

Operating Variance Report for the Nine Months Ended September 30, 2021

Date: November 3, 2021

To: Budget Committee

From: Chief Financial Officer and Treasurer

Wards: All

SUMMARY

This is to advise that prior to Budget Committee on November 19, 2021, an Operating Variance Report for the nine months ended September 30, 2021, with additional analysis and recommendations will be submitted for consideration. Due to accelerating the agenda to ensure 2022 rate budget materials are publicly shared and to the additional complexity associated with analyzing financial implications of COVID-19 on operations, additional time is required to provide detailed review and analysis in advance of the Budget Committee meeting.

The Operating Variance Report will contain operating results for the nine months ended September 30, 2021 as well as projections to year-end. The report will also request City Council's approval for required amendments to the 2021 Approved Operating Budget that have no impact on the City's 2021 Approved Net Operating Budget.

RECOMMENDATIONS

The report will contain additional analysis and recommendations to be submitted for consideration.

FINANCIAL IMPACT

The financial implications will be provided in the report to be submitted to Budget Committee.

DECISION HISTORY

City Council approved the 2021 Rate-Supported Operating Budget of \$927 million gross (December 16, 2020) and the 2021 Tax Supported Operating Budget of \$12.125 billion gross and \$4.489 billion net (February 18, 2021).

The report will be provided pursuant to financial management best practices and budgetary control. As part of the City of Toronto's financial accountability framework, quarterly and year-end operating variance reports are submitted to Committees and City Council, to provide financial monitoring information on operating results to date and projections to year-end, and on an exception basis, to identify issues that require direction and/or decisions from City Council. In addition, City Council's approval is requested for budget adjustments that amend the 2021 Approved Operating Budget between Programs and Agencies in accordance with the Financial Control By-Law and the City's financial management policies.

COMMENTS

The Operating Variance Report will contain operating results for the nine months ended September 30, 2021 as well as projections to year-end. The report will also request City Council's approval for required amendments to the 2021 Approved Operating Budget that have no impact on the City's 2021 Approved Net Operating Budget.

Since March of 2020, the City of Toronto has been experiencing significant financial impacts, both in the form of added costs and significant revenue losses as a direct result of the COVID-19 pandemic. Due to accelerating the agenda to ensure 2022 rate budget materials are publicly shared and to the additional complexity associated with analyzing financial implications of COVID-19 on operations, additional time is required to provide detailed review and analysis for the operating variance report, in advance of the November 19, 2021 Budget Committee meeting.

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SIGNATURE

Heather Taylor
Chief Financial Officer and Treasurer