

# 2022 Budget Notes

## Office of the Controller

While we aim to provide fully accessible content, there is no text alternative available for some of the content within these pages. If you require alternate formats or need assistance understanding our charts, graphs, or any other content, please contact us at [FPD@toronto.ca](mailto:FPD@toronto.ca).

### Description

We provide effective financial and employee services to City Programs, Agencies and Corporations by establishing a robust internal control system with relevant processes and procedures to safeguard City assets; systematic and comprehensive recording of financial transactions following public sector accounting standards, along with timely and accurate reporting of financial information; accurate and efficient pension, payroll and benefit services and procurement and materials management services that meet the needs of City divisions; and providing leadership in revenue billing and collection services.

### Why We Do It

The purpose is to safeguard the City's assets, through a strong internal control framework, and to manage City resources effectively, efficiently and economically. The following outcomes contribute to this purpose:

- **City divisions and Council have access to accurate, compliant, relevant and complete financial information through an up-to-date financial system.**
- **City revenues are sustained through timely, accurate, reliable and flexible billing and collection for property taxes, water and sewer services, solid waste collection, parking tickets, Municipal Land Transfer Tax.**
- **Toronto residents and businesses have access to reliable, secure and convenient payment options.**
- **Procurement of goods and services is accessible, timely and consistent for City services and suppliers, which enables City divisions to deliver services as planned.**
- **Vendors receive accurate and timely payments for the goods and/or services they provide the City.**
- **City employees and pensioners receive timely and accurate regular payments and benefits.**
- **City benefits are financially sustainable and meet the physical and mental health needs of employees.**

*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.*

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## What Service We Provide

### Accounting Services

**Who We Serve:** City Divisions, Agencies and Corporations, Users, including City Council, of the City's consolidated financial statements and Annual Financial Report

**What We Deliver:** Sound accounting, commodity tax and Payment Card Industry (PCI) compliance policy and advice, Commodity Tax and Financial System support, Payment processing, Compliant and timely financial and management reporting

**How Much Resources (gross 2022 operating budget): \$11.7M**

### Pension, Payroll & Employee Benefits

**Who We Serve:** Elected Officials, Staff - City of Toronto, Retired Staff – City of Toronto, OMERS Pension Boards & Committees

**What We Deliver:** PPEB provides payroll, employee benefits and pension services to employees and pensioners of the Toronto Public Service in an accurate, efficient and timely manner.

**How Much Resources (gross 2022 operating budget): \$17.6M**

### Purchasing & Materials Management

**Who We Serve:** City divisions, Agencies and Corporations, Suppliers

**What We Deliver:** In 2020, the City issued approximately \$2.3 billion in contracts, through the issuance of over 1,672 purchase orders and blanket contracts.

**How Much Resources (gross 2022 operating budget): \$17.8M**

### Revenue Services

**Who We Serve:** Property Owners, Registered Utility Account Holder, Parking Ticket Recipient, Staff - City Divisions, Business Improvement Area members

**What We Deliver:** Property Tax & Utility Billing; Municipal Land Transfer Tax; Municipal Accommodation Tax (Hotel and incoming Short Term Rentals) Parking Ticket, Operations; Tax, Utility & Parking Ticket Client Services; Revenue Accounting & Collection

**How Much Resources (gross 2022 operating budget): \$32.2M**

### Financial Control and Strategies

**Who We Serve:** City divisions, Agencies and Corporations

**What We Deliver:** Financial system transformation, process improvement, financial control, financial policy and strategy

**How Much Resources (gross 2022 operating budget): \$9.1M**

## Budget at a Glance

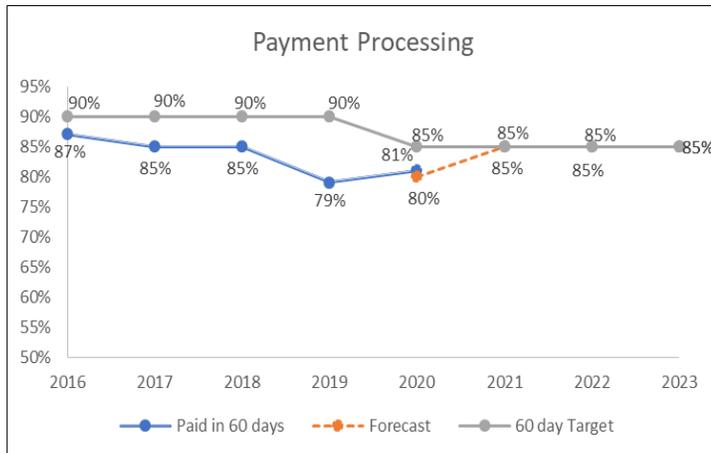
### 2022 OPERATING BUDGET

<u>\$Thousands</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues	\$45,109	\$43,384	\$36,138
Gross Expenditures	\$88,428	\$87,929	\$82,800
Net Expenditures	\$43,319	\$44,545	\$46,662
Approved Positions	733.0	713.0	667.0

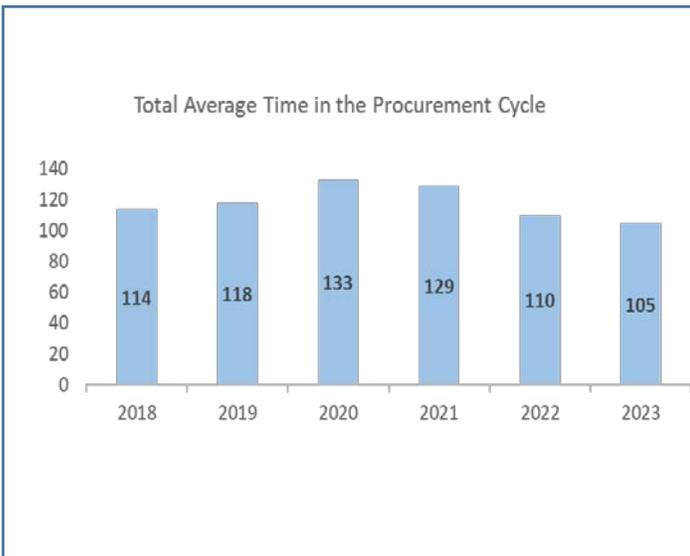
### 2022 - 2031 10-YEAR CAPITAL PLAN

<u>\$Thousands</u>	<u>2022</u>	<u>2023-2031</u>	<u>Total</u>
Gross Expenditures	\$97,472	\$71,661	\$169,133
Debt	\$86,646	\$64,136	\$150,782
Note: Includes 2021 carry forward funding			

## How Well We Are Doing – Behind the Numbers

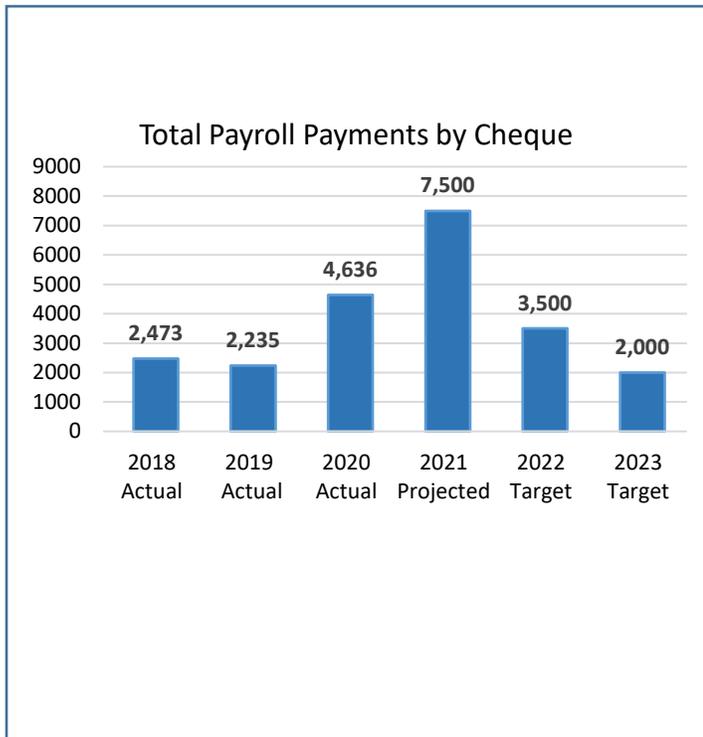


- Timely payment processing creates a trusting relationship with our vendors. Vendors who are paid on time are more responsive to the City’s needs and more helpful when required. Timely payments avoid the many follow up activities that take up staff time and effort.
- Payment processing activities are shared across the organization. While the Accounts Payable team in Accounting Services is responsible for invoice processing, Divisions provide evidence that goods and services are received at the price and quantity originally ordered and meet expectations through the provision of approvals and system required notifications that indicate that payment can be made.

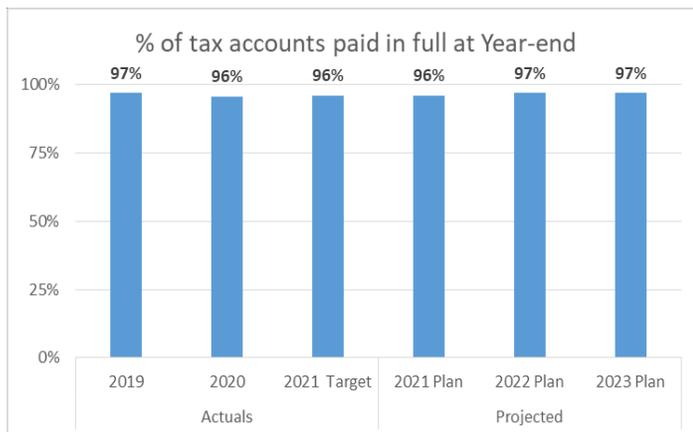


- In 2020, the overall time it took to complete a procurement on average from the initiation of the procurement until the issuance of a purchasing document was 133 working days, which represents an increase of 15 days from 2019. This increase is a direct result of the City’s response to COVID-19 which resulted in all Divisions experiencing delays in their procurement activities.
- In 2021, the projected cycle time is forecasted at 129 working days. This represents a decrease of 4 days from 2020.
- It is anticipated that the number of working days for the end-to-end procurement cycle will improve in 2022 and 2023. Further improvements in the cycle time are anticipated with the full implementation of ARIBA Contract Management, Procure to Pay and the Supplier Lifecycle Performance Modules.

## How Well We Are Doing – Behind the Numbers



- For 2020 Actuals, the quantity processed is lower than previously projected as many employees remained on Emergency Leave of Absence during COVID-19.
- For 2021 Projected, this quantity is anticipated to be significantly higher than 2020 due to the continuous COVID-19 impact. Employees who were on Emergency Leave are slowly returning to work but being redeployed. Time and attendance for redeployed staff not in their base role continues to be challenging as physical time sheets are used, resulting in manual processing.
- Additionally, the City established COVID Mass Immunization centres, which hired many part-time staff and had a large number of existing employees being redeployed to support vaccination efforts. Time & Attendance for these newly hired/redeployed employees are also processed manually due to the use of physical timesheets, resulting in many off-cycle payments by cheque.
- For 2022 and 2023 Target, the quantity of payments by cheque is anticipated to decline significantly as the City reduces its staff redeployed in support of vaccination efforts as the pandemic subsides.



- The percentage of tax accounts paid in full each year from 2019 through 2021 has experienced a small reduction as a direct results from economic pressures from COVID-19 to fulfill property tax obligations for both residents and businesses.
- The trend is expected to slowly increase from 2022 through 2023 as we financially recover from COVID-19.

## How Well We Are Doing

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
<b>Outcome Measures</b>								
<b>Procurement</b>	# of days from the Requisition Date to the Purchase Order / Blanket Contract Date	118	133	115	129	●	110	105
<b>Category Management &amp; Strategic Sourcing</b>	Strategic Sourcing Benefits (\$M)	\$15.34	\$26.77	\$39.08	\$51.67	●	\$58.33	TBD
<b>Financial Reporting</b>	Timely reporting of the City's Consolidated, Sinking Fund and Consolidated Trust Fund financial statements to Committee and Council	June 30	November 30	June 30	June 30	●	June 30	June 30
	Completion and submission of the Provincial Financial Information Return	June 30	November 30	June 30	July 31	●	July 31	June 30
	Completion and submission of MBN Canada Municipality Statistics (Note: City has removed itself from MBN Canada membership)	September 30	September 30	September 30	August 31	●	No longer required	No longer required

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
<b>Outcome Measures</b>								
<b>Accounting Policy and Advice</b>	Development and publication of accounting policies and training support	N/A	No policies completed	Three policies before year end	Three policies before year end	●	Three policies before year end	Three policies before year end
	Provision of accounting advice to support accurate and compliant recording and reporting	N/A	As required	As required	As required	●	As required	As required
<b>City revenues are sustained through timely, accurate, reliable and flexible billing and collection for property taxes, water and sewer services, solid waste collection, parking tickets, Municipal Land Transfer Tax.</b>	% of tax accounts paid in full at Year-end	97%	96%	96%	96%	●	97%	97%

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
<b>Toronto residents and businesses have access to reliable, secure and convenient payment options.</b>	% Electronic Payments (Tax, Utility & Parking Tickets)	92.1%	96%	96.5%	96.5%	●	97%	97%
<b>Service Level Measures</b>								
<b>Accounting Services</b>	100% completion of monthly bank reconciliations 30 days after month end	100%	80%	100%	100% based on risk profile	●	100% based on risk profile	100% based on risk profile
	City compliance to PCI standards	Achieved	Achieved	At risk	Will not be achieved by anniversary date	●	Achieved by August 31, 2022	Achieved by new anniversary date
	85% of payments are made in 60 days (old target 90%)	79%	81%	85%	85%	●	85%	85%
<b>Pension, Payroll &amp; Employee Benefits</b>	Provide accurate benefit plans to full time active employees and retirees	100%	100%	100%	100%	●	100%	100%
	Provide 3 <sup>rd</sup> party payments on time with 100% accuracy	100%	100%	100%	100%	●	100%	100%

Service	Measure	2019 Actual	2020 Actual	2021 Target	2021 Projection	Status	2022 Target	2023 Target
<b>Service Level Measures (Continued)</b>								
<b>Purchasing &amp; Materials Management</b>	Issuance of solicitation within 2-5 days from time of receipt of final approved document 100% of time	100%	100%	100%	100%		100%	100%
	Material requests issued and delivered within 5 business days	75%	79%	90%	85%		90%	95%
<b>Other Measures</b>								
<b>Materials Management &amp; Stores Distribution</b>	Inventory Turnaround: Turn of inventory value at a rate of 4.25 times per year	4.5	3.6	5	5		5	5
<b>Procurement</b>	Cost to purchase \$100 of goods and services for the City	\$0.14	\$0.16	\$0.18	\$0.14		\$0.18	\$0.18

## COVID-19 IMPACT AND RECOVERY

### 2022 Impact and Recovery

#### Operating Budget Impact

- Office of the Controller does not anticipate to have any 2022 COVID-19 impact.

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#### Service Level Changes

- No service level changes.
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## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

- Successfully launched the Financial Systems Transformation Program (FSTP), a key pillar of Financial Sustainability under the Corporate Strategic Plan. Successful procurement and Committee approvals to execute an agreement with the top-ranked proponent, Deloitte Incorporated. FSTP aims to enable financial transformation within the City, including the implementation of a new SAP S4/HANA financial system.
- Successful Automated Income Verification (AIV) implementation with Canada Revenue Agency (CRA) for Senior Relief programs; implementation of the on-line Paylt payment platform for Tax and Utility; and the adoption of a small business property tax subclass to provide small businesses with property tax relief.
- Purchasing & Material Management Division (PMMD) continued to support the City's COVID-19 response to the pandemic through the procurement of various emergency requirements including personal protective equipment and other services as required by the Divisions. PMMD is ensuring that the City has a 6 to 8 month supply of Personal Protective Equipment (PPE) inventory on hand at all times during the pandemic.
- PMMD implemented a new operating model to assist PMMD on its journey in becoming a strategic, value-added partner focused on delivering efficient client services and best supplier value.
- PMMD successfully launched SAP Ariba Supplier Lifecycle and Performance to enable better insight into City suppliers and to provide a centralized repository for evaluations of contractor performance.
- Enhanced reporting under Task Force on Climate-related Financial Disclosures (TCFD), highlighting climate risks impacting the City, to decision-makers.
- Accounting Services on-boarded a new external auditor and supported a fully virtual audit of the City's consolidated financial statements. In addition, further enhancements were made to the 2020 Annual Financial Report, with particular focus on an enhanced Management Discussion and Analysis section that included additional metrics and comparatives to municipal average key performance indicators and metrics. Accounting Services also developed an Accounting Foundations on-line training course, to support enhanced financial acumen across the organization.

### Key Challenges and Risks

#### Modernization

- Given competing resource priorities for COVID, we are committed to original timelines by end of March of 2022 to complete the Design phase of the Financial Systems Transformation Program. However, with the new development of Omicron and cyber security vulnerability work, resources are impacted which may put our completion date at risk. At this time, we are trying to assess the impact of the re-division of the resources to our key milestone.
- Financial Control and Process Improvement (FCPI) resources diverted to support FSTP; divisional resources continue to provide priority support to the program.
- The ability to transition the City's Category Management contract and the SAP Ariba System into in-house sustainment model will be at risk due to staff capacity in PMMD. .
- Developing a robust sustainability policy to ensure that the goals of Council around social procurement and climate change are met.
- Implementing a robust contract management and supplier relationship management centre of excellence to support Divisions in managing contracts more closely and to respond to Auditor General Recommendations.
- Enhancing online services: enabling e-billing, online application/enrolment forms.
- The ability to complete the divisional transformations due to hiring constraints and other organizational challenges will impede the Office of the Controller Divisions ability to provide modernized service delivery to its client divisions.

#### Customer Service

- Meeting people resource demands - understanding and defining new skill sets for new service models and increased financial acumen – facilitating transformation of staff to new service delivery methods. Resource constraints, lack of capacity to ensure positions are filled on timely basis.

- Challenging workload to continue to provide effective financial and employee services to City Programs, Agencies, and Corporations as well as priority initiatives ((DOFA), policy updates, etc.).
- Implement required to support technology and processes to enable better, faster, reliable and more efficient employee services.

### Continuous Program Monitoring

- Balancing between implementation and monitoring of new controls resulting from the Auditor General more than 50 recommendations regarding better management of the Employee Benefits Program (Long-term Disability, Health, Dental and Drugs) and operational work volumes with the same resources
- As a result of a delayed upgrade of a City operational system, resulting in delayed security of the technical environment, the City did not receive PCI compliance re-certification on December 17, 2021. PCI compliance is required by the City's credit card payment processing acquirer in addition to the card brands (Visa, MasterCard and AMEX), who can impose significant fines if compliance status is not achieved by August 31, 2022. In addition to security risk to cardholder information, impact on the City's brand and possible losses, the credit card companies, in extreme circumstances, may remove the City's ability to accept credit cards.

### Priority Actions

- Prioritize the transformational initiatives identified and directed by Council, the Auditor General and senior management by focusing resources on but not limited to the following:
  - Development of a Centre of Excellence for Contract Management in response to Auditor General recommendations and Council direction;
  - Enhancement of the Social Procurement and the Climate Change Procurement frameworks in response to Council direction;
  - Further investment in the Category Management and Strategic Sourcing strategy that has proven to be successful in generating savings and improving outcomes for Divisional clients of PMMD; and
  - Investment in a comprehensive review of the City's Benefits program.
- Continue work on the Financial Systems Transformation Program, with a focus on business transformation and technology solution design aligned with leading industry practices, to be used as a blueprint for system build.
- Continuing to support and influence Category Management across the City and to achieve financial benefits (in 2021 & 2022) as part of Phase 2 from strategic sourcing events and to continue to achieve benefits ongoing.
- Implement an enhanced Social Procurement Policy in 2022.
- Implement a Sustainable Procurement Policy in 2022 that aligns with the City's Climate Change goals.
- Initiating the implementation of the Supplier & Contract Management Centre of Excellence to provide support to Divisions on how to manage both Suppliers and Contracts.
- Continuing to bring innovative procurement approaches, driving better value solutions for client divisions.
- Continue the implementation of PMMD's new operating model to fill vacant roles which will improve operational efficiency and overall service quality, and will create a more balanced work load for PMMD staff.
- Development of accounting policies and training for the organization that support public sector accounting standards and elevate financial acumen across divisional finance teams; establishment of Accounting Services as the City's accounting centre of excellence.
- Regaining the City's PCI compliance status continues to be a priority for Accounting Services, working in partnership with Technology Services and the Office of the CISO. Organizational adherence to PCI compliance standards, especially in the upgrade of third party software and the associated security environment, is a 2022 priority. Accounting Services will also work to meeting card brand requirements during the period of non-compliance, as the City moves to re-certification by August 31, 2022.
- Continued execution of the Pension, Payroll & Employee Benefits Transformation, including the functional re-alignment which will change the service delivery model for the division in order to add value to divisions and prepare for shared services with agencies, boards, commissions and corporations (ABCC) related to sharing resources to provide payroll and benefits services.
- Further transition to a digital operations through implementation of re-engineered processes and improved client experience.

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- Implementation and monitoring of all new controls resulting from of the Auditor General Recommendations to better manage the Employee Benefits Program (Long-term Disability, Health, Dental and Drugs)
  - Holistic Review of Employee Benefits for all unionized employees through the Joint Benefits Committees that were agreed to during the last round of bargaining.
  - Implementation of the electronic on-line Paylt payment platform for Parking Tags
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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 Office of the Controller of \$88.428 million gross, \$45.109 million revenue and \$43.319 million net for the following services:

**Service:**

	<b>Gross Expenditures (\$000s)</b>	<b>Revenue (\$000s)</b>	<b>Net Expenditures (\$000s)</b>
Controllership	5,319.9	4,789.4	530.6
Financial Control Process Improvement	1,568.6	268.2	1300.5
Corporate Financial Strategies & Policy	2,227.4	621.7	1,605.7
Accounting Services	11,685.2	2,211.5	9,473.6
Pension, Payroll & Employee Benefits	17,645.4	4,103.8	13,541.6
Purchasing & Materials Management	17,788.1	3,547.8	14,240.3
Revenue Services	32,193.5	29,566.9	2,626.6
<b>Total Program Budget</b>	<b>88,428.1</b>	<b>45,109.3</b>	<b>43,318.8</b>

2. City Council approve the 2022 staff complement for Office of the Controller of 733.0 positions comprised of 66.0 capital position and 667.00 operating positions.
3. City Council approve the 2022 new user fees, technical adjustments to user fees, market rate user fee changes, rationalized user fees, and other fee changes above the inflationary adjusted rate for Office of the Controller identified in Appendix 9, for inclusion in the Municipal Code Chapter 441 "Fees and Charges".
4. City Council approve 2022 Capital Budget for Office of the Controller with cash flows and future year commitments totaling \$158.183 million as detailed by project in [Appendix 6a](#).
5. City Council approve the 2023-2031 Capital Plan for Office of the Controller totalling \$10.950 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	\$	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>								
Controllership		2,123.9	807.3	4,789.4		4,789.4	3,982.1	493.3%
Financial Control & Process Improvements					268.2	268.2	268.2	N/A
Corporate Financial Strategies & Policy	605.8	655.2	625.3	621.7		621.7	(3.6)	(0.6%)
Accounting Services	1,603.6	2,221.0	1,239.5	2,211.5		2,211.5	972.0	78.4%
Pension, Payroll & Employee Benefits	3,402.1	4,012.5	2,802.9	4,103.8		4,103.8	1,300.9	46.4%
Purchasing & Materials Management	3,669.3	4,959.5	3,964.6	3,547.8		3,547.8	(416.8)	(10.5%)
Revenue Services	18,899.9	29,033.1	28,289.0	29,566.9		29,566.9	1,277.9	4.5%
<b>Total Revenues</b>	<b>28,180.7</b>	<b>43,005.2</b>	<b>37,728.6</b>	<b>44,841.1</b>	<b>268.2</b>	<b>45,109.3</b>	<b>7,380.7</b>	<b>19.6%</b>
<b>Expenditures</b>								
Controllership	654.0	2,649.6	1,640.3	5,319.9		5,319.9	3,679.6	224.3%
Financial Control & Process Improvements	416.5	1,161.7	1,066.5	1,300.4	268.2	1,568.6	502.1	47.1%
Corporate Financial Strategies & Policy	1,795.7	1,898.6	1,507.2	2,227.4		2,227.4	720.2	47.8%
Accounting Services	9,744.6	11,039.2	8,564.1	11,685.2		11,685.2	3,121.1	36.4%
Pension, Payroll & Employee Benefits	16,109.7	16,441.5	15,883.6	17,645.4		17,645.4	1,761.8	11.1%
Purchasing & Materials Management	17,531.0	18,581.0	16,932.1	17,788.1		17,788.1	856.0	5.1%
Revenue Services	27,683.5	30,594.2	28,075.1	32,193.5		32,193.5	4,118.4	14.7%
<b>Total Gross Expenditures</b>	<b>73,935.0</b>	<b>82,365.8</b>	<b>73,668.9</b>	<b>88,159.9</b>	<b>268.2</b>	<b>88,428.1</b>	<b>14,759.2</b>	<b>20.0%</b>
<b>Net Expenditures</b>	<b>45,754.3</b>	<b>39,360.6</b>	<b>35,940.3</b>	<b>43,318.8</b>		<b>43,318.8</b>	<b>7,378.5</b>	<b>20.5%</b>
<b>Approved Positions**</b>	<b>694.0</b>	<b>726.0</b>	<b>N/A</b>			<b>733.0</b>	<b>N/A</b>	<b>N/A</b>

\*2021 Projection based on Q3 Variance Report

\*\*YoY comparison based on approved positions

### COSTS TO MAINTAIN EXISTING SERVICES

**Total 2022 Base Budget** expenditures of \$88.160 million gross reflecting an increase of \$14.491 million in spending above 2021 projected year-end actuals (prior to enhancements), predominantly arising from:

Salaries & Benefits – include step & benefit increases as well as annualizations of positions filled part year in 2021. It also includes an extension of temporary positions related to capital project delivery.

### COSTS TO ENHANCE SERVICES

**New and Enhanced Service** expenditures of \$0.268 million gross, \$0 million net enabling:

Additional 3.0 temporary positions to support 2020 KPMG audit observations.

### EQUITY IMPACTS OF BUDGET CHANGES

There are no changes in Office of the Controller's 2022 Operating Budget that will have an equity impacts.

**2022 OPERATING BUDGET KEY DRIVERS**

The 2022 Operating Budget for Office of the Controller is \$88.428 million gross is 20.0% higher than the 2021 Projected Actuals. Table 2a below summarizes the changes by revenue and expenditure category, while Table 2b summarizes New and Enhanced requests

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

Category (In \$000s)	2019 Actual	2020 Actual	2021 Budget	2021 Projection*	2022 Budget	2022 Change from 2021 Projection	
	\$	\$	\$	\$	\$	\$	%
User Fees & Donations	16,786.4	8,359.3	17,416.6	16,894.6	17,796.0	901.4	5.3%
Transfers From Capital	3,864.2	2,641.0	6,377.1	3,109.1	8,984.9	5,875.8	189.0%
Contribution From Reserves/Reserve Funds	2,153.6	3,302.1	3,334.7	3,304.7	2,286.7	(1,018.0)	(30.8%)
Sundry and Other Revenues	1,527.7	759.2	1,779.8	637.5	1,779.8	1,142.3	179.2%
Inter-Divisional Recoveries	14,405.5	13,119.1	14,097.0	13,782.7	14,261.8	479.1	3.5%
<b>Total Revenues</b>	<b>38,737.4</b>	<b>28,180.7</b>	<b>43,005.2</b>	<b>37,728.6</b>	<b>45,109.3</b>	<b>7,380.7</b>	<b>19.6%</b>
Salaries and Benefits	61,181.1	60,483.9	70,911.8	61,572.6	78,095.5	16,522.9	26.8%
Materials & Supplies	145.7	360.0	223.2	185.5	223.2	37.7	20.3%
Equipment	191.7	231.5	124.0	233.2	124.0	(109.2)	(46.8%)
Service and Rent	11,321.9	10,673.4	9,099.0	10,079.2	7,977.5	(2,101.7)	(20.9%)
Contribution To Reserves/Reserve Funds	272.1	272.1	50.6	46.1	50.6	4.5	9.8%
Other Expenditures	2,252.4	1,885.7	1,957.3	1,552.3	1,957.3	405.0	26.1%
Inter-Divisional Charges		28.5					
<b>Total Gross Expenditures</b>	<b>75,364.7</b>	<b>73,935.1</b>	<b>82,365.8</b>	<b>73,668.9</b>	<b>88,428.1</b>	<b>14,759.2</b>	<b>20.0%</b>
<b>Net Expenditures</b>	<b>36,627.3</b>	<b>45,754.4</b>	<b>39,360.6</b>	<b>35,940.3</b>	<b>43,318.8</b>	<b>7,378.5</b>	<b>20.5%</b>

\*2021 Projection based on Q3 Variance Report

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

Includes step & benefit increases due to annualizations of positions filled part year in 2021.

**Services and Rents:**

Decrease in 2022 due to success fee related to Ernst & Young (EY) contract supporting Category Management and Strategic Sourcing (CMSS) being budgeted in Non-Program.

**Other Expenditures:**

2021 projection lower due to unexpected collection of payments for late payment charges.

**User Fees:**

Inflationary adjustment of 2.18% applied to user fees. 2021 projection lower due to COVID-19.

**Transfers from Capital:**

Increase due to annualized impact of capital positions filled part year in 2021 and extension of capital positions for projects that are being extended to 2022.

**Contribution from Reserves/Reserve Funds:**

Decrease in recoveries of \$1M related to the EY contract for CMSS due CMSS being budgeted in Non-Program.

**Other Revenue Changes:**

2021 Projection lower due to pausing of Late Payment and Vendor Discount revenue programs as a result of COVID-19.

**Inter-Divisional Recoveries**

2021 Projection lower due to vacancies.

**Offsets and Efficiencies:**

The **2022 Operating Budget** includes \$0.441 million in gross expenditure and \$0.820 million in net expenditures reductions attributed to:

- Revenue Increase (User Fees) – user fees increased aligned to inflation are expected to generate an added \$0.380 million in revenue.
- Base salary savings to align with actual expectations - \$0.360 million in budget offsets.
- Transfer of 1 position from Office of the Controller to Office of the CFO & Treasurer for the CPA Pre-Approved Program - \$0.080 million in budget offsets.

**Table 2b: 2022 New / Enhanced**

New / Enhanced Request	2022				2023 Annualized Gross	Equity Impact	Support Climate Initiatives	Supports Key Outcome / Priority Actions
	Revenue	Gross	Net	Positions				
<b>In \$ Thousands</b>								
1 FCPI - Additional resources for audit plan	268.2	268.2		3.0	466.1	None	No	Additional resources are required to coordinate and draft the response to the 2020 KPMG audit observations. As the observations were comprehensive and far-reaching, the development of a strategy and implementation of said strategy will require the multi-year response. This proposal supports Financial Sustainability.
<b>Total New / Enhanced</b>	<b>268.2</b>	<b>268.2</b>		<b>3.0</b>	<b>466.1</b>			

The 2022 Operating Budget includes \$0.268 million gross (\$0 net) in investments to support priority actions as detailed in the table above.

**Additional Resources for Audit Plan (\$0.268 million gross and \$0 net):**

Funding of \$0.268 million gross and \$0 net from Tax Stabilization Reserve will provide temporary dedicated resources to act as the lead for the Office of the Controller, liaison with Internal Audit and multiple internal stakeholder divisions, to address the audit observations raised by KPMG and prepare a multi-year strategy and implementation plan. Currently, there is no existing resource to perform this role.

- A key pillar of the City’s Corporate Strategic Plan is Financial Sustainability. Among the related strategies, plans, and initiatives that are supporting the Financial Sustainability, one priority is accurate financial information to enable effective decision making. In order to have accurate financial information, there is a need to address the audit observations and risks that are raised by external auditors (KPMG) during the 2020 financial statement audit.

**Note:**

1. For additional information on 2022 key cost drivers refer to [Appendix 2](#) for a summary of balancing actions, [Appendix 3](#) for a more detailed listing and descriptions of the 2022 Service Changes and [Appendix 4](#) for the 2022 New and Enhanced Service Priorities, respectively.

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

(\$000s)	2021 Projection	2022 Budget	2023 Outlook	2024 Outlook
Revenues	37,728.6	45,109.3	43,384.0	36,137.7
Gross Expenditures	73,668.9	88,428.1	87,929.1	82,799.6
<b>Net Expenditures</b>	<b>35,940.3</b>	<b>43,318.8</b>	<b>44,545.1</b>	<b>46,661.9</b>
<b>Approved Positions</b>	<b>N/A</b>	<b>733.0</b>	<b>713.0</b>	<b>667.0</b>

**Key drivers**

The 2023 Outlook with total gross expenditures of \$87.929 million reflects an anticipated \$0.499 million or 0.56 per cent decrease in gross expenditures from the 2022 Operating Budget. The 2024 Outlooks expects a decrease of \$5.130 million or 5.83 per cent below 2023 gross expenditures.

These changes arise from the following:

**Salaries & Benefits**

- Decrease in 2023 and 2024 mainly due to ending of the temporary capital positions terms.

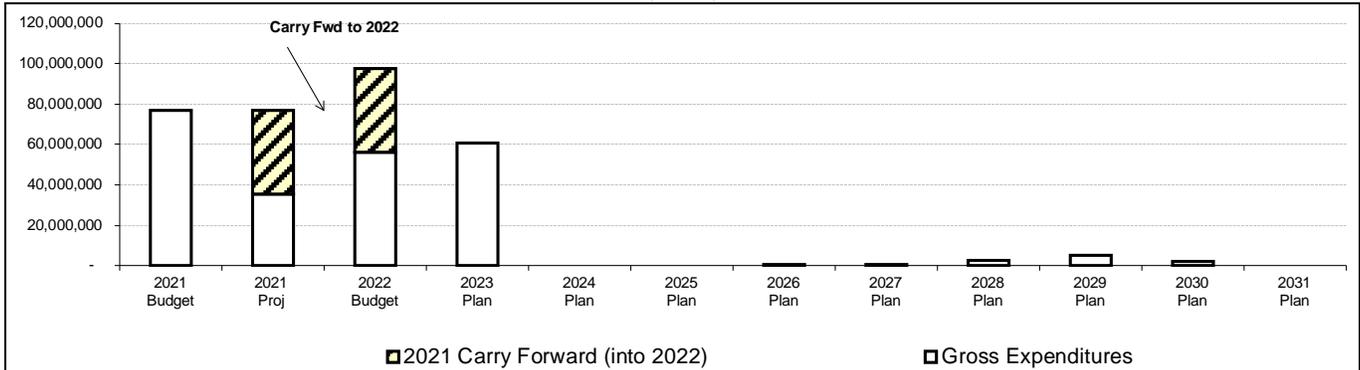
**Revenue Changes**

- Reduction in capital recovery due to reduced temporary capital positions as a result of capital projects completion.

# 2022 – 2031 CAPITAL BUDGET AND PLAN

**2022 – 2031 CAPITAL BUDGET & PLAN OVERVIEW**

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



In \$'000's	2021		2022 Capital Budget and 2023 - 2031 Capital Plan										Total 10 Year Plan
	Budget	Projected Actual	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
	<b>Gross Expenditures by Project Category:</b>												
Health & Safety & Legislated													
SOGR	4,947	947	7,137	3,136			500	800	2,715	5,035	1,900		21,223
Service Improvement & Growth	71,794	8,545	90,335	57,575									147,910
<b>Total by Project Category</b>	<b>76,741</b>	<b>9,492</b>	<b>97,472</b>	<b>60,711</b>			<b>500</b>	<b>800</b>	<b>2,715</b>	<b>5,035</b>	<b>1,900</b>		<b>169,133</b>
<b>Financing:</b>													
Debt			86,646	57,161			500	800	2,215	3,260	200		150,782
City Buidling Fund													
Reserves/Reserve Funds			2,762	1,395					500	1,775	1,700		8,132
Development Charges													
Provincial													
Federal													
Debt Recoverable													
Other Revenue			8,064	2,155									10,219
<b>Total Financing</b>			<b>97,472</b>	<b>60,711</b>			<b>500</b>	<b>800</b>	<b>2,715</b>	<b>5,035</b>	<b>1,900</b>		<b>169,133</b>

Changes to Existing Projects (\$0 Million)	New Projects (\$0.8 Million)	Capital Needs Constraints (\$0 Million)
<ul style="list-style-type: none"> <li>Nil</li> </ul>	<p>The 2022-2031 Capital Budget and Plan includes one new project. Key project is as follows:</p> <ul style="list-style-type: none"> <li>\$0.750 million – <i>Payroll Platform Assessment</i> to evaluate the compatibility or interoperability of any new software or system architecture with exiting enterprise applications while providing uninterrupted payroll service delivery.</li> </ul>	<ul style="list-style-type: none"> <li>Nil</li> </ul>

**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; and [Appendix 8](#) for Capital Needs Constraints, respectively

**2022 – 2031 CAPITAL BUDGET AND PLAN****\$169.1 Million 10-Year Gross Capital Program**


<b>Information Technology</b>
\$169.1 M 100%
<ul style="list-style-type: none"> <li>• Financial Systems Transformation</li> <li>• PPEB Transformation</li> <li>• Supply Chain Management Transformation</li> <li>• Parking Tag Management Software Update</li> <li>• Tax and Utility Billing System Modernization</li> <li>• Payroll Platform Assessment</li> <li>• eBilling Initiative</li> <li>• Electronic Self Service Tax and Utility</li> <li>• Revenue System – Phase II</li> <li>• Parking Tag Management Software Replacement 2026</li> <li>• Tax Billing System Replacement 2028</li> <li>• Utility Billing System Replacement 2028</li> </ul>

\*Information above includes full project / sub-project 2022-2031 Budget and Plan cash flows.

**How the Capital Program is Funded**

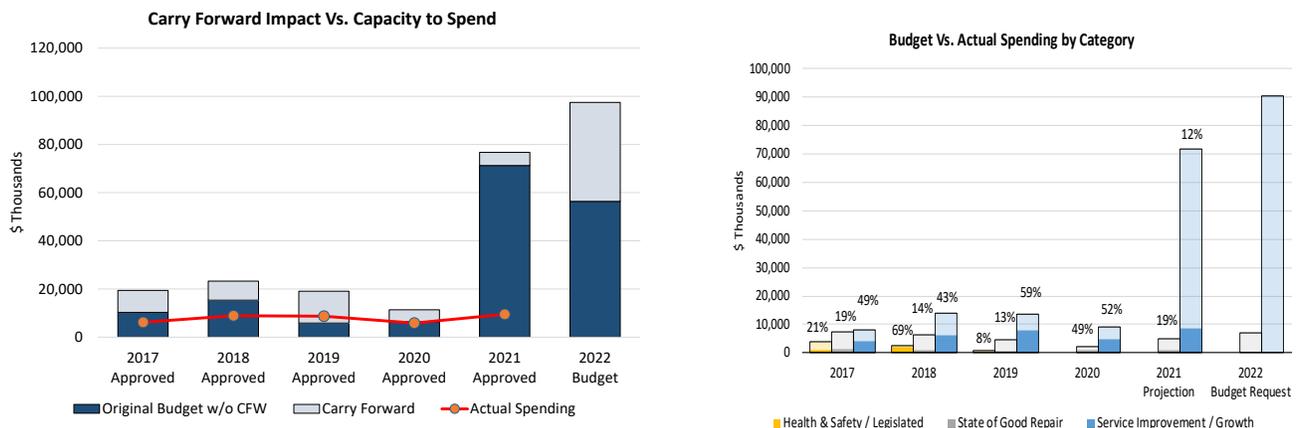
<b>City of Toronto</b>		<b>Provincial Funding</b>	<b>Federal Funding</b>
<b>\$169.1 M</b> <b>100%</b>		<b>\$0.0 M</b> <b>0%</b>	<b>\$0.0 M</b> <b>0%</b>
Debt	\$ 150.8 M		
Reserve / Reserve Fund	\$ 8.1 M		
Other	\$ 10.2 M		

**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 Office of the Controller'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.

**Chart 2 – Capacity to Spend**



**Capacity to Spend Review Impact on the 10-Year Plan**

Based on the review of historical capital spending constraints and a capacity to spend review, \$1.923 million in capital spending originally cash flowed in 2022 has been deferred to 2023. Adjustment to the Capital Plan is noted below:

- The Pension, Payroll & Employee Benefits Transformation Project 2022 cash flow of \$1.923 million has been deferred to 2023 as a result of realignment of cash flow based on historical trend.

**OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS**

Approval of the 2022 Capital Budget will impact the 2022 Operating Budget by a total of \$0.547 million net arising from Pension, Payroll & Employee Benefits Transformation project, as shown in Table 4 below.

**Table 4: Net Operating Impact Summary**  
(In \$000's)

Projects	2022 Budget		2023 Plan		2024 Plan		2025 Plan		2026 Plan		2022-2026		2022-2031		
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	
<b>Previously Approved</b>															
PPEB Transformation Project - Success Factors support contract and sustainment resources	546.7	5.0										546.7	5.0	546.7	5.0
<b>Sub-Total: Previously Approved</b>	<b>546.7</b>	<b>5.0</b>										<b>546.7</b>	<b>5.0</b>	<b>546.7</b>	<b>5.0</b>
<b>Total (Net)</b>	<b>546.7</b>	<b>5.0</b>										<b>546.7</b>	<b>5.0</b>	<b>546.7</b>	<b>5.0</b>

Previously Approved projects

- Pension, Payroll & Employee Benefits' Transformation Project will result in net operating costs of \$0.547 million to provide support to payroll functions within Success Factors in concert with P&E human resource functionality. Additional staff is required to support enterprise SAP and Success Factors functions and time & attendance functionality.

# APPENDICES

## Appendix 1

### COVID-19 Impact and Recovery

In \$ Thousands				
COVID-19 Impacts	2021 Net	2022		
		Revenues	Gross	Net
<b>Revenue Loss</b>				
User Fee	300.0			
Late Payment Charges & Vendor Discounts	1,000.0			
<b>Sub-Total</b>	<b>1,300.0</b>			
<b>Expenditure Increase</b>				
Pay Statement Mailing Costs	866.6			
OT & Redeployment Costs	218.0			
Personal Protective Equipment (PPE)	36.0			
<b>Sub-Total</b>	<b>1,120.6</b>			
<b>Total COVID-19 Impact</b>	<b>2,420.6</b>			

\* 2021 Projection based on 10 Month Covid report

Office of the Controller experienced 2021 revenue loss due to COVID-19:

- User fees were impacted mainly due to COVID-19 enacted relief measures
- Late Payment and Vendor Discount revenue programs

Office of the Controller experienced 2021 unbudgeted expenditure increases due to COVID-19:

- Requirement to mail pay statement to home addresses (for employees not using Employee Self Service (ESS) or on Emergency Leave) in compliance with Employment Standards Act (ESA) and Collective Agreements
- Overtime & redeployment costs to maintain effective financial and employee services to City Programs, Agencies, and Corporations while supporting COVID-19 responsibilities to the corporation (e.g. Payroll, PPE Supplies)
- Sourcing support for personal protective equipment

## Appendix 2

### 2022 Balancing Actions

(\$000s)									
Recommendation	Savings Type	Equity Impact	2022				2023 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
2.18% Inflationary impact on user fees	Revenue Increase (User Fees)	None	379.5		(379.5)				
Base salary savings to align with actual expectations	Other	None		(360.2)	(360.2)				
Savings related to position reduction	Other	None		(80.4)	(80.4)	(1.0)			
<b>Total Balancing Actions</b>			<b>379.5</b>	<b>(440.6)</b>	<b>(820.1)</b>	<b>(1.0)</b>			-

2022 Balancing actions are anticipated to generate \$0.820 million net in budget offsets through the following:

- Revenue Increase (User Fees) – user fees increased aligned to inflation are expected to generate an added \$0.380 million in revenue.
- Base salary savings to align with actual expectations – \$0.360 million in budget offsets.
- Transfer of 1 position from the Office of the Controller to the Office of the CFO & Treasurer for the CPA Pre-Approved Program - \$0.080 million in budget offsets.

## Appendix 3

### Summary of 2022 Service Changes

N/A

## Appendix 4

### Summary of 2022 New / Enhanced Service Priorities Included in Budget

Form ID		Finance and Treasury Services  Program - Office of the Controller	Adjustments				2023 Plan Net Change	2024 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
25830		FCPI - Additional resources for audit plan						
74	No Impact	<b>Description:</b> Funding of \$0.268 million gross and \$0 net and 3 temporary FTE positions are requested to coordinate and draft response to the 2020 KPMG audit observation. As per City's annual financial report issued to the public "Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error". The audit issues raised by KPMG must be addressed in order for the City to continue demonstrating its ability to meet the aforementioned commitment to the public.						
		<b>Service Level Impact:</b> The proposed resources will act as the lead for Office of the Controller, liaison with Internal Audit and multiple internal stakeholder divisions, to address the audit observations raised by KPMG and prepare a multi-year strategy and implementation plan. Currently, there is no existing resource to perform this role.						
		<b>Equity Statement:</b> The proposal will have no equity impact						
		<b>Service:</b> TR-Financial Control & Process Improvement						
		Total Staff Recommended Changes:	268.2	268.2	0.0	3.00	0.0	0.0
		<b>Staff Recommended New/Enhanced Services:</b>	<b>268.2</b>	<b>268.2</b>	<b>0.0</b>	<b>3.00</b>	<b>0.0</b>	<b>0.0</b>

## 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
CTR908849	Payroll Platform Assessment	750										750			750
CFS046	eBilling Initiative	70										70			70
CFS043	Electronic Self Service Tax and Utility	250										250			250
CFS050	Financial Systems Transformation	79,911	52,775									132,686			132,686
CFS022	Parking Tag Mgmt Software Upgrade	1,025	750									1,775			1,775
CFS049	PPEB Transformation Program	3,492	1,923									5,415			5,415
CFS903	Revenue System - Phase II (Part 2)	162										162			162
CFS044	Supply Chain Management Transformation	4,675	2,127									6,802			6,802
CFS026	Tax and Utility Billing Systems Modernization	7,137	3,136									10,273		10,273	
TRE906818	Parking Tag Mgmt Software Replacement 2026					500	800	440	1,260			3,000		3,000	
TRE906817	Tax Billing System Replacement 2028							1,775	2,000	200		3,975		3,975	
FNS907445	Utility Billing System Replacement 2028							500	1,775	1,700		3,975		3,975	
<b>Total Expenditures (including carry forward from 2021)</b>		<b>97,472</b>	<b>60,711</b>			<b>500</b>	<b>800</b>	<b>2,715</b>	<b>5,035</b>	<b>1,900</b>		<b>169,133</b>		<b>21,223</b>	<b>147,910</b>

\*Information above includes full project / sub-project 2022-2031 Budget and Plan cash flows.

### Appendix 6a

#### 2022 Cash Flow and Future Year Commitments Including Carry Forward Funding

Project Code	(In \$000s)	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total 2022 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
CTR908849	Payroll Platform Assessment	750										750			750
CFS046	eBilling Initiative	70										70	70		
CFS043	Electronic Self Service Tax and Utility	250										250	250		
CFS050	Financial Systems Transformation	79,911	52,775									132,686	132,686		
CFS022	Parking Tag Mgmt Software Upgrade	1,025	750									1,775	1,775		
CFS049	PPEB Transformation Program	3,492	1,923									5,415	5,415		
CFS903	Revenue System - Phase II (Part 2)	162										162	162		
CFS044	Supply Chain Management Transformation	4,675	2,127									6,802	6,802		
CFS026	Tax and Utility Billing Systems Modernization	7,137	3,136									10,273	10,273		
	<b>Total Expenditure (including carry forward from 2021)</b>	<b>97,472</b>	<b>60,711</b>									<b>158,183</b>	<b>157,433</b>		<b>750</b>

## 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	2023 - 2031 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
TRE906818	Parking Tag Mgmt Software Replacement 2026				500	800	440	1,260			3,000		3,000	
TRE906817	Tax Billing System Replacement 2028						1,775	2,000	200		3,975		3,975	
FNS907445	Utility Billing System Replacement 2028						500	1,775	1,700		3,975		3,975	
<b>Total Expenditures</b>					<b>500</b>	<b>800</b>	<b>2,715</b>	<b>5,035</b>	<b>1,900</b>		<b>10,950</b>		<b>10,950</b>	

## Appendix 7

### Reporting on Major Capital Projects: Status Update

Division/Project name	2021 Cash Flow			Total Project		Status	Start Date	End Date		On Budget	On Time
	Apr.	YTD Spend	YE Projec Spend	Apr. Budget	Life to Date			Planned	Revised		
<i>Controllership</i>											
<b>Financial Systems Transformation Project</b>	62,802	970	5,000	137,686	970	Minor Delay	Jan-21	Sep-23	Dec-23	Ⓜ	Ⓜ
Comments:	2021 spending includes System Integration (SI) Advisory Support, Change Management Support, Legal Negotiations Support, and awarding the RFP contract to the System Integrator (Deloitte). The underspending in 2021 is only a timing difference; the project is anticipated to spend the complete budget in future years.										
Explanation for Delay:	The System Integrator was expected to begin the Design Phase of the project in May 2021, however the Design Phase began in September 2021. Staff will continue working with the System Integrator and provide any known updates. The anticipated project end date is December 31, 2023 (at the conclusion of the Support Phase).										

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

## Appendix 8

### Summary of Capital Needs Constraints

(In \$ Millions)

N/A

## Appendix 9

### 2022 User Fee Changes

(Excludes User Fees Adjusted for Inflation)

#### Table 9a - New User Fees

N/A

#### Table 9b – Fees Above Inflation

N/A

#### Table 9c - User Fees for Discontinuation

Rate Description	Service	Fee Category	Fee Basis	2021 Approved Rate	Year Introduced	Reason for Discontinuation
Administration charge for dishonoured cheques	Accounting Services	City Policy	Cheque	\$40.00	1997	Accounting Services Division is no longer responsible for collection of this fee as the team supporting collection of this fee has been transferred to Revenue Services Division.

#### Table 9d - User Fees for Technical Adjustments

N/A

#### Table 9e - User Fees for Transfers

N/A

#### Table 9f - User Fees for Rationalization

N/A

## 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	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
<b>Beginning Balance</b>			11,118.0	10,800.0	10,481.0
Emergency Planning	XQ1406				
<i>Withdrawals (-)</i>			(209.7)	(209.7)	(209.7)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			10,800.0	10,590.3	10,163.0
<b>Balance at Year-End</b>		11,118.0	10,800.0	10,481.0	10,163.0

\* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
<b>Beginning Balance</b>			466,509.1	453,096.1	442,036.1
Employee Retiree Benefit RF City	XR1002				
<i>Withdrawals (-)</i>			(1,050.8)	(1,050.8)	(1,050.8)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>			453,096.1	442,036.1	431,303.1
<b>Balance at Year-End</b>		466,509.1	453,096.1	442,036.1	431,303.1

\* Based on 9-month 2021 Reserve Fund Variance Report

### Corporate Reserve / Reserve Funds

The 2022 Operating Budget includes a draw of \$0.268 million, and draws of \$0.466 million in 2023 and 2024 from funds available and set aside in the Tax Stabilization Reserve for cost that will not continue in future years.

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
<b>Beginning Balance</b>			<b>352.0</b>	<b>402.6</b>	<b>257.2</b>
Vehicle Reserve - Purchase & Materials Mgmt	XQ1204				
<i>Withdrawals (-)</i>					
<i>Contributions (+)</i>			50.6	50.6	50.6
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>-</b>	<b>402.6</b>	<b>453.2</b>	<b>307.8</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>				<b>(196.0)</b>	
<b>Balance at Year-End</b>		<b>352.0</b>	<b>402.6</b>	<b>257.2</b>	<b>307.8</b>

\* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
<b>Beginning Balance</b>			<b>8,301.8</b>	<b>8,118.8</b>	<b>8,178.8</b>
Innovation Reserve	XR1713				
<i>Withdrawals (-)</i>			(200.0)		
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>-</b>	<b>8,101.8</b>	<b>8,118.8</b>	<b>8,178.8</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>17.0</b>	<b>60.0</b>	<b>68.0</b>
<b>Balance at Year-End</b>		<b>8,301.8</b>	<b>8,118.8</b>	<b>8,178.8</b>	<b>8,246.8</b>

\* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
<b>Beginning Balance</b>			<b>14,722.0</b>	<b>14,982.0</b>	<b>16,350.0</b>
DC RF - Development Studies	XR2120				
<i>Withdrawals (-)</i>			(288.0)	(288.0)	(288.0)
xxxxxxx					
<i>Contributions (+)</i>					
xxxxxxx					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		<b>-</b>	<b>14,434.0</b>	<b>14,694.0</b>	<b>16,062.0</b>
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			<b>548.0</b>	<b>1,656.0</b>	<b>1,610.0</b>
<b>Balance at Year-End</b>		<b>14,722.0</b>	<b>14,982.0</b>	<b>16,350.0</b>	<b>17,672.0</b>

\* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
<b>Beginning Balance</b>			6,809.7	6,631.0	6,471.5
DC RF - Civic Improvements	XR2121				
<i>Withdrawals (-)</i>			(2.5)	(2.5)	(2.5)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	6,807.2	6,628.5	6,469.0
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(176.2)	(157.0)	(61.0)
<b>Balance at Year-End</b>		6,809.7	6,631.0	6,471.5	6,408.0

\* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
<b>Beginning Balance</b>			305,677.8	323,110.5	276,083.2
DC RF - Roads & Related	XR2110				
<i>Withdrawals (-)</i>			(88.3)	(88.3)	(88.3)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	305,589.5	323,022.2	275,994.9
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			17,521.0	(46,939.0)	29,977.0
<b>Balance at Year-End</b>		305,677.8	323,110.5	276,083.2	305,971.9

\* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
<b>Beginning Balance</b>			200,212.0	226,018.7	273,714.4
DC RF - Transit	XR2109				
<i>Withdrawals (-)</i>			(88.3)	(88.3)	(88.3)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	200,123.7	225,930.4	273,626.1
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			25,895.0	47,784.0	67,585.0
<b>Balance at Year-End</b>		200,212.0	226,018.7	273,714.4	341,211.1

\* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Projected Balance as of Dec. 31, 2021 *	Withdrawals (-) / Contributions (+)		
			2022	2023	2024
		\$	\$	\$	\$
<b>Beginning Balance</b>			116,202.0	108,420.1	105,197.2
DC RF - Water	XR2111				
<i>Withdrawals (-)</i>			(90.9)	(90.9)	(90.9)
<i>Contributions (+)</i>					
<b>Total Reserve / Reserve Fund Draws / Contributions</b>		-	116,111.1	108,329.2	105,106.3
<b>Other Program / Agency Net Withdrawals &amp; Contributions</b>			(7,691.0)	(3,132.0)	(2,368.0)
<b>Balance at Year-End</b>		116,202.0	108,420.1	105,197.2	102,738.3

\* Based on 9-month 2021 Reserve Fund Variance Report

**Inflows and Outflows to/from Reserves and Reserve Funds  
2022 – 2031 Capital Budget and Plan**

**Program Specific Reserve / Reserve Funds**

N/A

**Corporate Reserve / Reserve Funds**

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Projected Balance as at Dec 31, 2021 *	Contributions / (Withdrawals)										Total
			2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	
XR6003 & XR6004 Toronto Water & Waste Water Capital Reserve Funds	Beginning Balance		1,085,076	978,176	443,739	(52,269)	(500,836)	(825,297)	(1,051,252)	(1,249,008)	(1,447,399)	(1,628,342)	
	Withdrawals (-)												
	Utility Billing System		(1,974)	(1,095)									(3,069)
	Electronic Self Service Tax & Utility		(82)										(82)
	eBilling Initiative		(27)										(27)
	Utility Billing System Replacement 2028								(392)	(1,393)	(1,334)		(3,119)
	Total Withdrawals		(2,084)	(1,095)	-	-	-	-	(392)	(1,393)	(1,334)	-	(6,298)
Contributions (+)													
<b>Total Contributions</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Program/Agency Net Withdrawals and Interest Income</b>			(106,980)	(538,584)	(496,008)	(448,567)	(324,461)	(225,955)	(197,364)	(196,998)	(179,609)	(34,451)	(34,452)
<b>Balance at Year-End</b>		<b>1,085,076</b>	<b>978,176</b>	<b>443,739</b>	<b>(52,269)</b>	<b>(500,836)</b>	<b>(825,297)</b>	<b>(1,051,252)</b>	<b>(1,249,008)</b>	<b>(1,447,399)</b>	<b>(1,628,342)</b>	<b>(1,662,793)</b>	

\* Based on 9-month 2021 Reserve Fund Variance Report

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Projected Balance as at Dec 31, 2021 *	Contributions / (Withdrawals)										Total
			2022 Budget	2023 Plan	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	
XR1404 Solid Waste Reserve Fund	Beginning Balance		64,610	56,594	45,688	45,710	54,878	60,823	73,011	88,746	105,227	107,154	
	Withdrawals (-)												
	Utility Billing System		(644)	(300)									(944)
	Electronic Self Service Tax & Utility		(27)										(27)
	eBilling Initiative		(8)										(8)
	Utility Billing System Replacement 2028								(108)	(382)	(366)		(856)
	Total Withdrawals		(679)	(300)	-	-	-	-	(108)	(382)	(366)	-	(1,835)
Contributions (+)													
<b>Total Contributions</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Program/Agency Net Withdrawals and Interest Income</b>			(7,464)	(10,983)	(356)	8,504	5,037	11,139	14,575	15,343	628	(1,277)	35,147
<b>Balance at Year-End</b>		<b>64,610</b>	<b>56,594</b>	<b>45,688</b>	<b>45,710</b>	<b>54,878</b>	<b>60,823</b>	<b>73,011</b>	<b>88,746</b>	<b>105,227</b>	<b>107,154</b>	<b>107,560</b>	

## 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).