

2022 Budget Notes

Toronto Zoo

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Description

Canada's premiere Zoo and a leading conservation organization dedicated to fighting extinction and Climate Change; the Toronto Zoo hosted over 700,000 guests in 2021. Your Zoo is home to 4,200 animals, representing 340 species and is surrounded by Canada's new Rouge National Urban Park. The Zoo is open year-round, is divided into seven zoogeographic regions, and boasts over 10 kilometers of walking trails. The Zoo also includes gift shops, rides, zip-line and canopy tours, food services and guest services. Toronto Zoo has stewardship over buildings, infrastructure, natural resource assets, and the wildlife population.

Why We Do It

Your Toronto Zoo's mission is *connecting people, animals and conservation science to fight extinction*. The 2020 strategic plan outlines our commitment to evolving to represent and serve our community, and be a recognized leader in conservation science, addressing climate change and protecting nature for future generations.

Your Zoo is an iconic guest destination and the largest conservation tourism organization in the City, employing 700 full time/part time staff and 400 volunteers, while serving as a critical economic driver in the east end of the City, catering to a wide range of communities.

The City of Toronto aims to deliver these outcomes equitably, efficiently and with excellent customer service to help improve the lives of Torontonians and work to earn their trust and confidence.

Agency:**Dolf DeJong**

Chief Executive Officer, Toronto Zoo

Tel: (416) 392-5909

Email: ddejong@torontozoo.ca**Corporate:****Anthony Ng**

Manager, Financial Planning

Tel: (416) 395-6767

Email: Anthony.Ng@toronto.ca

What Service We Provide

Zoo Visitor Services

Who We Serve: Community Groups, Schools, New Canadians and Indigenous Communities, Tour Groups, Tourists
What We Deliver: Educational programming, connections with nature and wildlife, engaging experiences
How Much Resources (gross 2022 operating budget): \$34.1 Million

Zoo Conservation & Science

Who We Serve: Colleges and Universities, Educators and Scientists, Wildlife Researchers and Societies, Indigenous Communities, Zoological Institutions, Accrediting Bodies
What We Deliver: Conservation breeding and reintroduction programs, conservation research programs, reproductive services, Biodiversity and Climate Change programming
How Much Resources (gross 2022 operating budget): \$20.8 Million

Zoo Fundraising and Strategic Partnerships

Who We Serve: Toronto Zoo Wildlife Conservancy
What We Deliver: Seconded unionized employees to the Wildlife Conservancy for their fundraising initiatives benefiting the Toronto Zoo. Raised \$4.3 million in 2020
How Much Resources (gross 2022 operating budget): \$0.3 Million

Budget at a Glance*

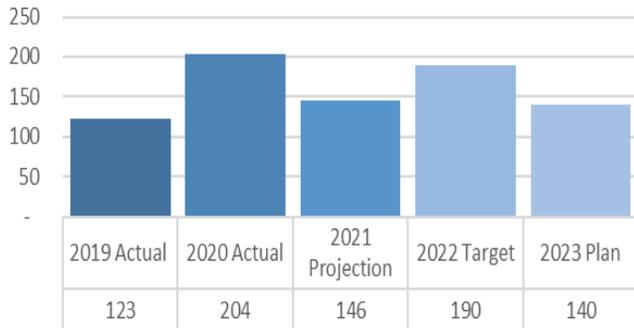
2022 OPERATING BUDGET			
\$Million	2022	2023	2024
Revenues	\$37.8	\$39.4	\$40.0
Gross Expenditures	\$55.2	\$56.4	\$57.4
Net Expenditures	\$17.4	\$17.0	\$17.4
Approved Positions	423.2	423.2	423.2

2022 - 2031 10-YEAR CAPITAL PLAN			
\$Million	2022	2023-2031	Total
Gross Expenditures	\$21.4	\$126.6	\$148.0
Debt	\$17.7	\$114.6	\$132.3
Note: Includes 2021 carry forward funding			

*This document reflects the 2022-2031 Capital Budget and Plan as recommended by the City's City Manager and Chief Financial Officer and Treasurer, which differs from the budget approved by the Board of Management of the Toronto Zoo. Please refer to [Appendix 12](#) for details.

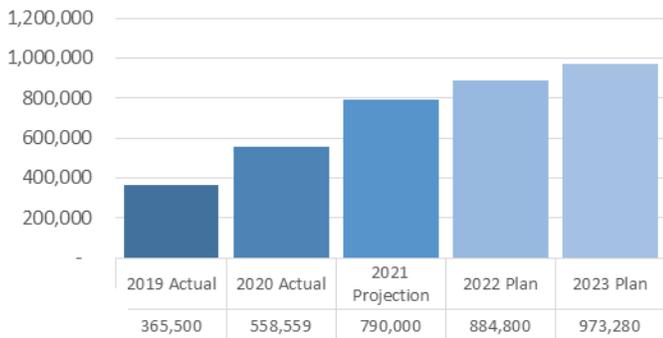
How Well We Are Doing – Behind the Numbers

Animals Released into Canadian Wild Habitats



- Animals released from captive breeding programs and subsequently released into Canadian wild habitats include the following:
 - Wood turtles
 - Eastern loggerheaded shrikes
 - Vancouver Island marmots
 - Black-footed ferrets
 - Blanding's turtles

Social Media Fanbase (#)



- New onsite Wi-Fi will be used to increase connections.
- Continue strategy to build the Zoo's reputation and profile to drive attendance, increase revenues, and awareness of conservation issues.

External Fundraising (\$000)



- Build the reputation and profile of the Toronto Zoo Wildlife Conservancy to enhance experiences for Zoo guests, serve the animals and to support conservation science.
- Historical fundraising component was completed by the Toronto Zoo and included in the operational budget. In 2019, the Toronto Zoo Wildlife Conservancy was established to fundraise.

How Well We Are Doing

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
Outcome Measures								
Zoo Conservation & Science	# of Day and Overnight Camp Participants (modified operations in 2021)	5,207	1,579	3,220	762	●	4,450	4,805
Zoo Conservation & Science	# of "Zoo School" Students Enrolled	36	0	36	18	●	72	72
Zoo Conservation & Science	# of Impressions of Volunteer Engagement with Visitors and Public	1,033,138	500,000	700,000	423,334	●	1,000,000	1,100,000
Zoo Conservation & Science	# of Volunteer Hours Contributed	39,088	22,000	28,000	15,291	●	35,000	41,000
Zoo Conservation & Science	# of Students Educated about the Great Lakes Conservation	21,000	18,000	20,000	20,000	●	21,000	21,000

● 80% - 100% ● 64 - 79% ● 63% and Under

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
Service Level Measures								
Zoo Conservation & Science	External fundraising revenues raised	\$3,120,000	\$4,196,000	\$3,000,000	\$3,500,000	●	\$3,000,000	\$3,000,000
Zoo Conservation & Science	# of Blandings turtles released into Rouge National Urban Park	48	120	60	48	●	100	50
Zoo Visitor Service	Social Media Fans	365,500	558,559	544,734	850,000	●	884,800	973,280
Other Measures								
Zoo Visitor Service	# of Attendance at the Zoo	1,210,224	431,517	838,229	729,259	●	1,158,456	1,225,000
Zoo Visitor Service	# of Membership Subscriptions	27,266	24,486	27,000	33,000	●	25,806	27,500
Zoo Visitor Service	\$ of Retail Sales per Visitor	2.10	1.63	2.20	2.10	●	2.20	2.25
Zoo Visitor Service	\$ of Food Sales per Visitor	\$5.59	\$3.06	5.57	5.45	●	5.57	5.60

● 80% - 100% ● 64 - 79% ● 63% and Under

COVID-19 IMPACT AND RECOVERY

2022 Impact and Recovery

Operating Budget Impact

Revenue impact

- COVID-19 pandemic continues to impact attendance levels with the loss of school groups. Base attendance estimation for 2022 is at 1.158 million, representing an increase of 0.320 million compared to 2021 budgeted attendance levels. This is based on the 2020 and 2021 actual experience and estimates for safe COVID-19 operations during 2022, subject to provincial health guidelines.
- Limited peak day volume due to capacity limit.
- Significant shift in guest mix with increasing number of members.

Expenditure Impact

- Additional resources to manage pandemic operations, including additional cleaning, sanitization, staffing and personal protective equipment purchases.
- To avoid overcrowding on Zoo site, the Zoo will implement extended hours which allows for capacity expansion due to restriction of COVID-19 to ensure health of guests and animals. Toronto Zoo has implemented timed ticketing, to limit the number of guests on site, during any period of time.
- Increased staff and technological support to enhance digitization engagement during COVID-19. Digital experience becomes essential to maintain guest spacing, engagement and to deliver an improved experience for our guests.

Service Level Changes

- COVID-19 variance is expected to continue to affect our regular operations. The Zoo will adjust operations as deemed necessary to keep staff, animals, guests, and business operations safe.
 - Modification of service offerings to online environment (Zoo FacebookLives, Zoo ConnectionZ educational programs, ShoutOutz education programs, Classroom Connectionz education programs, Meet & Greet education programs, Bats virtual programs, Snakes virtual programs, Zoo School virtual programs).
 - Modified onsite camp programs and added community marketplaces.
 - Demand continues for remote service offerings, extending reach and impact in previously underserved communities.
 - Also offered Zoo Camp, Edu-Treks school programs, Edu-Expeditions volunteer programs, Snakes in-person programs, Big Day Off PD (professional development) day programs in 2021. These programs will also be offered in 2022
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EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Welcomed an estimated 80% of our attendance targets in 2021 by the end of Q3, recovering from the November 23, 2020 to June 11, 2021 pandemic site closure
- Offered additional on-site experiences including Wild Encounters, VIP Tours, Marketplaces, and summer operations of Terra Lumina
- Commitment to serving our communities by establishing partnerships including Toronto Community Housing, Woodgreen Settlement Services, Native Child and Family Services, Scarborough East Storefront, Toronto Symphony Orchestra and Canadian Geographic, Development of an equity, diversity, and inclusion strategy to ensure your Zoo reflects our community
- Supported our frontline workers in our community by holding Scarborough Hero Awards, hosted Indigenous People's Day and Virtual Pride Day in June, ran 3 vaccine clinics in collaboration with the Scarborough Health Network, hosted National Day of Truth & Reconciliation in partnership with Native Child & Family Services Toronto, hosted Remembrance Day ceremony and ran Parents Engaged in Education - a school supply donation drive
- Continued the new online platforms to serves guests locally and internationally
- Achieved a record number of memberships, 35,994 by November
- Implemented fundraising initiatives such as planned giving including bequests, tap to donate, virtual Zoo Oasis Run and Move Your Paws Run, enrichment tree giving, staff campaigns, on-line auctions and direct mail campaigns
- Successfully delivered on our species recovery work on programs including ferrets, marmots, Blandings turtles (released into the Rouge National Urban Park), Massassauga rattlesnakes, Oregon spotted frogs, Eastern loggerhead shrikes, bats and Great Lakes Programs (in class education programs focusing on freshwater species at risk)

Key Challenges and Risks

COVID-19 Pandemic Risk

- Reduced revenue due to public health policy and increased expenditure due to implementing health and safety measures
- Offer alternative revenue programs to partially offset loss in revenue

Supply Chain Challenges

- Supply shortage and delay in shipment
- Procure strategically through different channels and reserve extra time in planning process

Weather

- Attendance and revenue are subject to weather in our primarily outdoor site
- Monitor attendance and introduce programs to smooth attendance demand on site

Priority Actions

- Implementation of the 2020 Strategic Plan with a focus on saving wildlife, igniting passion among the team, creating wow, connecting our Zoo and our community and revolutionizing Zoo technology, making your Zoo an even greater force for conservation. Your Zoo will provide unparalleled animal care, while advancing our understanding of conservation science, to support the fight against climate change and species extinction
- Continued implementation of revenue maximization and cost management activities
- Achieve attendance targets of 1.158 million and a high level of guest satisfaction resulting in positive revenue impact. 2022 plan assumes onsite school group attendance will not return until 2023
- Site upgrades to ensure compliance and exceed standards - Association of Zoos & Aquariums (AZA) and Canada's Accredited Zoos and Aquariums (CAZA) accreditation year
- Implement EDI strategies to become an inclusive site that reflects our Toronto community

Priority Actions (Continued)

- Embrace our local community, especially those neighborhoods in our surrounding area, and introduce young diverse families to wildlife conservation and Climate Change, to develop future environmental and conservation leaders
 - Celebrate the Year of the Tiger and the Orangutan Outdoor Habitat opening
 - Further develop organizational culture including talent acquisition, and Equity, Diversity and Inclusion initiatives that serve our City
 - Drive guests to our gate while building increased understanding of our conservation work, and encouraging more philanthropy on site
 - Implementation of the new Zoo Master Plan
 - Implement energy retrofit program to support the TransformTO net zero 2040 plan and reduce our greenhouse gas emissions and achieve operating cost savings
 - Engagement with indigenous partners: Turtle Island Conservation Program: partner with First Nation communities to preserve community knowledge and significant natural and cultural landscape; First Nations Conservation Technician Trainees Program: hired to work with Adopt-A-Pond and the Turtle Island Conservation program
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RECOMMENDATIONS

The City Manager and Chief Financial Officer and Treasurer recommend that:

1. City Council approve the 2022 Operating Budget for Toronto Zoo of \$55.260 million gross, \$37.841 million revenue and \$17.419 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Zoo Visitor Services	34,094.3	35,469.2	(1,374.9)
Zoo Fundraising & Strategic Partnerships	346.4	0.0	346.4
Zoo Conservation & Science	20,818.9	2,371.3	18,447.6
Total Program Budget	55,259.6	37,840.5	17,419.1

2. City Council approve the 2022 staff complement for Toronto Zoo of 423.2 operating positions.
3. City Council approve the 2022 fee changes above the inflationary adjusted rate and rationalized user fees for Toronto Zoo identified in Appendix 9, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".
4. City Council approve the 2022 Capital Budget for Toronto Zoo with cash flows and future year commitments totaling \$29.737 million as detailed by project in [Appendix 6a](#).
5. City Council approve the 2023-2031 Capital Plan for Toronto Zoo totalling \$118.336 million in project estimates as detailed by project in [Appendix 6b](#).
6. City Council request that all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2022 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

2022 OPERATING BUDGET

2022 OPERATING BUDGET OVERVIEW

Table 1: 2022 Operating Budget by Service

(In \$000s)	2020 Actual	2021 Budget	2021 Projection*	2022 Base Budget	2022 New / Enhanced	2022 Budget	Change v. 2021 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Zoo Visitor Services	16,383.0	25,786.8	20,305.2	35,469.2		35,469.2	15,164.1	74.7%
Zoo Fundraising & Strategic Partnerships	69.5							N/A
Zoo Conservation & Science	156.0	1,168.8	2,251.8	2,371.3		2,371.3	119.5	5.3%
Total Revenues	16,608.4	26,955.5	22,557.0	37,840.5		37,840.5	15,283.6	67.8%
Expenditures								
Zoo Visitor Services	27,482.0	28,811.6	25,225.3	34,094.3		34,094.3	8,869.0	35.2%
Zoo Fundraising & Strategic Partnerships	132.0	327.2	70.5	346.4		346.4	276.0	391.7%
Zoo Conservation & Science	14,032.2	17,261.0	15,683.3	20,818.9		20,818.9	5,135.6	32.7%
Total Gross Expenditures	41,646.2	46,399.8	40,979.0	55,259.6		55,259.6	14,280.6	34.8%
Net Expenditures	25,037.8	19,444.3	18,422.1	17,419.1		17,419.1	(3,003.0)	(5.4%)
Approved Positions**	403.2	404.2	N/A	423.2		423.2	N/A	N/A

*2021 Projection based on Q3 Variance Report

**YoY comparison based on approved positions

COSTS TO MAINTAIN EXISTING SERVICES

Total 2022 Base Budget expenditures of \$55.259 million gross reflecting an increase of \$14.280 million in spending above 2021 projected year-end actuals, predominantly arising from:

- Increased expenditures and revenue to reflect expected operations for full calendar year (subject to provincial health guidelines and capacity restrictions), extended hours operation, and the implementation of the 2019 organizational restructuring.
- Additional costs associated with health and safety arising from the ongoing pandemic to ensure appropriate physical distancing measures and provide a safe environment for guests, staff and volunteers.
- Additional cost requirements to help address the deferred maintenance and accreditation needs of the Zoo including increased digitization costs.
- Inflationary adjustments to utilities based on economic factors which will be offset by anticipated energy savings from the energy retrofit program.

Given the financial impacts of COVID-19 on 2021 actuals, a further comparison of the 2022 Base Budget (excluding 2022 COVID-19 impacts) to the 2021 Council approved Budget (excluding 2021 COVID-19 impact) is provided below:

- 2022 Base Budget of \$17.419 million in net expenditures represents a status quo or zero net increase from the 2021 Council approved Budget, when excluding \$4.671 million in estimated COVID-19 financial impacts.**

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Toronto Zoo's 2022 Operating Budget do not have any significant equity impacts.

2022 OPERATING BUDGET KEY DRIVERS

The 2022 Operating Budget change for the Toronto Zoo is \$14.280 million gross or 34.8% higher than the 2021 Projected Actuals. Table 2a below summarizes the changes by revenue and expenditure category for the 2022 Operating Budget.

Table 2a: 2022 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2019	2020	2021	2021	2022	2022 Change from	
	Actual	Actual	Budget	Projection*	Budget	2021 Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies	165.9	50.0	1,011.5	1,204.0	1,011.5	(192.5)	(16.0%)
User Fees & Donations	33,755.0	14,460.3	25,105.3	19,690.6	35,410.3	15,719.7	79.8%
Transfers From Capital	171.0	171.0	171.0	171.0	171.0		
Contribution From Reserves/Reserve Funds	386.0	386.0	400.0	746.0	400.0	(346.0)	(46.4%)
Sundry and Other Revenues	1,354.7	1,541.1	267.7	745.1	847.7	102.7	13.8%
Total Revenues	35,832.6	16,608.4	26,955.5	22,556.7	37,840.5	15,283.9	67.8%
Salaries and Benefits	30,214.1	29,264.5	27,779.8	25,771.2	33,909.9	8,138.7	31.6%
Materials & Supplies	6,871.2	5,340.6	8,296.7	6,802.0	8,463.4	1,661.4	24.4%
Equipment	365.9	225.4	914.3	418.9	1,155.5	736.7	175.9%
Service and Rent	10,524.1	5,321.4	8,492.3	7,220.1	10,814.0	3,593.9	49.8%
Contribution To Reserves/Reserve Funds	1,146.2	1,015.4	916.8	766.8	916.8	150.0	19.6%
Other Expenditures	171.0	478.9	0.0		0.0	0.0	
Total Gross Expenditures	49,292.5	41,646.2	46,399.8	40,979.0	55,259.6	14,280.6	34.8%
Net Expenditures	13,459.9	25,037.8	19,444.3	18,422.4	17,419.1	(1,003.3)	(5.4%)

*Projection based on 9 Month Variance

*2021 Projection based on Q3 Variance Report

Key Base Drivers:**Salaries & Benefits:**

Salaries and benefits include cost of living adjustments and are aligned to reflect higher attendance and expected full year operations in 2022, subject to provincial health guidelines. The Zoo will review the efficiency in operating processes and guest services, to optimize staffing requirements, without impacting health & safety and service levels. The optimization is expected to generate savings based on hiring backlog and vacancy experience.

Materials and Supplies:

With plans to open full year with higher attendance capacities, an increase in materials and supplies to support appropriate physical distancing measures and inflationary and optimization adjustments to utilities are budgeted in 2022. Expenditures are adjusted as the Zoo focuses on recovery from 2-years of minimal investment due to COVID.

Services and Rents:

Attendance driven expenditures are increased in relation to additional cost requirements, to help continuing the rebuilding of the Zoo post-COVID, including directly attributable COVID costs, and increased digitization costs for enhancing guest experience.

User Fees & Donations:

Anticipated recovery of operations, including full year of on-site services and improved guest capacity, compared to 2021 Projection. Base attendance is estimated at 1.158 million for 2022, representing an increase of 0.429 million compared to 2021 projection. Revenues will be increased due to anticipated increases in attendance levels as vaccination rolls out for COVID-19 allow for greater occupancy.

AZA (Association of Zoos & Aquariums) Accreditation:

As a leader in wildlife conservation and science, locally *and* globally, the Zoo is an accredited institution of the AZA, which sets standards relating to wildlife conservation efforts and animal protection. Ongoing investments to support the AZA re-accreditation process, to ensure high standards in animal welfare and care, are included in the 2022 budget.

Offsets and Efficiencies:

The 2022 Operating Budget includes \$1.868 million in gross expenditure and \$1.466 million in net expenditures reductions attributed to:

- Technology enhancement and process optimization and improvement result in savings of \$0.721 million
- Internal cost mitigation strategy to reduce overall expenditure by \$0.746 million while maintaining service level demand

Note:

1. For additional information on 2022 key cost drivers refer to [Appendix 2](#) for a summary of balancing actions.

2023 & 2024 OUTLOOKS**Table 3: 2023 and 2024 Outlooks**

(\$000s)	2021 Projection	2022 Budget	2023 Outlook	2024 Outlook
Revenues	22,557.0	37,840.5	39,393.5	40,013.9
Gross Expenditures	40,979.0	55,259.6	56,368.2	57,413.2
Net Expenditures	18,422.1	17,419.1	16,974.7	17,399.3
Approved Positions	N/A	423.2	423.2	423.2

Key drivers

The 2023 Outlook with total gross expenditures of \$56.368 million reflects an anticipated \$1.109 million or 2.01 per cent increase in gross expenditures above the 2022 Operating Budget. The 2024 Outlook expects a further increase of \$1.045 million or 1.85 per cent above 2023 gross expenditures.

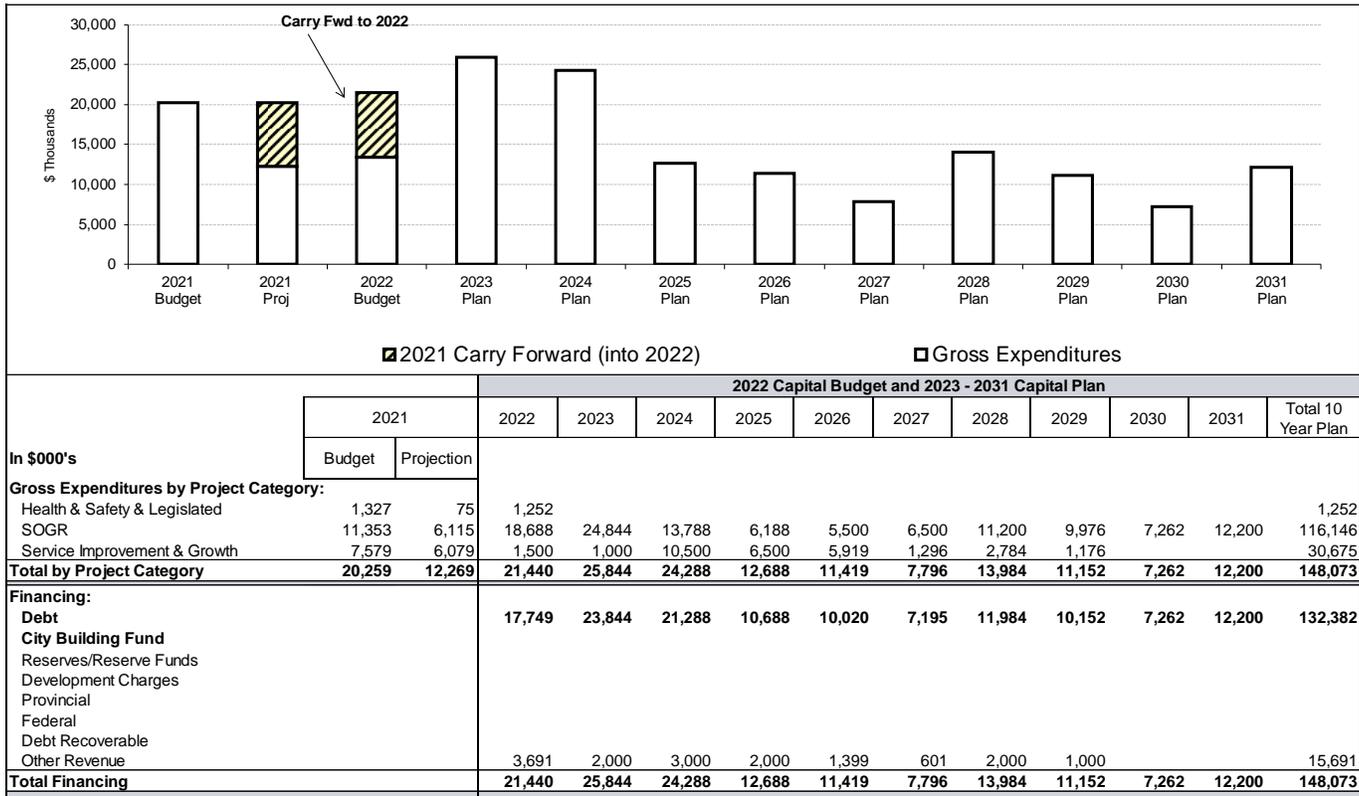
These changes arise from the following impacting both 2023 and 2024:

- **Impacts of 2022 decisions**
 - to strategic plan and implementation of new master plan
 - Planning COVID recovery and revitalization factors still influencing budget plan
 - Increasing digitization across the Zoo
 - Update for Zoo's 50th birthday in 2024
- **Salaries and Benefits**
 - Salary and benefit increases related to collective agreement
 - Escalation in line with increased attendance level and animal care standards
- **Inflationary Impact**
 - Corporately applied and adjusted to meet program expectations
 - Economic increases for service contracts, utilities and materials and supplies
- **Growth**
 - Anticipated economic recovery from COVID and increased attendance levels.
 - Attendance is anticipated to reach 1.225 million in 2023 and 1.295 million in 2024.

**2022 – 2031
CAPITAL BUDGET AND PLAN**

2022 – 2031 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview (\$000)



Changes to Existing Projects
(-\$6.2 Million)

The 2022-2031 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2022-2030):

- \$7.8 million – Increase in *Welcome Area* due to increased costs related to COVID-19 (additional measures taken to ensure safety of guests in the space) and change of scope (opportunities to partner with educational institutions to generate additional revenue in future years). Cash flow for construction is extended to 2024. Project cost is increased to \$30.3 million
- \$3.7 million – Increase in *Exhibit Refurbishment* for major renovations to old exhibits to extend the life of the existing exhibits
- \$3.3 million – Increase in *Information Systems* due to increase in costs and digitization efforts guided by 2021 Technology Master Plan which includes building a new internet network and new Wi-Fi services, the upgrade of the implementation of Enterprise Resource Planning (ERP), and the admission/ticketing system
- \$(17.5) million – Decrease in *Wilderness North / Canadian Pavilion* to defer cash flow to 2031 to accommodate additional spending in Welcome Area and other projects
- \$(3.5) million – Decrease in *Insects and Oceania Pavilion* due to removal of these projects as they are not part of the master plan that is currently in development

New Projects
(\$15.0 Million)

The 2022-2031 Capital Budget and Plan includes the following new project:

- \$15.0 million – New cash flow funding for design and construction costs of the *Savanna Indoor Winter Holding and Viewing* area is added to the 10-Year Capital Plan commencing in 2023

Note: For additional information, refer to [Appendix 6](#) for a more detailed listing of the 2022 and 2023-2031 Capital Budget & Plan by project; [Appendix 7](#) for Reporting on Major Capital Projects – Status Update.

2022 – 2031 CAPITAL BUDGET AND PLAN

\$148.1 Million 10-Year Gross Capital Program

			
Aging Infrastructure	Information Technology	Wildlife Habitats	Accessibility and Service
\$50.4 M 34%	\$10.3 M 7%	\$41.6 M 28%	\$45.8 M 31%
Toronto Zoo Community Conservation Campus <input checked="" type="checkbox"/> SOGR	System upgrades On-site digitization	Orangutan Outdoor SOGR	Winter Improvements <input checked="" type="checkbox"/> SOGR

- Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

- Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2022-2031 Capital Budget and Plan cash flows. Does not break out the climate component costs separately

How the Capital Program is Funded

City of Toronto		Toronto Zoo Wildlife Conservancy	
\$136.1 M 92%		\$12.0 M 8%	
Debt	\$ 132.4 M	Donations	\$ 12.0 M
Other	\$ 3.7 M		

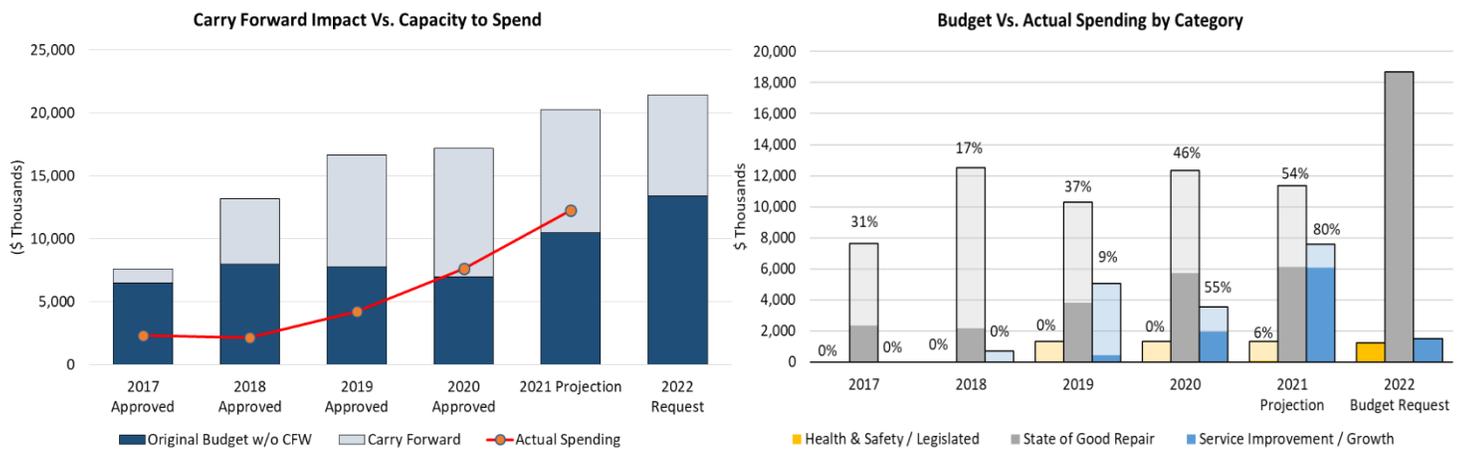
CAPACITY TO SPEND REVIEW

The 10-Year Capital Plan has been developed with consideration of historical demonstrated ability to spend within any given year of the ten-year capital plan. A review was undertaken to ensure budgets align with Toronto Zoo's ability to spend and the markets capacity to deliver.

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 2 below) as well as the level of projected 2021 underspending that will be carried forward into 2022 to complete capital work.

Toronto Zoo's actual spending over the previous five years, from 2017 to 2021, has averaged \$5.7 million per year or 36% spend rate.

Chart 2 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

Toronto Zoo is projecting to spend \$12.269 million or 60.6% of its 2021 Council Approved Capital Budget by the end of 2021. Procurement issues have delayed many projects as vendors do not have sufficient supplies to fill increased demand due to the pandemic. The COVID-19 pandemic has created significant challenges for supply chains around the world and this is expected to continue into 2022.

The 2022 Capital Budget of \$21.4 million (including carry forward funding of \$8.0 million) is higher than historic 5-year average budget of \$13.5 million. Based on the review of historical capital spending constraints and a capacity to spend review, \$12.3 million in capital spending originally cash flowed in 2022 has been deferred to 2023 and beyond for the following projects:

- *Welcome Area* project - deferred by \$10.75 million to future years to reflect updated construction timelines.
- *Wilderness North* project - deferred by \$1.0 million to 2027 based on project readiness.
- *Zoomobile* project – deferred by \$0.5 million to 2024 as a result of updated delivery timelines.

Despite the adjustment noted above, Toronto Zoo still requires cash flow funding of \$21.4 million in 2022 to continue the capital work. The 2022 cash flow is higher than the historic 5-year average spending and is attributed to the requirements below:

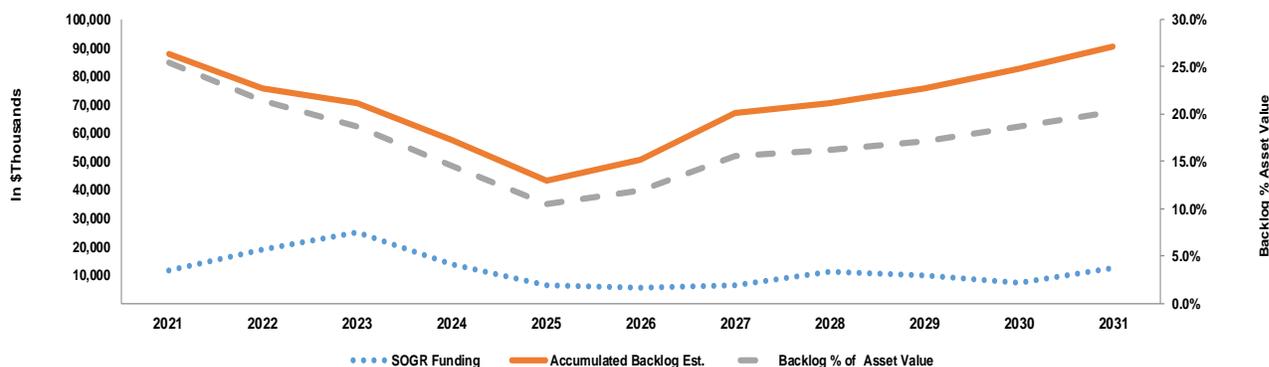
- To improve *Winter Accessibility* to the boardwalk ramp from the Indo-Malaya Pavilion to the African Rainforest Pavilion to address AODA legislative requirements.

- To upkeep the facility and enhance guest experiences by redesigning the Conservation Campus (Welcome Area), repairing and replacing building components, and improving site circulation and public concerning visitor amenities.
- To upgrade information systems by expanding the current network to improve performance and enhance efficiency.
- To renovate smaller exhibits throughout the Zoo site as well as completion of the new *Orangutan Outdoor Exhibit*

STATE OF GOOD REPAIR (SOGR) FUNDING & BACKLOG

The chart below depicts the SOGR funding and accumulated backlog estimates for Toronto Zoo:

Chart 3: Total SOGR Funding & Backlog



\$ Thousands	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
SOGR Funding	11,353	18,688	24,844	13,788	6,188	5,500	6,500	11,200	9,976	7,262	12,200
Accumulated Backlog Est.	87,937	75,696	70,451	57,690	43,167	50,413	67,076	70,576	75,526	82,576	90,376
Backlog % of Asset Value	25.4%	21.4%	18.7%	14.6%	10.5%	11.9%	15.6%	16.2%	17.2%	18.6%	20.3%
Total Asset Value	346,450	353,450	376,900	395,744	411,588	424,224	429,724	435,224	440,274	443,224	445,424

- The foundation of the 10-Year Capital Plan is guided by the Toronto Zoo's 2016 Master Plan, as reprioritized. Recommendations from the Wayfinding Study, the Building Audit Report and Site Services Study are taken into consideration in establishing the Toronto Zoo's 10-Year Capital Plan. The capital program is also consistent with the directions provided in the new Strategic Plan previously adopted by the Board of Management.
- The 2022-2031 Capital Budget and Plan will fund \$116.146 million of SOGR projects within Toronto Zoo over the 10-year period, providing an average of \$11.615 million annually to address Toronto Zoo's aging infrastructure. Based on this plan, the accumulated backlog will increase from \$87.937 million at the end of 2021 to an anticipated \$90.376 million by 2031.
- As mentioned in previous section, Toronto Zoo is committed to reducing barriers to accessibility through implementing two accessibility improvement projects that include the boardwalk ramp from the Indo-Malaya Pavilion to the African Rainforest Pavilion to meet AODA requirements. It is anticipated that these projects will be partially supported by funding from other levels of government which will be approved in 2022 through the Investing in Canada Infrastructure Program. In the immediate future, Building & Service Refurbishment projects will place a higher priority on those that depend on AODA compliance when prioritizing projects.

The 10-Year Capital Plan is expected to change significantly to align SOGR projects with the revised Master Plan and the Facility Condition Assessment Project scheduled for completion in 2022, which will inform SOGR requirements to be included in the 2023 Budget submission.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

In \$ Thousands				
COVID-19 Impacts	2021 Net	2022		
		Revenues	Gross	Net
Revenue Loss				
User Fees	6,560.1	(928.0)		928.0
Sub-Total	6,560.1	(928.0)		928.0
Expenditure Increase				
Operation and COVID-19 Requirements	135.8		1,048.0	1,048.0
Expand Capacity During COVID-19			1,278.0	1,278.0
Guest Digital Engagement Demand			1,417.0	1,417.0
Sub-Total	135.8		3,743.0	3,743.0
Total COVID-19 Impact	6,695.9	(928.0)	3,743.0	4,671.0

Appendix 2

2022 Balancing Actions

(\$000s)									
Recommendation	Savings Type	Equity Impact	2022				2023 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Optimization and Enhancement	Efficiencies	None		(720.6)	(720.6)		720.6	720.6	
Non-attendance	Other	None	(401.8)	(1,147.3)	(745.5)		1,147.3	745.5	
Total Balancing Actions			(401.8)	(1,867.9)	(1,466.1)	-	1,867.9	1,466.1	-

Appendix 3

Summary of 2022 Service Changes

N/A

Appendix 4

Summary of 2022 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2022 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2022 Capital Budget; 2023 - 2031 Capital Plan Including Carry Forward Funding

Project Code	(In \$000s)	2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2022 - 2031 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TZ001	Ravens Roost				1,000	5,471						6,471			6,471
TZ002	Savanna Indoor Winter Holding & Viewing		1,000	10,000	4,000							15,000			15,000
TZ003	Building & Services Refurbishment	5,510	2,900	2,500	2,500	2,500	2,500	2,500	2,500	1,500	1,000	25,910		25,910	
TZ004	Carolian Forest Boardwalk					225	500					725			725
TZ005	Discovery Zone Refurbishment					223	796	2,784	1,176			4,979			4,979
TZ006	Exhibit Refurbishment	3,700	1,600	1,288	1,288	600	600	600	600	300	300	10,876		10,876	
TZ007	Grounds and Visitor Improvements	2,325	2,800	1,300	1,200	1,200	1,200	1,200	1,200	600	600	13,625		13,625	
TZ008	Information Systems	1,450	1,200	1,200	1,200	1,200	1,200	1,200	750	550	300	10,250		10,250	
TZ009	Orangutan II & III: Indoor & Outdoor Exhibits	1,500										1,500			1,500
TZ010	Rhino Ridge								300	2,312		2,612		2,612	
TZ011	Welcome Area Redesign	5,703	16,344	7,500								29,547		29,547	
TZ012	Wilderness North/Canadian Pavilion						1,000	5,700	4,626	2,000	10,000	23,326		23,326	
TZ013	Winter Accessibility	1,252										1,252	1,252		
TZ014	Winter Zoomobile			500	1,500							2,000			2,000
Total Expenditures (including carry forward from 2021)		21,440	25,844	24,288	12,688	11,419	7,796	13,984	11,152	7,262	12,200	148,073	1,252	116,146	30,675

☑ - Project supports Climate Resiliency and / or Greenhouse Gas (GHG) Reduction*

☑ - Project includes workforce development requirements as outlined in the City's Social Procurement Program

*Information above includes full project / sub-project 2022-2031 Capital Budget and Plan cash flows. Does not break out the climate component costs separately

Appendix 6a

2022 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In \$000s)	2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	Total 2022 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
TZ003	Building & Services Refurbishment	5,510	725									6,235	3,130	3,105	
TZ006	Exhibit Refurbishment	3,700	400									4,100	1,645	2,455	
TZ007	Grounds and Visitor Improvements	2,325	700									3,025	855	2,170	
TZ008	Information Systems	1,450	300									1,750	240	1,510	
TZ009	Orangutan II & III: Indoor & Outdoor Exhibits	1,500										1,500	1,500		
TZ011	Welcome Area Redesign	5,703	6,172									11,875	11,875		
TZ013	Winter Accessibility	1,252										1,252	1,252		
Total Expenditures (including carry forward from 2021)		21,440	8,297									29,737	20,497	9,240	

Appendix 6b

2023 - 2031 Capital Plan

Project Code	(In \$000s)	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2022 - 2031 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TZ001	Ravens Roost <input checked="" type="checkbox"/>			1,000	5,471						6,471			6,471
TZ002	Savanna Indoor Winter Holding & Viewing	1,000	10,000	4,000							15,000			15,000
TZ003	Building & Services Refurbishment	2,175	2,500	2,500	2,500	2,500	2,500	2,500	1,500	1,000	19,675		19,675	
TZ004	Carolian Forest Boardwalk				225	500					725			725
TZ005	Discovery Zone Refurbishment				223	796	2,784	1,176			4,979			4,979
TZ006	Exhibit Refurbishment	1,200	1,288	1,288	600	600	600	600	300	300	6,776		6,776	
TZ007	Grounds and Visitor Improvements	2,100	1,300	1,200	1,200	1,200	1,200	1,200	600	600	10,600		10,600	
TZ008	Information Systems	900	1,200	1,200	1,200	1,200	1,200	750	550	300	8,500		8,500	
TZ010	Rhino Ridge							300	2,312		2,612		2,612	
TZ011	Welcome Area Redesign	10,172	7,500								17,672		17,672	
TZ012	Wilderness North/Canadian Pavilion					1,000	5,700	4,626	2,000	10,000	23,326		23,326	
TZ014	Winter Zoomobile		500	1,500							2,000			2,000
Total Expenditures (including carry forward from 2021)		17,547	24,288	12,688	11,419	7,796	13,984	11,152	7,262	12,200	118,336		89,161	29,175

Appendix 7

Reporting on Major Capital Projects: Status Update

Toronto Zoo	2021 Cash Flow			Total Project		Status	Start Date	End Date		On Budget	On Time
	Appr.	YTD Spend	YE Projec Spend	Appr. Budget	Life to Date			Planned	Revised		
Toronto Zoo											
Welcome Area	1,963	153	510	12,617	578	Minor Delay	Jan-21	Dec-21	Apr-22	®	Ⓜ
Comments:	New arrival plaza, otter/penguin exhibit, event space, classrooms, labs, conservation programming space, restaurants, gift shops to be constructed at the front entrance area of the Toronto Zoo.										
Explanation for Delay:	Scope increase										

- Ⓞ >70% of Approved Project Cost
- Ⓜ Between 50% and 70%
- ® < 50% or > 100% of Approved

Appendix 8

Summary of Capital Needs Constraints

N/A

Appendix 9

2022 User Fee Changes

(Excludes User Fees Adjusted for Inflation)

Table 9b – Fees Above Inflation

Rate ID	Rate Description	Service	Fee Category	Fee Basis	2021	2022		2023	2024
					Approved Rate	Above Inflation Adjustment	Budget Rate	Plan Rate	Plan Rate
TZ041	Rental of half of the auditorium in the Education building.	Zoo Special Events & Facility Rental	Market Based	Facility Rental	\$221.24	\$88.49	309.73	309.73	309.73
TZ044	Picnic site rental - Savanna Picnic Site	Zoo Special Events & Facility Rental	Market Based	Per event	\$464.60	\$22.13	486.73	486.73	486.73
TZ045	Picnic site rental - Africa Picnic Site	Zoo Special Events & Facility Rental	Market Based	Per event	\$331.86	\$22.12	353.98	353.98	353.98
TZ046	Picnic site rental - Simba Picnic Site	Zoo Special Events & Facility Rental	Market Based	Per event	\$278.76	\$163.72	442.48	442.48	442.48
TZ047	Animal Visit - 1 Small Animal on-site visit for private events such as picnics.	Zoo Education & Outreach	Market Based	Per Animal	\$132.74 (half hour); \$194.69 (one hour)	\$3.43 (half hour); \$21.13 (additional 30 mins)	\$136.17 (half hour); \$79.65 (additional 30 minutes)	\$136.17 (half hour); \$79.65 (additional 30 minutes)	\$136.17 (half hour); \$79.65 (additional 30 minutes)
TZ058	Pennypress Concession - to press an animal imprint into a penny as a souvenir from the Zoo.	Zoo Visitor Services	Market Based	Per Item	\$0.88	\$0.89	1.77	1.77	1.77
TZ059	Viewing Machine Concession- use of a viewing machine to get a closer view at an exhibit.	Zoo Visitor Services	Market Based	Per Rental	\$0.88	\$0.89	1.77	1.77	1.77
TZ061	Wildlife Marquee	Zoo Special Events & Facility Rental	Market Based	Per event	\$557.52	\$61.95	619.47	619.47	619.47

Table 9f - User Fees for Rationalization

Service	2021			2022			Comments
	Rate ID	Rate Description	Approved Rate	Rate ID	Rate Description	Budget Rate	
Zoo Special Events & Facility Rental	TZ042	Rental of the boardroom in the Administrative Services building	\$66.37 (Per Hour)	TZ042	Daily rental of the boardroom in the Administrative Services building	\$442.48 (Daily)	Change of user fee basis from hourly to daily rate
Zoo Special Events & Facility Rental	TZ043	Hourly rental of the boardroom in the Marketing & Communications building	\$44.25 (Per Hour)	TZ043	Daily rental of the boardroom in the Marketing & Communications building	\$176.99 (Daily)	

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2022 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2022	2023	2024
		\$	\$	\$
Beginning Balance		979.9	1,125.9	1,271.9
Vehicle Reserve-Zoo	XQ1703			
<i>Withdrawals (-)</i>				
<i>Toronto Zoo Withdrawals - Operating</i>				
<i>Contributions (+)</i>				
<i>Toronto Zoo Contributions - Operating</i>		496.0	496.0	496.0
Total Reserve / Reserve Fund Draws / Contributions		1,475.9	1,621.9	1,767.9
Other Program / Agency Net Withdrawals & Contributions		(350.0)	(350.0)	(350.0)
Balance at Year-End		1,125.9	1,271.9	1,417.9

* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2022	2023	2024
		\$	\$	\$
Beginning Balance		931.9	933.8	940.7
Zoo Endangered Species	XR3006			
<i>Withdrawals (-)</i>				
<i>Toronto Zoo Withdrawals - Operating</i>		(150.0)	(150.0)	(150.0)
<i>Contributions (+)</i>				
<i>Toronto Zoo Contributions - Operating</i>		150.0	150.0	150.0
Total Reserve / Reserve Fund Draws / Contributions		931.9	933.8	940.7
<i>Interest Income</i>		2.0	6.9	7.8
Balance at Year-End		933.8	940.7	948.5

* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2022	2023	2024
		\$	\$	\$
Beginning Balance		20.8	41.6	62.4
Zoo Stabilization	XQ2032			
<i>Withdrawals (-)</i>				
<i>Toronto Zoo Withdrawals - Operating</i>				
<i>Contributions (+)</i>				
<i>Toronto Zoo Contributions - Operating</i>		20.8	20.8	20.8
Total Reserve / Reserve Fund Draws / Contributions		41.6	62.4	83.3
Balance at Year-End		41.6	62.4	83.3

* Based on 9-month 2021 Reserve Fund Variance Report

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2022	2023	2024
		\$	\$	\$
Beginning Balance		31,375.7	29,372.5	27,565.5
Sick Leave	XR1007			
<i>Withdrawals (-)</i>				
<i>Toronto Zoo Withdrawals - Operating</i>		(250.0)	(250.0)	(250.0)
<i>Contributions (+)</i>				
<i>Toronto Zoo Contributions - Operating</i>		250.0	250.0	250.0
Total Reserve / Reserve Fund Draws / Contributions		31,375.7	29,372.5	27,565.5
Other Program / Agency Net Withdrawals & Contributions		(2,066.9)	(2,016.9)	(2,016.9)
<i>Interest Income</i>		63.7	209.9	220.4
Balance at Year-End		29,372.5	27,565.5	25,769.0

* Based on 9-month 2021 Reserve Fund Variance Report

Appendix 11

Glossary

Approved Position: Permanent or temporary positions that support the delivery of City services and service levels as approved by Council.

Actuals: An actual financial amount paid (or received) for the delivery of City services (these exclude any commitments to be paid in the future).

Capacity to Spend: Ability to spend money along with the capacity to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

Capital Budget: A Capital Budget is the City's plan to acquire / build assets or extend the useful life of existing assets; an example of a capital expenditure is the construction of a new community centre.

Capital Needs Constraints: The capital needs that cannot be accommodated within the capital plan that the Division or Agency have the capacity to deliver.

Complement: Positions that support the delivery of City services and service levels as approved by Council.

Efficiencies: Reductions in the cost of delivering a service without a reduction in service level.

New / Enhanced: New and enhanced service changes resulting in an increase in service levels from what was previously approved by Council.

Operating Budget: An Operating Budget is the City's annual plan to provide services to the residents of Toronto; the budget includes all revenues and expenses needed to provided services; an example of an operating cost would be the cost to run the TTC subways.

Operating Impact of Completed Capital Projects: The additional expense (or savings) and positions needed to operate or maintain a new asset; an example would be the additional expense and staff needed to operate a recently completed community centre.

Rate Supported Budget: Budget fully funded by user fees such as Solid Waste, Toronto Water and Toronto Parking Authority.

State of Good Repair (SOGR): The cost of maintaining assets to ensure they are able to support the delivery of City services and meet service outcomes.

Tax Supported Budget: Budget funded by property taxes.

User Fees: Program generated fee and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).

Appendix 12

Board Approved Vs. City Staff Recommended Budget

2022-2031 Capital Budget and Plan – Board Approved Vs. City Staff Recommended Budget

\$ Millions	Board	City Staff	Difference	
	Approved	Recommended	\$	%
2022				
Gross Expenditures	26.7	21.4	(5.3)	-19.7%
Debt	23.5	17.7	(5.7)	-24.4%
2023-2031				
Gross Expenditures	115.6	126.6	11.0	9.5%
Debt	106.8	114.6	7.8	7.3%
Total				
Gross Expenditures	142.3	148.1	5.8	4.1%
Debt	130.3	132.4	2.1	1.6%

At its meeting on October 7, 2021, the Board of Management of Toronto Zoo approved the 2022-2031 Capital Budget and Plan which requires a total cash flow funding of \$142.3 million. Decisions of the meeting can be accessed via the following link [Agenda Item History - 2021.ZB18.9 \(toronto.ca\)](#).

As shown in the table above, the 2022-2031 City Staff Recommended Capital Budget and Plan of \$148.073 million for Toronto Zoo, however, is not consistent with the 10- Year Capital Plan approved by the Board of Management of Toronto Zoo at its meeting. The difference is attributable to the following:

- Based on the Q3 capital spending and year-end projection, the 10-Year Capital Budget and Plan has been increased by \$5.8 million to reflect additional 2021 carry forward funding which now totals \$8.0 million subsequent to the Board approval at its meeting in October.
- Deferral of cash flow funding of \$10.0 million gross and \$8.0 million debt for the Welcome Area Phase A Construction from 2022 to 2023 to reflect updated project readiness and delivery timeline.