018, but 7% below the attendance target of 1.295 million.

Arena Boards of Management:

- The Arena Boards of Management reported a favourable net expenditure variance of \$0.04 million, consisting of an unfavourable revenue variance of \$0.2 million from lower than projected ice time rentals offset by a favourable expenditure variance of \$0.2 million from costs associated with earning these revenues. What contributed to the favourable variance was a decrease in expenditures of \$0.1 million from Ted Reeve Community Arena as a result of postponing maintenance work to 2020, and

<p>Leaside Gardens Memorial Arena having originally budgeted for a vacation payout caused by a retirement in 2019 which did not occur.</p>
<p>Yonge Dundas Square (YDS):</p> <ul style="list-style-type: none"> • Yonge-Dundas Square reported an unfavourable net expenditure variance of \$0.03 million. This variance was attributable to a downturn in events on the Square leading to a decrease in revenue of \$0.2 million. These lost revenues are slightly mitigated by offsetting event expenses of \$0.1 million.
<p>CreateTO</p> <ul style="list-style-type: none"> • Favourable gross expenditure of \$0.4 million is primarily attributable to underspending in marketing costs and project investigative costs due to the focus on advancing the Housing Now Initiatives. • Funding recovery from Build Toronto, TPLC, and the City aligns with expenditures, resulting in a net zero variance to Budget.
<p>Toronto & Region Conversation Authority:</p> <ul style="list-style-type: none"> • Each year, TRCA receives the City of Toronto funding share which maintains the ratio between TRCA's other funding partner municipalities. In 2019, TRCA received the full funding amount as approved by Council, resulting in no year-end variance. The City of Toronto's contribution in 2019 totaled \$8.9 million including \$5.1 million contributed by Toronto Water, and \$3.8 million tax-supported.
<p>Toronto Transit Commission – Conventional:</p> <ul style="list-style-type: none"> • Gross expenditures have a favourable variance of \$6.1 million at the end of December 31st, 2019. Departmental Labour experienced underspending of \$6.8 million as a result of later than anticipated implementation of 2019 initiatives. This included the hiring of 70 additional Transit Enforcement personnel and instructors. Employee benefits were also below budget by \$2.3 million due to lower pension fund contributions for new hires and due to diesel consumption rates of the newer bus fleet, diesel expenditures decreased by \$5.0 million. Also, payments for accident claim settlements were lower than budget by \$4.9 million due to limited catastrophic claims and settlements. PRESTO fees were also below budget by \$3.6 million due to the continued sales of non-pass legacy fare media and a one-time reduction of \$3.0 million leasing expenses were the result of a delay in the occupation date for the new consolidated warehouse, which will now be occupied in 2020. In addition, several minor favourable variances total approximately \$2.0 million at the end of the year. • However, as part of the planned 2020 move to the new consolidated warehouse and ongoing vehicle renewal, a thorough review of inventory is ongoing which included a transition from legacy streetcars to LFLRVs. In connection with these reviews, approximately \$21.5 million of expenses related to obsolete inventory supplies were included in the 2019 year-end results. Of this amount, \$15.3 million related to legacy streetcar parts which previously needed to be maintained on hand given the specialized nature of the parts and production lead times. • Revenues have an unfavourable variance of \$5.4 million at the end of December 31st, 2019. Ancillary revenues were over budget by \$6.7 million as a result of proceeds from one-time settlements and rebates and proceeds received from the sale of retired vehicles. However, passenger revenues were under achieved by \$12.0 million at year end as a result of lower ridership. 2019 revenue and revenue

rides were impacted by significant inclement weather experienced in January and February and due to the trend of period pass users transitioning to e-purse given the two-hour transfer.

Toronto Transit Commission – Wheel-Trans:

- Gross expenditures have an unfavourable variance of \$2.4 million at the end of December 31st, 2019. The primary cause of the over expenditure was the increase in contracted Taxi services costs by \$11.1 million. The increase was due to a higher average distance travelled per passenger as longer trips have been assigned to contracted taxi to meet CBA requirements to schedule 38% of trips on Wheel-Trans buses. Salaries and wages experienced a \$4.2 million decrease in 2019 as a result of workforce hiring timing as recruitment was underway to fill vacancies. Employee benefits was under spent by \$1.9 million due to a lower than anticipated salaries and wages, in addition to lower healthcare expenses that was experienced in 2019.
- Revenues have a favourable variance of \$0.9 million at the end of December 31st, 2019. The favourable revenue variance is due to an adjusted methodology for the allocation of PRESTO monthly pass revenue between Wheel-Trans and TTC Conventional.

Toronto Police Service:

- Toronto Police Service reported \$9.7M favourable year-end variance or 0.9% of the Service's approved net operating budget.
- Gross expenditures are \$6.0 million favourable mainly due to lower than anticipated expenses on automotive parts, caretaking, utilities and one-time liability reversals for Harmonized Sales Tax (H.S.T.) expenditures.
 - It is important to note that premium pay still poses significant pressures for Toronto Police Service, with \$14M in over expenditures on civilian and uniform officers in 2019.
- Favourable revenue variance of \$3.7 million is primarily related to the in-year grants and greater than anticipated volumes for vulnerable sector checks and paid duties.

Toronto Police Services Board:

- Toronto Police Service Board reported \$0.2M favourable year-end variance.
- Favourable gross expenditure \$0.8M due to new staff member being hired later than originally planned in the year, and lower than originally budgeted for expenditures on legal costs.
- Unfavourable revenue variance of \$0.6M due lower than budgeted reserve withdrawals for corresponding lower than budgeted legal costs.

Appendix D

Capital & Corporate Financing

Figure 17: Capital & Corporate Financing Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Capital Financing - Capital from Current	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.3	▲	0.0	—	0.3	▲	Ⓞ
Technology Sustainment	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Debt Charges	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	25.6	▲	0.0	—	25.6	▲	Ⓞ
	9-Month	44.3	▲	0.0	—	44.3	▲	Ⓞ
	12-Month	36.0	▲	5.9	▲	41.8	▲	Ⓞ
Total	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	25.6	▲	0.0	—	25.6	▲	Ⓞ
	9-Month	44.3	▲	0.0	—	44.3	▲	Ⓞ
	12-Month	36.2	▲	5.9	▲	42.1	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓜ	>100%			

Appendix D

Capital & Corporate Financing

Year End Results

Capital & Corporate Financing: <ul style="list-style-type: none">• Materially on budget
Technology Sustainment: <ul style="list-style-type: none">• On budget
Debt Charges: <ul style="list-style-type: none">• A favourable variance of \$41.8 million net was realized mainly as a result of:<ul style="list-style-type: none">• \$35.9 million favourable gross expenditure variance mainly due to:<ul style="list-style-type: none">• \$25.6 million lower gross expenditure as internal pooling loan payment was originally included in debt charges budget but later decision was made to exclude it after further review,• \$10.2 million lower gross expenditure due to lower interest rates and later issuance than forecasted, and• \$5.7 million favourable revenue variance mainly due to higher recoverable debt then budget.

Appendix D

Non-Program Expenditures

Figure 18: Non-Program Expenditures Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Tax Deficiencies/Writeoffs	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	17.5	▲	(10.0)	▼	7.5	▲	Ⓞ
	12-Month	26.0	▲	(10.0)	▼	16.0	▲	Ⓞ
Tax Increment Equivalent Grants (TIEG)	4-Month	(0.5)	▼	0.0	—	(0.5)	▼	Ⓡ
	6-Month	1.6	▲	0.0	—	1.6	▲	Ⓞ
	9-Month	1.6	—	0.0	—	1.6	—	Ⓞ
	12-Month	1.9	▲	0.0	—	1.9	▲	Ⓞ
Assessment Function (MPAC)	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Funding of Employee Related Liabilities	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ

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Figure 19: Non-Program Expenditures Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Other Corporate Expenditures	4-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓜ
	6-Month	4.3	▲	0.1	▲	4.4	▲	Ⓞ
	9-Month	5.3	▲	(0.7)	▼	4.6	▲	Ⓞ
	12-Month	(73.2)	▼	76.8	▲	3.6	▲	Ⓞ
Parking Tag Enforcement & Oper.	4-Month	0.6	▲	0.0	—	0.6	▲	Ⓞ
	6-Month	0.6	▲	0.0	—	0.6	▲	Ⓞ
	9-Month	1.8	▲	0.0	—	1.8	▲	Ⓞ
	12-Month	4.4	▲	0.0	—	4.4	▲	Ⓞ
Programs Funded from Reserve Funds	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	(27.1)	▼	27.1	▲	(0.0)	—	Ⓜ
Heritage Property Taxes Rebate	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ

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Figure 20: Non-Program Expenditures Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Tax Rebates for Registered Charities	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	(0.0)	—	0.0	—	0.0	—	Ⓞ
	9-Month	(0.0)	—	0.0	—	0.0	—	Ⓞ
	12-Month	(0.0)	—	0.0	—	0.0	—	Ⓞ
Solid Waste Management Rebates	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	1.0	▲	0.0	—	1.0	▲	Ⓞ
Tax Increment Funding (TIF)	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Total	4-Month	1.4	▲	0.0	—	1.4	▲	Ⓞ
	6-Month	1.4	—	0.0	—	1.4	—	Ⓞ
	9-Month	27.5	▲	(10.7)	▼	16.8	▲	Ⓞ
	12-Month	(67.0)	▼	93.9	▲	26.9	▲	Ⓞ
Year-End Net Variance		Ⓞ	<=100%	Ⓡ	>100%			

Appendix D

Non-Program Expenditures

Year End Results

Tax Deficiencies/Write-Offs:

- A favourable variance of \$15.7 million net was realized as a result of:
 - \$25.7 million favourable gross expenditure variance due to:
 - \$25.5 million favourable due to appeals posted and provision adjustments being less than budget,
 - \$0.2 million favourable due to costs to defend the City's assessment base being less than budget, and

As a result, the withdrawal of \$10.0 million from the Assessment Appeal Stabilization Reserve was not needed.

Tax Increment Equivalent Grants (TIEG)

- A favourable variance of \$1.9 million net was realized as a result of:
 - The estimate for taxation years 2018 and prior was \$2.2 million less than provision, and
 - The estimate for taxation year 2019 was \$0.3 million greater than budget than budget.

Assessment Function (MPAC):

- On budget

Funding Employee Related Liabilities:

- Materially on budget

Other Corporate Expenditures:

- A favourable variance of \$3.6 million was realized mainly due to rebates processed for Vacancy Rebate Program being less than the amounts previously provided for.

Parking Tag Enforcement & Operations:

- A favourable variance of \$4.4 million gross expenditure was realized as a result of:
 - \$2.9 million favourable variance for salary and benefits primarily due to Parking Enforcement Officer vacancies,
 - \$1.0 million favourable variance for Legal Services is due to staff vacancies, lower security, and survey and mapping costs,
 - \$0.710 million favourable variance is attributable to fewer vehicle owner information searches performed resulting in lower payments to the Province of MTO fees,
 - \$0.523 million unfavourable variance in Revenue Services is attributable to higher administrative chargebacks to various Divisions, and
 - \$0.297 million favourable variance for Court Services is mainly due to underspending in honorarium to tribunal members and interpreters cost.

Programs Funded from Reserve Funds:

- On budget

Heritage Property Tax Rebates:

- On budget

Tax Rebates for Registered Charities:

- On budget

Solid Waste Management Rebates:

- A favourable variance of \$1.0 million gross expenditure was realized as a result of lower than expected rebates issued during the year.

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Figure 21: Non-Program Revenues Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Payments in Lieu of Taxes	4-Month	0.0	—	0.8	▲	0.8	▲	Ⓞ
	6-Month	0.0	—	1.3	▲	1.3	▲	Ⓞ
	9-Month	0.0	—	1.7	▲	1.7	▲	Ⓞ
	12-Month	0.0	—	4.0	▲	4.0	▲	Ⓞ
Supplementary Taxes	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	(1.0)	▼	(1.0)	▼	Ⓡ
	12-Month	0.0	—	9.9	▲	9.9	▲	Ⓞ
Tax Penalty Revenue	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	1.0	▲	1.0	▲	Ⓞ
	9-Month	0.0	—	1.0	—	1.0	—	Ⓞ
	12-Month	0.0	—	8.0	▲	8.0	▲	Ⓞ
Interest/Investment Earnings	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	2.9	▲	55.8	▲	58.7	▲	Ⓞ
	9-Month	2.9	—	72.5	▲	75.4	▲	Ⓞ
	12-Month	6.2	▲	69.6	▲	75.8	▲	Ⓞ

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Figure 22: Non-Program Revenues Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Other Corporate Revenues	4-Month	(0.0)	—	(0.1)	▼	(0.1)	▼	Ⓜ
	6-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓜ
	9-Month	(0.0)	—	0.1	▲	0.0	—	Ⓞ
	12-Month	(2.5)	▼	110.1	▲	107.6	▲	Ⓞ
Dividend Income	4-Month	0.0	—	2.6	▲	2.6	▲	Ⓞ
	6-Month	0.0	—	2.6	▲	2.6	▲	Ⓞ
	9-Month	0.0	—	2.6	—	2.6	—	Ⓞ
	12-Month	0.0	—	2.6	▲	2.6	▲	Ⓞ
Provincial Revenue	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Municipal Land Transfer Tax	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	(0.2)	▼	20.2	▲	20.0	▲	Ⓞ
	12-Month	0.0	—	70.1	▲	70.1	▲	Ⓞ
Third Party Sign Tax	4-Month	0.0	—	(1.0)	▼	(1.0)	▼	Ⓜ
	6-Month	0.0	—	(1.0)	▼	(1.0)	▼	Ⓜ
	9-Month	0.0	—	(1.0)	—	(1.0)	—	Ⓜ
	12-Month	0.2	▲	(0.9)	▼	(0.7)	▼	Ⓜ

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Figure 23: Non-Program Revenues Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Parking Authority Revenues	4-Month	0.0	—	(1.3)	▼	(1.3)	▼	Ⓜ
	6-Month	0.0	—	2.1	▲	2.1	▲	Ⓞ
	9-Month	0.0	—	5.8	▲	5.8	▲	Ⓞ
	12-Month	0.0	—	6.2	▲	6.2	▲	Ⓞ
Administrative Support Recoveries - Water	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Administrative Support Recoveries - Health & EMS	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Parking Tag Enforcement & Operations Rev	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	10.7	▲	10.7	▲	Ⓞ
Other Tax Revenues	4-Month	0.0	—	0.5	▲	0.5	▲	Ⓞ
	6-Month	(0.7)	▼	1.1	▲	0.4	▲	Ⓞ
	9-Month	(0.7)	—	1.1	—	0.4	—	Ⓞ
	12-Month	(0.6)	▼	1.1	▲	0.5	▲	Ⓞ

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Figure 24: Non-Program Revenues Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Municipal Accommodation Tax	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.2	▲	0.8	▲	1.0	▲	Ⓞ
Casino Woodbine	4-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	6-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
	9-Month	0.0	▼	(1.0)	▼	(1.0)	▼	Ⓡ
	12-Month	0.1	▲	(1.2)	▼	(1.1)	▼	Ⓡ
Total	4-Month	(0.0)	—	1.4	▲	1.4	▲	Ⓞ
	6-Month	2.3	▲	62.9	▲	65.1	▲	Ⓞ
	9-Month	2.0	▼	101.9	▲	103.9	▲	Ⓞ
	12-Month	3.7	▲	291.1	▲	294.8	▲	Ⓞ
Year-End Net Variance		Ⓞ	Ⓞ	<=100%	Ⓡ	>100%		

Appendix D

Non-Program Revenues

Year End Results

Payments In Lieu of Taxes (PILs):

- A favourable variance of \$4.0 million was realized as a result of:
 - \$0.7 million favourable variance resulting from assessment based levies being greater than budget,
 - \$1.0 million favourable variance as a result of Heads and Beds levies being greater than budget,
 - \$0.3 million favourable variance for unbudgeted revenue from the University of Toronto,
 - \$0.1 million favourable variance from supplementary levies, and
 - \$1.9 million favourable variance because appeals posted, provision adjustments and other reductions were less than expected.

Supplementary Taxes:

- A favorable variance of \$9.9 million was realized as a result of higher than anticipated number of properties and their associated assessed values in the final roll of 2019.

Tax Penalties:

- A favorable variance of \$8.0 million was realized mainly due to tax interest/penalties earned was greater than expected and provision adjustment was lower than expected.

Interest & Investment Earnings:

- A favourable variance of \$81.7 million net was realized as a result of:
 - \$6.2 million favourable gross expenditure variance due to:
 - \$4.6M favourable variance from lower than expected investment manager's fees as there was a delay with the agreement negotiations,
 - Further underspending resulted from audit costs not incurred in 2019, and will be delayed until 2020 and fewer Investment Board meetings were held than forecasted, and fewer than expected members attended meetings,
 - \$75.4 million favourable revenue variance primarily due to:
 - Higher than forecasted interest and investment income earned (\$67.7 million) in the Long-term fund in 2019 mainly due to one-time realized capital gain as a result of the transition period (May and June) to the fixed income investment managers. Market value prices of the securities held by the External Fixed Income managers were higher than originally budgeted. This has contributed to the surplus which was offset by the increase in the Reserve Fund income allocation by \$13.3 million, and
 - Income from the Short-term fund was higher than expected during 2019 by \$15.6 million due to higher than budgeted fund balance and interest rates. The LTF has not been fully transitioned to all External Equity and Real Asset managers, therefore earning more interest income than initially forecasted as short-term cash balances were higher than expected.

<p>Other Corporate Revenues:</p> <ul style="list-style-type: none"> • A favourable variance of \$107.6 million was realized mainly due to OMERS Pension surplus.
<p>Dividend Income:</p> <ul style="list-style-type: none"> • A favorable variance of \$2.6 million was realized as the result of higher than budgeted hydro dividend revenue due to higher Toronto Hydro earnings in 2018.
<p>Provincial Revenue:</p> <ul style="list-style-type: none"> • On budget
<p>Municipal Land Transfer Tax (MLTT):</p> <ul style="list-style-type: none"> • A favorable variance of \$70.1 million was realized mainly due to higher than expected sales activities.
<p>Third Party Sign Tax:</p> <ul style="list-style-type: none"> • An unfavourable variance of \$0.7 million was realized as a result of: • \$0.9 million unfavourable revenue variance mainly due to a reduction in the number of static signs and a shift in the industry from static copy signs to digital signs, and • Offset by a \$0.2 million favourable gross expenditures variance due to lower than expected Toronto Building charge back as a result of higher than expected sign permit revenue.
<p>Parking Authority Revenues:</p> <ul style="list-style-type: none"> • A favorable variance of the City's share of profits of \$6.2 million was realized as a result of: • Gross under expenditure primarily due to timing of maintenance expenses, underspending in salaries and benefits, recruitment efforts and reduced administrative expenses due to timing of spending on advertising and additional financial audit work, and • Favourable revenue variance attributable to one-time gain on sale of property and offset by unfavourable revenue variance primarily within the Off-Street Parking service and Bike Share Program.
<p>Administrative Support Recoveries – Toronto Water:</p> <ul style="list-style-type: none"> • On budget
<p>Administrative Support Recoveries – Health & EMS:</p> <ul style="list-style-type: none"> • On budget
<p>Parking Tag and Enforcement Operations:</p> <ul style="list-style-type: none"> • A favourable variance of \$10.7 million revenue was realized as a result of: • \$10.3 million higher revenue received from late fees and penalty charges for late payments, and • \$0.5 million favourable gross revenue variance from Police Services due to higher premium pay recoveries from the TTC associated with enforcement of parking by-laws on TTC right of ways. This was a result from continued weekend subway closures for signal maintenance replacement.
<p>Other Tax Revenues:</p> <ul style="list-style-type: none"> • A favourable variance of \$0.5 million net was realized primarily because hydro property levies were \$0.6 million higher than budget, offset by \$0.1 million unfavorable as a result of appeals posted and provision being higher than budget.

Municipal Accommodation Tax (MAT):

- A favourable variance of \$1.0 million net was realized as a result of:
 - \$0.2 million favourable gross expenditure variance mainly due to lower than anticipated expenses, and
 - \$0.8 million favourable revenue variance due to higher than expected MAT revenues.

Casino Woodbine:

- An unfavourable variance of \$1.2 million was realized due to the fact that the actual numbers of electronic games and live tables were below initially planned for more than half of the year. By the end of Q3, the number of live tables had increased to 109 (vs the planned 100), and then 110 by end of Q4. In addition, increased productivity in Q4 helped bridge that gap between year-end actual gross revenue and annual gross revenue budget.

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Figure 25: Rate Supported Programs Year-End Variance Summary

City Program/Agency	Quarter	Year-End						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Solid Waste Management Services	4-Month	0.9	▲	(1.9)	▼	(1.0)	▼	Ⓜ
	6-Month	3.3	▲	(2.1)	▼	1.1	▲	Ⓞ
	9-Month	9.7	▲	41.9	▲	51.6	▲	Ⓞ
	12-Month	17.0	▲	39.8	▲	56.8	▲	Ⓞ
Toronto Parking Authority	4-Month	0.8	▲	(2.4)	▼	(1.6)	▼	Ⓜ
	6-Month	1.6	▲	0.9	▲	2.4	▲	Ⓞ
	9-Month	4.2	▲	2.6	▲	6.8	▲	Ⓞ
	12-Month	7.8	▲	2.0	▲	9.8	▲	Ⓞ
Toronto Water	4-Month	20.9	▲	2.3	▲	23.2	▲	Ⓞ
	6-Month	23.5	▲	5.5	▲	29.0	▲	Ⓞ
	9-Month	27.7	▲	10.2	▲	37.9	▲	Ⓞ
	12-Month	30.1	▲	14.6	▲	44.7	▲	Ⓞ
Total	4-Month	22.6	▲	(2.0)	▼	20.6	▲	Ⓞ
	6-Month	28.3	▲	4.3	▲	32.6	▲	Ⓞ
	9-Month	41.6	▲	54.7	▲	96.3	▲	Ⓞ
	12-Month	55.0	▲	56.4	▲	111.4	▲	Ⓞ
Year-End Net Variance		Ⓞ	Ⓞ	<=100%	Ⓜ	>100%		

Appendix D

Rate Supported Programs

Year End Results

Solid Waste Management Services (SWMS):

- Solid Waste Management Services (SWMS):
- Under-expenditures totaling \$17.2 million mainly arise from contracted services underspending of \$9.9 million as well as salaries and benefits savings of \$4.9 million mostly due to 63 vacancies mainly in Collections and Litter Operations for waste load operators, light equipment operators and Diversion Program Assistants, other skilled trades and various administrative staff and managers.
- Contracted services underspending of \$10.7 million was mainly for the collection and/or processing cost of recyclables, organics, leaf & yard waste, household hazardous waste and durable goods primarily due to volumes being lower than planned. Other contracted underspending included advertising, audit and professional services. The overall underspending was partially offset by the additional processing cost of \$1.2 million for contamination of recyclables.
- Other areas that were under-spent included Utilities (\$0.2 million) due to lower electricity rates; Materials & Supply (\$0.9 million) from the lower than planned cost of bin maintenance; lower natural gas consumption for vehicles, fewer purchases of footwear and misc office supplies. Interdivisional Charges were lower by \$0.7 million due to lower fleet maintenance costs (\$1.2 million) due to the efficiency review by fleet as well as lower actual maintenance. This was partly offset by \$0.6 million in additional misc costs from Revenue Services.
- Minimal over-expenditures of \$0.2 million included higher than planned transfers to capital, miscellaneous equipment and consulting expenses.
- The resulting total gross expenditures reflect a total favourable variance of \$17.0 million or 4.1% at year-end.
- Higher than planned revenue of \$46.1 million was primarily due to the receipt of Ontario Stewardship Funding of \$44.5 million which included funding accruals from 2018 and 2019. The balance of higher than planned revenue of \$1.5 million mainly consisted of increased tipping fees at transfer stations due to volumes, higher volume based recoveries from Toronto Water and Transportation Services, more residual fees from processors, landfill fees and bin sales.
- These higher revenues were offset by lower revenues of \$6.260 million primarily due to lower recoveries from capital due to project delays and vacancies (\$1.4 million), lower collection revenues from the loss of multi-residential customers (\$1.4 million), lower sales of recyclables and scrap due to demand (\$1.182 million), lower than expected bag tag sales (\$1.1 million) and lower volumes for drop & load fees at transfer stations (\$0.8 million).
- The resulting net revenue reflects a total favourable variance of \$39.8 million or 9.7% at year-end.

- Combined, this results in a net under-expenditure (surplus) of \$56.8 million or 13.8% of the gross budget as of the year-end. This net surplus will be contributed to the Waste Management reserve fund to support the SWMS Capital program.

Toronto Parking Authority:

- Favourable gross expenditure variance of \$7.8 million primarily due to timing of maintenance expenses, underspending in salaries and benefits, recruitment efforts to replace retirees in car park attendants and maintenance areas and time to fill positions with new recruitment processes. Favourable administrative expenses, due to timing of spending on advertising and additional financial audit work, including PCI and SAP implementation and Municipal tax savings due to a lower than expected mill rate increase compared to Budget as well as refunds primarily relating to 50 Cumberland.
- Increased adoption of the GreenP mobile payment app has seen increased payment transaction fees, which have been offset by lower ticketing expenses and pay and display machine expenses due to machine rationalization.
- TPA has a favourable total revenue variance of \$2.0 million, however this is attributable to \$7.1 million received from a one-time gain on sale of property (CP221 - 121 St. Patrick). This one-time gain has offset the unfavourable revenue variance of \$5.1 million primarily within the Off-Street Parking service and Bike Share program.
- Additional rate increases for Off-Street parking approved during the 2019 Budget process were implemented in eight core downtown garages. These carparks have experienced reduced transaction volume of 4.9% over the prior year. Additional carpark restrictions including construction (i.e. Eglinton Crosstown LRT), use of carparks for City temporary shelters (i.e. Lamport Stadium, Parliament), changing traffic patterns (closed NPS for Raptors etc), and delays in opening Carpark 262 at 302 Queen Street has also resulted in an unfavourable revenue variance.
- Rate increases implemented in April within the On-Street Parking service has helped to offset the unfavourable revenue.
- Bike Share Toronto has increased ridership and membership over the prior year, however heavy rain in Q1 and early Q2 has seen an unfavourable revenue variance from user fees. A long-term sponsor has not yet been identified for the Bike Share Program.
- Overall, a favourable net variance of \$9.8 million, or 14.7%.

Toronto Water:

- Reported net under expenditure of \$44.7 million at December 31, 2019.
- Favourable expenditure variance of \$30.1 million, mainly due to underspending in salaries and benefits due to vacancies (\$9.5 million), lower than planned electricity and natural gas rates and consumption of water due to continued efficiencies (\$9.6 million), savings in equipment, materials and supplies due to ongoing capital projects delaying regular maintenance work, as well as lower than anticipated demand for chemicals and unused contingencies (\$5.3 million), and underspending in contracted services due to mild winter temperatures, project and contract delays, equipment shutdowns, efficiencies in processes and unused contingencies, partially offset by unplanned emergency repairs and retroactive rate adjustments for services received from other municipalities (\$2.7 million), as well as lower than

anticipated payments in lieu of taxes as a result of property assessment adjustments (\$1.2 million) and interdepartmental and other charges, including recovery of bad debts recorded in prior years (\$1.9 million).

- Favourable revenue variance of \$14.6 million, primarily because of higher than planned consumption of water (\$1.0 million), higher than projected revenues from an overall increase in new water and sewer service connections due to higher construction activity (\$11.6 million), private water agreements (\$3.6 million) and other revenues and recoveries including third party recoveries, capital recoveries, retroactive pending rate adjustments for services provided to other municipalities and higher volume of development application reviews (\$3.7 million). Additional revenues were partially offset by decline in revenues from industrial waste agreements (\$2.9 million), lower recoveries from Metrolinx and other transit projects due to project delays (\$1.8 million) and other revenues (\$0.6 million).