

**Operating Variance Report for the Three-Month Period
Ended March 31, 2013**

Date:	April 30, 2013
To:	Budget Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2013\Internal Services\Fp\Bc13019Fp

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, 2013 as well as year-end projections and to request Council's approval for amendments to the 2013 Operating Budget between Programs to ensure accurate reporting and financial accountability with no increase to the 2013 Approved Net Operating Budget.

For the three-month period ending March 31, 2013, Tax Supported Operations' net expenditures were under-spent by \$57.533 million or 6.7% of planned expenditures and projections indicate that the 2013 year-end net under-expenditure is anticipated to be \$14.265 million or 0.4% of the 2013 Approved Net Operating Budget. The year-to-date under-spending was driven largely by under-expenditures in corporate accounts due to timing delays for Non-Program Expenditures and salary savings from delays in filling vacant positions.

Rate Supported Programs were under-spent by \$13.649 million or 28.5% compared to net planned expenditures for the three-month period ended March 31, 2013 primarily from overachieved revenues from water and waste water surcharges by Toronto Water. Although the Program overachieved revenues in the first quarter, revenues from sale of water and wastewater surcharges are forecasted to be on budget due to uncertainty in the residential sale of water. Rate Supported Programs project year-end under-spending of \$10.001 million or 15.8% of the 2013 Approved Net Operating Budget due in large part to Toronto Water's under-expenditure in salaries and benefits from vacancies that have not been filled.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. City Council authorize staff to transfer \$15.282 million gross and \$0 million net from the 2013 Non-Program Expenditure Budget to the respective 2013 Approved Operating Budget for City Programs, Toronto Public Health and Leaside Memorial Community Gardens for CUPE Local 416 and Local 79 employees to provide the necessary funding for the 1.50% one-time non-base non-pensionable lump sum payment and the associated employer health tax.
2. City Council authorize staff to transfer \$1.264 million gross and \$0 million net from the 2013 Non-Program Expenditure Budget to the Toronto Public Library and the Association of Community Centres to provide the necessary funding for the 1.50% one-time non-base non-pensionable lump sum payment and the associated employer health tax for unionized employees as these Agencies have similar provisions based on their negotiated collective bargaining settlements.
3. City Council authorize staff to transfer \$15.420 million gross and \$12.808 million net from the 2013 Non-Program Expenditure Budget to the respective 2013 Approved Operating Budget for City Programs, Toronto Public Health and Association of Community Centres to provide the necessary funding for the 1.9% cost of living allowance and re-earnable lump sum payment for non-union employees.
4. City Council approve in-year budget adjustments detailed in Appendix D to amend the 2013 Approved Operating Budget between Programs with gross expenditures and revenues of \$1.958 million, and no impact to the 2013 Approved Net Operating Budget.

FINANCIAL IMPACT

As shown in Table 1 below, Tax Supported Operations' net expenditures were under-spent by \$57.533 million or 6.7% of planned expenditures for the three-month period ended March 31, 2013 and projections indicate that the year-end net under-expenditure is anticipated to be \$14.265 million or 0.4% based on the most current information.

Table 1		
Tax Supported Net Expenditure Variance (\$ Millions)		
	March 2013	Projected Y/E 2013
	Over/(Under)	Over/(Under)
Citizen Centred Services "A"	(2.5)	(1.3)
Citizen Centred Services "B"	(8.6)	(9.7)
Internal Services	(4.4)	(7.0)
City Manager	(0.9)	(0.8)
Other City Programs	(0.3)	(0.3)
Council Appointed Programs	(0.2)	(0.1)
Total - City Operations	(16.8)	(19.2)
Agencies, Boards and Commissions	4.7	4.4
Corporate Accounts	(45.5)	0.5
Sub-Total	(40.7)	4.9
Total Variance	(57.5)	(14.3)

Lower than planned Ontario Works caseload and winter maintenance costs plus under-spending in salaries and benefits due to vacancies that have not been filled has resulted in City Operations being under-spent by \$16.818 million at March 31, 2013 and projecting to be under-spent by \$19.204 million at year-end.

Agencies reported a net over-expenditure of \$4.738 million or 1.2% at the end of the first quarter primarily driven by lower than budgeted ridership revenue and slightly lower average fare revenue stemming from marginally higher monthly pass sales for the Toronto Transit Commission. Agencies collectively forecast a net over-expenditure of \$5.684 million or 0.3% for the 2013 Approved Net Operating Budget by year-end primarily from an over-expenditure of \$5.0 million or 0.5% for Toronto Police Service due to an approved unallocated reduction for which actions to meet this target have not yet been fully identified.

Corporate Accounts were under-spent by \$45.453 million as of March 31, 2013. The year-to-date favourable variance was primarily attributed to lower net expenditures of \$38.210 million or 34.0% largely timing issue driven by the unsettled union agreement for Fire Services, outstanding remuneration of the lump sum payment for unionized employees and non-union cost of living allowance payment plus delay in transferring funding for employee related liabilities. These will be transferred by year-end. In addition, revenue of \$9.485 million was received earlier than expected in the first quarter due to the issuance of the 2013 Third Party Sign Tax invoices. As a result of this being only a timing issue, the year-end projection is estimated at \$1.393 million over budget.

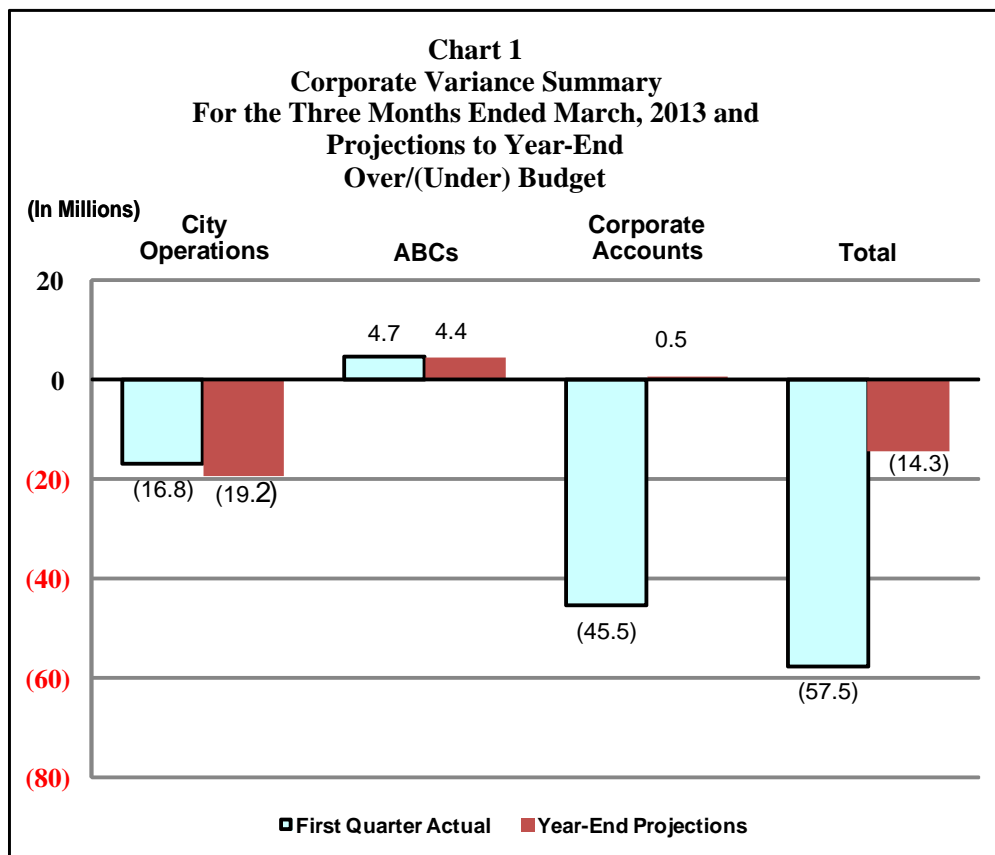
Rate Supported Programs were under-spent by \$13.649 million or 28.5% compared to net planned expenditures for the three-month period ended March 31, 2013 and project year-end under-spending of \$10.001 million or 15.8% of the 2013 Approved Net Operating Budget.

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, 2013. Appendix E provides detailed variance explanations for City Programs and Agencies for the three months ended March 31, 2013 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 2013 Approved Operating Budget between Programs and Agencies in accordance with the Financial Control By-Law and the City's financial management principles.

COMMENTS



Tax Supported Programs

City Operations realized net under-spending of \$16.818 million or 4.0% of planned expenditures for the three-month period ended March 31, 2013. Major contributors to net under-spending include the following:

- Transportation Services' net under-spending of \$5.781 million or 11.3% is driven largely by lower than budgeted gross expenditures from contractor costs (road and sidewalk ploughing) for winter maintenance due to variable weather conditions.
- Toronto Building's net under-spending of \$4.873 million is driven by higher than planned revenues of \$4.6 million or 38% mainly due to the sustained high volume of permit application intake experienced which was driven by market anticipation of development charge increases.
- Information and Technology's net under-spending of \$3.136 million or 10.7% is primarily from salary savings due to vacancies that have not been filled.
- Toronto Employment and Social Services' net under-spending of \$2.395 million or 5.8% arises from lower than planned caseload (100,304 actual versus 106,497 budgeted) and lower special diet expenditures.
- City Planning's net under-spending of \$2.214 million or 83.8% is preliminary due to higher than planned revenue from large development applications.

City Operations forecasts to be below the 2013 Approved Net Operating Budget by \$19.204 million or 1.0% at year-end due largely to the following:

- Transportation Services' projected net under-spending of \$7.0 million or 3.4% is primarily due to lower than budgeted gross expenditures in salaries and benefits from vacancies that have not been filled; plus savings from contractor costs for utility cut repairs and contractor costs (road and sidewalk ploughing) for winter maintenance.
- Toronto Employment and Social Services' is projecting to be under-spent by of \$4.005 million or 2.1% based on a continued trend of lower caseload and special diet expenditures.
- Information and Technology is projected to be net under-spent by \$3.750 million or 5.6% primarily due to salary savings from vacancies that have not been filled.

Agencies reported net over-spending of \$4.738 million or 1.2% of planned expenditures for the three months ended March 31, 2013. The variance was driven primarily by the Toronto Transit Commission's combined services which reported \$5.183 million or 4.2% in net over-expenditures. This has resulted from lower than planned revenue of \$3.364 million or 1.1% due to lower than expected ridership results with 136.9 million riders versus a budget of 137.6 million and slightly lower average fare revenue stemming from marginally higher monthly pass sales; as well as higher than budgeted gross expenditures of \$1.819 million or 0.4% due to the timing of accident claims settlements which were paid earlier than planned and non-labour expenses as well as additional taxi

trips required to accommodate the increase in Wheel-Trans customer journeys. The Toronto Transit Commission will continue to monitor actual ridership figures and if ridership continues to trend below budget (projected growth) service will be adjusted accordingly to mitigate the net expenditure variance. In addition, the Toronto Police Service has reported net over-spending of \$1.250 million or 0.6% of planned expenditures due to an approved unallocated reduction in the amount of \$6.7 million for which actions to meet this target have not yet been fully identified.

Agencies collectively forecast a net over-expenditure of \$4.447 million or 0.3% for the 2013 Approved Net Operating Budget by year-end. The projected year-end net over-spending will primarily result from the Toronto Police Service of \$5.0 million or 0.5%. This projected over-spending consists of higher than planned expenditures in the amount of \$5.200 million to be partially mitigated by higher than planned fee revenues of \$0.200 million.

Corporate Accounts for the first quarter Non-Program Budget experienced net under-spending of \$45.453 million. Projections to year-end indicate that the Corporate Accounts will be \$0.491 million over the 2013 Approved Net Operating Budget, as noted below:

- **Capital and Corporate Financing** expenditures are forecasted to be on budget at year-end.
- **Non-Program Expenditures** were under-spent by \$38.210 million or 34.0% of planned expenditures for the three-month period ended March 31, 2013. The under-expenditure was largely driven by continued delay in settling the union agreement for Fire Services and funding that has yet to be transferred to City Programs for payment of cost of living allowances. The delay in transferring funding for employee related liabilities also contributed to the under-expenditure. It is anticipated that the union agreement for Fire Services will be settled by year-end. In addition, the cost of living allowances and funding for employee related liabilities will also be paid by year-end. As a result, Non-Program projected actual by year-end is expected to be materially in line with the Budget, or slightly under-spent by \$0.396 million or 0.1%.
- **Non-Program Revenues Budget** experienced a 2013 Approved Net Operating Budget variance of \$7.243 million or 3.0% above planned revenues for the period ended March 31, 2013. The year-to-date increase in net revenue was primarily driven by the following:
 - The receipt of Third Party Sign Tax revenue of \$9.485 million in the first quarter due to the issuance of the 2013 Third Party Sign Tax invoices earlier than planned, however, the year-end projection is estimated at \$1.393 over budget.
 - The Municipal Land Transfer Tax increased net revenue of \$0.396 million or 0.7% from lower than planned gross expenditures. Revenue from the Municipal Land Transfer Tax is projected to be on budget at year-end.
 - The favourable year-to-date revenue was partly off-set by a decline in Toronto Hydro Dividend Income of \$2.001 million or 7.7% reflecting lower than budgeted Toronto Hydro net income from 2012. The 2013 budgeted revenue was based, in part, on Toronto Hydro's 2012 financial performance.

- The Non-Program Revenue Budget is projected to be below budget by \$0.888 million or 0.1% at year-end largely driven by the lower than budgeted revenue from Toronto Hydro Dividend Income of \$2.001 million or 4.5% partially off-set by increased revenue from the Third Party Sign Tax of \$1.393 million or 14.6%. The year-end projected increase in the Third Party Sign Tax revenue is due to a change in the inventory for billable signs. The 2013 Approved Non-Program Budget of \$9.555 million was based on an assumed inventory of signs. Prior to issuing the 2013 tax bills, the sign inventories were reconciled resulting in the change for billable Third Party Sign Tax revenue.

Rate Supported Programs

Rate Supported Programs were under-spent by \$13.649 million or 28.5% compared to net planned expenditures for the three-month period ended March 31, 2013.

The net savings noted above were partially off-set by Solid Waste Management Services. The Program reported net over-spending of \$2.143 million or 18.4% mainly from earlier than planned assignment of charges, payments and receipt of revenue. This net over-expenditure was primarily comprised of \$8.3 million in expenditures consisting of debt charges for the Green Lane Landfill capital programme which were applied to Solid Waste Management Services earlier in the year than anticipated in the calendarized budget as well as early receipt of invoices from contracted processors for recycling and organics. These earlier than anticipated payments were partially off-set by \$2.9 million in savings in salaries due to early season vacancies and delayed charges for interdepartmental services, contracted services for transfer stations and increased revenue of \$3.3 million mainly driven by earlier than anticipated receipt of residential bin fees. This first quarter variance is not expected to impact the year-end position as Solid Waste Management Services is projecting to be on budget.

Rate Supported Programs collectively project net under-spending of \$10.001 million or 15.8% at year-end driven largely by expenditure savings, primarily in salaries and benefits from vacancies that have not been filled, hydro efficiencies and saving from the delay in the operating impact of odour and corrosion control projects for Toronto Water.

Budget Adjustments

Council approval is required for the in-year budget adjustments. These recommended budget adjustments have no impact to the 2013 Approved Net Operating Budget. The major adjustments are outlined below:

2012 CUPE Local 416 and Local 79 Negotiated Settlements and 2013 One-Time Negotiated Costs:

City Council approved new collective agreements with CUPE Local 416 and Local 79 in 2012 for a four year term from January 1, 2012 to December 31, 2015. As part of the collective agreement, a 1.50% one-time non-base non-pensionable lump sum payment will be made to local members in 2013. This report recommends that City Council authorize staff to transfer \$15.282 million gross

and \$0 million net from the 2013 Non-Program Expenditure Budget to the respective 2013 Approved Operating Budget for City Programs, Toronto Public Health and Leaside Memorial Community Gardens for CUPE Local 416 and Local 79 employees to provide the necessary funding for the 1.50% one-time non-base non-pensionable lump sum payment and the associated employer health tax. Council at its meeting in January 2013 approved the use one-time year-end surplus to fund the one-time expenditures as adopted in the Operating Variance Report for the Nine-Month Period Ended September 30, 2012.

Union Compensation:

This report recommends that City Council authorize staff to transfer \$1.264 million gross and \$0 million net from the 2013 Non-Program Expenditure Budget to the Toronto Public Library and the Association of Community Centres to provide the necessary funding for the 1.50% one-time non-base non-pensionable lump sum payment and the associated employer health tax for unionized employees as these Agencies have similar provisions based on their negotiated collective bargaining settlements.

Non-Union Compensation:

City Council approved amendments to the Non-Union Compensation Plan at their meeting of July 11, 12 and 13, 2012. In compliance with the amendments to the Non-Union Compensation Plan, this report recommends that City Council authorize staff to transfer \$15.420 million gross and \$12.808 million net from the 2013 Non-Program Expenditure Budget to the respective 2013 Approved Operating Budget for City Programs, Toronto Public Health and Association of Community Centres to provide the necessary funding for the 1.9% cost of living allowance and re-earnable lump sum payment for non-union employees.

Transfer of Positions from Engineering and Construction Services to Solid Waste Management Services and Toronto Water:

In December 2012, an Organizational Change was authorized and processed in order to transfer 15 Engineering and Construction Services' staff to Solid Waste Management Services (13 perpetual care of landfill staff) and Toronto Water (2 project review staff). The transfer of staff was initiated in order to maximize the ability of Engineering and Construction Services to effectively and efficiently deliver engineering services. This transfer was effective February 6, 2013 and as such the first quarter actuals and operating budgets for Engineering and Construction Services, Solid Waste Management Services, and Toronto Water already reflect this change.

Transfer of United Way Function:

The City Manager's Office, Strategic and Corporate Policy Section, conducted an internal administrative review in 2012 and concluded that the United Way function be transferred to the Toronto Office of Partnership which manages donations and third party funding partnerships. This report recommends that \$0.037 million gross and net be transferred from the 2013 Non-Program Budget and \$0.098 million gross and \$0.004 million net from the City Manager's Office Budget to the 2013 Approved Operating Budget for Social Development, Finance and Administration. The

budget adjustment includes the transfer of one position from the City Manager's Office to Social Development, Finance and Administration.

Environment and Energy Efficiencies Functions:

In October of 2012, Council adopted a report entitled "Environment and Energy Efficiencies Functions". The report was in response to the Core Service Review which recommended reorganization of the Environment Office. One of the directions was that the Tower Renewal initiative move from the City Manager's Office to Social Development, Finance and Administration to align better with other community revitalization work occurring through the Community Revitalization Unit under the Community and Neighbourhood Development activities. This report recommends that \$1.058 million gross and \$0.229 million net and five positions be transferred from the City Manager's Office to the 2013 Approved Operating Budget for Social Development, Finance and Administration.

Transfer of CPIP Grant Funding:

This report recommends the transfer of CPIP funding of \$0.030 million from Social Development, Finance and Administration to Parks, Forestry and Recreation for recreation program funding for the disability community for the warm water pool at Variety Village, with no net impact to the City.

Consulting Costs

As at March 31, 2013, Tax and Rate Supported Operations reported actual consulting costs of \$0.889 million gross resulting in an under-expenditure of \$0.552 million gross or 38.3% of \$1.441 million in planned expenditures.

Approved Positions

The City of Toronto budgets and monitors its staff complement based on Approved Positions. As at March 31, 2013, the City reported 43,272.9 full-time approved positions (41,480.6 permanent and 1,792.3 casual/seasonal) and 3,996.2 part-time approved positions (1,791.2 permanent and 2,205.0 casual/seasonal). This strength reflects 2,806.2 vacant positions representing 5.6% of the 2013 Council Approved Complement 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 March 31, 2013, Tax and Rate Supported Operations reported actual utility costs of \$36.420 million gross (compared to the planned expenditures of \$37.718 million gross) resulting in an under-expenditure of \$1.316 million gross or 3.5% compared to plan for the first quarter. The under-expenditure in utility costs was primarily the result of lower than planned consumption, predominantly in Toronto Water and Facilities Management and Real Estate.

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SIGNATURE

Roberto Rossini
Deputy City Manager and Chief Financial Officer

ATTACHMENTS

Appendix A – City of Toronto Net Expenditures for Three Months Ended March 31, 2013
Appendix B – City of Toronto Gross Expenditures for Three Months Ended March 31, 2013
Appendix C – City of Toronto Revenues for Three Months Ended March 31, 2013
Appendix D – City of Toronto Budget Adjustments for Three Months Ended March 31, 2013
Appendix E – City of Toronto Significant City Programs/Agencies Variance Explanations



CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES VARIANCE
FOR THE THREE MONTHS ENDED MARCH 31, 2013
(\$000s)

	March 31, 2013				December 31, 2013			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Citizen Centred Services "A"								
Affordable Housing Office	323.9	323.9	0.0	0.0%	1,194.9	1,194.9	0.0	0.0%
Children's Services	21,093.4	21,093.4	0.0	0.0%	76,716.4	76,716.4	0.0	0.0%
Court Services	(1,243.0)	(22.1)	1,220.9	-98.2%	(13,783.2)	(10,237.4)	3,545.8	-25.7%
Economic Development & Culture	7,307.7	7,719.9	412.2	5.6%	45,401.9	45,401.9	0.0	0.0%
Emergency Medical Services	11,775.5	11,457.1	(318.4)	-2.7%	68,575.5	69,076.0	500.5	0.7%
Long Term Care Homes and Services	7,146.4	6,943.0	(203.4)	-2.8%	45,947.2	45,947.2	(0.0)	0.0%
Parks, Forestry & Recreation	53,503.0	53,538.2	35.2	0.1%	273,091.3	271,712.7	(1,378.6)	-0.5%
Shelter, Support & Housing Administration	46,495.1	45,372.0	(1,123.1)	-2.4%	218,869.4	218,869.4	0.0	0.0%
Social Development, Finance & Administration	3,974.8	3,849.9	(124.9)	-3.1%	28,492.9	28,492.9	0.0	0.0%
Toronto Employment & Social Services	41,425.7	39,030.9	(2,394.8)	-5.8%	188,324.8	184,320.2	(4,004.6)	-2.1%
Sub-Total Citizen Centred Services "A"	191,802.6	189,306.3	(2,496.3)	-1.3%	932,831.2	931,494.2	(1,337.0)	-0.1%
Citizen Centred Services "B"								
City Planning	2,641.0	427.2	(2,213.8)	-83.8%	14,430.4	14,430.4	(0.0)	0.0%
Fire Services	85,315.3	86,655.5	1,340.1	1.6%	361,378.8	361,378.8	0.0	0.0%
Municipal Licensing & Standards	1,986.5	3,280.9	1,294.4	65.2%	20,214.5	20,214.6	0.0	0.0%
Policy, Planning, Finance and Administration	1,817.3	1,830.1	12.8	0.7%	9,594.3	9,575.9	(18.3)	-0.2%
Engineering and Construction Services	1,247.4	2,675.1	1,427.7	114.4%	7,604.3	7,498.3	(106.0)	-1.4%
Toronto Building	(2,632.2)	(7,505.4)	(4,873.2)	185.1%	(11,031.3)	(13,531.3)	(2,500.0)	22.7%
Toronto Environment Office	520.3	710.8	190.6	36.6%	2,635.6	2,600.6	(35.0)	-1.3%
Transportation Services	51,003.4	45,222.7	(5,780.7)	-11.3%	205,905.5	198,905.5	(7,000.0)	-3.4%
Sub-Total Citizen Centred Services "B"	141,899.0	133,296.9	(8,602.1)	-6.1%	610,732.0	601,072.7	(9,659.3)	-1.6%
Internal Services								
Office of the Chief Financial Officer	1,907.4	1,816.2	(91.3)	-4.8%	9,135.6	8,776.9	(358.7)	-3.9%
Office of the Treasurer	5,581.4	5,429.0	(152.4)	-2.7%	29,765.9	28,608.5	(1,157.4)	-3.9%
Facilities Management & Real Estate	24,895.9	24,349.5	(546.4)	-2.2%	60,538.6	59,962.5	(576.1)	-1.0%
Fleet Services	621.3	522.2	(99.1)	-16.0%	164.8	164.8	(0.0)	0.0%
Information & Technology	29,403.3	26,267.2	(3,136.1)	-10.7%	67,422.1	63,672.3	(3,749.8)	-5.6%
311 Toronto	1,985.7	1,641.0	(344.7)	-17.4%	10,784.3	9,624.8	(1,159.5)	-10.8%
Sub-Total Internal Services	64,395.0	60,025.1	(4,369.9)	-6.8%	177,811.3	170,809.8	(7,001.5)	-3.9%
City Manager								
City Manager's Office	8,759.0	7,897.6	(861.4)	-9.8%	43,053.8	42,283.7	(770.1)	-1.8%
Sub-Total City Manager	8,759.0	7,897.6	(861.4)	-9.8%	43,053.8	42,283.7	(770.1)	-1.8%
Other City Programs								
City Clerk's Office	6,716.3	7,209.1	492.8	7.3%	31,039.1	31,039.1	0.0	0.0%
Legal Services	5,195.4	4,837.5	(357.9)	-6.9%	19,353.0	19,052.5	(300.6)	-1.6%
Mayor's Office	424.6	332.6	(92.0)	-21.7%	1,971.3	1,971.3	0.0	0.0%
City Council	4,531.4	4,183.3	(348.2)	-7.7%	19,957.4	19,957.4	0.0	0.0%
Sub-Total Other City Programs	16,867.7	16,562.4	(305.3)	-1.8%	72,320.8	72,020.3	(300.6)	-0.4%
Accountability Offices								
Auditor General's Office	872.2	808.2	(64.0)	-7.3%	4,221.3	4,156.3	(65.0)	-1.5%
Integrity Commissioner's Office	52.1	48.5	(3.6)	-6.8%	251.2	251.2	0.0	0.0%
Lobbyist Registrar's Office	232.4	192.1	(40.3)	-17.3%	1,087.3	1,017.3	(70.0)	-6.4%
Ombudsman's Office	345.9	271.3	(74.7)	-21.6%	1,593.3	1,593.3	0.0	0.0%
Sub-Total Council Appointed Programs	1,502.6	1,320.0	(182.6)	-12.2%	7,153.2	7,018.2	(135.0)	-1.9%
TOTAL - CITY OPERATIONS	425,225.9	408,408.3	(16,817.6)	-4.0%	1,843,902.4	1,824,698.9	(19,203.6)	-1.0%



CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES VARIANCE
FOR THE THREE MONTHS ENDED MARCH 31, 2013
(\$000s)

	March 31, 2013				December 31, 2013			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Agencies								
Toronto Public Health	10,167.7	9,847.5	(320.2)	-3.1%	50,265.8	49,740.8	(525.0)	-1.0%
Toronto Public Library	38,872.3	38,521.5	(350.8)	-0.9%	165,359.5	165,109.4	(250.1)	-0.2%
Association of Community Centres	1,699.2	1,472.8	(226.3)	-13.3%	6,996.1	6,996.1	0.0	0.0%
Exhibition Place	2,652.1	2,395.3	(256.9)	-9.7%	(100.0)	(100.0)	0.0	0.0%
Heritage Toronto	78.0	69.5	(8.5)	-10.8%	311.8	311.8	0.0	0.0%
Theatres	1,153.8	1,413.4	259.6	22.5%	4,329.2	4,601.4	272.2	6.3%
Toronto Zoo	6,135.4	6,085.9	(49.5)	-0.8%	11,110.7	11,110.7	0.0	0.0%
Arena Boards of Management	(3.9)	(780.5)	(776.5)	19742.0%	(15.7)	(14.8)	0.9	-5.7%
Yonge Dundas Square	109.2	144.1	34.9	32.0%	436.6	385.8	(50.8)	-11.6%
Toronto & Region Conservation Authority	863.5	863.5	(0.0)	0.0%	3,289.5	3,289.5	0.0	0.0%
Toronto Transit Commission - Conventional	97,962.0	102,985.0	5,023.0	5.1%	410,951.0	410,951.0	0.0	0.0%
Toronto Transit Commission - Wheel Trans	25,037.0	25,196.0	159.0	0.6%	96,823.0	96,823.0	0.0	0.0%
Toronto Police Service	213,755.4	215,005.4	1,250.0	0.6%	927,811.2	932,811.2	5,000.0	0.5%
Toronto Police Services Board	363.2	363.2	0.0	0.0%	2,251.6	2,251.6	0.0	0.0%
TOTAL - AGENCIES	398,844.7	403,582.6	4,737.8	1.2%	1,679,820.3	1,684,267.5	4,447.2	0.3%
Corporate Accounts								
Capital & Corporate Financing	154,324.4	154,324.4	0.0	0.0%	617,297.8	617,297.8	0.0	0.0%
Non-Program Expenditures								
- Tax Deficiencies/Write-offs	15,512.5	15,507.5	(5.0)	0.0%	72,000.0	72,000.0	0.0	0.0%
- Assessment Function (MPAC)	9,955.0	9,685.0	(270.0)	-2.7%	39,820.0	39,820.0	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	18,977.4	52.5	(18,924.9)	-99.7%	75,947.2	75,947.2	0.0	0.0%
- Contingency	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
- Other Corporate Expenditures	20,749.2	1,207.8	(19,541.4)	-94.2%	70,364.4	69,968.3	(396.2)	-0.6%
- Insurance Premiums & Claims	1,825.0	1,750.0	(75.0)	-4.1%	7,300.0	7,300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	14,784.3	14,784.3	0.0	0.0%	59,137.2	59,137.2	0.0	0.0%
- Vacancy Rebate Program	5,500.0	5,434.8	(65.2)	-1.2%	22,000.0	22,000.0	0.0	0.0%
- Heritage Property Taxes Rebate	0.0	0.2	0.2	n/a	2,000.0	2,000.0	0.0	0.0%
- Solid Waste Management Rebates	25,207.6	25,878.5	670.9	2.7%	182,391.9	182,391.9	0.0	0.0%
- Pandemic Influenza Stockpiling	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Non-Program Expenditures	112,511.0	74,300.6	(38,210.4)	-34.0%	530,960.7	530,564.6	(396.2)	-0.1%
Non-Program Revenue								
- Payments in Lieu of Taxes	(37,938.6)	(37,933.6)	5.0	0.0%	(92,149.2)	(92,149.2)	0.0	0.0%
- Supplementary Taxes	0.0	0.0	0.0	n/a	(50,000.0)	(50,000.0)	0.0	0.0%
- Tax Penalties	(6,251.1)	(6,287.6)	(36.5)	0.6%	(29,000.0)	(29,000.0)	0.0	0.0%
- Interest/Investment Earnings	(31,056.4)	(30,834.6)	221.8	-0.7%	(124,226.9)	(124,226.9)	0.0	0.0%
- Prior Year Surplus	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
- Other Corporate Revenues	(1,489.4)	(1,157.8)	331.6	-22.3%	(7,514.0)	(7,238.7)	275.3	-3.7%
- Toronto Hydro Revenues	(26,000.0)	(23,995.0)	2,005.0	-7.7%	(45,000.0)	(42,995.0)	2,005.0	-4.5%
- Provincial Revenue	(22,900.0)	(22,900.0)	0.0	0.0%	(91,600.0)	(91,600.0)	0.0	0.0%
- Municipal Land Transfer Tax	(60,528.5)	(60,924.6)	(396.1)	0.7%	(315,088.6)	(315,088.6)	0.0	0.0%
- Personal Vehicle Tax	0.0	0.1	0.1	n/a	0.0	0.0	0.0	n/a
- Third Party Sign Tax	(2,388.9)	(11,873.3)	(9,484.5)	397.0%	(9,555.4)	(10,948.1)	(1,392.7)	14.6%
- Parking Authority Revenues	(12,106.5)	(12,106.5)	0.0	0.0%	(48,425.8)	(48,425.8)	0.0	0.0%
- Administrative Support Recoveries - Water	(4,743.3)	(4,743.3)	0.0	0.0%	(18,973.0)	(18,973.0)	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	(4,081.7)	(4,081.7)	0.0	0.0%	(16,326.7)	(16,326.7)	0.0	0.0%
- Parking Tag Enforcement & Oper.	(20,533.5)	(20,533.5)	0.0	0.0%	(82,134.1)	(82,134.1)	0.0	0.0%
- Other Tax Revenues	(4,117.8)	(4,111.8)	6.0	-0.1%	(14,200.0)	(14,200.0)	0.0	0.0%
- Woodbine Slots	(3,725.0)	(3,620.3)	104.7	-2.8%	(14,900.0)	(14,900.0)	0.0	0.0%
Non-Program Revenues	(237,860.5)	(245,103.4)	(7,242.9)	3.0%	(959,093.7)	(958,206.1)	887.6	-0.1%
TOTAL - CORPORATE ACCOUNTS	28,974.9	(16,478.4)	(45,453.3)	-156.9%	189,164.8	189,656.3	491.4	0.3%
NET OPERATING TAX LEVY	853,045.6	795,512.5	(57,533.1)	-6.7%	3,712,887.5	3,698,622.6	(14,264.9)	-0.4%
NON LEVY OPERATIONS								
Solid Waste Management Services	11,675.7	13,818.3	2,142.7	18.4%	0.0	0.0	0.0	n/a
Toronto Parking Authority	(15,795.3)	(15,795.3)	0.0	0.0%	(63,181.3)	(63,181.3)	0.0	0.0%
Toronto Water	(43,733.9)	(59,525.1)	(15,791.2)	36.1%	0.0	(10,001.3)	(10,001.3)	n/a
NON LEVY OPERATING NET EXPENDITURES	(47,853.6)	(61,502.0)	(13,648.5)	28.5%	(63,181.3)	(73,182.6)	(10,001.3)	15.8%



CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES VARIANCE
FOR THE THREE MONTHS ENDED MARCH 31, 2013
(\$000s)

	March 31, 2013				December 31, 2013			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Citizen Centred Services "A"								
Affordable Housing Office	601.7	446.1	(155.6)	-25.9%	2,682.3	2,641.7	(40.6)	-1.5%
Children's Services	110,803.1	110,292.5	(510.6)	-0.5%	402,335.4	402,335.4	0.0	0.0%
Court Services	8,679.8	9,206.6	526.8	6.1%	55,130.1	54,309.2	(820.9)	-1.5%
Economic Development & Culture	10,075.7	9,143.2	(932.5)	-9.3%	57,430.8	57,430.8	0.0	0.0%
Emergency Medical Services	39,347.2	39,035.3	(311.9)	-0.8%	181,367.4	179,666.9	(1,700.5)	-0.9%
Long Term Care Homes & Services	52,414.0	48,771.1	(3,642.9)	-7.0%	228,810.8	228,810.8	0.0	0.0%
Parks, Forestry & Recreation	78,286.1	77,683.6	(602.4)	-0.8%	395,821.5	388,457.9	(7,363.6)	-1.9%
Shelter, Support & Housing Administration	153,348.4	153,382.2	33.8	0.0%	669,953.3	669,953.3	0.0	0.0%
Social Development, Finance & Administration	5,424.4	5,130.6	(293.8)	-5.4%	33,853.6	33,853.6	0.0	0.0%
Toronto Employment & Social Services	289,147.7	256,712.7	(32,435.0)	-11.2%	1,246,392.3	1,204,458.7	(41,933.6)	-3.4%
Sub-Total Citizen Centred Services "A"	748,128.0	709,804.0	(38,324.0)	-5.1%	3,273,777.5	3,221,918.3	(51,859.2)	-1.6%
Citizen Centred Services "B"								
City Planning	8,055.4	8,081.2	25.8	0.3%	39,717.3	39,717.3	0.0	0.0%
Fire Services	89,196.2	89,219.2	23.0	0.0%	375,730.8	375,730.8	0.0	0.0%
Municipal Licensing & Standards	9,393.9	9,348.9	(44.9)	-0.5%	49,278.5	48,278.5	(1,000.0)	-2.0%
Policy, Planning, Finance and Administration	4,409.4	3,875.6	(533.8)	-12.1%	21,105.7	20,633.2	(472.6)	-2.2%
Engineering and Construction Services	13,635.6	12,755.7	(880.0)	-6.5%	70,552.8	69,002.8	(1,550.0)	-2.2%
Toronto Buildings	9,388.9	9,115.6	(273.3)	-2.9%	47,090.6	44,590.6	(2,500.0)	-5.3%
Toronto Environment Office	570.3	789.2	218.9	38.4%	4,590.0	4,555.0	(35.0)	-0.8%
Transportation Services	66,534.4	60,365.2	(6,169.2)	-9.3%	331,195.9	315,195.9	(16,000.0)	-4.8%
Sub-Total Citizen Centred Services "B"	201,184.1	193,550.6	(7,633.5)	-3.8%	939,261.5	917,703.9	(21,557.6)	-2.3%
Internal Services								
Office of the Chief Financial Officer	3,469.6	3,218.8	(250.8)	-7.2%	15,944.3	15,381.0	(563.3)	-3.5%
Office of the Treasurer	16,422.7	14,412.5	(2,010.2)	-12.2%	73,628.2	70,961.8	(2,666.4)	-3.6%
Facilities Management & Real Estate	35,820.1	34,622.0	(1,198.1)	-3.3%	180,021.5	175,119.9	(4,901.6)	-2.7%
Fleet Services	8,318.4	8,822.1	503.7	6.1%	46,655.8	48,031.1	1,375.3	2.9%
Information & Technology	29,598.9	26,462.8	(3,136.1)	-10.6%	106,390.6	94,904.9	(11,485.7)	-10.8%
311 Toronto	4,080.1	3,382.7	(697.4)	-17.1%	19,295.9	17,050.3	(2,245.6)	-11.6%
Sub-Total Internal Services	97,709.8	90,920.9	(6,788.9)	-6.9%	441,936.3	421,449.0	(20,487.3)	-4.6%
City Manager								
City Manager's Office	10,756.0	9,595.3	(1,160.7)	-10.8%	51,981.4	49,883.1	(2,098.3)	-4.0%
Sub-Total City Manager	10,756.0	9,595.3	(1,160.7)	-10.8%	51,981.4	49,883.1	(2,098.3)	-4.0%
Other City Programs								
City Clerk's Office	10,519.6	10,725.2	205.5	2.0%	47,259.2	47,259.2	0.0	0.0%
Legal Services	11,822.6	12,209.2	386.6	3.3%	45,430.9	46,262.8	831.9	1.8%
Mayor's Office	424.6	332.6	(92.0)	-21.7%	1,971.3	1,971.3	0.0	0.0%
City Council	4,538.9	4,188.3	(350.7)	-7.7%	19,987.4	19,987.4	0.0	0.0%
Sub-Total Other City Programs	27,305.8	27,455.3	149.5	0.5%	114,648.8	115,480.7	831.9	0.7%
Accountability Offices								
Auditor General's Office	872.2	808.2	(64.0)	-7.3%	4,221.3	4,156.3	(65.0)	-1.5%
Integrity Commissioner's Office	52.1	48.5	(3.6)	-6.8%	251.2	251.2	0.0	0.0%
Lobbyist Registrar's Office	232.4	192.1	(40.3)	-17.3%	1,087.3	1,017.3	(70.0)	-6.4%
Ombudsman's Office	345.9	271.3	(74.7)	-21.6%	1,593.3	1,593.3	0.0	0.0%
Sub-Total Council Appointed Programs	1,502.6	1,320.0	(182.6)	-12.2%	7,153.2	7,018.2	(135.0)	-1.9%
TOTAL - CITY OPERATIONS	1,086,586.2	1,032,646.0	(53,940.2)	-5.0%	4,828,758.7	4,733,453.2	(95,305.5)	-2.0%



CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES VARIANCE
FOR THE THREE MONTHS ENDED MARCH 31, 2013
(\$000s)

	March 31, 2013				December 31, 2013			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Agencies								
Toronto Public Health	50,324.3	48,133.1	(2,191.2)	-4.4%	243,461.0	240,547.5	(2,913.5)	-1.2%
Toronto Public Library	42,558.9	42,775.7	216.8	0.5%	182,030.3	182,324.6	294.3	0.2%
Association of Community Centres	1,768.1	1,545.8	(222.2)	-12.6%	7,320.7	7,320.7	0.0	0.0%
Exhibition Place	8,304.8	7,888.1	(416.7)	-5.0%	43,650.7	43,650.7	0.0	0.0%
Heritage Toronto	185.0	107.1	(77.9)	-42.1%	740.1	740.1	0.0	0.0%
Theatres	6,234.0	5,475.6	(758.3)	-12.2%	23,609.1	22,263.8	(1,345.3)	-5.7%
Toronto Zoo	9,602.7	9,183.4	(419.3)	-4.4%	53,565.3	53,565.3	0.0	0.0%
Arena Boards of Management	1,798.4	1,534.0	(264.4)	-14.7%	7,200.7	7,184.4	(16.3)	-0.2%
Yonge Dundas Square	517.3	324.7	(192.6)	-37.2%	2,069.2	2,223.9	154.7	7.5%
Toronto & Region Conservation Authority	9,600.5	9,568.5	(32.0)	-0.3%	38,402.0	38,402.0	0.0	0.0%
Toronto Transit Commission - Conventional	395,554.0	397,195.0	1,641.0	0.4%	1,540,948.0	1,540,948.0	0.0	0.0%
Toronto Transit Commission - Wheel Trans	26,437.0	26,615.0	178.0	0.7%	102,369.0	102,369.0	0.0	0.0%
Toronto Police Service	226,693.3	227,993.3	1,300.0	0.6%	1,018,946.8	1,024,146.8	5,200.0	0.5%
Toronto Police Services Board	371.0	371.0	0.0	0.0%	2,751.6	2,751.6	0.0	0.0%
TOTAL - AGENCIES	779,949.2	778,710.3	(1,238.9)	-0.2%	3,267,064.6	3,268,438.5	1,373.9	0.0%
Corporate Accounts								
Capital & Corporate Financing	163,754.9	163,754.9	0.0	0.0%	655,019.5	655,019.5	0.0	0.0%
Non-Program Expenditures								
- Tax Deficiencies/Write-offs	15,512.5	15,507.5	(5.0)	0.0%	72,000.0	72,000.0	0.0	0.0%
- Assessment Function (MPAC)	9,955.0	9,685.0	(270.0)	-2.7%	39,820.0	39,820.0	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	18,977.4	52.5	(18,924.9)	-99.7%	75,947.2	75,947.2	0.0	0.0%
- Contingency	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
- Other Corporate Expenditures	26,357.3	1,657.3	(24,700.0)	-93.7%	73,564.9	72,693.3	(871.6)	-1.2%
- Insurance Premiums & Claims	1,825.0	1,750.0	(75.0)	-4.1%	7,300.0	7,300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	14,784.3	14,784.3	0.0	0.0%	59,137.2	59,137.2	0.0	0.0%
- Programs Funded from Reserve Funds	29,427.1	29,427.1	0.0	0.0%	132,094.5	132,094.5	0.0	0.0%
- Vacancy Rebate Program	5,500.0	5,434.8	(65.2)	-1.2%	22,000.0	22,000.0	0.0	0.0%
- Heritage Property Taxes Rebate	0.0	0.2	0.2	n/a	2,000.0	2,000.0	0.0	0.0%
- Tax Rebates for Registered Charities	2,703.6	2,703.6	0.0	0.0%	5,814.5	5,814.5	0.0	0.0%
- Solid Waste Management Rebates	25,207.6	25,878.5	670.9	2.7%	182,391.9	182,391.9	0.0	0.0%
- Pandemic Influenza Stockpiling	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Non-Program Expenditures	150,249.8	106,880.8	(43,369.0)	-28.9%	672,070.2	671,198.6	(871.6)	-0.1%
Non-Program Revenue								
- Interest/Investment Earnings	232.6	203.3	(29.3)	-12.6%	930.6	930.6	0.0	0.0%
- Other Corporate Revenues	184.1	118.9	(65.2)	-35.4%	894.8	904.2	9.4	1.1%
- Municipal Land Transfer Tax	1,226.6	591.0	(635.6)	-51.8%	6,385.2	6,385.2	0.0	0.0%
- Personal Vehicle Tax	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
- Third Party Sign Tax	231.3	0.0	(231.3)	-100.0%	925.2	925.2	0.0	0.0%
- Other Tax Revenues	0.0	1.0	1.0	n/a	0.0	0.0	0.0	n/a
Non-Program Revenues	1,874.6	914.2	(960.4)	-51.2%	9,135.8	9,145.2	9.4	0.1%
TOTAL - CORPORATE ACCOUNTS	315,879.3	271,549.9	(44,329.4)	-14.0%	1,336,225.5	1,335,363.2	(862.2)	-0.1%
LEVY OPERATING GROSS EXPENDITURES	2,182,414.8	2,082,906.2	(99,508.5)	-4.6%	9,432,048.8	9,337,254.9	(94,793.9)	-1.0%
NON LEVY OPERATIONS								
Solid Waste Management Services	41,570.9	47,058.3	5,487.5	13.2%	349,942.7	349,942.7	0.0	0.0%
Toronto Parking Authority	18,054.2	18,054.2	0.0	0.0%	72,216.7	72,216.7	0.0	0.0%
Toronto Water	67,734.7	63,436.5	(4,298.2)	-6.3%	940,797.2	925,710.9	(15,086.3)	-1.6%
NON LEVY OPERATING GROSS EXPENDITURES	127,359.7	128,549.0	1,189.3	0.9%	1,362,956.6	1,347,870.3	(15,086.3)	-1.1%



CITY OF TORONTO
CONSOLIDATED REVENUES VARIANCE
FOR THE THREE MONTHS ENDED MARCH 31, 2013
(\$000s)

	March 31, 2013				December 31, 2013			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Citizen Centred Services "A"								
Affordable Housing Office	277.8	122.2	(155.6)	-56.0%	1,487.4	1,446.8	(40.6)	-2.7%
Children's Services	89,709.7	89,199.1	(510.6)	-0.6%	325,619.0	325,619.0	0.0	0.0%
Court Services	9,922.8	9,228.7	(694.1)	-7.0%	68,913.3	64,546.6	(4,366.7)	-6.3%
Economic Development & Culture	2,768.0	1,423.3	(1,344.7)	-48.6%	12,028.9	12,028.9	0.0	0.0%
Emergency Medical Services	27,571.7	27,578.2	6.5	0.0%	112,791.9	110,590.9	(2,201.0)	-2.0%
Long Term Care Homes and Services	45,267.6	41,828.1	(3,439.4)	-7.6%	182,863.6	182,863.6	0.0	0.0%
Parks, Forestry & Recreation	24,783.0	24,145.4	(637.6)	-2.6%	122,730.2	116,745.2	(5,985.0)	-4.9%
Shelter, Support & Housing Administration	106,853.3	108,010.2	1,156.9	1.1%	451,083.9	451,083.9	0.0	0.0%
Social Development, Finance & Administration	1,449.6	1,280.7	(168.9)	-11.7%	5,360.7	5,360.7	0.0	0.0%
Toronto Employment & Social Services	247,722.0	217,681.8	(30,040.2)	-12.1%	1,058,067.5	1,020,138.5	(37,929.0)	-3.6%
Sub-Total Citizen Centred Services "A"	556,325.5	520,497.7	(35,827.7)	-6.4%	2,340,946.3	2,290,424.1	(50,522.2)	-2.2%
Citizen Centred Services "B"								
City Planning	5,414.4	7,654.0	2,239.6	41.4%	25,286.9	25,286.9	0.0	0.0%
Fire Services	3,880.9	2,563.8	(1,317.1)	-33.9%	14,352.0	14,352.0	0.0	0.0%
Municipal Licensing & Standards	7,407.4	6,068.0	(1,339.4)	-18.1%	29,063.9	28,063.9	(1,000.0)	-3.4%
Policy, Planning, Finance and Administration	2,592.1	2,045.5	(546.6)	-21.1%	11,511.5	11,057.2	(454.2)	-3.9%
Engineering and Construction Services	12,388.2	10,080.6	(2,307.6)	-18.6%	62,948.5	61,504.5	(1,444.0)	-2.3%
Toronto Building	12,021.1	16,621.0	4,599.9	38.3%	58,121.9	58,121.9	0.0	0.0%
Toronto Environment Office	50.0	78.4	28.4	56.7%	1,954.4	1,954.4	0.0	0.0%
Transportation Services	15,530.9	15,142.5	(388.5)	-2.5%	125,290.4	116,290.4	(9,000.0)	-7.2%
Sub-Total Citizen Centred Services "B"	59,285.0	60,253.7	968.6	1.6%	328,529.4	316,631.2	(11,898.2)	-3.6%
Internal Services								
Office of the Chief Financial Officer	1,562.2	1,402.7	(159.5)	-10.2%	6,808.7	6,604.1	(204.6)	-3.0%
Office of the Treasurer	10,841.3	8,983.5	(1,857.8)	-17.1%	43,862.3	42,353.3	(1,509.0)	-3.4%
Facilities Management & Real Estate	10,924.2	10,272.5	(651.7)	-6.0%	119,482.9	115,157.4	(4,325.5)	-3.6%
Fleet Services	7,697.1	8,299.9	602.8	7.8%	46,491.0	47,866.3	1,375.3	3.0%
Information & Technology	195.6	195.6	0.0	0.0%	38,968.5	31,232.6	(7,735.9)	-19.9%
311 Toronto	2,094.4	1,741.7	(352.7)	-16.8%	8,511.6	7,425.5	(1,086.1)	-12.8%
Sub-Total Internal Services	33,314.8	30,895.8	(2,418.9)	-7.3%	264,125.0	250,639.2	(13,485.8)	-5.1%
City Manager								
City Manager's Office	1,997.0	1,697.7	(299.3)	-15.0%	8,927.5	7,599.4	(1,328.1)	-14.9%
Sub-Total City Manager	1,997.0	1,697.7	(299.3)	-15.0%	8,927.5	7,599.4	(1,328.1)	-14.9%
Other City Programs								
City Clerk's Office	3,803.3	3,516.1	(287.3)	-7.6%	16,220.1	16,220.1	0.0	0.0%
Legal Services	6,627.2	7,371.8	744.5	11.2%	26,077.9	27,210.4	1,132.5	4.3%
Mayor's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
City Council	7.5	5.0	(2.5)	-33.2%	30.0	30.0	0.0	0.0%
Sub-Total Other City Programs	10,438.0	10,892.8	454.8	4.4%	42,328.0	43,460.5	1,132.5	2.7%
Accountability Offices								
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	n/a
Ombudsman's Office	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Sub-Total Council Appointed Programs	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
TOTAL - CITY OPERATIONS	661,360.3	624,237.7	(37,122.6)	-5.6%	2,984,856.3	2,908,754.4	(76,101.9)	-2.5%



CITY OF TORONTO
CONSOLIDATED REVENUES VARIANCE
FOR THE THREE MONTHS ENDED MARCH 31, 2013
(\$000s)

	March 31, 2013				December 31, 2013			
	Year-To-Date		Actual vs Budget		Year-End		Projection vs Budget	
	Budget	Actual	Over / (Under)	%	Budget	Projection	Over / (Under)	%
Agencies								
Toronto Public Health	40,156.6	38,285.6	(1,871.0)	-4.7%	193,195.2	190,806.7	(2,388.5)	-1.2%
Toronto Public Library	3,686.5	4,254.2	567.7	15.4%	16,670.8	17,215.2	544.4	3.3%
Association of Community Centres	68.9	73.0	4.1	5.9%	324.6	324.6	0.0	0.0%
Exhibition Place	5,652.6	5,492.8	(159.8)	-2.8%	43,750.7	43,750.7	0.0	0.0%
Heritage Toronto	107.1	37.6	(69.5)	-64.9%	428.3	428.3	0.0	0.0%
Theatres	5,080.2	4,062.3	(1,017.9)	-20.0%	19,280.0	17,662.5	(1,617.5)	-8.4%
Toronto Zoo	3,467.4	3,097.5	(369.9)	-10.7%	42,454.6	42,454.6	0.0	0.0%
Arena Boards of Management	1,802.3	2,314.5	512.1	28.4%	7,216.5	7,199.3	(17.2)	-0.2%
Yonge Dundas Square	408.2	180.6	(227.6)	-55.8%	1,632.6	1,838.1	205.5	12.6%
Toronto & Region Conservation Authority	8,737.0	8,705.0	(32.0)	-0.4%	35,112.5	35,112.5	0.0	0.0%
Toronto Transit Commission - Conventional	297,592.0	294,210.0	(3,382.0)	-1.1%	1,129,997.0	1,129,997.0	0.0	0.0%
Toronto Transit Commission - Wheel Trans	1,400.0	1,419.0	19.0	1.4%	5,546.0	5,546.0	0.0	0.0%
Toronto Police Service	12,937.9	12,987.9	50.0	0.4%	91,135.6	91,335.6	200.0	0.2%
Toronto Police Services Board	7.8	7.8	0.0	0.0%	500.0	500.0	0.0	0.0%
TOTAL - AGENCIES	381,104.5	375,127.8	(5,976.7)	-1.6%	1,587,244.4	1,584,171.0	(3,073.3)	-0.2%
Corporate Accounts								
Capital & Corporate Financing	9,430.4	9,430.4	0.0	0.0%	37,721.7	37,721.7	0.0	0.0%
Non-Program Expenditures								
- Other Corporate Expenditures	5,608.1	449.5	(5,158.6)	-92.0%	3,200.5	2,725.0	(475.5)	-14.9%
- Programs Funded from Reserve Funds	29,427.1	29,427.1	0.0	0.0%	132,094.5	132,094.5	0.0	0.0%
- Tax Rebates for Registered Charities	2,703.6	2,703.6	0.0	0.0%	5,814.5	5,814.5	0.0	0.0%
- Solid Waste Management Rebates	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
Non-Program Expenditures	37,738.8	32,580.2	(5,158.6)	-13.7%	141,109.5	140,634.0	(475.5)	-0.3%
Non-Program Revenue								
- Payments in Lieu of Taxes	37,938.6	37,933.6	(5.0)	0.0%	92,149.2	92,149.2	0.0	0.0%
- Supplementary Taxes	0.0	0.0	0.0	n/a	50,000.0	50,000.0	0.0	0.0%
- Tax Penalties	6,251.1	6,287.6	36.5	0.6%	29,000.0	29,000.0	0.0	0.0%
- Interest/Investment Earnings	31,289.0	31,037.9	(251.1)	-0.8%	125,157.5	125,157.5	0.0	0.0%
- Prior Year Surplus	0.0	0.0	0.0	n/a	0.0	0.0	0.0	n/a
- Other Corporate Revenues	1,673.5	1,276.7	(396.8)	-23.7%	8,408.8	8,142.9	(265.9)	-3.2%
- Toronto Hydro Revenues	26,000.0	23,995.0	(2,005.0)	-7.7%	45,000.0	42,995.0	(2,005.0)	-4.5%
- Provincial Revenue	22,900.0	22,900.0	0.0	0.0%	91,600.0	91,600.0	0.0	0.0%
- Municipal Land Transfer Tax	61,755.1	61,515.6	(239.5)	-0.4%	321,473.8	321,473.8	0.0	0.0%
- Personal Vehicle Tax	0.0	(0.1)	(0.1)	n/a	0.0	0.0	0.0	n/a
- Third Party Sign Tax	2,620.2	11,873.3	9,253.2	353.2%	10,480.6	11,873.3	1,392.7	13.3%
- Parking Authority Revenues	12,106.5	12,106.5	0.0	0.0%	48,425.8	48,425.8	0.0	0.0%
- Administrative Support Recoveries - Water	4,743.3	4,743.3	0.0	0.0%	18,973.0	18,973.0	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	4,081.7	4,081.7	0.0	0.0%	16,326.7	16,326.7	0.0	0.0%
- Parking Tag Enforcement & Oper.	20,533.5	20,533.5	0.0	0.0%	82,134.1	82,134.1	0.0	0.0%
- Other Tax Revenues	4,117.8	4,112.8	(5.0)	-0.1%	14,200.0	14,200.0	0.0	0.0%
- Woodbine Slots	3,725.0	3,620.3	(104.7)	-2.8%	14,900.0	14,900.0	0.0	0.0%
Non-Program Revenues	239,735.1	246,017.6	6,282.5	2.6%	968,229.5	967,351.3	(878.2)	-0.1%
TOTAL - CORPORATE ACCOUNTS	286,904.4	288,028.2	1,123.9	0.4%	1,147,060.7	1,145,707.0	(1,353.7)	-0.1%
LEVY OPERATING REVENUES	1,329,369.2	1,287,393.8	(41,975.4)	-3.2%	5,719,161.3	5,638,632.3	(80,529.0)	-1.4%
NON LEVY OPERATIONS								
Solid Waste Management Services	29,895.2	33,240.0	3,344.8	11.2%	349,942.7	349,942.7	0.0	0.0%
Toronto Parking Authority	33,849.5	33,849.5	0.0	0.0%	135,398.0	135,398.0	0.0	0.0%
Toronto Water	111,468.6	122,961.6	11,493.0	10.3%	940,797.2	935,712.2	(5,085.0)	-0.5%
NON LEVY OPERATING REVENUES	175,213.3	190,051.1	14,837.8	8.5%	1,426,137.9	1,421,052.9	(5,085.0)	-0.4%

**CITY OF TORONTO
BUDGET ADJUSTMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2013
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
Citizen Centred Service "A"				
Parks, Forestry & Recreation				
Transfer of supplies budget as part of the 2013 sign shop transfer from Parks, Forestry & Recreation to Transportation Services in Cluster B.	(50.0)	0.0	(50.0)	0.0
Transfer of Community Partnership & Investment Program budget from Social Development, Finance & Administration to Parks, Forestry & Recreation in Cluster A for Minor Recreation program funding for the disability community through Variety Village, with no net impact to the City.	30.0	0.0	30.0	0.0
Total Parks, Forestry & Recreation	(20.0)	0.0	(20.0)	0.0
Shelter Support & Housing Administration				
To amend Shelter, Support & Housing Admin's 2013 Approved Operating Budget to fund one Affordable Housing project that had been previously approved by Council. As timing of the budgeted cash flow is often out of step with the actual cash flow requirements, this adjustment is required to amend the 2013 Budget to provide actual funding for the Toronto Community Housing Corporation (TCHC) McCord Phase 1 project.	2,195.8	0.0	2,195.8	0.0
Total Shelter Support & Housing Administration	2,195.8	0.0	2,195.8	0.0
Social Development Finance & Administration				
Transfer of Community Partnership & Investment Program budget from Social Development, Finance & Administration to Parks, Forestry & Recreation in Cluster A for Minor Recreation program funding for the disability community through Variety Village, with no net impact to the City.	(30.0)	0.0	(30.0)	0.0
Transfer of the Tower Renewal Office and the Energy Efficiency Initiative Program from the City Manager's Office to Social Development, Finance & Administration to align with SDF&A's community engagement function. This includes 1.0 permanent and 4.0 temporary approved positions.	1,058.1	829.1	229.0	5.0
Transfer of the United Way function from City Manager's Office to Toronto Office of Partnership under Social Development, Finance & Administration relating to the payroll budget of \$98.4k gross, \$4.4k net. The non-payroll related budget is being transferred from Corporate Non-Program (\$37.4k gross and net).	135.8	94.0	41.8	1.0
Total Social Development Finance & Administration	1,163.9	923.1	240.8	6.0
Total Citizen Centred Service "A"	3,339.6	3,118.9	220.8	6.0

**CITY OF TORONTO
BUDGET ADJUSTMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2013
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
Citizen Centred Service "B"				
Engineering & Construction Services				
Transfer 13.0 positions and the associated budget from Engineering & Construction Services to Solid Waste Management in Non-Levy Operations to implement re-organization.	(1,194.8)	(1,194.8)	0.0	(13.0)
Transfer 2.0 positions from Engineering & Construction Services to Toronto Water in Non-Levy Operations to implement re-organization.	(238.2)	(238.2)	0.0	(2.0)
Total Engineering & Construction Services	(1,433.0)	(1,433.0)	0.0	(15.0)
Transportation Services				
Transfer of supplies budget as part of the 2013 sign shop transfer from Parks, Forestry & Recreation in Cluster A to Transportation Services.	50.0	0.0	50.0	0.0
Total Transportation Services	50.0	0.0	50.0	0.0
Total Citizen Centred Service "B"	(1,383.0)	(1,433.0)	50.0	(15.0)
Internal Services "C"				
3-1-1 Project Management Office				
Transfer 4.0 Enterprise Technical Support permanent positions from 311 to Information & Technology within Internal Services.	(424.4)	0.0	(424.4)	(4.0)
Total 3-1-1 Project Management Office	(424.4)	0.0	(424.4)	(4.0)
Information & Technology				
Transfer 4.0 Enterprise Technical Support permanent positions from 311 to Information & Technology within Internal Services.	424.4	0.0	424.4	4.0
Total Information & Technology	424.4	0.0	424.4	4.0
Facilities Management & Real Estate				
Transfer insurance budget for City facilities from Facilities to Real Estate.	961.8	0.0	961.8	0.0
Transfer insurance budget for City facilities from Facilities to Real Estate.	(961.8)	0.0	(961.8)	0.0
Total Facilities Management & Real Estate	0.0	0.0	0.0	0.0
Total Internal Services "C"	0.0	0.0	0.0	0.0

**CITY OF TORONTO
BUDGET ADJUSTMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2013
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
City Manager				
City Manager's Office				
Reduction of 5.0 positions in the 2013 Council approved complement in Human Resources. There is no budget impact for 2013 as funding has been removed for service reductions and Program has determined that positions can now be deleted.	0.0	0.0	0.0	(5.0)
Transfer of the United Way function from City Manager's Office to Toronto Office of Partnership under Social Development, Finance & Administration in Cluster A.	(98.4)	(94.0)	(4.4)	(1.0)
Transfer of the Tower Renewal Office and the Energy Efficiency Initiative Program from the City Manager's Office to Social Development, Finance & Administration in Cluster A to align with SDF&A's community engagement function. This includes 1.0 permanent and 4.0 temporary approved positions.	(1,058.1)	(829.1)	(229.0)	(5.0)
Total City Manager's Office	(1,156.5)	(923.1)	(233.4)	(11.0)
Total City Manager	(1,156.5)	(923.1)	(233.4)	(11.0)
Agencies				
Theatres				
Transfer of budget from Corporate Non-Program for the 2013 non-union 1.9% Cost of Living Adjustment to St. Lawrence Centre for the Arts.	19.6	0.0	19.6	0.0
Total Theatres	19.6	0.0	19.6	0.0
Toronto Police Service				
In-year technical adjustment to reflect the rounding difference as per the Toronto Police Service's 2013 Approved Operating Budget.	70.7	0.0	70.7	0.0
Total Toronto Police Service	70.7	0.0	70.7	0.0
Total Agencies	90.3	0.0	90.3	0.0

**CITY OF TORONTO
BUDGET ADJUSTMENTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2013
(\$000s)**

	Gross Expenditure	Revenue	Net Expenditure	Position
Corporate Accounts				
Other Corporate Expenditures				
In-year technical adjustment to reflect the rounding difference as per the Toronto Police Service's 2013 Approved Operating Budget.	(70.7)	0.0	(70.7)	0.0
Transfer of non-payroll expenditures relating to the United Way function from Corporate Non-Program to Toronto Office of Partnership under Social Development, Finance & Administration in Cluster A.	(37.4)	0.0	(37.4)	0.0
Transfer of budget from Corporate Non-Program for the 2013 non-union 1.9% Cost of Living Adjustment to St. Lawrence Centre for the Arts.	(19.6)	0.0	(19.6)	0.0
Total Other Corporate Expenditures	(127.7)	0.0	(127.7)	0.0
Total Corporate Accounts	(127.7)	0.0	(127.7)	0.0
Total Levy Operations	762.8	762.8	0.0	(20.0)
Non-Levy Operations				
Solid Waste Management Services				
Transfer 13.0 positions and the associated budget from Engineering & Construction Services in Cluster B to Solid Waste Management to implement re-organization.	1,194.8	1,194.8	0.0	13.0
Total Solid Waste Management Services	1,194.8	1,194.8	0.0	13.0
Toronto Water				
Transfer 2.0 positions from Engineering & Construction Services in Cluster B to Toronto Water to implement re-organization.	238.2	0.0	238.2	2.0
Reduce contribution to Wastewater Capital Reserve Fund to offset transfer of budget for 2.0 positions from E&CS noted above.	(238.2)	0.0	(238.2)	0.0
Total Toronto Water	0.0	0.0	0.0	2.0
Total Non-Levy Operations	1,194.8	1,194.8	0.0	15.0
Total	1,957.6	1,957.6	0.0	(5.0)

**Operating Variance Report
For Three-Month Period Ended March 31, 2013
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 \$2.496 million or 1.3% of planned expenditures for the three-month period ended March 31, 2013 and projects year-end under-spending of \$1.337 million or 0.1% compared to the 2013 Approved Net Operating Budget of \$932.831 million. The reasons for these variances are discussed below:

Table 2 Citizen Centred Services "A" Net Expenditure Variance (\$ Million)		
	March 2013 Over/(Under)	Projected Y/E 2013 Over/(Under)
Affordable Housing Office	0.0	0.0
Children's Services	0.0	0.0
Court Services	1.2	3.5
Economic Development and Culture	0.4	0.0
Emergency Medical Services	(0.3)	0.5
Long Term Care Homes and Services	(0.2)	(0.0)
Parks, Forestry & Recreation	0.0	(1.4)
Shelter, Support & Housing Administration	(1.1)	0.0
Social Development, Finance & Administration	(0.1)	0.0
Toronto Employment & Social Services	(2.4)	(4.0)
Total	(2.5)	(1.3)

Court Services (CS) reported net over-spending of \$1.221 million or 98.2% of planned expenditures for the three-month period ended March 31, 2013. The variance consisted of higher than budgeted gross expenditures of \$0.527 million or 6.1% due to higher than budgeted Toronto Police Services off-duty court attendance charges combined with lower than budgeted revenues of \$0.694 million or 7.0% as a result of a reduction in charges filed to date.

Court Services forecasts a year-end net variance of \$3.546 million or 25.7% above the 2013 Approved Net Operating Budget due to lower than budgeted revenue resulting from a projected reduction of charges to be filed.

Economic Development and Culture (EDC) reported net over-spending of \$0.412 million or 5.6% of planned expenditures for the three-month period ended March 31, 2013. This over expenditure was mainly due to a change in planning receipt of Provincial grants and subsidies which will be received later in the year.

Economic Development and Culture projects to be on target on a net basis at year-end.

Emergency Medical Services (EMS) reported net under-spending of \$0.318 million or 2.7% of planned expenditures for the three-month period ended March 31, 2013. The favourable net variance consisted mainly of under-expenditures for uniforms, medical supplies, utilities, and other various materials and services, partially off-set by over-expenditures for overtime of \$0.149 million due to the delay in hiring part-time paramedics.

Emergency Medical Services forecasts a year-end net variance of \$0.501 million or 0.7% over the 2013 Approved Net Operating Budget. EMS projects a gross under-expenditure of \$1.7 million or 0.9%, off-set by a projected Provincial base funding shortfall of \$2.201 million for the Central Ambulance Communication Centre (CACC) Program (100% funded by the Province). Negotiations are continuing with the Ministry of Health and Long Term Care to resolve this issue.

Long-Term Care Homes and Services (LTCHS) reported net under-spending of \$0.203 million or 2.8% of planned expenditures for the three-month period ended March 31, 2013 due to less than planned demand for Provincially supported programs such as high intensity needs and supportive housing. The variance consisted of lower than budgeted gross expenditures of \$3.643 million or 7.0% and lower associated planned revenues of \$3.439 million or 7.6%. These expenditures are claims based type services that are 100% subsidized by the Province as the services are required by individual residents and clients.

Long-Term Care Homes and Services forecasts to be on budget at year-end.

Parks, Forestry and Recreation (PF&R) reported net over-spending of \$0.035 million or 0.1% of planned expenditures for the three-month period ended March 31, 2013. The variance consisted of lower than budgeted gross expenditures of \$0.602 million or 0.8% due to salaries and benefit savings from unfilled seasonal positions and a lower than planned revenue of \$0.638 million or 2.6% attributed to under-achieved park and facility permits.

Parks, Forestry and Recreation forecasts a year-end net variance of \$1.379 million or 0.5% under the 2013 Approved Net Operating Budget due to delays in filling permanent and seasonal positions.

Shelter, Support and Housing Administration (SSHA) reported net under-spending of \$1.123 million or 2.4% for the three-month period ended March 31, 2013. The variance consists of higher than planned gross expenditures of \$0.034 million or 0.1%, and revenue that is \$1.157 million or 1.1% higher plan. The \$1.123 million under-spending reflects the uneven revenue distribution from the new Community Homelessness Prevention Initiative (CHPI) funding model, with funding that now no longer moves with actual bed nights, but flows quarterly from the province. As well, funding for the provincial homelessness grants and the federal mental health programming project is slightly ahead of the plan, as expenses will be realized as the program rolls out.

Shelter, Support and Housing Administration forecasts to be on budget at year-end.

Social Development, Finance and Administration (SDF&A) reported net under-spending of \$0.125 million or 3.1% for the three-month period ended March 31, 2013. Expenditures were \$0.294 million below plan, with the variance attributed to under-spending in Federally funded programs and from vacancies that have not been filled. Revenue was \$0.169 million or 11.7% lower than plan, reflecting general operational under-spending.

Social Development, Finance and Administration forecasts to be on budget at year-end.

Toronto Employment and Social Services (TESS) reported net under-spending of \$2.395 million or 5.8% of planned expenditures for the three-month period ended March 31, 2013. The variance consisted of lower than budgeted gross expenditures of \$32.435 million or 11.2% and lower than budgeted revenue of \$30.040 million or 12.1% due to a lower caseload (100,304 actual versus 106,497 budgeted) and lower than planned special diet expenditures.

Toronto Employment and Social Services forecasts a year-end variance of \$4.005 million or 2.1% under the 2013 Approved Net Operating Budget with the anticipated caseload trend to continue and lower special diet needs. The year-end average monthly caseload is projected to be 4,000 lower than the budgeted caseload of 108,500. The caseload will continue to be closely monitored in relation to the current labour market and economic conditions as well as potential impacts from the upcoming Provincial budget.

Citizen Centred Services “B”

As indicated in Table 3 below, Citizen Centred Services “B” Programs collectively reported net under-spending of \$8.602 million or 6.1% for the three months ended March 31, 2013, and project an under-expenditure of \$9.659 million or 1.6% of the 2013 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)		
	March 2013	Projected Y/E 2013
	Over/(Under)	Over/(Under)
City Planning	(2.2)	(0.0)
Fire Services	1.3	0.0
Municipal Licensing & Standards	1.3	0.0
Policy, Planning, Finance and Administration	0.0	(0.0)
Engineering and Construction Services	1.4	(0.1)
Toronto Building	(4.9)	(2.5)
Toronto Environment Office	0.2	(0.0)
Transportation Services	(5.8)	(7.0)
Total	(8.6)	(9.7)

City Planning reported net under-spending of \$2.214 million or 83.8% for the three-month period ended March 31, 2013. The variance consisted of higher than budgeted gross expenditures of \$0.026 million or 0.3% due to higher consulting costs of \$0.086 million. Revenues exceeded plan by \$2.240 million or 41.4% due to large development applications received in the first three months of the year. This revenue trend is not expected to continue, with application volumes and revenues projected to be at budget at year end.

City Planning forecasts no year-end net variance for the 2013 Approved Net Operating Budget.

Toronto Fire Services' (TFS) reported net over-spending of \$1.340 million or 1.6% of planned expenditures for the three-month period ended March 31, 2013. The net variance consisted mainly of unrealized revenues of \$1.317 million due to a significant backlog of invoices for false alarm charges resulting from vacancies that have not been filled.

For year-end, TFS is projecting to be on budget. The revenue shortfall from the invoicing backlog is anticipated to be addressed by year-end as the Program has received approval to fill vacant positions.

Municipal Licensing and Standards (MLS) reported net over-spending of \$1.294 million or 65.2% of planned net expenditures for the three-month period ended March 31, 2013. This was the result of lower than planned expenditures of \$0.396 million for salaries and benefits due to vacancies that have not been filled. Non-salary accounts were under-spent by \$0.065 million which was comprised of over-spending for medical supplies and contracted services off-set by delayed charges from interdepartmental service providers and modest savings in equipment and utility accounts.

Most of the net over-spending of \$1.294 million as of March 31, 2013 was due to under-achieved revenue of \$1.339 million which was 18% lower than planned. This was due to under-achieved revenue of \$0.300 million for Toronto Animal Services experiencing a reduction in the number of licences sold, a reduction in owner surrendered dogs and cats and a significant decrease in dog adoptions. Lower revenue also was realized due to lower than anticipated volumes in Licensing where business licences, registration and user fee revenues were under-achieved by \$0.670 million and in Investigation Services where revenues from service charges including Sign Bylaw fees were under-achieved by \$0.369 million.

For year-end, MLS is projecting no net variance to the 2013 Approved Net Operating Budget. However, due to the ongoing process of filling staff vacancies the Program is projecting under-spending of \$1 million for salaries and benefits. This is anticipated to be off-set by lower revenues of \$1 million or 3.5% due to general overstatement of base budget revenues. As approved by Council, this ongoing revenue issue will be addressed through the 2014 Budget process with a comprehensive user fee and revenue review.

Policy, Planning, Finance and Administration (PPF&A) reported net over-spending of \$0.013 million or 0.7% of planned net expenditures for the three-month period ended March 31, 2013. This was the result of lower than planned expenditures of \$0.455 million for salaries and benefits due to on-going staff vacancies. Non-salary accounts were also under-spent by \$0.208 million which is comprised of nominal over-spending for hydro off-set by delayed interdepartmental charges, lower

than expected costs for contracted services and cost control savings in equipment and supply accounts.

While PPF&A will continue to maintain cost control and is currently working with HR on the ongoing process of filling staff vacancies in order to provide services to client divisions, PPF&A is also projecting net under-spending of \$0.018 million at year-end. This is comprised of under-spending of \$0.473 million in gross expenditures reflecting the impact of staff vacancies offset by related under-achieved revenue of \$0.454 million. This under-achieved recovery of revenue is directly related to under-spending in salaries and benefits for services to client divisions.

For year-end, PPF&A is projecting under-spending of \$0.018 million or 0.2% compared to the 2013 Approved Operating Budget. PPF&A will continue to maintain cost control and is currently working with HR on the process to fill staff vacancies.

Engineering and Construction Services reported net over-spending of \$1.428 million or 114.4% of planned net expenditures for the three-month period ended March 31, 2013. Gross expenditures were lower than budgeted by \$0.880 million or 6.5% due primarily to savings in salaries and benefits from vacancies that have not been filled (\$0.520 million) and lower than budgeted inter-divisional charges for telecom / network services that will be recorded in the second quarter (\$0.256 million). These lower expenditures were more than offset by revenues that were lower than budgeted by \$2.308 million or 18.6% mostly attributed to a reduction of capital recoveries resulting from the vacant positions (\$1.300 million) and delays in filling positions for Rapid Transit Implementation (\$0.147 million). The shortfall in revenue was also due to lower than budgeted project administration fees related to the Toronto Transit Commission's state of good repairs (\$0.368 million) that will be recorded in the second quarter and lower utility / third party review fees (\$0.483 million) that will increase during the remainder of the year as review volumes rise.

Engineering and Construction Services forecasts a year-end variance of \$0.106 million or 1.4% under the 2013 Approved Net Operating Budget due mostly to savings in salaries and benefits from vacancies not filled (\$1.550 million). These lower expenditures will be partially off-set by lower than anticipated recoveries from client capital projects (\$1.444 million) resulting from the vacant positions.

Toronto Building was under-spent by \$4.873 million net or 185% of planned expenditures for the three-month period ended March 31, 2013. The variance was driven by higher than planned revenues of \$4.6 million or 38% mainly due to the sustained high volume of permit application intake driven by market anticipation of development charge increases. Gross expenditures were lower than planned by \$0.273 million or 3% mainly due to \$0.194 million savings in salaries and benefits from the level of vacancies (10.3%), \$0.095 million in savings from lower than planned contracted service costs and \$0.039 million in delayed interdepartmental charges mainly for telecommunications, partially off-set by \$0.067 million for higher than planned expenditures for computer hardware.

For year-end, Toronto Building is projecting net expenditure savings of \$2.5 million based on the on-going level of staff vacancies. There is also no projected variance to the 2013 Approved Revenue Budget of \$58.122 million. This revenue projection is based on increased revenues arising from an

anticipated high level of permit application intake and includes provision for deferred revenue for on-going projects and work that will be completed in the future periods

Transportation Services reported net under-spending of \$5.781 million or 11.3% of planned expenditures for the three-month period ended March 31, 2013. The variance consisted of lower than budgeted gross expenditures of \$6.169 million or 9.3% mainly due to lower than expected contractor costs (road and sidewalk ploughing) for winter maintenance (\$11.358 million) off-set by higher salt usage (\$2.375 million), higher than budgeted utility costs which will be corrected in the second quarter (\$1.927 million) and increased costs in salaries and benefits as a result of greater use of City staff for the winter maintenance program (\$0.791 million). Revenues were lower than budgeted by \$0.389 million or 2.5% primarily due to lower than expected recoveries from Toronto Water (\$0.161 million) and lower recoveries for parking fees (\$0.315 million).

Transportation Services forecasts a year-end variance of \$7.0 million or 3.4% under the 2013 Approved Net Operating Budget due to savings in salaries and benefits from vacancies that will not be filled (\$5.0 million) and lower contractor costs (\$11.0 million) for utility cut repairs (due to the assumption of contracts for the permanent cut repair component by Engineering and Constructions Services) and lower use of external contractors for the winter maintenance program. These lower expenditures will be partially off-set by projected lower than budgeted recoveries (\$9.0 million) from Toronto Water and external utilities for utility cut repairs (due to the assumption of contracts for the permanent cut repair component by Engineering and Constructions Services, which reduces the overhead cost recovery).

Internal Services

As shown in Table 4 below, during the three months ended March 31, 2013, Internal Services Programs collectively reported a net under-expenditure of \$4.370 million or 6.8% and project year-end under-spending of \$7.002 million or 3.9% compared to the 2013 Approved Operating Net Budget due to the following:

Table 4		
Internal Services		
Net Expenditure Variance (\$ Million)		
	March 2013 Over/(Under)	Projected Y/E 2013 Over/(Under)
311 Toronto	(0.3)	(1.2)
Office of the Chief Financial Officer	(0.1)	(0.4)
Office of the Treasurer	(0.2)	(1.2)
Facilities Management & Real Estate	(0.5)	(0.6)
Fleet Services	(0.1)	(0.0)
Information & Technology	(3.1)	(3.7)
Total	(4.4)	(7.0)

311 Toronto reported a net under-expenditure of \$0.345 million or 17.4% of planned expenditures for the three-month period ended March 31, 2013. This variance was mainly attributed to vacancies that have not been filled. The savings arising from vacancies not filled will continue to year-end with an annualized net impact of \$1.160 million or 10.8% under the 2013 Approved Net Operating Budget.

The **Office of the Treasurer** reported net under-spending of \$0.152 million or 2.7% of planned expenditures for the three-month period ended March 31, 2013. The variance consisted of lower than budgeted gross expenditures of \$2.010 million or 12.2%. The favourable variance is due to savings in salaries and benefits of \$0.800 million from delays in filling vacant capital and operational positions and lower expenditures in hardware and software maintenance, external printing costs of \$0.510 million and delays in postage and contracted services for Utility Billing and Municipal Land Transfer Tax operations of \$0.500 million. Revenues were under-achieved by \$1.858 million as a result of lower recoveries due to under spending in Utility Billing and Municipal Land Transfer Tax operations (\$1.158 million) and delays in staffing and start up of capital projects (e-Procurement and Cross Application Time Sheet) of \$0.700 million.

The Office of the Treasurer forecasts a year-end net variance of \$1.157 million or 3.9% under the 2013 Approved Net Operating Budget mainly due to net salary savings of \$0.657 million for deferral of hiring staff resources to support Utility Billing and Municipal Land Transfer Tax initiatives and \$0.500 million due to lower than anticipated external revenues from user fees, Pcard rebates and vendor discounts.

Facilities Management & Real Estate (FM & RE) reported a net under-expenditure of \$0.546 million or 2.2% of planned expenditures for the three-month period ended March 31, 2013. This variance was mainly attributed to lower than anticipated utility expenses due to the seasonal effects of weather.

The savings will continue to year-end with an annualized net impact of \$0.576 million or 1.0% under the 2013 Approved Net Operating Budget.

Fleet Services reported net under-spending of \$0.099 million or 16.0% of planned expenditures for the three months ended March 31, 2013. This was primarily due to savings of \$0.182 million in salaries and benefits resulting from vacancies that have not been filled. This was partially off-set by a net over-expenditure of \$0.034 million from the delay in implementing the re-engineered parts warehouse process and the costs of \$0.042 million for the diagnostic systems for the Fleet Maintenance Operations. Currently, Fleet Services is in the process of filling nine vacant positions.

At this time, it is projected that Fleet Services will meet the approved budget at end -year.

Information and Technology reported net under-spending of \$3.136 million or 10.7% of planned expenditures for the three-month period ended March 31, 2013 primarily due to salary savings resulting from vacancies that have not been filled. There were many vacant positions in the first quarter due to recruitment challenges which resulted in lower salary costs.

Information and Technology forecasts a year-end variance of \$3.750 million or 5.6% under the 2013 Approved Net Operating Budget. Although there is a process to expedite hiring to fill all urgent positions in 2013, not all positions will be filled resulting in salary savings of \$2.750 million. In addition, lower prices secured for hardware and software maintenance will result in savings of \$0.500 million, as well as additional savings of \$0.500 million from the on-going telecommunications project.

City Manager's Office

The *City Manager's Office* reported net under-spending of \$0.861 million or 9.8% of planned expenditures for the three months ended March 31, 2013. This was primarily due to savings of \$1.388 million in salaries and benefits resulting from vacancies that have not been filled. Revenues were underachieved by \$0.299 million as a result of a delay in filling vacant capital delivery positions for which funding is recovered from the Capital Budget.

At this time, it is projected that City Manager's Office will have a year-end net favourable variance of \$0.770 million, mainly attributable to vacancies not filled.

Table 5		
City Manager's Office		
Net Expenditure Variance (\$ Million)		
	March 2013	Projected Y/E 2013
	Over/(Under)	Over/(Under)
City Manager's Office	(0.9)	(0.8)

Other City Programs

Other City Programs (see Table 6 below) reported a net under-expenditure of \$0.305 million or 1.8% below planned expenditures for the three-month period ended March 31, 2013; and projects a year-end under-expenditure of \$0.301 million or 0.4% compared to the collective 2013 Approved Net Operating Budget.

Table 6		
Other City Programs		
Net Expenditure Variance (\$ Million)		
	March 2013 Over/(Under)	Projected Y/E 2013 Over/(Under)
City Clerk's Office	0.5	0.0
Legal Services	(0.4)	(0.3)
Mayor's Office	(0.1)	0.0
City Council	(0.3)	0.0
Total	(0.3)	(0.3)

The *City Clerk's Office* reported net over-spending of \$0.493 million or 7.3% of planned net expenditures for the three months ended March 31, 2013. Salaries and benefits were over-spent by \$0.407 million or 5.3% mostly due increased costs related to staff awaiting redeployment as a result of position deletions.

At this time, it is projected that City Clerk's Office will meet the approved budget at year-end year.

Legal Services reported net under-spending of \$0.358 million or 6.9% of planned expenditures for the three-month period ended March 31, 2013. The variance consisted of greater than planned gross expenditures of \$0.387 million or 3.5% due to over expenditures in professional and planning services, with this trend projected through to the end of the year. A higher than budgeted revenue of \$0.745 million or 11.5% was due to Legal Services undertaking additional work which included recoveries primarily from Court Services (\$0.959 million). The increased revenue was partially offset by lower than expected recoveries from the Transit Expansion Project (\$0.262 million).

Legal Services forecasts year-end net under-spending of \$0.301 million or 1.6% from vacancies not filled.

The *Mayor's Office* reported net under-spending of \$0.092 million or 21.7% of planned expenditures for the three months ended March 31, 2013. This was due largely to under-spending in salaries and benefits of \$0.076 million from vacancies that have not been filled and under-spending of \$0.013 million in non-salary expenditures, mainly in professional and technical services.

It is expected that the Mayor's Office will be on budget at year-end.

City Council reported net under-spending of \$0.348 million or 7.7% of planned expenditures for the three months ended March 31, 2013. This is mainly attributable to under-spending of \$0.273 million in Councillors' constituency services and office budget and under-spending of \$0.143 million in staff salaries and benefits.

It is expected that City Council will be on budget at year-end.

Accountability Offices

Accountability Offices collectively realized net under-spending of \$0.183 million or 12.2% below planned expenditures for the three-month period ended March 31, 2013. Overall, these Offices project under-spending of \$0.135 million or 1.9% of their 2013 Approved Net Operating Budget at year-end.

Table 7		
Accountability Offices		
Net Expenditure Variance (\$ Million)		
	March 2013	Projected Y/E 2013
	Over/(Under)	Over/(Under)
Auditor General's Office	(0.1)	(0.1)
Integrity Commissioner's Office	(0.0)	0.0
Lobbyist Registrar's Office	(0.0)	(0.1)
Ombudsman's Office	(0.1)	0.0
Total	(0.2)	(0.1)

The *Office of the Auditor General* reported net-under spending of \$0.064 million or 7.3% of planned expenditures for the three months ended March 31, 2013. This was mainly attributable to under-spending in salaries and benefits from vacancies that have not been filled

At this time, it is projected that under-spending of \$0.065 million or 1.5% will continue to year-end.

The *Office of the Lobbyist Registrar* reported net under-spending of \$0.040 million or 17.3% of planned expenditures for the three months ended March 31, 2013. This was mainly due to under-spending in salaries and benefits of \$0.027 million and services and rents of \$0.012 million.

At this time, it is projected that the under-spending in salaries and benefits will continue to year-end.

The *Office of the Ombudsman* reported net under-spending of \$0.075 million or 21.6% of planned expenditures for the three months ended March 31, 2013. This was mainly due to under-spending in salaries and benefits from vacancies that have not been filled.

At this time, it is projected that the Office of the Ombudsman will be on budget at year-end.

Agencies

Agencies collectively reported over-spending of \$4.739 million or 1.2% above planned net expenditures for the three-month period ended March 31, 2013 and project an over-expenditure at year-end of \$4.447 million or 0.3% compared to their combined 2013 Approved Net Operating Budget, as outlined in Table 8 below.

Table 8		
Agencies		
Net Expenditure Variance (\$ Million)		
	March 2013	Projected Y/E 2013
	Over/(Under)	Over/(Under)
Toronto Public Health	(0.3)	(0.5)
Toronto Public Library	(0.4)	(0.3)
Association of Community Centres	(0.2)	0.0
Exhibition Place	(0.3)	0.0
Heritage Toronto	(0.0)	0.0
Theatres	0.3	0.3
Toronto Zoo	(0.0)	0.0
Arena Boards of Management	(0.8)	0.0
Yonge Dundas Square	0.0	(0.1)
Toronto & Region Conservation Authority	(0.0)	0.0
Toronto Transit Commission - Conventional	5.0	0.0
Toronto Transit Commission - Wheel Trans	0.2	0.0
Toronto Police Service	1.3	5.0
Toronto Police Services Board	0.0	0.0
Total	4.7	4.4

Toronto Public Health (TPH) reported a favourable net variance of \$0.320 million or 3.1% of planned expenditures for the three-month period ended March 31, 2013. This variance is driven by lower than budgeted gross expenditures of \$2.191 million mainly attributable to the under-spending in salaries and benefits (\$2.018 million) from vacancies that have not been filled and under-spending in non-payroll expenditures (\$0.173 million) across various provincially cost shared and fully funded programs with a corresponding reduction in revenues (\$1.871 million).

Toronto Public Health forecasts a year-end net variance of \$0.525 million or 1.0% under the 2013 Approved Operating Budget due to savings in salaries and benefits arising from vacancies not filled.

Toronto Public Library (TPL) reported net under-spending of \$0.351 million or 0.9% of planned expenditures for the three-month period ended March 31, 2013. The variance was primarily due to a favourable revenue variance of \$0.568 million for grants and donations received for various library initiatives which more than offset the associated over-expenditures of \$0.467 million in materials, equipment and services; and salary savings of \$0.250 million, including sick leave cost savings due to fewer staff departures and savings arising from vacancies due to temporary closure of Fairview District Library branch.

Toronto Public Library forecasts a year-end net favourable variance of \$0.250 million.

Association of Community Centres (AOCCs) reported net under-spending of \$0.226 million or 13.3% of planned expenditures for the three month period ended March 31, 2013. The variance consisted of lower than planned gross expenditures of \$0.222 million due to timing of purchases to be made later in the year such as Materials & Supplies and Services & Rents; and higher than

planned revenue of \$0.004 million due to revenues from Swansea Town Hall not being evenly distributed throughout the year.

At this time, it is projected that the Association of Community Centres will be on budget at year-end.

Theatres reported an unfavourable net variance of \$0.260 million or 22.5% over planned expenditures for the three month period ended March 31, 2013. The year-to-date unfavourable variance is primarily attributed to low ticket sales and ancillary revenues for a show at Sony Centre for the Performing Arts (\$0.178 million) and revenue losses from show cancellations and lost bookings affecting ancillary revenues and crew recoveries at St. Lawrence Centre for the Arts (\$0.153 million), which are partially off-set by higher than plan crew recovery revenues at Sony Centre for the Performing Arts (\$0.072 million).

For the year end, all three theatres are projecting an unfavourable net variance: Sony Centre for the Performing Arts (\$0.165 million), St. Lawrence Centre for the Arts (\$0.072 million) and Toronto Centre for the Arts (\$0.035 million).

The **Arena Boards of Management** reported net under-spending of \$0.777 million for the three-month period ended March 31, 2013, driven by seasonal fluctuations in revenues and expenditures.

The Arena Boards are projected to be over-spent by \$0.001 million at the end of 2013 driven by \$0.010 million of lost revenues anticipated at Leaside Arena due to construction of its second ice pad.

The **Yonge-Dundas Square** reported net over-spending of \$0.035 million or 32.0% for the three-month period ended March 31, 2013 due to seasonality and expects net under-spending of \$0.051 million or 11.6% at year-end driven by higher than budgeted sponsorship revenues.

Toronto Transit Commission (TTC) reported net over-spending of \$5.183 million or 4.2% (Conventional and Wheel-Trans combined) of planned expenditures for the three-month period ended March 31, 2013. Gross expenditures were higher than planned by \$1.819 million due to the timing of accident claims settlements which were paid earlier than planned and non-labour expenses as well as additional taxi trips required to accommodate the increase in Wheel-Trans customer journeys. Revenue was lower than budgeted by \$3.364 million or 1.1% due to lower than expected ridership results with 136.9 million riders versus a budget of 137.6 million and slightly lower average fare revenue stemming from marginally higher monthly pass sales.

The Toronto Transit Commission is not forecasting a year-end variance to the 2013 Approved Net Operating Budget. Ridership is anticipated to rebound in future months.

Toronto Police Service (TPS) reported net over-spending of \$1.250 million or 0.6% of planned expenditures for the three month period ended March 31, 2013 due to an approved unallocated reduction in the amount of \$6.7 million for which strategies to meet this target have not yet been fully identified.

Toronto Police Service is currently projecting a year-end net unfavourable variance of \$5.0 million or 0.5% over the 2013 Approved Net Operating Budget of \$927.811 million. This projected over-expenditure consists of higher than planned expenditures in the amount of \$5.2 million and higher than planned fee revenues in the amount of \$0.200 million.

An unallocated budget reduction of \$6.7 million was approved as part of the 2013 Operating Budget and, to-date; the Service has only identified \$1.5 million of reductions towards this target. Should the Service not be able to identify further significant reductions, it will have a net unfavourable variance in the amount of \$5 million at year-end. The Service will report to the Toronto Police Services Board in May on the status of achieving the unallocated reduction.

Corporate Accounts

Corporate Accounts for the first quarter Non-Program Budget experienced net under-spending of \$45.453 million. Projections to year-end indicate that the Corporate Accounts will be \$0.491 million over the 2013 Approved Net Operating Budget, as noted below:

Table 9		
Corporate Accounts		
Net Expenditure Variance (\$ Million)		
	March 2013	Projected Y/E 2013
	Over/(Under)	Over/(Under)
Capital & Corporate Financing	0.0	0.0
Non-Program Expenditures	(38.2)	(0.4)
Non-Program Revenues	(7.2)	0.9
Total	(45.5)	0.5

Capital and Corporate Financing expenditures are forecasted to be on budget at year-end

Non-Program Expenditures were under-spent by \$38.210 million or 34.0% of planned expenditures for the three-month period ended March 31, 2013. The under-expenditure was largely driven by continued delay in settling the union agreement for Fire Services and funding that has yet to be transferred to City Programs for payment of cost of living allowances. The delay in transferring funding for employee related liabilities also contributed to the under-expenditure. It is anticipated that the union agreement for Fire Services will be settled by year-end. In addition, the cost of living allowances and funding for employee related liabilities will also be paid by year-end. As a result, Non-Program projected actual by year-end is expected to be materially in line with the Budget, or slightly under-spent by \$0.396 million or 0.1%.

Non-Program Revenues Budget experienced a 2013 Approved Net Operating Budget variance of \$7.243 million or 3.0% above planned revenues for the period ended March 31, 2013. The year-to-date increase in net revenue was primarily driven by the following:

- The receipt of Third Party Sign Tax revenue of \$9.485 million in the first quarter due to the issuance of the 2013 Third Party Sign Tax invoices earlier than planned.
- The Municipal Land Transfer Tax increased net revenue of \$0.396 million or 0.7% from lower than planned gross expenditures. Revenue from the Municipal Land Transfer Tax is projected to be on budget at year-end.
- The favourable year-to-date revenue was partly off-set by a decline in Toronto Hydro Dividend Income of \$2.001 million or 7.7% reflecting lower than budgeted Toronto Hydro net income from 2012. The 2013 budgeted revenue was based, in part, on Toronto Hydro's 2012 financial performance.

The Non-Program Revenue Budget is projected to be below budget by \$0.888 million or 0.1% at year-end largely driven by the lower than budgeted revenue from Toronto Hydro Dividend Income of \$2.001 million or 4.5% partially off-set by increased revenue from the Third Party Sign Tax of \$1.393 million or 14.6%. The year-end projected increase in the Third Party Sign Tax revenue is due to a change in the inventory for billable signs. The 2013 Approved Non-Program Budget of \$9.555 million was based on an assumed inventory of signs. Prior to issuing the 2013 tax bills, the sign inventories were reconciled resulting in the change for billable Third Party Sign Tax revenue.

Rate Supported Programs

Rate Supported Programs, which include Solid Waste Management Services, Toronto Parking Authority and Toronto Water, collectively reported net under-spending of \$13.649 million or 28.5% for the three-month period ended March 31, 2013 and are projecting an under-expenditure at year-end of \$10.001 million or 15.8%, as outlined in Table 10 below.

Table 10		
Non Levy Operations		
Net Expenditure Variance (\$ Million)		
	March 2013 Over/(Under)	Projected Y/E 2013 Over/(Under)
Solid Waste Management Services	2.1	0.0
Toronto Parking Authority	0.0	0.0
Toronto Water	(15.8)	(10.0)
Total	(13.6)	(10.0)

Solid Waste Management Services (SWMS) reported net over-spending of \$2.143 million or 18.4% of planned expenditures for the three-month period ended March 31, 2013. The variance primarily consisted of lower than planned salary and benefit costs of \$1.247 million due to vacancies including temporary seasonal workers as well as lower than planned expenditures of \$1.228 million for contracted services in Collections and Transfer, inter-departmental charges and payments-in-lieu of

taxes. These under-expenditures were off-set by \$5.026 million for earlier than planned assignment of debt charges for Green Lane and earlier than planned payments of \$2.926 million for processing contracts for recyclable material and organics.

As of March 31, 2013, revenue was 11.2% or \$3.345 million higher than planned primarily due to early receipt of residential volume based user fees of \$5.634 million as well as one-time Stewardship Ontario funding for Parks collection of \$0.360 million. This increased revenue was partially off-set by \$2.311 million less revenue for Stewardship Ontario Blue Box materials, later than planned receipt of revenues from sales of recyclable material and from collection services for Schools and excess processing residual disposal fees.

For year-end 2013, SWMS is projecting to be on budget for expenditures and revenues with no net expenditure variance. Temporary vacancies should be reduced as summer work begins. Being on budget at year-end is furthermore dependent on maintaining collection, processing, transfer and disposal tonnages of organics, recyclable material and residual waste as projected for the year and achieving projected revenue from volume based user fees (bin fees) and sales of recyclable materials. Both of these revenue determinants in 2013 will be dependent on the volume of waste produced and broader resale markets for commodities. Revenue will be monitored closely.

Toronto Water reported a net under-spending of \$15.791 million of planned expenditures for the three-month period ended March 31, 2013. The variance consisted of lower than budgeted gross expenditures of \$4.298 million or 6.3%, mainly due to \$2.154 million in salary and benefit savings arising from vacancies, and \$1.501 million in under-spending for hydro and natural gas costs, due to lower prices and lower consumption resulting from warmer winter weather and higher utilization efficiency. Revenues were overachieved by \$11.493 million or 10.3%, mainly as a result of increased water and waste water billings.

Toronto Water forecasts a year-end net variance of \$10.001 million under the 2013 Approved Net Operating Budget. Expenditure savings of \$15.086 million are projected, primarily due to savings in salaries and benefits arising from vacancies that have not been filled (\$9.969 million), hydro efficiencies (\$3.0 million) and savings from the delay in the operating impact of odour and corrosion control projects. These savings will be partially off-set by a projected revenue shortfall of \$5.084 million, mostly from lower sales of water to Region of York due to the delay in reopening the supply main at Steeles. Revenues from sale of water and wastewater surcharges are forecasted to be on budget, due to uncertainty in the residential sale of water. Actual water consumption trends will not be known until summer season with months of July to September being the peak. These trends will continue to be monitored throughout spring and summer and year-end revenue projections will be revised accordingly, based on actual consumption recorded in the second and third quarters.