Summary:

This report outlines the Toronto Zoo’s operating variance for the period ending 2014-09-30 and provides a year-end projection.

Recommendation:

It is recommended that this report be received for information.

Financial Impact:

As of the end of September, the full-year projection is for Net Expenditures to the City is to be unfavourable to budget by $0.368 million.

Background:

In accordance with the Toronto Zoo By-law No. 2-2010, this Operating Budget Variance Report is being submitted to the Board for information. The reporting also meets the requirements of City Council. The September variance report was forwarded to the Financial Planning Division in October in accordance with the specified timeline.

Comments/Discussion:

The September, 2014 year-to-date revenue results are unfavourable to budget by $4.72 million (-13.1%) due primarily to lower than anticipated attendance. The impact of the revenue shortfall has been mitigated by underspending and holdbacks in expenditures. Total year-to-date expenditures are under budget by $4.26 million, resulting in an unfavourable year-to-date operating variance in Net Expenditures amounting to $0.462 million.

Attendance of 1,049,675 visitors through the end of September was 21.0% (275,297 visitors) behind prior year levels and under budget by 22.0% (301,666 visitors).
A continued emphasis on expenditure controls and holdbacks in spending will assist the Zoo in
minimizing the shortfall on the Council approved net expenditure budget on for 2014. These
controls, combined with the implementation of various strategies to stimulate attendance, are
intended to mitigate the impact on additional net expenditure funding required over the City
approved budget of $11.443 million. The most significant admission strategy was a discounted
admission offer using Groupon. This proved to be quite successful and resulted in a total of
32,604 admission purchases, with 21,790 (66.8%) redemptions to date.

At this time it is estimated that we anticipate an unfavourable variance in net expenditures of
$0.368 million at year end. This would be funded by a transfer from the Zoo Stabilization
Reserve, reducing the balance of approximately $3.0 million contributed to the reserve in 2013.

R. D. Hale
Chief Operating Officer

List of Attachments:

Schedule I - Overview, Year-to-Date at September 2014

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OVERVIEW

TITLE

TORONTO ZOO

YEAR-TO-DATE AT SEPTEMBER 30, 2014

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("ACTUAL" is Adjusted Actual from Accrual Worksheet - Schedule 4)

Gross Expenditure:

- Consulting Costs (cost elements 4078, 4079, 4089, 4091, 4093):
  - Budget: 271.0
  - Actual: 55.9
  - Variance: (215.1) (79.4%)

- Utility Costs (cost elements 2215, 2220, 2230, 2250):
  - Budget: 2,078.7
  - Actual: 2,009.0
  - Variance: (69.7) (3.4%)

- Other Expenditures:
  - Budget: 36,443.9
  - Actual: 32,468.0
  - Variance: (3,975.9) (10.9%)

Total Gross Expenditure: 38,793.6
Revenue: 35,927.2

Net Expenditure: 2,866.4

APPROVED COMPLEMENT

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- Operating Positions: 410.2
- On a year-to-date basis the combined impact of the following:
- Total Positions: 410.2

PROJECTIONS TO YEAR-END

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Gross Expenditure:

- Consulting Costs (cost elements 4078, 4079, 4089, 4091, 4093):
  - Budget: 354.7
  - Actual: 155.9
  - Variance: (198.8) (56.0%)

- Utility Costs (cost elements 2215, 2220, 2230, 2250):
  - Budget: 2,695.2
  - Actual: 2,564.0
  - Variance: (131.2) (4.9%)

- Other Expenditures:
  - Budget: 48,705.9
  - Actual: 42,991.2
  - Variance: (5,714.7) (11.7%)

Total Gross Expenditure: 51,755.8
Revenue: 40,312.5

Net Expenditure: 11,443.4

APPROVED COMPLEMENT

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