

2024 Budget Notes

Office of the CFO & Treasurer

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Description

The Office of the Chief Financial Officer and Treasurer ensures the effective use of the Corporation's financial resources by providing sound financial advice; maintaining financial control; developing and implementing effective financial strategies; and by providing timely, accurate and efficient services to Programs, Agencies, Council and the public.

Why We Do It

The purpose is to safeguard the City's assets and to manage City resources effectively, efficiently and economically in the short and long term. The following outcomes contribute to this purpose:

- City services have sufficient operating and capital funds to address operational and infrastructure needs, while maintaining a balanced budget as legislatively required.
- The City's capital projects are financed at the lowest borrowing rate to reduce tax burden on Toronto residents and businesses, in consideration of the City's green and social debenture frameworks to promote sustainability, improve climate resiliency and enhance positive socioeconomic outcomes.
- The City's financial assets are invested responsibly to achieve superior [risk-adjusted] rate of returns to meet the City's cash flow requirements.
- The City of Toronto has sufficient financial protection from catastrophic financial loss through the insurance program.
- Torontonians receive timely and equitable resolutions to their claims against the City.
- Divisions receive timely and trusted independent assurance on their internal controls in order to mitigate risk. Risks are controlled to avoid unexpected events and costs that impede achievement of City outcomes.

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

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What Service We Provide

Financial Planning

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

What We Deliver: City of Toronto balanced budget; financial advice; financial policies and financial reports.

How Much Resources (gross 2024 operating budget): \$14.4 million

Internal Audit

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

What We Deliver: Business and risk consulting on policies, processes and information systems. Assurance services including the performance of compliance, operational, financial, forensic and internal control reviews.

How Much Resources (gross 2024 operating budget): \$2.4 million

Insurance & Risk Management:

Who We Serve: Council, City divisions, Agencies and Corporations, Toronto residents

What We Deliver: Insurance and claims risk advice and risk mitigation strategies.

How Much Resources (gross 2024 operating budget): \$2.0 million

Capital Markets

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

What We Deliver: Investment and debt portfolio management.

How Much Resources (gross 2024 operating budget): \$1.8 million

Budget at a Glance

2024 OPERATING BUDGET

<u>\$Million</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Revenues	\$ 6.2	\$ 5.4	\$ 3.7
Gross Expenditures	\$20.6	\$21.2	\$20.4
Net Expenditures	\$14.4	\$15.8	\$16.7
Approved Positions	135.0	132.0	126.0

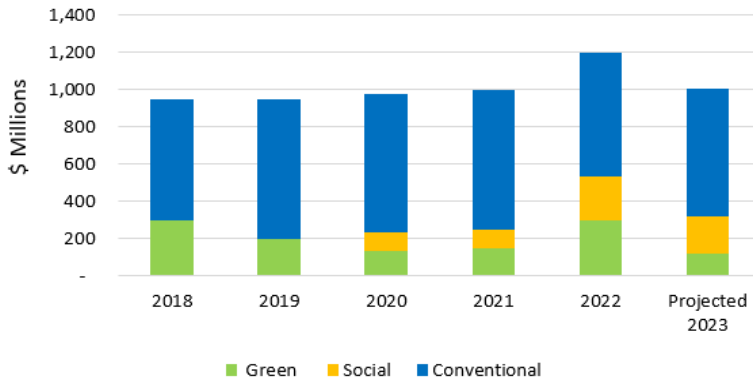
2024 - 2033 10-YEAR CAPITAL PLAN

<u>\$Million</u>	<u>2024</u>	<u>2025-2033</u>	<u>Total</u>
Gross Expenditures	\$1.1	\$1.9	\$3.0
Debt	\$1.1	\$0.7	\$1.8

Note: Includes 2023 carry forward funding

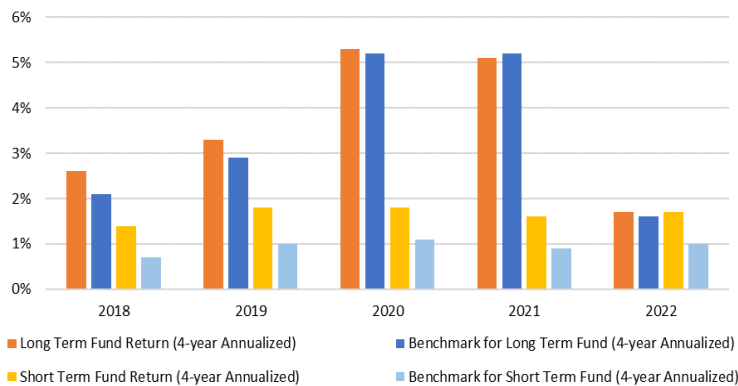
How Well We Are Doing – Behind the Numbers

City of Toronto Annual Debt Issuance

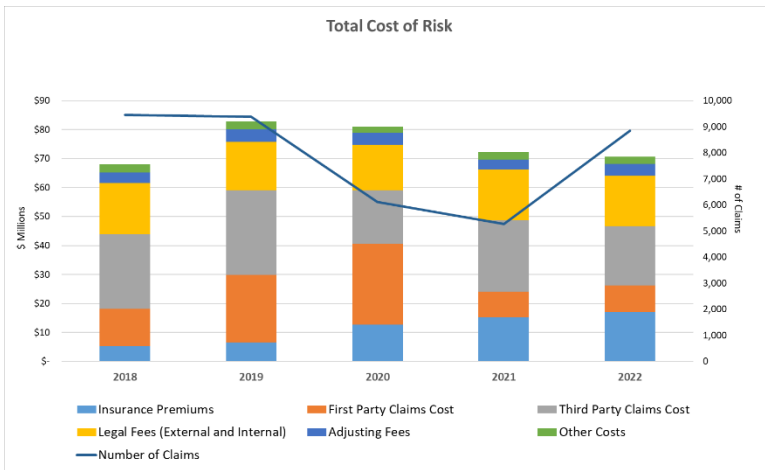


- The City of Toronto is the largest municipal Green Bond Issuer in Canada with \$1.18 billion outstanding at the end of 2023 (this includes \$100 million issued in 2023).
- The City was also the first public sector Social Bond Issuer in Canada with \$650 million outstanding at the end of 2023 (this includes the \$215 million issued in 2023).
- Debenture Frameworks developed, reviewed, and supported by independent opinion provider (Sustainalytics).
- Sustainable bond issues (Green and Social) to continue in future years to finance capital projects with key metrics.
- Impact reporting on projects provided to investors via Annual Newsletters.
- Received international award for the Social bonds issued in 2020 and 2021 (Environmental Finance Social Bond of the Year - Local Municipality - 2021 & 2022 winner).

City Investment Return vs. Benchmark Returns



- This chart indicates the City’s actual investment returns for the Short-Term Fund and Long-Term Fund, in comparison to respective benchmarks.
- Since 2018, the City’s Long-Term Fund has been managed by the Toronto Investment Board under a Council adopted Investment Policy which is based on the prudent investor standard. City staff continue to manage the Short-Term Fund.
- Investment returns for the Short-Term Fund, as measured by an annualized four-year period, have outperformed the benchmark in all five years (2018-2022), despite a prolonged period of volatile market conditions.
- Similarly, investment returns for the Long-Term Fund, also measured by an annualized four-year period, have outperformed the benchmark in four of the five years.
- The City uses the FTSE Canada 30-day T-bill as the benchmark for the Short-Term Fund and the FTSE Canadian bond Index as the benchmark for the Long-Term Fund.



Note: First Party Claims are claims for physical damage to City property and automobiles. Third Party Claims are made against the City by a third party.

- Total Cost of Risk (TCOR) describes the total annual cost of operating the City’s insurance and risk management program over the previous 5 years. Costs are broken down to include insurance premiums, claims costs retained by the City, and other costs (including indirect costs of claims and administrative costs). The annual number of new claims received is also detailed.
- Claim volumes are unpredictable; however, claim-related expenses are relatively flat over the last 5 years.
- Severe weather and potholes can negatively impact claim volumes leading to an increase in adjusting fees and other expenses.
- Insurance premiums are affected by the City’s claims experience as well as external factors including industry claims experience, industry capacity and prevailing market rates.
- Insurance & Risk Management works with insured program areas and divisions on loss mitigation to manage the City’s claim frequency and severity.

How Well We Are Doing*

Service	Measure	2021 Actual	2022 Actual	2023 Target	2023 Projection	Status	2024 Target	2025 Target
Outcome Measures*								
Financial Planning	Capital Funding Investment (Tax & Rate) in the State of Good Repair projects (\$ Million)	\$1,821	\$1,842	\$2,732	\$2,389	●	\$2,841	\$2,700
Capital Markets	New Debt Issued as a Percentage of the Annual Debt Issuance Target	100%	100%	95%	100%	●	100%	100%
Insurance & Risk Management	% of claim reports acted on within 15 days	97%	89%	95%	98%	●	95%	95%
Internal Audit	Ratio of engagements in Internal Audit workplan that cover Top Risks	55%	81%	75%	75%	●	75%	75%

2023 Projection to 2023 Target Comparison

● **100% (MET TARGET)** ● **70 - 99% (LOW RISK)** ● **69% and Under (REQUIRES ATTENTION)**

* For a complete list of services and service levels of Divisions within the Office of the Chief Financial Officer and Treasurer, please refer to [Appendix 1 to Briefing Note #4 - 2023 Service Levels, Tax and Rate Supported Programs](#).

Additional Insurance Claims Information for the years 2018-2022 can be located at: [Claim Disclosure Report \(toronto.ca\)](#)

EXPERIENCES, CHALLENGES AND PRIORITIES

Our Experience and Success

- Updated the City's Long-Term Financial Plan which identified a series of actions and opportunities to address Toronto's financial challenges, providing the City with a long-term strategy to attain financial sustainability.
- Successfully reached a New Deal with the provincial government that will help the City on its journey to long-term financial stability through operating and capital funding relief.
- Successfully facilitated 16 in-person and virtual pre-budget public consultations on the City's 2024 Budget and Toronto's future.
- Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the 2023 Public Budget Book (13 years in a row).
- Implemented capital budgeting system enhancements to support increased climate change reporting requirements to meet Council priorities.
- Fully implemented a new cloud-based Risk Management Information System enhancing the reliability and integrity of data to improve the City's ability to provide claims analytics and manage risk.
- Conducted comprehensive review of the adequacy of controls incorporated in Deloitte's IndustryPrint 5 financial business process flows, pertaining to the design phase of Financial Systems Transformation Project.
- Successfully renewed the City's insurance program with no increase in total premiums while enhancing coverage available to the City.
- Issued \$1 billion of debentures in 2023, including \$315 million of Environmental, Social and Governance (ESG)-labelled debentures (Green and Social), remaining the largest municipal Green Bond Issuer In Canada.
- Received ISO 37120 Platinum certification for the 9th year in a row and became an Early Adopter for ISO 37122 and ISO 37123, demonstrating the City's commitment to high-calibre, standardized and verified data.

Key Challenges and Risks

- Managing borrowing levels at the City's 15% benchmark amidst cost escalation and surging interest rates.
- Required multi-year strategy to transition long-term sustained impacts of the pandemic to the base budget, as the City's COVID backstop strategy will now be depleted.
- Continued growth in the State of Good Repair backlog despite increased investments in capital repair work.
- Planning and reporting systems are currently not integrated or modernized to serve the increasingly complicated municipal budgeting and monitoring requirements.
- Increasingly frequent and severe cyber incidents and an increasing reliance on digital products and services demand continued improvement of the City's cyber security posture as responding to cyber incidents can be costly and have a significant impact on the City's delivery of services to residents.
- Internal Audit does not have capacity to address all significant risks through the audit plan, given the size and scope of the City.

Priority Actions

- Ongoing effort to renew the City's intergovernmental funding arrangements to address current and long-term financial requirements.
- Multi-year budgeting and planning approach to manage sustained impacts from the pandemic and significant operating budget pressures.
- Enhance focus on reviewing annual cash flow requirements as part of capital budget and plan development.
- Deliver an Asset Management Plan for all City assets by the provincial deadline of July 2024.
- Develop a formalized capital prioritization framework for implementation as part of the 2025 budget process.
- Continue to lead the City's priorities in budget modernization and transformation initiatives in developing Financial Transformation Planning Tools, building stronger funds management processes, and integrate the City's asset management process.

- Continue action plans to advance the Enterprise Risk Management (ERM) and Internal Control Framework to identify and mitigate risks across the City and to strengthen financial controls.
 - Support programs in responding to the KPMG Management Letter and Auditor General recommendations to ensure issues are adequately addressed.
 - Renew the City's corporate insurance program to ensure appropriate risks are transferred to insurers and at a cost within a Council-approved budget.
 - Continue to produce and improve on the Annual ESG Performance Report and educate City Divisions for enhancement in collaboration.
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CITY STAFF PREPARED BUDGET

The City Manager and Chief Financial Officer and Treasurer have prepared the following budget:

1. The 2024 Operating Budget for the Office of the Chief Financial Officer and Treasurer of \$20.626 million gross, \$6.185 million revenue and \$14.441 million net for the following services:

Service:

	Gross Expenditures (\$000s)	Revenue (\$000s)	Net Expenditures (\$000s)
Financial Planning	14,363.3	3,742.1	10,621.2
Internal Audit	2,420.3	255.8	2,164.5
Insurance & Risk Management	2,051.7	2,051.7	0.0
Capital Markets	1,790.4	135.0	1,655.4
Total Program Budget	20,625.7	6,184.6	14,441.0

- The 2024 staff complement for the Office of the Chief Financial Officer and Treasurer of 135.0 positions comprised of 12.0 capital positions and 123.0 operating positions.
2. The 2024 Capital Budget for the Office of the Chief Financial Officer and Treasurer with cash flows and future year commitments totaling \$1.842 million as detailed by project in [Appendix 5a](#).
 3. The 2025-2033 Capital Plan for the Office of the Chief Financial Officer and Treasurer totalling \$1.200 million in project estimates as detailed by project in [Appendix 5b](#).

2024 OPERATING BUDGET

2024 OPERATING BUDGET OVERVIEW

Table 1: 2024 Operating Budget by Service

(In \$000s)	2022 Actual	2023 Budget	2023 Projection*	2023 Budget excl COVID	2024 Base Budget	2024 New / Enhanced	2024 Budget	Change v. 2023 Budget excl COVID	
By Service	\$	\$	\$	\$	\$	\$	\$	\$	%
Revenues									
Financial Planning	946.9	3,268.9	2,206.2	3,268.9	3,742.1		3,742.1	473.2	14.5%
Internal Audit	235.8	235.8	235.8	235.8	255.8		255.8	20.0	8.5%
Insurance & Risk Management	1,782.3	1,999.1	1,878.6	1,999.1	2,051.7		2,051.7	52.7	2.6%
Capital Markets	135.0	135.0	135.0	135.0	135.0		135.0		
Total Revenues	3,100.0	5,638.8	4,455.6	5,638.8	6,184.6		6,184.6	545.9	9.7%
Expenditures									
Financial Planning	10,939.2	13,255.1	12,320.1	13,255.1	14,112.5	250.8	14,363.3	1,108.2	8.4%
Internal Audit	1,741.2	2,299.7	1,803.9	2,299.7	2,420.3		2,420.3	120.6	5.2%
Insurance & Risk Management	1,782.2	2,006.0	1,878.6	2,006.0	2,051.7		2,051.7	45.7	2.3%
Capital Markets	1,581.9	1,793.2	1,722.0	1,793.2	1,790.4		1,790.4	(2.8)	(0.2%)
Total Gross Expenditures	16,044.4	19,354.0	17,724.6	19,354.0	20,374.8	250.8	20,625.7	1,271.7	6.6%
Net Expenditures	12,944.4	13,715.2	13,269.0	13,715.2	14,190.2	250.8	14,441.0	725.8	5.3%
Approved Positions**	118.0	132.0	N/A	132.0	132.0	3.0	135.0	N/A	N/A

*2023 Projection based on 9 Month

**YoY comparison based on approved positions

KEY DRIVERS

Total 2024 Budget expenditures of \$20.626 million gross reflects an increase of \$1.272 million in spending above 2023 budget, predominantly arising from:

- Increased salaries and benefits due to annualization of positions added in 2023 (\$0.357 million);
- Anticipated hiring to fill 2023 vacancies, partially offset by expected delays and assumed turnover, resulting in an increase of salary and benefit requirements (\$0.459 million);
- Increased salaries and benefits due to two extra payroll days in 2024 and Collective Bargaining Agreements' inflationary impacts (\$0.176 million); and
- 3.0 new permanent positions in the CFO and Treasurer's Office to provide additional enterprise-wide strategic financial advice and analysis (\$0.251 million).

EQUITY IMPACTS OF BUDGET CHANGES

No significant equity impacts: The Office of the Chief Financial Officer and Treasurer continues to support and advance equity responsive budgeting. The changes in the Office of the Chief Financial Officer and Treasurer's 2024 Operating Budget do not have any significant equity impacts.

2024 OPERATING BUDGET KEY COST DRIVERS

The 2024 Net Operating Budget for the Office of the Chief Financial Officer and Treasurer of \$14.441 million is \$0.726 million or 5.3% greater than the 2023 Net Budget. Table 2 below summarizes the key cost drivers for the 2024 Budget.

Table 2: 2024 Key Cost Drivers

(In \$000s)	2024				2025 Annualized impact (Net)
	Revenues	Gross	Net	Positions**	
2023 Budget	5,638.8	19,354.0	13,715.2	132.0	N/A
2023 Projection*	4,455.6	17,724.6	13,269.0	N/A	N/A
2023 Budget (excl. COVID)	5,638.8	19,354.0	13,715.2	132.0	N/A
Key Cost Drivers:					
<i>Prior Year Impacts</i>					
Annualization of positions filled in 2023	126.7	356.8	230.1		
<i>Operating Impacts of Capital</i>					
Sustainment of IAPM project					46.3
<i>Salary & Benefits</i>					
Hiring plan	390.0	674.1	284.1		302.7
2 extra payroll days & Collective Bargaining Agreements' inflationary impacts	18.1	175.8	157.7		
Other salaries & benefits		38.7	38.7		
<i>Revenue Change</i>					
Recovery from Exhibition Place for work performed by Internal Audit	20.0		(20.0)		
Discontinued funding from reserve fund for Funds Management unit					631.9
<i>Other Changes</i>					
<i>New/Enhanced</i>					
Expand capacity to provide enterprise-wide strategic financial advice and analysis		250.8	250.8	3.0	198.1
Sub-Total - Key Cost Drivers	545.8	1,487.3	941.4	0.0	1,179.0
Affordability Measures:					
Salary and Benefits Adjustments		(215.6)	(215.6)		215.6
Sub-Total - Affordability Measures		(215.6)	(215.6)		215.6
Total 2024 Budget	6,184.6	20,625.7	14,441.0	135.0	1,394.6
Change from 2023 Budget (excl. COVID) (\$)	545.8	1,271.7	725.8	N/A	N/A
Change from 2023 Budget (excl. COVID) (%)	9.7%	6.6%	5.3%	N/A	N/A

*Based on 9 Month Variance

**YoY comparison based on approved positions

Key Base Drivers:**Prior Year Impacts:**

- Annualization of 8 positions approved for partial year 2023 contributed to an increase of \$0.357 million gross in 2024.

Salaries & Benefits:

- Increased salaries & benefits in 2024 is primarily due to:
 - Anticipated hiring to fill 2023 vacancies offset by expected delays and assumed turnover (\$0.459 million);
 - Two extra working days in 2024 and Collective Bargaining Agreements' inflationary impacts (\$0.176 million); and
 - Addition of 3.0 new permanent positions in the CFO's Office to provide additional enterprise-wide strategic financial advice and analysis as a new/enhanced service priority (\$0.251 million).

Affordability Measures:

Table 3: Offsets and Efficiencies

(In \$000s)									
Recommendation	Savings Type	Equity Impact	2024				2025 (Incremental)		
			Revenue	Gross	Net	Positions	Gross	Net	Positions
Salary and Benefits Adjustments	Base Savings	No Impact		(215.6)	(215.6)		215.6	215.6	
Total Affordability Measures				(215.6)	(215.6)	-	215.6	215.6	-

- **Salary & Benefits Adjustments** – A reduction in Salaries and Benefits budget to reflect actual experience and anticipated hiring plans and assumed turnover that result in less than full year salaries and benefits budget.

New and Enhanced Service Priorities:

Table 4: New / Enhanced Requests

New / Enhanced Request	2024				2025 Annualized Gross	Equity Impact	Supports Key Outcome / Priority Actions
	Revenue	Gross	Net	Positions			
In \$ Thousands							
1 Expanding Strategic Financial Advice & Policy Mandate of CFO's Office		250.8	250.8	3.0	449.0	None	Provide prompt and comprehensive financial advice.
Total New / Enhanced		250.8	250.8	3.0	449.0		

Note:

1. For additional information on 2024 New and Enhanced Service Priorities, please refer to [Appendix 3](#).

2025 & 2026 OUTLOOKS**Table 5: 2025 and 2026 Outlooks**

(In \$000s)	2024 Budget	2025 Incremental Outlook	2026 Incremental Outlook
Revenues			
Revenue Changes		159.3	0.7
Contribution from Reserve		(728.1)	20.7
Completion of Capital Projects		(170.9)	(1,699.6)
Total Revenues	6,184.6	(739.7)	(1,678.2)
Gross Expenditures			
Alignment to Actuals		581.3	512.0
Operating Impact of Capital		46.3	339.2
Completion of Capital Projects		(170.9)	(1,699.6)
New/Enhanced Service		198.1	2.1
Total Gross Expenditures	20,625.7	654.8	(846.3)
Net Expenditures	14,441.0	1,394.6	832.0
Approved Positions	135.0	(3.0)	(6.0)

Key Outlook Drivers

The 2025 Outlook with total gross expenditures of \$21.281 million reflects an anticipated \$0.655 million or 3.2% increase in gross expenditures above the 2024 Operating Budget. The 2026 Outlook expects a reduction of \$0.846 million or 4.0% below 2025 gross expenditures.

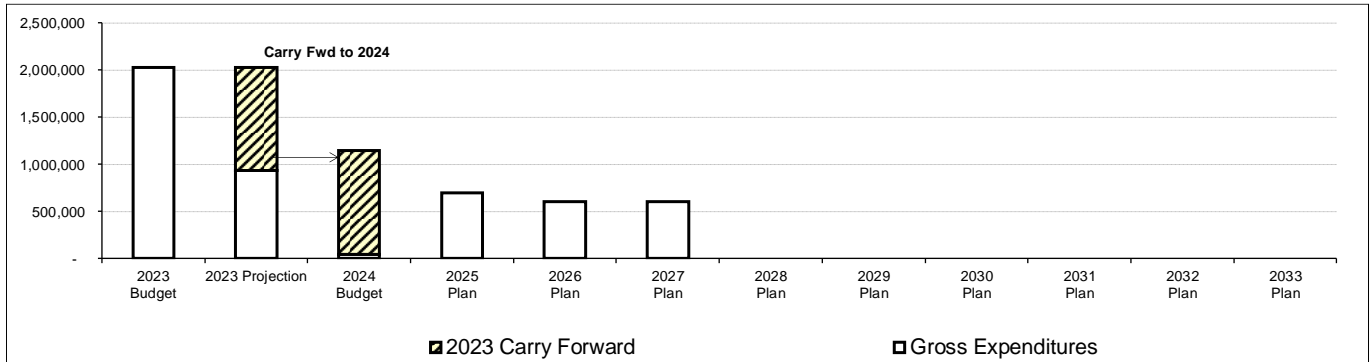
These changes arise from the following:

- Higher salaries & benefits in 2025 and 2026 mainly due to annualization of vacancies and new positions filled part year 2024, and operating sustainment required for completed capital projects.
- Decrease in 2025 and 2026 mainly due to completion of the Integrated Asset Planning Management (IAPM) and Financial Systems Transformation Project (FSTP) capital projects which will result in a decrease of both salary and benefit costs and associated capital recoveries.

2024 – 2033 CAPITAL BUDGET AND PLAN

2024 2033 CAPITAL BUDGET & PLAN OVERVIEW

Chart 1: 10-Year Capital Plan Overview



In \$000's	2023		2024 Capital Budget and 2025 - 2033 Capital Plan										Total 10 Year Plan
	Budget	Projected Actual	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
	Gross Expenditures by Project Category:												
Health & Safety & Legislated	1,403	307	1,144	698		600	600						1,842
SOGR	629				600	600							1,200
Service Improvement & Growth													
Total by Project Category	2,032	307	1,144	698	600	600							3,042
Financing:													
Debt	1,403	307	1,144	698									1,842
Debt Recoverable													
Reserves/Reserve Funds	629				600	600							1,200
Development Charges													
Provincial													
Federal													
Other Revenue													
Total Financing	2,032	307	1,144	698	600	600							3,042

Changes to Existing Projects
(\$0.0 Million)



The 2024-2033 Capital Budget and Plan reflects no changes to existing projects over the nine common years (2024-2032).

Note:

For additional information, please refer to [Appendix 5](#) for a more detailed listing of the 2024 and 2025-2033 Capital Budget & Plan by project; and [Appendix 7](#) for Capacity to Spend Review, respectively.

2024 – 2033 CAPITAL BUDGET AND PLAN

\$3.0 Million 10-Year Gross Capital Program

	
Asset Planning	Information Technology/ Risk Management
\$1.8M 61%	\$1.2M 39%
Integrated Asset Planning Management	Risk Management Information System Replacement 2026 Investment & Debt Management System Replacement 2027

How the Capital Program is Funded

City of Toronto		Provincial Funding	Federal Funding
\$3.0 M 100%		\$0.0 M 0%	\$0.0 M 0%
Debt	\$ 1.8 M		
Reserve / Reserve Fund	\$ 1.2 M		

OPERATING IMPACT OF COMPLETED CAPITAL PROJECTS

Approval of the 2024 Capital Budget will impact the 2025 Operating Budget by a total of \$0.046 million net arising from completing the two previously approved projects, as shown in Table 6 below.

Table 6: Net Operating Impact Summary

Projects	2024 Budget		2025 Plan		2026 Plan		2027 Plan		2028 Plan		2024-2028		2024-2033	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved														
Integrated Asset Planning Management (IAPM)			46.3	1.0	135.7						182.0	1.0	182.0	1.0
Financial Systems Transformation Project (FSTP)					203.5	1.0					203.5	1.0	203.5	1.0
Sub-Total: Previously Approved			46.3	1.0	339.2	1.0					385.5	2.0	385.5	2.0
Total (Net)			46.3	1.0	339.2	1.0					385.5	2.0	385.5	2.0

Previously Approved projects:

- The expected completion of the *Integrated Asset Planning Management (IAPM)* project in July 2025 will result in net operating costs of \$0.046 million in 2025 and a further increase of \$0.136 million in 2026 for additional 1.0 position required to sustain the system.
- The expected completion of the *Financial Systems Transformation Project (FSTP)* in January 2025 will result in net operating costs of \$0.204 million in 2026 for additional 1.0 position required to sustain Budget Tool.

APPENDICES

Appendix 1

2024 Operating Budget by Category

Category (In \$000s)	2021	2022	2023	2023	2024	2024 Change from		2024 Change from	
	Actual	Actual	Budget	Projection*	Budget	2023 Budget	2023 Projection	2023 Budget	2023 Projection
	\$	\$	\$	\$	\$	\$	%	\$	%
Transfers From Capital		114.6	1,832.5	944.1	1,876.6	44.1	2.4%	932.5	98.8%
Contribution From Reserves/Reserve Funds	1,764.2	1,813.0	2,629.6	2,334.9	2,820.5	190.9	7.3%	485.6	20.8%
Sundry and Other Revenues	334.5				198.4	198.4		198.4	
Inter-Divisional Recoveries	1,168.0	1,172.4	1,176.6	1,176.6	1,289.1	112.5	9.6%	112.5	9.6%
Total Revenues	3,266.7	3,100.0	5,638.8	4,455.6	6,184.6	545.9	9.7%	1,729.0	38.8%
Salaries and Benefits	14,071.3	15,487.5	18,613.5	17,027.6	19,894.2	1,280.7	6.9%	2,866.6	16.8%
Materials & Supplies	5.3	5.2	20.8	16.5	20.5	(0.3)	(1.3%)	4.1	24.8%
Equipment	43.5	46.7	67.1	50.8	59.0	(8.0)	(12.0%)	8.2	16.2%
Service and Rent	546.1	504.9	652.1	619.8	651.4	(0.7)	(0.1%)	31.6	5.1%
Other Expenditures	0.0	0.1	0.5	10.0	0.5			(9.5)	(95.0%)
Total Gross Expenditures	14,666.2	16,044.4	19,354.0	17,724.6	20,625.7	1,271.7	6.6%	2,901.0	16.4%
Net Expenditures	11,399.5	12,944.4	13,715.2	13,269.0	14,441.0	725.8	5.3%	1,172.0	8.8%

*Projection based on 9 Month Variance

Appendix 2

Summary of 2024 Service Changes

N/A

Appendix 3

Summary of 2024 New / Enhanced Service Priorities Included in Budget

Form ID		Finance and Treasury Services Program - Office of the Chief Financial Officer and Treasurer	Adjustments				2025 Plan Net Change	2026 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
30952		Expanding Strategic Financial Advice & Policy Mandate of CFO's Office						
74	No Impact	Description:						
<p>This proposal is to expand the capacity of the Office of the Chief Financial Officer & Treasurer by 3.0 additional positions to be able to provide prompt and comprehensive enterprise-wide strategic financial advice and analysis. Due to the volume and complexity of financial and policy matters, it is recommended that the CFO's Office capacity be expanded to be able to drive the City of Toronto's Corporate Strategic Priority of financial sustainability. This would include ongoing strategic financial advice and leadership on key and emerging issues, including implementation and ongoing initiatives associated with Council's direction from the Updated Long-Term Financial Plan considered by City Council in 2023.</p> <p>Service Level Impact:</p> <p>An expanded capacity of the CFO's Office will enable a more centralized, streamlined and comprehensive response to strategic and financial policy matters within Finance & Treasury Services, while advancing critical sustainability efforts associated with Council's direction from the Long-Term Financial Plan. Additional staff will be able to provide leadership on emerging files and enterprise-wide matters, enabling other teams to retain a greater focus on divisional deliverables and priorities.</p> <p>Equity Statement:</p> <p>There is no equity impact associated with this initiative.</p> <p>Service: F&A - Executive Leadership</p>								
		Total Staff Prepared Budget Changes:	250.8	0.0	250.8	3.00	198.1	2.1
		Staff Prepared New/Enhanced Service Priorities:	250.8	0.0	250.8	3.00	198.1	2.1
Summary:								
		Staff Prepared New/Enhanced Service Priorities:	250.8	0.0	250.8	3.00	198.1	2.1

Appendix 4

Summary of 2024 New / Enhanced Service Priorities Not Included in Budget

N/A

Appendix 5

2024 Capital Budget; 2025 - 2033 Capital Plan Including Carry Forward Funding

(In \$000s)	2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2024 - 2033 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
<i>Integrated Asset Planning Management (IAPM)</i>	1,144	698									1,842	1,842		
<i>Risk Management Information System Replacement 2026</i>			600								600		600	
<i>Investment & Debt Management System Replacement 2027</i>				600							600		600	
Total Expenditures	1,144	698	600	600							3,042	1,842	1,200	

Appendix 5a

2024 Cash Flow and Future Year Commitments Including Carry Forward Funding

(In \$000s)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total 2024 Cash Flow & FY Commits	Previously Approved	Change in Scope	New w/ Future Year
<i>Integrated Asset Planning Management (IAPM)</i>	1,144	698									1,842	1,842		
Total Expenditure (including carry forward from 2023)	1,144	698									1,842	1,842		

Appendix 5b

2025 - 2033 Capital Plan

(In \$000s)	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	2025 - 2033 Total	Health & Safety & Legislated	SOGR	Growth & Improved Service
<i>Risk Management Information System Replacement 2026</i>		600								600		600	
<i>Investment & Debt Management System Replacement 2027</i>			600							600		600	
Total Expenditures		600	600							1,200		1,200	

Appendix 6

Reporting on Major Capital Projects: Status Update

N/A

Appendix 7

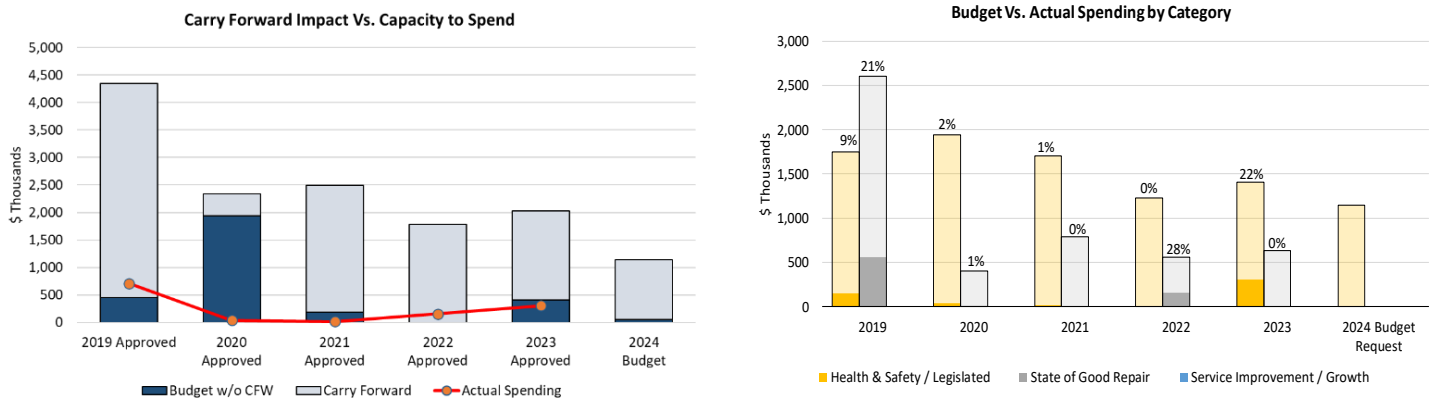
Capacity to Spend Review

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

A key component in determining an appropriate level of annual cash flows includes historical capacity to spend reviews by project categories (Chart 3 below) as well as the level of projected 2023 underspending that will be carried forward into 2024 to complete capital work.

The *Integrated Asset Planning Management (IAPM)* project successfully completed the core asset management report which received Council approval in the fall of 2021 using existing operating resources (through Finance, Transportation & Toronto Water). Capital was preserved and will be used to support the delivery of non-core asset management plan with provincially legislated timeframe of summer 2024. By July 1, 2025, an approved asset management plan will be required for all municipal infrastructure assets that builds upon the requirements set out in 2024.

Chart 3 – Capacity to Spend



Capacity to Spend Review Impact on the 10-Year Plan

- The projected spending for 2023 is \$0.307 million or 15% of the 2023 Council Approved Capital Budget. Challenges in spending for projects are mainly due to delay in obtaining resources to support project delivery of the *Non-Core Asset Management Plan (AMP)* as well as the completion of the *Risk Management Information System Upgrade* with under-expenditure. The unspent cash flow funding of \$1.096 million has been carried forward into 2024 to continue and complete the required capital work for the AMP by the provincially legislated due date of July 1, 2024.
- The Office of the Chief Financial Officer and Treasurer reviewed its historical capital spending trends and capacity to deliver projects. Based on the review of historical capital spending constraints and a capacity to spend, *Integrated Asset Planning Management* project carries forward \$1.096 million from 2023 to 2024 and defers the previously committed capital spending for 2024 of \$0.538 million to 2025 to align with the legislated timelines.

Appendix 8

Summary of Capital Needs Constraints

N/A

Appendix 9

Capital Program Provincial/Federal Funding Streams by Project

N/A

Appendix 10

Inflows and Outflows to/from Reserves and Reserve Funds

2024 Operating Budget

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		48,280.6	32,147.7	16,131.2
Insurance Reserve Fund	XR1010			
<i>Withdrawals (-)</i>		(2,051.7)	(2,064.4)	(2,085.0)
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		46,228.9	30,083.3	14,046.2
Other Program / Agency Net Withdrawals & Contributions		(14,081.2)	(13,952.0)	(14,452.6)
Balance at Year-End		32,147.7	16,131.2	(406.3)

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		456,643.7	432,407.4	354,268.3
Section 37 Reserve Fund	XR3026			
<i>Withdrawals (-)</i>		(28.0)	(28.0)	(28.0)
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		456,615.7	432,379.4	354,240.3
Other Program / Agency Net Withdrawals & Contributions		(24,208.3)	(78,111.1)	(18,704.3)
Balance at Year-End		432,407.4	354,268.3	335,536.0

Reserve / Reserve Fund Name (In \$000s)	Reserve / Reserve Fund Number	Withdrawals (-) / Contributions (+)		
		2024	2025	2026
		\$	\$	\$
Beginning Balance		182,751.6	167,717.0	158,723.0
Debt Servicing Reserve Fund	XR1734			
<i>Withdrawals (-)</i>		(740.8)		
<i>Contributions (+)</i>				
Total Reserve / Reserve Fund Draws / Contributions		182,010.8	167,717.0	158,723.0
Other Program / Agency Net Withdrawals & Contributions		(14,293.8)	(8,994.1)	(8,943.1)
Balance at Year-End		167,717.0	158,723.0	149,779.9

Inflows and Outflows to/from Reserves and Reserve Funds

2024 – 2033 Capital Budget and Plan

Corporate Reserve / Reserve Funds

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)											
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total	
XQ0011 Capital Financing Reserve	Beginning Balance	473,216	333,944	334,863	291,203	238,907	204,926	165,589	134,463	108,613	87,443		
	<i>Withdrawals (-)</i>												
	<i>Investment & Debt Management System Replacement 2027</i>				(600)							(600)	
	Total Withdrawals	-	-	-	(600)	-	-	-	-	-	-	-	(600)
	Contributions (+)												-
	Total Contributions	-	-	-	-	-	-	-	-	-	-	-	
Other Program/Agency Net Withdrawals and Contributions		(139,272)	919	(43,661)	(51,696)	(33,981)	(39,337)	(31,126)	(25,850)	(21,170)	(451)	(385,624)	
Balance at Year-End		333,944	334,863	291,203	238,907	204,926	165,589	134,463	108,613	87,443	86,992	(386,224)	

Reserve / Reserve Fund Name (In \$000s)	Project / Sub Project Name and Number	Contributions / (Withdrawals)											
		2024 Budget	2025 Plan	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan	2031 Plan	2032 Plan	2033 Plan	Total	
XR1010 Insurance Reserve Fund	Beginning Balance	48,281	32,148	16,131	(406)	(406)	(406)	(406)	(406)	(406)	(406)	(406)	
	<i>Withdrawals (-)</i>												
	<i>Risk Management Information System Replacement 2026</i>			(600)								(600)	
	Total Withdrawals	-	-	(600)	-	-	-	-	-	-	-	-	(600)
	Contributions (+)												-
	Total Contributions	-	-	-	-	-	-	-	-	-	-	-	
Other Program/Agency Net Withdrawals and Contributions		(16,133)	(16,016)	(15,938)	-	-	-	-	-	-	-	(48,087)	
Balance at Year-End		32,148	16,131	(406)	(406)	(406)	(406)	(406)	(406)	(406)	(406)	(48,687)	

Appendix 11

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

Tax Supported Budget: Budget funded by property taxes.

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