

## Capital Variance Report for the Twelve Months Ended December 31, 2024

**Date:** July 2, 2025

**To:** Executive Committee

**From:** Chief Financial Officer and Treasurer

**Wards:** All

### SUMMARY

The purpose of this report is to provide City Council with the City of Toronto's capital spending for the twelve-month period ended December 31, 2024. Furthermore, this report seeks Council's approval for in-year budget adjustments to the 2024 Approved Capital Budget and Plan to align with the year-end funding requirements.

As illustrated in Table 1 below, the City's 2024 capital expenditure was \$4.740 billion or 73.8% of the 2024 Approved Capital Budget of \$6.422 billion for the period ended December 31, 2024.

- Tax Supported City Programs and Agencies reported capital expenditures of \$3.653 billion representing 73.4% of their collective 2024 Approved Capital Budget of \$4.976 billion.
- Rate Supported City Programs reported capital expenditures of \$1.086 billion, representing 75.1% of their collective 2024 Approved Capital Budget of \$1.446 billion.

**Table 1: Capital Variance Summary**

Table 1			
	2024 Approved Budget*	2024 YE Actual Expenditures	
	\$M	\$M	%
City Operations	3,313.9	2,107.6	63.6%
Agencies	1,661.9	1,545.6	93.0%
<b>Tax Supported:</b>	<b>4,975.8</b>	<b>3,653.3</b>	<b>73.4%</b>
<b>Rate Supported:</b>	<b>1,445.8</b>	<b>1,086.3</b>	<b>75.1%</b>
<b>TOTAL</b>	<b>6,421.6</b>	<b>4,739.6</b>	<b>73.8%</b>

*\*Note: Includes carry forward funding*

In 2024, the City's actual capital delivery continued its upward trend, building from the progress made in 2023. The capital spending totaled \$4.740 billion, with a spending rate of 73.8%, reflect an improvement over 2023, when capital expenditures were \$4.219 billion with a spending rate of 71.4%. The spending rate is defined as the actual capital expenditures as a percentage of the full year budget including in-year budget adjustments and carry forward funding from prior years' unspent budget. The improved spending rate is largely attributable to the City's sustained focus on prioritizing capital delivery, supported by strengthened budget planning process. This approach has enabled City Programs and Agencies to accelerate project timelines and enhance overall execution. The achievements were made possible by the coordinated efforts of City Council, Divisions, and Agencies.

## **RECOMMENDATIONS**

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The Chief Financial Officer and Treasurer recommends that:

1. City Council approve in-year budget adjustments to the 2024-2033 Approved Capital Budget and Plan as detailed in Appendix 4.

## **FINANCIAL IMPACT**

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Capital expenditures totalled \$4.740 billion of the \$6.422 billion 2024 Approved Capital Budget.

Appendix 1 summarizes the 2024 actuals in comparison to the total Capital Budget by City Programs and Agencies.

Appendices 2a and 2b summarize the projects/subprojects completed and/or filed for closures in 2024, with \$1.231 billion actual spending on a total budget of \$1.272 billion, resulting in a \$41.0 million savings.

Appendix 4 includes recommended in-year capital budget adjustments to the 2024 Capital Budget, totaling \$13.632 million in funding and funding source reallocations between projects, without impacting total project costs or debt.

## **DECISION HISTORY**

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The 2024 Tax and Rate Supported Capital Budget of \$5.666 billion including carry forward, received municipal adoption following the Council meeting of February 14, 2024.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MPB15.1>

The original budget was subsequently amended by City Council through the incremental carry forward report and quarterly variance reports to include additional in-year adjustments. As a result, the total adjusted budget for 2024 is \$6.422 billion.

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 capital variance reports are submitted to Committees and City Council, to provide financial monitoring information on capital 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. In addition, City Council's approval is requested for budget adjustments that amend the Approved Capital Budget and Plan in accordance with the Financial Control By-Law and the City's financial management policies.

## COMMENTS

Table 2 outlines capital actuals for Tax and Rate Supported Programs for the twelve months ended December 31, 2024 for major service areas.

**Table 2: Capital Variance Summary**

Table 2			
	2024 Approved Budget	2024 YE Actuals	
	\$M	\$M	%
<b>Tax Supported Programs:</b>			
Community and Social Services	588.0	386.6	65.7%
Infrastructure Services	1,187.6	856.5	72.1%
Development and Growth Services	921.2	469.5	51.0%
Corporate Services	536.5	353.6	65.9%
Finance and Treasury Services	76.2	38.6	50.7%
Other City Programs	4.4	2.8	62.6%
<b>Sub Total City Operations</b>	<b>3,313.9</b>	<b>2,107.6</b>	<b>63.6%</b>
Toronto Transit Commission (TTC)	1,340.6	1,270.5	94.8%
Transit Expansion (a TTC program)	20.2	19.3	95.8%
Other Agencies	301.1	255.7	84.9%
<b>Sub Total - Tax Supported</b>	<b>4,975.8</b>	<b>3,653.3</b>	<b>73.4%</b>
<b>Rate Supported Programs:</b>			
Solid Waste Management	86.2	65.8	76.3%
Toronto Parking Authority	85.4	57.1	66.9%
Toronto Water	1,274.1	963.4	75.6%
<b>Sub Total Rate Supported</b>	<b>1,445.8</b>	<b>1,086.3</b>	<b>75.1%</b>
<b>Total</b>	<b>6,421.6</b>	<b>4,739.6</b>	<b>73.8%</b>

The following City Programs and Agencies have significant capital programs, and are the main contributors to the overall actuals for the year:

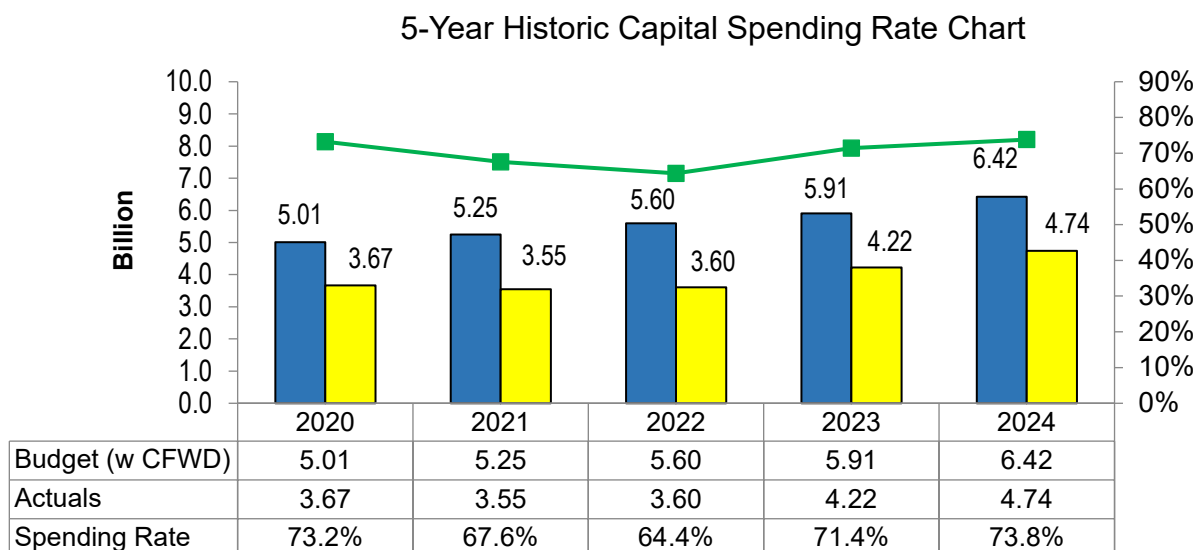
- TTC spent \$1.271 billion, utilizing 94.8% of its 2024 approved budget. Major investments included \$170.4 million (94.5% spend) for Purchases of Buses and

\$168.5 million for the Easier Access – Phase III project, a 100% spend of the annual budget, which included making Donlands, Glencairn, and Castle Frank subway stations accessible in 2024.

- Toronto Water delivered \$963.4 million in capital spending, achieving 75.6% of its 2024 approved budget. Investment included continued progress on the Basement Flooding Program (\$129.3 million) and solid performance on the Wet Weather Flow (WWF) Program (\$102.6 million).
- Transportation Services invested \$719.6 million, representing 91.6% of its 2024 approved budget. Key investments included \$201.5 million (93.7% spend) for the F.G. Gardiner Expressway rehabilitation and \$174.8 million for local and major road rehabilitation program, both achieving 100% spend of the 2024 budget.
- Parks, Forestry and Recreation investment in its capital programs had a significant impact on the overall spending rate. The program spent \$270.6 million representing a spending rate of 81.6% in 2024.

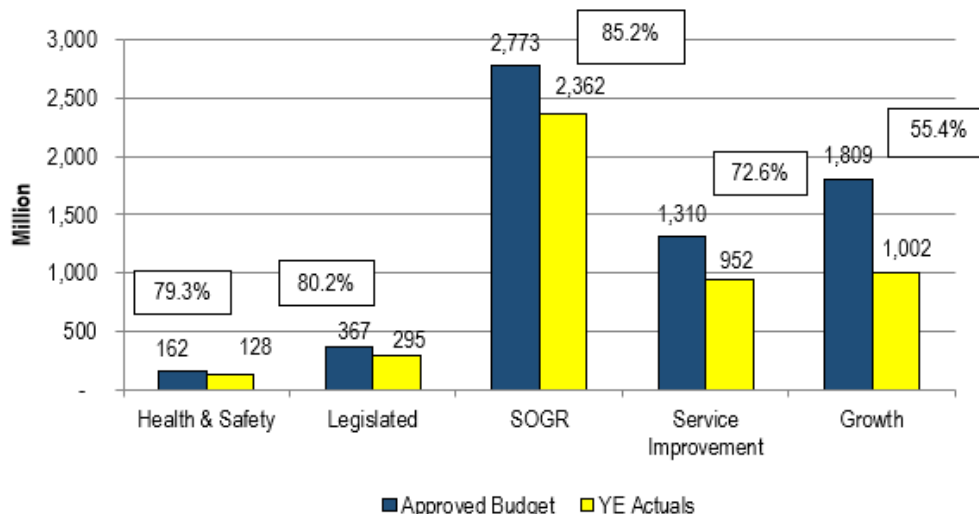
Figure 1 compares the actual year-end spending rate in each of the years 2020 to 2024 as detailed in this report.

**Figure 1: 2020 - 2024 Actuals and Spending Rate (\$Billions)**



The City's capital program encompasses five categories of capital projects: Health and Safety, Legislated, State of Good Repair (SOGR), Service Improvement, and Growth Related. Figure 2 compares the 2024 Total (Tax and Rate) Approved Capital Budget and year-end actuals for each project category.

**Figure 2: 2024 Approved Budget vs. Actuals by Project Category (\$Millions)**



In 2024, State of Good Repair expenditures increased slightly compared to 2023, reaching \$2.362 billion and continuing to represent the highest spending among the five categories at 85.2%. This was closely followed by Legislated projects at 80.2% and Health and Safety projects at 79.3%. The substantial investment and expenditures in SOGR highlight the City's continued emphasis on maintaining and improving its infrastructure and flattening the curve for SOGS backlog increase. Additionally, spending in the Growth category improved from \$666 million in 2023 to \$1.002 billion in 2024. This increase reflects the City's ongoing commitment to supporting growth and development across the City.

Further details on the progress of approved capital projects for each City Program and Agency can be found in Appendix 5 of this report.

### **Capital Project/Subproject closures in 2024**

According to the City's financial management policy, the capital projects are closed once completed and signed-off by delegated authority of the CFO and Treasurer in a timely manner. This ongoing process identifies underspending and allows funding to be returned to its original source and/or to be reinvested in future projects. The details of closed projects are included in the year-end report for Council's information.

Appendix 2a details 180 capital projects from the Tax and Rate Supported Programs and Agencies that have been completed and/or filed for project closures in 2024. These projects have a combined budget of \$561.8 million and actual expenditures of \$525.5 million, resulting in a saving of \$36.3 million, which will be redirected to support future capital priorities.

Appendix 2b details projects to be partially closed with 41 capital sub-projects. Together these sub-projects have a combined budget of \$710.1 million and actual expenditures of \$705.4 million, with a permanent underspend of \$4.7 million.

## Recommended In-Year Budget Adjustments

City Council approval is required for in-year budget adjustments totaling \$13.632 million in funding and funding source reallocations between projects, with no impact on overall project costs or debt impact. Full adjustment details by Program and Agency are provided in Appendix 4.

## CONTACT

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## SIGNATURE

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Stephen Conforti  
Chief Financial Officer and Treasurer

## ATTACHMENTS

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Appendix 1 Capital Variance Summary for the Twelve Months Ended December 31, 2024  
Appendix 2a Capital Projects Fully Closed for Year 2024  
Appendix 2b Capital Projects Partial Closed for Year 2024  
Appendix 3 Major Capital Projects  
Appendix 4 In-Year Adjustments for the Twelve months Ended December 31, 2024  
Appendix 5 Capital Variance Dashboard by Program and Agency