



**STAFF REPORT  
ACTION REQUIRED**

**Operating Variance Report for the Six-Month Period  
Ended June 30, 2012**

<b>Date:</b>	September 7, 2012
<b>To:</b>	Budget Committee
<b>From:</b>	Deputy City Manager and Chief Financial Officer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2012\Internal Services\FP\Bc12022Fp (AFS #16032)

**SUMMARY**

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The purpose of this report is to provide Council with the City of Toronto Operating Variance for the six-month period ended June 30, 2012 as well as year-end projections and to request Council's approval for amendments to the 2012 Operating Budget between Programs to ensure accurate reporting and financial accountability with no increase to the 2012 Approved Net Operating Budget

**RECOMMENDATIONS**

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The Deputy City Manager and Chief Financial Officer recommends that:

1. City Council approve in-year budget adjustments detailed in Appendix D to amend the 2012 Approved Operating Budget between Programs with gross expenditures and revenues of \$10.069 million, and no impact to the 2012 Approved Net Operating Budget.

**FINANCIAL IMPACT**

As shown in Table 1 below, Tax Supported Operations' net expenditures were under-spent by \$187.941 million or 10.7% of planned expenditures for the six-month period ended June 30, 2012 and projections indicate that the 2012 year-end net operating surplus is anticipated to be \$115.004 million based on information at this time.

<b>Table 1</b>		
<b>Net Expenditure Variance (\$ Millions)</b>		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
Citizen Centred Services "A"	(8.9)	(11.6)
Citizen Centred Services "B"	(29.8)	(15.6)
Internal Services	(4.1)	(5.6)
City Manager	(0.4)	(0.5)
Other City Programs	(1.7)	(1.8)
Council Appointed Programs	(0.5)	(0.2)
Total - City Operations	(45.3)	(35.3)
Agencies, Boards and Commissions	(24.7)	(8.9)
Corporate Accounts	(118.0)	(70.8)
Sub-Total	(142.6)	(79.7)
Total Variance	(187.9)	(115.0)

Rate Supported Programs were under-spent by \$17.403 million or 79.9% compared to net planned expenditures for the six-month period ended June 30, 2012 and project year-end under-spending of \$3.750 million or 6.6% of the 2012 Approved Net Operating Budget. The net favourable variance for the six-month period was largely driven by lower than budgeted Solid Waste Management Services' expenditures due to unfilled positions including fewer temporary, seasonal workers as well as lower than planned expenditures for reserve fund contributions, inter-departmental charges and payments-in-lieu of taxes. In addition, Toronto Water reported savings from salary and benefits arising from vacancies and under-spending for hydro costs.

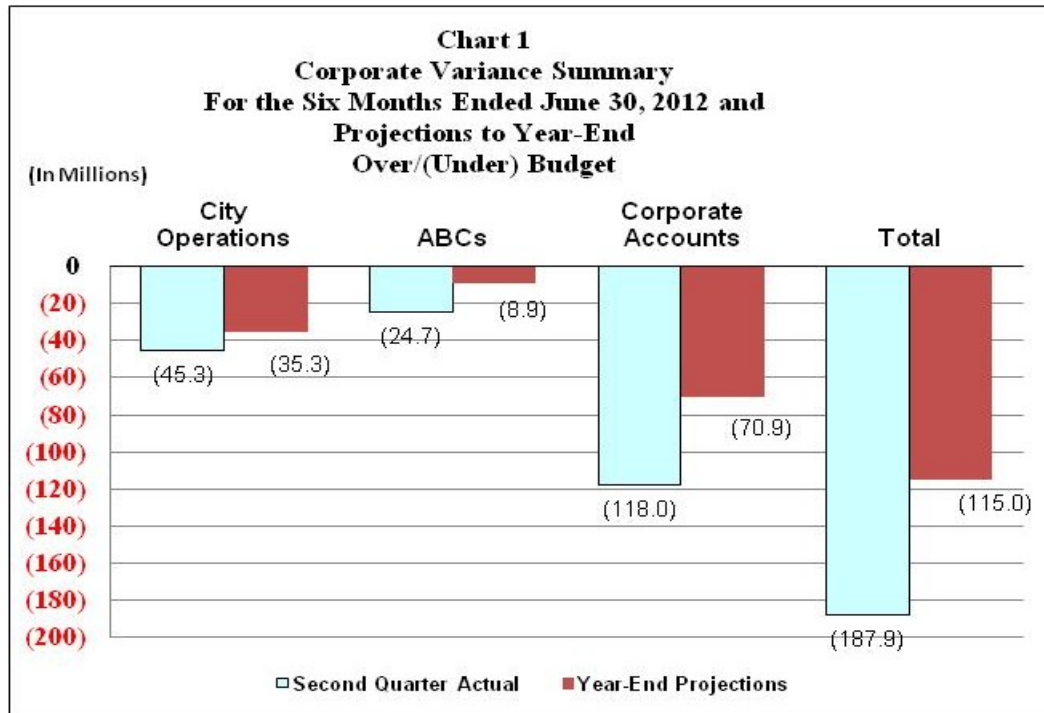
Appendices A, B and C attached summarize net expenditures, gross expenditures, and revenues, respectively. Appendix D provides the in-year budget adjustments for the second quarter ended June 30, 2012. Appendix E provides detailed variance explanations for City Programs and Agencies for the six months ended June 30, 2012 as well as projections to year-end.

## **ISSUE BACKGROUND**

This report is provided pursuant to good financial management practices and budgetary control. As part of the City of Toronto's accountability framework, quarterly and year-end operating variance reports are submitted to Committees and Council, to provide information on how the approved operating funds are being spent, and on an exceptions basis, to identify issues that require direction and/or decisions from Council. In addition, Council's approval is requested for budget adjustments that amend the 2012 Council Approved Operating Budget between Programs

in accordance with the Financial Control By-Law and the City's financial management principles.

## COMMENTS



*City Operations* realized a net under-expenditure of \$45.318 million or 4.9% of planned expenditures for the six-month period ended June 30, 2012 and forecasts to be below the 2012 Approved Net Operating Budget by \$35.285 million or 1.9% at year-end.

Thirty-one City Programs were either under-budget or at budget for the six-month period ended June 30, 2012, resulting in net under-spending of \$47.748 million. This is primarily due to the timing of hiring for vacant positions, higher than anticipated revenues and prudent expenditure controls.

Major contributors to the under-expenditure as of June 30, 2012 included the following:

- Toronto Building net under-expenditure of \$15.914 million resulting largely from higher than forecasted revenues of \$13.630 million or 59.4% due to a sustained high volume of permit application intake.
- Transportation Services net under-expenditure of \$6.301 million or 5.5% primarily from lower than budgeted gross expenditures of \$1.099 million or 0.7% and higher than planned revenues of \$5.203 million or 16.8%.

- City Planning net under-expenditure of \$4.473 million or 74.9% resulting from lower than budgeted gross expenditures of \$1.263 million or 7.3% due largely to savings in salary and benefits from vacancies. Revenues exceeded budget by \$3.210 million or 28.4% from higher than expected development application intake.
- Toronto Employment and Social Services net under-expenditure of \$3.879 million or 4.1% due primarily to savings from lower than anticipated caseload, caseload mix and special diet program.
- Parks, Forestry and Recreation net under-expenditure of \$3.813 million or 3.2% driven largely by salary and benefit savings from unfilled seasonal positions which were partially offset by under-achieved permit and golf revenues.
- Information and Technology net under-expenditure of \$2.827 million or 6.6% resulting from lower than budgeted gross expenditures of \$5.427 million or 10.6% resulting from delays in filling vacant positions and savings in hardware and software maintenance costs. Lower than planned revenue of \$2.600 million was mainly due to delays in filling capital funded positions.

*Agencies* reported net under-spending of \$24.663 million or 3.1% of planned expenditures for the six months ended June 30, 2012. The favourable variance was driven primarily by the Toronto Transit Commission's combined services which reported \$15.673 million or 7.0% in net under-expenditures. This resulted from higher than planned revenue of \$5.183 million or 1.0% due to greater than expected ridership. The Commission also experienced lower than planned gross expenditures of \$10.490 million or 1.4% due to lower diesel fuel prices, reduced natural gas costs from lower pricing and reduced consumption owing to the warmer winter weather, and lower demand for Wheel-Trans services coupled with shorter trip lengths for its contracted taxi service.

In addition, the Toronto Police Service reported net under-spending of \$2.000 million or 0.4% of planned expenditures for the six-month period ended June 30, 2012. This under-expenditure was due to lower than planned salary and benefit expenditures of \$1.450 million or 0.3% from the larger number of members on unpaid leave and higher than budgeted revenue of \$0.550 million or 2.0% due to greater than planned fees and recoveries.

Agencies collectively forecast an under-expenditure of \$8.933 million or 0.5% for the 2012 Approved Net Operating Budget by year-end. The projected net year-end favourable variance is largely attributed to the Toronto Police Service which is forecasting a net savings of \$4.000 million or 0.4%. The Toronto Transit Commission is forecasting a year-end net favourable variance of \$2.100 million or 0.4% below the 2012 Approved Net Operating Budget due to projected increase ridership level of 512 million. In addition, the Toronto Public Library is forecasting an under-expenditure of \$2.926 million net by year-end, resulting largely from savings from the March 2012 labour disruption.

*Corporate Accounts* experienced a net favourable variance of \$117.960 million of planned expenditures for the six-month period ended June 30, 2012. Projections to year-end report a favourable variance of \$70.786 million below the 2012 Approved Net Operating Budget, as noted below:

**Non-Program Expenditures** were under-spent by \$56.830 million or 22.2% of planned expenditures for the six-month period ended June 30, 2012. The favourable variance was largely driven by under-expenditures for unsettled negotiated annual increases for Fire Services and City management/non-union staff plus savings arising from negotiated settlement of 0% for CUPE Local 416 and Local 79 totalling \$52.992 million. In addition, the negotiated wage settlement for Toronto Transit Commission's unionized employees is included in the savings. As of the writing of this report, The Toronto Transit Commission is finalizing the amount to be transferred from Non-Program Expenditures. These savings are partially off-set by unbudgeted spending of \$2.023 million largely for corporate contingencies in preparation of potential labour disruption in the winter of 2012.

Forecasted Non-Program Expenditures reflect a net under-expenditure of \$14.086 million or 2.5% at year-end. The year-end under-spending projection is due primarily to negotiated wage savings for CUPE Local 416 and Local 79 staff salaries partially offset by projected over-spending for Tax Deficiencies/Write-offs due to higher than anticipated assessment appeals and tax appeals and unbudgeted spending largely for preparation of the potential labour disruption in the winter of 2012. It should be noted that the wage savings will be earmarked to fund the one-time negotiated 1.5% lump sum payment for CUPE Local 79 and Local 416 staff in 2013.

**Non-Program Revenues** realized a 2012 Approved Net Operating Budget variance of \$61.130 million or 12.2% above planned revenues for the period ended June 30, 2012. Projections to year-end indicate a favourable variance of \$56.700 million of the 2012 Approved Net Operating Budget. The projected year-end favourable variance is attributed to the following

- **Municipal Land Transfer Tax (MLTT):** Higher than expected number of property sales and values are anticipated to generate \$330.000 million in 2012, representing an overachievement of \$41.710 million or 14.5% of the 2012 Approved Operating Budget of \$288.290 million.
- **Third Party Sign Tax:** Revenues are forecasted to be \$7.750 million higher than the 2012 Approved Budget of \$1.582 million.
- **Interest/Investment Earnings:** More robust cash flow during 2012, which allows more funding being generated from short-term investments, will result in an extra \$5.000 million in Interest/Investment Earnings at year-end.
- **Toronto Hydro Revenue:** Revenues are projected to be \$2.966 million or 6.6% above the 2012 Approved Operating Budget of \$45.000 million.

Enwave dividend payment of \$5.450 million and supplementary debt interest payment of \$1.696 million received in the second quarter will be transferred to the capital reserve as per the capital financing strategy approved in the Capital Budget and will therefore have no impact on the current and projected year-end variance. This is in addition to dividend payment of \$66.055 million received in the first quarter made up of \$20.000 million from Build Toronto, \$6.055 million from Enwave and \$40.000 million from the Toronto Portlands Company Limited.

As noted above, staff are projecting Municipal Land Transfer Tax net revenues will reach \$330.000 million by year-end which will result in a Non-Program Revenues forecasted favourable variance of \$41.710 million. Council should be cautioned that if a major correction to the real estate market occurs this will change the forecast.

## Budget Adjustments

Council approval is required for the in-year budget adjustments detailed in Appendix D with off-setting reductions in gross expenditures and revenues of \$10.069 million, and no impact to the 2012 Approved Net Operating Budget.

### Ontario Works Cost of Administration Adjustment:

The Province has revised the cost-sharing funding methodology for Ontario Works (OW) Cost of Administration that provides a fixed subsidy amount per case to cover both direct delivery costs as well as indirect corporate support costs. Under this revised cost sharing methodology indirect corporate support costs will now be allocated to the OW Program by using the City's Full Costing Model developed by Accounting Services. Under the previous cost-sharing methodology, corporate support costs were based on inter-divisional charges and inter-divisional revenues (IDCs/IDRs) between City Programs providing services to Toronto Employment and Social Services.

In order to implement the revised cost-sharing methodology, corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services need to be reversed. This reversal of \$12.538 million gross and \$0 net will have no net impact on the City's 2012 Approved Net Operating Budget. The net increase in the 2012 Approved Operating Budgets of City Programs providing services will be offset by an equal net reduction to the Toronto Employment and Social Services' 2012 Approved Operating Budget.

### Community Partnership and Investment Program (CPIP) Adjustment:

At its meeting of January 17, 2012 City Council approved the transfer of the Community Partnership and Investment Program (CPIP) to City Programs. In line with this policy, this report recommends that \$0.478 million be transferred from the Social Development, Finance and Administration's 2012 Approved Operating Budget to the following: (1) \$0.125 million to Children Services' 2012 Operating Budget to fund the Youth Summer Camp Program and (2) \$0.354 million to the Transportation Services' 2012 Operating Budget to fund the Graffiti Transformation Program. This adjustment will not impact the City's 2012 Approved Net Operating Budget.

## Consulting Costs

As at June 30, 2012, Tax and Rate Supported Operations reported actual consulting costs of \$1.816 million gross resulting in an under-expenditure of \$2.342 million gross or 56.3% of \$4.158 million in planned expenditures.

## Approved Positions

The City of Toronto budgets and monitors its staff complement based on Approved Positions. As at June 30, 2012, the City reported 43,704.9 full-time approved positions (41,431.1 permanent and 2,273.8 casual/seasonal) and 4,747.5 part-time approved positions (1,859.2 permanent and 2,883.3 casual/seasonal). This reflects a decrease of 1,859.2 positions or 3.6% from the 2012 Council Approved Positions and is primarily attributed to the timing of hiring for vacant positions and seasonal fluctuations within City Program and Agency workforces.

## Utility Costs

As at June 30, 2012, Tax and Rate Supported Operations reported actual utility costs of \$78.920 million gross (compared to the planned expenditures of \$89.173 million gross) resulting in an under-expenditure of \$10.252 million gross or 11.5% compared to plan for the second quarter. The under-expenditure in utility costs was primarily the result of lower than planned consumption, predominantly in Toronto Water, Transportation Services, Toronto Transit Commission and Facilities Management and Real Estate.

## **CONTACT**

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## **SIGNATURE**

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Cam Weldon  
Deputy City Manager and Chief Financial Officer

## **ATTACHMENTS**

Appendix A – City of Toronto Net Expenditures for Six Months Ended June 30, 2012  
Appendix B – City of Toronto Gross Expenditures for Six Months Ended June 30, 2012  
Appendix C – City of Toronto Revenues for Six Months Ended June 30, 2012  
Appendix D – City of Toronto Budget Adjustments for Six Months Ended June 30, 2012  
Appendix E – City of Toronto Significant City Programs/Agencies Variance Explanations



**CITY OF TORONTO**  
**CONSOLIDATED NET EXPENDITURES VARIANCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012**  
**(\$000s)**

	June 30, 2012				December 31, 2012			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Citizen Centred Services "A"</b>								
Affordable Housing Office	721.2	721.2	0.0	0.0%	1,147.4	1,147.4	0.0	0.0%
Children's Services	43,354.1	43,354.1	0.0	0.0%	75,811.2	75,811.2	(0.0)	0.0%
Court Services	(3,198.5)	(2,824.2)	374.3	-11.7%	(13,965.7)	(13,480.2)	485.5	-3.5%
Economic Development & Culture	21,874.1	23,181.2	1,307.1	6.0%	43,748.2	44,641.2	893.0	2.0%
Emergency Medical Services	25,745.4	26,493.3	747.9	2.9%	65,043.0	66,316.1	1,273.1	2.0%
Long Term Care Homes and Services	14,953.7	14,603.3	(350.3)	-2.3%	45,297.8	45,297.8	(0.0)	0.0%
Parks, Forestry & Recreation	119,472.3	115,659.1	(3,813.3)	-3.2%	272,042.8	264,542.8	(7,500.0)	-2.8%
Shelter, Support & Housing Administration	126,505.3	124,373.2	(2,132.1)	-1.7%	273,807.1	273,807.1	0.0	0.0%
Social Development, Finance & Administration	8,998.6	8,955.9	(42.7)	-0.5%	29,233.2	29,233.2	0.0	0.0%
Toronto Employment & Social Services	94,025.8	90,147.3	(3,878.5)	-4.1%	197,761.2	191,909.8	(5,851.4)	-3.0%
311 Toronto	4,084.4	3,001.4	(1,083.0)	-26.5%	9,957.5	9,074.9	(882.6)	-8.9%
<b>Sub-Total Citizen Centred Services "A"</b>	<b>456,536.3</b>	<b>447,665.7</b>	<b>(8,870.6)</b>	<b>-1.9%</b>	<b>999,883.7</b>	<b>988,301.3</b>	<b>(11,582.5)</b>	<b>-1.2%</b>
<b>Citizen Centred Services "B"</b>								
City Planning	5,969.8	1,497.3	(4,472.5)	-74.9%	13,246.1	11,370.3	(1,875.8)	-14.2%
Fire Services	173,876.1	173,265.9	(610.2)	-0.4%	354,639.4	356,342.7	1,703.3	0.5%
Municipal Licensing & Standards	5,950.4	5,123.4	(827.0)	-13.9%	19,187.5	17,829.1	(1,358.4)	-7.1%
Policy, Planning, Finance and Administration	4,588.3	4,046.6	(541.7)	-11.8%	9,791.8	9,191.6	(600.2)	-6.1%
Technical Services	7,185.1	6,252.6	(932.5)	-13.0%	9,496.9	9,461.9	(34.9)	-0.4%
Toronto Building	(2,072.6)	(17,986.1)	(15,913.5)	767.8%	(10,715.3)	(19,715.3)	(9,000.0)	84.0%
Toronto Environment Office	1,175.3	1,018.9	(156.3)	-13.3%	2,660.9	2,375.9	(285.0)	-10.7%
Transportation Services	115,554.3	109,252.8	(6,301.5)	-5.5%	206,498.0	202,397.2	(4,100.8)	-2.0%
<b>Sub-Total Citizen Centred Services "B"</b>	<b>312,226.7</b>	<b>282,471.4</b>	<b>(29,755.3)</b>	<b>-9.5%</b>	<b>604,805.3</b>	<b>589,253.4</b>	<b>(15,551.8)</b>	<b>-2.6%</b>
<b>Internal Services</b>								
Office of the Chief Financial Officer	3,481.1	3,418.6	(62.5)	-1.8%	8,624.9	8,461.6	(163.3)	-1.9%
Office of the Treasurer	10,618.1	10,039.2	(578.9)	-5.5%	26,277.1	25,234.7	(1,042.4)	-4.0%
Facilities Management & Real Estate	42,934.6	42,709.3	(225.3)	-0.5%	53,873.4	53,571.7	(301.6)	-0.6%
Fleet Services	2,589.4	2,194.7	(394.7)	-15.2%	1.1	69.0	67.9	6172.7%
Information & Technology	42,902.5	40,075.4	(2,827.0)	-6.6%	63,899.0	59,725.8	(4,173.2)	-6.5%
<b>Sub-Total Internal Services</b>	<b>102,525.7</b>	<b>98,437.2</b>	<b>(4,088.5)</b>	<b>-4.0%</b>	<b>152,675.5</b>	<b>147,062.8</b>	<b>(5,612.6)</b>	<b>-3.7%</b>
<b>City Manager</b>								
City Manager's Office	15,999.3	15,617.9	(381.4)	-2.4%	35,010.2	34,488.3	(522.0)	-1.5%
<b>Sub-Total City Manager</b>	<b>15,999.3</b>	<b>15,617.9</b>	<b>(381.4)</b>	<b>-2.4%</b>	<b>35,010.2</b>	<b>34,488.3</b>	<b>(522.0)</b>	<b>-1.5%</b>
<b>Other City Programs</b>								
City Clerk's Office	13,110.4	13,073.3	(37.2)	-0.3%	28,845.1	28,760.1	(85.0)	-0.3%
Legal Services	9,227.1	8,347.7	(879.4)	-9.5%	18,454.2	16,816.5	(1,637.7)	-8.9%
Mayor's Office	865.8	760.3	(105.6)	-12.2%	1,908.3	1,858.3	(50.0)	-2.6%
City Council	8,881.7	8,162.7	(719.0)	-8.1%	19,146.5	19,146.5	(0.0)	0.0%
<b>Sub-Total Other City Programs</b>	<b>32,085.0</b>	<b>30,343.9</b>	<b>(1,741.2)</b>	<b>-5.4%</b>	<b>68,354.1</b>	<b>66,581.4</b>	<b>(1,772.7)</b>	<b>-2.6%</b>
<b>Accountability Offices</b>								
Auditor General's Office	1,962.2	1,663.3	(298.9)	-15.2%	4,271.4	4,106.5	(164.9)	-3.9%
Integrity Commissioner's Office	99.7	93.7	(6.0)	-6.0%	211.1	211.1	0.0	0.0%
Lobbyist Registrar's Office	486.4	372.1	(114.3)	-23.5%	1,052.4	974.1	(78.3)	-7.4%
Ombudsman's Office	654.9	592.8	(62.1)	-9.5%	1,421.1	1,421.1	0.0	0.0%
<b>Sub-Total Council Appointed Programs</b>	<b>3,203.2</b>	<b>2,721.9</b>	<b>(481.3)</b>	<b>-15.0%</b>	<b>6,956.0</b>	<b>6,712.8</b>	<b>(243.2)</b>	<b>-3.5%</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>922,576.3</b>	<b>877,258.0</b>	<b>(45,318.2)</b>	<b>-4.9%</b>	<b>1,867,684.9</b>	<b>1,832,400.0</b>	<b>(35,284.8)</b>	<b>-1.9%</b>





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	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Agencies</b>								
Toronto Public Health	21,165.6	19,861.8	(1,303.8)	-6.2%	47,732.9	47,036.5	(696.3)	-1.5%
Toronto Public Library	80,407.9	77,484.1	(2,923.8)	-3.6%	164,487.1	161,561.1	(2,926.0)	-1.8%
Association of Community Centres	3,343.8	3,116.1	(227.7)	-6.8%	6,687.3	6,709.9	22.6	0.3%
Exhibition Place	2,511.8	1,636.9	(874.9)	-34.8%	2.4	(11.1)	(13.5)	-562.5%
Heritage Toronto	311.8	91.5	(220.3)	-70.7%	311.8	311.8	0.0	0.0%
Theatres	986.5	1,348.7	362.2	36.7%	2,963.2	3,780.9	817.7	27.6%
Toronto Zoo	8,102.4	6,715.9	(1,386.5)	-17.1%	11,110.7	11,110.7	0.0	0.0%
Arena Boards of Management	(3.7)	(381.6)	(377.9)	10130.1%	(7.5)	51.8	59.3	-794.9%
Yonge Dundas Square	231.9	194.7	(37.2)	-16.0%	463.7	366.5	(97.2)	-21.0%
Toronto & Region Conservation Authority	1,603.2	1,603.2	0.0	0.0%	3,206.3	3,206.3	0.0	0.0%
Toronto Transit Commission - Conventional	177,680.2	164,353.6	(13,326.6)	-7.5%	374,101.0	370,801.0	(3,300.0)	-0.9%
Toronto Transit Commission - Wheel Trans	47,652.5	45,306.1	(2,346.4)	-4.9%	94,882.1	96,082.1	1,200.0	1.3%
Toronto Police Service	454,851.4	452,851.4	(2,000.0)	-0.4%	935,662.2	931,662.2	(4,000.0)	-0.4%
Toronto Police Services Board	1,035.1	1,035.1	0.0	0.0%	2,251.6	2,251.6	0.0	0.0%
<b>TOTAL - AGENCIES</b>	<b>799,880.3</b>	<b>775,217.4</b>	<b>(24,662.9)</b>	<b>-3.1%</b>	<b>1,643,854.8</b>	<b>1,634,921.5</b>	<b>(8,933.4)</b>	<b>-0.5%</b>
<b>Corporate Accounts</b>								
Capital & Corporate Financing	284,298.8	284,298.8	0.0	0.0%	624,105.6	624,105.6	0.0	0.0%
<b>Non-Program Expenditures</b>								
- Tax Deficiencies/Write-offs	26,895.2	26,890.2	(5.0)	0.0%	65,000.0	71,393.5	6,393.5	9.8%
- Assessment Function (MPAC)	19,087.0	19,038.6	(48.4)	-0.3%	38,174.0	38,174.0	0.0	0.0%
- Temporary Borrowing	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
- Funding of Employee Related Liabilities	35,970.1	35,970.1	0.0	0.0%	71,940.5	71,941.5	1.0	0.0%
- Contingency	0.0	2,022.5	2,022.5	n/a	0.0	2,022.5	2,022.5	n/a
- Other Corporate Expenditures	59,093.9	4,497.7	(54,596.2)	-92.4%	120,313.8	98,736.8	(21,577.0)	-17.9%
- Insurance Premiums & Claims	150.0	150.0	0.0	0.0%	300.0	300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	28,846.3	26,825.7	(2,020.6)	-7.0%	57,692.5	57,559.1	(133.4)	-0.2%
- Vacancy Rebate Program	11,000.0	11,016.6	16.6	0.2%	22,000.0	22,000.0	0.0	0.0%
- Heritage Property Taxes Rebate	0.0	0.0	0.0	n/a	2,000.0	2,000.0	0.0	0.0%
- Solid Waste Management Rebates	73,718.6	72,187.7	(1,530.9)	-2.1%	182,391.9	182,391.9	0.0	0.0%
- Pandemic Influenza Stockpiling	667.5	0.0	(667.5)	-100.0%	1,335.0	542.0	(793.0)	-59.4%
<b>Non-Program Expenditures</b>	<b>255,428.6</b>	<b>198,599.0</b>	<b>(56,829.5)</b>	<b>-22.2%</b>	<b>561,147.7</b>	<b>547,061.3</b>	<b>(14,086.4)</b>	<b>-2.5%</b>
<b>Non-Program Revenue</b>								
- Payments in Lieu of Taxes	(79,750.8)	(79,745.8)	5.0	0.0%	(92,200.0)	(92,200.0)	0.0	0.0%
- Supplementary Taxes	0.0	(13,019.0)	(13,019.0)	n/a	(50,000.0)	(50,000.0)	0.0	0.0%
- Tax Penalties	(13,495.8)	(14,308.7)	(812.9)	6.0%	(29,000.0)	(29,000.0)	0.0	0.0%
- Interest/Investment Earnings	(65,311.6)	(69,016.1)	(3,704.5)	5.7%	(113,623.1)	(118,623.1)	(5,000.0)	4.4%
- Prior Year Surplus	(50,874.4)	(50,874.4)	0.0	0.0%	(101,748.7)	(101,748.7)	0.0	0.0%
- Other Corporate Revenues	(3,813.8)	(5,768.2)	(1,954.4)	51.2%	(7,627.6)	(7,916.4)	(288.8)	3.8%
- Toronto Hydro Revenues	(22,500.0)	(34,966.0)	(12,466.0)	55.4%	(45,000.0)	(47,966.0)	(2,966.0)	6.6%
- Provincial Revenue	(45,800.0)	(45,800.0)	0.0	0.0%	(91,600.0)	(91,600.0)	0.0	0.0%
- Municipal Land Transfer Tax	(123,964.6)	(154,730.5)	(30,765.9)	24.8%	(288,289.7)	(330,000.0)	(41,710.3)	14.5%
- Personal Vehicle Tax	0.0	(33.7)	(33.7)	n/a	0.0	(33.7)	(33.7)	n/a
- Third Party Sign Tax	(790.7)	(231.1)	559.6	-70.8%	(1,581.5)	(9,331.6)	(7,750.1)	490.0%
- Parking Authority Revenues	(22,157.5)	(21,130.7)	1,026.8	-4.6%	(44,315.0)	(43,265.8)	1,049.2	-2.4%
- Administrative Support Recoveries - Water	(9,486.5)	(9,486.5)	0.0	0.0%	(18,973.0)	(18,973.0)	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	(8,163.4)	(8,163.4)	0.0	0.0%	(16,326.7)	(16,326.7)	0.0	0.0%
- Parking Tag Enforcement & Oper.	(40,324.7)	(40,182.8)	141.9	-0.4%	(80,649.4)	(80,649.4)	0.0	0.0%
- Other Tax Revenues	(8,333.1)	(8,328.1)	5.0	-0.1%	(14,395.0)	(14,395.0)	0.0	0.0%
- Woodbine Slots	(7,450.0)	(7,562.1)	(112.1)	1.5%	(14,900.0)	(14,900.0)	0.0	0.0%
<b>Non-Program Revenues</b>	<b>(502,216.8)</b>	<b>(563,347.0)</b>	<b>(61,130.2)</b>	<b>12.2%</b>	<b>(1,010,229.7)</b>	<b>(1,066,929.4)</b>	<b>(56,699.7)</b>	<b>5.6%</b>
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>37,510.6</b>	<b>(80,449.2)</b>	<b>(117,959.8)</b>	<b>-314.5%</b>	<b>175,023.7</b>	<b>104,237.5</b>	<b>(70,786.2)</b>	<b>-40.4%</b>
<b>NET OPERATING TAX LEVY</b>	<b>1,759,967.2</b>	<b>1,572,026.3</b>	<b>(187,940.9)</b>	<b>-10.7%</b>	<b>3,686,563.4</b>	<b>3,571,558.9</b>	<b>(115,004.3)</b>	<b>-3.1%</b>
<b>NON LEVY OPERATIONS</b>								
Solid Waste Management Services	13,299.3	2,594.8	(10,704.5)	-80.5%	0.0	(682.7)	(682.7)	n/a
Toronto Parking Authority	(28,173.6)	(26,804.5)	1,369.1	-4.9%	(56,403.0)	(55,004.1)	1,398.9	-2.5%
Toronto Water	(6,904.8)	(14,972.5)	(8,067.7)	116.8%	0.0	(4,465.7)	(4,465.7)	n/a
<b>NON LEVY OPERATING NET EXPENDITURES</b>	<b>(21,779.1)</b>	<b>(39,182.2)</b>	<b>(17,403.1)</b>	<b>79.9%</b>	<b>(56,403.0)</b>	<b>(60,152.5)</b>	<b>(3,749.5)</b>	<b>6.6%</b>



**CITY OF TORONTO**  
**CONSOLIDATED GROSS EXPENDITURES VARIANCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012**  
**(\$000s)**

	June 30, 2012				December 31, 2012			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Citizen Centred Services "A"</b>								
Affordable Housing Office	1,206.7	1,097.3	(109.4)	-9.1%	2,580.9	2,555.9	(25.0)	-1.0%
Children's Services	210,461.1	209,953.2	(507.9)	-0.2%	392,500.4	392,500.4	(0.0)	0.0%
Court Services	20,959.1	21,365.3	406.2	1.9%	52,263.2	55,018.7	2,755.5	5.3%
Economic Development & Culture	27,856.6	29,482.6	1,626.0	5.8%	55,713.3	56,606.3	893.0	1.6%
Emergency Medical Services	77,766.3	77,599.6	(166.7)	-0.2%	169,548.6	169,821.7	273.1	0.2%
Long Term Care Homes & Services	105,557.9	100,723.7	(4,834.2)	-4.6%	226,506.3	222,006.3	(4,500.0)	-2.0%
Parks, Forestry & Recreation	164,729.3	158,300.7	(6,428.6)	-3.9%	382,556.8	371,056.8	(11,500.0)	-3.0%
Shelter, Support & Housing Administration	364,777.9	336,367.6	(28,410.3)	-7.8%	791,850.6	783,734.8	(8,115.8)	-1.0%
Social Development, Finance & Administration	13,937.5	13,505.4	(432.1)	-3.1%	39,787.3	39,787.3	0.0	0.0%
Toronto Employment & Social Services	587,781.0	552,212.7	(35,568.3)	-6.1%	1,225,127.9	1,171,024.0	(54,103.9)	-4.4%
311 Toronto	8,294.1	6,370.4	(1,923.7)	-23.2%	18,377.4	17,093.9	(1,283.5)	-7.0%
<b>Sub-Total Citizen Centred Services "A"</b>	<b>1,583,327.5</b>	<b>1,506,978.4</b>	<b>(76,349.1)</b>	<b>-4.8%</b>	<b>3,356,812.6</b>	<b>3,281,206.0</b>	<b>(75,606.6)</b>	<b>-2.3%</b>
<b>Citizen Centred Services "B"</b>								
City Planning	17,264.2	16,001.7	(1,262.5)	-7.3%	38,679.0	36,589.0	(2,089.9)	-5.4%
Fire Services	181,598.3	181,637.2	38.9	0.0%	369,771.3	370,974.6	1,203.3	0.3%
Municipal Licensing & Standards	20,342.7	18,629.5	(1,713.2)	-8.4%	47,336.9	44,170.5	(3,166.4)	-6.7%
Policy, Planning, Finance and Administration	10,078.7	9,010.9	(1,067.9)	-10.6%	21,975.1	20,609.0	(1,366.2)	-6.2%
Technical Services	30,666.7	26,664.3	(4,002.4)	-13.1%	70,016.8	63,766.8	(6,250.0)	-8.9%
Toronto Buildings	20,872.5	18,589.2	(2,283.3)	-10.9%	46,735.6	41,549.9	(5,185.7)	-11.1%
Toronto Environment Office	3,011.1	1,256.0	(1,755.2)	-58.3%	5,932.7	5,647.7	(285.0)	-4.8%
Transportation Services	146,536.5	145,437.7	(1,098.7)	-0.7%	327,340.8	323,240.0	(4,100.8)	-1.3%
<b>Sub-Total Citizen Centred Services "B"</b>	<b>430,370.8</b>	<b>417,226.5</b>	<b>(13,144.3)</b>	<b>-3.1%</b>	<b>927,788.2</b>	<b>906,547.5</b>	<b>(21,240.7)</b>	<b>-2.3%</b>
<b>Internal Services</b>								
Office of the Chief Financial Officer	7,551.6	6,396.4	(1,155.2)	-15.3%	16,765.8	14,929.2	(1,836.6)	-11.0%
Office of the Treasurer	34,165.9	30,725.9	(3,440.0)	-10.1%	73,372.7	69,956.9	(3,415.8)	-4.7%
Facilities Management & Real Estate	82,059.7	79,083.9	(2,975.8)	-3.6%	176,857.6	172,758.9	(4,098.7)	-2.3%
Fleet Services	22,375.3	22,043.1	(332.2)	-1.5%	47,653.8	47,767.5	113.7	0.2%
Information & Technology	50,989.4	45,562.0	(5,427.4)	-10.6%	97,098.4	86,841.9	(10,256.5)	-10.6%
<b>Sub-Total Internal Services</b>	<b>197,141.9</b>	<b>183,811.3</b>	<b>(13,330.6)</b>	<b>-6.8%</b>	<b>411,748.3</b>	<b>392,254.4</b>	<b>(19,493.9)</b>	<b>-4.7%</b>
<b>City Manager</b>								
City Manager's Office	20,281.3	19,999.9	(281.4)	-1.4%	43,608.1	41,667.4	(1,940.7)	-4.5%
<b>Sub-Total City Manager</b>	<b>20,281.3</b>	<b>19,999.9</b>	<b>(281.4)</b>	<b>-1.4%</b>	<b>43,608.1</b>	<b>41,667.4</b>	<b>(1,940.7)</b>	<b>-4.5%</b>
<b>Other City Programs</b>								
City Clerk's Office	22,200.5	21,229.9	(970.6)	-4.4%	47,802.0	47,367.0	(435.0)	-0.9%
Legal Services	20,835.9	20,674.6	(161.2)	-0.8%	41,671.8	41,470.4	(201.3)	-0.5%
Mayor's Office	865.8	760.3	(105.6)	-12.2%	1,908.3	1,858.3	(50.0)	-2.6%
City Council	8,881.7	8,166.2	(715.5)	-8.1%	19,146.5	19,150.0	3.5	0.0%
<b>Sub-Total Other City Programs</b>	<b>52,783.9</b>	<b>50,831.0</b>	<b>(1,952.9)</b>	<b>-3.7%</b>	<b>110,528.6</b>	<b>109,845.8</b>	<b>(682.8)</b>	<b>-0.6%</b>
<b>Accountability Offices</b>								
Auditor General's Office	1,962.2	1,663.3	(298.9)	-15.2%	4,271.4	4,106.5	(164.9)	-3.9%
Integrity Commissioner's Office	99.7	93.7	(6.0)	-6.0%	211.1	211.1	0.0	0.0%
Lobbyist Registrar's Office	486.4	372.1	(114.3)	-23.5%	1,061.4	983.1	(78.3)	-7.4%
Ombudsman's Office	654.9	592.8	(62.1)	-9.5%	1,421.1	1,421.1	0.0	0.0%
<b>Sub-Total Council Appointed Programs</b>	<b>3,203.2</b>	<b>2,721.9</b>	<b>(481.3)</b>	<b>-15.0%</b>	<b>6,965.0</b>	<b>6,721.8</b>	<b>(243.2)</b>	<b>-3.5%</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>2,287,108.5</b>	<b>2,181,569.0</b>	<b>(105,539.5)</b>	<b>-4.6%</b>	<b>4,857,450.8</b>	<b>4,738,242.9</b>	<b>(119,207.9)</b>	<b>-2.5%</b>



**CITY OF TORONTO**  
**CONSOLIDATED GROSS EXPENDITURES VARIANCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012**  
**(\$000s)**

	June 30, 2012				December 31, 2012			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Agencies</b>								
Toronto Public Health	108,303.4	102,719.0	(5,584.3)	-5.2%	239,272.7	236,941.5	(2,331.3)	-1.0%
Toronto Public Library	87,553.3	84,837.1	(2,716.2)	-3.1%	179,414.4	176,251.3	(3,163.1)	-1.8%
Association of Community Centres	3,475.8	3,264.5	(211.3)	-6.1%	6,951.3	6,973.9	22.6	0.3%
Exhibition Place	25,834.9	25,006.1	(828.8)	-3.2%	64,772.7	64,911.5	138.8	0.2%
Heritage Toronto	880.8	311.9	(568.9)	-64.6%	880.8	880.8	0.0	0.0%
Theatres	12,648.2	12,087.1	(561.1)	-4.4%	27,900.9	25,944.7	(1,956.2)	-7.0%
Toronto Zoo	21,361.8	20,918.3	(443.5)	-2.1%	45,663.5	45,663.5	0.0	0.0%
Arena Boards of Management	3,365.4	2,966.3	(399.1)	-11.9%	6,730.7	6,716.7	(14.0)	-0.2%
Yonge Dundas Square	982.7	1,012.0	29.3	3.0%	1,965.3	2,175.1	209.8	10.7%
Toronto & Region Conservation Authority	18,601.5	18,601.5	0.0	0.0%	37,203.0	37,203.0	0.0	0.0%
Toronto Transit Commission - Conventional	710,148.9	702,016.8	(8,132.1)	-1.1%	1,444,047.5	1,447,447.5	3,400.0	0.2%
Toronto Transit Commission - Wheel Trans	50,370.5	48,012.6	(2,357.9)	-4.7%	100,206.7	101,406.7	1,200.0	1.2%
Toronto Police Service	481,855.6	480,405.6	(1,450.0)	-0.3%	1,012,031.2	1,009,131.2	(2,900.0)	-0.3%
Toronto Police Services Board	1,035.1	1,035.1	0.0	0.0%	3,231.6	3,231.6	0.0	0.0%
<b>TOTAL - AGENCIES</b>	<b>1,526,417.8</b>	<b>1,503,193.9</b>	<b>(23,223.9)</b>	<b>-1.5%</b>	<b>3,170,272.4</b>	<b>3,164,879.0</b>	<b>(5,393.4)</b>	<b>-0.2%</b>
<b>Corporate Accounts</b>								
Capital & Corporate Financing	284,298.8	284,298.8	0.0	0.0%	639,127.3	639,127.3	0.0	0.0%
<b>Non-Program Expenditures</b>								
- Tax Deficiencies/Write-offs	26,895.2	26,890.2	(5.0)	0.0%	65,000.0	71,393.5	6,393.5	9.8%
- Assessment Function (MPAC)	19,087.0	19,038.6	(48.4)	-0.3%	38,174.0	38,174.0	0.0	0.0%
- Temporary Borrowing	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
- Funding of Employee Related Liabilities	35,970.1	35,970.1	0.0	0.0%	71,940.5	71,941.5	1.0	0.0%
- Contingency	0.0	2,022.5	2,022.5	n/a	0.0	2,022.5	2,022.5	n/a
- Other Corporate Expenditures	66,641.3	5,186.3	(61,455.0)	-92.2%	135,408.6	109,296.0	(26,112.6)	-19.3%
- Insurance Premiums & Claims	150.0	150.0	0.0	0.0%	300.0	300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	28,846.3	26,825.7	(2,020.6)	-7.0%	57,692.5	57,559.1	(133.4)	-0.2%
- Programs Funded from Reserve Funds	70,829.6	62,308.6	(8,521.0)	-12.0%	141,659.2	130,332.9	(11,326.3)	-8.0%
- Vacancy Rebate Program	11,000.0	11,016.6	16.6	0.2%	22,000.0	22,000.0	0.0	0.0%
- Heritage Property Taxes Rebate	0.0	0.0	0.0	n/a	2,000.0	2,000.0	0.0	0.0%
- Tax Rebates for Registered Charities	5,329.1	5,329.1	0.0	0.0%	5,329.1	5,329.1	0.0	0.0%
- Solid Waste Management Rebates	73,718.6	72,187.7	(1,530.9)	-2.1%	182,391.9	182,391.9	0.0	0.0%
- Pandemic Influenza Stockpiling	667.5	0.0	(667.5)	-100.0%	1,335.0	542.0	(793.0)	-59.4%
Non-Program Expenditures	339,134.7	266,925.3	(72,209.3)	-21.3%	723,230.8	693,282.5	(29,948.3)	-4.1%
<b>Non-Program Revenue</b>								
- Interest/Investment Earnings	438.4	358.9	(79.5)	-18.1%	876.9	876.9	0.0	0.0%
- Other Corporate Revenues	459.0	1,458.5	999.5	217.8%	918.0	1,855.4	937.4	102.1%
- Municipal Land Transfer Tax	2,551.6	2,517.0	(34.6)	-1.4%	5,934.1	5,934.1	0.0	0.0%
- Personal Vehicle Tax	0.0	(32.8)	(32.8)	n/a	0.0	(32.8)	(32.8)	n/a
- Third Party Sign Tax	559.3	0.0	(559.3)	-100.0%	1,118.5	918.4	(200.1)	-17.9%
- Other Tax Revenues	0.0	14.0	14.0	n/a	0.0	0.0	0.0	n/a
Non-Program Revenues	4,008.3	4,315.6	307.3	7.7%	8,847.5	9,552.0	704.5	8.0%
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>627,441.8</b>	<b>555,539.7</b>	<b>(71,902.0)</b>	<b>-11.5%</b>	<b>1,371,205.6</b>	<b>1,341,961.8</b>	<b>(29,243.8)</b>	<b>-2.1%</b>
<b>LEVY OPERATING GROSS EXPENDITURES</b>	<b>4,440,968.1</b>	<b>4,240,302.6</b>	<b>(200,665.4)</b>	<b>-4.5%</b>	<b>9,398,928.9</b>	<b>9,245,083.7</b>	<b>(153,845.2)</b>	<b>-1.6%</b>
<b>NON LEVY OPERATIONS</b>								
Solid Waste Management Services	124,939.6	101,765.7	(23,173.9)	-18.5%	345,865.0	345,563.3	(301.7)	-0.1%
Toronto Parking Authority	36,191.4	35,911.7	(279.7)	-0.8%	72,326.9	72,327.7	0.8	0.0%
Toronto Water	431,960.6	417,649.6	(14,311.0)	-3.3%	893,333.0	875,822.9	(17,510.1)	-2.0%
<b>NON LEVY OPERATING GROSS EXPENDITURES</b>	<b>593,091.6</b>	<b>555,327.0</b>	<b>(37,764.6)</b>	<b>-6.4%</b>	<b>1,311,524.9</b>	<b>1,293,713.9</b>	<b>(17,811.0)</b>	<b>-1.4%</b>



**CITY OF TORONTO**  
**CONSOLIDATED REVENUES VARIANCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012**  
**(\$000s)**

	June 30, 2012				December 31, 2012			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Citizen Centred Services "A"</b>								
Affordable Housing Office	485.5	376.1	(109.4)	-22.5%	1,433.4	1,408.4	(25.0)	-1.7%
Children's Services	167,107.0	166,599.1	(507.9)	-0.3%	316,689.2	316,689.2	0.0	0.0%
Court Services	24,157.6	24,189.5	31.9	0.1%	66,228.9	68,498.9	2,270.0	3.4%
Economic Development & Culture	5,982.5	6,301.4	318.9	5.3%	11,965.1	11,965.1	0.0	0.0%
Emergency Medical Services	52,020.9	51,106.3	(914.6)	-1.8%	104,505.6	103,505.6	(1,000.0)	-1.0%
Long Term Care Homes and Services	90,604.3	86,120.3	(4,483.9)	-4.9%	181,208.5	176,708.5	(4,500.0)	-2.5%
Parks, Forestry & Recreation	45,257.0	42,641.7	(2,615.3)	-5.8%	110,514.0	106,514.0	(4,000.0)	-3.6%
Shelter, Support & Housing Administration	238,272.6	211,994.4	(26,278.2)	-11.0%	518,043.5	509,927.7	(8,115.8)	-1.6%
Social Development, Finance & Administration	4,938.9	4,549.5	(389.4)	-7.9%	10,554.1	10,554.1	0.0	0.0%
Toronto Employment & Social Services	493,755.2	462,065.4	(31,689.8)	-6.4%	1,027,366.7	979,114.2	(48,252.5)	-4.7%
311 Toronto	4,209.7	3,369.0	(840.7)	-20.0%	8,419.9	8,019.0	(400.9)	-4.8%
<b>Sub-Total Citizen Centred Services "A"</b>	<b>1,126,791.1</b>	<b>1,059,312.7</b>	<b>(67,478.4)</b>	<b>-6.0%</b>	<b>2,356,928.9</b>	<b>2,292,904.7</b>	<b>(64,024.2)</b>	<b>-2.7%</b>
<b>Citizen Centred Services "B"</b>								
City Planning	11,294.4	14,504.4	3,210.0	28.4%	25,432.8	25,218.7	(214.1)	-0.8%
Fire Services	7,722.2	8,371.3	649.1	8.4%	15,131.9	14,631.9	(500.0)	-3.3%
Municipal Licensing & Standards	14,392.3	13,506.1	(886.2)	-6.2%	28,149.4	26,341.4	(1,808.0)	-6.4%
Policy, Planning, Finance and Administration	5,490.4	4,964.2	(526.2)	-9.6%	12,183.4	11,417.4	(766.0)	-6.3%
Technical Services	23,481.5	20,411.7	(3,069.9)	-13.1%	60,520.0	54,304.9	(6,215.1)	-10.3%
Toronto Building	22,945.1	36,575.3	13,630.2	59.4%	57,450.9	61,265.2	3,814.3	6.6%
Toronto Environment Office	1,835.9	237.1	(1,598.8)	-87.1%	3,271.8	3,271.8	0.0	0.0%
Transportation Services	30,982.2	36,184.9	5,202.8	16.8%	120,842.8	120,842.8	0.0	0.0%
<b>Sub-Total Citizen Centred Services "B"</b>	<b>118,144.0</b>	<b>134,755.0</b>	<b>16,611.0</b>	<b>14.1%</b>	<b>322,982.9</b>	<b>317,294.1</b>	<b>(5,688.9)</b>	<b>-1.8%</b>
<b>Internal Services</b>								
Office of the Chief Financial Officer	4,070.5	2,977.8	(1,092.7)	-26.8%	8,140.9	6,467.6	(1,673.3)	-20.6%
Office of the Treasurer	23,547.8	20,686.7	(2,861.1)	-12.2%	47,095.6	44,722.2	(2,373.4)	-5.0%
Facilities Management & Real Estate	39,125.1	36,374.6	(2,750.5)	-7.0%	122,984.2	119,187.2	(3,797.0)	-3.1%
Fleet Services	19,785.9	19,848.4	62.5	0.3%	47,652.7	47,698.5	45.8	0.1%
Information & Technology	8,086.9	5,486.6	(2,600.3)	-32.2%	33,199.4	27,116.1	(6,083.3)	-18.3%
<b>Sub-Total Internal Services</b>	<b>94,616.2</b>	<b>85,374.1</b>	<b>(9,242.1)</b>	<b>-9.8%</b>	<b>259,072.8</b>	<b>245,191.6</b>	<b>(13,881.2)</b>	<b>-5.4%</b>
<b>City Manager</b>								
City Manager's Office	4,282.0	4,382.0	100.0	2.3%	8,597.8	7,179.1	(1,418.7)	-16.5%
<b>Sub-Total City Manager</b>	<b>4,282.0</b>	<b>4,382.0</b>	<b>100.0</b>	<b>2.3%</b>	<b>8,597.8</b>	<b>7,179.1</b>	<b>(1,418.7)</b>	<b>-16.5%</b>
<b>Other City Programs</b>								
City Clerk's Office	9,090.1	8,156.7	(933.4)	-10.3%	18,956.9	18,606.9	(350.0)	-1.8%
Legal Services	11,608.8	12,327.0	718.2	6.2%	23,217.6	24,653.9	1,436.4	6.2%
Mayor's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
City Council	0.0	3.5	3.5	n/a	0.0	3.5	3.5	n/a
<b>Sub-Total Other City Programs</b>	<b>20,698.9</b>	<b>20,487.2</b>	<b>(211.7)</b>	<b>-1.0%</b>	<b>42,174.5</b>	<b>43,264.4</b>	<b>1,089.9</b>	<b>2.6%</b>
<b>Accountability Offices</b>								
Auditor General's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Integrity Commissioner's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Lobbyist Registrar's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	0.0%
Ombudsman's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
<b>Sub-Total Council Appointed Programs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>n/a</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>TOTAL - CITY OPERATIONS</b>	<b>1,364,532.3</b>	<b>1,304,311.0</b>	<b>(60,221.3)</b>	<b>-4.4%</b>	<b>2,989,765.9</b>	<b>2,905,842.9</b>	<b>(83,923.0)</b>	<b>-2.8%</b>



**CITY OF TORONTO**  
**CONSOLIDATED REVENUES VARIANCE**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2012**  
**(\$000s)**

	June 30, 2012				December 31, 2012			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
<b>Agencies</b>								
Toronto Public Health	87,137.7	82,857.3	(4,280.5)	-4.9%	191,539.9	189,905.0	(1,634.9)	-0.9%
Toronto Public Library	7,145.4	7,353.0	207.6	2.9%	14,927.3	14,690.2	(237.1)	-1.6%
Association of Community Centres	132.0	148.4	16.4	12.4%	264.0	264.0	0.0	0.0%
Exhibition Place	23,323.1	23,369.2	46.1	0.2%	64,770.3	64,922.6	152.3	0.2%
Heritage Toronto	569.0	220.4	(348.6)	-61.3%	569.0	569.0	0.0	0.0%
Theatres	11,661.7	10,738.4	(923.3)	-7.9%	24,937.7	22,163.7	(2,774.0)	-11.1%
Toronto Zoo	13,259.4	14,202.4	943.0	7.1%	34,552.8	34,552.8	0.0	0.0%
Arena Boards of Management	3,369.1	3,347.9	(21.2)	-0.6%	6,738.2	6,664.9	(73.3)	-1.1%
Yonge Dundas Square	750.8	817.3	66.5	8.9%	1,501.6	1,808.6	307.0	20.4%
Toronto & Region Conservation Authority	16,998.4	16,998.4	0.0	0.0%	33,996.7	33,996.7	0.0	0.0%
Toronto Transit Commission - Conventional	532,468.7	537,663.2	5,194.5	1.0%	1,069,946.5	1,076,646.5	6,700.0	0.6%
Toronto Transit Commission - Wheel Trans	2,718.0	2,706.5	(11.5)	-0.4%	5,324.6	5,324.6	0.0	0.0%
Toronto Police Service	27,004.2	27,554.2	550.0	2.0%	76,369.0	77,469.0	1,100.0	1.4%
Toronto Police Services Board	0.0	0.0	0.0	n/a	980.0	980.0	0.0	0.0%
<b>TOTAL - AGENCIES</b>	<b>726,537.5</b>	<b>727,976.5</b>	<b>1,439.0</b>	<b>0.2%</b>	<b>1,526,417.6</b>	<b>1,529,957.5</b>	<b>3,539.9</b>	<b>0.2%</b>
<b>Corporate Accounts</b>								
Capital & Corporate Financing	0.0	0.0	0.0	n/a	15,021.7	15,021.7	0.0	0.0%
<b>Non-Program Expenditures</b>								
- Other Corporate Expenditures	7,547.4	688.6	(6,858.8)	-90.9%	15,094.8	10,559.2	(4,535.6)	-30.0%
- Programs Funded from Reserve Funds	70,829.6	62,308.6	(8,521.0)	-12.0%	141,659.2	130,332.9	(11,326.3)	-8.0%
- Tax Rebates for Registered Charities	5,329.1	5,329.1	0.0	0.0%	5,329.1	5,329.1	0.0	0.0%
- Solid Waste Management Rebates	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
<b>Non-Program Expenditures</b>	<b>83,706.1</b>	<b>68,326.3</b>	<b>(15,379.8)</b>	<b>-18.4%</b>	<b>162,083.1</b>	<b>146,221.2</b>	<b>(15,861.9)</b>	<b>-9.8%</b>
<b>Non-Program Revenue</b>								
- Payments in Lieu of Taxes	79,750.8	79,745.8	(5.0)	0.0%	92,200.0	92,200.0	0.0	0.0%
- Supplementary Taxes	0.0	13,019.0	13,019.0	n/a	50,000.0	50,000.0	0.0	0.0%
- Tax Penalties	13,495.8	14,308.7	812.9	6.0%	29,000.0	29,000.0	0.0	0.0%
- Interest/Investment Earnings	65,750.0	69,375.0	3,625.0	5.5%	114,500.0	119,500.0	5,000.0	4.4%
- Prior Year Surplus	50,874.4	50,874.4	0.0	0.0%	101,748.7	101,748.7	0.0	0.0%
- Other Corporate Revenues	4,272.8	7,226.7	2,953.9	69.1%	8,545.6	9,771.8	1,226.2	14.3%
- Toronto Hydro Revenues	22,500.0	34,966.0	12,466.0	55.4%	45,000.0	47,966.0	2,966.0	6.6%
- Provincial Revenue	45,800.0	45,800.0	0.0	0.0%	91,600.0	91,600.0	0.0	0.0%
- Municipal Land Transfer Tax	126,516.2	157,247.5	30,731.3	24.3%	294,223.8	335,934.1	41,710.3	14.2%
- Personal Vehicle Tax	0.0	0.9	0.9	n/a	0.0	0.9	0.9	n/a
- Third Party Sign Tax	1,350.0	231.1	(1,118.9)	-82.9%	2,700.0	10,250.0	7,550.0	279.6%
- Parking Authority Revenues	22,157.5	21,130.7	(1,026.8)	-4.6%	44,315.0	43,265.8	(1,049.2)	-2.4%
- Administrative Support Recoveries - Water	9,486.5	9,486.5	0.0	0.0%	18,973.0	18,973.0	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	8,163.4	8,163.4	0.0	0.0%	16,326.7	16,326.7	0.0	0.0%
- Parking Tag Enforcement & Oper.	40,324.7	40,182.8	(141.9)	-0.4%	80,649.4	80,649.4	0.0	0.0%
- Other Tax Revenues	8,333.1	8,342.1	9.0	0.1%	14,395.0	14,395.0	0.0	0.0%
- Woodbine Slots	7,450.0	7,562.1	112.1	1.5%	14,900.0	14,900.0	0.0	0.0%
<b>Non-Program Revenues</b>	<b>506,225.1</b>	<b>567,662.6</b>	<b>61,437.5</b>	<b>12.1%</b>	<b>1,019,077.2</b>	<b>1,076,481.4</b>	<b>57,404.2</b>	<b>5.6%</b>
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>589,931.2</b>	<b>635,988.9</b>	<b>46,057.7</b>	<b>7.8%</b>	<b>1,196,182.0</b>	<b>1,237,724.3</b>	<b>41,542.3</b>	<b>3.5%</b>
<b>LEVY OPERATING REVENUES</b>	<b>2,681,000.9</b>	<b>2,668,276.3</b>	<b>(12,724.6)</b>	<b>-0.5%</b>	<b>5,712,365.5</b>	<b>5,673,524.7</b>	<b>(38,840.7)</b>	<b>-0.7%</b>
<b>NON LEVY OPERATIONS</b>								
Solid Waste Management Services	111,640.4	99,170.9	(12,469.5)	-11.2%	345,865.0	346,246.0	381.0	0.1%
Toronto Parking Authority	64,365.0	62,716.2	(1,648.8)	-2.6%	128,729.9	127,331.8	(1,398.1)	-1.1%
Toronto Water	438,865.4	432,622.1	(6,243.3)	-1.4%	893,333.0	880,288.6	(13,044.4)	-1.5%
<b>NON LEVY OPERATING REVENUES</b>	<b>614,870.7</b>	<b>594,509.2</b>	<b>(20,361.5)</b>	<b>-3.3%</b>	<b>1,367,927.9</b>	<b>1,353,866.4</b>	<b>(14,061.5)</b>	<b>-1.0%</b>

**CITY OF TORONTO  
BUDGET ADJUSTMENTS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2012  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Citizen Centred Service "A"</b>				
<b>Children's Services</b>				
Adjust insurance charge for 2012 from Purchased Child Care to Municipal Child Care.	25.7	0.0	25.7	0.0
Adjust insurance charge for 2012 from Purchased Child Care to Municipal Child Care.	(25.7)	0.0	(25.7)	0.0
Transfer of Community Partnership & Investment Program budget from Social Development, Finance & Admin to Children Services for Youth Summer Camp program, with no net impact to the City.	124.5	0.0	124.5	0.0
<b>Total Children's Services</b>	<b>124.5</b>	<b>0.0</b>	<b>124.5</b>	<b>0.0</b>
<b>Social Development Finance &amp; Administration</b>				
Council at its January 17, 2012 meeting has approved the budget transfer of \$42.581 million to various programs to reflect the restructuring of the Community Partnership and Investment Program in 2012. All budget transfers have been done except for the Grafitti Transformation program of \$0.354 million administered by Transportation and the Youth Summer Camp program of \$0.125 million administered by Children's Services, which is being requested under this budget adjustment.	(478.4)	0.0	(478.4)	0.0
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	(5,613.7)	(4,558.7)	(1,055.0)	0.0
<b>Total Social Development Finance &amp; Administration</b>	<b>(6,092.1)</b>	<b>(4,558.7)</b>	<b>(1,533.4)</b>	<b>0.0</b>

**CITY OF TORONTO  
BUDGET ADJUSTMENTS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2012  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Toronto Employment &amp; Social Services</b>				
The Province has revised the cost-sharing funding methodology for Ontario Works (OW) Cost of Administration that provides a fixed subsidy amount per case to cover both direct delivery costs as well as indirect corporate support costs. Under this revised cost sharing methodology indirect corporate support costs will now be allocated to the OW Program by using the City's Full Costing Model developed by Accounting Services. Under the previous cost-sharing methodology, corporate support costs were based on inter-divisional charges and inter-divisional revenues (IDCs/IDRs) between City Programs providing services to Toronto Employment and Social Services. In order to implement the revised cost-sharing methodology, corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services need to be reversed. This reversal of \$12.538 million gross and \$0 net will have no net impact on the City's 2012 Approved Net Operating Budget. The increase in the 2012 Approved Operating Budgets of City Programs providing services will be offset by an equal reduction to the Toronto Employment and Social Services' 2012 Approved Operating Budget.	(6,274.1)	3,908.7	(10,182.8)	0.0
<b>Total Toronto Employment &amp; Social Services</b>	(6,274.1)	3,908.7	(10,182.8)	0.0
<b>3-1-1 Project Management Office</b>				
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	0.0	(366.7)	366.7	0.0
<b>Total 3-1-1 Project Management Office</b>	0.0	(366.7)	366.7	0.0
<b>Total Citizen Centred Service "A"</b>	<b>(12,241.7)</b>	<b>(1,016.7)</b>	<b>(11,225.0)</b>	<b>0.0</b>
<b>Citizen Centred Service "B"</b>				
<b>Fire Services</b>				
Transfer of funding from the Office of Emergency Management in Policy, Planning, Finance & Admin to Fire Services of Cluster B. Funds are for the Chemical/Biological/Radiological/Nuclear/Explosive (CBRNE) program for the City which is overseen by Fire Services.	185.1	0.0	185.1	0.0
<b>Total Fire Services</b>	185.1	0.0	185.1	0.0

**CITY OF TORONTO  
BUDGET ADJUSTMENTS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2012  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Policy, Planning, Finance &amp; Administration</b>				
Transfer of funding from the Office of Emergency Management in Policy, Planning, Finance & Admin to Fire Services of Cluster B. Funds are for the Chemical/Biological/Radiological/Nuclear/Explosive (CBRNE) program for the City which is overseen by Fire Services.	(185.1)	0.0	(185.1)	0.0
Transfer of 1 Support Assistant B position from Policy, Planning, Finance & Admin (PPF&A) to Technical Services as part of PPF&A's consolidation of services.	(68.5)	0.0	(68.5)	(1.0)
Transfer communications section from Policy, Planning, Finance and Administration, Cluster B to Strategic Communications in the City Manager's Office (including non-salary costs).	(1,106.6)	(880.3)	(226.3)	(10.0)
Transfer IDC budget for ESRI licenses from Technical Services - Survey and Mapping to Client divisions as the maintenance of these licenses are now being handled by IT as part of IT restructuring.	0.6	0.0	0.6	0.0
<b>Total Policy, Planning, Finance &amp; Administration</b>	<b>(1,359.7)</b>	<b>(880.3)</b>	<b>(479.3)</b>	<b>(11.0)</b>
<b>Technical Services</b>				
Transfer of 1 Support Assistant B position from Policy, Planning, Finance & Admin (PPF&A) to Technical Services as part of PPF&A's consolidation of services.	68.5	0.0	68.5	1.0
ESRI is the leading developer and provider of the GIS software which is used for performing spatial data analysis. In the past, Technical Services managed the licensing on behalf of Cluster B. With the IT-reorganization 2 years ago, this function was centralized within IT, which left Technical Services with a large number of the ESRI licenses used by other Cluster programs. This adjustment transfers appropriate budgets to the individual user divisions to enable them to manage their licenses directly with IT.	(101.4)	(65.8)	(35.5)	0.0
<b>Total Technical Services</b>	<b>(32.8)</b>	<b>(65.8)</b>	<b>33.0</b>	<b>1.0</b>
<b>Toronto Environment Office</b>				
Transfer one Senior Communications Coordinator from Toronto Environment Office, Cluster B to Strategic Communications in the City Manager's Office.	(106.1)	0.0	(106.1)	(1.0)
Transfer IDC budget for ESRI licenses from Technical Services - Survey and Mapping to Client divisions as the maintenance of these licenses are now being handled by IT as part of IT restructuring.	1.9	0.0	1.9	0.0
<b>Total Toronto Environment Office</b>	<b>(104.2)</b>	<b>0.0</b>	<b>(104.2)</b>	<b>(1.0)</b>



**CITY OF TORONTO  
BUDGET ADJUSTMENTS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2012  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Transportation Services</b>				
Transfer of Community Partnership & Investment Program budget from Social Development, Finance & Admin, Cluster A to Transportation, Cluster B for Graffiti Transformation program, with no net impact to the City.	353.9	0.0	353.9	0.0
Transfer IDC budget for ESRI licenses from Technical Services - Survey and Mapping to Client divisions as the maintenance of these licenses are now being handled by IT as part of IT restructuring.	33.0	0.0	33.0	0.0
<b>Total Transportation Services</b>	<b>386.9</b>	<b>0.0</b>	<b>386.9</b>	<b>0.0</b>
<b>Total Citizen Centred Service "B"</b>	<b>(924.7)</b>	<b>(946.2)</b>	<b>21.5</b>	<b>(11.0)</b>
<b>Internal Services</b>				
<b>Office of the DCM and Chief Financial Officer</b>				
In-year adjustment to reflect budget reductions approved in 2012 Corporate Finance Operating Budget re: annualized savings.	0.0	(25.8)	25.8	0.0
Reallocation of budget from Office of the DCM/CFO to Corporate Finance for the municipality competitiveness study.	(6.1)	0.0	(6.1)	0.0
Reallocation of budget from Office of the DCM/CFO to Corporate Finance for the municipality competitiveness study.	6.1	0.0	6.1	0.0
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	0.0	(443.5)	443.5	0.0
<b>Total Office of the DCM and Chief Financial Officer</b>	<b>0.0</b>	<b>(469.3)</b>	<b>469.3</b>	<b>0.0</b>
<b>Office of the Treasurer</b>				
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	0.0	(2,552.1)	2,552.1	0.0
<b>Total Office of the Treasurer</b>	<b>0.0</b>	<b>(2,552.1)</b>	<b>2,552.1</b>	<b>0.0</b>

**CITY OF TORONTO  
BUDGET ADJUSTMENTS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2012  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Facilities Management &amp; Real Estate</b>				
In-year adjustment to reflect budget reductions approved in 2012 Corporate Finance Operating Budget re: annualized savings.	(9.9)	0.0	(9.9)	0.0
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	0.0	(4,586.3)	4,586.3	0.0
<b>Total Facilities Management &amp; Real Estate</b>	(9.9)	(4,586.3)	4,576.4	0.0
<b>Fleet Services</b>				
Transfer budget for the Supervisor, Fleet Services (Contract Management) from Maintenance to Asset Management.	108.4	0.0	108.4	0.0
Transfer budget for the Supervisor, Fleet Services (Contract Management) from Maintenance to Asset Management.	(108.4)	0.0	(108.4)	0.0
<b>Total Fleet Services</b>	0.0	0.0	0.0	0.0
<b>Information &amp; Technology</b>				
Reallocation of Computer Hardware budget from Info & Products IT400 to Application Delivery IT200.	5.0	0.0	5.0	0.0
Reallocation of Computer Hardware budget from Info & Products IT400 to Application Delivery IT200.	(5.0)	0.0	(5.0)	0.0
Transfer Unified Communication PRI budget \$172.2k from Desktop Computing to Voice & Telecom; and maintenance budget \$268.1k from Application Delivery to Desktop Computing.	440.3	0.0	440.3	0.0
Transfer Unified Communication PRI budget \$172.2k from Desktop Computing to Voice & Telecom; and maintenance budget \$268.1k from Application Delivery to Desktop Computing.	(440.3)	0.0	(440.3)	0.0
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	0.0	(101.8)	101.8	0.0
<b>Total Information &amp; Technology</b>	0.0	(101.8)	101.8	0.0
<b>Total Internal Services</b>	<b>(9.9)</b>	<b>(7,709.5)</b>	<b>7,699.6</b>	<b>0.0</b>

**CITY OF TORONTO  
BUDGET ADJUSTMENTS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2012  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>City Manager</b>				
<b>City Manager's Office</b>				
Transfer one position from Strategic & Corporate Policy to Equity, Diversity & Human Rights unit.	72.1	0.0	72.1	0.0
Transfer one position from Strategic & Corporate Policy to Equity, Diversity & Human Rights unit.	(72.1)	0.0	(72.1)	0.0
Technical adjustment to reflect IT's 2012 Council approved budget, increase of 1.25 temp position to be recovered from Capital CIT048-01-03.	100.0	100.0	0.0	1.3
Technical adjustment to create a temporary HR Consultant position that is required for the Financial Planning and Reporting System (FPARS), funded by Capital project, CFS012-07.	107.5	107.5	0.0	1.0
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	0.0	(1,961.9)	1,961.9	0.0
Transfer of budget for HR Transition Team from Non-Program to City Manager's Office as per the directive from the 2013 Operating Budget Admin Review held on July 4, 2012.	1,016.2	0.0	1,016.2	0.0
Transfer one Senior Communications Coordinator from Toronto Environment Office, Cluster B to Strategic Communications in the City Manager's Office.	106.1	0.0	106.1	1.0
Create a position of Manager, Digital Communications. At its meeting of May 24, 2012, Government Management Committee considered the report from the City Manager's Office "Supporting Digital Communications at the City of Toronto", wherein the intent was to establish this position.	0.0	0.0	0.0	1.0
<b>Total City Manager's Office</b>	<b>2,436.5</b>	<b>(874.0)</b>	<b>3,310.5</b>	<b>14.3</b>
<b>Total City Manager</b>	<b>2,436.5</b>	<b>(874.0)</b>	<b>3,310.5</b>	<b>14.3</b>
<b>Other City Programs</b>				
<b>City Clerk's Office</b>				
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	0.0	(1,427.7)	1,427.7	0.0
<b>Total City Clerk's Office</b>	<b>0.0</b>	<b>(1,427.7)</b>	<b>1,427.7</b>	<b>0.0</b>

**CITY OF TORONTO  
BUDGET ADJUSTMENTS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2012  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Legal Services</b>				
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	0.0	(447.8)	447.8	0.0
<b>Total Legal Services</b>	0.0	(447.8)	447.8	0.0
<b>Total Other City Programs</b>	<b>0.0</b>	<b>(1,875.5)</b>	<b>1,875.5</b>	<b>0.0</b>
<b>Agencies</b>				
<b>Toronto &amp; Region Conservation Authority</b>				
To reflect TRCA's final budget approved in April of the new budget year. The net request to the City is always agreed upon, but gross expenditures and revenues can change. There is a reduction of 1.9 positions.	(361.1)	(361.1)	0.0	(1.9)
<b>Total Toronto &amp; Region Conservation Authority</b>	(361.1)	(361.1)	0.0	(1.9)
<b>Total Agencies</b>	<b>(361.1)</b>	<b>(361.1)</b>	<b>0.0</b>	<b>(1.9)</b>
<b>Corporate Accounts</b>				
<b>Capital &amp; Corporate Financing</b>				
In-year adjustment to reflect budget reductions approved in 2012 Corporate Finance Operating Budget re: annualized savings.	(15.9)	0.0	(15.9)	0.0
Technical adjustment to reconcile Non-program's interdivisional charge against recoveries budgeted in Corporate Finance, transferring 35k from Debt Charges to Non-program Revenues.	(35.1)	0.0	(35.1)	0.0
<b>Total Capital &amp; Corporate Financing</b>	(51.0)	0.0	(51.0)	0.0
<b>Other Corporate Expenditures</b>				
Reversal of corporate support costs in the 2012 Approved Operating Budgets charged through IDCs/IDRs between City Programs providing services to Employment and Social Services to implement the revised cost-sharing funding methodology for Ontario Works (OW) Cost of Administration. This reversal will have no net impact on the City's Approved Net Operating Budget.	(650.0)	0.0	(650.0)	0.0
Transfer of budget for HR Transition Team from Non-Program to City Manager's Office as per the directive from the 2013 Operating Budget Admin Review held on July 4, 2012.	(1,016.2)	0.0	(1,016.2)	0.0
<b>Total Other Corporate Expenditures</b>	(1,666.2)	0.0	(1,666.2)	0.0

**CITY OF TORONTO  
BUDGET ADJUSTMENTS  
FOR THE SECOND QUARTER ENDED JUNE 30, 2012  
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
<b>Interest/Investment Earnings</b>				
Technical adjustment to reconcile Non-program's interdivisional charge against recoveries budgeted in Corporate Finance, transferring 35k from Debt Charges to Non-program Revenues.	35.1	0.0	35.1	0.0
<b>Total Interest/Investment Earnings</b>	<b>35.1</b>	<b>0.0</b>	<b>35.1</b>	<b>0.0</b>
<b>Total Corporate Accounts</b>	<b>(1,682.1)</b>	<b>0.0</b>	<b>(1,682.1)</b>	<b>0.0</b>
<b>Total Levy Operations</b>	<b>(12,783.0)</b>	<b>(12,783.0)</b>	<b>0.0</b>	<b>1.4</b>
<b>Non-Levy Operations</b>				
<b>Solid Waste Management Services</b>				
Transfer \$7.2K IDC budget for ESRI licenses from Technical Services - Survey and Mapping to Solid Waste Management as the maintenance of these licenses are now being handled by IT as part of IT restructuring.	7.2	0.0	7.2	0.0
Lower contribution to the Waste Management Reserve Fund to offset transfer of IDC for ESRI licences from Technical Services.	(7.2)	0.0	(7.2)	0.0
<b>Total Solid Waste Management Services</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Toronto Water</b>				
Full cost recovery from TTC and Metrolinx to support the design, planning and construction of the Eglinton-Scarborough Crosstown Project undertaken by Toronto Water.	1,713.7	1,713.7	0.0	0.0
Transfer \$58.6K IDC budget for ESRI licenses from Technical Services - Survey and Mapping to Toronto Water as the maintenance of these licenses are now being handled by IT as part of IT restructuring.	58.6	0.0	58.6	0.0
Lower contribution to the Water Stabilization Reserve and Wastewater Capital Reserve Fund to offset transfer of IDC for ESRI licenses from Technical Services.	(58.6)	0.0	(58.6)	0.0
<b>Total Toronto Water</b>	<b>1,713.7</b>	<b>1,713.7</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Non-Levy Operations</b>	<b>1,713.7</b>	<b>1,713.7</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>(11,069.4)</b>	<b>(11,069.4)</b>	<b>0.0</b>	<b>1.4</b>

**Operating Variance Report  
For Six-Month Period Ended June 30, 2012  
Significant Variance by Program and Agency**

**City Operations**

Citizen Centred Services "A"

As shown in Table 2 below, Citizen Centred Services "A" reported a net under-expenditure of \$8.871 million or 1.9% of planned expenditures for the six-month period ended June 30, 2012 and projects year-end under-spending of \$11.583 million or 1.2% compared to the 2012 Approved Net Operating Budget of \$999.884 million. The reasons for these variances are discussed below:

Table 2 Citizen Centred Services "A" Net Expenditure Variance (\$ Million)		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
Affordable Housing Office	0.0	0.0
Children's Services	0.0	(0.0)
Court Services	0.4	0.5
Economic Development and Culture	1.3	0.9
Emergency Medical Services	0.7	1.3
Long Term Care Homes and Services	(0.4)	(0.0)
Parks, Forestry & Recreation	(3.8)	(7.5)
Shelter, Support & Housing Administration	(2.1)	0.0
Social Development, Finance & Administration	(0.0)	0.0
Toronto Employment & Social Services	(3.9)	(5.9)
311 Toronto	(1.1)	(0.9)
<b>Total</b>	<b>(8.9)</b>	<b>(11.6)</b>

**Court Services** was over-spent by \$0.374 million or 11.7% of net planned expenditures for the six-month period ended June 30, 2012. This variance was driven by higher than budgeted gross expenditures of \$0.406 million which were partially offset by increased revenues of \$0.032 million.

- The gross over-expenditure of \$0.406 million was primarily due to \$1.500 million in overtime costs for police officers attending trials during off-duty hours partially offset by savings of \$1.098 million primarily in salaries and benefits due to hiring delays (\$0.505 million) and contracted services (\$0.517 million).

- The increase in revenues of \$0.032 million was mainly due to higher than expected collection rate.

Court Services projects a year-end net variance of \$0.486 million or 3.5% above the 2012 Approved Net Operating Budget due to a projected over-expenditure of \$3.200 million for Toronto Police Service off-duty court attendance charges, partially offset by savings of \$0.400 million in salaries and benefits due to staff vacancies resulting from hiring delays and higher than expected fine revenues of \$2.300 million.

***Economic Development and Culture (EDC)*** reported net over-spending of \$1.307 million or 6.0% of planned expenditures for the six-month period ended June 30, 2012. The variance consisted of higher than budgeted gross expenditures of \$1.626 million or 5.8% due to advanced payment of grants.

EDC forecasts a year-end net variance of \$0.893 million or 2.0% above the 2012 Approved Net Operating Budget due to service efficiencies and alternative service delivery budget reductions for Culture Services which have not been realized. A service efficiency review has started and the General Manager will report to the Budget Committee on the specific details of this reduction in the third quarter of 2012.

***Emergency Medical Services (EMS)*** was over-spent by \$0.748 million or 2.9% of planned net expenditures for the six-month period ended June 30, 2012. The variance was driven primarily by lower than anticipated revenues of \$0.915 million partially offset by gross under-expenditure of \$0.167 million.

- The gross under-expenditure of \$0.167 million was primarily due to an over-expenditure in salaries and benefits of \$0.226 million which was more than offset by savings of \$0.393 million in medical and dental supplies, uniforms, protective clothing and contracted services.
- Lower than budgeted revenues of \$0.915 million consisting of a Provincial funding shortfall of \$1.069 million for the Central Ambulance Communication Centre (CACC) Program was partially offset by increased revenues of \$0.100 million for EMS' Safe City Program.

EMS forecasts a year-end net variance of \$1.273 million or 2.0% above the 2012 Approved Net Operating Budget primarily due to a projected Provincial base funding shortfall for the Central Ambulance Communication Centre (CACC) Program of \$1.0 million combined with over-expenditure mainly in salaries and benefits of \$0.273 million.

Revenues received for the CACC Program have been below the established Provincial subsidy rate of 100%. Negotiations are continuing with the Ministry of Health and Long Term Care to resolve this funding issue.

***Parks, Forestry and Recreation (PF&R)*** reported net under-spending of \$3.813 million or 3.2% of planned expenditures for the six-month period ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$6.429 million or 3.9% due to salary and benefit savings from unfilled seasonal positions partially off-set by a revenue shortfall of \$2.615 million or 5.8% primarily due to under-achieved permit and golf revenues.

PF&R forecasts a year-end net variance of \$7.500 million or 2.8% below the 2012 Approved Net Operating Budget due to savings from vacant seasonal positions, materials and supplies, and services and rents in Parks and Recreation, as well as implemented efficiencies in various program areas such as summer camps.

***Shelter, Support and Housing Administration (SSHA)*** reported under-spending of \$2.132 million net or 1.7% of planned expenditures for the six months ended June 30, 2012. The variance consisted of lower than planned gross expenditures of \$28.410 million or 7.8%, primarily due to under-spending in Social Housing of \$23.820 million and under spending of \$4.190 million in Housing and Homelessness Supports.

The under spending in Social Housing reflects delays in the Federal stimulus (\$20.0 million project milestone delays) and savings in social housing cost drivers (\$3.8 million). The under spending in Housing and Homeless Supports reflects delays in the delivery of Federal and Provincial grants to third party service providers. Revenues are \$26.278 million or 11.0% lower than budgeted, primarily resulting from delays due to the timing of the grants approval process that awards funding to third party providers.

Net savings of \$2.132 million is attributable to \$1.040 million from social housing savings in mortgage renewals, rent geared to income subsidy, and property tax savings, \$0.520 million in Hostel Services (primarily a temporary increase in Provincial subsidy reflecting a higher than budgeted bed-nights of 10,780), and \$0.572 million largely due to salary under spending.

SSHA forecasts to be on net budget by year-end at this time resulting due to gross under-spending of \$8.116 million with off-setting reduction in revenues from savings in Social Housing of \$3.700 million and delays in grants to third parties of \$4.416 million.

***Toronto Employment and Social Services (TESS)*** was under-spent by \$3.879 million or 4.1% of planned net expenditures for the six-month period ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$35.568 million or 6.1% and lower than budgeted revenue of \$31.690 million or 6.4% due to a lower caseload (101,684 year-to-date actual cases compared to 104,656 year-to-date budget), caseload mix (higher proportion of singles as compared to families) and lower special diet program expenditures than budgeted.

TESS forecasts a year-end net variance of \$5.851 million or 3.0% under the 2012 Approved Net Operating Budget due to a revised caseload mix of higher singles compared to families which will result in lower expenditures per case, and lower special diet program expenditures. The year-end average monthly caseload is projected to be 104,500 or 1,500 lower than the budgeted caseload of 106,000.

***311 Toronto*** reported net under-spending of \$1.083 million or 26.5% of planned expenditures for the six-month period ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$1.924 million or 23.2% due to reduced spending in the first half of the year when call volumes were lower and vacancies related to the timing of hiring. Revenue was \$0.841 million or 20.0% lower than anticipated due to delays in recoveries from capital.

The Program forecasts a year-end net variance of \$0.883 million or 8.9% below the 2012 Approved Net Operating Budget as the first half variance will be offset by increased spending for peak call volume in the summer and latter part of this year.



## Citizen Centred Services “B”

As indicated in Table 3 below, Citizen Centred Services “B” Programs collectively reported net under-spending of \$29.755 million or 9.5% for the six months ended June 30, 2012, and projects an under-expenditure of \$15.552 million or 2.6% of the 2012 Approved Net Operating Budget by year-end. Major causes of the variances are discussed below:

Table 3 Citizen Centred Services "B" Net Expenditure Variance (\$ Million)		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
City Planning	(4.5)	(1.9)
Fire Services	(0.6)	1.7
Municipal Licensing & Standards	(0.8)	(1.4)
Policy, Planning, Finance and Administration	(0.5)	(0.6)
Technical Services	(0.9)	(0.0)
Toronto Building	(15.9)	(9.0)
Toronto Environment Office	(0.2)	(0.3)
Transportation Services	(6.3)	(4.1)
<b>Total</b>	<b>(29.8)</b>	<b>(15.6)</b>

**City Planning** experienced net under-spending of \$4.473 million or 74.9% of planned expenditures for the six-month period ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$1.263 million or 7.3% due to savings in salaries and benefits of \$1.065 million resulting from vacancies. The Program is actively working to bring staffing levels up to more sustainable levels as it delivers its city-building mandate.

Revenues exceeded budget by \$3.210 million or 28.4% as of June 30, 2012. This was mainly due to higher than expected development application intake. The volume in March exceeded the historical monthly average of \$1.500 million and contributed to more than 54% of total first quarter revenue alone.

This volume trend will likely not be sustainable for the rest of year, as many applicants submitted and paid for development applications earlier than anticipated, allowing them to avoid the increase in development application fees, on average by 30%, which was effective April 1, 2012, and part of the Program's full cost recovery approach. The Program anticipates the year-end revenue to be on budget.

City Planning forecasts a year-end net variance of \$1.876 million or 14.2% under the 2012 Approved Net Operating Budget due to savings in salaries and benefits arising from staffing changes, including retirements.

**Toronto Fire Services (TFS)** was under-spent by \$0.610 million or 0.4% of planned net expenditures for the six-month period ended June 30, 2012. The variance was driven primarily from higher than planned revenues of \$0.649 million partially offset by gross over-expenditure of \$0.039 million.

- The gross over-expenditure of \$0.039 million was mainly due to salaries and benefits of \$1.013 million partially offset by savings of \$0.974 million in non-payroll items such as fire and emergency supplies, equipment and contracted services.
- Higher than budgeted revenues of \$0.649 million consisted of False Alarm user fee revenues of \$0.345 million and other revenues of \$0.231 million due to scrap vehicle sales, insurance loss recoveries and Toronto Hydro payments for radio system services. The False Alarm revenue surplus is not expected to carry through to year-end as the volume of chargeable false alarms continues to decline.

TFS is projecting a year-end net variance of \$1.703 million or 0.5% above the 2012 Approved Net Operating Budget mainly attributable to the following:

- A projected over-expenditure in salaries and benefits of \$2.068 million partially offset by non-payroll savings of \$0.865 million. TFS' benefit rate continues to be higher than the corporate average of 27% as a result of Workers Safety and Insurance Board (WSIB) payments which will reach approximately \$4.0 million by year-end.
- A projected revenue shortfall in False Alarm user fees of \$0.730 million partially offset by increased other revenues of \$0.230 million.

**Municipal Licensing and Standards (MLS)** experienced net under-spending of \$0.827 million or 13.9% of planned expenditures for the six-month period ended June 30, 2012. This was primarily the result of lower than planned expenditures of \$1.086 million for salaries and benefits resulting from staff vacancies. In addition, non-salary accounts were also under-spent by \$0.627 million primarily due to the timing of facility maintenance charges, which will be transferred to Corporate Facilities in the third quarter of this year.

As of June 30, 2012, revenue was \$0.886 million or 6.2% lower than planned, arising from under-achieved revenues of \$0.178 million for Sign Bylaw fees, \$0.277 million for dog and cat licences, \$0.290 million for standards investigation fees and \$0.506 million for business licences. This under-achieved revenue was partially offset by increased revenue of \$0.158 million from donations received by MLS for Toronto Animal Services and \$0.221 million for other licenses and permits.

For year-end, MLS is projecting a net variance of \$1.358 million or 7.1% below the 2012 Approved Net Operating Budget. This is primarily due to savings in salaries and benefits arising from hiring delays that will be partially offset by lower than planned revenues based on anticipated volumes of dog and cat licences and business licenses.

**Technical Services (TS)** reported net under-spending of \$0.933 million or 13.0% of planned expenditures for the six-month period ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$4.002 million or 13.1% due primarily to savings in salaries and benefits from unfilled positions; offset by lower than budgeted revenues of \$3.070 million or 13.1% mostly attributed to a reduction of capital recoveries resulting from unfilled positions.

Technical Services forecasts a year-end net variance of \$0.035 million or 0.4% under the 2012 Approved Net Operating Budget due mostly to savings in salaries and benefits of \$6.250 million from unfilled positions, which will be partially offset by lower than anticipated recoveries from client capital projects of \$6.215 million.

**Toronto Building** reported a favourable variance of \$15.914 million for planned net expenditures for the six-month period ended June 30, 2012. The variance consisted of higher than planned revenues of \$13.630 million or 59.4%, mainly due to sustained high volume of permit application intake. The impact was most significant in February (based on January activity), driven by higher intake to allow for the avoidance of inflationary increases to development charges as of February 1, 2012. Budgeted gross expenditures were lower than planned by \$2.283 million or 10.9%, mainly due to savings in salaries and benefits arising from a high level of vacancies.

Toronto Building forecasts a year-end net favourable variance of \$9.000 million or 84.0% for the 2012 Approved Net Operating Budget due to high level of permit application intake.

**Transportation Services (TP)** reported net under-spending of \$6.301 million or 5.5% of planned expenditures for the six-month period ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$1.099 million or 0.7% mainly due to lower utility costs (\$3.172 million) for street and expressway lighting offset by higher other expenditures (\$2.073 million) due to an earlier than expected commitment of utility cut repair contracts. Revenues were higher than budgeted by \$5.203 million or 16.8% primarily due to higher fees and service charges (\$2.449 million) from higher parking permit fees and other revenues (\$1.897 million) as a result of greater licenses and permit fees (increased construction activity) and an earlier than expected transfer of budgeted revenues from parking.

Transportation Services forecasts a year-end net variance of \$4.101 million or 2.0% under the 2012 Approved Net Operating Budget due to savings in salaries and benefits arising from hiring delays (\$2.442 million) and other non-salary expenditure savings projected mainly in the Winter Maintenance Program (\$1.658 million). Revenue is projected to be in line with the budget at year-end.

### Internal Services

As shown in Table 4 below, during the six months ended June 30, 2012, Internal Services Programs collectively reported a net under-expenditure of \$4.089 million or 4.0%, and projects a year-end under-spending of \$5.613 million or 3.7% compared to the 2012 Approved Operating Net Budget due to the following:

Table 4 Internal Services Net Expenditure Variance (\$ Million)		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
Office of the Chief Financial Officer	(0.1)	(0.2)
Office of the Treasurer	(0.6)	(1.0)
Facilities Management & Real Estate	(0.2)	(0.3)
Fleet Services	(0.4)	0.1
Information & Technology	(2.8)	(4.2)
Total	(4.1)	(5.6)

The **Office of the Treasurer** reported net under-spending of \$0.579 million or 5.5% of planned expenditures for the six-month period ended June 30, 2012. Lower than planned gross expenditures of \$3.440 million or 10.1% resulted mainly from savings in salaries and benefits of \$3.200 million arising from hiring delays. Revenues were under-achieved by \$2.861 million as a result of the delays in recovering costs for corporate (MLTT and Pandemic warehousing) and capital initiatives.

The Office of the Treasurer forecasts a year-end net variance of \$1.042 million or 4.0% under the 2012 Approved Net Operating Budget mainly due to delays in filling vacant positions.

**Facilities Management and Real Estate (FMRE)** reported net under-spending of \$0.225 million or 0.5% of planned expenditures for the six-month period ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$2.976 million or 3.6% due to lower than anticipated utility costs, higher vacancies than expected and under-spending in Transit Expansion. Revenue was \$2.751 million or 7.0% lower than anticipated due to delayed Transit Expansion recoveries and lower rental revenue.

FMRE forecasts a year-end net variance of \$0.302 million or 0.6% below the 2012 Approved Net Operating Budget due to anticipated utility savings throughout the year.

**Fleet Services** was under-spent by \$0.395 million or 15.2% of planned net expenditures for the six months ended June 30, 2012. This was primarily due to savings of \$0.466 million in salaries and benefits resulting from hiring delays and additional gapping, offset by a net over-expenditure of \$0.094 million from delay in implementation of re-engineering the parts warehouse process and under-spending in contracted services.

Fleet Services is projecting a net over-expenditure of \$0.068 million at year-end, mainly attributable to the delay in outsourcing parts warehouse management. Savings for the outsourcing of parts warehouse management were included in the 2012 Approved Operating Budget for Fleet Services. However, as a result of Committee delays in approving the contract award, the outsourcing of parts warehouse management was implemented on July 3, 2012. Therefore, for 2012 the full year savings will not be realized.

**Information and Technology** reported net under-expenditures of \$2.827 million or 6.6% for the six-month period ended June 30, 2012. The gross expenditures are below budget by \$5.427

million or 10.6% resulting from delays in filling vacant positions and savings in hardware and software maintenance costs. Lower than planned revenue of \$2.600 million was mainly due to delays in filling capital funded positions.

Information and Technology is forecasting a year-end net variance of \$4.173 million or 6.5% below the 2012 Approved Net Operating Budget. This is comprised of anticipated under-spending of \$2.700 million arising from hiring delays, combined with savings of \$0.673 million in software maintenance costs and \$0.800 million in expected savings from lower telephone costs.

City Manager's Office

The *City Manager's Office* reported net under-spending of \$0.381 million or 2.4% for the six months ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$0.281 million or 1.4% due mainly to savings in salaries and benefits from the delay of filling vacant positions and a higher than budgeted revenue of \$0.100 million or 2.3%.

The City Manager's Office is projecting a net under-expenditure of \$0.522 million or 1.5% below the 2012 Approved Net Operating Budget due to savings in the delay of filling vacant positions.

Table 5 City Manager Office Net Expenditure Variance (\$ Million)		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
City Manager's Office	(0.4)	(0.5)

Other City Programs

Other City Programs (see Table 6 below) reported a net under-expenditure of \$1.741 million or 5.4% below planned expenditures for the six-month period ended June 30, 2012; and projects a year-end under-expenditure of \$1.773 million or 2.6% compared to the 2012 Approved Net Operating Budget.

Table 6 Other City Programs Net Expenditure Variance (\$ Million)		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
City Clerk's Office	(0.0)	(0.1)
Legal Services	(0.9)	(1.6)
Mayor's Office	(0.1)	(0.1)
City Council	(0.7)	(0.0)
Total	(1.7)	(1.8)

**Legal Services** was under-spent by \$0.879 million or 9.5% of planned net expenditures for the six-month period ended June 30, 2012. The gross expenditures were below budget by \$0.161 million or 0.8% which was primarily due to salary and benefits savings resulting from vacancies and hiring of junior lawyers to replace retired senior lawyers. The higher than planned revenue of \$0.718 million or 6.2% was due to higher recoveries from various City Programs.

Legal Services forecasts a year-end net variance of \$1.638 million or 8.9% below the 2012 Approved Net Operating Budget as a result of salaries and benefits being under-spent and higher recoveries from various City Divisions.

**City Council** reported net under-spending of \$0.719 million or 8.1% of planned expenditures for the six month period ended June 30, 2012. This was mainly attributable to under-spending of \$0.281 million in Council's office budget and \$0.427 million in staff salaries and benefits.

#### Accountability Offices

Accountability Offices collectively realized a net under-expenditure of \$0.481 million or 15.0% below planned expenditures for the six-month period ended June 30, 2012. Overall, these Offices project under-spending of \$0.243 million or 3.5% of their 2012 Approved Net Operating Budget at year-end.

Table 7 Accountability Offices Net Expenditure Variance (\$ Million)		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
Auditor General's Office	(0.3)	(0.2)
Integrity Commissioner's Office	(0.0)	0.0
Lobbyist Registrar's Office	(0.1)	(0.1)
Ombudsman's Office	(0.1)	0.0
<b>Total</b>	<b>(0.5)</b>	<b>(0.2)</b>

### Agencies

Agencies collectively reported a favourable variance of \$24.663 million or 3.1% below planned net expenditures for the six-month period ended June 30, 2012 and project under-expenditure at year-end of \$8.933 million or 0.5% compared to the 2012 Approved Net Operating Budget, outlined in Table 8 below.

Table 8 Agencies Net Expenditure Variance (\$ Million)		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
Toronto Public Health	(1.3)	(0.7)
Toronto Public Library	(2.9)	(2.9)
Association of Community Centres	(0.2)	0.0
Exhibition Place	(0.9)	(0.0)
Heritage Toronto	(0.2)	0.0
Theatres	0.4	0.8
Toronto Zoo	(1.4)	0.0
Arena Boards of Management	(0.4)	0.1
Yonge Dundas Square	(0.0)	(0.1)
Toronto & Region Conservation Authority	0.0	0.0
Toronto Transit Commission - Conventional	(13.3)	(3.3)
Toronto Transit Commission - Wheel Trans	(2.3)	1.2
Toronto Police Service	(2.0)	(4.0)
Toronto Police Services Board	0.0	0.0
<b>Total</b>	<b>(24.7)</b>	<b>(8.9)</b>

**Toronto Public Health (TPH)** experienced net under-spending of \$1.304 million or 6.2% of planned expenditures for the six-month period ended June 30, 2012. The gross under-spending in cost shared and the City funded capital program was \$3.083 million, primarily due to the delay in hiring vacant positions and \$2.501 million under-spending in Provincially funded programs due largely to delays in opening and start-up of the new Health Smiles Ontario Program Clinics. Revenue was under-achieved by \$4.281 million or 4.9% due to under-spending in 100% Provincially funded and cost shared programs.

TPH forecasts a year-end net variance of \$0.696 million or 1.5% below the 2012 Approved Net Operating Budget.

**Toronto Public Library (TPL)** reported net under-spending of \$2.924 million or 3.6% of planned expenditures for the six-month period ended June 30, 2012. The variance consisted of lower than planned gross expenditures of \$2.716 million or 3.1% primarily as a result of net savings from the labour disruption.

TPL forecasts a year-end net variance of \$2.926 million or 1.8% under the 2012 Approved Net Operating Budget which includes savings resulting from the March 2012 labour disruption.

**Theatres** were over-spent by \$0.362 million or 36.7% for the six-month period ended June 30, 2012 and are projecting a year-end net variance of \$0.818 million or 27.6% above the 2012 Net Approved Operating Budget of \$2.963 million.

The year-to-date variance is primarily attributed to revenue losses from show cancellations and lost bookings at St. Lawrence Centre for the Arts (\$0.100 million) and reduced programming by Dancap Productions in the Main Stage Theatre of Toronto Centre for the Arts (\$0.368 million), which are partially offset by lower than budgeted utility costs at Sony Centre for the Performing Arts (\$0.105 million).

For the year end, all three theatres are projecting an unfavourable net variance: Sony Centre for the Performing Arts (\$0.020 million), St. Lawrence Centre for the Arts (\$0.284 million) and Toronto Centre for the Arts (\$0.516 million). Sony Centre for the Performing Arts will receive a one-time insurance recovery which is expected to reduce its projected year-end variance by \$0.333 million.

**Toronto Zoo** experienced net under-spending of \$1.386 million or 17.1% of planned expenditures for the six-month period ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$0.443 million or 2.1% due to timing of re-hiring spring seasonal positions and a higher than budgeted revenue of \$0.943 million or 7.1% due to warmer weather and the white lions increasing attendance.

Toronto Zoo forecasts to be at budget by year-end as it is too early in the year to determine if the warm weather revenue impact will continue throughout the year.

**Arena Boards of Management** reported net under-spending of \$0.378 million for the six-month period ended June 30, 2012, driven by seasonal fluctuations in revenues and expenditures. The Area Boards anticipate a net over-spending of \$0.059 million at the end of 2012; \$0.040 million driven by Leaside Arena's unexpected pipe repairing expense and \$0.020 million driven by



Leaside Arena's reduced rental revenue from its meeting room closure from July onwards in order to accommodate for construction of its second ice pad.

**Toronto Transit Commission (TTC)** reported net under-spending of \$15.673 million or 7.0% (Conventional and Wheel-Trans combined) of planned expenditures for the six-month period ended June 30, 2012. This variance is the result of higher than planned revenue of \$5.183 million or 1.0% due to greater than expected ridership results to date with 255.0 million riders compared to a budget of 249.6 million. The Commission also experienced lower than planned gross expenditures of \$10.490 million or 1.4% due to lower diesel fuel prices; reduced natural gas rates; as well as reduced consumption owing to the warmer winter weather as well as lower demand for Wheel-Trans services coupled with shorter trip lengths for its contracted taxi service.

TTC is forecasting a year-end net favourable variance of \$2.100 million or 0.4% below the 2012 Approved Net Operating Budget due to projected TTC ridership level of 512 million, which is 9 million greater than budgeted. Ridership revenue is projected to be \$6.9 million above budget but will be partially off-set by increased costs of \$4.8 million for bus maintenance and labour expenses.

**Toronto Police Service (TPS)** reported net under-spending of \$2.000 million or 0.4% of planned expenditures for the six-month period ended June 30, 2012. This under-expenditure was driven by lower than budgeted salary and benefit expenditures of \$1.450 million or 0.3% due to the larger number of members on unpaid leave and higher than anticipated revenue of \$0.550 million or 2.0% due to greater than planned fees and recoveries.

TPS is projecting a year-end net under-spending of \$4.000 million or 0.4% below the 2012 Approved Net Operating Budget of \$935.662 million. This projected under-expenditure consists of lower than planned spending on salaries and benefits in the amount of \$2.100 million, lower than planned fuel and phone costs in the amount of \$0.800 million and higher than planned user fee revenues of \$1.100 million.

### Corporate Accounts

**Corporate Accounts** experienced a net favourable variance of \$117.960 million of planned expenditures for the six-month period ended June 30, 2012. Projections to year-end report a favourable variance of \$70.786 million below the 2012 Approved Net Operating Budget, as noted below:

Table 9 Corporate Accounts Net Expenditure Variance (\$ Million)		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
Capital & Corporate Financing	0.0	0.0
Non-Program Expenditures	(56.8)	(14.1)
Non-Program Revenues	(61.1)	(56.7)
<b>Total</b>	<b>(118.0)</b>	<b>(70.8)</b>

**Capital & Corporate Financing** is forecast to be on budget of \$624.106 million net at year-end at this time.

**Non-Program Expenditures** were under-spent by \$56.830 million or 22.2% of planned expenditures for the six-month period ended June 30, 2012. The favourable variance was largely driven by under-expenditures for unsettled negotiated annual increases for Fire Services and City management/non-union staff plus savings arising from negotiated settlement of 0% for CUPE Local 416 and Local 79 totalling \$52.992 million. In addition, the negotiated wage settlement for Toronto Transit Commission's unionized employees is included in the savings. As of the writing of this report, The Toronto Transit Commission is finalizing the amount to be transferred from Non-Program Expenditures. These savings are partially off-set by unbudgeted spending of \$2.023 million largely for corporate contingencies in preparation of potential labour disruption in the winter of 2012.

Forecasted Non-Program Expenditures reflect a net under-expenditure of \$14.086 million or 2.5% at year-end. The year-end under-spending projection is due primarily to negotiated wage savings for CUPE Local 416 and Local 79 staff salaries partially offset by projected over-spending for Tax Deficiencies/Write-offs due to higher than anticipated assessment appeals and tax appeals and unbudgeted spending largely for preparation of the potential labour disruption in the winter of 2012. It should be noted that the wage savings will be earmarked to fund the one-time negotiated 1.5% lump sum payment for CUPE Local 79 and Local 416 staff in 2013.

**Non-Program Revenues** realized a 2012 Approved Net Operating Budget variance of \$61.130 million or 12.2% above planned revenues for the period ended June 30, 2012; and it is projected that Non-Program Revenues will be \$56.700 million or 5.6% above the 2012 Approved Operating Budget at year-end due to \$41.710 million in Municipal Land Transfer Tax revenue in excess of the budget of \$288.290 million; \$7.750 million in Third Party Sign Tax revenue; an extra \$5.000 million in Interest/Investment Earnings due to a more robust cash flow during 2012 which allowed more funding being generated from short-term investments; and, \$2.966 million higher than budgeted for Toronto Hydro Revenue.

Enwave dividend payment of \$5.450 million and supplementary debt interest payment of \$1.696 million received in the second quarter will be transferred to the capital reserve as per the capital financing strategy approved in the Capital Budget and will therefore have no impact on the

current and projected year-end variance. This is in addition to dividend payment of \$66.055 million received in the first quarter made up of \$20.000 million from Build Toronto, \$6.055 million from Enwave and \$40.000 million from the Toronto Portlands Company Limited.

As noted above, staff are projecting Municipal Land Transfer Tax net revenues will reach \$330.000 million by year-end which will result in a Non-Program Revenues forecasted favourable variance of \$41.710 million. Council should be cautioned that if a major correction to the real estate market occurs this will change the forecast.

### Rate Supported Programs

Rate Supported Programs, which include Solid Waste Management Services, Toronto Parking Authority and Toronto Water, collectively reported a net under-expenditure of \$17.403 million or 79.9% for the six-month period ended June 30, 2012 and are projecting an under-expenditure at year-end of \$3.750 million or 6.6% compared to the 2012 Approved Net Operating Budget, as outlined in Table 10 below.

Table 10 Non Levy Operations Net Expenditure Variance (\$ Million)		
	June 2012 Over/(Under)	Projected Y/E 2012 Over/(Under)
Solid Waste Management Services	(10.7)	(0.7)
Toronto Parking Authority	1.4	1.4
Toronto Water	(8.1)	(4.5)
<b>Total</b>	<b>(17.4)</b>	<b>(3.7)</b>

**Solid Waste Management Services (SWMS)** reported net under-spending of \$10.705 million or 80.5% of planned expenditures for the six-month period ended June 30, 2012. The variance primarily consists of lower than planned salary and benefit expenditures of \$8.643 million due to unfilled positions including fewer temporary, seasonal workers as well as lower than planned expenditures of \$10.159 million for reserve fund contributions, inter-departmental charges and payments-in-lieu of taxes. These under-expenditures were offset by higher than planned prices for recyclables processing of \$4.284 million as well as \$4.482 million for earlier than planned contributions to the Corporate Insurance Reserve, assignment of debt charges for Green Lane and charges for fleet maintenance and fuel. Additionally, \$0.916 million in higher than anticipated costs have been incurred to provide various bins to new non-residential customers.

In addition to these net savings on expenditures, an unpaid 2011 accrued expenditure of \$9.478 million for the processing of Single Stream Recyclable Materials (SSRM) as well as related offsetting accrued recyclables revenue of \$9.938 million are currently in the arbitration process and are expected to be resolved later this year.

As of June 30, 2012 revenue was \$12.470 million or 11.2% lower than planned primarily due to the aforementioned recyclables processing revenue of \$9.938 million. Lower commodity prices

for resale of recyclable material and late provision of Provincial funding also resulted in lower revenue of \$3.176 million. This revenue shortfall was partially offset by unexpected revenue of \$0.214 million for disposal of biosolids from Toronto Water due to lower demand for external agricultural purposes.

For year-end, it is anticipated that lower year-end salary and benefit costs of \$5.1 million will be mostly offset by expenditures for contracted processing resulting in a savings of \$0.302 million. These savings will be enhanced by additional one-time Stewardship Ontario funding of \$0.381 million. As a result, SWMS is projecting, as of the second quarter, a year-end net surplus of \$0.683 million.

**Toronto Water** reported a net under-spending of \$8.067 million for the six-month period ended June 30, 2012. The variance consisted of lower than budgeted gross expenditures of \$14.311 million or 3.3%, mainly due to \$7.700 million in salary and benefit savings arising from vacancies, and \$3.800 million in under-spending for hydro costs, due to later than planned invoice payments. Expenditure savings are partially offset by lower than budgeted revenue of \$6.243 million or 1.4%, reflecting continued lower water consumption levels arising from water efficiency measures.

Toronto Water forecasts a year-end net variance of \$4.466 million below the 2012 Approved Net Operating Budget due to expenditure savings of \$17.510 million, primarily in salaries and benefits arising from hiring delays, which will be offset by lower than anticipated revenues of \$13.044 million mainly from a projected under-realization of revenues for water and wastewater surcharges.

**Toronto Parking Authority** reported a net expenditure variance of \$1.369 million or 4.9% above budget for the six-month period ended June 30, 2012. The projected unfavourable year-end net variance is \$1.399 million or 2.5%. The net variance projection is primarily the result of lower than anticipated revenues from parking activities of \$1.399 million or 2.5% which include an incremental net revenue target of \$3.720 million approved as part of the 2012 Operating Budget process. Gross expenditures are projected in line with the 2012 Approved Operating Budget of \$72.327 million.