

Capital Variance Report for the Six Months Ended June 30, 2025

Date: September 15, 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 capital spending for the six-month period ended June 30, 2025, as well as the projected 2025 year-end expenditures. Furthermore, this report seeks Council's approval for in-year budget adjustments to the previously approved Capital Budget and Plan as outlined in Appendix 2a and Appendix 2b of this report.

Table 1 below summarizes the City's 2025 actual capital expenditures compared with the 2025 Approved Capital Budget for the six-month period ended June 30, 2025, and the projected expenditures by year-end, December 31, 2025.

Table 1: Capital Variance Summary

| Table 1 Corporate Capital Variance Summary for the Period Ended June 30, 2025 | | | | | |
|--|---------------------|--|--------------|---|--------------|
| | 2025 Budget* | 2025 Q2 Year-to-Date Expenditures | | 2025 Projected Year-End Expenditures | |
| | \$M | \$M | % | \$M | % |
| City Operations | 2,783.4 | 821.8 | 29.5% | 2,337.6 | 84.0% |
| Agencies | 2,106.8 | 742.0 | 35.2% | 1,845.2 | 87.6% |
| Tax Supported: | 4,890.2 | 1,563.8 | 32.0% | 4,182.8 | 85.5% |
| Rate Supported: | 1,354.8 | 286.1 | 21.1% | 1,055.5 | 77.9% |
| TOTAL | 6,245.0 | 1,849.9 | 29.6% | 5,238.3 | 83.9% |

**Note: Includes carry forward funding*

The City's actual capital spending for the first six months of 2025 totals \$1.850 billion, or 29.6% of the 2025 Approved Capital Budget. This marks an improvement in spending rate compared to the historical average for the same six-month period, which has typically remained below 27%. Capital spending will continue to be monitored, with updates provided in future variance reports.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer recommends that:

1. City Council approve in-year budget adjustments to Previously Approved Capital Budget and Plan, as detailed in Appendix 2a and Appendix 2b.

FINANCIAL IMPACT

The capital expenditures in the first six months of 2025 totalled \$1.850 billion and year-end expenditures are anticipated to be at \$5.238 billion or 83.9% of the total 2025 Adjusted Capital budget.

Appendix 1 summarizes the Year-To-Date spending in the first six months of 2025 and the projected year-end spending rate by City Programs and Agencies.

Appendix 2a includes recommended in-year capital budget adjustments to the 10-Year Capital Budget and Plan. The net total adjustment of \$33.795 million reflects an increase of funding by \$45.189 which is partially offset by \$11.394 reduction of funding. This net adjustment accommodates accelerations of \$116.980 million and deferrals of \$75.464 million. Furthermore, these adjustments also reflect an overall reduction to debt funding by \$6.008 million.

Appendix 2b includes funding changes for various programs that result in a net increase of \$3.241 million to prior year cash flows for previously approved Capital Budgets, to align with the actual funding requirements.

DECISION HISTORY

The 2025 Tax and Rate Supported Capital Budget of \$6.149 billion including carry forward, received municipal adoption following the Council meeting of February 11, 2025.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.MPB15.1>

The original budget was subsequently amended by City Council through the incremental carry forward and the in-year capital budget adjustments. As a result, the total adjusted budget for 2025 is \$6.245 billion.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX23.9>

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 six months ended June 30, 2025, for major service areas.

Table 2: Capital Variance Summary

| Table 2 | | | | | |
|-----------------------------------|----------------|---------------------|--------------|---------------------------------|--------------|
| | 2025 Budget | 2025 Q2 YTD Actuals | | 2025 Projected Year-End Actuals | |
| | \$M | \$M | % | \$M | % |
| Tax Supported Programs: | | | | | |
| City Operations: | | | | | |
| Community and Social Services | 667.0 | 151.1 | 22.7% | 556.8 | 83.5% |
| Infrastructure Services | 823.6 | 238.7 | 29.0% | 684.6 | 83.1% |
| Development and Growth Services | 775.6 | 245.0 | 31.6% | 629.3 | 81.1% |
| Corporate Services | 462.4 | 169.9 | 36.7% | 427.6 | 92.5% |
| Finance and Treasury Services | 48.3 | 15.5 | 32.1% | 34.2 | 70.8% |
| Other City Programs | 6.5 | 1.6 | 24.6% | 5.1 | 78.5% |
| Sub Total City Operations | 2,783.4 | 821.8 | 29.5% | 2,337.6 | 84.0% |
| Toronto Transit Commission (TTC) | 1,656.3 | 600.8 | 36.3% | 1,482.2 | 89.5% |
| Transit Expansion (a TTC program) | 75.8 | 3.4 | 4.5% | 20.9 | 27.6% |
| Other Agencies | 374.7 | 137.8 | 36.8% | 342.1 | 91.3% |
| Sub Total - Tax Supported | 4,890.2 | 1,563.8 | 32.0% | 4,182.8 | 85.5% |
| Rate Supported Programs: | | | | | |
| Solid Waste Management | 75.0 | 14.8 | 19.7% | 71.0 | 94.7% |
| Toronto Parking Authority | 55.6 | 9.0 | 16.2% | 52.6 | 94.6% |
| Toronto Water | 1,224.2 | 262.3 | 21.4% | 931.9 | 76.1% |
| Sub Total Rate Supported | 1,354.8 | 286.1 | 21.1% | 1,055.5 | 77.9% |
| Total | 6,245.0 | 1,849.9 | 29.6% | 5,238.3 | 83.9% |

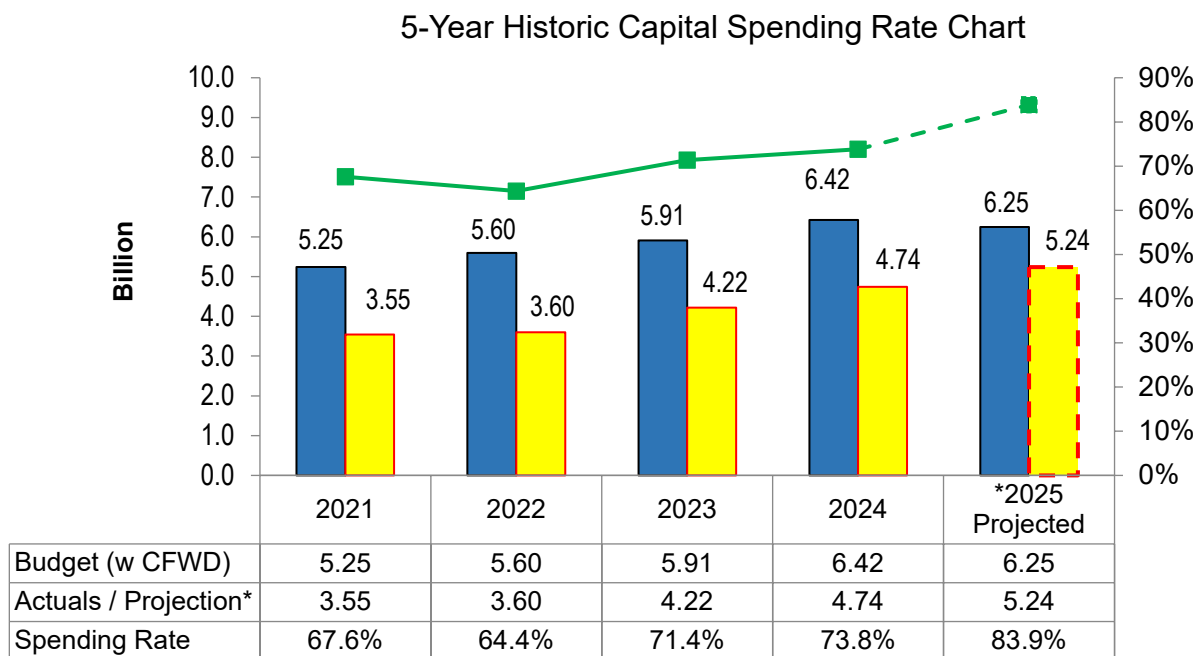
Consistent with what was projected in the four-month variance report, the following City Programs and Agencies have significant capital programs and are the main contributors to the overall projected actuals for the year. Their year-end projections are largely in line with what was provided in the four-month variance report:

- Toronto Transit Commission is projected to spend \$1.482 billion or 89.5% of its 2025 Approved Capital Budget. Key investments include \$294.3 million for the purchase of buses, \$142.6 million for the purchase of streetcars and \$145.9 million for the Easier Access-Phase III project.

- Toronto Water is projecting to spend \$931.9 million or 76.1% of its 2025 Approved Capital Budget. Key investments include \$134.2 million for Basement Flooding Relief Program and \$68.6 million for the District Sewer Rehabilitation Operations project.
- Transportation Services is projecting to spend \$582.5 million or 89.6% of its 2025 Approved Capital Budget. Key investments include \$169.9 million for the F. G. Gardiner project and \$74.6 million for Local Road Rehabilitation.
- Housing Secretariat is projecting to spend \$515.2 million or 83.3% of its 2025 Approved Capital Budget. Key investments include \$215.9 million for Toronto Community Housing Corporation's Building Repair Program and \$57.6 million for the Housing Now Program.

Figure 1 below compares the actual year-end spending rate in each of the years 2021 to 2024, and the projected 2025 year-end spending rate as detailed in this report. Spending rate is the total capital expenditure as a percentage of the full year budget including in-year adjustments and carry forward funding from prior years' budget.

Figure 1: 2021 - 2024 Actuals and 2025 Projected Capital Spending Rate (\$ Billions)

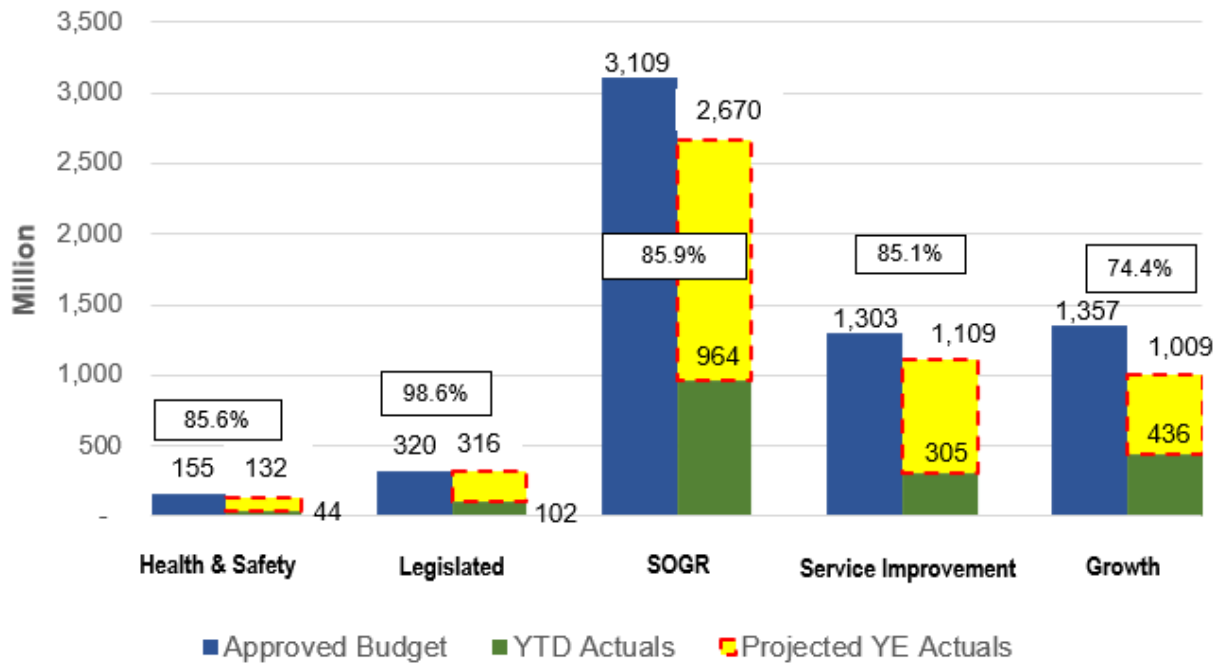


As indicated in the above chart, the City's annual spending rate is steadily trending upward from 67.6% in 2021. The projected 2025 spending rate of 83.9% is based on information and analysis as of June 30, 2025. The total actual expenditure for 2025 will be reported in the year-end variance report.

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 2025 Total (Tax and Rate) Approved Capital Budget, year-to-date actual spending, and projected year-end actuals for each project category.

Figure 2: 2025 Approved Budget versus. Year-to-Date Actuals and Projected Spending by Project Category (\$ Millions)



The project categories, other than growth-related, are forecasting a high spending rate of more than 85% at this time. A more refined forecast will be available in the nine-month variance report.

Further details on the progress of all approved capital projects for each City Program and Agency can be found in Appendix 3 of this report.

FIFA World Cup 2026 (FWC26) Consolidated Capital Budget

Table 3 below summarizes the capital actuals for the six months ended June 30, 2025, as well as year-end projections for key programs and agencies delivering capital projects in support of FWC26, based on the approved 2025 Capital Budget and recent Council direction.

Table 3: FIFA World Cup 2026 Consolidated Capital Spending

| Program/Agency | 2025 Approved Budget | 2025 Q2 Actual Expenditures | | 2025 Projected Year-End Expenditures | |
|-------------------------|----------------------------|--------------------------------|--------------|--|---------------|
| | \$ millions | \$ millions | % | \$ millions | % |
| Exhibition Place | 70.7 | 21.9 | 31.0% | 70.7 | 100.0% |
| Parks & Recreation | 14.0 | 2.7 | 19.4% | 14.0 | 100.0% |
| Transportation Services | 0.2 | 0 | 0% | 0.2 | 100.0% |
| Total | 84.8 | 24.6 | 29.0% | 84.8 | 100.0% |

- Exhibition Place is projecting to fully spend the 2025 Capital Budget for upgrades to BMO Field, which include accessibility upgrades to washrooms, suite upgrades, dressing room upgrades, new permanent video boards, refurbished audio-visual systems, sports lighting replacement, turf upgrades, and temporary seating improvements to bring the stadium to FIFA operational standards. Stadium upgrades are on track to be completed before the games begin in 2026.
- Parks and Recreation is projecting to fully spend the 2025 Capital Budget for enhancements to City sports fields and facilities at Centennial Park for training purposes. The training site enhancements are on track to be completed in 2025.
- Transportation Services is projecting to fully spend the 2025 Capital Budget for the installation of FIFA related CCTV cameras. CCTV camera installations are on track to be completed in 2025.

Major Recommended In-Year Budget Adjustments

City Council approval is required for the in-year budget adjustments. The key adjustments are outlined below for reference; detailed information for all adjustments is provided in Appendix 2a and Appendix 2b.

Corporate Real Estate Management (CREM)

- \$5.4 million for urgent SOGR and security projects, funded by funds from the Don Valley Parkway and Gardiner Re-allocation upload and debt.
- Transfer of project delivery responsibilities with total value of \$80.9M from TOLive to CREM in response to Item [2024.EX19.20](#) resulting in a net zero overall impact to the 10-Year Capital Budget and Plan.

Parks and Recreation

- \$19.5 million increase funded by reserve funds and other sources over 2025-2028 to advance various parkland acquisition projects including new parks at 819 Yonge Street and Holmes and Doris Park.

Toronto Transit Commission (TTC)

- \$14.0 million increase funded by Federal funding to purchase Gasoline Wheel-Trans buses as approved by the TTC Board.

Solid Waste Management Services

- \$6.2 million increase funded by reserve funds and recoverable debt for Item [2025.IE23.1](#) adopted by Council on July 23, 2025 to support in-house mechanical litter removal (litter vacuum) operations.

CONTACT

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SIGNATURE

Stephen Conforti
Chief Financial Officer and Treasurer

ATTACHMENTS

Appendix 1 2025 Capital Variance Summary for the Six Months Ended June 30, 2025
Appendix 2a In-Year Adjustments for the Six Months Ended June 30, 2025
Appendix 2b In-Year Funding Cleanup Entries for the Six Months Ended June 30, 2025
Appendix 3 2025 Six Month Capital Variance Dashboard by Program and Agency