

## Budget Committee

<b>Meeting No.</b>	26	<b>Contact</b>	Kelly McCarthy, Committee Administrator
<b>Meeting Date</b>	Tuesday, May 29, 2012	<b>Phone</b>	416-392-7340
<b>Start Time</b>	2:00 PM	<b>E-mail</b>	buc@toronto.ca
<b>Location</b>	Committee Room 1, City Hall	<b>Chair</b>	Councillor Mike Del Grande

<b>BU26.4</b>	ACTION	Adopted	Ward:All
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### **Operating Variance Report for the Three Month Period Ended March 31, 2012**

#### **Committee Decision**

The Budget Committee recommends to the Executive Committee that:

1. City Council approve in-year budget adjustments detailed in Appendix D in the report (May 25, 2012) from the Deputy City Manager and Chief Financial Officer, to amend the 2012 Approved Operating Budget between Programs with off-setting reductions in gross expenditures and revenues of \$0.288 million, and no impact to the 2012 Approved Net Operating Budget.

#### **Origin**

(May 25, 2012) Report from Deputy City Manager and Chief Financial Officer

#### **Summary**

The purpose of this report is to provide Council with the City of Toronto Operating Variance for the three-month period ended March 31, 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.

#### **Financial Impact**

As shown in Table 1 below, Tax Supported Operations' net expenditures are under-spent by \$70.306 million or 10.3% of planned expenditures for the three-month period ended March 31, 2012 and projections indicate that the 2012 year-end net operating surplus is anticipated to be

\$90.256 million based on information at this time.

See Table 1 titled : "Net Expenditure Variance (\$ Millions)" in the Financial Impact section of the report (May 25, 2012) from the Deputy City Manager and Chief Financial Officer

Rate Supported Programs were over-spent by \$4.112 million compared to planned expenditures for the three-month period ended March 31, 2012 and projected year-end under-spending of \$0.461 million or 0.8% of the 2012 Approved Net Operating Budget. The net unfavourable variance for the three-month period was largely driven by lower than budgeted revenue of \$8.425 million or 4.0% for Toronto Water reflecting a continuing trend of reduced water consumption arising from the implementation of water efficiency strategies, partially off-set by lower than planned expenditures.

Appendices A, B, and C attached summarize net expenditures, gross expenditures, and revenues, respectively. Appendix D provides the in-year budget adjustments for the first quarter ended March 31, 2012. Appendix E provides detailed variance explanations for City Programs and Agencies for the three months ended March 31, 2012 as well as projections to year-end.

### **Background Information**

(May 25, 2012) Report and Appendices A to E from the Deputy City Manager and Chief Financial Officer on Operating Variance Report for the Three-Month Period Ended March 31, 2012

<http://www.toronto.ca/legdocs/mmis/2012/bu/bgrd/backgroundfile-47547.pdf>

(April 23, 2012) Report from the Deputy City Manager and Chief Financial Officer on Operating Variance Report for the Three Month Period Ended March 31, 2012 - Notice of Pending Report

<http://www.toronto.ca/legdocs/mmis/2012/bu/bgrd/backgroundfile-47340.pdf>

### **Speakers**

Councillor Gord Perks

Councillor Janet Davis