

## **Operating Variance Report for the Twelve Months Ended December 31, 2022**

**Date:** June 26, 2023

**To:** Executive Committee

**From:** Chief Financial Officer and Treasurer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to provide City Council with the Operating Variance for the twelve months ended December 31, 2022.

The City continued to experience significant financial impacts, both in the form of added costs and revenue losses as a direct result of the lasting impacts of the COVID-19 pandemic. The 2022 Operating Budget expected continued COVID-19 support funding from both the Government of Canada and Province of Ontario totalling \$1.4 billion. Of this budgeted amount, the City received actual Federal and Provincial COVID-19 support funding of \$850.3 million across multiple COVID-19 funding streams.

In addition to COVID-19 support funding, the City has generated internal savings of \$153.5 million associated with actual COVID-19 impacts compared to budgeted estimates. These savings have further offset the COVID-19 funding gap, resulting in a final 2022 Year-End COVID-19 funding shortfall of \$395.3 million.

Table 1 below details the budgeted 2022 City-wide COVID-19 related financial impacts against secured COVID-19 support funding; and the resulting financial position that is reflected in the year-end variance.

Table 1: 2022 COVID-19 Financial Impacts

Category (\$M)	2022 Budget (COVID-19 Impacts)	Fed/Prov Funding	Internal Savings	Remaining 2022 Shortfall
Transit	561.1	452.6	(17.1)	91.4
Shelters*	288.3	86.8	0	201.6
Municipal	490.1	251.5	(136.2)	102.4
Public Health	59.6	59.4	(0.2)	0
<b>Total City</b>	<b>1,399.1</b>	<b>850.3</b>	<b>(153.5)</b>	<b>395.3</b>

\* COVID-19 impacts above Budgeted estimates for Shelters of \$40M have been offset through program specific funding and internal savings.

The 2022 Year-End COVID-19 funding shortfall of \$395.3 million reflects an improvement from the \$726.0 million shortfall previously reflected in the Nine Month Operating Variance reported to Council in December 2022, as a result of the following:

- Added Provincial funding towards Transit Impacts (\$37.4 million);
- Provincial support towards the City's remaining 2022 COVID-19 shortfall (\$235.0 million); and
- Greater than previously projected internal savings attributed to the Q4 performance of Corporate Revenues such as the Municipal Accommodation Tax, Parking Tag and Parking Authority revenues (\$58.3 million).

The City had requested that the Federal government provide \$235 million in further COVID-19 support funding for 2022 impacts, which would have matched the final Provincial contribution towards the remaining 2022 shortfall.

Due to the absence of further funding support to address the remaining \$395 million shortfall, a portion of the City's backstop strategy will be used to offset the COVID-19 related 2022 operating budget deficit. This includes a \$300 million adjustment to the 2022 Capital Budget consistent with the paused capital projects detailed in appendix 6 of the Capital Variance Report; as well as a further \$95 million one-time draw from the COVID-19 backstop.

The COVID-19 backstop will now be reduced to \$1.039 billion prior to any additional reserve contributions, which remains sufficient to manage the 2023 budgeted COVID-19 impacts of \$933 million only. However absent of further funding supports would be insufficient to address continued COVID-19 related impacts expected in 2024 and future years, with 2024 impacts previously estimated to be between \$720 million to \$927 million.

### Tax Supported Programs:

The following table summarizes the year-end financial position of the City's Tax Supported Operations as of December 31, 2022 reflecting an unfavourable variance of \$395.3 million.

Table 2: Tax Supported Operating Variance Summary

Variance (\$M) Favourable / (Unfavourable)	2022 December Year End		
	Budget	Actual	Var
<b>Tax Supported Operating Variance Summary</b>			
City Operations	2,992.3	2,883.1	109.3
Agencies	2,971.9	2,890.0	81.9
Corporate Accounts	(1,319.0)	(916.1)	(402.9)
<b>Total Variance</b>	<b>4,645.2</b>	<b>4,856.9</b>	<b>(211.7)</b>
<i>Less: Toronto Building and City Planning</i>			64.6
<i>Less: Obligations and Reserve Allocations</i>			119.0
<b>Total Adjusted Variance (Prior to Backstop Funding)</b>	<b>4,645.2</b>	<b>4,859.9</b>	<b>(395.3)</b>

As noted above, due to the absence of further Provincial or Federal funding, the City will address the \$395.3 million shortfall through the City's COVID-19 backstop strategy. These efforts are required to maintain a balanced 2022 year-end result.

### Twelve Month Year-End Spending Results:

As noted in Table 2 above, for the twelve months ended December 31, 2022, Tax Supported Operations experienced an unfavourable net variance of \$395.3 million or 9% of the 2022 Budget prior to backstop funding. The unfavourable variance is driven entirely by the COVID-19 funding shortfall.

### Rate Supported Programs:

Rate Supported Programs reported a favourable net variance of \$99.9 million. The favourable variance is attributed to favourable revenue and expense variances in all three Rate Supported programs.

Rate Supported Programs are predominantly funded by user fees that are used to pay for the services provided and the infrastructure to deliver them. Solid Waste Management Services and Toronto Water's respective year-end surpluses, must be transferred to the Waste Management Reserve Fund and Wastewater and Water Stabilization Reserves, respectively, to finance capital investments and ongoing capital repairs and maintenance.

Table 3: Rate Supported Operating Variance Summary

Variance (\$M) Favourable / (Unfavourable)	2022 December Year End		
	Budget	Actual	Var
<b>Rate Supported Operating Variance Summary</b>			
Solid Waste Management Services	0.0	(29.6)	29.6
Toronto Parking Authority	(14.4)	(31.6)	17.2
Toronto Water	0.0	(53.1)	53.1
<b>Total Variance</b>	<b>(14.4)</b>	<b>(114.3)</b>	<b>99.9</b>

## RECOMMENDATIONS

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The Chief Financial Officer and Treasurer recommends that:

1. Due to the absence of any further 2022 COVID-19 support funding, City Council approve the one-time redirection of \$300 million in 2022 budgeted Capital From Current (CFC) funds as detailed in the year end 2022 Capital Variance Report, as well as a one-time withdraw of \$95.3 million in COVID-19 backstop funding from the Tax Rate Stabilization Reserve to offset the remaining unfavourable variance to the 2022 Operating year-end results.
2. City Council approve the recommended expenditure authority as detailed in Appendix D of this report.

## FINANCIAL IMPACT

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For the twelve months ended December 31, 2022 the City experienced an unfavourable net variance in tax supported programs of \$395.3 million as a result of a COVID-19 support funding shortfall. Due to the absence of any further intergovernmental COVID-

19 funding support, the City will address the \$395.3 million shortfall from one-time actions available through the City's COVID-19 backstop strategy. This will ensure the City maintained a balanced 2022 Operating result including the financial impacts which arose from the pandemic.

Appendices A, B and C provide a detailed summary of gross expenditures, revenue and net expenditures for the twelve month results by Program and Agency, respectively. Appendix D details the recommended obligations and reserve fund allocations at the year end 2022.

2022 was an election year and the 2018 – 2022 City Council concluded its meeting in July. In advance of City Council recess, to ensure that City business and divisional operating and capital activities continue to move forward, a report was approved by the Council to expand the delegation of authority to the Chief Financial Officer & Treasurer to facilitate the approval of necessary budget adjustment requests in accordance with the Financial Control By-Law and the City's financial management policies:  
<https://www.toronto.ca/legdocs/mmis/2022/cc/bgrd/backgroundfile-228773.pdf>

Council also requested that any exercise of the authorities delegated to staff through this report will be reported back by staff to the appropriate Standing Committee in early 2023. Appendix E attached to this report details the in-year budget adjustments approved by the CFO's delegated authority during the Q2 council recess to fulfill this requirement.

### **Report back on creation of a new discretionary reserve fund for the Auditor General's Office requested by EX 2.7:**

The Executive Committee referred item [EX2.7 - Auditor General's 2022 Work Plan Update and Request for Administrative Amendment to City Reserve Fund Accounts](#) to the Chief Financial Officer and Treasurer for consideration and report back to the Executive Committee prior to the 2024 budget process. The item specifically requested carryover of operating funding for key audit projects through the creation of a new discretionary reserve fund for the Auditor General's Office.

Unlike the Office of Integrity Commissioner (OIC) External Legal and Investigative Expense Reserve Fund that was approved by City Council on December 16, 2020 with adoption of [EX19.7 - Administrative Amendment to Reserve Fund Accounts](#) which was requested to specifically fund future investigations and/or the hire of external legal services which experience significant annual variability, the Auditor General's discretionary reserve request looks to address the general work plan of the Auditor General. As such, creation of the requested reserve is not consistent with the City's operating budget surplus management which does not support the use of individual operating budget surplus for the creation of reserves for carryover of annual funding. Given that this would deviate from the City's surplus management policy and be inconsistent with past direction to City programs and agencies, the creation of the requested discretionary reserve is not recommended.

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## **DECISION HISTORY**

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City Council approved the 2022 Rate-Supported Operating Budget of \$1.958 billion gross (December 17, 2021) and the 2022 Tax Supported Operating Budget of \$13.028 billion gross and \$4.489 billion net (February 17, 2022).

This report is provided pursuant to financial management best practices and budgetary control. As part of the City of Toronto's financial accountability framework, quarterly and year-end operating variance reports are submitted to Committees and City Council, to provide financial monitoring information on operating results to date and projections to year-end, and on an exception basis, to identify issues that require direction and/or decisions from City Council.

A staff report titled "Supplementary Information to the Operating Variance Report for the Nine Months Ended September 30, 2022 " was submitted to and approved by the City Council on December 8 2022. The report provided an update to City Council on funding received or committed from the Federal and Provincial Governments against the budgeted amounts to support the City on the COVID-19 pandemic impact, as well as mitigating strategies in the event the budgeted funding cannot be received on time.  
<https://www.toronto.ca/legdocs/mmis/2023/cc/bgrd/backgroundfile-230485.pdf>

## **COMMENTS**

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### **Tax Supported Programs:**

As of December 31, 2022, Tax Supported Operations experienced an unfavourable net variance of \$395.3 million or 9% of the 2022 Budget prior to the application of COVID backstop funding.

The unfavourable variance is driven entirely by the 2022 COVID-19 funding shortfall reflected in the City's Corporate Revenue Accounts, partially offset by internal savings reflected in City Operations and Agency totals summarized below and detailed in Appendix F.

### **City Operations:**

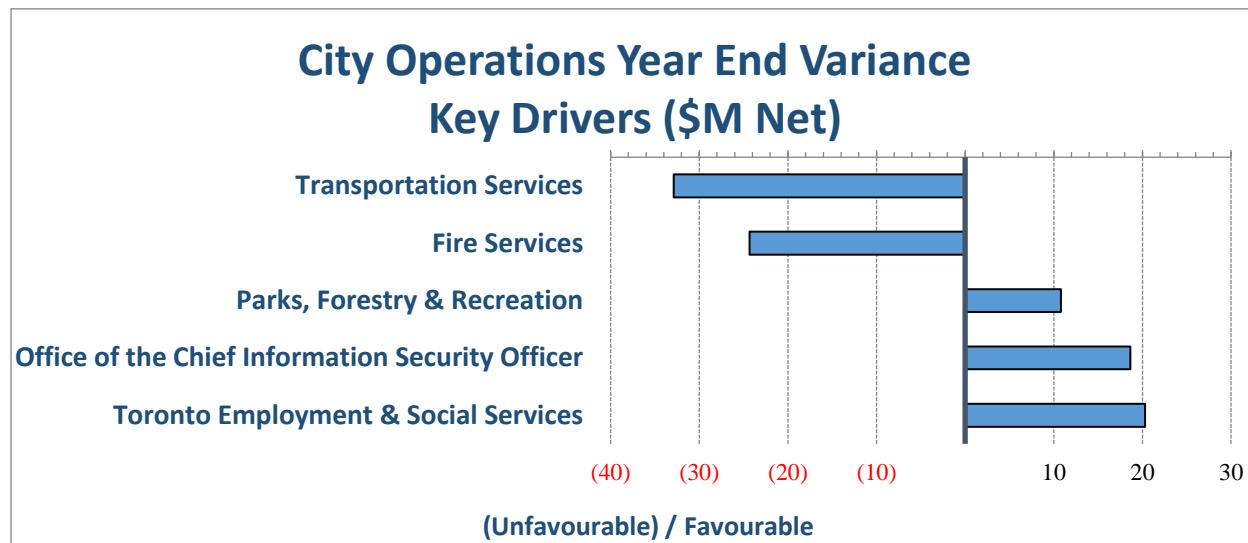
As of December 31, 2022, City Operations reported a favourable year end net variance of \$109.3 million (4% of budget). As previously noted, these internal savings were more than offset by the COVID-19 funding shortfall reflected in both Table 1 and summarized in Corporate Revenue Accounts.

Within City Operations most programs were able to maintain a favourable variance, however some programs have experienced significant unfavourable pressures.

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

The key drivers of the year end net variances are outlined in Figure 1 below:

Figure 1: City Operations Variance Summary of Key Program Drivers



**Transportation Services**

An unfavourable net variance of \$32.9 million predominantly attributed to significant over-spending of \$38.3 million in winter maintenance contracts due to severe snow storms, partially offset by net savings across the program.

**Fire Services**

Unfavourable net expenditure variance of \$24.3 million is attributable to higher salaries and benefits related to overtime to address WSIB, maternity leave, and parental leave absences to ensure fire stations were adequately staffed, in addition to higher WSIB costs. This is partially offset by vacancy and benefits savings due to retirements and a drop in LTD premiums, lower-than-budgeted non-salary expenses, and overachieved revenue resulting from higher volumes in false alarm charges and development application review fees.

**Parks, Forestry & Recreation**

Parks, Forestry and Recreation has experienced a favourable net variance of \$10.8 million consisting of a favourable gross expenditure variance of \$43.6 million partially offset by an unfavourable revenue variance of \$32.8 million. This is driven primarily by continued COVID-19 related pressures on program utilization and lingering staffing challenges. For these reasons, favourable gross expenditure variance was driven from underspending on salaries & benefits, reduced operational costs in services & rents, and savings in contributions & transfers resulting from lower than expected utilization of Welcome Policy subsidy and volume of activities. Unfavourable revenue variance was driven from lower registration sales and ice permits.

**Office of the Chief Information Security Officer**

Favourable net variance of \$18.6 million primarily driven by underspending in salaries & benefits related to a global cyber human resource shortage, and delays in large cyber procurement initiatives also due to both the resource shortage and prolonged vendor negotiations. This is partially offset by unused reserve funding no longer required as a result of the project delays.

**Toronto Employment & Social Services**

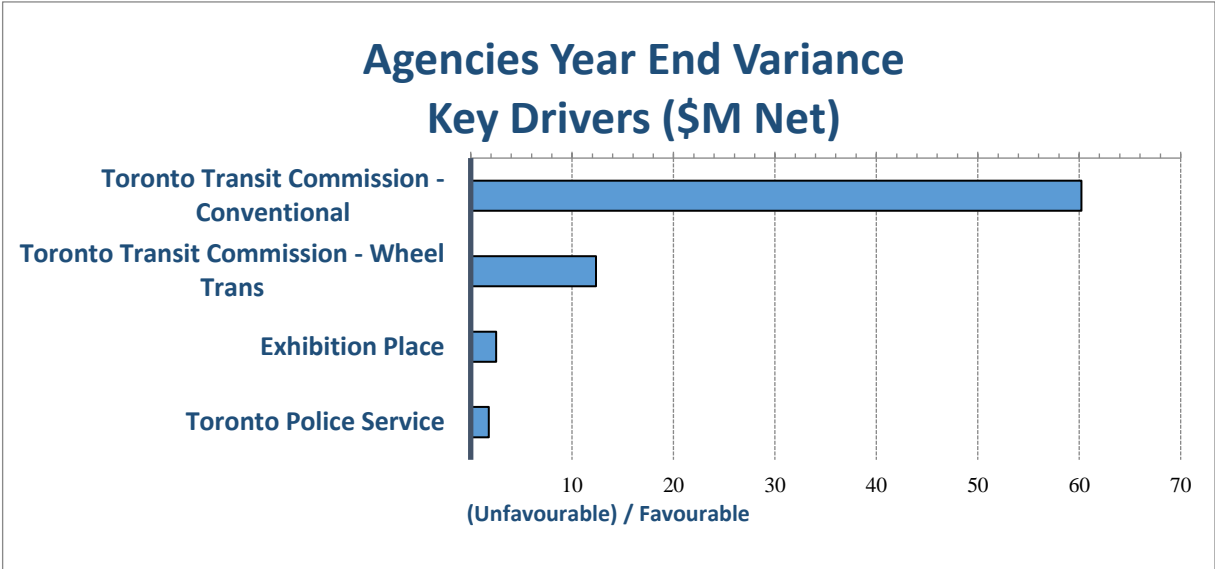
Favourable net expenditure variance of \$20.3 million reflects lower than expected Ontario Works (OW) caseloads through the year, resulting in lower issuances of financial, medical, and employment benefits. Additionally, the program experienced lower program delivery costs resulting from lower frontline staffing and lower expenditures based provincial subsidies and reserve draws. Since the wind-up of the Canadian Recovery Benefit (CRB) in the fall of 2021, the 2022 OW caseload has increased slowly but consistently, averaging 73,415 cases per month, but finishing the year with 78,200 in December, 19.3% lower than budget of 91,000.

**Agencies:**

As of December 31, 2022, Agencies reported a favourable net variance of \$81.9 million (3%). Similar to City Operations, these internal savings were more than offset by the COVID-19 funding shortfall reflected in both Table 1 and summarized in Corporate Revenue Accounts.

The key drivers of the favourable net variances are outlined below:

Figure 2: Agencies Variance Summary of Key Program Drivers





**Toronto Transit Commission - Conventional Service**

The TTC performance reflects the deferral of costs and obligations related to the delayed opening of Line 5, coupled with conventional service reductions of approximately 4%, which aligned with reduced ridership demand.

The overall variance reported in the TTC's COVID-19 reflective 2022 Operating Budget is further impacted by \$91.4 million in transit specific COVID-19 funding shortfall noted in Table 1 of this report and reflected in the City's corporate revenue account.

**Toronto Transit Commission – Wheel Trans**

Wheel-Trans has experienced favourable net expense variance of \$12.4 million with a gross expenditure variance of \$13.4 million due to lower than anticipated ridership demand resulting in lower operator and contract taxi expenditures.

**Exhibition Place**

Exhibition Place reported a favourable net variance of \$2.5 million to the 2022 Council Approved Operating Budget. This consisted of a favourable gross expenditure variance of \$1.7 million resulting from underspending in expenditures associated with utilities, reduction in volume of base building maintenance, postponed non-essential and cancelled events, and salaries & benefits related vacancies. Also, additional parking revenues from Ontario Place and miscellaneous cost recoveries resulted in a favourable variance of \$0.8 million in revenues at year-end.

**Toronto Police Service**

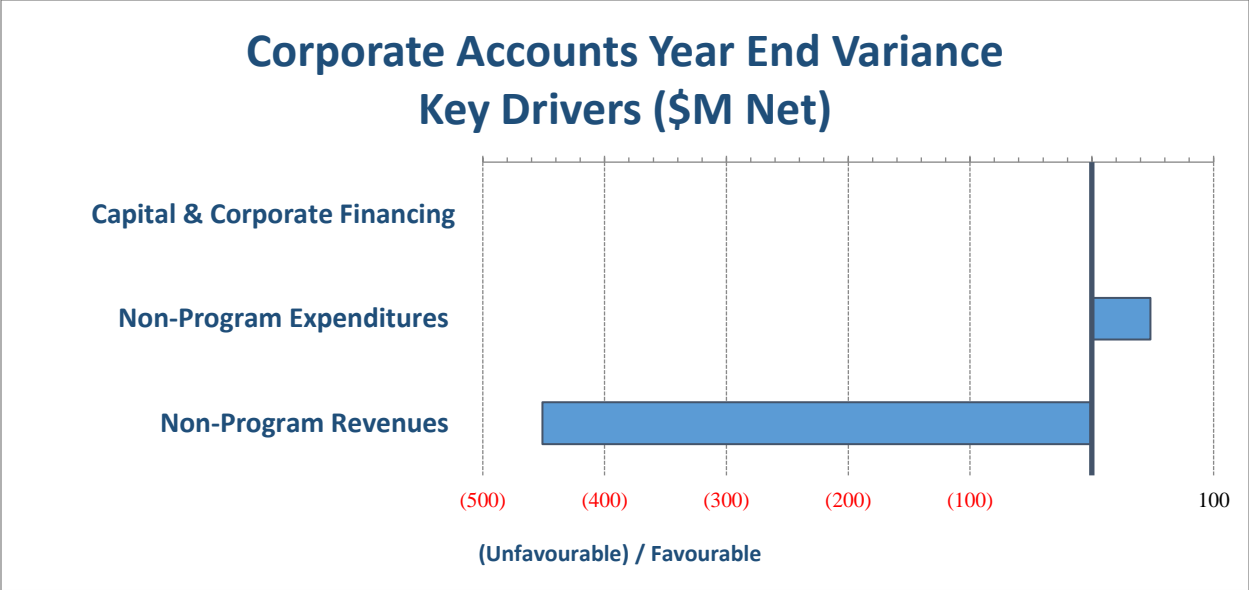
For the year end Toronto Police Service is reporting a net favourable budget variance of \$1.8 million. An unfavourable gross expenditure variance of \$12.4 million is related to an increase in premium pay due to an increase in special events and demonstrations. There were further pressures on premium pay expenditures to ensure services were provided during service gaps due to longer than anticipated hiring timelines, unpaid absence related to COVID-19 vaccination policy, and higher than budgeted separations for both civilian and uniform officers. A favourable revenue variance of \$14.2 million can be attributed to higher demand for paid duties, provincial recoveries relating to court security and prisoner transportation, increased user fees from sector screenings and recoveries from other jurisdictions for expenses incurred.

**Corporate Accounts:**

As of December 31, 2022, Corporate Accounts reported an unfavourable net variance of \$402.9 million primarily driven by the shortfall in COVID-19 related revenues that were expected from other levels of government to offset COVID-19 specific expenses.

The following key drivers have contributed to the unfavourable net variances:

Figure 3: Corporate Accounts Variance Summary of Key Drivers



**Capital & Corporate Financing**

Overall, all three accounts maintained balance, finishing the year with zero net variance.

**Non-Program Expenditures**

Overall net expenditures favourable by \$48.2 million mainly due to favourable variances in Tax Deficiencies, Tax Increment Equivalent Grants and Other Corporate expenses which holds provisions to be allocated to other City Programs.

**Non-Program Revenues**

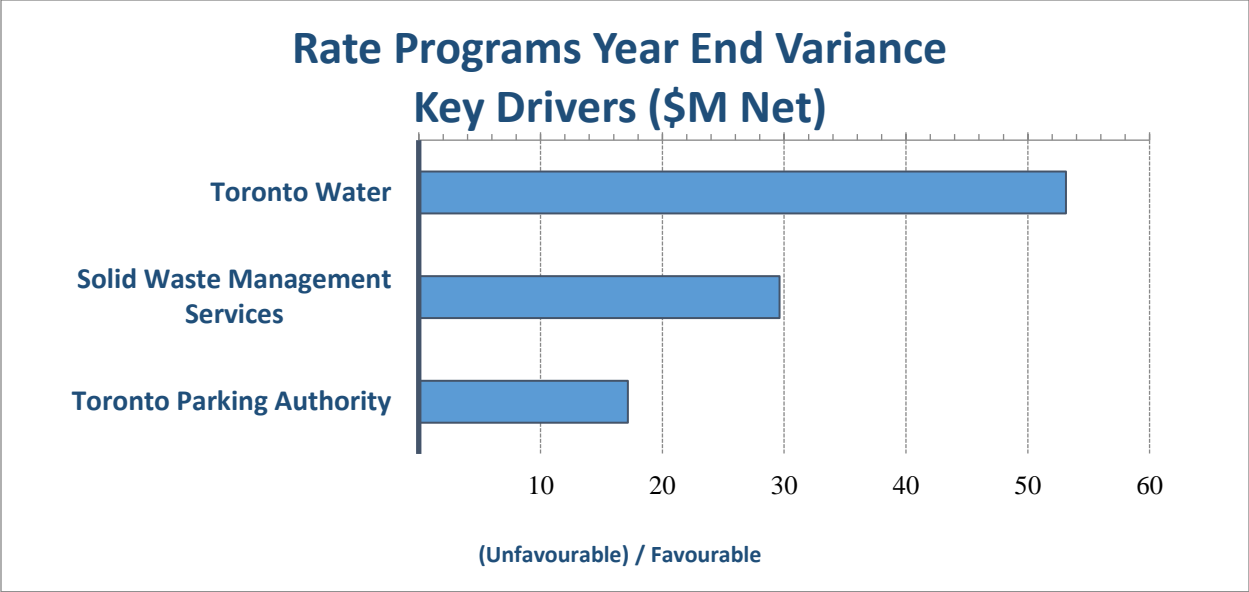
Non program revenues ended the year with an unfavourable net expense variance of \$451.1 million primarily driven by COVID-19 funding lower than budgeted, offset by favourable variances in Municipal Accommodation Taxes, Casino Revenues and Parking Incomes.

**Rate Programs:**

As of December 31, 2022, Rate Programs reported a favourable net variance of \$99.9 million.

The following key drivers have contributed to the favourable net variances:

Figure 4: Rate Supported Variance Summary of Key Drivers



**Toronto Water**

The favourable net expenditures variance of \$53.1 million is due to a favourable gross expenditure variance of \$24.6 million driven by underspending in salaries and benefits, reduced hydro cost and lower spending in equipment and services and rents due to mild winter temperatures, unused contingencies and fewer emergency repairs.

Favourable revenue variance of \$28.6 million is primarily driven by higher consumption and higher third party revenue from development application reviews. The over achieved revenues were partially offset by lower volume of new water and sewer connections and lower than anticipated revenue from delayed Metrolinx transit projects. Toronto Water's year-end surplus is transferred to the Wastewater and Water Stabilization Reserves, to finance capital investments and ongoing capital repairs and maintenance.

**Solid Waste Management Services**

The favourable net expenditures variance of \$29.6 million is driven by favourable variances in expenses related to services and rents expenses as well as reduced collection costs and processing costs based on less tonnage. Revenue was also favourable due to improved market rates on recyclables.

The resultant overall projected net surplus at year-end of \$29.6 million would increase the amount to be contributed to the Waste Management Reserve Fund from a budgeted \$13.1 million to \$42.7 million as of December 31, 2022.

Solid Waste Management Services year-end surplus is transferred to the Waste Management Reserve Fund, to finance capital investments and ongoing capital repairs and maintenance.

### ***Toronto Parking Authority***

Toronto Parking Authority achieved a favourable net expense variance of \$17.2 million at year end. This was comprised of a favourable gross expense variance of \$8.1 million and was mainly driven by savings in salaries & benefits of \$4.1 million as a result of ongoing vacancies. Additionally favourable administration costs of \$4.0 million, including legal, consulting, training and lower net tax expenditures.

Overall revenue for Toronto Parking Authority exceeded budget by \$9.0 million. This revenue variance was driven by Off-Street parking higher than budget by \$10.4 million, slightly offset by On-Street parking and Bike Share revenue. The impact on revenue due to the ongoing recovery from the pandemic can be shown by comparing to the 2019 pre-pandemic experience. Parking revenue for 2022 was 76.3% of 2019 pre-pandemic revenues and bike share 2022 revenue was 192% of 2019 pre-pandemic revenue.

## Donations

The City Donations Policy delegates receipt of donations under \$50,000 to Division Heads and also requires that donations be reported as part of the quarterly variance process. As set out in Figure 5 below, the City received \$284,700 in donations during the last three months of 2022.

Figure 5:

**Donations Received Less than \$50,000  
FOR THE QUARTER ENDED DECEMBER 31, 2022  
(In \$000s)**

Donor	Amount (\$000s)	Purpose
<b>Economic Development &amp; Culture</b>		
DonateTO	18.7	Reinvest in the Blackhurst Cultural Centre
GIBSON HOUSE DONATION FROM A FORMER VOLUNTEER	0.2	General Donation
TODMORDEN MILLS DONATION BOX	0.0	General Donation
MONTGOMERY'S INN DONATIONS PAY WHAT YOU CAN	0.1	General Donation
FORT YORK DONATION FROM CANTEEN BOX	0.4	General Donation
MACKENZIE HOUSE DONATION FROM ERA ARCHITECTS	0.0	General Donation
SPADINA HOUSE MUSEUM DONATIONS FROM TWO INDIVIDUAL DONORS	1.1	General Donation
SPADINA HOUSE MUSEUM DONATION BOX, PAY WHAT YOU CAN	1.5	General Donation
MARKET GALLERY DONATION BOX	0.4	General Donation
MARKET GALLERY EDONATIONS - TORONTO HISTORY MUSEUMS	0.2	General Donation
<i>Sub-Total</i>	<b>22.6</b>	
<b>TO Live</b>		
Individual donors	1.7	'Canada Helps' program
		SOLT
		Ticketing donations
Canada Council for the Arts	15.2	Vida Peene trust fund
Meridian Credit Union	5.0	United for Ukraine event
<i>Sub-Total</i>	<b>21.9</b>	
<b>Toronto Public Health</b>		
eDonations	0.3	COVID-19 Vaccine Equity Transportation
<i>Sub-Total</i>	<b>0.3</b>	
<b>Social Development, Finance &amp; Administration</b>		
Individual Donor	0.1	Equitable Food Access
<i>Sub-Total</i>	<b>0.1</b>	
<b>Parks, Forestry &amp; Recreation</b>		
Individual Donor	0.3	John Innes CRC Baseball program
Good Shepherd	0.3	John Innes CRC Baseball program
Progress Place	0.3	John Innes CRC Baseball program
Main S H Link	0.3	John Innes CRC Baseball program
Inner City Health network	0.3	John Innes CRC Baseball program
Blue Jays Foundation	0.3	John Innes CRC Baseball program
Fred Victor Centre	0.3	John Innes CRC Baseball program
Individual Donors	1.2	Fall Festival
Individual Donors	1.6	Riverdale Farm Boo Barn
Shadows S5 Television Production	2.0	Sunnybrook Heights Park
Shadows S5 Television Production	2.0	Bennington Heights Park
Shadows S5 Television Production	2.0	Cherry/Clarke Beach
Shadows S5 Television Production	0.5	Bluffers Parks
Shadows S5 Television Production	0.5	Woodbine Park
Shadows S5 Television Production	0.5	Colonel Danforth Park
Individual Donors	0.3	Tree planting program
<i>Sub-Total</i>	<b>12.7</b>	

**Donations Received Less than \$50,000  
FOR THE QUARTER ENDED DECEMBER 31, 2022  
(In \$000s)**

Donor	Amount (\$000s)	Purpose
<b>Municipal Licensing &amp; Standards</b>		
Individual Donors	110.5	Care and services related to animals
<i>Sub-Total</i>	<b>110.5</b>	
<b>Heritage Toronto</b>		
Logan Family Foundation	1.0	Unrestricted
Dowdall Family Foundation	1.0	Unrestricted
Individual	8.5	Awards
Individual	2.5	Plaques
Individual	3.0	Emerging Historians
Individual	23.5	Unrestricted
Fitzrovia Real Estate	5.0	Unrestricted
Wawanesa	2.0	Unrestricted
<i>Sub-Total</i>	<b>46.5</b>	
<b>Shelter, Support &amp; Housing Administration</b>		
Various individual donors	7.8	Family Residence
<i>Sub-Total</i>	<b>7.8</b>	
<b>City Manager's Office</b>		
Dreamcatcher Donations	2.0	Purchase of T-Shirts for Ambe Maamowisdaa
<i>Sub-Total</i>	<b>2.0</b>	
<b>Toronto Police Service</b>		
Loblaws	15.0	In Support of Police Dog Services
Individual Donors	15.0	In Support of the Mounted Unit
Ferroque Systems	15.0	In Support of the Mounted Unit
Mizrahi Inc	15.0	In Support of the Mounted Unit
<i>Sub-Total</i>	<b>60.0</b>	
<b>Environment &amp; Climate</b>		
eDonations through DonateTO directed to the PollinateTO Community Grants Program.	0.4	Donations are directed to the PollinateTO Community Grants Program, which funds community-led pollinator stewardship projects. Donations will be used to support community-led projects that have been approved through the PollinateTO Community Grants Program.
<i>Sub-Total</i>	<b>0.4</b>	
<b>Grand Total</b>	<b>284.7</b>	

## **CONTACT**

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## **SIGNATURE**

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Heather Taylor  
Chief Financial Officer and Treasurer

## **ATTACHMENTS**

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- Appendix A - City of Toronto Net Expenditures for Twelve Months Ended December 31, 2022
- Appendix B - City of Toronto Gross Expenditures for Twelve Months Ended December 31, 2022
- Appendix C - City of Toronto Revenues for Twelve Months Ended December 31, 2022
- Appendix D - Authorized Spending on Obligations and Reserve Allocations
- Appendix E - In Year Budget Adjustments Approved during Council Recess
- Appendix F - Operating Variance Dashboard for City Programs and Agencies

## Appendix A

<b>CITY OF TORONTO</b>				
<b>CONSOLIDATED NET EXPENDITURES VARIANCE</b>				
<b>FOR THE YEAR ENDED DECEMBER 31, 2022</b>				
(\$000s)				
December 31, 2022				
	Year End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
<b>Community and Social Services</b>				
Housing Secretariat	410,691	407,183	3,508	1%
Children's Services	92,293	91,455	838	1%
Court Services	(36,328)	(37,010)	683	-2%
Economic Development & Culture	82,240	80,191	2,048	2%
Fire Services	502,698	527,009	(24,312)	-5%
Toronto Paramedic Services	100,129	93,686	6,443	6%
Seniors Services and Long-Term Care	73,315	71,101	2,213	3%
Parks, Forestry & Recreation	344,175	333,354	10,820	3%
Shelter, Support & Housing Administration	451,157	457,202	(6,046)	-1%
Social Development, Finance & Administration	79,605	72,586	7,019	9%
Toronto Employment & Social Services	81,431	61,135	20,296	25%
Sub-Total Community and Social Services	2,181,404	2,157,893	23,511	1%
<b>Infrastructure and Development Services</b>				
City Planning	13,338	(25,220)	38,558	289%
Office of Emergency Management	3,301	3,137	164	5%
Municipal Licensing & Standards	22,335	14,297	8,038	36%
Policy, Planning, Finance & Administration	4,860	4,820	40	1%
Engineering & Construction Services	567	(6,518)	7,085	1249%
Toronto Building	(16,147)	(42,199)	26,052	-161%
Transportation Services	233,984	266,880	(32,895)	-14%
Transit Expansion	2,337	1,188	1,149	49%
Sub-Total Infrastructure and Development Servi	264,576	216,385	48,191	18%
<b>Finance and Treasury Services</b>				
Office of the Chief Financial Officer and Treasure	13,515	12,944	571	4%
Office of the Controller	42,881	34,382	8,499	20%
Sub-Total Finance and Treasury Services	56,396	47,327	9,069	16%
<b>Corporate Services</b>				
Corporate Real Estate Management	111,529	112,356	(827)	-1%
Environment & Climate	13,590	14,189	(598)	-4%
Fleet Services	29,203	38,583	(9,380)	-32%
Office of the Chief Information Security Officer	40,132	21,489	18,644	46%
Technology Services	111,823	105,957	5,866	5%
311 Toronto	10,661	10,606	56	1%
Sub-Total Corporate Services	316,940	303,180	13,760	4%
<b>City Manager</b>				
City Manager's Office	63,701	59,195	4,506	7%
Sub-Total City Manager	63,701	59,195	4,506	7%
<b>Other City Programs</b>				
City Clerk's Office	37,877	35,933	1,944	5%
Legal Services	34,725	28,221	6,504	19%
Mayor's Office	2,136	2,130	6	0%
City Council	22,293	21,752	541	2%
Sub-Total Other City Programs	97,031	88,036	8,995	9%
<b>Accountability Offices</b>				
Auditor General's Office	7,658	6,513	1,145	15%
Integrity Commissioner's Office	662	662	0	0%
Office of the Lobbyist Registrar	1,257	1,182	75	6%
Office of the Ombudsman	2,688	2,681	7	0%
Sub-Total Accountability Offices	12,264	11,037	1,227	10%
<b>TOTAL - CITY OPERATIONS</b>	<b>2,992,312</b>	<b>2,883,053</b>	<b>109,259</b>	<b>4%</b>

Staff report for action on Operating Variance Report for the Twelve Months  
Ended December 31, 2022



## Appendix A

	Year End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
<b>Agencies</b>				
Toronto Public Health	128,346	128,718	(372)	0%
Toronto Public Library	209,785	209,769	16	0%
Association of Community Centres	9,426	9,367	58	1%
Exhibition Place	3,300	787	2,513	76%
Heritage Toronto	511	529	(17)	-3%
TO Live	8,059	7,893	166	2%
Toronto Zoo	17,419	13,490	3,929	23%
Arena Boards of Management	1,488	916	572	38%
Yonge-Dundas Square	1,165	472	694	60%
CreateTO	0	0	0	n/a
Toronto & Region Conservation Authority	5,459	5,459	(0)	0%
Toronto Transit Commission - Conventional	1,337,342	1,277,119	60,223	5%
Toronto Transit Commission - Wheel Trans	129,453	117,090	12,363	10%
Toronto Police Service	1,118,219	1,116,431	1,788	0%
Toronto Police Services Board	1,970	1,970	0	0%
<b>TOTAL - AGENCIES</b>	<b>2,971,941</b>	<b>2,890,009</b>	<b>81,933</b>	<b>3%</b>
<b>Corporate Accounts</b>				
Capital From Current	192,882	192,882	0	0%
Technology Sustainment	21,297	21,297	0	0%
Debt Charges	647,213	647,213	0	0%
Capital & Corporate Financing	861,392	861,392	0	0%
<b>Non-Program Expenditures</b>				
Tax Deficiencies / Write Offs	42,736	31,442	11,294	26%
Tax Increment Equivalent Grants (TIEG)	50,570	38,803	11,767	23%
Assessment Function (MPAC)	46,515	46,385	129	0%
Funding of Employee Related Liabilities	70,782	70,802	(20)	0%
Other Corporate Expenditures	140,826	124,702	16,124	11%
Insurance Contributions	48,317	48,317	0	0%
Parking Tag Enforcement & Operations Exp	61,317	53,901	7,415	12%
Programs Funded from Reserve Funds	(0)	(0)	(0)	67%
Heritage Property Taxes Rebate	2,012	1,633	379	19%
Solid Waste Management Services Rebate	75,371	74,250	1,121	1%
Tax Increment Funding (TIF)	4,992	4,992	0	0%
Non-Program Expenditures	543,437	495,227	48,210	9%
<b>Non-Program Revenue</b>				
Payments in Lieu of Taxes	(95,379)	(101,051)	5,672	-6%
Supplementary Taxes	(40,353)	(45,309)	4,956	-12%
Tax Penalty Revenue	(36,900)	(51,326)	14,426	-39%
Interest/Investment Earnings	(94,646)	(63,622)	(31,024)	33%
Other Corporate Revenues	(7,358)	(11,289)	3,931	-53%
Provincial Gas Tax	0	0	0	n/a
COVID -19 recovery	(1,399,071)	(867,411)	(531,660)	38%
Dividend Income	(79,000)	(84,600)	5,600	-7%
Provincial Revenue	(91,600)	(91,600)	0	0%
Municipal Land Transfer Tax	(725,023)	(725,023)	0	0%
Third Party Sign Tax	(9,517)	(9,670)	153	-2%
Parking Authority Revenues	(7,080)	(21,860)	14,780	-209%
Admin Support Recoveries - Water	(18,973)	(18,973)	0	0%
Admin Support Recoveries - Health & EMS	(11,821)	(11,821)	0	0%
Parking Tag Enforcement & Operations Rev	(89,433)	(103,495)	14,062	-16%
Other Tax Revenues	(10,462)	(10,656)	194	-2%
Municipal Accommodation Tax (MAT)	0	(30,304)	30,304	n/a
Casino Woodbine Revenues	(7,254)	(24,740)	17,486	-241%
Non-Program Revenues	(2,723,871)	(2,272,752)	(451,119)	17%
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>(1,319,042)</b>	<b>(916,133)</b>	<b>(402,909)</b>	<b>31%</b>
<b>TOTAL TAX SUPPORTED PROGRAMS / AG</b>	<b>4,645,212</b>	<b>4,856,929</b>	<b>(211,717)</b>	<b>-5%</b>
<b>Less Toronto Building</b>	<b>(16,147)</b>	<b>(42,199)</b>	<b>26,052</b>	<b>-161%</b>
<b>Less City Planning</b>	<b>13,338</b>	<b>(25,220)</b>	<b>38,558</b>	<b>289%</b>
<b>Less Obligations and Reserve Allocations</b>	<b>0</b>	<b>(118,967)</b>	<b>118,967</b>	<b>n/a</b>
<b>TOTAL ADJUSTED TAX SUPPORTED PROG</b>	<b>4,648,020</b>	<b>4,924,348</b>	<b>(395,294)</b>	<b>-9%</b>
<b>RATE SUPPORTED PROGRAMS</b>				
Solid Waste Management Services	0	(29,609)	29,609	n/a
Toronto Parking Authority	(14,401)	(31,558)	17,157	-119%
Toronto Water	0	(53,132)	53,132	n/a
<b>TOTAL RATE SUPPORTED PROGRAMS</b>	<b>(14,401)</b>	<b>(114,299)</b>	<b>99,898</b>	<b>-694%</b>

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix B

<b>CITY OF TORONTO</b>				
<b>CONSOLIDATED GROSS EXPENDITURES VARIANCE</b>				
<b>FOR THE YEAR ENDED DECEMBER 31, 2022</b>				
(\$000s)				
<b>December 31, 2022</b>				
	<b>Year End</b>		<b>Actual vs Budget</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Favourable / (Unfavourable)</b>	<b>%</b>
<b>Community and Social Services</b>				
Housing Secretariat	701,668	648,567	53,101	8%
Children's Services	870,983	822,522	48,461	6%
Court Services	32,826	29,143	3,683	11%
Economic Development & Culture	107,013	97,978	9,035	8%
Fire Services	524,217	554,557	(30,340)	-6%
Toronto Paramedic Services	294,746	290,183	4,563	2%
Seniors Services and Long-Term Care	328,552	351,909	(23,357)	-7%
Parks, Forestry & Recreation	482,097	438,452	43,646	9%
Shelter, Support & Housing Administration	628,032	711,627	(83,595)	-13%
Social Development, Finance & Administration	95,167	87,206	7,961	8%
Toronto Employment & Social Services	1,157,836	915,099	242,737	21%
Sub-Total Community and Social Services	5,223,137	4,947,243	275,894	5%
<b>Infrastructure and Development Services</b>				
City Planning	57,316	53,412	3,904	7%
Office of Emergency Management	3,951	3,756	195	5%
Municipal Licensing & Standards	64,638	58,340	6,298	10%
Policy, Planning, Finance & Administration	16,730	16,640	90	1%
Engineering & Construction Services	75,423	70,839	4,584	6%
Toronto Building	68,046	50,113	17,933	26%
Transportation Services	436,777	437,994	(1,217)	0%
Transit Expansion	9,777	6,773	3,005	31%
Sub-Total Infrastructure and Development Services	732,658	697,866	34,792	5%
<b>Finance and Treasury Services</b>				
Office of the Chief Financial Officer and Treasurer	17,140	16,044	1,095	6%
Office of the Controller	87,814	74,998	12,816	15%
Sub-Total Finance and Treasury Services	104,954	91,043	13,911	13%
<b>Corporate Services</b>				
Corporate Real Estate Management	206,889	209,609	(2,720)	-1%
Environment & Climate	17,867	15,828	2,039	11%
Fleet Services	63,087	69,661	(6,574)	-10%
Office of the Chief Information Security Officer	45,132	21,489	23,644	52%
Technology Services	146,323	131,592	14,731	10%
311 Toronto	19,280	18,866	414	2%
Sub-Total Corporate Services	498,577	467,044	31,533	6%
<b>City Manager</b>				
City Manager's Office	85,157	70,964	14,193	17%
Sub-Total City Manager	85,157	70,964	14,193	17%
<b>Other City Programs</b>				
City Clerk's Office	66,187	61,113	5,075	8%
Legal Services	61,202	55,551	5,651	9%
Mayor's Office	2,136	2,130	6	0%
City Council	24,633	24,053	581	2%
Sub-Total Other City Programs	154,158	142,846	11,312	7%
<b>Accountability Offices</b>				
Auditor General's Office	7,729	6,514	1,215	16%
Integrity Commissioner's Office	762	700	62	8%
Office of the Lobbyist Registrar	1,257	1,182	75	6%
Office of the Ombudsman	2,688	2,681	7	0%
Sub-Total Accountability Offices	12,435	11,076	1,359	11%
<b>TOTAL - CITY OPERATIONS</b>	<b>6,811,077</b>	<b>6,428,083</b>	<b>382,995</b>	<b>6%</b>

Staff report for action on Operating Variance Report for the Twelve Months  
Ended December 31, 2022

## Appendix B

	Year End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
<b>Agencies</b>				
Toronto Public Health	370,782	345,105	25,677	7%
Toronto Public Library	228,305	229,049	(744)	0%
Association of Community Centres	9,565	9,638	(73)	-1%
Exhibition Place	59,885	58,149	1,736	3%
Heritage Toronto	1,306	1,015	291	22%
TO Live	38,673	27,546	11,126	29%
Toronto Zoo	55,260	57,203	(1,943)	-4%
Arena Boards of Management	9,783	9,913	(129)	-1%
Yonge-Dundas Square	3,480	3,070	410	12%
CreateTO	16,831	16,041	790	5%
Toronto & Region Conservation Authority	10,925	10,925	(0)	0%
Toronto Transit Commission - Conventional	2,148,568	2,067,236	81,332	4%
Toronto Transit Commission - Wheel Trans	135,448	122,083	13,365	10%
Toronto Police Service	1,262,428	1,274,877	(12,449)	-1%
Toronto Police Services Board	3,046	2,811	234	8%
<b>TOTAL - AGENCIES</b>	<b>4,354,284</b>	<b>4,234,663</b>	<b>119,621</b>	<b>3%</b>
<b>Corporate Accounts</b>				
Capital From Current	342,882	342,882	0	100%
Technology Sustainment	21,297	21,297	0	0%
Debt Charges	730,121	767,544	(37,422)	-5%
Capital & Corporate Financing	1,094,300	1,131,722	(37,422)	-3%
<b>Non-Program Expenditures</b>				
Tax Deficiencies / Write Offs	42,736	31,442	11,294	26%
Tax Increment Equivalent Grants (TIEG)	50,570	38,803	11,767	23%
Assessment Function (MPAC)	46,515	46,385	129	0%
Funding of Employee Related Liabilities	70,782	70,802	(20)	0%
Other Corporate Expenditures	197,451	182,336	15,115	8%
Insurance Contributions	48,317	48,317	0	0%
Parking Tag Enforcement & Operations Exp	61,317	53,901	7,415	12%
Programs Funded from Reserve Funds	155,442	169,195	(13,753)	-9%
Heritage Property Taxes Rebate	2,012	1,633	379	19%
Solid Waste Management Services Rebate	75,371	74,250	1,121	1%
Tax Increment Funding (TIF)	4,992	4,992	0	0%
<b>Non-Program Expenditures</b>	<b>755,505</b>	<b>722,057</b>	<b>33,447</b>	<b>4%</b>
<b>Non-Program Revenue</b>				
Payments in Lieu of Taxes	0	0	0	n/a
Supplementary Taxes	0	0	0	n/a
Tax Penalty Revenue	0	0	0	n/a
Interest/Investment Earnings	9,857	7,705	2,152	22%
Other Corporate Revenues	835	11,678	(10,843)	-1299%
Provincial Gas Tax	0	0	0	n/a
COVID -19 recovery	0	0	0	n/a
Dividend Income	0	0	0	n/a
Provincial Revenue	0	0	0	n/a
Municipal Land Transfer Tax	222,667	317,342	(94,675)	-43%
Third Party Sign Tax	0	0	0	n/a
Parking Authority Revenues	0	0	0	n/a
Admin Support Recoveries - Water	0	0	0	n/a
Admin Support Recoveries - Health & EMS	0	0	0	n/a
Other Tax Revenues	197	10	186	95%
Municipal Accommodation Tax (MAT)	16,875	27,499	(10,624)	-63%
Casino Woodbine Revenues	0	0	0	n/a
<b>Non-Program Revenues</b>	<b>250,432</b>	<b>364,235</b>	<b>(113,804)</b>	<b>-45%</b>
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>2,100,236</b>	<b>2,218,015</b>	<b>(117,779)</b>	<b>-6%</b>
<b>TOTAL TAX SUPPORTED PROGRAMS / AGENC</b>	<b>13,265,598</b>	<b>12,880,760</b>	<b>384,837</b>	<b>3%</b>
<b>RATE SUPPORTED PROGRAMS</b>				
Solid Waste Management Services	391,057	374,051	17,006	4%
Toronto Parking Authority	105,900	97,770	8,130	8%
Toronto Water	1,447,082	1,422,523	24,558	2%
<b>TOTAL RATE SUPPORTED PROGRAMS</b>	<b>1,944,038</b>	<b>1,894,344</b>	<b>49,695</b>	<b>3%</b>

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix C

<b>CITY OF TORONTO</b>				
<b>CONSOLIDATED REVENUE VARIANCE</b>				
<b>FOR THE YEAR ENDED DECEMBER 31, 2022</b>				
(\$000s)				
December 31, 2022				
	Year End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
<b>Community and Social Services</b>				
Housing Secretariat	290,977	241,385	(49,593)	-17%
Children's Services	778,690	731,067	(47,623)	-6%
Court Services	69,154	66,153	(3,001)	-4%
Economic Development & Culture	24,773	17,787	(6,986)	-28%
Fire Services	21,519	27,547	6,028	28%
Toronto Paramedic Services	194,617	196,498	1,881	1%
Seniors Services and Long-Term Care	255,237	280,808	25,570	10%
Parks, Forestry & Recreation	137,923	105,098	(32,825)	-24%
Shelter, Support & Housing Administration	176,875	254,424	77,549	44%
Social Development, Finance & Administration	15,562	14,620	(942)	-6%
Toronto Employment & Social Services	1,076,405	853,964	(222,441)	-21%
Sub-Total Community and Social Services	3,041,733	2,789,350	(252,383)	-8%
<b>Infrastructure and Development Services</b>				
City Planning	43,977	78,632	34,654	79%
Office of Emergency Management	650	619	(31)	-5%
Municipal Licensing & Standards	42,303	44,043	1,739	4%
Policy, Planning, Finance & Administration	11,870	11,820	(50)	0%
Engineering & Construction Services	74,855	77,356	2,501	3%
Toronto Building	84,193	92,312	8,120	10%
Transportation Services	202,793	171,115	(31,678)	-16%
Transit Expansion	7,440	5,584	(1,856)	-25%
Sub-Total Infrastructure and Development Services	468,082	481,480	13,399	3%
<b>Finance and Treasury Services</b>				
Office of the Chief Financial Officer and Treasurer	3,624	3,100	(524)	-14%
Office of the Controller	44,934	40,616	(4,318)	-10%
Sub-Total Finance and Treasury Services	48,558	43,716	(4,842)	-10%
<b>Corporate Services</b>				
Corporate Real Estate Management	95,359	97,253	1,894	2%
Environment & Climate	4,277	1,639	(2,637)	-62%
Fleet Services	33,884	31,078	(2,806)	-8%
Office of the Chief Information Security Officer	5,000	0	(5,000)	-100%
Technology Services	34,499	25,634	(8,865)	-26%
311 Toronto	8,618	8,260	(358)	-4%
Sub-Total Corporate Services	181,637	163,865	(17,773)	-10%
<b>City Manager</b>				
City Manager's Office	21,457	11,769	(9,687)	-45%
Sub-Total City Manager	21,457	11,769	(9,687)	-45%
<b>Other City Programs</b>				
City Clerk's Office	28,311	25,180	(3,131)	-11%
Legal Services	26,477	27,331	854	3%
Mayor's Office	0	0	0	n/a
City Council	2,340	2,301	(39)	-2%
Sub-Total Other City Programs	57,128	54,811	(2,317)	-4%
<b>Accountability Offices</b>				
Auditor General's Office	71	1	(70)	-99%
Integrity Commissioner's Office	100	38	(62)	-62%
Office of the Lobbyist Registrar	0	0	0	n/a
Office of the Ombudsman	0	0	0	n/a
Sub-Total Accountability Offices	171	39	(132)	-77%
<b>TOTAL - CITY OPERATIONS</b>	<b>3,818,765</b>	<b>3,545,030</b>	<b>(273,735)</b>	<b>-7%</b>

Staff report for action on Operating Variance Report for the Twelve Months  
Ended December 31, 2022

## Appendix C

	Year End		Actual vs Budget	
	Budget	Actual	Favourable / (Unfavourable)	%
<b>Agencies</b>				
Toronto Public Health	242,436	216,387	(26,049)	-11%
Toronto Public Library	18,520	19,280	760	4%
Association of Community Centres	139	271	132	95%
Exhibition Place	56,585	57,363	778	1%
Heritage Toronto	795	487	(309)	-39%
TO Live	30,614	19,654	(10,960)	-36%
Toronto Zoo	37,841	43,713	5,873	16%
Arena Boards of Management	8,295	8,996	701	8%
Yonge-Dundas Square	2,314	2,598	284	12%
CreateTO	16,831	16,041	(790)	-5%
Toronto & Region Conservation Authority	5,466	5,466	(0)	0%
Toronto Transit Commission - Conventional	811,227	790,117	(21,109)	-3%
Toronto Transit Commission - Wheel Trans	5,995	4,993	(1,002)	-17%
Toronto Police Service	144,210	158,447	14,237	10%
Toronto Police Services Board	1,076	842	(234)	-22%
<b>TOTAL - AGENCIES</b>	<b>1,382,343</b>	<b>1,344,654</b>	<b>(37,689)</b>	<b>-3%</b>
<b>Corporate Accounts</b>				
Capital From Current	150,000	150,000	0	n/a
Technology Sustainment	0	0	0	n/a
Debt Charges	82,908	120,331	37,422	45%
<b>Capital &amp; Corporate Financing</b>	<b>232,908</b>	<b>270,331</b>	<b>37,422</b>	<b>16%</b>
<b>Non-Program Expenditures</b>				
Tax Deficiencies / Write Offs	0	0	0	n/a
Tax Increment Equivalent Grants (TIEG)	0	0	0	n/a
Assessment Function (MPAC)	0	0	0	n/a
Funding of Employee Related Liabilities	0	0	0	n/a
Other Corporate Expenditures	56,625	57,634	1,009	2%
Programs Funded from Reserve Funds	155,442	169,195	13,753	9%
Heritage Property Taxes Rebate	0	0	0	n/a
Solid Waste Management Rebates	0	0	0	n/a
Tax Increment Funding (TIF)	0	0	0	n/a
<b>Non-Program Expenditures</b>	<b>212,067</b>	<b>226,830</b>	<b>14,763</b>	<b>7%</b>
<b>Non-Program Revenue</b>				
Payments in Lieu of Taxes	95,379	101,051	5,672	6%
Supplementary Taxes	40,353	45,309	4,956	12%
Tax Penalty Revenue	36,900	51,326	14,426	39%
Interest/Investment Earnings	104,503	71,328	(33,176)	-32%
Other Corporate Revenues	8,193	22,967	14,774	180%
Provincial Gas Tax	0	0	0	n/a
COVID -19 Recovery	1,399,071	867,411	(531,660)	-38%
Dividend Income	79,000	84,600	5,600	7%
Provincial Revenue	91,600	91,600	0	0%
Municipal Land Transfer Tax	947,691	1,042,365	94,675	10%
Third Party Sign Tax	9,517	9,670	153	2%
Parking Authority Revenues	7,080	21,860	14,780	209%
Admin Support Recoveries - Water	18,973	18,973	0	0%
Admin Support Recoveries - Health & EMS	11,821	11,821	0	0%
Parking Tag Enforcement & Operations Rev	89,433	102,636	13,203	15%
Other Tax Revenues	10,659	10,666	8	0%
Municipal Accommodation Tax (MAT)	16,875	57,803	40,928	243%
Casino Woodbine Revenues	7,254	24,740	17,486	241%
<b>Non-Program Revenues</b>	<b>2,974,302</b>	<b>2,636,128</b>	<b>(338,174)</b>	<b>-11%</b>
<b>TOTAL - CORPORATE ACCOUNTS</b>	<b>3,419,277</b>	<b>3,133,289</b>	<b>(285,989)</b>	<b>-8%</b>
<b>TOTAL TAX SUPPORTED PROGRAMS / AGENCIES</b>	<b>8,620,386</b>	<b>8,022,973</b>	<b>(597,413)</b>	<b>-7%</b>
<b>RATE SUPPORTED PROGRAMS</b>				
Solid Waste Management Services	391,057	403,660	12,603	3%
Toronto Parking Authority	120,301	129,328	9,027	8%
Toronto Water	1,447,082	1,475,655	28,574	2%
<b>TOTAL RATE SUPPORTED PROGRAMS</b>	<b>1,958,440</b>	<b>2,008,643</b>	<b>50,203</b>	<b>3%</b>

Staff report for action on Operating Variance Report for the Twelve Months  
Ended December 31, 2022

## Appendix D – Authorized Spending on Obligations and Reserve Allocations

<b>Authorized Spending -Tax &amp; Rate Supported Programs &amp; Agencies</b>	
<b>Category</b>	<b>\$Millions</b>
<b>Legislative / Council Directed 2022 Year-End Adjustments:</b>	
Building Code Act Service Improvement Reserve Fund	(26.05)
City Planning Development Application Review Reserve Fund	(38.56)
<i>Sub-Total</i>	<i>(64.61)</i>
<b>Authorized Spending:</b>	
Vehicle Reserve - IT Sustainment XQ1508	2.75
PFR - Vehicle Reserve XQ1201	2.00
Debt Servicing Stabilization Reserve XQ0709	7.87
Election Reserve XR1017	14.00
Council Transition Reserve XQ0010	0.54
Police Vehicle & Equipment reserve XQ1701	6.40
Tax Rate Stabilization Reserve XQ0703	85.41
<i>Sub-Total</i>	<i>(118.97)</i>
<b>Total Tax Supported Programs 2022 Year-End Adjustments</b>	<b>(183.58)</b>

### Allocation Commentary

#### ***Legislative / Council Directed Requirements***

##### **Building Code Act Service Improvement Reserve Fund:**

In compliance with Section 7 of the Building Code Act, the net operating favourable variance of \$26.1 million for Toronto Building operations must be contributed to the Building Code Act Service Improvement Reserve Fund. Section 7 of the Act stipulates that the total amount of authorized fees collected must not exceed the anticipated reasonable costs to administer and enforce this Act. It also requires the establishment of an obligatory reserve fund to manage fluctuations in volumes of permit activity and allow for investments in service delivery improvements to meet new legislative requirements of the Act regarding the collection of permit fees, expenditures and related reporting requirements.

##### **City Planning Development Application Review Reserve Fund**

City Council adopted a report entitled: "Development Application Review Fees", which among other things, increased development application fees to fully recover the City's cost of delivering this service. Included in these costs is the amortized capital cost for replacement of capital

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assets that support the development application review activity. In accordance with City Council's direction, \$38.6 million of the operating surplus from development application review fees will be transferred to the City Planning Development Application Review Reserve Fund.

### ***Authorized Spending:***

**Vehicle Reserve - IT Sustainment:** This reserve is responsible for holding funds delegated to IT expenses, for ongoing servicing and replacement costs. This allocation of \$2.75 million addresses Microsoft 365 payment requirements for license shortfalls, and is required for June 1 of 2023.

**PFR - Vehicle Reserve:** This reserve is responsible for funding the purchase of vehicles required by the Parks, Forestry and Recreation program for daily operation. The State of Good Repair backlog continues to increase. Out of the 1652 fleet units in use by PFR today, 511 units with an estimated replacement cost of \$55 million are beyond their expected life span and in need of replacement.

**Debt Servicing Stabilization Reserve:** This reserve was established to mitigate against the rising cost of capital. With increasing interest rates; challenges securing long term investments for long term debts; and rising cost of capital work, it is critical to allocate a sufficient amount to this reserve.

**Election Reserve:** This reserve was set up to fund the cost of holding a city council and mayoral election. With a scheduled election carried out in 2022, the reserve fund requires an additional allocation to deliver the Mayoral by-election in June 2023.

**Council Transition Reserve:** This reserve funds the end of Council term transition costs including severance for Members of Council and their staff, salary and benefits of transition team, and set-up of offices. This allocation is specific to the Mayor's Office staff severance and Mayoral transition team which are estimated at \$0.7 million

**Police Vehicle & Equipment Reserve:** This reserve was established to fund the lifecycle replacement of the Toronto Police Service's fleet of vehicles, information technology equipment and various other equipment items. One of Toronto Police Service's locations suffered from an extensive damage to their equipment, which was not fully covered by building's insurance. To ensure that there is sufficient funding to support replacement of this equipment, it is recommended that a one-time contribution of \$6.4 million be directed to the Police Vehicle and Equipment Reserve.

**Tax Rate Stabilization Reserve:** This reserve fund has been set up to provide stability to the tax payer, to ensure tax rates do not fluctuate based on normal budget variances in operations. With the occurrence of COVID-19 related pressures and a funding shortfall from other levels of government, a portion of this fund is now dedicated to offsetting those pressures. This \$85.41 million allocation will be set aside for future unfunded COVID-19 pressures as part of the COVID-19 backstop strategy.

## Appendix E

**CITY OF TORONTO**  
**In Year Budget Adjustments Made During Council Recess**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2022**  
**( \$000s )**

	Gross Expenditure	Revenue	Net Expenditure	Position	2023 Incremental Outlook (Net)
<b><u>CFO Delegated Authority: Operating Budget Adjustments</u></b>					
<b>Community and Social Services</b>					
<b>Court Services</b>					
Request to increase the Council approved complement of Court Services by 2.0 positions –Manager, Business Planning Performance & Intelligence and Senior Manager, Court Operations & Tribunals with the Salaries and Benefits for these positions fully offset in current and future years by a permanent reallocation from the Other Expenditures Budget line item for a net zero impact to the City. The request is pursuant to consultant recommended organizational changes in Court Services which includes the creation of a new section supporting strategic planning, transformation initiatives and data analytics under the leadership of a Manager, Business Planning Performance and Intelligence, and the creation of a Senior Manager position accountable for all aspects of operational performance for the administration of POA courts and tribunals.	0.0	0.0	0.0	2.0	0.0
<b>Total Court Services</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>
<b>Total Community and Social Services</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>
<b>Infrastructure and Development Services</b>					
<b>Transit Expansion</b>					
The Transit Expansion division requires two (2) additional resources to support financial oversight of transit agreements. In order to streamline the Metrolinx transit resource billing process, the division will seek to consolidate the Metrolinx transit billing process resulting in greater billing volumes. Positions will be funded by Metrolinx, with no financial impact to TEO.	96.9	96.9	0.0	2.0	0.0
The Transit Expansion division requires to delete three (3) Research Associate positions and create three (3) Project Coordinator positions. The Project Coordinator positions will liaise and facilitate effective communication and coordination between City of Toronto divisions and Metrolinx for the implementation of the GO Expansion, SmartTrack, Rapid Transit and Subway Program.	9.3	9.3	0.0	0.0	0.0
<b>Total Transit Expansion</b>	<b>106.2</b>	<b>106.2</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>
<b>Total Infrastructure and Development Services</b>	<b>106.2</b>	<b>106.2</b>	<b>0.0</b>	<b>2.0</b>	<b>0.0</b>
<b>Total City Programs</b>	<b>106.2</b>	<b>106.2</b>	<b>0.0</b>	<b>4.0</b>	<b>0.0</b>



## Agencies

### Toronto Transit Commission - Conventional

At the February 10, 2022 board meeting the TTC Board approved 12 temporary capital positions to support the Queen Streetcar Infrastructure work for the Ontario Line Project, with the total cost to be recovered from Metrolinx.

0.0      0.0      0.0      12.0      0.0

At the April 14, 2022 board meeting the TTC Board approved 3 temporary operating positions related to the Pattison advertising contract, with the total cost to be absorbed in year through underspending. Temporary positions end December 2022, and will have no impact to future budget years.

0.0      0.0      0.0      3.0      0.0

### Total Toronto Transit Commission - Conventional

**0.0      0.0      0.0      15.0      0.0**

### Total Agencies

**0.0      0.0      0.0      15.0      0.0**

### Total Tax Supported Operations

**106.2      106.2      0.0      19.0      0.0**

### Total City Operations

**106.2      106.2      0.0      19.0      0.0**

## CFO Delegated Authority: Intergovernmental Funding Opportunities

### Seniors Services and Long-Term Care

To increase the 2022 Approved Operating Budget for Seniors Services and Long-Term Care by \$1.077 million gross, \$0 net and 9.85 permanent positions (annualized 10.8 permanent positions), fully funded by the Ministry of Long-Term Care to establish a new designated behavioural specialized unit (BSU) at the long-term care home at Bendale Acres. These changes will have \$0 net impact to the city in 2023 and in future years.

1,076.7      1,076.7      0.0      9.9      0

### Total Seniors Services and Long-Term Care

**1,076.7      1,076.7      0.0      9.9      0.0**

### Children's Services

This In-year Budget Adjustment amends the 2022 Operating Budget for Children's Services to reflect the amendment made by the Province to its existing transfer payment agreement with the City to provide a new and on-going investment of \$199.1 million in 2022 to support fee reductions, workforce compensation and costs to manage and deliver the Canada-Wide Early Learning and Child Care (CWELCC) system. In addition, the Province has published an addendum to the Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline which outlines the requirements of the funding, including obligations for Children's Services.

199,106.6      199,106.6      0.0      0.0      0.0

### Total Children's Services

**199,106.6      199,106.6      0.0      0.0      0.0**

### Total City Operations

**200,183.3      200,183.3      0.0      9.9      0.0**

## Appendix F: Community and Social Services Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Housing Secretariat	4-Month	19.3		(21.0)		(1.7)		Ⓞ
	6-Month	41.0	▲	(41.6)	▼	(0.7)	▲	Ⓞ
	9-Month	54.3	▲	(53.4)	▼	0.9	▲	Ⓞ
	12-Month	53.1	▼	(49.6)	▲	3.5	▲	Ⓞ
Children's Services	4-Month	(4.8)		5.2		0.4		Ⓞ
	6-Month	9.7	▲	(8.7)	▼	1.0	▲	Ⓞ
	9-Month	(48.6)	▼	50.6	▲	2.0	▲	Ⓞ
	12-Month	48.5	▲	(47.6)	▼	0.8	▼	Ⓞ
Court Services	4-Month	1.4		(4.2)		(2.8)		Ⓞ
	6-Month	2.2	▲	(4.3)	—	(2.1)	▲	Ⓞ
	9-Month	3.0	▲	(4.5)	▼	(1.6)	▲	Ⓞ
	12-Month	3.7	▲	(3.0)	▲	0.7	▲	Ⓞ
Economic Development & Culture	4-Month	0.9		1.2		2.2		Ⓞ
	6-Month	3.5	▲	1.4	▲	4.8	▲	Ⓞ
	9-Month	4.5	▲	(1.3)	▼	3.3	▼	Ⓞ
	12-Month	9.0	▲	(7.0)	▼	2.0	▼	Ⓞ
Fire Services	4-Month	(11.8)		3.6		(8.2)		Ⓢ
	6-Month	(13.7)	▼	4.3	▲	(9.3)	▼	Ⓞ
	9-Month	(21.2)	▼	6.5	▲	(14.7)	▼	Ⓞ
	12-Month	(30.3)	▼	6.0	▼	(24.3)	▼	Ⓞ
Toronto Paramedic Services	4-Month	(0.4)		(0.2)		(0.6)		Ⓞ
	6-Month	0.7	▲	0.3	▲	0.9	▲	Ⓞ
	9-Month	1.9	▲	(5.5)	▼	(3.5)	▼	Ⓞ
	12-Month	4.6	▲	1.9	▲	6.4	▲	Ⓞ
Seniors Services and Long-Term Care	4-Month	(4.7)		4.0		(0.7)		Ⓞ
	6-Month	(7.3)	▼	7.1	▲	(0.2)	▲	Ⓞ
	9-Month	(13.5)	▼	12.0	▲	(1.5)	▼	Ⓞ
	12-Month	(23.4)	▼	25.6	▲	2.2	▲	Ⓞ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Parks, Forestry & Recreation	4-Month	9.8		(7.5)		2.3		Ⓒ
	6-Month	23.0	▲	(3.8)	▲	19.1	▲	Ⓒ
	9-Month	29.0	▲	(13.0)	▼	16.0	▼	Ⓒ
	12-Month	43.6	▲	(32.8)	▼	10.8	▼	Ⓒ
Shelter, Support & Housing Administration	4-Month	(10.3)		(13.2)		(23.5)		Ⓒ
	6-Month	(11.0)	▼	(22.8)	▼	(33.8)	▼	Ⓓ
	9-Month	(22.3)	▼	(37.5)	▼	(59.8)	▼	Ⓓ
	12-Month	(83.6)	▼	77.5	▲	(6.0)	▲	Ⓒ
Social Development, Finance & Administration	4-Month	6.0		0.9		6.9		Ⓒ
	6-Month	8.4	▲	0.6	▼	9.1	▲	Ⓕ
	9-Month	24.4	▲	0.7	—	25.1	▲	Ⓕ
	12-Month	8.0	▼	(0.9)	▼	7.0	▼	Ⓒ
Toronto Employment & Social Services	4-Month	91.4		(83.2)		8.2		Ⓒ
	6-Month	130.8	▲	(122.7)	▼	8.1	▼	Ⓕ
	9-Month	190.6	▲	(176.9)	▼	13.7	▲	Ⓕ
	12-Month	242.7	▲	(222.4)	▼	20.3	▲	Ⓕ
Sub-Total Community and Social Services	4-Month	108.7		(118.0)		(9.3)		Ⓒ
	6-Month	187.3	▲	(190.2)	▼	(3.0)	▲	Ⓒ
	9-Month	202.2	▲	(222.3)	▼	(20.1)	▼	Ⓒ
	12-Month	275.9	▲	(252.4)	▼	23.5	▲	Ⓒ

Year End      85% to 105%    0% to 85%    >105%

Ⓒ      Ⓕ      Ⓓ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix F: Community and Social Services

### Year End Results

**Housing Secretariat:**

Favourable net variance of \$3.5 million primarily in salary and benefits and savings arising from project delays for tax funded programs. These savings are partially offset for subsidy programs due to timing of payments to housing providers and reduced settlements for social housing programs. There are project delays for programs supported by other levels of government, however these delays do not result in a net variance as expenditure savings are offset by reduced revenue recognition of subsidies.

**Children's Services:**

Favourable net of \$0.8 million is primarily due to under spending in the federally and provincially funded programs, including the Federal Early Childhood Workforce, and Canada-Wide Early Learning and Child Care (CWELCC) agreements, with corresponding reductions in associated revenues reflecting reduced service demand throughout the pandemic. As well, underspending in salaries and benefits results from higher than anticipated staff turnover, and broader workforce recruitment and retention challenges in the early learning and child care sector.

**Court Services:**

Favourable net expenditure variance of \$0.7 million mainly attributable to lower than plan non-salary expenditures and vacancy savings partially offset by under achieved revenues attributable to lower than plan charge volumes.

**Economic Development & Culture:**

Economic Development and Culture reported a favourable net expenditure of \$2.0 million driven by a favourable gross expenditure variance of \$9.0 million from savings in salary and benefits resulting from vacancies and natural turnover throughout the year, as well as a slower start on the multi-year projects Mainstreet Recovery and Rebuild Initiative (MRRRI) and Indigenous Centre for Innovation and Entrepreneurship (ICIE) which received federal funding, and lower uptake for the Toronto Significant Event Investment Program (TSEIP). An unfavourable revenue variance of \$7.0 million due to lower recovery on inter-governmental funded programs, as well as unachieved revenues for the new Film Permit fee and sponsorship for events and programs. A large portion of unfavourable revenues were zero net impact. Film Parking Permits and Development Application Review Planning (DARP) fees resulted in higher than budget. These additional revenues and the above under-expenditures were able to help offset reduced sponsorship and increased costs associated with City events.

**Fire Services:**

Unfavourable net expenditure variance of \$24.3 million is attributable to higher salaries and benefits related to overtime to ensure fire stations were adequately staffed, in addition to higher WSIB costs; partially offset by vacancy and benefits savings due to retirements and a drop in LTD premiums, lower-than-budgeted non-salary expenses, and overachieved revenue resulting from higher volumes in false alarm charges and development application review fees.

**Toronto Paramedic Services:**

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

Favourable net expenditure variance of \$6.4 million primarily attributable to underspending in salaries and benefits as a result of higher-than-anticipated attrition, partially offset by pressures in overtime and higher WSIB costs due to continued impacts from COVID and corresponding protocols; in addition to greater-than-budgeted provincial funding, partially offset by lower-than-budgeted reserve fund transfers and sundry revenue.

**Seniors Services and Long-Term Care:**

Favourable net expenditure variance of \$2.2 million is due to unplanned emergency and pandemic relief funding received from the Province to offset COVID-19 costs and lower than planned expenditures for community based programming, partially offset by higher than planned extraordinary and ongoing incremental costs in response to COVID-19.

**Parks, Forestry & Recreation:**

Parks, Forestry and Recreation has experienced a favourable net variance of \$10.8 million consisting of a favourable gross expenditure variance of \$43.6 million partially offset by an unfavourable revenue variance of \$32.8 million driven primarily by continued COVID-19 related pressures on program utilization and lingering staffing challenges. For these reasons, favourable gross expenditure variance was driven from underspending for salaries & benefits, reduced operational costs in services & rents, and savings in contributions & transfers resulting from lower than expected utilization of Welcome Policy subsidy and volume of activities. Unfavourable revenue variance was driven from lower registration sales, ice permits and other revenues.

**Shelter, Support & Housing Administration:**

Unfavourable net expenditure variance of \$6.0 million primarily attributed to higher than anticipated expenditures in the COVID-19 response due to Omicron and higher costs due to City's response to those affected by the ongoing crisis in Ukraine partially offset by underspending in Operating Impact of Capital and receipt of unplanned provincial revenues.

**Social Development, Finance and Administration:**

Favourable net expenditure variance of \$7.0 million is primarily due to underspending in the Transit Fare Equity program due to lower ridership and underspending in salaries and benefits due to vacancies.

**Toronto Employment & Social Services:**

Favourable net expenditure variance of \$20.3 million reflects lower than expected Ontario Works (OW) caseload, which resulted in lower issuances of financial, medical, and employment benefits, as well, lower program delivery costs from frontline staff and lower-than-budgeted expenditures based provincial subsidies and reserve draws. Since the wind-up of the Canadian Recovery Benefit (CRB) in the fall of 2021, the OW caseload has increased slowly but steadily, ending the year at 78,200. The average monthly caseload for 2022 was 73,415, 17,585 or 19.3% lower than budget.

## Appendix F: Infrastructure and Development Services Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
City Planning	4-Month	0.7		4.3		5.1		Ⓚ
	6-Month	1.3	▲	10.0	▲	11.3	▲	Ⓚ
	9-Month	2.8	▲	14.2	▲	17.0	▲	Ⓚ
	12-Month	3.9	▲	34.7	▲	38.6	▲	Ⓚ
Office of Emergency Management	4-Month	(0.0)		0.3		0.3		Ⓚ
	6-Month	0.2	▲	0.3	—	0.5	▲	Ⓚ
	9-Month	0.4	▲	0.3	—	0.7	▲	Ⓚ
	12-Month	0.2	▼	(0.0)	▼	0.2	▼	Ⓞ
Municipal Licensing & Standards	4-Month	0.1		1.4		1.5		Ⓚ
	6-Month	1.1	▲	1.2	▼	2.4	▲	Ⓚ
	9-Month	0.7	▼	3.9	▲	4.6	▲	Ⓚ
	12-Month	6.3	▲	1.7	▼	8.0	▲	Ⓚ
Policy, Planning, Finance & Administration	4-Month	0.1		0.1		0.2		Ⓚ
	6-Month	0.2	▲	0.1	—	0.3	▲	Ⓞ
	9-Month	0.1	▼	0.1	—	0.2	▼	Ⓞ
	12-Month	0.1	—	(0.0)	▼	0.0	▼	Ⓞ
Engineering & Construction Services	4-Month	1.4		(1.0)		0.4		Ⓚ
	6-Month	2.5	▲	(1.2)	▼	1.4	▲	Ⓚ
	9-Month	3.6	▲	0.0	▲	3.7	▲	Ⓚ
	12-Month	4.6	▲	2.5	▲	7.1	▲	Ⓚ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Building	4-Month	4.5		(1.2)		3.4		Ⓚ
	6-Month	7.3	▲	(0.1)	▲	7.2	▲	Ⓜ
	9-Month	11.7	▲	(0.7)	▼	11.0	▲	Ⓜ
	12-Month	17.9	▲	8.1	▲	26.1	▲	Ⓜ
Transportation Services	4-Month	(18.8)		(2.9)		(21.7)		Ⓚ
	6-Month	(11.2)	▲	(11.8)	▼	(22.9)	▼	Ⓜ
	9-Month	5.2	▲	(24.4)	▼	(19.2)	▲	Ⓜ
	12-Month	(1.2)	▼	(31.7)	▼	(32.9)	▼	Ⓜ
Transit Expansion	4-Month	0.7		0.9		1.5		Ⓚ
	6-Month	1.1	▲	0.5	▼	1.6	▲	Ⓚ
	9-Month	2.0	▲	0.3	▼	2.3	▲	Ⓚ
	12-Month	3.0	▲	(1.9)	▼	1.1	▼	Ⓚ
Sub-Total Infrastructure and Development Services	4-Month	(23.1)		5.6		(17.6)		Ⓚ
	6-Month	2.6	▲	(0.8)	▼	1.8	▲	Ⓞ
	9-Month	26.5	▲	(6.3)	▼	20.2	▲	Ⓞ
	12-Month	34.8	▲	13.4	▲	48.2	▲	Ⓚ

Year End      35% to 105%    0% to 85%    >105%

Ⓞ      Ⓚ      Ⓜ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

# Appendix F: Infrastructure and Development Services

## Year End Results

<p><b>City Planning:</b> City Planning has a favourable net expenditure variance of \$38.6 million comprised of favourable expenditure variance of \$3.9 million mainly due to underspending in salaries and benefits, resulting from vacancies, partially offset by higher equipment, professional and other expenses including attending and defending the City's position at the Ontario Land Tribunal and/or the Toronto Local Appeal Tribunal hearings. Favourable revenue variance of \$34.7 million mainly due to higher development application review and other fees, offset by lower capital, reserve fund and other recoveries for projects, due to vacancies.</p>
<p><b>Office of Emergency Management:</b> Favourable net variance of \$0.2 million is comprised of underspending in software maintenance, savings in services and rents and in materials and supplies. These savings are partially offset by over expenditures in furnishings and salaries and benefits reflecting the impact of COVID related overtime.</p>
<p><b>Municipal Licensing &amp; Standards:</b> MLS has a favourable net expenditure variance of \$8.0 million comprised of an under-expenditure of \$6.3 million mainly from: \$3.7 million in accessibility program grants linked to declining application volumes for the Accessibility Fund and undisbursed grants, \$2.8 million in salaries and benefits due to vacancies, and \$0.2 million in contracted services spending for renovations costs. These under expenditures are partially offset by over-expenditures of \$0.4 million in unanticipated spending to conduct a business licensing digitization study, acquire noise meters to support the Noise Enforcement, and system related interface costs. Over-achieved revenue of \$1.7 million is primarily comprised: \$3.1 million in Private Transportation Companies trip fees due to increasing trip volumes, \$1.2 million in business licences and \$1.7 million in gaming services revenues due to continued increased demand. These over-achieved revenues are partially offset by \$4.3 million in reserve recoveries linked to declining Accessibility Fund program and grant applications and lower fees &amp; services charges due to lower inspection volumes and audit fees for RentSafeTO.</p>
<p><b>Policy, Planning, Finance &amp; Administration:</b> PPFA experienced a favourable net revenue and expenditure variance of \$40 thousand primarily driven by lower materials, supplies, equipment and services expenditure.</p>
<p><b>Engineering and Construction Services:</b> Favourable net variance of \$7.1 million consists of favourable expenditure variance of \$4.6 million primarily due to underspending in salaries and benefits due to vacant positions as a result of a highly competitive market for engineering professionals. Favourable revenue variance of \$2.5 million primarily due to; higher development application review fees as a result of higher volumes of development applications and offset by lower capital recoveries for salaries and benefits due to vacancies.</p>

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022



**Toronto Building:**

Favourable variance of \$26.1 million driven by favourable gross expenditure variance of \$17.9 million mainly due to underspending in salaries and benefits (\$14.8 million) as a result of vacant positions, underspending in equipment (\$1.6 million) due to less than expected spending in the contingency provision for Metrolinx funded subway positions (\$0.6 million), and lower than expected furnishings as a result of vacancies (\$0.8 million), and underspending in services and rents (\$1.8 million) mainly due to delayed record centre renovation project (\$0.7 million), contingency for remedial action costs (\$0.5 million), and training (\$0.3 million).

Revenues were overachieved by \$8.1 million mainly due to higher than expected building permit applications and recognition of \$4.5 million revenue from carryover projects. This is partially offset by lower than budgeted contributions from reserve fund and other recovery related to underspending in record centre renovation and the reserve funded positions (\$8.6 million), and underspending in remedial action recovery and Metrolinx projects (\$2.9 million).

**Transportation Services:**

Unfavourable net variance of \$32.9 million consists of an unfavourable expenditure variance due to \$38.3 million in over-spending in winter maintenance contracts due to severe snow storms. This is partially offset by under-spending in other expenses, resulting in a \$1.2 million gross expense unfavorable variance.

Unfavourable revenue variance of \$31.7 million primarily due to short-falls in utility cut repair revenues, recoveries for positions funded from capital due to vacancies, and automated enforcement and red light camera from other municipalities experiencing high staff vacancies. This was partially offset by higher revenues for right-of-way construction permits being reinstated after City's reopening.

**Transit Expansion:**

Favourable net variance of \$1.1 million consists of favourable expenditure variance of \$3.0 million primarily due to underspending in salaries and benefits due to vacant positions as a result of a highly competitive market for professionals.

Unfavourable revenue variance of \$1.9 million primarily due to; lower capital recoveries and lower Metrolinx recoveries for salaries and benefits due to vacancies.

## Appendix F: Finance and Treasury Services Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Office of the Chief Financial Officer and Treasurer	4-Month	0.2		(0.0)		0.2		Ⓞ
	6-Month	0.5	▲	(0.2)	▼	0.3	▲	Ⓞ
	9-Month	0.7	▲	(0.3)	▼	0.4	▲	Ⓞ
	12-Month	1.1	▲	(0.5)	▼	0.6	▲	Ⓞ
Office of the Controller	4-Month	4.1		(0.9)		3.2		Ⓨ
	6-Month	6.2	▲	(2.5)	▼	3.7	▲	Ⓨ
	9-Month	9.7	▲	(4.7)	▼	4.9	▲	Ⓨ
	12-Month	12.8	▲	(4.3)	▲	8.5	▲	Ⓨ
Sub-Total Finance and Treasury Services	4-Month	<b>4.3</b>		<b>(0.9)</b>		<b>3.4</b>		Ⓨ
	6-Month	<b>6.6</b>	▲	<b>(2.7)</b>	▼	<b>4.0</b>	▲	Ⓨ
	9-Month	<b>10.4</b>	▲	<b>(5.0)</b>	▼	<b>5.4</b>	▲	Ⓞ
	12-Month	13.9	▲	(4.8)	▲	9.1	▲	Ⓨ

Year End      35% to 105%   0% to 85%   >105%

Ⓞ	Ⓨ	Ⓡ
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Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix F Finance and Treasury Services

### Year End Results

**Office of the Chief Financial Officer & Treasurer:**

Favourable net expenditure variance of \$0.6 million is mainly attributable to underspending in salaries & benefits resulting from vacancies and that the Short-Term Promissory Note Program was not implemented due to unfavourable market conditions, timing, and resources limitation.

**Office of the Controller:**

Favourable net variance of \$8.5 million is primarily driven by net underspending in salaries and benefits (\$9.1 million) due to vacancies partially offset by the pause of Late Payment and Vendor Discount revenue programs due to COVID-19 impacts (\$0.5 million).

## Appendix F: Corporate Services Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Corporate Real Estate Management	4-Month	(2.3)		1.8		(0.5)		Ⓜ
	6-Month	2.1	▲	(0.1)	▼	2.0	▲	Ⓞ
	9-Month	1.1	▼	(3.5)	▼	(2.4)	▼	Ⓞ
	12-Month	(2.7)	▼	1.9	▲	(0.8)	▲	Ⓞ
Environment & Climate	4-Month	0.4		(0.0)		0.4		Ⓜ
	6-Month	0.2	▼	(0.6)	▼	(0.3)	▼	Ⓡ
	9-Month	0.7	▲	(0.6)	—	0.1	▲	Ⓞ
	12-Month	2.0	▲	(2.6)	▼	(0.6)	▼	Ⓞ
Fleet Services	4-Month	(2.0)		(0.5)		(2.5)		Ⓜ
	6-Month	(3.0)	▼	(1.2)	▼	(4.2)	▼	Ⓡ
	9-Month	(5.8)	▼	(2.1)	▼	(7.9)	▼	Ⓡ
	12-Month	(6.6)	▼	(2.8)	▼	(9.4)	▼	Ⓡ
Office of the Chief Information Security Officer	4-Month	1.5		0.0		1.5		Ⓜ
	6-Month	5.7	▲	0.0	—	5.7	▲	Ⓜ
	9-Month	11.2	▲	0.0	—	11.2	▲	Ⓜ
	12-Month	23.6	▲	(5.0)	▼	18.6	▲	Ⓜ
Technology Services	4-Month	3.3		(1.3)		2.0		Ⓜ
	6-Month	10.1	▲	(2.1)	▼	8.0	▲	Ⓞ
	9-Month	12.0	▲	(4.1)	▼	7.9	▼	Ⓞ
	12-Month	14.7	▲	(8.9)	▼	5.9	▼	Ⓞ
311 Toronto	4-Month	(0.2)		(0.0)		(0.2)		Ⓜ
	6-Month	(0.1)	▲	(0.0)	—	(0.1)	▲	Ⓞ
	9-Month	0.1	▲	(0.1)	▼	(0.1)	▲	Ⓞ
	12-Month	0.4	▲	(0.4)	▼	0.1	▲	Ⓞ
Sub-Total Corporate Services	4-Month	<b>0.7</b>		<b>0.0</b>		<b>0.7</b>		Ⓜ
	6-Month	<b>15.0</b>	▲	<b>(4.0)</b>	▼	<b>11.0</b>	▲	Ⓞ
	9-Month	<b>19.3</b>	▲	<b>(10.4)</b>	▼	<b>8.8</b>	▼	Ⓞ
	12-Month	31.5	▲	(17.8)	▼	13.8	▲	Ⓞ

Year End      35% to 105%    0% to 85%    >105%

Ⓞ      Ⓜ      Ⓡ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix F

### Corporate Services

#### Year End Results

<p><b>Corporate Real Estate Management</b> Unfavourable net variance of \$0.8 million is primarily driven by increased property taxes due to reassessment, increased security services to support Toronto Parking Authority (TPA), and unbudgeted personal protective equipment (PPE) costs related to the pandemic. This is partially offset by underspending in salaries and benefits from vacancies, lower utility and maintenance costs due to work-from-home measures; and the over-collection of rental revenues for the recovery of said property taxes and security services.</p>
<p><b>Environment &amp; Climate:</b> Unfavourable year-end net variance of \$0.6 million primarily driven by higher spending in contracted services with respect to pilot projects with CreateTO and outreach activities and programs given declining COVID-19 pandemic restriction and only partially offset by underspend in salaries &amp; benefits as a result of vacancies.</p>
<p><b>Fleet Services:</b> Unfavourable year-end net expenditure variance of \$9.4 million is primarily due to inflationary pressures on fuel prices and costs related to parts and maintenance services as well as lower inter-divisional and agency recoveries partially offset by underspend in external rentals due to changing physical distancing requirements in City vehicles.</p>
<p><b>Office of the CISO</b> Favourable net variance of \$18.6 million primarily driven by underspending in Salaries &amp; Benefits from recruitment challenges attributed to global cyber resource shortage, and delays in large cyber procurement initiatives also due to both the resource shortage and prolonged vendor negotiations; partially offset by unused reserve funding no longer required as a result of the project delays.</p>
<p><b>Technology Services:</b> Closed 2022 with a favourable gross expenditure of \$14.7 million, mainly due to vacancies, given a competitive labour market across North America and a recalibration in corporate-wide solution implementations driven by global supply chain backlogs. The favourable expenditure variance is partially offset by lower recoveries from capital in revenue for an overall favourable net expenditure variance of \$5.9 million.</p>
<p><b>311 Toronto:</b> 311 Toronto experienced a net favourable variance of \$0.1 million for the year ended December 31, 2022, mainly attributable to underspending in salary and benefits.</p>

## Appendix F: City Manager's Office Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
City Manager's Office	4-Month	(0.5)		(0.9)		(1.3)		Ⓜ
	6-Month	2.4	▲	(1.5)	▼	0.9	▲	Ⓞ
	9-Month	8.2	▲	(5.3)	▼	2.9	▲	Ⓞ
	12-Month	14.2	▲	(9.7)	▼	4.5	▲	Ⓞ
Sub-Total City Manager	4-Month	(0.5)		(0.9)		(1.3)		Ⓜ
	6-Month	2.4	▲	(1.5)	▼	0.9	▲	Ⓞ
	9-Month	8.2	▲	(5.3)	▼	2.9	▲	Ⓞ
	12-Month	14.2	▲	(9.7)	▼	4.5	▲	Ⓞ

Year End      35% to 105%   0% to 85%   >105%

Ⓞ      Ⓜ      Ⓜ

### Year End Results

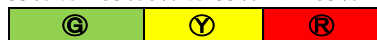
#### City Manager's Office:

Favourable net expenditure variance of \$4.5 million is mainly due to net underspending in salaries & benefits resulting from vacancies (\$3.7 million), underspending in External Training/Development expenses (\$1.1 million) as a result of more cost-effective virtual training programs, slightly offset by higher COVID-related advertising expenditures (\$0.3 million).

## Appendix F: Other City Programs Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
City Clerk's Office	4-Month	0.5		(0.5)		0.1		Ⓚ
	6-Month	1.9	▲	(1.3)	▼	0.6	▲	Ⓞ
	9-Month	4.9	▲	(3.8)	▼	1.1	▲	Ⓞ
	12-Month	5.1	▲	(3.1)	▲	1.9	▲	Ⓞ
Legal Services	4-Month	1.9		(0.8)		1.1		Ⓚ
	6-Month	3.0	▲	0.9	▲	3.8	▲	Ⓚ
	9-Month	5.4	▲	0.7	▼	6.1	▲	Ⓚ
	12-Month	5.7	▲	0.9	▲	6.5	▲	Ⓚ
Mayor's Office	4-Month	(0.0)		0.0		(0.0)		Ⓚ
	6-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
City Council	4-Month	0.8		0.0		0.8		Ⓚ
	6-Month	1.3	▲	0.0	—	1.3	▲	Ⓞ
	9-Month	2.0	▲	0.0	—	2.0	▲	Ⓞ
	12-Month	0.6	▼	(0.0)	—	0.5	▼	Ⓞ
Sub-Total Other City Programs	4-Month	3.2		(1.3)		1.9		Ⓚ
	6-Month	6.1	▲	(0.4)	▲	5.7	▲	Ⓞ
	9-Month	12.4	▲	(3.1)	▼	9.2	▲	Ⓞ
	12-Month	11.3	▼	(2.3)	▲	9.0	▼	Ⓞ

Year End 85% to 105% 0% to 85% >105%



Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix F

### Other City Programs

#### Year End Results

<p><b>City Clerk's Office:</b> A favourable net expenditure variance of \$1.9 million is due to underspend in Information Production as a result of lower client demand for printing and mailing services, and lower spending in Salaries &amp; Benefits due to vacancies.</p>
<p><b>Legal Services:</b> Favourable net variance of \$6.5 million is due to underspend in staffing costs and higher than budgeted revenues from Development Application Fees.</p>
<p><b>Mayor's Office:</b> Favourable variance of \$10 thousand is due to underspending in salaries and benefits for the year.</p>
<p><b>City Council:</b> Favourable net expenditure variance of \$0.5 million is the net underspend in Councillor Staff Salaries &amp; Benefits and Constituency Services and Office Budgets, offset by higher spending in Council General Budget due largely to higher than anticipated severance payment to Members and staff at the end of the 2018-2022 term of Council and one-time accrual of Members' severance liabilities for 2022 and prior years.</p>



**Appendix F  
Accountability Offices Year End Variance Summary**

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Auditor General's Office	4-Month	0.1		0.0		0.1		Ⓚ
	6-Month	0.4	▲	0.0	—	0.4	▲	ⓐ
	9-Month	0.8	▲	0.0	—	0.8	▲	Ⓚ
	12-Month	1.2	▲	(0.1)	▼	1.1	▲	ⓐ
Integrity Commissioner's Office	4-Month	0.0		0.0		0.0		Ⓚ
	6-Month	0.0	—	0.0	—	0.0	—	ⓐ
	9-Month	0.1	—	0.0	—	0.1	—	ⓐ
	12-Month	0.1	—	(0.1)	▼	0.0	▼	ⓐ
Office of the Lobbyist Registrar	4-Month	(0.0)		0.0		(0.0)		Ⓚ
	6-Month	(0.0)	—	0.0	—	(0.0)	—	ⓐ
	9-Month	0.0	—	0.0	—	0.0	—	ⓐ
	12-Month	0.1	▲	0.0	—	0.1	▲	ⓐ
Office of the Ombudsman	4-Month	(0.0)		0.0		(0.0)		Ⓚ
	6-Month	(0.0)	—	0.0	—	(0.0)	—	ⓐ
	9-Month	(0.0)	—	0.0	—	(0.0)	—	ⓐ
	12-Month	0.0	—	0.0	—	0.0	—	ⓐ
Sub-Total Accountability Offices	4-Month	0.1		0.0		0.1		Ⓚ
	6-Month	0.4	▲	0.0	—	0.4	▲	ⓐ
	9-Month	0.9	▲	0.0	—	0.9	▲	ⓐ
	12-Month	1.4	▲	(0.1)	▼	1.2	▲	ⓐ

Year End      35% to 105%    0% to 85%    >105%

ⓐ      Ⓚ      Ⓡ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix F

### Accountability Offices

#### Year End Results

**Auditor General's Office:**

Favourable net expenditure variance of \$1.1 million is the net of underspent Salaries & Benefits due to staff vacancies arising from challenges in recruiting and retaining highly qualified professional staff to carry out performance audits, special investigations, and information technology reviews, and underspend in Services & Rent due to the deferral of the City-wide COVID-19 Continuous Improvement audit and delays in other planned audits and projects requiring the assistance of contracted IT or investigative specialists into 2023.

**Office of the Integrity Commissioner:**

The Office fully spent its 2022 budget and experienced a net zero variance due mainly to underspend in Services & Rents and lower withdrawal from the External Legal & Investigative Expense Reserve Fund in the year.

**Office of the Lobbyist Registrar:**

Favourable net expenditure variance of \$0.1 million is due mainly to underspend in Salaries & Benefits and Services & Rent.

**Office of the Ombudsman:**

Favourable net expenditure variance of \$7 thousand is due mainly to underspend in Services and Rents, partially offset by higher spending in Salaries and Benefits for the year.

## Appendix F: Agencies Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Public Health	4-Month	(0.1)		(1.3)		(1.3)		Ⓢ
	6-Month	(3.0)	▼	2.3	▲	(0.7)	▲	Ⓞ
	9-Month	5.0	▲	(3.7)	▼	1.4	▲	Ⓞ
	12-Month	25.7	▲	(26.0)	▼	(0.4)	▼	Ⓞ
Toronto Public Library	4-Month	0.8		0.0		0.8		Ⓢ
	6-Month	1.2	▲	(0.1)	▼	1.1	▲	Ⓞ
	9-Month	0.6	▼	0.6	▲	1.1	—	Ⓞ
	12-Month	(0.7)	▼	0.8	▲	0.0	▼	Ⓞ
Association of Community Centres	4-Month	0.3		0.0		0.3		Ⓞ
	6-Month	0.3	▼	0.0	—	0.3	▼	Ⓞ
	9-Month	0.3	▲	0.1	▲	0.4	▲	Ⓞ
	12-Month	(0.1)	▼	0.1	—	0.1	▼	Ⓞ
Exhibition Place	4-Month	5.4		(7.1)		(1.6)		Ⓢ
	6-Month	4.2	▼	(5.0)	▲	(0.9)	▲	Ⓡ
	9-Month	3.1	▼	(3.2)	▲	(0.1)	▲	Ⓞ
	12-Month	1.7	▼	0.8	▲	2.5	▲	Ⓢ
Heritage Toronto	4-Month	0.1		0.1		0.2		Ⓢ
	6-Month	0.2	▲	0.1	—	0.3	▲	Ⓢ
	9-Month	0.3	▲	(0.2)	▼	0.1	▼	Ⓢ
	12-Month	0.3	—	(0.3)	▼	(0.0)	▼	Ⓞ
TO Live	4-Month	6.8		(6.1)		0.7		Ⓢ
	6-Month	7.8	▲	(7.0)	▼	0.8	▲	Ⓢ
	9-Month	11.4	▲	(10.3)	▼	1.1	▲	Ⓢ
	12-Month	11.1	▼	(11.0)	▼	0.2	▼	Ⓞ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Zoo	4-Month	1.4		0.3		1.6		Ⓢ
	6-Month	3.0	▲	1.0	▲	4.0	▲	Ⓢ
	9-Month	0.6	▼	3.8	▲	4.4	▲	Ⓢ
	12-Month	(1.9)	▼	5.9	▲	3.9	▼	Ⓢ
Arena Boards of Management	4-Month	0.1		0.2		0.3		Ⓢ
	6-Month	0.3	▲	0.3	▲	0.6	▲	Ⓢ
	9-Month	0.4	▲	0.1	▼	0.5	▼	Ⓢ
	12-Month	(0.1)	▼	0.7	▲	0.6	—	Ⓢ
Yonge-Dundas Square	4-Month	0.3		(0.2)		0.1		Ⓢ
	6-Month	0.3	—	0.3	▲	0.5	▲	Ⓢ
	9-Month	0.3	▲	0.3	—	0.7	▲	Ⓢ
	12-Month	0.4	▲	0.3	—	0.7	—	Ⓢ
CreateTO	4-Month	0.6		(0.6)		0.1		Ⓢ
	6-Month	0.2	▼	(0.2)	▲	0.0	▼	Ⓢ
	9-Month	0.5	▲	(0.5)	▼	0.0	—	Ⓢ
	12-Month	0.8	▲	(0.8)	▼	0.0	—	Ⓢ
Toronto & Region Conservation Authority	4-Month	0.0		0.0		0.0		Ⓢ
	6-Month	(0.2)	▼	0.0	—	(0.2)	▼	Ⓡ
	9-Month	0.0	▲	0.0	—	0.0	▲	Ⓞ
	12-Month	(0.0)	—	(0.0)	—	(0.0)	—	Ⓞ
Toronto Transit Commission - Conventional	4-Month	22.8		44.9		67.7		Ⓢ
	6-Month	40.5	▲	65.1	▲	105.6	▲	Ⓞ
	9-Month	78.2	▲	42.9	▼	121.1	▲	Ⓞ
	12-Month	81.3	▲	(21.1)	▼	60.2	▼	Ⓞ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Toronto Transit Commission - Wheel Trans	4-Month	3.7		(0.0)		3.7		Ⓚ
	6-Month	5.3	▲	(0.3)	▼	5.0	▲	ⓐ
	9-Month	9.5	▲	(0.8)	▼	8.7	▲	ⓐ
	12-Month	13.4	▲	(1.0)	▼	12.4	▲	ⓐ
Toronto Police Service	4-Month	(12.2)		0.9		(11.3)		Ⓚ
	6-Month	1.4	▲	(39.9)	▼	(38.5)	▼	Ⓡ
	9-Month	(12.3)	▼	20.4	▲	8.0	▲	ⓐ
	12-Month	(12.4)	▼	14.2	▼	1.8	▼	ⓐ
Toronto Police Services Board	4-Month	0.4		(0.4)		0.0		Ⓚ
	6-Month	0.5	▲	(0.5)	▼	(0.0)	—	ⓐ
	9-Month	0.7	▲	(0.8)	▼	(0.1)	—	Ⓡ
	12-Month	0.2	▼	(0.2)	▲	0.0	▲	ⓐ
<b>Total - Agencies</b>	<b>4-Month</b>	<b>30.3</b>		<b>30.8</b>		<b>61.2</b>		<b>Ⓚ</b>
	<b>6-Month</b>	<b>61.8</b>	<b>▲</b>	<b>16.1</b>	<b>▼</b>	<b>77.9</b>	<b>▲</b>	<b>ⓐ</b>
	<b>9-Month</b>	<b>98.6</b>	<b>▲</b>	<b>48.8</b>	<b>▲</b>	<b>147.4</b>	<b>▲</b>	<b>ⓐ</b>
	<b>12-Month</b>	<b>116.7</b>	<b>▲</b>	<b>(37.7)</b>	<b>▼</b>	<b>79.0</b>	<b>▼</b>	<b>ⓐ</b>

Year End      35% to 105%   0% to 85%   >105%

ⓐ	Ⓚ	Ⓡ
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Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix F City Agencies

### Year End Results

<p><b>Toronto Public Health:</b> Unfavourable net variance of \$0.4 million is attributable to higher than expected expenditures in case management and contact tracing in response to the COVID-19 pandemic mostly offset by savings resulting from the suspension of mandatory cost shared programs due to COVID</p>
<p><b>Toronto Public Library:</b> For the year ending December 31, 2022, Toronto Public Library (TPL) is reporting a net favourable budget variance of \$16 thousand, comprising of a favourable revenue variance of \$0.8 million and an unfavourable gross expenditure variance of \$0.7 million. Favourable revenue variance of \$0.8 million can be attributed to supplementary grants totalling \$1.6 million from TPL Foundation and others to fund specific library initiatives and is partially offset by lower revenue variance of \$0.9 million from public printing and venues rental revenues due to the impact of COVID-19. Unfavourable expenditure variance of \$0.7 million is related to greater than budgeted spending for specific library initiative funded by grants from TPL Foundation and others.</p>
<p><b>Association of Community Centres:</b> Favourable net expenditure variance of \$58 thousand is comprised of underspent salaries and benefits and other operational savings due to centres running below full capacity in the beginning of the year as a result of continued COVID impacts; in addition to higher-than-budgeted room rental revenue.</p>
<p><b>Exhibition Place:</b> Exhibition Place reported a favourable net variance of \$2.5 million to the 2022 Council Approved Operating Budget. This consisted of a favourable gross expenditure variance of \$1.7 million resulting from underspending in expenditures associated with utilities, reduction in volume of base building maintenance, postponed non-essential and cancelled events, and salaries &amp; benefits related to hiring delays. Also, additional parking revenues from Ontario Place and miscellaneous cost recoveries resulted in a favourable variance of \$0.8 million in revenues at year-end.</p>
<p><b>Heritage Toronto:</b> Heritage Toronto reported a small unfavourable net variance to the 2022 Council Approved Operating Budget. A revenue loss of \$0.3 million due to lower than expected attendance for the tours and tickets and the deferral of sponsorship revenues by TD Equity Fund which was largely offset by \$0.3 million underspending in salaries &amp; benefits as a result of one vacant position as well as significant delay of planned Equity Project expenditures.</p>
<p><b>TO Live:</b> TO Live reported a favourable net expenditure of \$0.2 million below the 2022 Council Approved Operating Budget driven by a favourable gross expenditure variance of \$11.1 million, which was primarily due to lower spending on salaries and benefits as a result of vacant positions, as well as reduced expenses on services and rents resulting from the cancellation or postponement of events due to the closure of facilities caused by the Omicron wave in Q1. TO Live experienced a slower than anticipated return to normal operations which</p>

Staff report for action on Operating Variance Report for the Twelve Months  
Ended December 31, 2022

were attributed to the favourable variance in expenditures. An unfavourable revenue variance of \$10.9 million from lost revenues primarily due to the impact of COVID-19 restrictions on live audiences, especially in Q1 as TO Live facilities were closed due to the Omicron wave. The recovery of audience levels to pre-pandemic levels has been slow, further contributing to the revenue shortfall.

**Toronto Zoo:**

Favourable net expenditure of \$3.9 million below the 2022 Council Approved Operating Budget. The Zoo was closed since January 5 and welcomed guests back on site on February 10. Attendance has been increasing steadily since re-opening with a favourable increase in membership visits and sales of new memberships, overachieved parking and food services revenues. 2022 Attendance reached 1.2 million exceeding budget by 4.5% despite closure in the beginning of the year. Increase in school programs, parking and zoo camp sales also contributed to the favourable revenue. Gross expenditures were over budget primarily due to additional expenses to get the site prepared for upcoming Association of Zoos and Aquariums (AZA) Accreditation and to implement Avian Flu safety measures.

**Arena Boards of Management:**

Arena Boards of Management reported a favourable net variance of \$0.6 million to the 2022 Council Approved Operating Budget. This consisted of a favourable variance of \$0.7 million in revenues from higher ice time rentals and an unfavourable gross expenditure variance of \$0.1 million due to higher repair and maintenance cost.

**Yonge Dundas Square (YDS):**

Yonge-Dundas Square reported a favourable net expenditure variance of \$0.7 million at year-end. This variance was attributable to better than anticipated increase in event days and the scale of each event, greater sales of Sightseeing Kiosk, and Signage advertising revenue higher than the minimum agreed rental amounts leading to an increase in revenue of \$0.3 million. Delayed in staff hiring and lower than anticipated marketing and advertising activities resulted in reduction in gross expenditures by \$0.4 million.

**CreateTO:**

Favourable gross expenditures of \$0.8 million is attributable to delayed spending in project investigative costs and professional fees, as well as underspending in salaries and benefits due to vacancies. Funding recovery from Build Toronto, TPLC and the City is in line with expenditures, resulting in a zero net variance to Budget.

**Toronto & Region Conservation Authority:**

Consistent with previous budget years, TRCA receives the City of Toronto funding share which maintains the ratio between TRCA's other funding partner municipalities. During 2022, TRCA received the full funding in the amount of \$10.9 million gross and \$5.5 million net, funded by Toronto Water's contributions of \$5.5 million to TRCA as approved by City Council, resulting in no year-end variance.

**Toronto Transit Commission – Conventional:**

Overall, a net favourable variance to budget of \$60.2 million has been achieved. This is comprised of a \$15.6 million favourable variance on budgeted COVID impacts, due to lower than anticipated response expenses and a \$44.6 million favourable variance on the base budget. Key drivers of the base budget favourable variance include, the deferred obligation of

opening Line 5 and conventional service levels operating approximately 4% below budgeted levels, to more closely align with ridership demand.

The overall favorable variance reflected in the TTC results is offset by \$91.4 million in transit specific COVID-19 funding shortfall noted in Table 1 of this report and reflected in the City's corporate revenue account.

**Toronto Transit Commission – Wheel-Trans:**

Wheel-Trans has experienced favourable gross expenditure variance of \$13.4 million (\$12.4 million net) due to lower than anticipated ridership demand resulting in lower operator and contract taxi expenditures.

**Toronto Police Service:**

For the year end Toronto Police Service is reporting a net favourable budget variance of \$1.8 million, comprising of a favourable revenue variance of \$14.2 million and an unfavourable gross expenditure variance of \$12.4 million.

Favourable revenue variance of \$14.2 million can be attributed to higher demand for paid duties, provincial recoveries relating to court security and prisoner transportation being greater than anticipated, increased user fees from vulnerable sector screenings, and recoveries from other jurisdictions for expenses incurred.

Unfavourable gross expenditure variance of \$12.4 million is related to an increase in premium pay due to an increase in special events and demonstrations. There were further pressures on premium pay expenditures to ensure that required services were provided to address operational service gaps due to longer than anticipated hiring timelines, unpaid absence related to COVID-19 vaccination policy, and higher than budgeted separations for both civilian and uniform officers.

**Toronto Police Services Board:**

The Board experienced zero variance in 2022.

Favourable variances in Salaries and Benefits were offset by lower than anticipated draws from Reserves.

**Appendix F: Capital & Corporate Financing Year End Variance Summary**



City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Capital From Current	4-Month	85.7		0.0		85.7		Ⓢ
	6-Month	0.0	▼	0.0	—	0.0	▼	ⓐ
	9-Month	256.4	▲	0.0	—	256.4	▲	Ⓢ
	12-Month	0.0	▼	0.0	—	0.0	▼	ⓐ
Technology Sustainment	4-Month	5.3		0.0		5.3		Ⓢ
	6-Month	0.0	▼	0.0	—	0.0	▼	ⓐ
	9-Month	0.0	—	0.0	—	0.0	—	ⓐ
	12-Month	0.0	—	0.0	—	0.0	—	ⓐ
Debt Charges	4-Month	(0.5)		(26.4)		(26.8)		Ⓢ
	6-Month	173.2	▲	(15.0)	▲	158.2	▲	Ⓢ
	9-Month	(1.5)	▼	(18.8)	▼	(20.3)	▼	ⓐ
	12-Month	(37.4)	▼	37.4	▲	0.0	▲	ⓐ
Capital & Corporate Financing	<b>4-Month</b>	<b>90.6</b>		<b>(26.4)</b>		<b>64.2</b>		Ⓢ
	<b>6-Month</b>	<b>173.2</b>	▲	<b>(15.0)</b>	▲	<b>158.2</b>	▲	Ⓢ
	<b>9-Month</b>	<b>254.9</b>	▲	<b>(18.8)</b>	▼	<b>236.1</b>	▲	Ⓢ
	<b>12-Month</b>	<b>(37.4)</b>	▼	<b>37.4</b>	▲	<b>0.0</b>	▼	ⓐ

Year End      35% to 105%   0% to 85%   >105%

ⓐ   Ⓢ   Ⓡ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

**Appendix F**  
**Capital & Corporate Financing**

**Year End Results**

<p><b>Capital From Current:</b> On budget</p> <p>This reflects a recommended redirection of \$300 million in Capital from Current funding towards the 2022 COVID-19 funding shortfall, offset by a \$300 million adjustment to the 2022 Capital Budget consistent with the paused capital projects detailed in appendix 6 of the Capital Variance Report.</p>
<p><b>Technology Sustainment:</b> On budget</p>
<p><b>Debt Charges:</b> On budget</p>

## Appendix F

### Figure 15: Non-Program Expenditures Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Tax Deficiencies / Write Offs	4-Month	0.3		#N/A		0.3		Ⓚ
	6-Month	0.4	▲	0.0	#N/A	0.4	▲	Ⓞ
	9-Month	6.6	▲	0.0	—	6.6	▲	Ⓚ
	12-Month	11.3	▲	0.0	—	11.3	▲	Ⓚ
Tax Increment Equivalent Grants (TIEG)	4-Month	0.8		0.0		0.8		Ⓚ
	6-Month	1.6	▲	0.0	—	1.6	▲	Ⓞ
	9-Month	9.1	▲	0.0	—	9.1	▲	Ⓚ
	12-Month	11.8	▲	0.0	—	11.8	▲	Ⓚ
Assessment Function (MPAC)	4-Month	(11.6)		0.0		(11.6)		Ⓚ
	6-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
	9-Month	0.1	—	0.0	—	0.1	—	Ⓞ
	12-Month	0.1	—	0.0	—	0.1	—	Ⓞ
Funding of Employee Related Liabilities	4-Month	17.7		0.0		17.7		Ⓚ
	6-Month	(0.0)	▼	0.0	—	(0.0)	▼	Ⓞ
	9-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓞ
	12-Month	(0.0)	—	0.0	—	(0.0)	—	Ⓞ
Other Corporate Expenditures	4-Month	41.9		(0.6)		41.3		Ⓚ
	6-Month	86.0	▲	(2.6)	▼	83.4	▲	Ⓚ
	9-Month	#N/A	#N/A	(0.9)	▲	#N/A	#N/A	#N/A
	12-Month	15.1	#N/A	1.0	▲	16.1	#N/A	Ⓞ
Insurance Contributions	4-Month	12.1		#N/A		12.1		Ⓚ
	6-Month	0.0	▼	#N/A	#N/A	0.0	▼	Ⓞ
	9-Month	0.0	—	#N/A	#N/A	0.0	—	Ⓞ
	12-Month	0.0	—	#N/A	#N/A	0.0	—	Ⓞ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Parking Tag Enforcement & Operations Exp	4-Month	4.6		#N/A		4.6		Ⓚ
	6-Month	3.2	▼	#N/A	#N/A	3.2	▼	Ⓞ
	9-Month	10.5	▲	#N/A	#N/A	10.5	▲	Ⓚ
	12-Month	7.4	▼	#N/A	#N/A	7.4	▼	Ⓞ
Programs Funded from Reserve Funds	4-Month	(8.1)		(33.2)		(41.3)		Ⓚ
	6-Month	1.6	▲	(11.4)	▲	(9.8)	▲	Ⓚ
	9-Month	1.3	▼	2.4	▲	3.6	▲	Ⓚ
	12-Month	(13.8)	▼	13.8	▲	(0.0)	▼	Ⓚ
Heritage Property Taxes Rebate	4-Month	(0.0)		0.0		(0.0)		Ⓚ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	9-Month	0.3	▲	0.0	—	0.3	▲	Ⓚ
	12-Month	0.4	▲	0.0	—	0.4	▲	Ⓚ
Tax Increment Funding (TIF)	4-Month	1.2		0.0		1.2		Ⓚ
	6-Month	2.5	▲	0.0	—	2.5	▲	Ⓚ
	9-Month	3.7	▲	0.0	—	3.7	▲	Ⓚ
	12-Month	0.0	▼	0.0	—	0.0	▼	Ⓞ
Solid Waste Management Services Rebate	4-Month	(1.4)		#N/A		(1.4)		Ⓚ
	6-Month	(1.8)	▼	#N/A	#N/A	(1.8)	▼	Ⓚ
	9-Month	0.7	▲	#N/A	#N/A	0.7	▲	Ⓞ
	12-Month	1.1	▲	#N/A	#N/A	1.1	▲	Ⓞ
Non-Program Expenditures	4-Month	59.4		(33.8)		25.5		Ⓚ
	6-Month	95.8	▲	(14.0)	▲	81.8	▲	Ⓚ
	9-Month	143.1	▲	1.4	▲	144.6	▲	Ⓚ
	12-Month	33.4	▼	14.8	▲	48.2	▼	Ⓞ

Year End      85% to 105%   0% to 85%   >105%

Ⓞ   Ⓚ   Ⓜ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix F: Non-Program Expenditures

### Year End Results

<b>Tax Deficiencies/Write-Offs:</b> Favourable net expenditure variance of \$11.3 million was realized primarily due to less appeals posted and provision adjustments.
<b>Tax Increment Equivalent Grants (TIEG)</b> A favourable net expenditure variance of \$11.8 million was realized because estimates for eligible properties were updated to reflect the expected grants as well as timing of the grants.
<b>Assessment Function (MPAC):</b> Materially on budget
<b>Funding Employee Related Liabilities:</b> Materially on budget
<b>Other Corporate Expenditures:</b> Favourable net expenditure variance of \$16.1 million is primarily attributable to provision for COVID-19 funding held in Non-Program which is offset by impacts experienced in City Divisions and Agencies.
<b>Insurance Premium and Claims</b> On budget
<b>Parking Tag Enforcement &amp; Operations:</b> Parking Tag Operations reported a favourable expenditure variance of \$7.4 million driven by: Lower staffing levels than planned due to an increased number of separations; Reduced premium pay spending from fewer special events; and Lower payments made to the province for license search fees due to reduced number of parking tickets issued.
<b>Programs Funded from Reserve Funds:</b> On budget
<b>Heritage Property Tax Rebates:</b> A favourable net expenditure variance of \$0.4 million was mainly due to lower rebates processed.
<b>Solid Waste Management Rebates:</b> A favourable net expenditure variance of \$1.1 million was realized as a result of lower than expected rebates issued during the year.
<b>Tax Increment Funding (TIF):</b> On budget

## Appendix F: Non-Program Revenues Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Payments in Lieu of Taxes	4-Month	0.3		#N/A		0.3		Ⓚ
	6-Month	0.0	▼	(1.4)	#N/A	(1.4)	▼	Ⓞ
	9-Month	0.0	—	(0.9)	▲	(0.9)	▲	Ⓞ
	12-Month	0.0	—	5.7	▲	5.7	▲	Ⓡ
Supplementary Taxes	4-Month	0.8		0.0		0.8		Ⓚ
	6-Month	0.0	▼	(2.2)	▼	(2.2)	▼	Ⓞ
	9-Month	0.0	—	1.2	▲	1.2	▲	Ⓡ
	12-Month	0.0	—	5.0	▲	5.0	▲	Ⓡ
Tax Penalty Revenue	4-Month	(11.6)		0.0		(11.6)		Ⓚ
	6-Month	0.0	▲	1.4	▲	1.4	▲	Ⓡ
	9-Month	0.0	—	4.9	▲	4.9	▲	Ⓡ
	12-Month	0.0	—	14.4	▲	14.4	▲	Ⓡ
Interest/Investment Earnings	4-Month	17.7		0.0		17.7		Ⓚ
	6-Month	0.4	▼	(70.9)	▼	(70.5)	▼	Ⓚ
	9-Month	0.7	▲	(73.2)	▼	(72.5)	▼	Ⓚ
	12-Month	2.2	▲	(33.2)	▲	(31.0)	▲	Ⓚ
Other Corporate Revenues	4-Month	41.9		(0.6)		41.3		Ⓚ
	6-Month	(2.3)	▼	(0.2)	▲	(2.5)	▼	Ⓚ
	9-Month	(3.7)	▼	(0.8)	▼	(4.5)	▼	Ⓚ
	12-Month	(10.8)	▼	14.8	▲	3.9	▲	Ⓡ
Provincial Gas Tax	4-Month	12.1		#N/A		12.1		Ⓚ
	6-Month	#N/A	#N/A	(45.6)	#N/A	(45.6)	▼	Ⓚ
	9-Month	0.0	#N/A	(22.2)	▲	(22.2)	▲	Ⓚ
	12-Month	0.0	—	0.0	▲	0.0	▲	Ⓚ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
COVID -19 recovery	4-Month	4.6		#N/A		4.6		Ⓚ
	6-Month	0.0	▼	(679.8)	#N/A	(679.8)	▼	Ⓚ
	9-Month	0.0	—	(947.8)	▼	(947.8)	▼	Ⓚ
	12-Month	0.0	—	(531.7)	▲	(531.7)	▲	Ⓚ
Dividend Income	4-Month	(8.1)		(33.2)		(41.3)		Ⓚ
	6-Month	0.0	▲	2.8	▲	2.8	▲	Ⓜ
	9-Month	0.0	—	4.2	▲	4.2	▲	Ⓜ
	12-Month	0.0	—	5.6	▲	5.6	▲	Ⓜ
Provincial Revenue	4-Month	(0.0)		0.0		(0.0)		Ⓚ
	6-Month	0.0	—	0.0	—	0.0	—	Ⓚ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓚ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Municipal Land Transfer Tax	4-Month	1.2		0.0		1.2		Ⓚ
	6-Month	(0.7)	▼	183.2	▲	182.5	▲	Ⓜ
	9-Month	(0.6)	▲	136.3	▼	135.7	▼	Ⓜ
	12-Month	0.5	▲	94.7	▼	0.0	▼	Ⓞ
Third Party Sign Tax	4-Month	(1.4)		#N/A		(1.4)		Ⓚ
	6-Month	0.0	▲	0.4	#N/A	0.4	▲	Ⓞ
	9-Month	0.0	—	0.3	▼	0.3	▼	Ⓞ
	12-Month	0.0	—	0.2	▼	0.2	▼	Ⓞ
Parking Authority Revenues	4-Month	(0.0)		#N/A		(0.0)		Ⓚ
	6-Month	0.0	—	0.1	#N/A	0.1	▲	Ⓞ
	9-Month	0.0	—	(0.8)	▼	(0.8)	▼	Ⓚ
	12-Month	0.0	—	14.8	▲	14.8	▲	Ⓜ
Admin Support Recoveries - Water	4-Month	59.4		(33.8)		25.5		Ⓚ
	6-Month	0.0	▼	0.0	▲	0.0	▼	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Admin Support Recoveries - Health & EMS	4-Month	59.4		(33.8)		25.5		Ⓢ
	6-Month	0.0	▼	0.0	▲	0.0	▼	Ⓞ
	9-Month	0.0	—	0.0	—	0.0	—	Ⓞ
	12-Month	0.0	—	0.0	—	0.0	—	Ⓞ
Parking Tag Enforcement & Operations Rev	4-Month	59.4		(33.8)		25.5		Ⓢ
	6-Month	#N/A	#N/A	(4.0)	▲	(4.0)	▼	Ⓞ
	9-Month	#N/A	#N/A	(2.1)	▲	(2.0)	▲	Ⓞ
	12-Month	#N/A	#N/A	13.2	▲	14.1	▲	Ⓡ
Other Tax Revenues	4-Month	59.4		(33.8)		25.5		Ⓢ
	6-Month	0.0	▼	0.0	▲	0.0	▼	Ⓞ
	9-Month	0.1	▲	0.0	—	0.1	▲	Ⓞ
	12-Month	0.2	▲	0.0	—	0.2	▲	Ⓞ
Municipal Accommodation Tax (MAT)	4-Month	59.4		(33.8)		25.5		Ⓢ
	6-Month	(5.9)	▼	10.4	▲	4.5	▼	Ⓢ
	9-Month	(14.6)	▼	26.5	▲	11.9	▲	Ⓢ
	12-Month	(10.6)	▲	40.9	▲	30.3	▲	Ⓢ
Casino Woodbine Revenues	4-Month	59.4		(33.8)		25.5		Ⓢ
	6-Month	0.0	▼	8.4	▲	8.4	▼	Ⓡ
	9-Month	0.0	—	12.8	▲	12.8	▲	Ⓡ
	12-Month	0.0	—	17.5	▲	17.5	▲	Ⓡ
Non-Program Revenues	<b>4-Month</b>	<b>59.4</b>		<b>(33.8)</b>		<b>25.5</b>		<b>Ⓢ</b>
	<b>6-Month</b>	<b>(8.5)</b>	▼	<b>(597.5)</b>	▼	<b>(606.0)</b>	▼	<b>Ⓢ</b>
	<b>9-Month</b>	<b>(18.1)</b>	▼	<b>(861.6)</b>	▼	<b>(879.6)</b>	▼	<b>Ⓢ</b>
	<b>12-Month</b>	<b>(18.7)</b>	▼	<b>(338.2)</b>	▲	<b>(451.1)</b>	▲	<b>Ⓢ</b>

Year End      35% to 105%   0% to 85%   >105%

Ⓞ   Ⓢ   Ⓡ

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022



## Appendix F

### Non-Program Revenues

#### Year End Results

<p><b>Payments In Lieu of Taxes (PILs):</b></p> <ul style="list-style-type: none"><li>• A favourable net revenue variance of \$5.7 million was primarily the result of:<ul style="list-style-type: none"><li>• \$6.5 million favourable due to increased appeals; and</li><li>• \$0.5 million favourable due to unbudgeted revenues from University of Toronto; partially offset by</li></ul></li></ul> <p>\$1.1 million due to underachievement of assessment based levies.</p>
<p><b>Supplementary Taxes:</b></p> <ul style="list-style-type: none"><li>• A favourable net revenue variance of \$5.0 million is attributable to actual revenue from Supplementary/Omit taxes being higher than anticipated.</li></ul>
<p><b>Tax Penalty Revenue</b></p> <ul style="list-style-type: none"><li>• A favourable net revenue variance of \$14.4 million is mainly due to tax interest/penalties earned as a result of higher than normal outstanding receivable balance and provision adjustment processed at year-end was lower than expected.</li></ul>
<p><b>Interest &amp; Investment Earnings:</b></p> <ul style="list-style-type: none"><li>• An unfavourable net revenue variance of \$31.0 million is primarily driven by:</li><li>• An overall unfavourable revenue variance of 33.2 million driven by \$179.8 million less investment income due to realized book losses in the fixed income portfolio of the Long-term fund. While both equity and fixed income investment managers outperformed their year-over-year market benchmarks, by 0.6% and 1.0% respectively, interest rates have continued to increase resulting in negative market returns.</li><li>• Offsetting this, the Short-term fund investment income is higher than budget by \$143.3 million as a result of higher than forecasted short-term rates, expanded investment products and extended investment horizon, in addition to higher fund balances.</li><li>• A favourable gross expenditure variance of \$2.2 million is attributable to lower investment management and legal fees due to a delay in Real Assets allocation.</li></ul>
<p><b>Other Corporate Revenues:</b></p> <ul style="list-style-type: none"><li>• A favourable net revenue variance of \$3.9 million is primarily due to sundry revenues related to auction proceeds from sale of vehicles and scraps, etc.</li></ul>
<p><b>COVID-19 Recovery</b></p> <ul style="list-style-type: none"><li>• Of the \$1.4 billion budgeted for COVID funding, the 2022 year end reflects a \$549 million shortfall in provincial reimbursement of COVID-19 related impacts. This is partially offset by internal savings of \$154 million, resulting in \$395 million net shortfall.</li></ul>
<p><b>Provincial Revenue</b></p> <ul style="list-style-type: none"><li>• On budget</li></ul>
<p><b>Dividend Income:</b></p> <ul style="list-style-type: none"><li>• A favourable net revenue variance of \$5.6 million is a result of higher Toronto Hydro earnings in 2021.</li></ul>
<p><b>Municipal Land Transfer Tax (MLTT):</b></p> <ul style="list-style-type: none"><li>• On net budget of \$725.0 million accounting for associated expenses and contributions.</li></ul>

Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

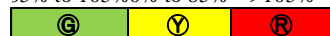
<p><b>Third Party Sign Tax:</b></p> <ul style="list-style-type: none"> <li>• A favourable net revenue variance of \$0.2 million is a result of change in inventory/sales mix.</li> </ul>
<p><b>Parking Authority Revenues:</b></p> <ul style="list-style-type: none"> <li>• A favourable net revenue variance of \$14.8 million from TPA operations is primarily attributable to:</li> <li>• Lower internal expenses by \$6.9 million from business restructuring, which has resulted in staffing vacancies, lower admin costs, and lower than estimated municipal taxes; and favourable revenue of \$7.4 million mainly driven by Off-street parking.</li> </ul>
<p><b>Administrative Support Recoveries – Toronto Water:</b></p> <ul style="list-style-type: none"> <li>• On budget</li> </ul>
<p><b>Administrative Support Recoveries – Health &amp; EMS:</b></p> <ul style="list-style-type: none"> <li>• On budget</li> </ul>
<p><b>Parking Tag and Enforcement Operations:</b></p> <ul style="list-style-type: none"> <li>• Parking Tag Operations reported a favourable net revenue variance of \$14.1 million primarily due to higher revenues from late fees (applied after 31st day of non-payment) and penalty charges collected (after 15 days of non-payment). Total tickets issued: 1,821,338 vs plan 1,812,000.</li> </ul>
<p><b>Other Tax Revenues:</b></p> <ul style="list-style-type: none"> <li>• A favourable net revenue variance of \$0.2 million was realized due to increased appeals posted and lower adjustments.</li> </ul>
<p><b>Municipal Accommodation Tax:</b></p> <ul style="list-style-type: none"> <li>• Favourable net revenue variance of \$30.3 million was driven recovery of tourism following the easing of COVID-19 restrictions.</li> </ul>
<p><b>Casino Woodbine:</b></p> <ul style="list-style-type: none"> <li>• A favourable net revenue variance of \$17.5 million at Casino Woodbine is a result of moving to 100% capacity as of February 17, 2022.</li> </ul>

## Appendix F: Rate Supported Programs Year End Variance Summary

City Program/Agency	Quarter	Year-to-Date						Alert
		Gross Expenditures		Revenue		Net Variance		
		\$	trend	\$	trend	\$	trend	
Solid Waste Management Services	4-Month	1.8		17.3		19.1		Ⓜ
	6-Month	10.9	▲	4.1	▼	15.0	▼	Ⓡ
	9-Month	10.1	▼	7.8	▲	17.9	▲	Ⓡ
	12-Month	17.0	▲	12.6	▲	29.6	▲	Ⓜ
Toronto Parking Authority	4-Month	34.7		(36.2)		(1.5)		Ⓜ
	6-Month	6.1	▼	(1.0)	▲	5.0	▲	Ⓡ
	9-Month	6.8	▲	2.8	▲	9.7	▲	Ⓡ
	12-Month	8.1	▲	9.0	▲	17.2	▲	Ⓡ
Toronto Water	4-Month	3.1		(0.4)		2.7		Ⓜ
	6-Month	10.1	▲	5.1	▲	15.3	▲	Ⓜ
	9-Month	18.3	▲	17.7	▲	36.1	▲	Ⓡ
	12-Month	24.6	▲	28.6	▲	53.1	▲	Ⓜ

Year End

35% to 105% 0% to 85% >105%



Staff report for action on Operating Variance Report for the Twelve Months Ended December 31, 2022

## Appendix F: Rate Supported Programs

### Year End Results

#### **Solid Waste Management Services (SWMS):**

The favourable net revenue and expenditures variance is \$29.6 million driven by a favourable gross expenditure of \$17.0 million. This includes underspending in services and rents \$12.9 million, including lower collection cost due to reduced tonnage (\$4.6 million) and Lower processing cost due to reduced volumes (\$9.0 million). Also contributing is a favourable revenue variance of \$12.6 million is primarily driven by improved marketable rates for sale of recyclables (\$9.3 million) and higher tipping revenue tonnage (\$2.6 million);

The resultant overall projected net surplus at year-end of \$29.6 million would increase the amount to be contributed to the Waste Management Reserve Fund from a budgeted \$13.1 million to \$42.7 million as of December 31, 2022.

#### **Toronto Parking Authority:**

For the year ended December 31, 2022, TPA has generated combined profit of \$31.6 million from operations. There is a favourable net expenditure variance of \$17.2 million compared to a budgeted profit of \$14.4 million.

For Gross Expenditures, Toronto Parking Authority continued to carefully monitor spending and flexing to the needs of the business resulting in cost savings of \$8.1million. This was mainly driven by savings in salaries & benefits of \$4.1 million as a result of on-going vacancies and favourable administration costs of \$4.0 million, including legal, consulting, training and lower net tax expenditures.

Overall Revenue for Toronto Parking Authority exceeded budget by \$9.0 million or 7.5%. This revenue variance was driven by Off-Street parking higher than budget by \$10.4 million, up 15.8%, On-Street parking lower than budget by \$0.9 million, down 2.1% and Bike Share revenue which was lower than budget by \$0.4 million or 6%. In addition, there was a loss in advertising revenue of \$0.1 million.

For reference, the impact on revenue due to the ongoing recovery from the pandemic can be shown by comparing to the 2019 pre-pandemic experience. Parking revenue for 2022 was 76.3% of 2019 revenues and bike share 2022 revenue was 192% of 2019 revenue.

#### **Toronto Water:**

The favourable net revenue variance is \$53.1 M. A favourable gross expenditure variance of \$24.6 million is primarily driven by underspending in salaries and benefits as a result of increased vacancies (\$11.4 million), reduced hydro cost due to lower than planned rates and continued efficiency initiatives (\$3.1 million), lower than anticipated spending in equipment and services and rents, due to mild winter temperatures, unused contingencies and fewer emergency repairs (\$8.6 million).

Favourable revenue variance of \$28.6 million is primarily driven by higher than planned revenue from sale of water from Toronto and York Region due to higher consumption (\$37.2 million), and higher third party revenue and recoveries primarily from development application review associated with Toronto Water works (\$1.5 million). The over achieved revenues were partially offset by lower volume of new water and sewer connection fees due

to a backlog of applications (\$4.4 million), lower than anticipated revenue from Metrolinx transit projects resulting from project activity delays (\$3.4 million), lower revenue from industrial waste surcharge and private water agreements due to business closures, fewer agreements and lower revenue from businesses impacted by the pandemic (\$1.6 million).