

## 2026 Budget Notes

### Heritage Toronto

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#### Description

Heritage Toronto builds a better city by bringing people together to explore Toronto's shared past and people's lived experiences. It delivers 80+ public programs annually including: walking, cycling and bus tours, plaques, digital programs and exhibitions, the Heritage Toronto Awards, the Emerging Historian program, community events programming, and the Heritage Equity Initiative.

#### Why We Do It

Heritage is a positive force for social inclusion, economic development, and sustainability. Heritage Toronto's programs connect people and neighbourhoods and build a compassionate city which honours its diverse stories to ensure that each resident feels reflected, and has a voice, in its future.

*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.*

For further information about Heritage Toronto, please visit: [www.heritagetoronto.org](http://www.heritagetoronto.org)

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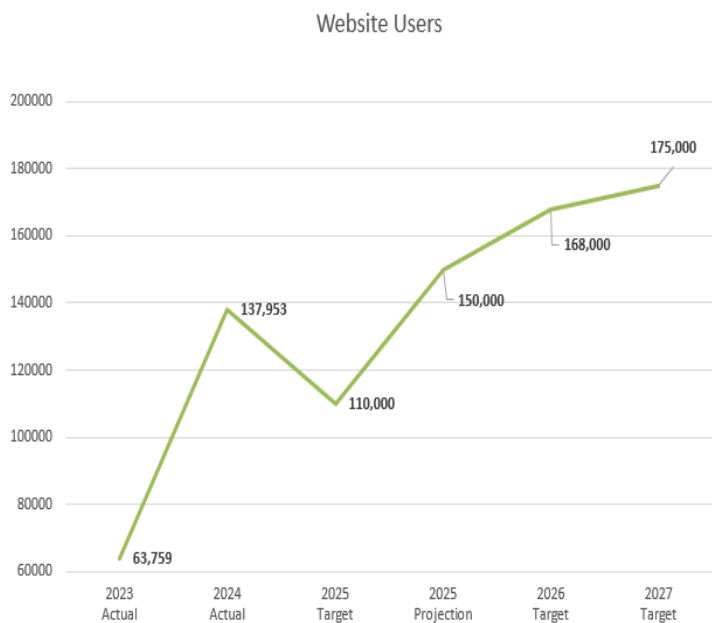
What Service We Provide

<p><b><u>Heritage Promotion and Education</u></b></p> <p><b>Who We Serve:</b> City Council, Residents and Tourists, Community Organizations, Students and Educational Institutions, Media, Business Improvement Areas (BIAs) and Business, Neighbourhood Groups</p> <p><b>What We Deliver:</b> 80+ annual public programs</p> <p><b>Resources (gross 2026 operating budget):</b> \$1.3 million</p>
<p><b><u>Heritage Fundraising and Partnerships</u></b></p> <p><b>Who We Serve:</b> Volunteers, Community Organizations, Educational Institutions, Philanthropists, Corporations, Industry and Business, City Divisions, Other Charities, Other Levels of Government</p> <p><b>What We Deliver:</b> Partnerships with hundreds of community groups, businesses, city divisions, donors and volunteers across the City</p> <p><b>Resources (gross 2026 operating budget):</b> \$0.2 million</p>

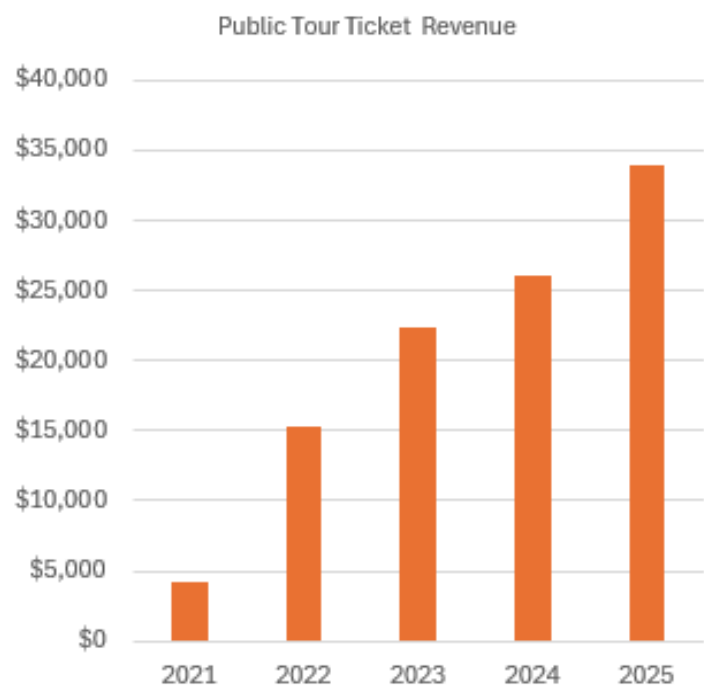
Budget at a Glance

2026 OPERATING BUDGET				2026-2035 10-YEAR CAPITAL PLAN			
In \$ Millions	2026	2027	2028	In \$ Millions	2026	2027-2035	Total
Revenues	\$0.8	\$0.7	\$0.7	Heritage Toronto does not have a 10-Year Capital Budget and Plan.			
Gross Expenditures	\$1.5	\$1.4	\$1.5				
Net Expenditures	\$0.7	\$0.7	\$0.8				
Approved Positions	10.3	10.3	10.3				

How Well We Are Doing – Behind the Numbers



- Heritage Toronto has operationalized the production of digital programming. Its current catalogue of 68 digital tours, articles and exhibits is driving increased public service and engagement.
- Continued investments in digital access to heritage programming are generating strong results: 2025 targets for overall visits will be exceeded by 25% and digital program visits by 22%.
- Over the last five years, total website users have increased 200% from 49,264 in 2021.
- 40% increase in public reach through search engine optimization (SEO) which includes a 20% improvement in search rankings.
- In 2025, website investment doubled from the past year given website maintenance costs and updating digital programs for accessibility.



- Rebuilding public audiences has been a multi-year modernization process, culminating in 2025 record high tour ticket purchases.
- 2025 investments in digital services resulted in a 75% increase in visits to registration pages, and a 15% increase in online ticket purchase revenue.
- Ticketed tour registrations increased by 45% due to investments in marketing resources including digital advertising.
- Tour revenues have also been diversified, with private tour revenues in 2025 increasing by 113% over the previous year after modernizing the booking process for groups on the website.
- To further maximize growth, event registration templates will be redesigned in 2026 to improve mobile user performance and provide an accessible user experience.

## How Well We Are Doing

Service	Measure	2024 Actual	2025 Target	2025 Projection	2026 Target	2027 Target
Outcome Measures						
Heritage Promotion and Education	Total In-Person Attendance	4,227	5,420	5,927	6,000	6,000
Heritage Promotion and Education	Heritage Plaques Installed	35	35	38	45	35
Heritage Promotion and Education	Heritage Toronto Award Nominees	53	55	62	60	60
Key Service Level Measures						
Heritage Promotion and Education	User Sessions of Digital Programs	53,368	45,500	65,113	70,000	75,000
Heritage Promotion and Education	Public Subscribers to Bi-monthly E-newsletters	9,880	10,000	10,980	10,500	11,000
Other Measures						
Heritage Fundraising and Partnership	Increase in Private Donations	-26%	26%	8%	14%	10%
Heritage Fundraising and Partnership	Increase in Sponsorship Revenues	-17%	50%	12%	5%	10%

**In-Person Attendance:** A record number of residents attended in-person events including Tours, Awards, Plaque Unveilings, Community Events, State of Heritage launch, volunteer appreciation night and donor events. The largest areas of growth in 2025 were the walking tour program and the return of Doors Open programming. **Heritage Plaques:** A 2026 project will mark the natural shoreline of Lake Ontario through the St. Lawrence neighbourhood, including 10 shoreline marker plaques and two double-size plaques. **Public subscribers:** In 2026, as part of the information management/cybersecurity project, a clean-up related to the bounce rate is projected to negatively impact subscriber numbers in the short term. **Sponsorship:** All time high sponsorship revenues for Tours and Awards have been negatively balanced out by the deferral of equity sponsorship revenues to the following year when there was staff bandwidth to execute those programs.

## EXPERIENCES, CHALLENGES AND PRIORITIES

### Our Experience and Success

- Completed phase one of the Plaque Map project, modernizing the back-end database, readying for the launch of this online tool exploring Heritage Toronto's 934+ historical plaques online with a searchable database by geographic location, subject, and theme.
- Measured the public impact of a plaque for the first time using a temporary QR code attached to the Conrad the Raccoon plaque. 3,000+ people engaged with the plaque in the first month.
- Record high sponsorship revenues raised (22% increase over 2024) in celebration of the 50<sup>th</sup> Anniversary Heritage Toronto Awards.
- Increased cybersecurity through investments in software, website maintenance contracts, and transition to a city secured system with new equipment.
- Expanded our core volunteer base by 28% after implementing recommendations brought forth through the Volunteer Diversification project.
- Launched *State of Heritage 2025: From Community Voices to Action*, a report spearheaded by members from equity-deserving communities with 15 recommendations for City Council and residents on how Toronto should share and preserve its heritage.

### Key Challenges and Risks

- Increased expense of website and digital investments, including advertising, which incur short term net losses, to achieve long-term audience growth and service.
- 10% total revenue risk as 2025 was the final year of a multi-year funding agreement for the Tours Program and Equity Heritage Initiative.
- Donor base requires rebuilding as the vacant development position contributed to a decline in philanthropic revenue and slowed donor engagement.
- Lack of a framework for inclusion in Heritage Interpretation Plans. A substantial portion of plaque revenues received from developers are reliant on recommendations from individual heritage planners whose recommendations must then be accepted by city planning staff.

### Priority Actions

- Increase accessible programming for Toronto residents by launching a digital Plaque Map.
- Create more diverse programming by hiring an equity coordinator position.
- Increase private revenues by accelerating donor acquisition/stewardship and foundation applications.
- Develop programming that serves a more diverse, younger and larger audience by defining public audience and scaling up the 2025 pilot to measure in-person and digital audience engagement, focusing on key metrics and performance indicators.
- Grow network and impact by creating a Community Partnership Framework model and piloting a new community event.
- Create 2026-2029 Strategic Plan working with the Board of Directors and community stakeholders.

## CITY STAFF PREPARED BUDGET

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

1. The 2026 Operating Budget for Heritage Toronto of \$1,527.9 thousand gross, \$785.7 thousand revenue and \$742.2 thousand net for the following services:

<b>Service:</b>	<b>Gross Expenditures (\$000s)</b>	<b>Revenues (\$000s)</b>	<b>Net Expenditures (\$000s)</b>
Heritage Fundraising and Partnership Development	186.8	383.3	(196.5)
Heritage Promotion and Education	1,341.1	402.4	938.7
<b>Total Program Budget</b>	<b>1,527.9</b>	<b>785.7</b>	<b>742.2</b>

- The 2026 staff complement for Heritage Toronto is comprised of 10.3 operating positions.
2. That all third-party funding included in the 2026 Budget be subject to the execution of an agreement or receipt of funding. If such agreement or funding is not in place by 2026 or forthcoming, the approval to spend must be reassessed by City Council relative to other City-funded priorities and needs in future budget processes.

# **2026 OPERATING BUDGET**

## 2026 OPERATING BUDGET OVERVIEW

Table 1: 2026 Operating Budget by Service

(In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Base Budget	2026 New/Enhanced	2026 Budget	Change vs. 2025 Budget	
By Service	\$	\$	\$	\$	\$	\$	\$	%
<b>Revenues</b>								
Heritage Fundraising & Partnership Development	321.9	436.1	358.6	383.3		383.3	(52.8)	(12.1%)
Heritage Promotion & Education	337.4	500.9	342.9	402.4		402.4	(98.5)	(19.7%)
<b>Total Revenues</b>	<b>659.3</b>	<b>937.1</b>	<b>701.5</b>	<b>785.7</b>		<b>785.7</b>	<b>(151.4)</b>	<b>(16.2%)</b>
<b>Gross Expenditures</b>								
Heritage Fundraising & Partnership Development	164.9	170.9	149.1	186.8		186.8	15.9	9.3%
Heritage Promotion & Education	1,162.4	1,449.1	1,235.3	1,341.1		1,341.1	(108.0)	(7.5%)
<b>Total Gross Expenditures</b>	<b>1,327.4</b>	<b>1,620.0</b>	<b>1,384.4</b>	<b>1,527.9</b>		<b>1,527.9</b>	<b>(92.1)</b>	<b>(5.7%)</b>
<b>Net Expenditures</b>	<b>668.1</b>	<b>682.9</b>	<b>682.9</b>	<b>742.2</b>		<b>742.2</b>	<b>59.3</b>	<b>8.7%</b>
<b>Approved Positions**</b>	<b>9.3</b>	<b>10.8</b>	<b>N/A</b>	<b>10.3</b>		<b>10.3</b>	<b>(0.5)</b>	<b>(4.7%)</b>

\*2025 Projection based on 9-Month Variance

\*\*Year-over-year comparison based on approved positions

### KEY DRIVERS

**Total 2026 Budget** expenditures of \$1,527.9 thousand gross reflect a decrease of \$92.1 thousand in spending below the 2025 Budget, predominantly arising from:

- Decreases in both gross expenditures and revenues due to the reversal of one-time Section 37-funded heritage plaque projects in 2025 and the wind down of the Equity Initiative.

### EQUITY IMPACTS OF BUDGET CHANGES

**No significant equity impacts:** The changes in Heritage Toronto's 2026 Operating Budget do not have any significant equity impacts. The wind down of the Equity Initiative is tied to the conclusion of sponsorship funding. Heritage Toronto is able to maintain a dedicated Equity Coordinator position within its existing staff complement through the 2026 Operating Budget. Although 2026 equity programming expenditures are reduced, maintaining this role ensures there is no significant decrease in equity impact given the ongoing integration of equity considerations into Heritage Toronto's operational planning and day-to-day work.

## 2026 OPERATING BUDGET KEY COST DRIVERS

The 2026 Net Operating Budget for Heritage Toronto of \$742.2 thousand is \$59.3 thousand, 8.7% greater than the 2025 Net Budget. Table 2 below summarizes the key cost drivers for the 2026 Budget.

**Table 2: 2026 Key Cost Drivers**

(In \$000s)	2026				2027 Annualized Impact (Net)
	Revenues	Gross Expenditures	Net Expenditures	Positions**	
2025 Projection*	701.5	1,384.4	682.9	N/A	N/A
2025 Budget	937.1	1,620.0	682.9	10.8	N/A
<b>Key Cost Drivers:</b>					
<i><b>Prior Year Impacts</b></i>					
Reversal of One-time Section 37 Funds	(116.3)	(116.3)			
<i><b>Salaries and Benefits</b></i>					
Salaries and Benefits Adjustments		62.6	62.6	(0.5)	30.3
<i><b>Other Base Expenditure Changes</b></i>					
Digital Plaque Map and Other Programming Costs		29.4	29.4		(60.7)
<i><b>Other Base Revenue Changes</b></i>					
Equity Heritage Initiative Wind-Down	(52.5)	(54.8)	(2.3)		
Donations	11.2		(11.2)		47.0
Funding from Canada Summer Jobs	6.2		(6.2)		
<b>Sub-Total - Key Cost Drivers</b>	<b>(151.4)</b>	<b>(79.0)</b>	<b>72.3</b>	<b>(0.5)</b>	<b>16.7</b>
<b>Affordability Measures</b>		<b>(13.1)</b>	<b>(13.1)</b>		
<b>Total 2026 Base Budget</b>	<b>785.7</b>	<b>1,527.9</b>	<b>742.2</b>	<b>10.3</b>	<b>16.7</b>
<b>2026 Budget</b>	<b>785.7</b>	<b>1,527.9</b>	<b>742.2</b>	<b>10.3</b>	<b>16.7</b>
<b>Change from 2025 Budget (\$)</b>	<b>(151.4)</b>	<b>(92.1)</b>	<b>59.3</b>	<b>(0.5)</b>	<b>N/A</b>
<b>Change from 2025 Budget (%)</b>	<b>(16.2%)</b>	<b>(5.7%)</b>	<b>8.7%</b>	<b>(4.7%)</b>	<b>N/A</b>

\*Based on 9-Month Variance

\*\*Year-over-year comparison based on approved positions

### Key Base Drivers:

#### Prior Year Impacts:

- The reversal of one-time Section 37 funds received for heritage plaques installed in 2025.

#### Salaries and Benefits:

- The increase is primarily driven by inflationary adjustments to salaries and higher benefits costs from the provider. These increases are partially offset by a reduction of 0.5 FTE, resulting from converting certain full-time contract equity positions to part-time roles in 2026.

#### Other Base Expenditure Changes:

- The increase results primarily from higher programming expenses associated with the digital Plaque Map, together with information technology related costs, including cybersecurity enhancements and accessible tours.

#### Other Base Revenue Changes:

- The increase in revenue is mainly attributable to anticipated improvements in overall donation revenue and reflects additional federal funding support from the Canada Summer Jobs program for an expanded number of summer student positions.

## Affordability Measures

**Table 3: Affordability Measures**

(In \$000s)									
Recommendation	Savings Type	Equity Impact	2026				2027 (Incremental)		
			Revenues	Gross Expenditures	Net Expenditures	Positions	Gross Expenditures	Net Expenditures	Positions
Review of Operations	Line-by-line	None		(13.1)	(13.1)				
<b>Total Affordability Measures</b>				(13.1)	(13.1)				

### Line-by-Line Review

- As regular practice, actual spending results are monitored throughout the year to determine where there are opportunities to reduce costs. As a result of the analysis taken, the 2026 Operating Budget includes \$13.1 thousand in gross and net expenditure reductions as part of the discretionary expenditure line-by-line review.

### **Note:**

For additional information, please refer to [Appendix 4a](#) for Operating Program Provincial/Federal Funding Streams by Funding Source, respectively.

**2027 AND 2028 OUTLOOK****Table 5: 2027 and 2028 Outlook**

(In \$000s)	2026 Budget	2027 Incremental Outlook	2028 Incremental Outlook
<b>Revenues</b>			
Donations		(47.0)	1.9
Reversal of One-time Section 37 Funding		(62.5)	
<b>Total Revenues</b>	<b>785.7</b>	<b>(109.5)</b>	<b>1.9</b>
<b>Gross Expenditures</b>			
Salaries and Benefits Changes		30.3	32.0
Programming Costs		(123.2)	1.9
<b>Total Gross Expenditures</b>	<b>1,527.9</b>	<b>(92.8)</b>	<b>34.0</b>
<b>Net Expenditures</b>	<b>742.2</b>	<b>16.7</b>	<b>32.0</b>
<b>Approved Positions</b>	<b>10.3</b>		

**Key Outlook Drivers**

The 2027 Outlook with total gross expenditures of \$1,435.1 thousand reflects an anticipated \$92.8 thousand or 6.1% decrease in gross expenditures below the 2026 Operating Budget. The 2028 Outlook expects an increase of \$34.0 thousand or 2.4% above the 2027 Outlook.

These changes arise from the following:

- Salaries and benefits increase adjusted for inflation.
- Conclusion of the Heritage Equity project and Shoreline project, resulting in reductions in both associated expenditures and revenues in 2027.

**APPENDICES**

## Appendix 1

### 2026 Operating Budget by Category

Category (In \$000s)	2024 Actual	2025 Budget	2025 Projection*	2026 Budget	2026 Change from 2025 Budget	
	\$	\$	\$	\$	\$	%
Federal Subsidies	9.3	5.0	11.1	11.1	6.2	124.5%
Provincial Subsidies	1.5	1.5	1.5	1.5		0.0%
User Fees and Donations	571.7	723.8	560.6	682.6	(41.3)	(5.7%)
Contribution From Reserves/Reserve Funds	55.8	178.7	97.5		(178.7)	(100.0%)
Sundry and Other Revenue	20.9	28.0	30.7	90.5	62.5	223.1%
<b>Total Revenues</b>	<b>659.3</b>	<b>937.1</b>	<b>701.5</b>	<b>785.7</b>	<b>(151.4)</b>	<b>(16.2%)</b>
Salaries and Benefits	830.5	911.8	832.5	974.4	62.6	6.9%
Materials and Supplies	21.9	38.4	26.5	35.0	(3.4)	(8.8%)
Service And Rent	474.9	669.8	525.4	518.5	(151.3)	(22.6%)
<b>Total Gross Expenditures</b>	<b>1,327.4</b>	<b>1,620.0</b>	<b>1,384.4</b>	<b>1,527.9</b>	<b>(92.1)</b>	<b>(5.7%)</b>
<b>Net Expenditures</b>	<b>668.0</b>	<b>682.9</b>	<b>682.9</b>	<b>742.2</b>	<b>59.3</b>	<b>8.7%</b>

\*2025 Projection based on 9-Month Variance

## Appendix 2

### Summary of 2026 Service Changes

N/A

## Appendix 3

### Summary of 2026 New/Enhanced Requests Included in Budget

N/A

## Appendix 4a

### Operating Program Provincial/Federal Funding Streams by Program

Fund Name – Program (in \$000s)	2026 Budget	2027 Outlook	2028 Outlook
<b>Provincial Funding</b>			
<i>Heritage Organization Development Grants</i>	1.5	1.5	1.5
<b>Sub-Total: Provincial Funding</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
<b>Federal Funding</b>			
<i>Canada Summer Jobs</i>	11.1	11.1	11.1
<b>Sub-Total: Federal Funding</b>	<b>11.1</b>	<b>11.1</b>	<b>11.1</b>
<b>Total Funding</b>	<b>12.7</b>	<b>12.7</b>	<b>12.7</b>

## Appendix 4b

### Capital Program Provincial/Federal Funding Streams by Project

N/A

## Appendix 5

### 2026 Capital Budget; 2027-2035 Capital Plan Including Carry Forward

N/A

## Appendix 5a

### 2026 Cash Flow and Future Year Commitments Including Carry Forward

N/A

## Appendix 5b

### 2027-2035 Capital Plan Including Carry Forward

N/A

## Appendix 6

### Capacity to Deliver Review

N/A

## Appendix 7

### Summary of Capital Delivery Constraints

N/A

## Appendix 8

### Inflows and Outflows to/from Reserves and Reserve Funds

#### 2026 Operating Budget

N/A

### Inflows and Outflows to/from Reserves and Reserve Funds

#### 2026 – 2035 Capital Budget and Plan

N/A

## Appendix 9

### Glossary

**Approved Position:** Permanent or temporary position that support the delivery of City services and service levels in annual budget.

**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 Deliver** Ability to deliver projects as demonstrated by historic spending patterns and approved contractual obligations.

**Capital Budget and Plan:** A Capital Budget and Plan is the City's 10-year strategy to acquire/build assets or extend the useful lives of existing assets. The Capital Budget is the first year of approved cash flows and future year's commitments and the remaining nine years include project estimates.

**Capital Delivery Constraints:** The capital needs that cannot be accommodated within the capital plan that the Division or Agency has 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 provide services.

**Operating Impact of Completed Capital Projects:** The Operating Budget Impact of Capital is the change in operating expenditure and/or revenue, which is projected to occur during the implementation of a capital project and/or when a capital project is completed. These changes should be documented on a Business Case Form in the appropriate category.

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

**Salary and Benefit Adjustments:** General increases related to contractual obligations, such as cost of living, step increases, pay for performance and progression pay.

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

**Tax-Supported Budget:** Budget funded by property taxes.

**User Fees:** Includes all program-generated fees and rental revenue for the use of its services (such as the TTC fare, ice rental fees and various City permits).