

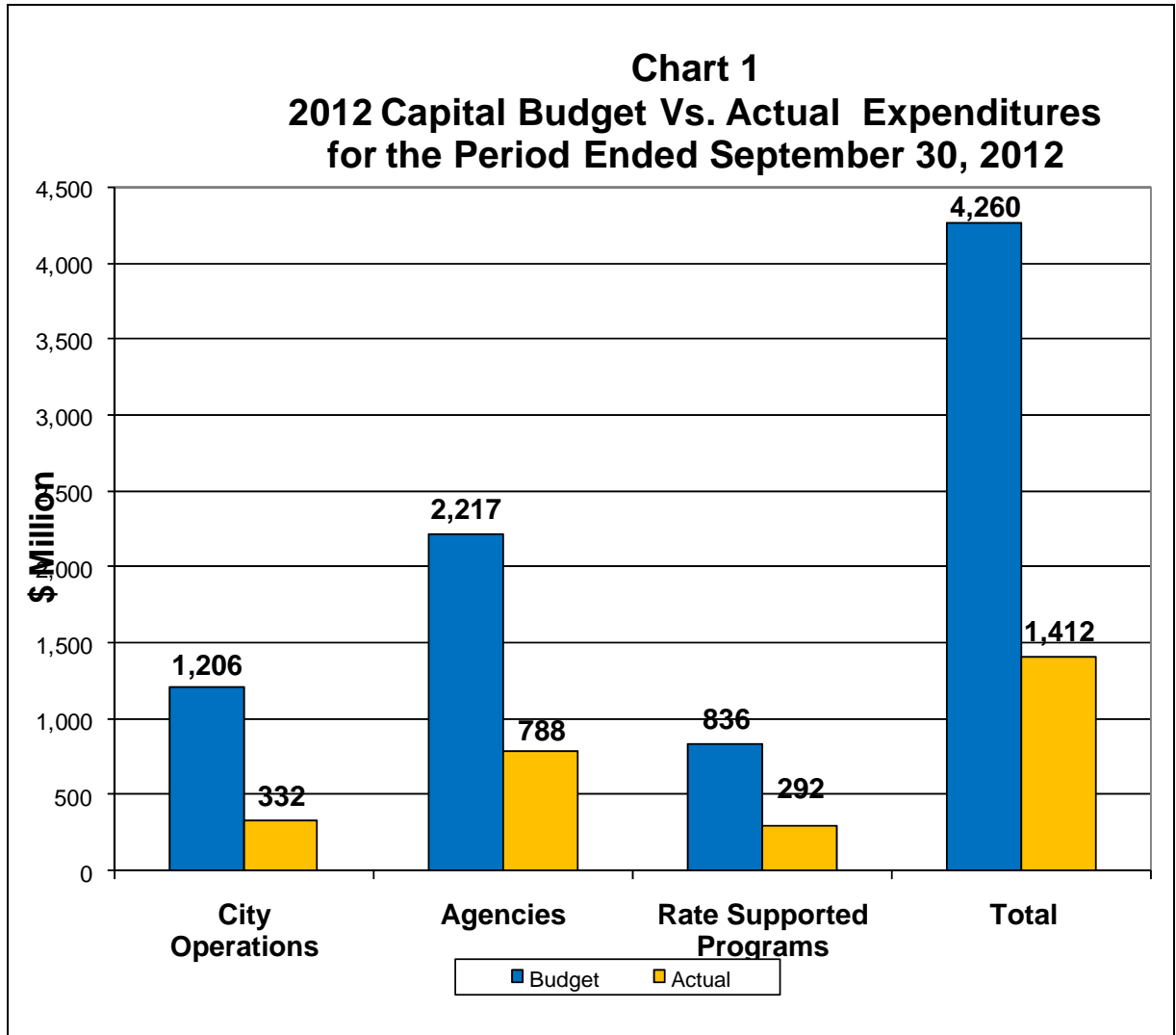
**Capital Variance Report for the Nine Month Period
Ended September 30, 2012**

Date:	January 7, 2013
To:	Budget Committee
From:	Acting Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2013\Internal Services\Fp\Bc13003Fp (AFS #16840)

SUMMARY

The purpose of this report is to provide Council with the 2012 Capital Variance Report for the nine month period ended September 30, 2012 as well as projected actual expenditures to December 31, 2012. Furthermore, the report seeks Council's approval for 2012 in-year budget adjustments.

Capital expenditures for the nine months ended September 30, 2012 totalled \$1.412 million or 33.1% of the 2012 Approved Capital Budget of \$4.260 billion (see Chart 1). This spending pattern is consistent with prior years as City's capital activities tend to accelerate in the latter part of the year. As detailed by City Program and Agency in Appendix 1, actual expenditures to year-end are expected to reach \$2.853 billion or 67% of the total 2012 Approved Capital Budget; and 14 of 35 City Programs and Agencies project spending in excess of 70% of their respective 2012 Approved Capital Budget by December 31, 2012.



RECOMMENDATIONS

The Acting Deputy City Manager and Chief Financial Officer recommends that:

1. Council approve in-year budget adjustments to the 2012 Approved Capital Budget detailed in Appendix 2 and that the 2012 Approved Capital Budget be adjusted accordingly.
2. Council authorize and direct the appropriate City Officials to take the necessary action to give effect thereto.

FINANCIAL IMPACT

Capital expenditures for the nine months ended September 30, 2012 totalled \$1.412 billion or 33.1% of the 2012 Approved Capital Budget of \$4.260 billion. This spending pattern is consistent with prior years. As detailed by City Program and Agency in Appendix 1, projected actual expenditures to year-end are estimated at \$2.853 billion or 66.9% of the total 2012 Approved Capital Budget of \$4.260 billion. It is noted that 40%, or 14 of 35 City Programs and Agencies project spending in excess of 70% of their respective budgets by year-end. Tax Supported Programs project a spending rate of 66% to year-end; while Rate Supported Programs project spending of 71.2%.

ISSUE BACKGROUND

This report is provided pursuant to good business practices and budgetary control. As part of the City's accountability framework, capital variance reports are submitted to Committees and Council on a periodic basis in order to provide information on how the implementation of approved capital programs is progressing, and on an exceptions basis, to identify issues that require direction and/or decisions from Council.

COMMENTS

At its meeting of January 17, 2012, Council approved a 2012 Tax Supported Capital Budget of \$2.782 billion; and 2012 Rate-Supported Capital Budget of \$761.005 million for a total Tax and Rate-Supported 2012 Capital Budget of \$3.543 billion. The 2012 Rate-Supported Capital Budget consists of \$607.517 million for Toronto Water, \$50.217 million for Toronto Parking Authority and \$103.271 million for Solid Waste Management. Including additional 2011 carry forward funding and in-year budget adjustments, the combined 2012 Approved Tax and Rate Supported Capital Budget is \$4.260 billion.

Spending for the first nine months ended September 30, 2012 totalled \$1.412 billion or 33.1% of the 2012 Approved Capital Budget. The City's capital work tends to accelerate in the latter part of the year. This is evident in the increased spending projections to 2012 year-end, which indicate total spending of \$2.853 billion or 66.9% of 2012 Approved Capital Budget.

Table 1 Corporate Capital Variance Summary for the Period Ended September 30, 2012 (\$000s)					
	2012 Approved Budget	Actual Expenditures - January 1 to September 30, 2012		Projected Actual Expenditure at Year-End	
		\$000s	%	s	% of Plan
Tax Supported Programs:					
Citizen Centred Services - "A"	260,926	57,293	22.0	135,408	51.9
Citizen Centred Services - "B"	353,156	98,071	27.8	227,407	64.4
Internal Services	251,384	78,553	31.2	162,168	64.5
Other City Programs	340,751	97,925	28.7	173,426	50.9
Agencies	2,217,446	796,289	35.9	1,556,555	70.2
Total - Tax Supported	3,423,664	1,128,132	33.0	2,254,965	65.9
Rate Supported Programs:					
Toronto Parking Authority	54,663	6,370	11.7	20,725	37.9
Solid Waste Management	138,653	50,860	36.7	88,429	63.8
Toronto Water	642,716	234,500	36.5	486,337	75.7
Total Rate Supported	836,032	291,729	34.9	595,490	71.2
Total	4,259,695	1,419,861	33.3	2,850,455	66.9

In-Year Budget Adjustments

As detailed in **Appendix 2**, technical and in-year budget adjustments are requested by Fire Services and Facilities Management and Real Estate Services. These adjustments are required to reflect the favourable contract pricing resulting in contract savings for the *Radio Replacement* project and to separate the *Nathan Phillip's Square Revitalization* project and the *Nathan Phillips Square Reflecting - Pool/ Rink* projects so that costs can be tracked discretely within each project.

CONTACT

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SIGNATURE

Giuliana Carbone
Acting Deputy City Manager and Chief Financial Officer

ATTACHMENTS

- Appendix 1 - 2012 Consolidated Capital Variance Report for the Nine Months Ended September 30, 2012
- Appendix 2 - In-Year Adjustments for the Nine Months Ended September 30, 2012
- Appendix 3 - Capital Variance Explanation - Programs/Agencies