

Capital Variance Report for the Nine Months Ended September 30, 2025

Date: November 25, 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 nine month period ended September 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 nine month period ended September 30, 2025, and the projected expenditures by year-end, December 31, 2025.

Table 1: Capital Variance Summary

Table 1					
	2025 Budget*	2025 Nine Month Year-to-Date Expenditures		2025 Projected Year-End Expenditures	
	\$M	\$M	%	\$M	%
City Operations	2,935.9	1,480.9	50.4%	2,448.9	83.4%
Agencies	2,138.5	1,149.0	53.7%	2,016.8	94.3%
Tax Supported:	5,074.4	2,629.9	51.8%	4,465.7	88.0%
Rate Supported:	1,355.1	510.5	37.7%	979.8	72.3%
TOTAL	6,429.5	3,140.4	48.8%	5,445.5	84.7%

**Note: Includes carry forward funding*

Capital spending for the first nine months of 2025 totals \$3.140 billion, or 48.8% of the 2025 Approved Budget, representing an improvement compared with the five-year historical average of 41.9% for the same period. This upward trend is a positive indication as the City moves toward year-end. Spending levels will continue to be

monitored with update to be provided in the final variance report following the 2025 year-end closure.

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 nine months of 2025 totalled \$3.140 billion and year-end expenditures are anticipated to be at \$5.446 billion or 84.7% of the total 2025 Adjusted Capital budget.

Appendix 1 summarizes the Year-To-Date (YTD) spending in the first nine months of 2025 and the projected year-end spending by City Programs and Agencies.

Appendix 2a outlines the recommended in-year capital budget adjustments to the 10-Year Capital Budget and Plan. These include a net acceleration of \$86.492 million from future years, and an additional \$238.044 million in funding, offset by a reduction of \$2.570 million. Overall, these changes result in a net reduction of \$2.444 million in debt funding.

Appendix 2b outlines additional in-year adjustments to align the budget with actual funding requirements. These adjustments include funding changes across various programs, resulting in a net increase of \$5.155 million to prior-year cash flows for previously approved Capital Budgets.

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 \$6.430 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 nine months ended September 30, 2025, for major service areas.

Table 2: Capital Variance Summary

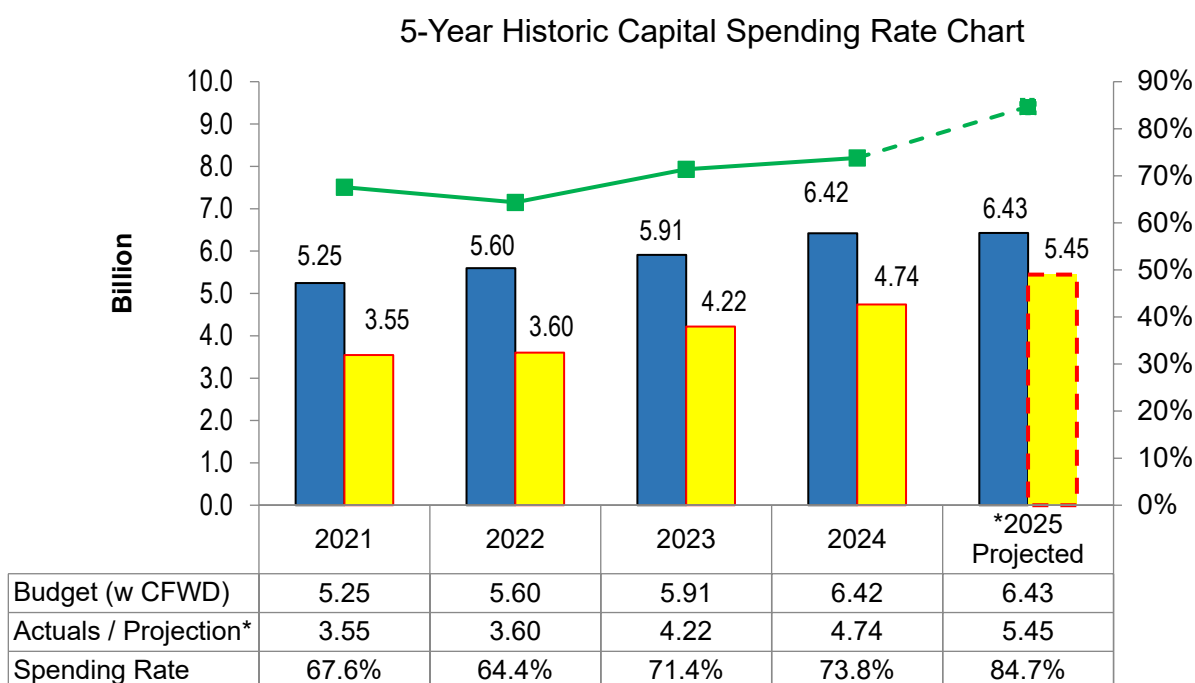
Table 2					
	2025 Budget	2025 Nine Month Year to Date Actuals		2025 Projected Year-End Actuals	
	\$M	\$M	%	\$M	%
Tax Supported Programs:					
City Operations:					
Community and Social Services	708.5	345.7	48.8%	588.8	83.1%
Infrastructure Services	846.1	459.0	54.2%	680.7	80.5%
Development and Growth Services	781.8	326.2	41.7%	643.7	82.3%
Corporate Services	545.9	324.6	59.5%	496.9	91.0%
Finance and Treasury Services	47.1	22.7	48.2%	34.4	73.0%
Other City Programs	6.5	2.7	41.5%	4.4	67.7%
Sub Total City Operations	2,935.9	1,480.9	50.4%	2,448.9	83.4%
Toronto Transit Commission (TTC)	1,724.4	923.7	53.6%	1,638.5	95.0%
Transit Expansion (a TTC program)	24.3	7.1	29.2%	21.0	86.4%
Other Agencies	389.8	218.2	56.0%	357.3	91.7%
Sub Total - Tax Supported	5,074.4	2,629.9	51.8%	4,465.7	88.0%
Rate Supported Programs:					
Solid Waste Management	75.0	33.3	44.4%	72.0	96.0%
Toronto Parking Authority	55.9	24.4	43.6%	49.9	89.3%
Toronto Water	1,224.2	452.8	37.0%	857.9	70.1%
Sub Total Rate Supported	1,355.1	510.5	37.7%	979.8	72.3%
Total	6,429.5	3,140.4	48.8%	5,445.5	84.7%

Consistent with the projections provided in the six-month variance report, the following City Programs and Agencies with significant capital programs remain the key contributors to the overall projected actuals for the year. The majority of year-end projections remain consistent with the six-month variance report; however the following updates are worth noting:

- Toronto Transit Commission is projected to spend \$1.639 billion or 95.0% of its 2025 Approved Capital Budget. Key investments include \$345.8 million for the purchase of buses, \$142.6 million for the purchase of streetcars and \$144.2 million for the Easier Access-Phase III project.
- Toronto Water is projecting to spend \$857.9 million or 70.1% of its 2025 Approved Capital Budget. Key investments include \$120.6 million for Ashbridges Bay Treatment Plant project and \$104.1 million for Basement Flooding Relief Program.
- Transportation Services is projecting to spend \$588.0 million or 87.4% of its 2025 Approved Capital Budget. Key investments include \$191.8 million for the F. G. Gardiner project and \$79.0 million for Local Road Rehabilitation.
- Housing Secretariat is projecting to spend \$533.2 million or 85.4% of its 2025 Approved Capital Budget. Key investments include \$201.9 million for Toronto Community Housing Corporation's Building Repair Program and \$60.9 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.

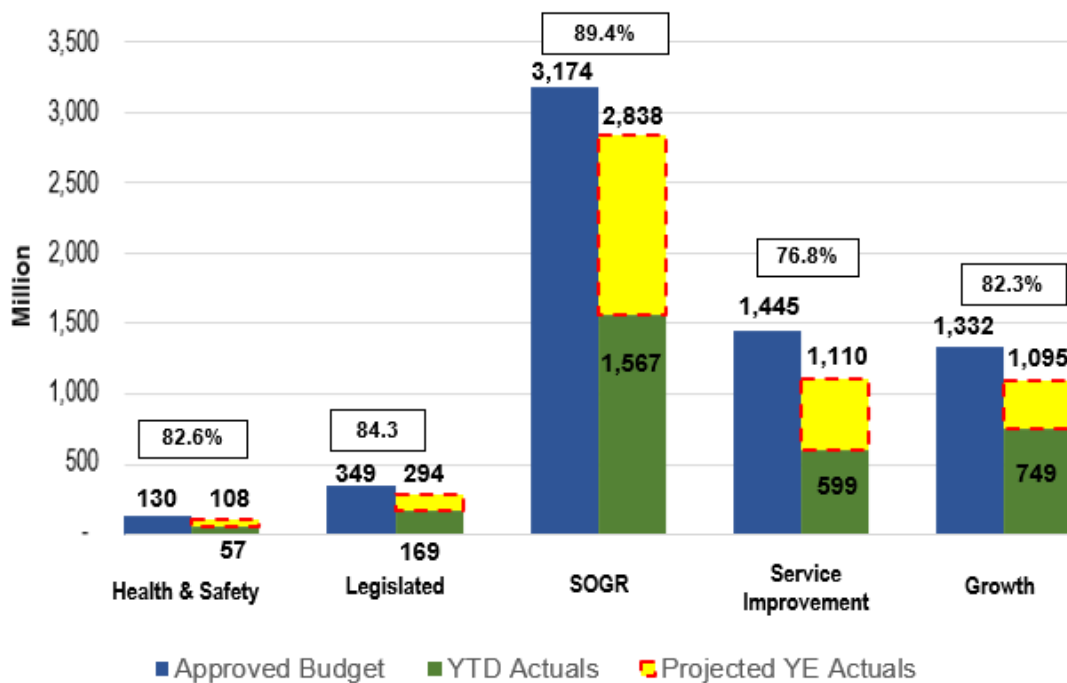
Figure 1: 2021 - 2024 Actuals and 2025 Projected Capital Spending Rate (\$ Billions)



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 84.7% is based on information and analysis as of September 30, 2025. The final 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)



Most project categories are currently projecting strong spending performance, with the majority forecasting year-end spending rates above 80%. This reflects positive momentum across the categories.

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 spending for key programs and agencies delivering capital projects in support of FIFA World Cup 2026, based on the approved 2025 Capital Budget and recent Council direction. It provides the actual spending in the nine months ended September 30, 2025, as well as year-end projections.

Table 3: FIFA World Cup 2026 Consolidated Capital Spending

	2025 Budget	2025 Nine Month Actual Expenditures		2025 Projected Year-End Actuals	
	\$M	\$M	%	\$M	%
Exhibition Place	70.7	33.4	47.3%	70.7	100.0%
Parks & Recreation	14.0	12	85.6%	14.0	100.0%
Transportation Services	0.2	0.1	60.2%	0.2	100.0%
Total	84.8	45.5	53.7%	84.8	100.0%

- Exhibition Place is projecting to fully spend the 2025 Capital Budget for upgrades to Toronto Stadium, 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.

In-Year Budget Adjustments

City Council approval is required for 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.

Toronto Transit Commission (TTC)

- \$136.4 million budget increase funded by federal funding to procure electric buses and related charging systems.

Toronto Shelter and Support Services

- A \$40.0 million budget increase funded by federal funding for Homelessness Services Capital Infrastructure Strategy (HSCIS).

Corporate Real Estate Management (CREM)

- A \$40.0 million budget increase funded by Section 37 contributions for the acquisition of the leasehold interest and demolition of 1240 Bay Street to create new City parkland to implement Council decision as per Item [2020.CC24.14](#).
- A \$3.375 million budget increase in grants from Health Canada for capital work at 50 Richmond St. E – Hart Hub to implement Council decision as per Item [2024.GG18.28](#).

Exhibition Place

- A \$2.1 million budget increase funded from Maple Leaf Sports and Entertainment and \$9.2 million from the Major Special Events Reserve Fund to support the BMO Field Upgrade for FIFA.

Fleet Services

- A net acceleration of \$49.6 million to support vehicle purchases that are progressing ahead of schedule, through reallocation from underspent projects or advancement of future-year funding, with no overall impact on debt.

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SIGNATURE

Stephen Conforti
Chief Financial Officer and Treasurer

ATTACHMENTS

Appendix 1 2025 Capital Variance Summary for the Nine Months Ended September 30, 2025

Appendix 2a In-Year Adjustments for the Nine Months Ended September 30, 2025

Appendix 2b In-Year Funding Cleanup Entries for the Nine Months Ended September 30, 2025

Appendix 3 2025 Nine Month Capital Variance Dashboard by Program and Agency