

Operating Variance Report for the Year Ended December 31, 2021

Date: June 27, 2022

To: Executive 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, 2021 and the City's financial position before and after receiving COVID-19 funding support.

The City's Tax Supported Operations final year-end experience was consistent with the 2021 balanced net budget following offsets to all COVID-19 financial impacts through a combination of secured federal and provincial funding support and offsetting internal City savings.

Since March of 2020, the City of Toronto, consistent with other major Canadian and Greater Toronto and Hamilton Area (GTHA) municipalities have been experiencing significant financial impacts, both in the form of added costs and significant revenue losses as a direct result of the COVID-19 pandemic.

The 2021 budget was again challenged by the financial impacts arising from the pandemic. Added costs and revenue losses in 2021 attributed to COVID-19 totalled an estimated \$1.9 billion prior to internal City savings and offsets with significant pressures continued to be experienced in Transit and Shelter services as well as within Corporate Revenues.

- COVID-19 related net financial impacts totalled \$1.627 billion after internal offsets and prior to COVID-19 support funding as reflected in table 1 below.
- Net COVID-19 pressures were addressed through COVID-19 funding support from the Government of Canada and Province of Ontario, mainly in the form of Safe Restart Agreement (SRA), added Reaching Home (RH) funding and other funding programs.

Table 1 below details the budgeted 2021 City-wide COVID-19 related financial impacts against secured COVID-19 support funding; and the resulting financial position that is reflected in the year-end variance projections:

Table 1: 2021 Projected COVID-19 Financial Impacts

Category (\$M)	Budgeted COVID-19 Impacts	Added Net COVID-19 Impacts	Revised COVID -19 Net Impacts & Funding Received
Transit	796.4	0.0	796.4
Municipal*	459.7	18.2	458.9
Shelter	281.3	24.5	305.8
Public Health**	59.0	(12.6)	46.4
Total City	1,596.4	30.1	1,626.5

* Includes TCHC impact of \$37.5 million

** Based on Budgeted impacts and excludes immunization costs for Public Health

Tax Supported Programs:

The following table summarizes the financial position of the City's Tax Supported Operations for year ended December 31, 2021.

Table 2:

Favourable / (Unfavourable)	Budget	Actual	Var
City Operations	2,799.9	2,602.5	197.5
Agencies	3,062.8	3,043.9	18.8
Corporate Accounts*	(1,373.5)	(1,236.7)	(136.9)
Variance (Prior to Legislated/Directed Adjustments)	4,489.2	4,409.7	79.4
Less: Toronto Building & City Planning (Legislated / Council Directed)	2.8	82.3	(79.4)
Variance	4,492.0	4,492.0	0.0

*Includes Recommended Reallocations and Adjustments

As noted in Table 2 above, for the year ended December 31, 2021 Tax Supported Operations experienced no net variance following adjustments associated with council directed and legislated allocations; as well as adjustments for COVID-19 related obligations, deferred costs, and allocations.

Rate Supported Programs:

Rate Supported Programs reported a favourable year-end variance of \$51.3 million. The favourable variance is attributed to lower than budgeted expenditures from Solid Waste Management due to reduced volumes and delays in organic processing facility expansion. Revenues from Solid Waste Management were also favourable due to improved market rates for sale of recyclables, offset by losses from a Renewable Natural Gas project delay.

Parking Authority had a favourable net variance of \$11.7 million mainly due to lower than expected salary costs, and favourable revenue in both on and off street parking.

Toronto Water also saw a net favourable variance resulting from lower water production, salary savings and lower than expected energy rates and consumption. This was partially offset by unfavourable revenue driven by lower than anticipated sale of water.

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 3: Rate Supported Net Variance Summary (\$ Millions)

Variance (\$M)	2021 Year-End		
	Budget	Actual	Variance
Favourable / (Unfavourable)			
Solid Waste Management Services	0.0	(31.6)	31.6
Toronto Parking Authority	2.2	(9.5)	11.7
Toronto Water	0.0	(8.0)	8.0
Total Variance	2.2	(49.0)	51.3

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council approve a budget transfer of \$17.524 million from Other Corporate Expenses Account to Toronto Transit Commission, related to the transfer of a City held provision towards settled TTC Cost of Living Adjustments.
2. City Council approve a one-time temporary withdrawal of \$43.700 million from the Child Care Capital Reserve Fund (XR1103) to offset the timing difference between expenditures reflected in 2021 and provincial funding reimbursement reflected in 2022 and authorize the return of \$43.700 million to this reserve consistent with provincial funding related to the transfer payment received in 2022.
3. City Council approve COVID-19 related obligations, deferred costs, and recommended allocations as detailed in Appendix D.

FINANCIAL IMPACT

Tax Supported Programs:

The Tax Supported Operations, for the year ended December 31, 2021 following the disposition of funds consistent with legislated and Council directed requirements; COVID-19 related obligations; deferred costs; and reserve allocation, experienced no net variance, with year-end results consistent with the 2021 net operating budget.

The year-end result reflect the recent federal commitment towards the reimbursement of \$17.1 million against \$19.5 million in actual 2021 costs associated with SSHA refugee response initiatives and applicable administrative costs. The 2021 shortfall of \$2.4 million associated with these costs has been temporarily offset through the one-time allocation of available City-wide underspending. City staff continue to engage with our federal colleagues on full reimbursement of 2021 costs and continued commitments toward the reimbursement of 2022 and future year costs.

Rate Supported Programs:

Toronto Water and Solid Waste Management Services respective 2021 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 2021 final year-end operating results for Rate Supported Operations, excluding Toronto Parking Authority, will be allocated based on the following

Table 4: 2021 Year-End Net Operating Results – Rate Supported Programs (Millions)

Toronto Water Final Year-End Surplus Available for Distribution	7.971
Wastewater Stabilization Reserve	3.427
Water Stabilization Reserve	4.543
Surplus Remaining / (Shortfall)	0.000
Solid Waste Management Services Final Year-End Surplus Available for Distribution	31.593
Waste Management Reserve Fund	31.593
Surplus Remaining / (Shortfall)	0.000

Allocation of the 2021 Surplus – Rate Supported Operations

The 2021 year-end operating results for Rate Supported Operations, excluding the Toronto Parking Authority, will be allocated based on the following:

- Toronto's Water's operating surplus of \$7.971 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 \$31.6 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.

DECISION HISTORY

City Council approved the 2021 Rate-Supported Operating Budget of \$927 million gross (December 16, 2020) and the 2021 Tax Supported Operating Budget of \$12.125 billion gross and \$4.489 billion net (February 18, 2021).

2022 Water and Wastewater Consumption Rates and Service Fees

<https://www.toronto.ca/legdocs/mmis/2021/ex/bgrd/backgroundfile-173532.pdf>

2022 Rate Supported Budgets – Solid Waste Management Services and Recommended 2022 Solid Waste Rates and Fees

<https://www.toronto.ca/legdocs/mmis/2022/ex/bgrd/backgroundfile-199468.pdf>

Staff report for action on Operating Variance Report for the Year Ended December 31, 2021

2022 Water and Wastewater Consumption Rates and Service Fees
<https://www.toronto.ca/legdocs/mmis/2021/ex/bgrd/backgroundfile-173582.pdf>

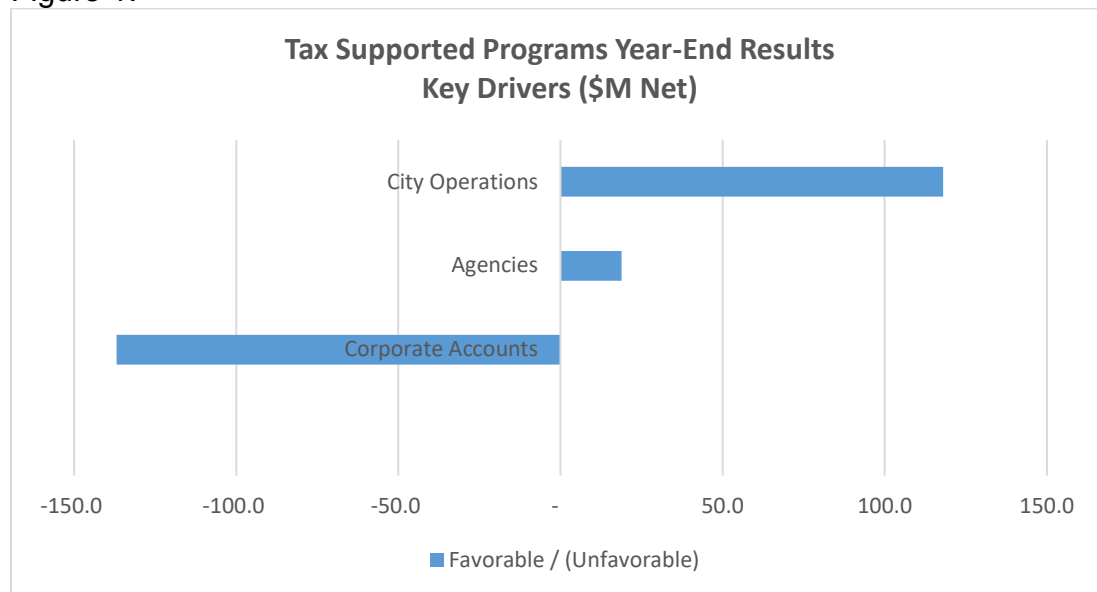
Tax Supported 2022 Operating Budget and 2022-2031 Capital Budget and Plan
<https://www.toronto.ca/legdocs/mmis/2022/ex/bgrd/backgroundfile-199468.pdf>

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 2021 Approved Operating Budget between Programs and Agencies in accordance with the Financial Control By-Law and the City’s financial management policies.

COMMENTS

City of Toronto continued to experience COVID-19 related financial impacts in 2021. However, the final year-end results of the Tax Supported Operations was consistent with the 2021 balanced net budget which included offsets to all COVID-19 financial impacts through a combination of secured federal and provincial funding support and internal City savings. The unfavorable variance experience in corporate accounts was fully offset by the favorable results in city operations and agencies. The main drivers of operating results are outlined in Figure 1 below.

Figure 1:



City Operations

As of December 31, 2021, City Operations reported a favourable net expenditure variance of \$197.5 million or \$118.0 million after council directed and legislated allocations. The key drivers of this year-end favourable net variance are outlined below:

- **Toronto Building** - Favourable net variance of \$43.7 million is predominantly the result of revenues that were overachieved by \$30.6 million driven by higher than expected volume of building permit applications. Consistent with the legislated Building Code Act, the favorable variance is to be contributed to the Building Code Act Service Improvement Reserve Fund to manage fluctuations in volumes of permit activity and invest in service delivery.
- **City Planning** - favourable net expenditure variance of \$35.7 million is mainly attributed to a revenue variance of \$30.5 million arising from higher than expected development application review volumes. In accordance with City Council's direction, the operating surplus from development application review fees will be transferred to the City Planning Development Technology Reserve Fund to support the development application review activity.
- **Employment and Social Services** - Favourable net expenditure variance of \$17.0 million attributable to Favourable gross expenditure variance of \$322.5 million primarily related to lower caseload driven issuances of financial, medical, and employment benefits to OW recipients partially offset by underachieved revenues of \$305.5 million due to lower than planned expenditure based provincial subsidies and reserve draws.
- **Paramedic Services** – Favourable net variance of \$18.2 million. While Paramedic Services exceeded targeted hires as part of the implementation of the council approved enhanced hiring plan, a favourable gross expenditure variance of \$8.8 million primarily attributable to higher than expected attrition due to COVID-19 impacts, partially offset by pressures caused by COVID-19 in overtime and increased WSIB costs. Favourable revenues of \$9.5 million primarily due to \$13.8 million in Provincial funding above budget for COVID-19 expenditures, partially offset by lower than anticipated reserve fund transfers (\$3.3 million) and loss in other revenues (\$1.0 million) as a result of COVID-19 impacts on Special Event and Safe City revenues.

Agencies

As of December 31, 2021, Agencies reported a favourable gross expenditure variance of \$24.0 million or 0.6%, which was offset by a revenue shortfall of \$5.1 million or 0.5%, which resulted in a favourable net variance of \$18.8 million or 0.6%. The key drivers of this year-end favourable net variance are outlined below:

TO Live- Favourable net variance of \$1.2 million consisting of an unfavourable gross expenditure variance of \$1.8 million due to unbudgeted benefit costs for staff on leave as a result of the provincial government extension of IDEL and staffing costs for reopening efforts at the end of the year. The revenue variance was favourable by \$3.0 million due to event related revenues in the 4th quarter after easing of restrictions, as well as naming rights sponsorship and grants from the other levels of Government that were not included in the 2021 budget.

Toronto Zoo- Favourable net expenditure of \$1.2 million below the 2021 budget due to the Zoo closure starting November 23, 2020 as a result of COVID-19 emergency order. This has resulted in unfavourable revenue of \$2.3 million. The Zoo was able to fully mitigate the revenue loss by hosting additional guests above budget since reopening and implementing cost saving measures including deferral of non-essential purchases, resulting in favourable gross expenditure of \$3.5 million. The Zoo achieved 90% of the attendance target despite closure for first half of the year.

Toronto Public Library- Toronto Public Library (TPL) reported a net favourable variance of \$5.0 million comprised of a favourable gross expenditure variance of \$6.6 million due to reduced spending on employee remuneration and benefits, utilities, and library programming, and is directly attributable to the financial impact of COVID-19 throughout 2021. This is partially offset by an unfavourable revenue variance of \$1.6 million attributed to decreased fines and fees, and venue and community room rental.

Toronto Public Health- Favourable net variance of \$14.6 million is attributable to savings resulting from the suspension of TPH mandatory programs and 100% provincially funded programs during the COVID-19 pandemic. The majority of other expenditures, related to mass immunization clinics, case management and contact tracing in response to the COVID-19 pandemic, were fully reimbursed from Ministry of Health.

Corporate Accounts

Corporate Accounts experienced an unfavourable net variance of \$136.9 million following recommended adjustments and allocations. The following key drivers have contributed to the year-end unfavourable net variance:

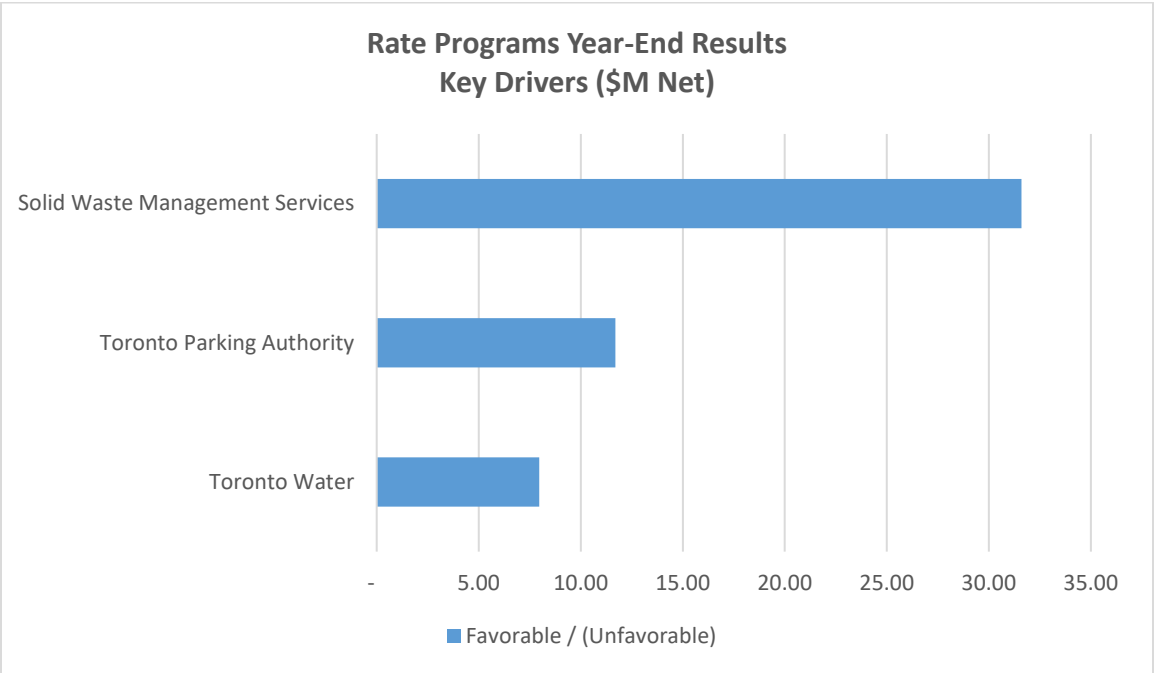
- **Non-Program Expenditures** - Unfavourable year end net variance of \$294.1 million due to Council direction to contribute \$54.7 million, which includes contributions to Vehicle & Equipment Reserve to enable multi-year procurement of vehicle requirements for Fire Services and other reserves for rising commodity prices, support towards the City's hiring strategy and deferred expenses; as well as \$228.3 million in COVID-19 related incurred obligations, deferred costs and recommended allocations as detailed in Appendix D.

- Non-Program Revenues** - Favourable year end net variance of \$157.5 million due to Municipal Land Transfer Tax (MLTT) with a favourable net variance of \$100.0 million mainly due to greater than expected revenue generated from sales activities in 2021. Additionally, COVID-19 Recovery held in the corporate account had a favourable variance of \$59.3 million reflecting a combination of flow through COVID-19 support funding provided to TCHC and additional funding supports accounted in Corporate Revenues offsetting added COVID-19 related costs that reside in City divisions.

Rate Programs

As of December 31, 2021, Rate Programs reported a favourable net variance of \$51.3 million resulting from a favourable gross expenditure variance of \$71.1 million, offset by an unfavourable revenue variance of \$19.8 million

Figure 2: Rate Supported Variance Summary of Key Program Drivers



- Solid Waste Management Services** - Favourable net expenditure variance is \$31.6 million due to favourable gross expenditure of \$23.1 million is primarily driven by underspending in services and rents, including lower processing cost of \$9.7 million mainly from organics due to lower than planned volumes of Digester solids from Dufferin Organic Processing Facility (\$5.5 million) and recycling due to reduced volumes (\$2.9 million). Additionally, a favourable revenue variance of \$8.5 million is primarily driven by improved marketable rates for sale of recyclables and durable goods of \$13.8 million, and was partly

offset by losses from Renewable Natural Gas project delay of \$3.6 million and tipping fees at transfer stations of \$2.3 million due to depot closure during lockdown.

- **Toronto Parking Authority-** Favourable net expenditure variance of \$11.7 million predominantly arising from underspending of salaries and benefits by \$4.6 million and reassessment refunds of \$2.8 million. Additionally a favourable revenue variance in both Off-Street parking and On-Street parking.
- **Toronto Water -** Favourable net expenditure variance of \$8.0 million driven by underspending in salaries and benefits, reduced hydro cost due to lower water production, lower than planned energy rates and continued efficiency initiatives, lower than anticipated spending in services and rents due to mild winter temperatures and delays in contract initiation. This net favourable variance factors partial unfavourable offsets from revenue variance driven by lower than anticipated sale of water revenue as a result of lower than planned consumption impacted by weather and establishment closures as a result of government orders during the pandemic.

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 \$0.468 million in Q4 of 2021.

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

**Donations Received Less than \$50,000
For the Last Quarter of 2021
(In \$000s)**

Donor	Amount (\$000s)	Purpose
Parks, Forestry & Recreation		
Individual Donor	1.97	Donation for tree planting
Northland Power Inc.	10.00	Donation for tree planting
CN Pilot Productions Inc.	3.00	Donations for Parks
Sinking Ship Productions Inc.	0.50	Donation for programs
Theatre Passe Muraille Inc.	0.20	Donation for Riverdale farm
United Way	0.12	Donation for flemingdon CC program supplies
<i>Sub-Total</i>	<i>15.67</i>	
Heritage		
Logan Family Foundation	1	Unrestricted
Dowdall Family Foundation	1	Unrestricted
TD Canada Trust	1.5	Unrestricted
Individual Donor	21.56	Unrestricted
Wawanesa	2	Unrestricted
<i>Sub-Total</i>	<i>27.06</i>	
TO Live		
Individual donors	6.9	'Canada Helps' program
Canada Council for the Arts	11.9	Vida Peene trust fund
R32 Foundation	5	To support "Feist Multitudes" program
<i>Sub-Total</i>	<i>23.80</i>	
Economic Development & Culture		
Nike Canada Corp	10.00	Funding to be used towards Awakenings Programing
Gibson House, General Cash/From the Box	0.09	
Todmorden Mills, General Cash/From the Box	0.06	
Montgomery's Inn, General Cash/From the Box	0.04	
Fort York, General Cash/From the Box	0.69	
Fort York, Individual Donor	0.10	
Spadina House, General Cash/From the Box	0.28	
Spadina House, Individual Donor	1.46	
Market Gallery, General Cash/From the Box	0.39	
Market Gallery, donations-Card Fees-History Museums Acquisit	0.35	
RBC	50.00	Funding to be used towards ArtworxTO initiative
Special Projects (ArtworxTO)	10.00	Funding to be used to ArtworxTO Mural Funding
<i>Sub-Total</i>	<i>73.46</i>	
Transportation Services		
Individual donor	0.88	Donation for a street art project (Micki Moore Art over Bridges)
<i>Sub-Total</i>	<i>0.88</i>	
City Manager's Office		
Spirit Garden & IRSS Restoration	7.50	Response to the Truth and Reconciliation Commission of
<i>Sub-Total</i>	<i>7.50</i>	
Environment & Energy		
eDonations through the DonateTO directed to the PollinateTO	1.15	Donations are directed to the PollinateTO Community Grants
<i>Sub-Total</i>	<i>1.15</i>	
Shelter, Support & Housing Administration		
Individual Donor	0.30	COVID-19 Relief and Recovery
Various individual donors	1.36	Women's Residence
Various individual donors	1.16	Robertson House
Various individual donors	8.87	Family Residence
<i>Sub-Total</i>	<i>11.69</i>	
TORONTO PUBLIC HEALTH		
Intact Insurance	150.00	COVID-19 Vaccine Equity Transportation
TOP Donation	20.00	COVID-19 Vaccine Equity Transportation
eDonations	8.13	COVID-19 Vaccine Equity Transportation
Sunlife	20.00	COVID-19 Vaccine Equity Transportation
<i>Sub-Total</i>	<i>198.13</i>	
Municipal Licensing & Standards		
Individual Donors	108.48	Care and services related to animals
<i>Sub-Total</i>	<i>108.48</i>	
Grand Total	467.81	

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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, 2021
Appendix B – City of Toronto Gross Expenditures for Year Ended December 31, 2021
Appendix C – City of Toronto Revenues for Year Ended December 31, 2021
Appendix D – COVID-19 Related Incurred Obligations /Deferred Costs/Rec'd Allocation
Appendix E – Operating Variance Dashboard for City Programs and Agencies

Appendix A

CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES VARIANCE
For the Twelve Months Ended December 31, 2021
(\$000s)

	December 31, 2021			
	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Community and Social Services				
Housing Secretariat	1,681	1,681	0	0%
Children's Services*	91,413	90,221	1,192	1%
Court Services	(44,081)	(23,629)	(20,452)	46%
Economic Development & Culture	79,138	75,388	3,750	5%
Toronto Paramedic Services	101,987	83,752	18,235	18%
Seniors Services and Long-Term Care	68,537	64,725	3,812	6%
Parks, Forestry & Recreation	335,994	322,025	13,968	4%
Shelter, Support & Housing Administration	777,138	778,151	(1,013)	0%
Social Development, Finance & Administration	67,903	58,983	8,919	13%
Toronto Employment & Social Services	80,791	63,788	17,003	21%
Sub-Total Community and Social Services	1,560,501	1,515,086	45,415	3%
Infrastructure and Development Services				
City Planning	13,338	(22,375)	35,713	268%
Fire Services	487,002	489,028	(2,027)	0%
Office of Emergency Management	3,252	2,885	367	11%
Municipal Licensing & Standards	16,951	18,038	(1,087)	-6%
Policy, Planning, Finance & Administration	5,010	4,383	627	13%
Engineering & Construction Services	749	(7,008)	7,756	1036%
Toronto Building	(16,147)	(59,883)	43,736	-271%
Transportation Services	225,053	209,438	15,615	7%
Transit Expansion	2,475	2,511	(36)	-1%
Sub-Total Infrastructure and Development Services	737,684	637,017	100,666	14%
Finance and Treasury Services				
Office of the Chief Financial Officer	12,647	11,399	1,247	10%
Office of the Controller	39,361	32,665	6,695	17%
Sub-Total Finance and Treasury Services	52,008	44,065	7,943	15%
Corporate Services				
Corporate Real Estate Management	103,888	102,242	1,645	2%
Environment & Energy	11,818	11,703	116	1%
Fleet Services	24,075	27,527	(3,453)	-14%
Technology Services	104,848	95,749	9,099	9%
Office Of The CISO	28,055	15,823	12,233	44%
311 Toronto	10,515	10,330	186	2%
Sub-Total Corporate Services	283,199	263,373	19,826	7%
City Manager				
City Manager's Office	61,899	53,272	8,627	14%
Sub-Total City Manager	61,899	53,272	8,627	14%
Other City Programs				
City Clerk's Office	37,402	33,712	3,690	10%
Legal Services	32,206	24,308	7,898	25%
Mayor's Office	2,567	2,499	68	3%
City Council	21,696	19,118	2,577	12%
Sub-Total Other City Programs	93,870	79,637	14,234	15%
Accountability Offices				
Auditor General's Office	6,641	6,113	527	8%
Office of the Integrity Commissioner	640	640	0	0%
Office of the Lobbyist Registrar	1,234	1,028	206	17%
Office of the Ombudsman	2,258	2,223	35	2%
Sub-Total Accountability Offices	10,772	10,004	768	7%
TOTAL - CITY OPERATIONS	2,799,932	2,602,453	197,478	7%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2021

	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Agencies				
Toronto Public Health	124,391	109,786	14,605	12%
Toronto Public Library	203,048	198,028	5,020	2%
Association of Community Centres	8,926	8,431	495	6%
Exhibition Place	7,577	9,923	(2,347)	-31%
Heritage Toronto	450	450	0	0%
TO Live	10,795	9,560	1,236	11%
Toronto Zoo	19,444	18,196	1,248	6%
Arena Boards of Management	490	2,433	(1,943)	-397%
Yonge Dundas Square	1,314	1,373	(58)	-4%
CreateTO	0	0	0	100%
Toronto & Region Conservation Authority	4,865	4,865	(0)	0%
Toronto Transit Commission - Conventional	1,488,690	1,488,690	(0)	0%
Toronto Transit Commission - Wheel-Trans	115,062	115,062	0	0%
Toronto Police Service	1,075,793	1,075,243	550	0%
Toronto Police Services Board	1,931	1,909	22	1%
TOTAL - AGENCIES	3,062,777	3,043,950	18,827	1%
Corporate Accounts				
Capital Financing - Capital from Current	336,178	336,178	0	0%
Technology Sustainment	20,530	20,530	0	0%
Debt Charges	649,218	649,542	(324)	0%
<u>Capital & Corporate Financing</u>	<u>1,005,926</u>	<u>1,006,250</u>	<u>(324)</u>	<u>0%</u>
Community Partnership & Investment Prog	0	0	0	n/a
<u>Non-Program Expenditures</u>				
Tax Deficiencies/Writeoffs	54,304	29,040	25,264	47%
Tax Increment Equivalent Grants (TIEG)	45,596	40,147	5,449	12%
Assessment Function (MPAC)	46,490	46,283	207	0%
Funding of Employee Related Liabilities	70,794	70,780	14	0%
Other Corporate Expenditures	(12,868)	59,556	(72,424)	563%
Parking Tag Enforcement & Oper.	58,859	55,321	3,538	6%
Programs Funded from Reserve Funds	0	0	(0)	n/a
Heritage Property Taxes Rebate	1,983	1,797	186	9%
Solid Waste Management Rebates	75,371	75,308	63	0%
Tax Increment Funding (TIF)	2,725	2,725	0	0%
Insurance Contributions	46,913	74,956	(28,043)	-60%
Recommended Allocations	0	228,333	(228,333)	
Non-Program Expenditures	390,166	684,246	(294,079)	-75%
<u>Non-Program Revenue</u>				
Payments in Lieu of Taxes	(93,209)	(93,725)	516	-1%
Supplementary Taxes	(38,353)	(56,215)	17,862	-47%
Tax Penalty Revenue	(32,000)	(46,809)	14,809	-46%
Interest/Investment Earnings	(124,402)	(89,401)	(35,002)	28%
Other Corporate Revenues	(11,785)	(741)	(11,044)	94%
COVID -19 Recovery	(1,518,975)	(1,578,297)	59,322	-4%
Dividend Income	(88,000)	(70,260)	(17,740)	20%
Provincial Revenue	(91,600)	(91,600)	0	0%
Municipal Land Transfer Tax	(625,358)	(725,358)	100,000	-16%
Third Party Sign Tax	(9,531)	(9,682)	150	-2%
Parking Authority Revenues	(12,000)	(19,816)	7,816	-65%
Administrative Support Recoveries - Water	(18,973)	(18,973)	0	0%
Administrative Support Recoveries - Health & EMS	(10,427)	(10,427)	0	0%
Parking Tag Enforcement & Operations Rev	(80,656)	(91,463)	10,806	-13%
Other Tax Revenues	(10,313)	(10,651)	337	-3%
Municipal Accommodation Tax	0	(1,043)	1,043	n/a
Casino Woodbine	(4,035)	(12,708)	8,672	-215%
Non-Program Revenues	(2,769,618)	(2,927,166)	157,547	-6%
TOTAL - CORPORATE ACCOUNTS	(1,373,526)	(1,236,670)	(136,856)	10%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	4,489,182	4,409,733	79,449	2%
Less: Toronto Building & City Planning (Legislated / Council Directe	2,809	82,258	(79,449)	
ADJUSTED VARIANCE	4,491,991	4,491,991	0	
RATE SUPPORTED PROGRAMS				
Solid Waste Management Services	0	(31,593)	31,593	n/a
Toronto Parking Authority	2,237	(9,462)	11,699	523%
Toronto Water	0	(7,971)	7,971	n/a
TOTAL RATE SUPPORTED PROGRAMS	2,237	(49,026)	51,263	2292%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2021

Appendix B

CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES VARIANCE
For the Twelve Months Ended December 31, 2021
(S000s)

	December 31, 2021			
	Year-End Budget	Actual	Actual vs Budget Favourable / (Unfavourable)	%
Community and Social Services				
Housing Secretariat	76,846	44,338	32,509	42%
Children's Services*	648,666	675,287	(26,621)	-4%
Court Services	32,937	27,276	5,661	17%
Economic Development & Culture	98,042	87,980	10,062	10%
Toronto Paramedic Services	280,674	271,908	8,767	3%
Seniors Services and Long-Term Care	294,690	319,896	(25,206)	-9%
Parks, Forestry & Recreation	446,921	395,761	51,160	11%
Shelter, Support & Housing Administration	1,186,670	1,127,126	59,545	5%
Social Development, Finance & Administration	84,767	73,329	11,438	13%
Toronto Employment & Social Services	1,156,356	833,884	322,472	28%
Sub-Total Community and Social Services	4,306,570	3,856,784	449,786	10%
Infrastructure and Development Services				
City Planning	53,419	48,262	5,157	10%
Fire Services	507,771	512,299	(4,528)	-1%
Office of Emergency Management	3,912	3,204	707	18%
Municipal Licensing & Standards	60,993	54,518	6,475	11%
Policy, Planning, Finance & Administration	16,562	14,884	1,678	10%
Engineering & Construction Services	72,960	65,613	7,347	10%
Toronto Building	62,810	49,651	13,159	21%
Transportation Services	421,597	374,681	46,916	11%
Transit Expansion	9,169	5,492	3,677	40%
Sub-Total Infrastructure and Development Services	1,209,192	1,128,603	80,589	7%
Finance and Treasury Services				
Office of the Chief Financial Officer	16,493	14,666	1,827	11%
Office of the Controller	82,366	70,351	12,014	15%
Sub-Total Finance and Treasury Services	98,859	85,018	13,841	14%
Corporate Services				
Corporate Real Estate Management	198,674	188,123	10,551	5%
Environment & Energy	16,473	13,487	2,985	18%
Fleet Services	58,324	58,698	(374)	-1%
Technology Services	140,109	119,869	20,240	14%
Office Of The CISO	28,438	15,823	12,615	44%
311 Toronto	19,326	18,871	455	2%
Sub-Total Corporate Services	461,343	414,872	46,471	10%
City Manager				
City Manager's Office	75,024	61,460	13,563	18%
Sub-Total City Manager	75,024	61,460	13,563	18%
Other City Programs				
City Clerk's Office	50,089	45,084	5,004	10%
Legal Services	57,819	51,589	6,230	11%
Mayor's Office	2,567	2,499	68	3%
City Council	21,752	19,344	2,408	11%
Sub-Total Other City Programs	132,227	118,516	13,711	10%
Accountability Offices				
Auditor General's Office	6,641	6,113	527	8%
Office of the Integrity Commissioner	740	662	77	10%
Office of the Lobbyist Registrar	1,234	1,028	206	17%
Office of the Ombudsman	2,458	2,423	35	1%
Sub-Total Accountability Offices	11,072	10,226	846	8%
TOTAL - CITY OPERATIONS	6,294,286	5,675,479	618,807	10%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2021

	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Agencies				
Toronto Public Health	353,264	397,533	(44,269)	-13%
Toronto Public Library	220,508	213,882	6,626	3%
Association of Community Centres	9,105	8,557	548	6%
Exhibition Place	43,386	33,842	9,544	22%
Heritage Toronto	1,026	900	126	12%
TO Live	13,378	15,171	(1,792)	-13%
Toronto Zoo	46,400	42,888	3,512	8%
Arena Boards of Management	9,885	7,342	2,543	26%
Yonge Dundas Square	2,977	2,197	780	26%
CreateTO	14,599	14,634	(35)	0%
Toronto & Region Conservation Authority	10,198	10,198	(0)	0%
Toronto Transit Commission - Conventional	2,051,190	2,004,548	46,642	2%
Toronto Transit Commission - Wheel-Trans	119,338	118,551	787	1%
Toronto Police Service	1,220,002	1,221,152	(1,150)	0%
Toronto Police Services Board	3,907	3,813	93	2%
TOTAL - AGENCIES	4,119,163	4,095,207	23,956	1%
Corporate Accounts				
Capital Financing - Capital from Current	344,856	336,178	8,678	3%
Technology Sustainment	20,530	20,530	0	0%
Debt Charges	733,486	739,172	(5,685)	-1%
Capital & Corporate Financing	1,098,872	1,095,880	2,992	0%
Community Partnership & Investment Prog	0	0	0	n/a
Non-Program Expenditures				
Tax Deficiencies/Writeoffs	54,304	29,040	25,264	47%
Tax Increment Equivalent Grants (TIEG)	45,596	40,147	5,449	12%
Assessment Function (MPAC)	46,490	46,283	207	0%
Funding of Employee Related Liabilities	70,794	70,780	14	0%
Other Corporate Expenditures	16,165	123,756	(107,591)	-666%
Parking Tag Enforcement & Oper.	58,859	55,321	3,538	6%
Programs Funded from Reserve Funds	152,837	203,530	(50,693)	-33%
Heritage Property Taxes Rebate	1,983	1,797	186	9%
Solid Waste Management Rebates	75,371	75,308	63	0%
Tax Increment Funding (TIF)	2,725	2,725	0	0%
Insurance Contributions	46,913	74,956	(28,043)	-60%
Recommended Allocations	0	228,333	(228,333)	n/a
Non-Program Expenditures	572,037	951,976	(379,940)	-66%
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	9,912	8,833	1,079	11%
Other Corporate Revenues	948	19,799	(18,851)	-1989%
COVID -19 Recovery	0	0	0	n/a
Dividend Income	0	0	0	n/a
Provincial Revenue	0	0	0	n/a
Municipal Land Transfer Tax	73,315	451,755	(378,440)	-516%
Third Party Sign Tax	0	0	0	n/a
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
Parking Tag Enforcement & Operations Rev	0	(0)	0	n/a
Other Tax Revenues	221	(75)	296	134%
Municipal Accommodation Tax	14,478	15,293	(814)	-6%
Casino Woodbine	0	0	0	n/a
Non-Program Revenues	98,874	495,605	(396,731)	-401%
TOTAL - CORPORATE ACCOUNTS	1,769,783	2,543,461	(773,678)	-44%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	12,183,232	12,314,147	(130,915)	(0)
RATE SUPPORTED PROGRAMS				
Solid Waste Management Services	379,315	356,180	23,135	6%
Toronto Parking Authority	95,724	87,802	7,922	8%
Toronto Water	1,415,336	1,375,281	40,055	3%
TOTAL RATE SUPPORTED PROGRAMS	1,890,375	1,819,263	71,112	4%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2021

Appendix C

CITY OF TORONTO
CONSOLIDATED REVENUE VARIANCE
For the Twelve Months Ended December 31, 2021
(\$'000s)

	December 31, 2021			
	Year-End Budget	Actual	Actual vs Budget Favourable / (Unfavourable)	%
Community and Social Services				
Housing Secretariat	75,165	42,657	(32,509)	-43%
Children's Services*	557,253	585,066	27,813	5%
Court Services	77,018	50,905	(26,113)	-34%
Economic Development & Culture	18,904	12,593	(6,312)	-33%
Toronto Paramedic Services	178,687	188,155	9,468	5%
Seniors Services and Long-Term Care	226,153	255,172	29,018	13%
Parks, Forestry & Recreation	110,927	73,735	(37,192)	-34%
Shelter, Support & Housing Administration	409,532	348,975	(60,557)	-15%
Social Development, Finance & Administration	16,865	14,346	(2,519)	-15%
Toronto Employment & Social Services	1,075,565	770,096	(305,469)	-28%
Sub-Total Community and Social Services	2,746,069	2,341,698	(404,371)	-15%
Infrastructure and Development Services				
City Planning	40,081	70,637	30,556	76%
Fire Services	20,769	23,271	2,502	12%
Office of Emergency Management	660	320	(340)	-52%
Municipal Licensing & Standards	44,041	36,480	(7,562)	-17%
Policy, Planning, Finance & Administration	11,552	10,501	(1,051)	-9%
Engineering & Construction Services	72,211	72,620	409	1%
Toronto Building	78,957	109,534	30,577	39%
Transportation Services	196,544	165,243	(31,300)	-16%
Transit Expansion	6,693	2,981	(3,713)	-55%
Sub-Total Infrastructure and Development Services	471,509	491,586	20,077	4%
Finance and Treasury Services				
Office of the Chief Financial Officer	3,846	3,267	(579)	-15%
Office of the Controller	43,005	37,686	(5,319)	-12%
Sub-Total Finance and Treasury Services	46,851	40,953	(5,898)	-13%
Corporate Services				
Corporate Real Estate Management	94,786	85,881	(8,905)	-9%
Environment & Energy	4,654	1,785	(2,869)	-62%
Fleet Services	34,249	31,171	(3,078)	-9%
Technology Services	35,262	24,121	(11,141)	-32%
Office Of The CISO	383	0	(382)	-100%
311 Toronto	8,811	8,541	(269)	-3%
Sub-Total Corporate Services	178,144	151,498	(26,646)	-15%
City Manager				
City Manager's Office	13,125	8,189	(4,936)	-38%
Sub-Total City Manager	13,125	8,189	(4,936)	-38%
Other City Programs				
City Clerk's Office	12,687	11,373	(1,315)	-10%
Legal Services	25,613	27,282	1,668	7%
Mayor's Office	0	0	0	n/a
City Council	56	225	169	302%
Sub-Total Other City Programs	38,356	38,879	523	1%
Accountability Offices				
Auditor General's Office	0	0	0	n/a
Office of the Integrity Commissioner	100	23	(77)	-77%
Office of the Lobbyist Registrar	0	0	0	n/a
Office of the Ombudsman	200	200	0	0%
Sub-Total Accountability Offices	300	223	(77)	-26%
TOTAL - CITY OPERATIONS	3,494,354	3,073,026	(421,329)	-12%

Staff report for action on Operating Variance Report for the Year Ended December 31, 2021

	Year-End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
Agencies				
Toronto Public Health	228,872	287,747	58,874	26%
Toronto Public Library	17,460	15,853	(1,606)	-9%
Association of Community Centres	179	126	(53)	-30%
Exhibition Place	35,809	23,919	(11,891)	-33%
Heritage Toronto	576	450	(126)	-22%
TO Live	2,583	5,611	3,028	117%
Toronto Zoo	26,956	24,692	(2,264)	-8%
Arena Boards of Management	9,395	4,909	(4,486)	-48%
Yonge Dundas Square	1,663	825	(838)	-50%
CreateTO	14,599	14,634	35	0%
Toronto & Region Conservation Authority	5,333	5,333	0	0%
Toronto Transit Commission - Conventional	562,500	515,858	(46,642)	-8%
Toronto Transit Commission - Wheel-Trans	4,276	3,489	(787)	-18%
Toronto Police Service	144,209	145,909	1,700	1%
Toronto Police Services Board	1,976	1,904	(72)	-4%
TOTAL - AGENCIES	1,056,386	1,051,258	(5,129)	0%
Corporate Accounts				
Capital Financing - Capital from Current	8,678	0	(8,678)	-100%
Technology Sustainment	0	0	0	n/a
Debt Charges	84,269	89,630	5,361	6%
<u>Capital & Corporate Financing</u>	<u>92,946</u>	<u>89,630</u>	<u>(3,317)</u>	<u>-4%</u>
Community Partnership & Investment Prog	0	0	0	n/a
<u>Non-Program Expenditures</u>				
Tax Deficiencies/Writeoffs	0	0	0	n/a
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	29,033	64,200	35,167	121%
Programs Funded from Reserve Funds	152,837	203,530	50,693	33%
Heritage Property Taxes Rebate	0	0	0	n/a
Tax Rebates for Registered Charities	0	0	0	n/a
Solid Waste Management Rebates	0	0	0	n/a
Tax Increment Funding (TIF)	0	0	0	n/a
<u>Non-Program Expenditures</u>	<u>181,870</u>	<u>267,731</u>	<u>85,860</u>	<u>47%</u>
<u>Non-Program Revenue</u>				
Payments in Lieu of Taxes	93,209	93,725	516	1%
Supplementary Taxes	38,353	56,215	17,862	47%
Tax Penalty Revenue	32,000	46,809	14,809	46%
Interest/Investment Earnings	134,314	98,233	(36,081)	-27%
Other Corporate Revenues	12,733	20,540	7,807	61%
COVID -19 Recovery	1,518,975	1,578,297	59,322	4%
Dividend Income	88,000	70,260	(17,740)	-20%
Provincial Revenue	91,600	91,600	0	0%
Municipal Land Transfer Tax	698,673	1,177,113	478,440	68%
Third Party Sign Tax	9,531	9,682	150	2%
Parking Authority Revenues	12,000	19,816	7,816	65%
Administrative Support Recoveries - Water	18,973	18,973	0	0%
Administrative Support Recoveries - Health & EMS	10,427	10,427	0	0%
Parking Tag Enforcement & Operations Rev	80,656	91,463	10,806	13%
Other Tax Revenues	10,534	10,576	42	0%
Municipal Accommodation Tax	14,478	16,336	1,857	13%
Casino Woodbine	4,035	12,708	8,672	215%
<u>Non-Program Revenues</u>	<u>2,868,492</u>	<u>3,422,770</u>	<u>554,278</u>	<u>19%</u>
TOTAL - CORPORATE ACCOUNTS	3,143,309	3,780,131	636,822	20%
TOTAL TAX SUPPORTED PROGRAMS / AGENCIES	7,694,050	7,904,414	210,364	3%
RATE SUPPORTED PROGRAMS				
Solid Waste Management Services	379,315	387,773	8,458	2%
Toronto Parking Authority	93,487	97,264	3,777	4%
Toronto Water	1,415,336	1,383,252	(32,084)	-2%
TOTAL RATE SUPPORTED PROGRAMS	1,888,138	1,868,289	(19,849)	-1%

*Reflects recommended reserve draws to offset timing difference of \$43.7M transfer payment.

Appendix D
COVID-19 Related Obligations /Deferred Costs/Rec'd Allocations

COVID-19 Related Obligations /Deferred Costs/Rec'd Allocations	(\$M)
Union Station Reserve (XR2501)	9.125
Fleet's Vehicle and Equipment Replacement Reserve (XQ0003)	1.500
Fire Equipment Reserve (XQ1020)	1.400
Council Transition Reserve XQ0010	2.577
Major Special Events Reserve (XR1218)	3.750
Police Vehicle & Equipment reserve (XQ1701)	6.000
Arena Boards Settlement of Operating Results	0.707
Police Legal Liabilities Reserve (XQ1901)	2.500
Insurance Reserve Fund (XR1010)	7.300
Capital Financing Reserve (XQ0011)	12.000
Debt Service Stabilization Reserve (XQ0709)	181.474
Total	228.333
Council Directed/Legislated Requirements:	
Building Code Act Service Improvement Reserve Fund	43.736
Development Application Review Reserve Fund	35.713
Total	79.449

The reasons of the allocations are outlined as follows.

Allocations

Union Station Reserve

- The Union Station Reserve provides funding for Union Station purposes or Union Station capital requirements, any post-closing adjustments and transaction costs, and any necessary outside legal, accounting or other consultants' fees. To cover shortfalls in receipt of lease revenues attributed to the pandemic, a contribution of \$9.125 million is recommended.

Fleet Vehicle and Equipment Replacement – Corporate Fleet

- The Corporate Fleet Vehicle and Equipment Replacement Reserve provides funding for purchase or acquisition of vehicles or equipment for City fleet with the exception of the Toronto Transit Commission and provides budget stabilization by moderating large fluctuations in annual replacement. A contribution of \$1.5 million is recommended to reflect revised funding for Electric Vehicle (EV) Infrastructure.

Fire Equipment reserve

- The Fire Equipment Replacement Reserve receives an annual contribution of \$1.4 million, funded through the Operating Budget for Toronto Fire Services that provides funding to support the replacement of operational equipment as these items reach the end of their lifecycle. Specifically the funding supports the replacement of portable radios, breathing air compressors, and personal protective equipment.

Council Transition Reserve

- This reserve funds the end of Council term transition costs including severance for Members of Council and their staff, salary and benefits of transition team, and set-up of offices. Given that 2022 is an election year, an allocation from the overall surplus of \$2.600 million is proposed to ensure adequate funding is available for anticipated transition needs.

Major Special Events Reserve

- The Major Special Events Reserve Fund (MSERF) is to provide funding and budget stabilization for the non-recurring bidding, municipal service delivery and enhanced City programming costs associated with major special events. With Toronto's nomination as a 2026 World Cup Host City and the costs associated with hosting this global sporting event, the MSERF will be utilized to assist with the costs should FIFA designate Toronto as a host city. It is recommended that \$3.75 million, reflecting Economic Development and Culture's underspending achieved in 2021 through hiring delays, vacancies and cancellations of in-person events due to the COVID-19 pandemic, be directed to the Major Special Events Reserve (MSERF) to help fund FIFA 2026 World Cup related expenses and an underfunded reserve

Police Vehicle & 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. One of Toronto Police Service's locations suffered from an extensive damage to their equipment, which was not covered by building's

insurance. To ensure that there is sufficient funding to support reimbursement of this equipment, it is recommended that a one-time contribution of \$6.0 million be directed to the Police Vehicle and Equipment Reserve.

Arena Boards of Management

- At its meeting on March 4 - 8, 2002, City Council adopted Policy and Finance Committee Report No. 4, Clause 1, entitled "City of Toronto 2002 Recommended Operating Budget", Recommendation #134 directed the City Auditor and Chief Financial Officer and Treasurer, beginning in 2002, report annually to the Policy and Finance Committee on the Arena Boards' annual operating surpluses and deficits once the Boards' annual financial statements have been audited, with any net payment to be funded by the City. At its meeting on November 9, 2021, City Council adopted a report entitled "Arena Boards of Management 2019 Operating Surpluses / Deficits Settlement". In this report, the provision of \$0.1 million made in the 2019 Final Year-End Operating Budget Variance Report was insufficient as the net operating deficit of the seven arenas was \$0.175 million. The shortfall of \$0.075 million from 2019 and the audited deficit of \$0.632 million from 2020 will be part of the collectively reported funding provision of \$0.7 million to be made through the 2021 Year-End Operating Variance Report.

Police Legal Liabilities Reserve

- This reserve was established to fund the legal related costs, including legal advice and representation, for Toronto Police Service and Toronto Police Board. To ensure that there is sufficient funding to maintain the positive health of this reserve, it is recommended that a one-time contribution of \$2.5 million be directed to the Police Legal Liabilities Reserve.

Capital Financing Reserve

- This reserve was established to fund capital projects as a source of non-debt capital funding strategy to mitigate the City's increasing debt level. It is recommended to allocate \$12 million to this reserve to mitigate capital impacts arising from a potential COVID funding shortfall from other levels of governments that has been incorporated in the City Council approved 2022 operating and capital budget.

Debt Service Stabilization Reserve

- This reserve was established to mitigate against the rising cost of capital. With the increasing interest rates above expectations; challenges securing long term investments for long term debts; and rising cost of capital work, it is critical to allocate a sufficient amount to this reserve to mitigate impacts expected to be experienced through the 2023 Capital Budget process resulting from the rising costs of capital and capital financing. It is recommended to allocate \$181.474 million to this reserve from the 2021 actual results.

Legislative / Council Directed Allocations

Building Code Act Service Improvement Reserve Fund:

- In compliance with Section 7 of the Building Code Act, the net operating favourable variance of \$43.7 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.

City Planning Development Technology Reserve Fund

- City Council adopted a report entitled: "*Development Application Review Fees*", which among other things, increased development application fees to fully recover the City's cost of delivering this service. Included in these costs is the amortized capital cost for replacement of capital assets that support the development application review activity. In accordance with City Council's direction, \$35.7 million of the operating surplus from development application review fees will be transferred to the CP Development Technology Reserve Fund.

Appendix E

Figure 1: 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	(22.7)		22.7		0.0		Ⓞ
	6-Month	0.7	▲	(0.7)	▼	0.0	—	Ⓞ
	9-Month	26.3	▲	(26.3)	▼	(0.0)	—	Ⓡ
	12-Month	32.5	▲	32.5	▲	0.0	—	Ⓞ
Children's Services	4-Month	29.1		(27.5)		1.6		Ⓞ
	6-Month	38.3	▲	(36.3)	▼	2.0	▲	Ⓞ
	9-Month	35.3	▼	(33.3)	▲	1.9	—	Ⓞ
	12-Month	(26.6)	▼	(27.8)	▲	1.2	▼	Ⓞ
Court Services	4-Month	3.8		(9.3)		(5.5)		Ⓡ
	6-Month	4.5	▲	(10.7)	▼	(6.1)	▼	Ⓡ
	9-Month	5.2	▲	(11.4)	▼	(6.3)	▼	Ⓡ
	12-Month	5.7	▲	26.1	▲	(20.5)	▼	Ⓡ
Economic Development & Culture	4-Month	3.0		(2.0)		1.0		Ⓞ
	6-Month	7.0	▲	(4.8)	▼	2.1	▲	Ⓞ
	9-Month	7.8	▲	(5.7)	▼	2.2	—	Ⓞ
	12-Month	10.1	▲	6.3	▲	3.8	▲	Ⓞ
Toronto Paramedic Services	4-Month	(4.7)		11.3		6.6		Ⓞ
	6-Month	5.6	▲	4.1	▼	9.6	▲	Ⓞ
	9-Month	8.9	▲	5.6	▲	14.5	▲	Ⓞ
	12-Month	8.8	▼	(9.5)	▼	18.2	▲	Ⓞ

Appendix E

Seniors Services and Long-Term Care	4-Month	(26.4)		22.7		(3.8)		Ⓡ
	6-Month	(25.7)	▲	16.7	▼	(9.1)	▼	Ⓡ
	9-Month	(21.7)	▲	26.5	▲	4.8	▲	Ⓞ
	12-Month	(25.2)	▼	(29.0)	▼	3.8	▼	Ⓞ
Parks, Forestry & Recreation	4-Month	27.7		(28.0)		(0.3)		Ⓡ
	6-Month	32.8	▲	(28.8)	▼	4.0	▲	Ⓞ
	9-Month	37.6	▲	(30.3)	▼	7.3	▲	Ⓞ
	12-Month	51.2	▲	37.2	▲	14.0	▲	Ⓞ
Shelter, Support & Housing Administration	4-Month	40.6		(37.4)		3.2		Ⓞ
	6-Month	34.1	▼	(53.3)	▼	(19.2)	▼	Ⓡ
	9-Month	37.4	▲	(61.3)	▼	(23.9)	▼	Ⓡ
	12-Month	59.5	▲	60.6	▲	(1.0)	▲	Ⓡ
Social Development, Finance & Administration	4-Month	3.8		(1.0)		2.8		Ⓞ
	6-Month	6.9	▲	0.6	▲	7.5	▲	Ⓞ
	9-Month	8.8	▲	0.1	▼	8.9	▲	Ⓞ
	12-Month	11.4	▲	2.5	▲	8.9	—	Ⓞ
Toronto Employment & Social Services	4-Month	200.9		(196.0)		4.9		Ⓞ
	6-Month	222.3	▲	(217.7)	▼	4.6	▼	Ⓞ
	9-Month	280.8	▲	(266.4)	▼	14.4	▲	Ⓞ
	12-Month	322.5	▲	305.5	▲	17.0	▲	Ⓞ
Total	4-Month	133.8		(66.4)		67.4		Ⓞ
	6-Month	207.2	▲	(163.6)	▼	43.6	▼	Ⓞ
	9-Month	304.2	▲	(237.3)	▼	66.9	▲	Ⓞ
	12-Month	449.8	▲	404.4	▲	45.4	▼	Ⓞ

Appendix E

Community and Social Services

Year End Results

Housing Secretariat:

- Net zero variance with revenues fully matched to program expenditures. As a result of COVID 19 impacts, underspending in affordable housing development projects due to necessary changes to construction and renovation schedules, as well as underspending in salaries and benefits due to vacant positions were fully offset by lower than planned reserve draws.

Children's Services:

- Favourable net expenditure variance of \$1.2 million is primarily due to reduced service demand through ongoing pandemic recovery, including corresponding reductions in associated revenues. As well, underspending in salaries and benefits due to COVID related vacancies.
- 83.5 vacancies or 8.3%, reflecting delays in hiring that are primarily due to COVID-19. The program is currently in the process of recruiting positions to support an increase in service delivery aligned to ongoing recovery.

Court Service:

- Unfavourable net variance of \$20.5 million is mainly due to lower than planned revenues arising from lower volume of tickets issued and court capacity outcomes because of COVID-19, partially offset by underspending in salary and benefits resulting from vacancies, honorarium for tribunal members, payments to the provincial government and interpretation costs.

Economic Development & Culture:

- Economic Development and Culture (EDC) had a net favourable expenditure of \$3.750 million at year-end due to salary and benefit savings, cancellation of in-person events, underspending in operations and higher than projected revenues from Film Parking permits, Fort York parking, and Development Application Review and Planning Fees (DARP). These savings and revenues were able to offset revenue losses due to site closures, cancellations and reduced sponsorships, as well as additional expenses required to address COVID-19 mitigation, rebuild and recovery efforts.

Toronto Paramedic Services:

- Favourable net expenditure variance of \$18.2 million (17.9%) is the net of greater than budgeted provincial funding for COVID-19 expenses; underspent Salaries & Benefits, due to higher than expected attrition resulting from COVID-19 impacts, partially offset by overspent overtime and WSIB costs due to COVID-19; and lower than budgeted reserve fund transfers.

Seniors Services and Long-Term Care:

- Favourable net expenditure variance of \$3.8 million is primarily due to unbudgeted emergency and pandemic relief funding received from the Province to offset 2021 COVID costs. Extraordinary and ongoing incremental costs in response to COVID-19 were fully funded by the Province.

Parks, Forestry & Recreation:

- Parks, Forestry and Recreation has experienced a favourable net variance of \$14.0 million consisting of a favourable gross expenditure variance of \$51.2 million partially offset by an unfavourable revenue variance of \$37.2 million driven primarily by the COVID-19 pandemic. Favourable gross expenditure variance was primarily attributable to COVID-19 related underspending including the cancellation of recreation programming and underspending for utilities, service and rent, supplies and equipment as well as the timing of facility usage payments. Some of the under-expenditures, were partially offset by incremental COVID-19 expenses such as portable washrooms in parks and paid duty officers at ski hills, skate rinks and waterfront. Unfavourable revenue variance was mainly due to lower than anticipated registration sales; permit revenues; and other user fees, driven by closures and gradual reopening of facilities in-line with public health guidelines.

Shelter, Support & Housing Administration:

- Unfavourable net expenditure variance of \$1.0 million attributable to the expenditures for SSHA's COVID-19 Response, partially offset by savings in the Social Housing service and lower operating impact of capital projects due to delays in the capital projects. The result reflects \$17.1 million refugee response funding from the federal government to offset \$19.5 million in associated costs.

Social Development, Finance and Administration:

- Favourable net expenditure variance of \$8.9 million is mainly due to COVID related underspending in salaries & benefits due to vacancies, underspending in the Fare Equity Program, primarily attributable to the decrease in ridership as well as underspending in other community programming, offset by unbudgeted COVID related expenses. The underspending in the Residential Energy Retrofit Program due to delays in the program take-up were offset by the corresponding unrealized funding from the Residential Energy Retrofit Grant.

Toronto Employment & Social Services:

- Favourable net expenditure variance of \$17.0 million is comprised of lower issuances of financial, medical and employment benefits and program delivery costs, due to lower than budgeted OW caseload resulting from the extension of government support programs; underspent Salaries & Benefits, due to COVID-19 related attrition in frontline staff; and lower than planned expenditure based provincial subsidies and reserve draws.

Appendix E

Figure 2: 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	4.3		1.8		6.1		Ⓞ
	6-Month	4.5	▲	3.4	▲	7.9	▲	Ⓞ
	9-Month	4.9	▲	13.0	▼	17.9	▲	Ⓞ
	12-Month	5.2	▲	(30.6)	▼	35.7	▲	Ⓞ
Fire Services	4-Month	(11.8)		0.4		(11.4)		Ⓡ
	6-Month	(4.1)	▼	(0.7)	▲	(4.8)	▼	Ⓡ
	9-Month	(6.3)	▲	0.7	▼	(5.6)	▲	Ⓡ
	12-Month	(4.5)	▲	(2.5)	▼	(2.0)	▲	Ⓡ
Office of Emergency Management	4-Month	0.6		(0.0)		0.6		Ⓞ
	6-Month	0.6	▲	(0.0)	—	0.6	▲	Ⓞ
	9-Month	0.8	▼	(0.0)	▲	0.8	▼	Ⓞ
	12-Month	0.7	▼	0.3	▲	0.4	▼	Ⓞ
Municipal Licensing & Standards	4-Month	3.7		(9.6)		(5.9)		Ⓡ
	6-Month	3.8	▲	(7.8)	▼	(4.0)	▲	Ⓡ
	9-Month	5.4	▲	(8.3)	▲	(2.9)	▲	Ⓡ
	12-Month	6.5	▲	7.6	▲	(1.1)	▲	Ⓡ
Policy, Planning, Finance & Administration	4-Month	1.7		(1.2)		0.4		Ⓞ
	6-Month	1.7	▼	(1.3)	▲	0.4	▼	Ⓞ
	9-Month	0.9	▲	(0.8)	▲	0.1	▲	Ⓞ
	12-Month	1.7	▲	1.1	▲	0.6	▲	Ⓞ
Engineering & Construction Services	4-Month	8.1		(8.0)		0.1		Ⓞ
	6-Month	7.2	▼	(6.7)	▲	0.6	▲	Ⓞ
	9-Month	5.4	▲	(3.8)	▲	1.5	▲	Ⓞ
	12-Month	7.3	▲	(0.4)	▲	7.8	▲	Ⓞ

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Toronto Building	4-Month	10.1		11.2		21.4		Ⓞ
	6-Month	10.7	▲	13.9	▲	24.6	▲	Ⓞ
	9-Month	12.7	▲	20.4	▼	33.1	▲	Ⓞ
	12-Month	13.2	▲	(30.6)	▼	43.7	▲	Ⓞ
Transportation Services	4-Month	20.9		(19.6)		1.4		Ⓞ
	6-Month	36.4	▼	(34.6)	▲	1.8	▲	Ⓞ
	9-Month	34.6	▲	(29.9)	▲	4.7	▲	Ⓞ
	12-Month	46.9	▲	31.3	▲	15.6	▲	Ⓞ
Transit Expansion	4-Month	2.0		(2.0)		0.0		Ⓞ
	6-Month	2.1	▲	(1.3)	▲	0.8	▲	Ⓞ
	9-Month	3.0	▲	(0.9)	▲	2.1	▼	Ⓞ
	12-Month	3.7	▲	3.7	▲	(0.0)	▼	Ⓡ
Total	4-Month	23.3		(11.3)		12.0		Ⓞ
	6-Month	52.8	▲	(22.8)	▲	30.1	▲	Ⓞ
	9-Month	71.5	▲	(16.4)	▼	55.1	▲	Ⓞ
	12-Month	80.6	▲	(20.1)	▼	100.7	▲	Ⓞ

Appendix E

Infrastructure and Development Services

Year End Results

City Planning:

- City Planning has a favourable net expenditure variance of \$35.7 million comprised of: Favourable revenue variance of \$30.6 million mainly due to higher user fees from higher development application review volumes, offset by lower capital, reserve fund and other recoveries due to vacancies and project delays. Further favourable expenditure variance of \$5.2 million mainly due to underspending in salaries and benefits resulting from vacancies and; underspending in services and rents, materials and supplies and transfers, resulting from lower requirements for professional services, grants, office supplies, and printing and other services, partially offset by higher expense for computer equipment, discount charges and other expenses including attending and defending the City's position at the Ontario Land Tribunal and/or the Toronto Local Appeal Tribunal hearings.

Fire Services:

- Unfavourable net expenditure variance of \$2.0 million is comprised of overspending in salaries and benefits, reflecting overtime costs due to challenges in hiring Operational and Fire Prevention recruits, and overspending in WSIB awards; the overspending is partially offset by underspending in various non-salary operational expenses;
- Favourable revenues reflect both volumes from false alarm charges and development application review fees that were higher than budget.

Office of Emergency Management:

- Favourable net expenditure variance of \$0.4 million (11.3%) is comprised of underspent salaries & benefits, reflecting staffing challenges and overtime budgeted for COVID that was not required; underspending in the cooling centres is partially offset by unplanned expenditures for encampment activities. These savings are partially offset by the delay in revenue from the Ontario Power Generation Grant, which has been deferred until 2023.

Municipal Licensing & Standards:

- Unfavourable net expenditure of \$1.1 million including a favourable gross expenditure of \$6.5 million mainly due to underspending in salaries and benefits (\$1.6 million) and underspending in grants due to lower than expected disbursements to the Toronto Wildlife Centre and for the accessibility program (\$3.6 million). In addition, various expenditures for contribution to reserves and contracted services had net underspending of \$1.2 million. Offsetting revenue was unfavourable by \$7.6 million mainly due to lower than anticipated Private Transportation Companies trip fee (\$2.2 million), lower than anticipated fees and service charges (\$1.4 million) mainly due to lower inspection audits for RentSafeTO and lower than anticipated recoveries from reserves (\$4.1 million) due to lower than anticipated uptake in Toronto Wildlife Centre and the Vehicle for Hire accessibility program.

Policy, Planning, Finance & Administration:

- PPF&A has a favourable net expenditure variance of \$0.6 million comprised of:
- Favourable gross expenditures variance of \$1.7 million due to staffing vacancies and recruiting time, as well as lower costs relating to materials and supplies, and services and rents due to lower usage.
- Unfavourable revenue variance of \$1.1 million mainly due to lower inter-divisional recoveries from client divisions due to lower gross expenditures as a result of vacancies and recruitment challenges.

Engineering and Construction Services:

- Favourable net variance of \$7.8 million consists of:
- Favourable expenditure variance of \$7.3 million primarily due to underspending in salaries and benefits due to staffing vacant positions in a highly competitive market for engineering professionals.
- Favourable revenue variance of \$0.4 million primarily due to; lower capital recoveries for salaries and benefits due to vacancies, and lower other recoveries. These lower recoveries are offset by higher development application review fees as a result of higher volumes of development applications.

Toronto Building:

- Favourable net variance of \$43.7 million is the result of:
- Revenues were overachieved by \$30.6 million driven by higher than expected building permit applications. This was partially offset by lower than budgeted contribution from reserve fund and other recovery related to underspending in record centre renovation and the reserve funded positions (\$4.1 million), and underspending in remedial action recovery and Metrolinx projects (\$2.8 million).
- Gross expenditures have a favourable variance of \$13.2 million due to underspending in:
- Salaries and benefits due to vacant positions and challenges to fill vacancies (\$10.9 million)
- Underspending in equipment due to less than expected spending in the contingency provision for Metrolinx funded subway positions, and lower than expected computer hardware and software expenses as a result of vacancies (\$0.7 million);
- Services and rents mainly due to delayed record centre renovation project, contingency for remedial action costs, and other underspending such as consulting, mileage, training etc. (\$1.9 million).
- The above underspending is partially offset by higher than anticipated expenditures in credit card merchant fees due to higher than expected building permit applications (\$0.1 million) and delayed processing of credit card merchant fee charges from 2020 in 2021 (\$0.2 million).
-

Transportation Services:

- Favourable net variance of \$15.6 million consists of:
- Favourable expenditure variance of \$46.9 million primarily due to under-spending in salaries and benefits as a result of recruitment challenges, the school crossing

guard program due to COVID-19 related school closures, winter maintenance contracts due to a mild winter in early 2021, and utility cut and road & sidewalk repairs due to contract execution delays related to COVID-19.

- Unfavourable revenue variance of \$31.3 million primarily due to short-falls in utility cut repair revenues, recoveries for positions funded from capital due to vacancies, the Public Realm Reserve Fund withdrawal due to timing, transit expansion recoveries due to Metrolinx recruitment delays, and traffic enforcement revenues due to lower charge volumes.

Transit Expansion:

- Favourable net variance of \$0.036 million consists of:
- Favourable expenditure variance of \$3.7 million primarily due to underspending in salaries and benefits (\$2.8 million) as a result of vacant positions. Also, underspending in professional services (\$0.6 million) due to lower than expected volume of technical reviews requiring external consultants related to City-wide Transit projects.
- Unfavourable revenue variance of \$3.7 million due to lower than expected Metrolinx project recoveries as a result of vacancies.

Appendix E

Figure 3: 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	0.7		0.6		0.1		Ⓞ
	6-Month	0.9	▲	(0.4)	▼	0.5	▲	Ⓞ
	9-Month	1.7	▲	(0.6)	▼	1.1	▲	Ⓞ
	12-Month	1.8	▲	0.6	▲	1.2	▲	Ⓞ
Office of the Controller	4-Month	4.8		(1.7)		3.1		Ⓞ
	6-Month	4.6	▼	(4.2)	▼	0.5	▼	Ⓞ
	9-Month	8.7	▲	(5.3)	▼	3.4	▲	Ⓞ
	12-Month	12.0	▲	5.3	▲	6.7	▲	Ⓞ
Total	4-Month	5.5		(1.1)		3.2		Ⓞ
	6-Month	5.6	▲	(4.6)	▼	1.0	▼	Ⓞ
	9-Month	10.4	▲	(5.8)	▼	4.6	▲	Ⓞ
	12-Month	13.8	▲	5.9	▲	7.9	▲	Ⓞ

Appendix E

Finance and Treasury Services

Year End Results

Office of the Chief Financial Officer:

- The Office of the Chief Financial Officer & Treasurer is reporting a favourable net variance of \$1.2 million at year-end, mainly due to vacant operating positions.

Office of the Controller:

- For the period ending December 31, 2021, the Office of the Controller (inclusive of Controllership, Financial Control & Process Improvement, Accounting Services, Pension, Payroll & Employee Benefits, Purchasing & Materials Management and Revenue Services divisions) is reporting a favourable net variance of \$6.7 million. The favourable expenditure variance of \$12.0 million is mainly attributed to salary underspend of \$12.2 million resulting from vacant positions. Revenues are \$5.3 million below budget at year end mainly due to lower recoveries for staff support (operating/capital/reserve fund) of \$5.8 million, pausing of Late Payment and Vendor Discount revenue programs due to COVID-19 impact of \$1.1 million, partially offset by higher user fee revenue of \$1.6 million due to strong property market for tax and utility certificates and ownership updates.

Appendix E

Figure 4: Corporate Services Year-End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Corporate Real Estate Management	4-Month	(4.3)		5.1		0.8		Ⓞ
	6-Month	(0.7)	▼	1.0	▼	0.3	▼	Ⓞ
	9-Month	4.4	▲	(4.3)	▼	0.1	▼	Ⓞ
	12-Month	10.6	▲	8.9	▲	1.6	▲	Ⓞ
Environment & Energy	4-Month	2.8		(1.5)		1.3		Ⓞ
	6-Month	2.1	▲	(2.1)	▼	0.1	▼	Ⓞ
	9-Month	3.8	▲	(2.6)	▼	1.2	▲	Ⓞ
	12-Month	3.0	▲	2.9	▲	0.1	▼	Ⓞ
Fleet Services	4-Month	(2.1)		0.8		(1.3)		Ⓜ
	6-Month	(1.1)	▼	0.0	▼	(1.1)	▲	Ⓜ
	9-Month	1.7	▲	(2.6)	▼	(0.9)	▲	Ⓜ
	12-Month	(0.4)	▼	3.1	▲	(3.5)	▼	Ⓜ
Technology Services	4-Month	0.0		0.0		0.0		Ⓞ
	6-Month	3.0	▲	(0.4)	▼	2.6	▲	Ⓞ
	9-Month	11.3	▲	(0.4)	—	10.9	▲	Ⓞ
	12-Month	20.2	▲	11.1	▲	9.1	▼	Ⓞ
Office Of The CISO	4-Month	8.9		(8.9)		0.0		Ⓞ
	6-Month	11.6	▲	(10.6)	▼	1.0	▲	Ⓞ
	9-Month	12.6	▲	(10.5)	—	2.0	▲	Ⓞ
	12-Month	12.6	▲	0.4	▲	12.2	▲	Ⓞ
311 Toronto	4-Month	0.8		(0.6)		0.2		Ⓞ
	6-Month	0.7	▲	(0.3)	▲	0.4	▲	Ⓞ
	9-Month	0.3	▲	(0.3)	—	0.0	▼	Ⓞ
	12-Month	0.5	▲	0.3	▲	0.2	▲	Ⓞ
Total	4-Month	6.1		(5.2)		1.0		Ⓞ
	6-Month	15.6	▲	(12.3)	▼	3.3	▲	Ⓞ
	9-Month	34.0	▲	(20.7)	▼	13.3	▲	Ⓞ
	12-Month	46.5	▲	26.6	▲	19.8	▲	Ⓞ

Staff report for action on Operating Variance Report for the Year Ended December 31, 2021

Appendix E

Corporate Services

Year End Results

Corporate Real Estate <ul style="list-style-type: none">Favourable net expenditure variance of \$1.5 million (2%) is primarily a result of lower spending in contracted maintenance services and utility consumption at closed City facilities, and lower salaries and benefits due to vacant positions.
Environment & Energy: <ul style="list-style-type: none">Favourable net expenditure variance of \$0.1 million (1%) is primarily due to underspent Contracted Services due to COVID-19; underspent Salaries & Benefits due to vacancies, and higher incentive payments from the SaveONE High Performance New Construction program, offset by lower-than-budgeted recoveries from reserve accounts related to the aforementioned underspends.
Fleet Services: <ul style="list-style-type: none">Unfavourable net expenditure variance of \$3.5 million (14%) is primarily due to higher Rentals to meet social distancing requirements, lower inter-divisional recoveries for lower-fuel volumes and lower maintenance, partially offset by underspent Salaries & Benefits related to vacancies.
Technology Services: <ul style="list-style-type: none">Net favourable expenditures of \$9.1 million (9%), mainly due to vacancies, resulting from technology human resource shortages driven by the pandemic, and recalibration in the O365 and network segmentation/segregation implementations caused by global supply chain backlogs.
311 Toronto: <ul style="list-style-type: none">Favourable net expenditure variance of \$0.2 million (1.8%) is primarily due to later licence payment requirements for the recently deployed Sales Force CRM.

Appendix E

City Manager's Office

Figure 5: 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	(0.4)		(0.1)		(0.5)		Ⓜ
	6-Month	(0.1)	▲	(1.5)	▼	(1.6)	▼	Ⓜ
	9-Month	0.7	▲	(1.7)	▼	(1.0)	▲	Ⓜ
	12-Month	13.6	▲	4.9	▲	8.6	▲	Ⓞ

Year End Results

City Manager's Office:

- Favourable net expenditure variance of \$8.6 million (14%) is primarily due to underspent Salaries & Benefits due to vacancies; underspent Training & Development from cancellation of courses provided by external vendors and underspent Advertising expenses by Strategic Communications around COVID-19 awareness.

Appendix E

Figure 6: 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	1.5		(0.5)		1.0		Ⓞ
	6-Month	1.5	—	(0.5)	—	1.0	—	Ⓞ
	9-Month	3.3	▲	(0.5)	—	2.8	▲	Ⓞ
	12-Month	5.0	▲	1.3	▲	3.7	▲	Ⓞ
Legal Services	4-Month	3.7		1.2		4.8		Ⓞ
	6-Month	3.0	▼	(0.8)	▼	2.2	▼	Ⓞ
	9-Month	3.3	▲	(0.3)	▲	3.0	▲	Ⓞ
	12-Month	6.2	▲	(1.7)	▼	7.9	▲	Ⓞ
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	0.1	▲	0.0	—	0.1	▲	Ⓞ
City Council	4-Month	0.0		0.0		0.0		Ⓞ
	6-Month	(0.0)	—	0.0	—	0.0	—	Ⓞ
	9-Month	1.5	▲	0.0	—	1.5	▲	Ⓞ
	12-Month	2.4	▲	(0.2)	▼	2.6	▲	Ⓞ
Total	4-Month	5.2		0.7		5.8		Ⓞ
	6-Month	4.5	▼	(1.3)	▼	3.2	▼	Ⓞ
	9-Month	8.1	▲	(0.8)	▲	7.3	▲	Ⓞ
	12-Month	13.7	▲	(0.5)	▲	14.2	▲	Ⓞ

Appendix E

Other City Programs

Year End Results

City Clerk's Office:

- The City Clerk's Office experienced a favourable variance of \$3.69 million or 9.9% in net expenditures for the year mainly due to underspending in salaries and benefits as a result of staff vacancies, and underspending in Information Production's postage, courier services, third parties printing and paper supplies. Most of the \$3.69 million net expenditure savings are due to COVID-19 pandemic underspending.

Legal Services:

- Favourable net expenditure variance of \$7.9 million (24.5%) is due primarily to vacant positions while various services were operating at lower than usual volumes during the pandemic and an unexpected spike in development applications revenue in Q4.

Mayor's Office:

- Favourable variance of \$0.07 million (2.7%) is due to underspend in Salaries and Benefits and Services and Rent for the year.

City Council:

- Favourable net expenditure variance of \$2.6 million (11.9%) is the primarily driven by underspent Staff Salaries and Benefits due to different staffing strategies adopted by various Councillors, and underspent Councillors' Constituency Services and Office budgets.

Appendix E

Figure 7: 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	0.5	▲	0.0	—	0.5	▲	Ⓞ
Office of the Integrity Commissioner	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	0.1	▲	0.1	▲	0.0	—	Ⓞ
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	0.2	▲	0.0	—	0.2	▲	Ⓞ
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	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.8	▲	0.1	▲	0.8	▲	Ⓞ

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Accountability Offices

Year End Results

Auditor General's Office:

- Favourable net expenditure variance of \$0.5 million (7.9%) is the net of underspent Salaries & Benefits, due to in-year vacancies and overspent Services & Rent due to work being performed by contracted specialists in late 2020 that were completed in 2021.

Integrity Commissioner's Office:

- The Office fully spent its 2021 budget and experienced a net zero variance due mainly to underspend in Services & Rents and lower withdrawal from External Legal & Investigative Expense Reserve Fund in the year.

Lobbyist Registrar's Office:

- Favourable net expenditure variance of \$0.2 million (16.7%) is due mainly to underspend in Salaries & Benefits and Services & Rents

Ombudsman's Office:

- Favourable net expenditure variance of \$0.04 million (1.6%) is due mainly to underspend in Services and Rents, partially offset by higher spending in Salaries and Benefits for the year.

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Figure 8: 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	(48.4)		48.6		0.3		Ⓞ
	6-Month	(59.0)	▼	58.8	▲	(0.2)	▼	Ⓡ
	9-Month	(60.3)	▼	60.3	▲	(0.0)	▲	Ⓡ
	12-Month	(44.3)	▲	(58.9)	▼	14.6	▲	Ⓞ
Toronto Public Library	4-Month	5.0		(2.0)		3.0		Ⓞ
	6-Month	5.0	—	(2.0)	—	3.0	—	Ⓞ
	9-Month	6.5	▲	(1.5)	▲	5.0	▲	Ⓞ
	12-Month	6.6	▲	1.6	▲	5.0	—	Ⓞ
Association of Community Centres	4-Month	0.3		(0.1)		0.2		Ⓞ
	6-Month	0.9	▲	(0.1)	—	0.8	▲	Ⓞ
	9-Month	0.3	▼	(0.2)	▼	0.2	▼	Ⓞ
	12-Month	0.5	▲	0.1	▲	0.5	▲	Ⓞ
Exhibition Place	4-Month	2.9		(8.8)		(5.9)		Ⓡ
	6-Month	11.2	▲	(16.3)	▼	(5.1)	▲	Ⓡ
	9-Month	6.9	▼	(10.2)	▲	(3.3)	▲	Ⓡ
	12-Month	9.5	▲	11.9	▲	(2.3)	▲	Ⓡ
Heritage Toronto	4-Month	0.1		(0.1)		(0.0)		Ⓡ
	6-Month	0.1	—	(0.1)	—	(0.0)	—	Ⓡ
	9-Month	(0.0)	▼	0.0	▲	(0.0)	—	Ⓡ
	12-Month	0.1	▲	0.1	▲	0.0	—	Ⓞ
TO Live	4-Month	(2.0)		1.1		(0.9)		Ⓡ
	6-Month	(3.5)	▼	3.0	▲	(0.5)	▲	Ⓡ
	9-Month	(2.9)	▲	2.8	▼	(0.1)	▲	Ⓡ
	12-Month	(1.8)	▲	(3.0)	▼	1.2	▲	Ⓞ

Staff report for action on Operating Variance Report for the Year Ended December 31, 2021

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Toronto Zoo	4-Month	2.0		(8.6)		(6.6)		Ⓜ
	6-Month	3.4	▲	(6.5)	▲	(3.1)	▲	Ⓜ
	9-Month	5.4	▲	(4.4)	▲	1.0	▲	Ⓞ
	12-Month	3.5	▼	2.3	▲	1.2	▲	Ⓞ
Arena Boards of Management	4-Month	2.1		(4.9)		(2.7)		Ⓜ
	6-Month	2.5	▲	(5.3)	▼	(2.8)	—	Ⓜ
	9-Month	2.4	▼	(5.4)	▼	(3.0)	▼	Ⓜ
	12-Month	2.5	▲	4.5	▲	(1.9)	▲	Ⓜ
Yonge Dundas Square	4-Month	0.6		(1.2)		(0.6)		Ⓜ
	6-Month	0.6	—	(1.2)	—	(0.6)	—	Ⓜ
	9-Month	0.7	▲	(1.1)	▲	(0.4)	▲	Ⓜ
	12-Month	0.8	▲	0.8	▲	(0.1)	▲	Ⓜ
CreateTO	4-Month	0.0		0.0		0.0		Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.3	▲	(0.3)	▼	0.0	—	Ⓞ
	12-Month	(0.0)	▼	(0.0)	▲	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	89.7	▲	(789.3)	▼	(699.6)	▼	Ⓜ

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Toronto Transit Commission - Conventional	4-Month	44.4		(60.8)		(16.4)		Ⓜ
	6-Month	47.8	▲	(61.1)	▼	(13.3)	▲	Ⓜ
	9-Month	45.8	▼	(62.7)	▼	(16.9)	▼	Ⓜ
	12-Month	46.6	▲	46.6	▲	(0.0)	▲	Ⓜ
Toronto Transit Commission - Wheel-Trans	4-Month	13.5		(0.6)		12.9		Ⓞ
	6-Month	13.9	▲	(0.6)	▼	13.3	▲	Ⓞ
	9-Month	17.6	▲	(0.6)	—	16.9	▲	Ⓞ
	12-Month	0.8	▼	0.8	▲	0.0	▼	Ⓞ
Toronto Police Service	4-Month	(6.9)		6.9		0.0		Ⓞ
	6-Month	(16.3)	▼	12.0	▲	(4.3)	▼	Ⓜ
	9-Month	(13.9)	▲	12.6	▲	(1.3)	▲	Ⓜ
	12-Month	(1.1)	▲	(1.7)	▼	0.6	▲	Ⓞ
Toronto Police Services Board	4-Month	(0.6)		0.5		(0.1)		Ⓜ
	6-Month	(0.0)	▲	(0.0)	▼	(0.1)	—	Ⓜ
	9-Month	(0.0)	—	(0.0)	—	(0.1)	—	Ⓜ
	12-Month	0.1	▲	0.1	▲	0.0	▲	Ⓞ
Total	4-Month	13.1		(29.9)		(16.9)		Ⓜ
	6-Month	6.7	▼	(19.5)	▲	(12.8)	▲	Ⓜ
	9-Month	8.6	▲	(10.6)	▲	(2.0)	▲	Ⓜ
	12-Month	113.7	▲	(784.2)	▼	(680.8)	▼	Ⓜ

Appendix E

City Agencies

Year End Results

Toronto Public Health:

- Favourable net variance of \$14.6 million is attributable to savings resulting from the suspension of TPH mandatory programs and 100% provincially funded programs during the COVID-19 pandemic. The majority of other expenditures, related to mass immunization clinics, case management and contact tracing in response to the COVID-19 pandemic, were fully reimbursed from Ministry of Health.

Toronto Public Library:

- Toronto Public Library (TPL) reported a net favourable variance of \$5.0 million comprised of a favourable gross expenditure variance of \$6.6 million, partially offset by an unfavourable revenue variance of \$1.6 million.
- The favourable gross expenditure variance of \$6.6 million was due to reduced spending on employee remuneration and benefits, utilities, and library programming, and is directly attributable to the financial impact of COVID-19 throughout 2021.
- This is partially offset by increased health and safety spending, including security, HVAC and building infrastructure costs to meet Toronto Public Health guidelines.
- The unfavourable revenue variance of \$1.6 million is attributed to decreased fines and fees, and venue and community room rental revenue resulting from Provincial restriction orders

Association of Community Centres:

- Favourable net expenditure variance of \$0.5 million is comprised of underspent Salaries & Benefits and other operational savings, due to vacant positions and centre shutdowns resulting from COVID-19; and lower than budgeted room rental revenue, due to COVID-19 impacts.

Exhibition Place:

- Unfavourable net variance of \$2.3 million to the 2021 Council Approved Operating Budget, consisting of:
- A favourable gross expenditure variance of \$9.5 million resulting from underspending in expenditures associated with events, base building maintenance, utilities and salaries & benefits related to base building maintenance positions.
- An unfavourable revenue variance of \$11.8 million due to the cancellation of a number of events and the loss of tenant revenue as a result of delays in re-opening because of COVID-19.

Heritage Toronto:

- Net zero variance to the 2021 Approved Operating Budget.
- A revenue loss of \$0.1 million due to lower sponsorship and donation revenues as a result of shifting the award program to a digital program.
- The revenue loss was offset by \$0.1 million for delays in the tour program and underspending in salaries & benefits due to one position remaining vacant.

TO Live:

- Favourable net variance of \$1.24 million to the 2021 Council Approved Operating Budget, consisting of:
- An unfavourable gross expenditure variance of \$1.79 million due to unbudgeted benefit costs for staff on leave as a result of the provincial government extension of IDEL and staffing costs for reopening efforts at the end of the year.
- A favourable revenue variance of \$3.03 million due to event related revenues in the 4th quarter after easing of restrictions, as well as naming rights sponsorship and grants from the other levels of Government that were not included in the 2021 budget.

Toronto Zoo:

- Favourable net expenditure of \$1.248 million or 6.4% below the 2021 Approved Operating Budget. Zoo closure since November 23, 2020 as a result of COVID-19 emergency order from the Ontario government has resulted in unfavourable revenue of \$2.264 million. On site services were closed to the public but the Zoo continued to offer online programs such as Zoo Connectionz, Zoo FacebookLives and retail sales. The Zoo operated at 75% of capacity until the end of 2021. To meet the ongoing health and welfare needs of the living inhabitants and to ensure the ongoing maintenance of buildings, infrastructures and life support systems, ongoing expenditures were still required. The Zoo was able to fully mitigate the revenue loss by hosting additional guests above budget since reopening and implementing cost saving measures including vacancy savings and deferral of non-essential purchases, resulting in favourable gross expenditure of \$3.512 million. The Zoo welcomed back members on June 12 and the general public on June 19 with limited outdoor capacity with indoor pavilions remaining closed. The Zoo achieved 90% of the attendance target despite closure for first half of the year.

Arena Boards of Management:

- Unfavourable net expenditure \$1.9 million variance to the 2021 Council Approved Operating Budget, consisting of:
- Favourable gross expenditure of \$2.5 million resulting from underspending in utilities, snack bar expenditures, as well as salaries & benefits from positions that were vacant due to COVID-19.
- Unfavourable revenue of \$4.4 million due to lost revenue from closure and capacity restriction of all Arenas during the COVID-19 pandemic.

Yonge Dundas Square (YDS):

- Yonge-Dundas Square reported an unfavourable net expenditure variance of \$0.06 million. This variance was attributable to inability to attract a Sponsor for 2021, the closing of the Sightseeing Kiosk, the reduction in the Signage advertising revenue and the lack of events for over 75% of the year significantly due to COVID-19 emergency order leading to a decrease in revenue of \$0.84 million. These lost revenues were offset by a corresponding reduction in event expenses of \$0.78 million.

CreateTO

- CreateTO has favourable gross expenditures of \$0.03 million attributable to delayed spending in project investigation and general office costs. Funding recovery from Build Toronto, TPLC and the City aligns with expenditures, resulting in a net zero variance to Budget.

Toronto & Region Conversation Authority:

- Consistent with previous budget years, TRCA receives the City of Toronto funding share which maintains the ratio between TRCA's other funding partner municipalities. During 2021, TRCA received the full funding in the amount of \$10.198 million gross and \$4.865 million net, funded by Toronto Water's contributions of \$5.333 million to TRCA as approved by City Council, resulting in no year-end variance.

Toronto Transit Commission – Conventional:

- For the year ended December 31, 2021, the net \$0 variance is the result of:
- TTC Conventional revenue and recovery losses for 2021 amounted to \$46.6 million, primarily comprised of lower passenger revenues realized during the first half of the year and a foregone budgeted reserve draw.
- These revenue losses were fully offset by TTC Conventional Service under-expenditures of \$121.7 million or 6% below budget. The majority of this underspending is attributable to TTC Conventional service hours delivered being approximately 5.5% below budget on average for the year. This reduced service level reflects both matching of service capacity to demand in the early part of 2021, and the impact of the vaccine mandate effective November 21, 2021 and resulting workforce shortages.
- The remainder of the under-expenditures result from: Lower than anticipated COVID-19 incremental expenses; One-time savings associated with deferred hiring and spending where possible, reflective of management's response to reduced passenger revenues; One-time savings associated with a delay in planned Q4 Eglinton Crosstown hiring and onboarding activities, due to a change in the revenue service commencement date; Efficiencies, including overtime management and lower electricity rates realized in 2021, which are incorporated in the approved 2022 Operating Budget.
- For the year, TTC Conventional Service under-expenditures, after offsetting the revenue shortfall, amounted to \$75.1 million. This amount will be contributed to the TTC Stabilization Reserve, consistent with the October 1, 2021 City Council authority, to arrive at a net \$0 variance at year end. As part of COVID-19 recovery, service levels are gradually returning to pre-pandemic levels. Combined with the recent increase in energy prices, under-expenditures experienced in 2021 are not expected to continue into 2022.

Toronto Transit Commission – Wheel-Trans:

- For the year ended December 31, 2021, the net \$0 variance is the result of:
- Favourable gross expenditure variance of \$19.0 million (16% below budget) primarily due to 20% lower than budget ridership demand, resulting in contract taxi and bus service under-expenditures. The pace of under-expenditures were greater in the first half of the year and slowed over the balance of the year as ridership increased and approached budgeted levels.
- The favourable expenditure variance was offset by an \$18.2 million stabilization reserve contribution and \$0.8 million in reduced passenger revenues, resulting in a net \$0 variance at year-end.

Toronto Police Service:

- Toronto Police Service (TPS) has reported an unfavourable variance of \$0.5 million net.
- Gross expenditures were \$1.2 million unfavourable mainly due to premium pay and benefit pressures, as well as expenses that are funded by fees/recoveries and Provincial grants.
- Favourable revenue variance of \$1.7 million is mainly driven by lower than anticipated losses from fees/recoveries for sector screenings, sale of accident reports and attendance at false alarms, and higher mid-year Provincial grants.
- The financial impacts of COVID-19, are difficult to accurately predict as this pandemic is without precedent and the length of the pandemic is unknown.

Toronto Police Services Board:

- While COVID-19 has had a significant impact on the way the Police Board conducts its business and how it interacts with the public, the Board has been able to leverage available technology and other innovative approaches to minimize the net financial impact of the pandemic on the Board's budget.

Appendix E

Capital & Corporate Financing

Figure 9: Capital & Corporate Financing Year-End Variance Summary

City Program/Agency	Quarter	Year-End Projection						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	8.7	▲	8.7	▲	0.0	—	Ⓞ
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	(0.1)		0.0		(0.1)		Ⓡ
	6-Month	0.0	▲	0.0	—	0.0	▲	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	(5.7)	▼	(5.4)	▼	(0.3)	▼	Ⓡ
Total	4-Month	(0.1)		0.0		(0.1)		Ⓡ
	6-Month	0.0	▲	0.0	—	0.0	▲	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	3.0	▲	3.3	▲	-0.3	▼	Ⓡ

Appendix E

Capital & Corporate Financing

Year End Results

Capital & Corporate Financing: <ul style="list-style-type: none">• On budget
Technology Sustainment: <ul style="list-style-type: none">• On budget
Debt Charges: <ul style="list-style-type: none">• An unfavourable variance of \$0.3 million is the net of:• favourability of \$12.4 million due to later timing of debt issuance, lower average interest rate experience and higher funding recoveries; and contribution of \$12.7 million to the Debt Stabilization Reserve to mitigate any future debt service cost pressures as approved by Council at its meeting on February 17, 2022 (EX30.2).

Appendix E

Non-Program Expenditures

Figure 10: 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	0.1	▲	0.0	—	0.1	▲	Ⓞ
	12-Month	25.3	▲	0.0	—	25.3	▲	Ⓞ
Tax Increment Equivalent Grants (TIEG)	4-Month	(1.0)		0.0		(1.0)		Ⓡ
	6-Month	(1.0)	—	0.0	—	(1.0)	—	Ⓡ
	9-Month	(1.0)	—	0.0	—	(1.0)	—	Ⓡ
	12-Month	5.4	▲	0.0	—	5.4	▲	Ⓞ
Assessment Function (MPAC)	4-Month	0.2		0.0		0.2		Ⓞ
	6-Month	0.2	—	0.0	—	0.2	—	Ⓞ
	9-Month	0.2	—	0.0	—	0.2	—	Ⓞ
	12-Month	0.2	—	0.0	—	0.2	—	Ⓞ
Funding of Employee Related Liabilities	4-Month	0.0		0.0		0.0		Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	(11.7)	▼	0.0	—	(11.7)	▼	Ⓡ
	12-Month	0.0	▲	0.0	—	0.0	▲	Ⓞ
Other Corporate Expenditures	4-Month	(0.0)		0.0		(0.0)		Ⓡ
	6-Month	(56.0)	▼	5.0	▲	(51.0)	▼	Ⓡ
	9-Month	(75.1)	▼	(7.9)	▼	(83.0)	▼	Ⓡ
	12-Month	(107.6)	▼	(35.2)	▼	(72.4)	▲	Ⓡ
Insurance Contributions	4-Month	2.1		0.0		2.1		Ⓞ
	6-Month	2.1	—	0.0	—	2.1	—	Ⓞ
	9-Month	1.6	▼	0.0	—	1.6	▼	Ⓞ
	12-Month	(28.0)	▼	0.0	—	(28.0)	▼	Ⓡ

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Parking Tag Enforcement & Oper.	4-Month	0.0		0.0		0.0		Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	2.0	▲	(2.0)	▼	0.0	—	Ⓞ
	12-Month	3.5	▲	0.0	▲	3.5	▲	Ⓞ
Programs Funded from Reserve Funds	4-Month	0.0		0.0		0.0		Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.2	▲	0.0	—	0.2	▲	Ⓞ
	12-Month	(50.7)	▼	(50.7)	▼	(0.0)	▼	Ⓡ
Heritage Property Taxes Rebate	4-Month	0.0		0.0		0.0		Ⓞ
	6-Month	(15.9)	▼	0.0	—	(15.9)	▼	Ⓡ
	9-Month	(28.0)	▼	0.0	—	(28.0)	▼	Ⓡ
	12-Month	0.2	▲	0.0	—	0.2	▲	Ⓞ
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	0.1	▲	0.0	—	0.1	▲	Ⓞ
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	—	Ⓞ
Recommended Allocations	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	(228.3)	▼	0.0	—	(228.3)	▼	Ⓡ
Total	4-Month	7.7		0.0		7.7		Ⓞ
	6-Month	(70.5)	▼	5.0	▲	(65.5)	▼	Ⓡ
	9-Month	(111.7)	▼	(9.9)	▼	(121.6)	▼	Ⓡ
	12-Month	(379.9)	▼	(85.9)	▼	(294.1)	▼	Ⓡ

Appendix E

Non-Program Expenditures Year End Results

<p>Tax Deficiencies/Write-Offs:</p> <ul style="list-style-type: none">• A favourable net expenditure of \$25.2 million was realized mainly due to the following:• \$24.4 million favourable variance resulting from appeals posted and provisions being less than budget;• \$0.6 million favourable variance due to costs to defend the City's assessment base being less than budget; and• \$0.2 million favourable variance due to actual interest paid on tax refunds being lower than budget.
<p>Tax Increment Equivalent Grants (TIEG)</p> <ul style="list-style-type: none">• A favourable net expenditure of \$5.4 million was realized due to estimates for eligible properties being updated to reflect the expected grants and timing of the grants.
<p>Assessment Function (MPAC):</p> <ul style="list-style-type: none">• A favourable net expenditure variance of \$0.2 million was realized due to lower MPAC fees.
<p>Funding Employee Related Liabilities:</p> <ul style="list-style-type: none">• Materially on budget
<p>Other Corporate Expenditures:</p> <ul style="list-style-type: none">• An unfavourable net expenditure variance of \$72.4 million was realized primarily due to:• Council direction to contribute \$54.7 million to the Vehicle & Equipment Reserve to enable multi-year procurement of vehicle requirements for Fire Services and Toronto Police Service; and Other reserves for rising commodity prices, hiring strategy and deferred expenses; and• Transfer of \$17.524 million in budget related to CBA to TTC for Union staff. This adjustment is already reflected in TTC's budget.
<p>Parking Tag Enforcement & Operations:</p> <ul style="list-style-type: none">• Parking Tag Operations reported a favourable expenditure variance of \$3.5 million driven by:• Reduced premium pay spending due to fewer special events;• Replacement of the Vehicle Impound System (VIP) taking longer than planned; and• Lower payments to the province for license search fees due to reduced number of parking tickets issued.
<p>Insurance Premiums & Claims</p> <ul style="list-style-type: none">• An unfavourable net expenditure variance of \$28.0 million was primarily driven by Council direction to contribute to the Insurance Reserve for use towards increased insurance costs through the 2021 Q2 & Q3 Operating Variance reports.

<p>Programs Funded from Reserve Funds:</p> <ul style="list-style-type: none"> • On budget
<p>Heritage Property Tax Rebates:</p> <ul style="list-style-type: none"> • A favourable net expenditure variance of \$0.2 million was mainly due to lower than expected rebates processed and pending to be processed.
<p>Solid Waste Management Rebates:</p> <ul style="list-style-type: none"> • Materially on budget
<p>Tax Increment Funding (TIF):</p> <ul style="list-style-type: none"> • On budget
<p>Recommended Allocations</p> <ul style="list-style-type: none"> • Allocations recommended for COVID-19 related obligations, deferred costs, and other allocations as outlined in Appendix D

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Figure 11: 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		1.1		1.1		Ⓞ
	6-Month	0.0	—	0.3	▲	0.3	▲	Ⓞ
	9-Month	0.0	—	2.4	▼	2.4	▼	Ⓞ
	12-Month	0.0	—	(0.5)	▲	0.5	▲	Ⓞ
Supplementary Taxes	4-Month	0.0		0.0		0.0		Ⓞ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.0	—	0.9	▼	0.9	▼	Ⓞ
	12-Month	0.0	—	(17.9)	▲	17.9	▼	Ⓞ
Tax Penalty Revenue	4-Month	0.0		0.0		0.0		Ⓞ
	6-Month	0.0	—	4.9	▼	4.9	▼	Ⓞ
	9-Month	0.0	—	4.9	—	4.9	—	Ⓞ
	12-Month	0.0	—	(14.8)	▲	14.8	▼	Ⓞ
Interest/Investment Earnings	4-Month	(0.0)		(33.7)		(33.7)		Ⓡ
	6-Month	1.3	▼	(35.1)	▲	(33.8)	▲	Ⓡ
	9-Month	1.4	▼	(43.1)	▲	(41.7)	▲	Ⓡ
	12-Month	1.1	▲	36.1	▼	(35.0)	▼	Ⓡ
Other Corporate Revenues	4-Month	0.5		0.0		0.5		Ⓞ
	6-Month	0.0	▲	(5.3)	▲	(5.3)	▲	Ⓡ
	9-Month	0.3	▼	(5.1)	▼	(4.7)	▼	Ⓡ
	12-Month	(18.9)	▲	(7.8)	▲	(11.0)	▲	Ⓡ
COVID -19 recovery	4-Month	0.0		(153.0)		(153.0)		Ⓡ
	6-Month	0.0	—	(49.4)	▼	(49.4)	▼	Ⓡ
	9-Month	0.0	—	(56.3)	▲	(56.3)	▲	Ⓡ
	12-Month	0.0	—	(59.3)	▲	59.3	▼	Ⓞ
Dividend Income	4-Month	0.0		(17.7)		(17.7)		Ⓡ
	6-Month	0.0	—	(17.7)	—	(17.7)	—	Ⓡ
	9-Month	0.0	—	(17.7)	—	(17.7)	—	Ⓡ
	12-Month	0.0	—	17.7	▼	(17.7)	—	Ⓡ

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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	—	100.0	▼	100.0	▼	Ⓞ
	9-Month	(152.3)	▲	252.3	▼	100.0	—	Ⓞ
	12-Month	(378.4)	▲	(478.4)	▲	100.0	—	Ⓞ
Third Party Sign Tax	4-Month	0.0		0.3		0.3		Ⓞ
	6-Month	0.0	—	0.3	—	0.3	—	Ⓞ
	9-Month	0.0	—	0.1	▲	0.1	▲	Ⓞ
	12-Month	0.0	—	(0.2)	▲	0.2	—	Ⓞ
Parking Authority Revenues	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	—	(7.8)	▲	7.8	▼	Ⓞ
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	—	Ⓞ

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Parking Tag Enforcement & Operations Rev	4-Month	0.0		(23.6)		(23.6)		Ⓜ
	6-Month	0.0	—	(9.5)	▼	(9.5)	▼	Ⓜ
	9-Month	0.0	—	(9.7)	▲	(9.7)	▲	Ⓜ
	12-Month	0.0	—	(10.8)	▲	10.8	▼	Ⓞ
Other Tax Revenues	4-Month	(0.0)		(0.0)		(0.0)		Ⓜ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.1	▼	0.0	—	0.2	▼	Ⓞ
	12-Month	0.3	▼	(0.0)	▲	0.3	▼	Ⓞ
Municipal Accommodation Tax	4-Month	(16.7)		16.7		0.0		Ⓞ
	6-Month	6.3	▼	(6.3)	▲	0.0	—	Ⓞ
	9-Month	6.3	—	(6.3)	—	0.0	—	Ⓞ
	12-Month	(0.8)	▲	(1.9)	▼	1.0	▼	Ⓞ
Casino Woodbine	4-Month	0.0		(4.0)		(4.0)		Ⓜ
	6-Month	0.0	—	(2.0)	▼	(2.0)	▼	Ⓜ
	9-Month	0.0	—	(2.0)	—	(2.0)	—	Ⓜ
	12-Month	0.0	—	(8.7)	▲	8.7	▼	Ⓞ
Total	4-Month	(16.3)		(60.9)		(77.2)		Ⓜ
	6-Month	7.6	▼	(19.8)	▼	(12.2)	▼	Ⓜ
	9-Month	(144.2)	▲	120.4	▼	(23.7)	▲	Ⓜ
	12-Month	(396.7)	▲	(495.0)	▲	98.2	▼	Ⓞ

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Non-Program Revenues

Year End Results

Payments In Lieu of Taxes (PILs):

- A favourable revenue variance of \$0.5 million was realized, primarily due to:
- \$2.1 million favourable variance from higher airport passenger levies than budgeted;
- \$0.9 million unbudgeted revenue from the University of Toronto;
- Offset by \$1.0 million unfavourable variance from appeals posted and provision being greater than budget mainly due to a property shifted from PIL to taxable;
- Offset by \$1.0 million unfavourable variance with assessment-based levies being less than budget; and
- Offset by \$0.5 million unfavourable variance related to unbudgeted supplementary levies.

Supplementary Taxes:

- A favourable revenue variance of \$17.9 million was realized, primarily due to higher than anticipated number of properties and their associated assessed values in the supplementary tax rolls.

Tax Penalty Revenue

- A favourable revenue variance of \$14.8 million was realized mainly due to tax interest/penalties earned as a result of higher than normal outstanding receivable balance at year-end.

Interest/Investment Earnings:

- An unfavourable variance of \$35.0 million is the net of:
- A favourable gross expenditure variance of \$1.0 million mainly attributable to lower investment managers' fees due to a delay in securing external investment managers; and
- An unfavourable revenue variance of \$36.0 million due primarily to lower investment income due to realized book losses in the fixed income portfolio within the long term fund. While fixed income investment managers outperformed their market benchmark, interest rate has continued to increase resulting in negative market returns. Higher short term income due to higher than budgeted cash balance, lower contribution to Reserve Fund and higher miscellaneous interest only partially offset.

Other Corporate Revenues:

- An unfavourable net revenue variance of \$11.0 million is primarily driven by execution of transfers to and from City agencies and corporations.

COVID-19 Recovery:

- A favourable variance of \$59.3 million reflecting a combination of flow through COVID-19 support funding provided to TCHC and additional funding supports accounted in Corporate Revenues offsetting added COVID-19 related costs that reside in City divisions. With some COVID funding budgeted or received in other divisions and agencies, the City's total COVID recovery amount is consistent with the expected COVID impact.

<p>Dividend Income:</p> <ul style="list-style-type: none"> • An unfavourable variance of \$17.7 million was the result of lower than anticipated Toronto Hydro earnings in 2020, largely impacted by the pandemic.
<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 favourable net variance of \$100.0 million was mainly due to higher than expected sales activities in 2021 and partially offset by \$1.6 million in increased expenses related to those higher than expected sales activities. Favourable revenue variance of \$478.4 million due to higher than expected sales activities in 2021.
<p>Third Party Sign Tax:</p> <ul style="list-style-type: none"> • A favourable revenue variance of \$0.2 million was mainly due to: • 2% (COLA) increase in the rates from 2020 to 2021; and • A shift for some signs to a higher tax class (and rate).
<p>Parking Authority Revenues:</p> <ul style="list-style-type: none"> • A favourable revenue variance of \$7.8 million represents Non-Program's share of TPA's net distribution in 2021.
<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"> • Parking Tag Operations reported a favourable revenue variance of \$10.8 million, which is mainly attributable to late fees and penalty charges collected due to an increase in default payments from COVID-19. Total year-end tickets issued: 1,479,644.
<p>Other Tax Revenues:</p> <ul style="list-style-type: none"> • A favourable net variance of \$0.3 million was realized primarily due to: • Appeals posted and provisions were less than budgeted; and • Higher levy on hydro properties than budgeted.
<p>Municipal Accommodation Tax (MAT):</p> <ul style="list-style-type: none"> • A favourable net variance of \$1.0 million was mainly driven by: • An unfavourable gross expenditure variance of \$0.8 million due to higher than anticipated payment to "Destination Toronto", which is based on an arrangement to match the total payment collected from MAT Hotel Tax in 2021; and • A favourable revenue variance of \$1.9 million resulting from the implementation of the new Short-Term Rentals (STR) revenue in 2021.
<p>Casino Woodbine:</p>

- A favourable revenue variance of \$8.7 million was realized due to re-opening and easing of COVID-19 restrictions, increasing capacity to 50%, as well as pent up demand.

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Figure 12: 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	6.4		(2.2)		4.2		Ⓞ
	6-Month	8.3	▲	(3.4)	▼	4.9	▲	Ⓞ
	9-Month	12.8	▲	1.1	▲	14.0	▲	Ⓞ
	12-Month	23.1	▲	(8.5)	▼	31.6	▲	Ⓞ
Toronto Parking Authority	4-Month	0.0		(5.4)		(5.4)		Ⓡ
	6-Month	4.1	▲	(11.4)	▼	(7.3)	▼	Ⓡ
	9-Month	6.9	▲	(1.4)	▲	5.6	▲	Ⓞ
	12-Month	7.9	▲	(3.8)	▼	11.7	▲	Ⓞ
Toronto Water	4-Month	22.2		(6.4)		15.8		Ⓞ
	6-Month	25.4	▲	(12.8)	▼	12.6	▼	Ⓞ
	9-Month	33.5	▲	(15.7)	▼	17.8	▲	Ⓞ
	12-Month	40.1	▲	32.1	▲	8.0	▼	Ⓞ
Total	4-Month	28.6		(13.9)		14.7		Ⓞ
	6-Month	37.8	▲	(27.6)	▼	10.2	▼	Ⓞ
	9-Month	53.3	▲	(16.0)	▲	37.3	▲	Ⓞ
	12-Month	71.1	▲	19.8	▲	51.3	▲	Ⓞ

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Rate Supported Programs Year End Results

Solid Waste Management Services (SWMS):

- The favourable net revenue and expenditures variance is \$31.6 million.
- Favourable gross expenditure of \$23.1 million is primarily driven by:
- Savings in salaries and benefits due to vacancies and less overtime used than planned (\$1.5 million).
- Equipment, materials and supplies mainly due to reduced hydro rates (\$1.9 million).
- Services and rents, including lower processing cost of \$9.7 million mainly from organics due to lower than planned volumes of Digester solids from Dufferin Organic Processing Facility (\$5.5 million) and recycling due to reduced volumes (\$2.9 million), lower charges in rent for machinery and equipment due to delay in Organic Processing Facility expansion project (\$3.0 million), reduced transfer, haulage and storage cost (\$1.1 million) and disposal cost (\$0.8 million) due to lower than planned volumes to Green Lane Landfill and rates lower than planned, lower collection cost due to reduced volumes (\$1.0 million), and other savings mainly from Front-End Collection contracts (\$1.1 million), hazardous waste removal (\$0.6 million) and other services mainly due to reduced tonnage and COVID-19 (\$1.5 million).
- Favourable revenue variance of \$8.5 million is primarily driven by improved marketable rates for sale of recyclables and durable goods of \$13.8 million, and higher Blue Bin provincial Grant by \$1.7 million as a result of increased volumes. This was partly offset by losses from Renewable Natural Gas project delay of \$3.6 million, tipping fees at transfer stations of \$2.3 million due to depot closure during lock-down, and lower capital recoveries due to vacancies and other revenue (\$1.3 million).
- Net impact, contribution to the Waste Management Reserve Fund increased by \$31.6 million in addition to the budgeted contribution of \$17.1 million.

Toronto Parking Authority:

- Toronto Parking Authority has a favourable net expenditure variance of \$11.7 million compared to a budgeted loss of \$2.0 million comprised of:
- A favourable gross expenditure variance of \$7.9 million due to:
- Underspending of salaries, wages and benefits by \$4.6 million, as a number of positions, including several management roles, had remained vacant. The Bike Share program has received further staffing support to ensure an effective operation of the expanded system infrastructure,
- Favourable administration costs of \$0.5 million, including legal, marketing and training,
- Lower municipal taxes as budgeted rate increases did not materialize and reassessment refunds of \$2.8 million, and
- On-going assessments of contractual commitments to minimize operational expenses to support long-term financial sustainability.
- Offset by a favourable revenue variance of \$3.8 million:

- Off-Street – Parking Revenue is higher than budget by \$0.9 million, up 1.7% including one-time gains of \$1.0 million predominantly relating to real estate activities. Similarly, parking revenue compared to 2019 is operating at 53.8% due to reduced demand for off-street parking as the pandemic continued.
- On-Street – Parking Revenue is higher than budget by \$3.4 million, up 11.0%. Similarly, parking revenues compared to 2019 is operating at 56.4% due to reduced demand and reduced on-street curb space to support various City Initiatives.
- Bike Share ridership revenue is lower than budget by \$0.6 million primarily due to declining casual ridership through the summer months. In addition, there is higher advertising revenue of \$0.1 million as the impact of the Astral contract gains ground.
- Parking revenue for 2021 was 55% of 2019 revenues and Bike Share 2021 revenue was 173% of 2019 revenues.

Toronto Water:

- The favourable net revenue and expenditures variance is \$7.971 million.
- Favourable gross expenditure variance of \$40.055 million is primarily driven by underspending in salaries and benefits as a result of increased vacancies (\$11.898 million), reduced hydro cost due to lower water production, lower than planned rates and continued efficiency initiatives (\$10.491 million), underspending in equipment, materials and supplies partially due to delivery delays, lower than anticipated demand for chemicals and unused contingencies (\$1.921 million), lower than anticipated spending in services and rents, including underspending in various contracts due to mild winter temperatures resulting in unused contingencies and delays in contract initiation (\$12.685 million), and lower interdivisional charges and other expenses due to delays in contracts for utility cut restoration work as well as underspending in other interdivisional charges due to vacancies (\$3.938 million). The underspending is offset by unfavourable variance in other expenses primarily due to higher than anticipated in lieu of taxes payments as a result of MPAC reassessments (\$0.879 million).
- Unfavourable revenue variance of \$32.084 million is primarily driven by lower than anticipated sale of water revenue as a result of lower than planned consumption impacted by weather and establishment closures as a result of government orders during the pandemic (\$30.058 million), lower than anticipated revenue from Metrolinx transit projects due to project activity delays (\$4.440 million), and lower revenue from private water agreements due to COVID-19 related business closures (\$1.953 million). The underachieved revenues were partially offset by new watermain and sewer connection revenues due to increased construction activity (\$2.464 million), and higher third party revenues and other recoveries primarily from development application review fees associated with Toronto Water works (\$1.903 million).