

2023 Budget Notes

Toronto Zoo

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.

Description

Canada's premiere Zoo and a leading conservation and science-based tourism organization dedicated to fighting extinction and Climate Change; Your Zoo is home to over 3,000 animals, representing 300+ species and is surrounded by Canada's new Rouge National Urban Park. The Zoo hosted over 1.2 million guests in 2022, is open year-round 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. Your 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 serve our community through incredible guest experiences 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 over 400 community volunteers. We are a Scarborough Anchor institution and 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.

Toronto Zoo:

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: Connections with nature and wildlife, educational programming, engaging experiences

How Much Resources (gross 2023 operating budget): \$36.3 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 science research programs, reproductive services, biodiversity and climate change programming

How Much Resources (gross 2023 operating budget): \$22.0 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 \$4.0 million in 2022

How Much Resources (gross 2023 operating budget): \$0.4 Million

Budget at a Glance*

2023 OPERATING BUDGET

<u>\$Million</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues	\$44.0	\$46.7	\$49.6
Gross Expenditures	\$58.7	\$60.6	\$62.7
Net Expenditures	\$14.7	\$13.9	\$13.1
Approved Positions	440.2	440.2	440.2

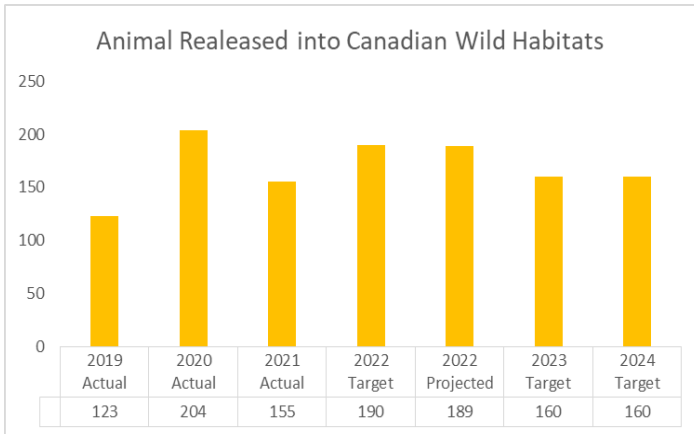
2023 – 2032 10-YEAR CAPITAL PLAN

<u>\$Million</u>	<u>2023</u>	<u>2024-2032</u>	<u>Total</u>
Gross Expenditures	\$28.2	\$129.2	\$157.4
Debt	\$25.5	\$118.0	\$143.5

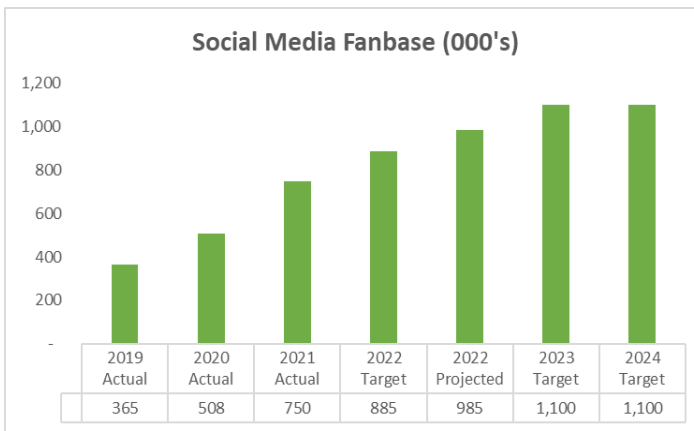
Note: Includes 2022 carry forward funding

*This document reflects the 2023 Operating Budget and 2023-2032 Capital Budget and Plan as tabled by the City's City Manager and Chief Financial Officer and Treasurer, which is consistent with the budget approved by the Board of Management of the Toronto Zoo.

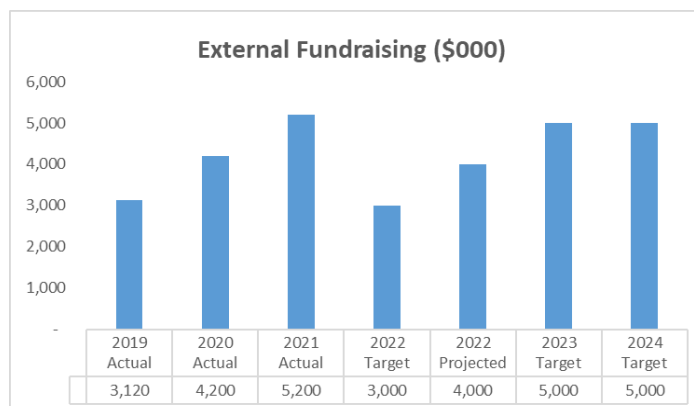
How Well We Are Doing – Behind the Numbers



- Animals raised in Toronto Zoo conservation breeding programs and subsequently released into Canadian wild habitats include the following:
 - Black-footed ferrets
 - Blanding's turtles
 - Eastern loggerhead shrikes
 - Vancouver Island marmots
 - Wood turtles



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



- Build the reputation and profile of the Toronto Zoo Wildlife Conservancy to enhance experiences for Zoo guests, serve the animals and support conservation science.

How Well We Are Doing

Service	Measure	2020 Actual	2021 Actual	2022 Target	2022 Projection	Status	2023 Target	2024 Target
Outcome Measures								
Zoo Conservation & Science	# of Day and Overnight Camp Participants (modified operations in 2021)	1,579	762	4,450	3,990	●	4,450	4,450
Zoo Conservation & Science	# of "Zoo School" Students Enrolled	0	18	72	36	●	72	72
Zoo Conservation & Science	# of Impressions of Volunteer Engagement with Visitors and Public	500,000	423,334	1,000,000	840,000	●	1,000,000	1,100,000
Zoo Conservation & Science	# of Volunteer Hours Contributed	22,000	15,291	35,000	24,000	●	35,000	41,000
Zoo Conservation & Science	# of Students Educated about the Great Lakes Conservation	18,000	15,000	20,000	18,000	●	20,000	21,000

2022 Projection to 2022 Target Comparison

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

Service	Measure	2020 Actual	2021 Actual	2022 Target	2022 Projection	Status	2023 Target	2024 Target
Service Level Measures								
Zoo Conservation & Science	External fundraising revenues raised	\$4,200,000	\$5,200,000	\$3,000,000	\$4,000,000	●	\$5,000,000	\$5,000,000
Zoo Conservation & Science	# of Blandings turtles released into Rouge National Urban Park	120	48	60	56	●	60	60
Zoo Visitor Service	Social Media Fans	508,344	750,000	884,800	985,000	●	1,100,000	1,100,000
Other Measures								
Zoo Visitor Service	# of Attendance at the Zoo	431,517	751,120	1,158,456	1,200,000	●	1,220,000	1,250,000
Zoo Visitor Service	# of Membership Subscriptions	24,486	25,806	25,806	41,413	●	27,000	27,500
Zoo Visitor Service	\$ of Retail Sales per Visitor	\$1.63	\$2.34	\$2.20	\$2.81	●	\$2.50	\$2.50
Zoo Visitor Service	\$ of Food Sales per Visitor	\$3.06	\$5.54	\$5.57	\$6.48	●	\$5.57	\$5.60

2022 Projection to 2022 Target Comparison

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

COVID 19 IMPACT AND RECOVERY**2023 Impact and Recovery****Operating Budget Impact****Revenue impact**

- Zoo saw encouraging signs of pandemic recovery in 2022 and changes in attendance mix and guest spending.
- The Zoo anticipates full recovery in 2023 with base attendance estimated at 1.220 million trending in line with pre-pandemic level.
- This attendance level represents an increase of 0.62 million compared to 2022 budgeted attendance and is based on the 2022 actual guest attendance and the removal of most Covid-19 restrictions.
- Significant shift in guest mix with increasing number of members visiting the Zoo.
- General admissions, memberships, retail sales, rides and rentals, food services and education programming revenues in 2023 are adjusted to align with 2022 experience.

Expenditure Impact

- There is a continued added costs of \$1.993 million for additional resources to manage post-pandemic operations, including additional cleaning, sanitization, test kits, and personal protective equipment purchases for protection of staff and animals in our care.

Service Level Changes

- Your Zoo is recovering to pre-pandemic levels with the return of guests on site and participation in activities and offerings at the Zoo.
- Additional measures have been put in place for increased cleaning and sanitization around the site to ensure the safety of guests, staff, and animals.

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Surpassed the 2022 attendance target at the beginning of November despite the closure of the Zoo for 7 weeks in January and February
- Offered on-site experiences including Year of the Tiger Activities, Wild Encounters, VIP Tours, Community Marketplaces, and year-round operations of Terra Lumina
- Summer Zoo camps sold out in under 1 hour with 1,714 campers registered
- Group events welcomed groups back with 89 group events booked, consisting of over 12,000 guests, and generating revenues of over \$590K
- Established a new Director of Indigenous Relations role to support the City of Toronto Reconciliation Action Plan and Truth and Reconciliation Commission recommendations
- Demonstrated commitment to serving our communities through partnerships with Toronto Symphony Orchestra, Toronto Community Housing Corporation, Woodgreen Settlement Services, Native Child and Family Services, Scarborough East Storefront, Second Harvest, Royal Canadian Geographical Society, and Canadian Geographic. Relationships include Zoo access for underserved communities, career fairs to connect employment opportunities to communities and mentoring and development programs
- Developed an equity, diversity, and inclusion strategy to ensure your Zoo reflects our community
- Supported our community with outreach events such as “Love Scarborough” in collaboration with the Scarborough Health Network Foundation and the CN Tower community outreach event for Year of the Tiger. Hosted Indigenous People’s Day and Pride Activities in June and ran various GOVAXX vaccine clinics throughout the year. Hosted National Day for Truth & Reconciliation, Boo at the Zoo, and Remembrance Day ceremony in the fall
- Continued the new digital platforms to serve guests locally and internationally such as Facebook Lives, Zoo ConnectionZ, and Brizicam
- Achieved a record number of membership households with 44,013 individuals at the beginning of August, almost 10,000 more than historic levels
- Implemented fundraising initiatives such as planned giving including bequests, tap to donate, 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), Massasauga 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

Supply Chain Challenges

- Supply chain shortages and delay in materials and supplies
- 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 demands on site

Priority Actions

- Implementation of the 2020 Strategic Plan and 2022 Master Plan with a focus on saving wildlife, igniting passion among the team, creating wow, connecting our Zoo and our community and revolutionizing Zoo technology; all of this to help make your Zoo an even greater force for conservation. Your Zoo delivers on animal well-being and animal care, while advancing our understanding of conservation science, to support the fight against climate change and species extinction
- Continued implementation of initiatives to optimize revenues and actively manage costs
- Implementation of social procurement policies and practices to provide additional engagement with local community stakeholders

Priority Actions (Continued)

- Achieve attendance targets of 1.220 million and a high level of guest satisfaction resulting in positive revenue impact
 - Site upgrades to ensure compliance and exceed standards - Association of Zoos & Aquariums (AZA) accreditation year
 - Ongoing implementation of EDI strategies to become an inclusive site that reflects our Toronto community
 - 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 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
 - Implement energy retrofit program to support the TZNet0 and TransformTO Net Zero 2040 plan, 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
-

TABLED BUDGET

The City Manager and Chief Financial Officer and Treasurer have tabled:

1. The 2023 Operating Budget for Toronto Zoo of \$58.713 million gross, \$44.048 million revenue and \$14.665 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Zoo Visitor Services	36,354.4	42,751.5	(6,397.1)
Zoo Fundraising & Strategic Partnerships	353.3	0.0	353.3
Zoo Conservation & Science	22,005.0	1,296.3	20,708.7
Total Program Budget	58,712.7	44,047.8	14,664.9

- The above includes a 2023 budgeted staff complement for Toronto Zoo of 440.2 operating positions.
2. The 2023 Capital Budget for Toronto Zoo with cash flows and future year commitments totaling \$55.094 million as detailed by project in [Appendix 6a](#).
 3. The 2024-2032 Capital Plan for Toronto Zoo totalling \$102.340 million in project estimates as detailed by project in [Appendix 6b](#).
 4. That all sub-projects with third party financing be approved conditionally, subject to the receipt of such financing in 2023 and if such funding is not forthcoming, their priority and funding be reassessed by City Council relative to other City-financed priorities and needs.

2023 OPERATING BUDGET

2023 OPERATING BUDGET OVERVIEW

Table 1: 2023 Operating Budget by Service

(In \$000s)	2021 Actual	2022 Budget	2022 Projection*	2023 Base Budget	2023 New / Enhanced	2023 Budget	Change v. 2022 Projection	
By Service	\$	\$	\$	\$	\$	\$	\$	%
Revenues								
Not assigned								N/A
Zoo Visitor Services	23,455.7	35,469.2	37,969.0	42,751.5		42,751.5	4,782.5	12.6%
Zoo Conservation & Science	1,236.2	2,371.3	2,552.7	1,296.3		1,296.3	(1,256.4)	(49.2%)
Total Revenues	24,691.9	37,840.5	40,521.7	44,047.8		44,047.8	3,526.1	8.7%
Expenditures								
Not assigned								N/A
Zoo Visitor Services	41,291.2	34,094.3	36,250.7	36,354.4		36,354.4	103.7	0.3%
Zoo Fundraising & Strategic Partnerships	159.4	346.4	372.1	353.3		353.3	(18.8)	(5.1%)
Zoo Conservation & Science	1,437.7	20,818.9	22,365.8	22,005.0		22,005.0	(360.8)	(1.6%)
Total Gross Expenditures	42,888.3	55,259.6	58,988.6	58,712.7		58,712.7	(275.9)	(0.5%)
Net Expenditures (including COVID-19)	18,196.4	17,419.1	18,466.9	14,665.0		14,665.0	(3,801.9)	(20.6%)
Required COVID-19 Support	10,046.4	4,671.0	2,807.3	1,993.1		1,993.1	(814.2)	(29.0%)
Net Budget (excluding COVID-19 supports)	8,150.0	12,748.1	15,659.6	12,671.9		12,671.9	(2,987.7)	(19.1%)
Approved Positions**	404.2	423.2	N/A	440.2		440.2	N/A	N/A

* 2022 Projection based on 9 Month Variance

**YoY comparison based on approved positions

The 2023 Net Budget of \$14.665 million in net expenditures reflects a \$3.802 million or 20.6% decrease from 2022 projections comprised of:

- \$0.814 million or 29.0% net decrease in COVID-19 impacts expected in 2023 compared to 2022 projections; and
- \$2.988 million or 19.1% net decrease in the 2023 Net Budget (excluding COVID) compared to 2022 projections.

KEY COST DRIVERS – FUNDING PRIORITIES

Total 2023 Base Budget expenditures of \$58.713 million gross reflecting a decrease of \$0.276 million in spending below 2022 projected year-end actuals, predominantly arising from:

- Reduction in COVID-19 related operating cost requirements in 2023 and anticipated decrease in expenses to meet the AZA accreditation and Avian Flu safety measures that were required in 2022.
- The City continues to experience significant and unprecedented financial impacts, both in the form of added costs and revenue losses as a direct result of the COVID-19 pandemic. As reflected in Table 1 above, it is anticipated that COVID-19 related financial impacts will total \$1.993 million in 2023 for Toronto Zoo.

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The changes in Toronto Zoo's 2023 Operating Budget do not have any significant equity impacts.

2023 OPERATING BUDGET KEY DRIVERS

The 2023 Operating Budget for Toronto Zoo of \$58.713 million in gross expenditures is \$0.276 million or 0.5% lower than the 2022 Projected Actuals. Table 2 below summarizes the key cost drivers for the 2023 Budget.

Table 2: 2023 Operating Budget by Revenue / Expenditure Category

Category (In \$000s)	2020 Actual	2021 Actual	2022 Budget	2022 Projection*	2023 Budget	2023 Change from 2022 Projection	
	\$	\$	\$	\$	\$	\$	%
Provincial Subsidies	524.6	1,140.3	1,011.5	1,088.9	1,290.2	201.4	18.5%
User Fees & Donations	13,624.2	21,546.0	35,410.3	37,905.6	39,624.2	1,718.7	4.5%
Transfers From Capital	171.0	171.0	171.0	184.1	500.0	315.9	171.6%
Contribution From Reserves/Reserve Funds	746.0	746.0	400.0	430.6	400.0	(30.6)	(7.1%)
Sundry and Other Revenues	1,542.6	1,088.6	847.7	912.6	2,233.3	1,320.7	144.7%
Total Revenues	16,608.4	24,691.9	37,840.5	40,521.7	44,047.8	3,526.1	8.7%
Salaries and Benefits	29,264.5	28,267.7	33,909.9	36,052.6	35,645.6	(407.0)	(1.1%)
Materials & Supplies	5,340.6	5,441.8	8,463.4	9,092.2	7,220.8	(1,871.4)	(20.6%)
Equipment	225.4	263.8	1,155.5	1,241.4	2,049.7	808.3	65.1%
Service and Rent	5,799.3	8,168.9	10,814.0	11,617.4	12,900.7	1,283.2	11.0%
Contribution To Reserves/Reserve Funds	1,016.4	746.0	916.8	985.0	896.0	(89.0)	(9.0%)
Other Expenditures			0.0				
Total Gross Expenditures	41,646.2	42,888.3	55,259.6	58,988.6	58,712.7	(275.9)	(0.5%)
Net Expenditures	25,037.7	18,196.4	17,419.1	18,466.9	14,665.0	(3,801.9)	(20.6%)

*Projection based on 9 Month Variance

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

The higher attendance in 2022 results in additional salaries and benefits payable for staff to maintain expected guest service levels and support additional offerings. 2023 Salaries and benefits include cost of living adjustments and are aligned to reflect higher attendance and expected full year operations in 2023. The Zoo will review the efficiency in operating processes and guest services, optimize staffing requirements, and adjust level of staffing where necessary to provide enhanced service levels.

Materials and Supplies:

The Zoo incurred significant expenses in 2022 to meet AZA Accreditation requirements. The Materials and Supplies budget is adjusted in 2023 as the increased spending had already taken place in 2022. 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.

Services and Rents:

Attendance driven expenditures are increased in relation to additional cost requirements attributed to increased guest attendance and the provision of additional guest services to enhance guest experience. The budget also includes additional cost elements to support the modernization of the Zoo guided by the 2020 Strategic Plan.

User Fees and Donations:

The Zoo continues to see encouraging signs of pandemic recovery and changes in attendance mix and guest spending in 2022. Base attendance is estimated at 1.220 million for 2023, representing an increase of 0.020 million guests and 0.062 million guests when compared to 2022 projection at 1.200 million guests and 2022 budget at 1.158 million guests respectively. Revenues will increase due to anticipated increases in attendance levels and user fee changes to align with other local area attractions in response to market conditions.

Offsets and Efficiencies:

The 2023 Operating Budget includes \$7.957 million in net expenditure reductions attributed to:

- Significant reduction in COVID-19 related operating cost requirements and revenue loss by \$2.678 million
- Increase of \$5.279 million in user fee revenues driven by volume and rate increases in attendance, parking fees, ride fees, and food service revenues.

2024 & 2025 OUTLOOKS**Table 3: 2024 and 2025 Outlooks**

(\$000s)	2023 Budget	2024 Incremental Outlook	2025 Incremental Outlook
Revenues			
Revenue Changes		2,696.7	2,865.3
Total Revenues	44,047.8	2,696.7	2,865.3
Gross Expenditures			
Salaries and Benefits		559.4	587.3
Inflationary Impacts		1,370.5	1,456.1
Total Gross Expenditures	58,712.7	1,929.8	2,043.4
Net Expenditures	14,665.0	(766.9)	(821.8)
Approved Positions	440.2	0.0	0.0

Key drivers

The 2024 Outlook with total gross expenditures of \$60.643 million reflects an anticipated \$1.930 million or 3.3% increase in gross expenditures above the 2023 Operating Budget; The 2025 Outlooks expects a further increase of \$2.043 million or 3.4% above 2024 gross expenditures.

These changes arise from the following impacting both 2024 and 2025:

Revenue Changes

- User fee revenue increase as attendance is anticipated to reach 1.250 million in 2024 and 1.275 million in 2025.

Salaries and Benefits

- Salary and benefit increases related to collective agreement
- Escalation in line with increased attendance level and animal care standards

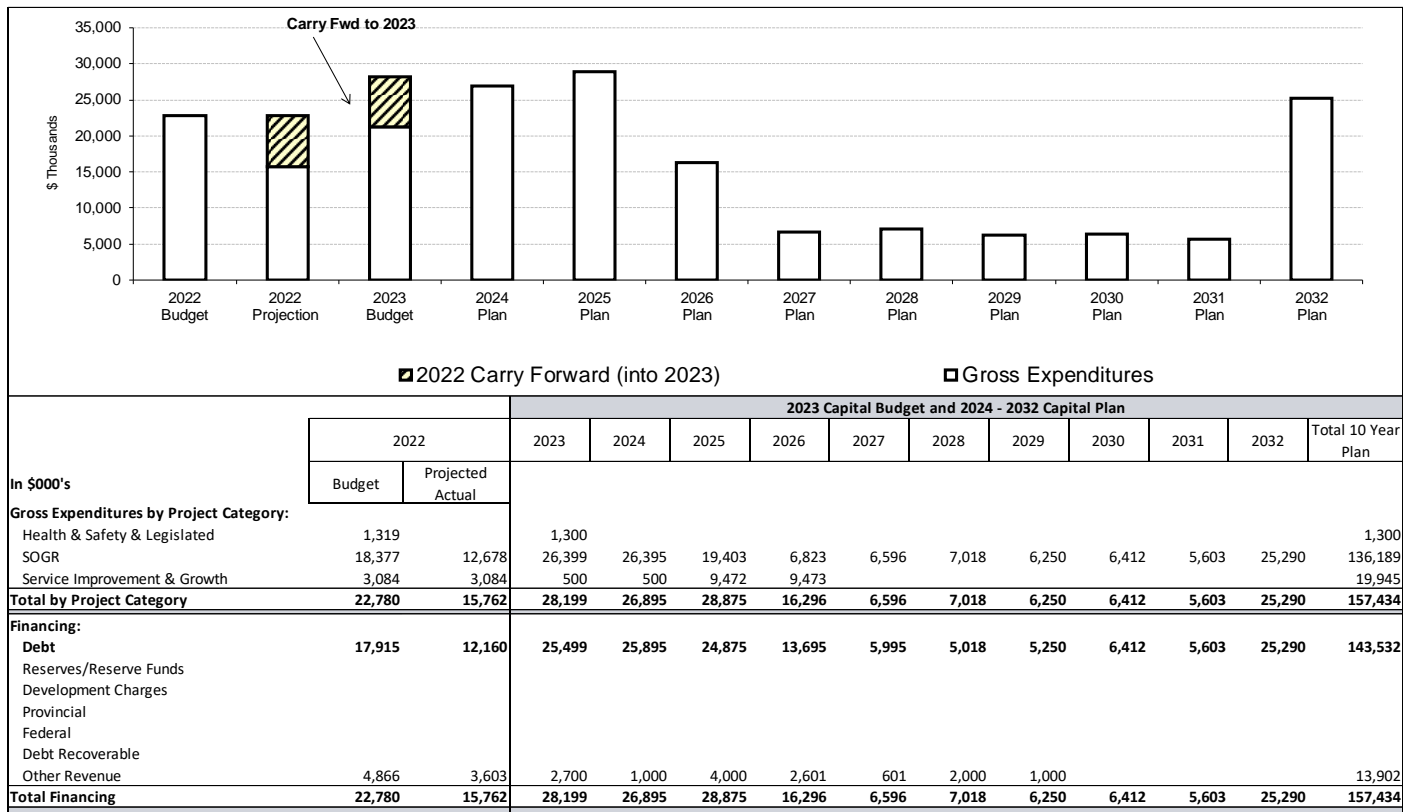
Inflationary Impact

- Corporately applied and adjusted to meet program expectations
- Economic increases for service contracts, utilities and materials and supplies

2023 – 2032 CAPITAL BUDGET AND PLAN

2023 2032 CAPITAL BUDGET & PLAN OVERVIEW

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



In \$000's	2022		2023 Capital Budget and 2024 - 2032 Capital Plan										Total 10 Year Plan		
	Budget	Projected Actual	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032			
	Gross Expenditures by Project Category:														
Health & Safety & Legislated	1,319		1,300												1,300
SOGR	18,377	12,678	26,399	26,395	19,403	6,823	6,596	7,018	6,250	6,412	5,603	25,290		136,189	
Service Improvement & Growth	3,084	3,084	500	500	9,472	9,473								19,945	
Total by Project Category	22,780	15,762	28,199	26,895	28,875	16,296	6,596	7,018	6,250	6,412	5,603	25,290		157,434	
Financing:															
Debt	17,915	12,160	25,499	25,895	24,875	13,695	5,995	5,018	5,250	6,412	5,603	25,290		143,532	
Reserves/Reserve Funds															
Development Charges															
Provincial															
Federal															
Debt Recoverable															
Other Revenue	4,866	3,603	2,700	1,000	4,000	2,601	601	2,000	1,000					13,902	
Total Financing	22,780	15,762	28,199	26,895	28,875	16,296	6,596	7,018	6,250	6,412	5,603	25,290		157,434	

Changes to Existing Projects

(\$2.4 Million Decrease)

The 2023-2032 Capital Budget and Plan reflects the following changes to existing projects over the nine common years (2023-2031):

- \$12.5 million – Increase in the *Welcome Area Redesign* project due to increased supplier costs and change of scope (opportunities to partner with educational institutions to generate additional revenue in future years). Cash flow for construction is extended to 2025 to align with project timeline. Project cost has been increased to \$42.0 million
- \$4.9 million – Increase in *Savanna Indoor Winter Holding & Viewing* due to increased supplier costs and change in scope. Project cost has been increased to \$19.9 million
- \$19.8 million – Reductions in Wilderness North, Canadian Pavilion, Ravens Roost, Carolinian Forest Boardwalk, Wildlife Program Improvements, Water Play Expansion, 4-Season Play & Programs, and Rhino Ridge Improvements to accommodate the above funding increase requirement

New Projects





(\$0)

- No new projects are added. The Zoo's 10 Year Capital Plan will focus on capital investment in maintaining the existing facilities and approval of The Master Plan which will enable the Zoo to complete various key State of Good Repair projects with a high priority placed on those projects that meet the AZA Standard.

Note: For additional information, refer to [Appendix 6](#) for a more detailed listing of the 2023 and 2024-2032 Capital Budget & Plan by project; [Appendix 7](#) for Reporting on Major Capital Projects – Status Update.

2023 – 2032 CAPITAL BUDGET AND PLAN

\$157.4 Million 10-Year Gross Capital Program

			
Aging Infrastructure	Information Technology	Wildlife Habitats	Accessibility and Service
\$42.0 M 27%	\$11.0 M 7%	\$19.9 M 13%	\$84.5 M 53%
<ul style="list-style-type: none"> Toronto Zoo Community Conservation Campus <input checked="" type="checkbox"/> 	<ul style="list-style-type: none"> System upgrades Tech Master Plan 	<ul style="list-style-type: none"> Savanna Indoor Winter Holding SOGR 	<ul style="list-style-type: none"> Site-Wide Accessibility Building & Services Refurbishment Exhibit Refurbishment Grounds & Visitor Improvements

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

*Information above includes full project / sub-project 2023-2032 Capital Budget and Plan cash flows. Does not break out the climate component costs separately.

- The foundation of the 2023-2032 Capital Budget and Plan is the New 2022 Toronto Zoo's Master Plan which reflects a balance of modernization, transformational, and innovative initiatives. All projects will also be designed to consider the actions required to meet the AODA legislation and be consistent with the direction provided in the Strategic Plan previously adopted by the Board.
- Significant escalation in construction costs and ongoing supply chain issues as a result of COVID-19 have impacted projects delivery timeline.
- The Zoo has reprioritized projects based on project timeline and readiness to proceed by deferring cash flow into outer years to address increased supplier costs and major scope increase while maintaining balanced capital plan affordability in combination with continued fundraising progress.

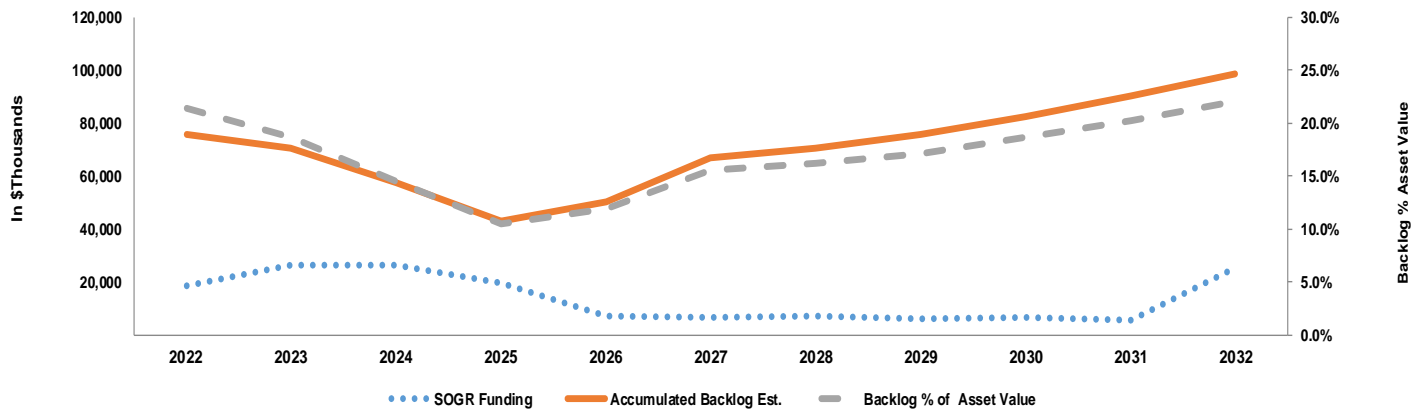
How the Capital Program is Funded

City of Toronto		Toronto Zoo Wildlife Conservancy	
\$144.2 M 92%		\$13.2 M 8%	
Debt	\$ 143.5 M	Donations	\$ 13.2 M
Other	\$0.7 M		

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	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
SOGR Funding	18,377	26,399	26,395	19,403	6,823	6,596	7,018	6,250	6,412	5,603	25,290
Accumulated Backlog Est.	75,696	70,451	57,690	43,167	50,413	67,076	70,576	75,526	82,576	90,376	98,913
Backlog % of Asset Value	21.4%	18.7%	14.6%	10.5%	11.9%	15.6%	16.2%	17.2%	18.6%	20.3%	22.1%
Total Asset Value	353,450	376,900	395,744	411,588	424,224	429,724	435,224	440,274	443,224	445,424	447,635

- The 2023-2032 Capital Budget and Plan will fund \$136.189 million of SOGR projects within Toronto Zoo over the 10-year period, providing an average of \$13.619 million annually to address Toronto Zoo's aging infrastructure. The accumulated backlog is anticipated to increase from \$75.696 million in 2022 to \$98.913 million in 2032, representing 22.1% of the total replacement value estimated to be \$447.635 million by 2032.
- 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 that is to be completed, which will inform SOGR requirements to be included in the future year budget submission.

APPENDICES

Appendix 1

COVID-19 Impact and Recovery

In \$ Thousands					
COVID-19 Impacts	2022		2023		
	Budget	Projection*	Revenues	Gross	Net
Revenue Loss					
User Fees	928.0				
Sub-Total	928.0				
Expenditure Increase					
Operation and Covid-19 requirements	1,048.0	786.0		1,993.1	1,993.1
Expand capacity during Covid-19	1,278.0	958.5			
Guest digital engagement demand	1,417.0	1,062.8			
Sub-Total	3,743.0	2,807.3		1,993.1	1,993.1
Total COVID-19 Impact	4,671.0	2,807.3		1,993.1	1,993.1

* 2022 Projection based on 9 month variance

Appendix 2

2023 Affordability Measures

N/A

Appendix 3

Summary of 2023 Service Changes

N/A

Appendix 4

Summary of 2022 New / Enhanced Service Priorities Included in Budget

N/A

Appendix 5

Summary of 2023 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 6

2023 Capital Budget; 2024 - 2032 Capital Plan Including Carry Forward Funding

Projects (In \$000s)	2023 Budget	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2023 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Savanna Indoor Winter Holding & Viewing	500	500	9,472	9,473							19,945			19,945
Building & Services Refurbishment <input checked="" type="checkbox"/>	5,034	3,450	2,450	3,250	2,250	2,250	2,150	2,150	1,503	13,377	37,864		37,864	
Exhibit Refurbishment	5,937	1,288	1,488	600	1,800	1,650	1,800	1,300	1,500	1,888	19,251		19,251	
Grounds and Visitor Improvements <input checked="" type="checkbox"/>	4,475	2,250	1,825	1,873	1,446	2,018	1,200	1,862	1,500	8,925	27,374		27,374	
Information Systems	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	11,000		11,000	
Welcome Area Redesign <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	9,853	18,307	12,540								40,700		40,700	
Winter Accessibility	1,300										1,300	1,300		
Total Expenditures (including carry forward from 2022)	28,199	26,895	28,875	16,296	6,596	7,018	6,250	6,412	5,603	25,290	157,434	1,300	136,189	19,945

- 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 2023-2032 Capital Budget and Plan cash flows. Does not break out the climate component costs separately

Appendix 6a

2023 Cash Flow and Future Year Commitments Including Carry Forward Funding

Projects (In \$000s)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total 2023 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
Savanna Indoor Winter Holding & Viewing	500	500									1,000			1,000
Building & Services Refurbishment	5,034	3,450									8,484	1,759	6,725	
Exhibit Refurbishment	5,937	1,288									7,225	700	6,525	
Grounds and Visitor Improvements	4,475	2,250									6,725	1,675	5,050	
Information Systems	1,100	1,100									2,200	300	1,900	
Welcome Area Redesign	9,853	18,307									28,160	9,562	18,598	
Winter Accessibility	1,300										1,300	1,300		
Total Expenditures (including carry forward from 2022)	28,199	26,895									55,094	15,296	38,798	1,000

Appendix 6b

2024 - 2032 Capital Plan

Projects (In \$000s)	2024 Plan	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2024 - 2032 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
Savanna Indoor Winter Holding & Viewing Building & Services Refurbishment		9,472	9,473							18,945			18,945
Exhibit Refurbishment		2,450	3,250	2,250	2,250	2,150	2,150	1,503	13,377	29,380		29,380	
Grounds and Visitor Improvements		1,488	600	1,800	1,650	1,800	1,300	1,500	1,888	12,026		12,026	
Information Systems		1,825	1,873	1,446	2,018	1,200	1,862	1,500	8,925	20,649		20,649	
Welcome Area Redesign		1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	8,800		8,800	
		12,540								12,540		12,540	
Total Expenditures		28,875	16,296	6,596	7,018	6,250	6,412	5,603	25,290	102,340		83,395	18,945

Appendix 7

Reporting on Major Capital Projects: Status Update

Division/Project name	2022 Cash Flow			Total Project Cost		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	5,823	588	2,433	12,617	1,274	Significant Delay	Jan-23	Dec-24	Dec-25	Ⓜ	Ⓜ
Comments:	New arrival plaza, 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; supplier issues										

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

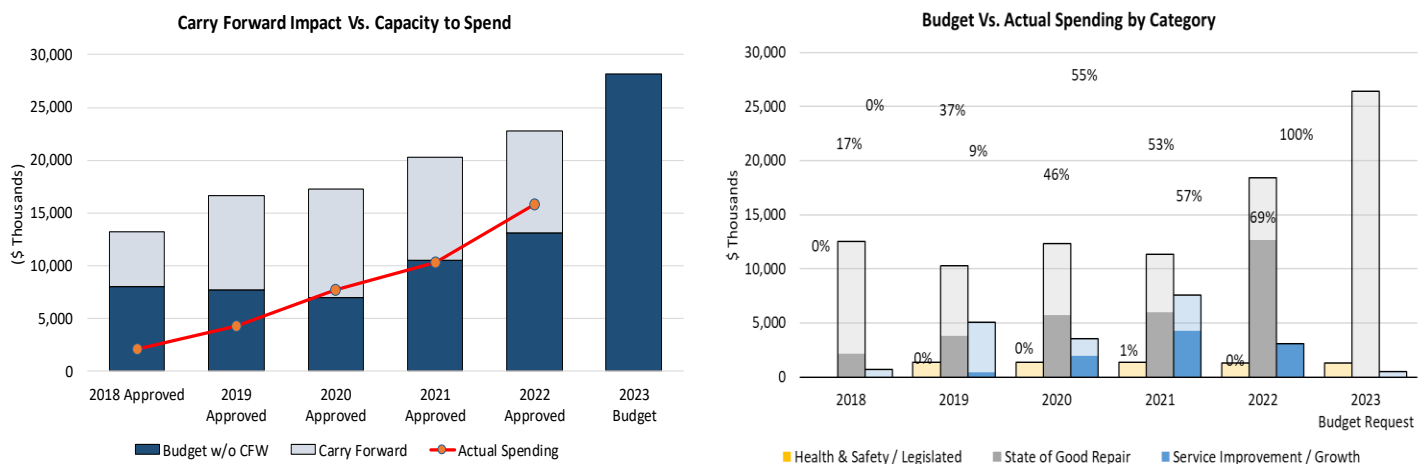
Appendix 8

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. Overall, the 2023-2032 Capital Budget and Plan for the Toronto Zoo reflects the level of spending necessary to support the development of projects in the 2022 Master Plan approved by the Board of Management. A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 3 below) as well as the level of projected 2022 underspending that will be carried forward into 2023 to complete capital work.

Toronto Zoo's actual spending over the previous five years, from 2018 to 2022, has averaged \$8.0 million per year or 41.4% spend rate.

Chart 3 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

Toronto Zoo is projecting to spend \$15.8 million or 69.2% of its 2022 Council Approved Capital Budget by the end of 2022. 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 has continued into 2022.

The 2023 Capital Budget of \$28.2 million (including carry forward funding of \$4.3 million) is higher than historic 5-year average budget of \$18.0 million and is attributed to the requirements below:

- To upkeep the facility and enhance guest experiences by redesigning the *Toronto Zoo Community Conservation Campus (Welcome Area)*, repairing and replacing building components, and improving site circulation and guest amenities. Design is currently underway and construction will commence in 2023 through 2025.
- To upgrade information systems by expanding the current network to improve performance and enhance efficiency identified in the 2022 Technology Master Plan.
- To renovate smaller exhibits throughout the Zoo site and maintain a SOGR as part of a multi-year plan involving various initiatives.

Based on the review of historical capital spending constraints and a capacity to spend review, \$7.7 million in capital spending originally cash flowed in 2023 has been deferred to 2024 and beyond for the following projects:

- Welcome Area project - deferred by \$7.2 million to future years to reflect updated construction timelines.
- Savanna Indoor Winter Holding & Viewing project - deferred by \$0.5 million to 2024 based on project readiness. Upon completion of the design in 2024, construction will commence in 2025 and completion in 2026.

Appendix 9

Summary of Capital Needs Constraints

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2023 Operating Budget

Program Specific Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		806.5	806.5	806.5
Zoo Endangered Species	XR3006			
<i>Withdrawals (-)</i>				
<i>Toronto Zoo - Operating</i>		(150.0)	(150.0)	(150.0)
<i>Contributions (+)</i>				
<i>Toronto Zoo - Operating</i>		150.0	150.0	150.0
Total Reserve / Reserve Fund Draws / Contributions		806.5	806.5	806.4
Balance at Year-End		806.5	806.5	806.4

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		1,129.9	1,129.9	1,129.9
Vehicle Reserve - Zoo	XQ1703			
<i>Withdrawals (-)</i>				
<i>Other Program - Capital</i>		(496.0)	(496.0)	(496.0)
<i>Contributions (+)</i>				
<i>Toronto Zoo - Operating</i>		496.0	496.0	496.0
Total Reserve / Reserve Fund Draws / Contributions		1,129.9	1,129.9	1,129.9
Balance at Year-End		1,129.9	1,129.9	1,129.9

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2023	2024	2025
		\$	\$	\$
Beginning Balance		38,184.6	36,162.7	34,140.8
Sick Leave	XR1007			
<i>Withdrawals (-)</i>				
<i>Toronto Zoo - Operating</i> •		(250.0)	(250.0)	(250.0)
<i>Other Program - Operating</i> •		(42,824.9)	(42,824.9)	(42,824.9)
<i>Contributions (+)</i>				
<i>Toronto Zoo - Operating</i> •		250.0	250.0	250.0
<i>Other Program - Operating</i> •		40,803.0	40,803.0	40,803.0
Total Reserve / Reserve Fund Draws / Contributions		36,162.7	34,140.8	32,118.9
Balance at Year-End		36,162.7	34,140.8	32,118.9

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).