

Appendix E - Operating Variance Dashboard for City Programs and Agencies

A variance explanation for a Program or Agency is provided if the variance is considered material to the City's \$5.6 billion tax-supported Net Operating Expenditure Budget. The threshold is set at \$5 million based on the Program or Agency's Budgeted Net Expenditure, or below \$5 million if the percentage variance is significant. Professional judgment is applied to ensure that only relevant variances are highlighted, especially when variances are high in percentage but low in dollar value, or vice versa.

On or Below Budget
Caution
Trending Above Budget

City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Community and Emergency Services			
Economic Development and Culture	1.3	1%	
Toronto Fire Services	(30.7)	6%	
Parks and Recreation	1.8	1%	
Toronto Emergency Management	0.0	0%	
Toronto Paramedic Services	0.1	0%	
Toronto Shelter and Support Services	0.0	0%	
Sub-Total Community and Emergency Services	(27.5)	2%	

Community and Emergency Services Narrative	
	Year-End
Economic Development and Culture	Materially on budget.
Toronto Fire Services	Unfavourable net variance of \$30.7 million is a result of callback overtime, training costs related to Ontario regulation 343/22, and increased WSIB claims from provincially mandated Presumptive Cancer Legislation and Occupational Stress Injuries for firefighters partially offset by savings in salaries and benefits due to attrition and retirements and favourable revenue from higher-than-expected false alarm charges.
Parks and Recreation	Materially on budget.

Toronto Emergency Management	Materially on budget.
Toronto Paramedic Services	Materially on budget.
Toronto Shelter and Support Services	Year-end net expenses are on budget. Savings found in the temporary hotel program from operational efficiencies and closure of select sites, lower winter and respite program costs due to milder weather and reduced refugee costs driven by a lower number of refugee clients in the shelter system through a combination of reduced new arrivals and coordinated efforts with the Federal government partially offset by lower than budgeted Federal Interim Housing Assistance Program (IHAP) consistent with refugee expenditures. The net savings are fully offset by a one-time contribution to the TSSS Stabilization Reserve to address IHAP and operational funding pressures in 2026 and future years. Total 2025 eligible expenditures for the Refugee Response Initiative are \$244.7 million (\$118.6 million for the dedicated Temporary Refugee Program and \$126.1 million for refugees in base shelters). The Federal Government has confirmed total funding of \$324.8 million comprised of \$261.9 million through IHAP (January 2025-March 2027) and a one-time \$62.9 million grant (January 2025-March 2026) to support approximately 95% of the cost of providing shelter for asylum seekers. IHAP funding for 2025 totalled \$241.4 million based on eligible expenditures. Revenue also includes funding of \$200 million from the Provincial Government for the new deal funding for shelters and homelessness.

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City Program/Agency	Year-End			
	Net Variance		Status	
	\$	%		
Community Development and Social Services				
Children's Services	26.1	26%		
Seniors Services and Long-Term Care	4.8	5%		
Social Development	1.4	1%		
Toronto Employment and Social Services	13.3	14%		
Sub-Total Community Development and Social Services	45.6	11%		

Community Development and Social Services Narrative	
	Year-End
Children's Services	Favourable net variance of \$26.1 million is mainly driven by higher funding from the Province and Federal Governments due to the changes in the funding model and the ongoing implementation of Canada-Wide Early Learning and Child Care.
Seniors Services and Long-Term Care	Materially on budget.
Social Development	Materially on budget.
Toronto Employment and Social Services	Favourable net variance of \$13.3 million, primarily due to a lower than budgeted Ontario Works caseload, driven by a decline in asylum seeker cases. The average monthly caseload for the full year was 100,511 which is 14,488 below budget. The reduced caseload resulted in fewer issuances of benefits and lower program delivery costs. These savings were partially offset by lower provincial subsidies and reserve draws.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Infrastructure Services			
Engineering and Construction Services	1.2	174%	
Municipal Licensing and Standards	20.5	67%	
Policy, Planning, Finance and Admin	0.3	5%	
Transit Expansion	4.5	165%	
Transportation Services	(37.8)	11%	
Sub-Total Infrastructure Services	(11.2)	3%	

Infrastructure Services Narrative	
	Year-End
Engineering and Construction Services	Materially on budget.
Municipal Licensing and Standards	Net favourable variance of \$20.5 million mainly due to over-achieved revenues from business and gaming licenses due to increased volumes, registration fees; and other revenues as well as lower spending in salaries and benefits, partially offset by higher than planned contributions to reserves.
Policy, Planning, Finance and Admin	Materially on budget.
Transit Expansion	Net favourable variance of \$4.5 million comprised a favourable revenue variance of \$3.5 million primarily due to higher Metrolinx recovery, partially offset by lower TTC and capital projects, and a favourable gross expenditure variance of \$1.0 million mainly due to lower spending in salaries and benefits from vacancies, and lower spending in professional consulting services.
Transportation Services	Unfavourable variance of \$37.8 million due to higher winter maintenance costs in response to the severe January-February winter storms, as well as the implementation of measures to strengthen winter maintenance operations for the 2025-2026 season, as directed by EX27.2 - 2025 Winter Maintenance Program Review Update. Additionally, revenue for recoveries from construction related activities was \$3.8 million lower-than-budgeted.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Development & Growth Services			
City Planning	(3.5)	32%	
Development Review	0.1	10%	
Housing Secretariat	15.0	3%	
Toronto Building	0.0	10%	
Sub-Total Development & Growth Services	11.5	2%	

Development & Growth Services Narrative	
	Year-End
City Planning	Unfavourable net operating variance of \$3.5 million, driven primarily by an unfavourable expenditure variance of \$4.2 million due to higher salaries and benefits from lower-than-expected staff turnover, partially offset by lower external legal services, technical consulting, and other expenses. This was further offset by a favourable revenue variance of \$0.6 million, mainly due to higher development application review user fees, partially offset by lower project recoveries.
Development Review	Materially on budget.
Housing Secretariat	A favourable net variance of \$15.0 million is primarily driven by lower subsidy payments in Social Housing Subsidy Programs, lower spending in administrative overhead costs, and lower spending in salaries and benefits due to vacancies.
Toronto Building	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Corporate Services			
Corporate Real Estate Management	4.0	3%	
Customer Experience	0.2	2%	
Environment, Climate and Forestry	0.2	0%	
Fleet Services	0.3	1%	
Technology Services	6.2	4%	
Toronto Cyber Security	1.3	4%	
Sub-Total Corporate Services	12.3	3%	

Corporate Services Narrative	
	Year-End
Corporate Real Estate Management	Materially on budget.
Customer Experience	Materially on budget.
Environment, Climate and Forestry	Materially on budget.
Fleet Services	Materially on budget.
Technology Services	Favorable net expenditure variance of \$6.2 million, primarily due to favourable gross expenditure variance through effective cost management, staffing efficiencies, and operating savings achieved through contract negotiations. These favourable variances are partially offset by lower-than-anticipated recoveries from capital reserves.
Toronto Cyber Security	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Finance and Treasury Services			
Financial Operations and Control	5.2	14%	
Office of the Chief Financial Officer and Treasurer	4.5	12%	
Sub-Total Finance and Treasury Services	9.7	13%	

Finance and Treasury Services Narrative	
	Year-End
Financial Operations and Control	Favourable net variance of \$5.2 million is primarily driven by a favorable gross expenditure variance in salaries and benefits due to vacant operating positions.
Office of the Chief Financial Officer and Treasurer	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
City Manager			
City Manager Services	2.7	4%	
Sub-Total City Manager	2.7	4%	

City Manager Narrative	
	Year-End
City Manager Services	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Other City Programs			
City Clerk's Office	(0.1)	0%	
City Council	2.1	7%	
Court Services	18.2	235%	
Legal Services	5.5	12%	
Mayor's Office	0.1	3%	
Sub-Total Other City Programs	25.8	20%	

Other City Programs Narrative	
	Year-End
City Clerk's Office	Materially on budget.
City Council	Materially on budget.
Court Services	Favourable net variance of \$18.2 million is primarily driven by lower spending on salaries and benefits resulting from vacancies, as well as savings related to courtroom audio visual equipment and payments to interpreters and honorariums. In addition, fine revenue increased due to higher than budgeted number of tickets filed in 2025. As of January 20, 2025, automated speed enforcement penalties and red light camera violations have been moved to the Administrative Penalty System and no longer fall under the Court System and as of November 14, 2025, issuance of Automated Speed Enforcement (ASE) penalty orders are discontinued in accordance with provincial legislation.
Legal Services	Favourable net variance of \$5.5 million is primarily due to lower spending of salaries and benefits resulting from vacancies. This is partially offset by reduced revenues from development fees, impacted by recent provincial changes and current market conditions.
Mayor's Office	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Accountability Offices			
Auditor General's Office	0.5	6%	
Office of the Integrity Commissioner	0.1	17%	
Office of the Lobbyist Registrar	0.5	33%	
Office of the Ombudsman	0.1	2%	
Sub-Total Accountability Offices	1.2	8%	

Accountability Offices Narrative	
	Year-End
Auditor General's Office	Materially on budget.
Office of the Integrity Commissioner	Materially on budget.
Office of the Lobbyist Registrar	Materially on budget.
Office of the Ombudsman	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Agencies			
CreateTO	0.0	n/a	
Exhibition Place	2.5	564%	
Heritage Toronto	(0.0)	0%	
Sankofa Square	(0.4)	29%	
TO Live	0.0	0%	
Toronto & Region Conservation Authority	(0.0)	0%	
Toronto Police Service	(0.5)	0%	
Toronto Police Service Board	(0.1)	3%	
Toronto Public Health	15.2	16%	
Toronto Public Library	(1.5)	1%	
Toronto Transit Commission - Conventional	2.8	0%	
Toronto Transit Commission - Wheel Trans	(2.7)	2%	
Toronto Zoo	(0.9)	7%	
TOTAL - AGENCIES	14.4	0%	

Agencies Narrative	
	Year-End
CreateTO	Materially on budget.
Exhibition Place	Favourable net variance of \$2.5 million mainly due to higher revenue from one-off large events, partially offset by higher expenditures from the replacement of aging equipment and IT service contracts.
Heritage Toronto	Materially on budget.

Sankofa Square	Unfavourable net expenditure variance of \$0.4 million mainly from higher event support costs due to increased number of events, additional security requirements for non-permitted events, expansion of self-produced programming, and one-time costs to launch the new brand identity.
TO Live	Materially on budget.
Toronto & Region Conservation Authority	Materially on budget.
Toronto Police Service	Unfavourable net operating variance of \$0.5 million. Gross expenditures were \$3.7 million unfavourable, primarily due to increased premium pay to support planned and unplanned events, including Project Resolute and other public safety initiatives. This was partially offset by a favourable revenue variance of \$3.2 million, mainly driven by the officer portion of paid duty recoveries and increased grant revenues.
Toronto Police Service Board	Materially on budget.
Toronto Public Health	Favourable net variance of \$15.2 million is primarily driven by lower spending from mandatory cost-shared programs due to a slower restart of paused programs, particularly within the reorganized Chronic Disease and Injury Prevention unit. The current budget reflects the existing funding arrangement between the City and the Ministry of Health.
Toronto Public Library	Materially on budget.
Toronto Transit Commission - Conventional	Favourable net operating variance of \$2.9 million. Gross expenditures were \$123.5 million favourable, primarily due to deferred non-labour spending related to the planned opening of Line 5 and Line 6, lower materials and services costs, workforce vacancies associated with delayed openings, reduced WSIB-related benefit costs, diesel savings following removal of the Federal Carbon Tax, and lower PRESTO commission fees. These favourable results were largely offset by an unfavourable revenue variance of \$120.6 million, mainly due to lower Provincial funding tied to deferred Line 5 and Line 6 expenditures under the New Deal Agreement, lower passenger revenue from below-budget ridership, and reduced draws from the TTC Stabilization Reserve, partially offset by higher ancillary revenue from increased third-party recoveries.

Toronto Transit Commission - Wheel Trans	Materially on budget.
Toronto Zoo	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Capital & Corporate Financing			
Capital from Current	1.0	1%	
Debt Charges	0.5	0%	
Technology Sustainment	0.0	0%	
Total-Capital & Corporate Financing	1.5	0%	

Capital & Corporate Financing Narrative	
	Year-End
Capital from Current	Materially on budget.
Debt Charges	Materially on budget.
Technology Sustainment	Materially on budget.

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	Net Variance		Status
	\$	%	
Non-Program Expenditures			
Assessment Function (MPAC)	(0.0)	0%	
Funding of Employee Related Liabilities	0.0	0%	
Heritage Property Taxes Rebate	0.4	30%	
Insurance Contributions	0.0	0%	
Other Corporate Expenditures	(82.2)	243%	
Parking Tag Enforcement & Operations Exp	3.5	5%	
Programs Funded from Reserve Funds	0.0	n/a	
Solid Waste Management Services Rebate	3.2	4%	
Tax Deficiencies/Write offs	(20.7)	83%	
Tax Increment Equivalent Grants (TIEG)	20.8	47%	
Tax Increment Funding (TIF)	0.0	0%	
Total - Non-Program Expenditures	(75.0)	20%	

Non-Program Expenditures Narrative	
	Year-End
Assessment Function (MPAC)	Materially on budget.
Funding of Employee Related Liabilities	Materially on budget.
Heritage Property Taxes Rebate	Materially on budget.
Insurance Contributions	Materially on budget.
Other Corporate Expenditures	Unfavourable net expenditure variance of \$82.2 million is driven mainly by \$20.5 million higher than expected Collective Bargaining Agreement allocations, \$17.0 million provision for salaries & benefits for vacancy adjustments during the year.

Parking Tag Enforcement & Operations Exp	Materially on budget.
Programs Funded from Reserve Funds	Materially on budget.
Solid Waste Management Services Rebate	Materially on budget.
Tax Deficiencies/Write offs	Unfavourable net expenditure of \$20.7 million is primarily due to unfavourability from MPAC reassessments, which led to tax deficiency write-offs, and unfavourability from appeals and provisions exceeding budget.
Tax Increment Equivalent Grants (TIEG)	Favourable net expenditure variance of \$20.8 million was realized due to updated grants and the timing of those grants.
Tax Increment Funding (TIF)	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Non Program Revenues			
Administrative Support Recoveries - Health & EMS	0.0	0%	
Administrative Support Recoveries - Water	0.0	0%	
Casino Woodbine Revenues	(2.0)	7%	
Dividend Income	0.0	0%	
Interest/Investment Earnings	130.5	91%	
Municipal Accommodation Tax (MAT)	13.4	17%	
Municipal Land Transfer Tax	12.6	2%	
Other Corporate Revenues	(135.7)	23%	
Other Tax Revenues	0.2	2%	
Parking Authority Revenues	1.8	7%	
Parking Tag Enforcement & Operations Rev	23.9	16%	
Payments in Lieu of Taxes	9.4	9%	
Provincial Revenue	0.0	0%	
Supplementary Taxes	24.0	46%	
Tax Penalty Revenue	19.0	38%	
Third Party Sign Tax	0.1	1%	
Vacant Home Tax	0.0	n/a	
Total - Non-Program Revenues	97.0	4%	

Non Program Revenues Narrative	
	Year-End
Administrative Support Recoveries - Health & EMS	Materially on budget.
Administrative Support Recoveries - Water	Materially on budget.
Casino Woodbine Revenues	Materially on budget.

Dividend Income	Materially on budget.
Interest/Investment Earnings	Favourable year-end variance of \$130.5 million is driven by favourable short-term investment earnings of \$76.0 million due to higher-than-planned interest rates and balances. Additionally, strong performance from the Toronto Investment Board (TIB) long-term fund earning 3.9% versus 2.9% budgeted, adding approx. \$57.0 million. Partially offsetting this, interest contribution to reserve funds is \$16.2 million higher than plan and an additional \$4.8 million favourable variance resulted from lower investment management fees as they were absorbed by the fund values rather than charged to the budget.
Municipal Accommodation Tax (MAT)	Favourable year-end variance of \$13.4 million is primarily attributable to higher than anticipated hotel tax and short-term rentals compared to historical trend. Partially offsetting this is higher than expected payment to "Destination Toronto".
Municipal Land Transfer Tax	Favourable variance of \$12.6 million is mainly due to \$197.4 million unfavourability from lower than expected sales activities. Offsetting this is \$210.0 million favourable expenditure variance from withholding planned contributions to Capital Financing and Capital from Current reserve and reserve funds.
Other Corporate Revenues	Unfavourable year-end variance of \$135.7 million due to lower than planned recovery from the Budget Balancing & Bridging reserve fund as well as unfavourable results from the Administrative Penalty System (APS)
Other Tax Revenues	Materially on budget.
Parking Authority Revenues	Materially on budget.
Parking Tag Enforcement & Operations Rev	Favourable revenue variance of \$23.9 million is mainly driven by higher late-fee revenues and increased average penalty charge per ticket issued. Total tickets issued: 2,052,180 vs 2,055,312 plan
Payments in Lieu of Taxes	Favourable net operating variance of \$9.4 million, primarily driven by higher-than-anticipated assessment-based levies of \$4.1 million, lower appeals and other adjustments of \$4.0 million, and \$1.3 million from unbudgeted supplementary levies and revenues from the University of Toronto.
Provincial Revenue	Materially on budget.

Supplementary Taxes	Favourable net revenue variance of \$24.0 million is due to Supplementary and/or omitted roll received from MPAC being higher than anticipated.
Tax Penalty Revenue	Favourable net revenue variance of \$19.0 million is mainly due to greater tax interest/penalties earned than expected as a result of a higher outstanding receivable balance in 2025.
Third Party Sign Tax	Materially on budget.
Vacant Home Tax	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Non-Program Agencies			
Arena Boards of Management	0.3	20%	
Association of Community Centres	(0.0)	0%	
Total- Non-Program Agencies	0.3	2%	

Non-Program Agencies Narrative	
	Year-End
Arena Boards of Management	Materially on budget.
Association of Community Centres	Materially on budget.

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City Program/Agency	Year-End		
	Net Variance		Status
	\$	%	
Rate Programs			
Solid Waste Management Services	10.1	n/a	
Toronto Parking Authority	(8.1)	19%	
Toronto Water	64.1	n/a	
Total - Rate Programs	66.1	158%	

Rate Programs Narrative	
	Year-End
Solid Waste Management Services	Favourable year-end variance of \$10.1 million primarily driven by lower spending in services and rents including lower collection cost, lower processing, haulage and storage costs of organics, recyclables, durable goods and glass due to reduced tonnage and lower spending in haulage and disposal at alternate landfill due to lower tonnage. Favourable revenue variance of \$1.8 million is primarily driven by higher collection revenue, drop and load and Extended Producer Responsibility, partially offset by lower than anticipated volumes from various sources including Green Lane landfill, and lower renewable natural gas recovery from Disco and Dufferin facilities.
Toronto Parking Authority	Unfavourable net variance of \$8.1 million largely due to a one-time, non-performance-related transfer of four car parks and one property to the City valued at \$14.6 million. Excluding this transfer, underlying operations were \$6.5 million favourable to budget, driven by \$12.7 million in lower gross expenditures due to lower depreciation from staggered capital delivery, lower salaries and benefits due to headcount management, and lower municipal tax expenses due to a lower-than-expected tax rate increase, partially offset by \$6.2 million in lower revenues primarily resulting from fewer parking transactions due to severe winter weather and ongoing congestion and construction impacts, despite strong Bike Share performance.

Toronto Water	Favourable year-end variance of \$64.1 million is driven by a favourable expenditure variance of \$4.9 million mainly due to lower spending in chemicals, contract services, equipment, and materials and supplies mainly driven by contingencies built in contracts and favourability in rates, partially offset by overspending in utilities mainly due to higher hydro rates. Favourable revenue variance of \$59.1 million mainly from higher than planned revenue from sale of water from Toronto and York Region due to higher consumption, higher new water and sewer service connection revenue. The overachieved revenues are partially offset by lower revenue from transit projects in accordance with project timelines, lower private water and other third party agreements. Year-end results can vary significantly due to the uncertainty of sale of water and consumption levels arising from fluctuations in weather and increased risk of predictability of year-end sale of water due to the ongoing Meter Transmission Units (MTU) failures until full replacement of MTU is substantially completed.
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