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 $5.8 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-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Community and Emergency Services						
Economic Development and Culture	4.5	10%		(0.0)	0%	
Toronto Fire Services	(43.8)	26%		(66.7)	11%	
Parks and Recreation	(2.3)	3%		(5.0)	1%	
Toronto Emergency Management	0.2	12%		(0.1)	2%	
Toronto Paramedic Services	1.0	3%		0.5	0%	
Toronto Shelter and Support Services	54.5	22%		0.1	0%	
Sub-Total Community and Emergency Services	14.1	2%		(71.2)	5%	

Community and Emergency Services Narrative		
	Year-To-Date	**Year-End**
Economic Development and Culture	Favourable net variance of $4.5 million is attributable to both favorable gross expenditures driven by salary and benefits savings and slower issuant of grants as well as slower program spending, and favorable gross revenue due to earlier than expected recoveries and commitments from third parties.	Projected materially on budget
Toronto Fire Services	Unfavourable net variance of $43.7 million is comprised of overspending of $30.5 million in labour costs due to the Local 3888 collective bargaining agreement award, $13.7 million in callback overtime, and training overtime costs related to Ontario regulation 343/22. The overspending is partially offset by a favourable revenue variance of $1.6 million driven by receipt of the Fire Protection Grant.	Projected year-end unfavourable net variance of $66.7 million reflects the same drivers as the year-to-date variance, with continued pressures from callback and training overtime, collective agreement costs, and rising WSIB claims.
Parks and Recreation	Materially on budget	Unfavourable net variance projection of $5.0 million. Unfavourable gross expenditure variance of $14.6 million is driven by anticipated resources required to respond to extreme weather during summer operations, higher costs from new contracts and incremental requirements related to collective agreements. This is partially offset by a favourable revenue variance from recognizing one-time deferred revenues related to completed minor capital and partnership projects from prior years, as well as overachieved lease and license revenues.
Toronto Emergency Management	Materially on budget	Projected materially on budget
Toronto Paramedic Services	Materially on budget	Projected materially on budget

Toronto Shelter and Support Services	Favourable net variance of $54.5 million year-to-date consists of a favourable gross expenditure variance of $17.2 million mainly due to lower service demand, primarily from families with children, salary and benefit savings, delays in opening sites for regular shelter programs, and reduced contract service requirements in winter and respite programs. The favourable revenue variance of $37.3 million is largely attributable to recognition of Federal Interim Housing Assistance Program (IHAP) funding due to higher eligible refugee costs, as well as a $22.2 million timing variance related to a reserve withdrawal.	Forecast to be on budget. While higher refugee costs are anticipated due to delayed closure of hotel sites, these are fully offset from projected savings from the same drivers as the year-to-date variance. Remaining net savings are offset by a reduced withdrawal from the TSSS Stabilization Reserve, enabling TSSS to address IHAP and operational funding pressures in 2027 and future years.Total 2026 eligible expenditures for the Refugee Response Initiative are projected to be $154.8 million ($101.7 million for the dedicated Temporary Refugee Program and $53.1 million for refugees in base shelters). The Federal Government has confirmed total funding of $324.7 million (January 2025-March 2027) to support approximately 95% of the cost of providing shelter for asylum seekers.Revenue also includes funding of $200 million from Toronto Shelter Support and Services Stabilization Reserve. That is the provincial funding for the New Deal for shelters and homelessness, which was received ahead of schedule and deposited into the reserve for use in 2026 as per the agreement.

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Community Development and Social Services						
Children's Services	14.1	51%		0.0	0%	
Seniors Services and Long-Term Care	(1.4)	7%		(1.3)	1%	
Social Development	(6.1)	20%		(2.0)	1%	
Toronto Employment and Social Services	8.3	23%		(0.0)	0%	
Sub-Total Community Development and Social Services	14.9	13%		(3.3)	1%	

Community Development and Social Services Narrative		
	Year-To-Date	Year-End
Children's Services	Favourable net variance of $14.1 million mainly due to lower than anticipated operating spaces for child care operators in the Canada-Wide Early Learning and Child Care (CWELCC) system. This is driven by the impacts of ongoing workforce challenges in the broader early years and child care sector, impacting the ability to open available licensed spaces. The program continues to provide funding supports in alignment with provincial direction and maximizes its financial flexibilities wherever possible to support the financial viability of the sector and mitigate cost pressures through the implementation of the CWELCC system.	Forecast to be on budget. Lower than expected operating capacity of child care spaces in the Canada-Wide Early Learning and Child Care (CWELCC) system, has reduced both expenditures and offsetting revenues. The division continues to closely monitor sector needs, service demand and provincial guidelines, and will adjust as required.
Seniors Services and Long-Term Care	Materially on budget	Projected materially on budget
Social Development	Unfavourable net variance of $6.1 million primarily due to timing of spending in various community-based programs, partially offset by savings in salaries and benefits from vacancies and hiring delays.	Projected materially on budget
Toronto Employment and Social Services	Favourable net variance of $8.3 million is primarily due to lower issuance of Ontario Works payments and lower program delivery costs because of lower demand and staff vacancies respectively, partially offset by lower-than-budgeted expenditure based provincial subsidies. The average monthly Ontario Works caseload through April of 96,434 (13,566 cases below budget), with caseload trending downward since September 2024 due to a decline in asylum claimant cases.	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Infrastructure Services						
Engineering and Construction Services	0.4	41%		0.1	11%	
Municipal Licensing and Standards	9.5	82%		9.3	33%	
Policy, Planning, Finance and Admin	0.0	1%		(0.0)	0%	
Transit Expansion	1.1	318%		3.9	143%	
Transportation Services	(23.9)	19%		(10.0)	3%	
Sub-Total Infrastructure Services	(12.8)	9%		3.3	1%	

Infrastructure Services Narrative		
	Year-To-Date	**Year-End**
Engineering and Construction Services	Materially on budget	Projected materially on budget
Municipal Licensing and Standards	Net favourable variance of $9.5 million mainly due to over-achieved revenues from Private Transportation Companies trips fees, business and gaming licenses due to increased volumes, fees, service charges; and higher Accessibility fees, as well as underspending in salaries and benefits.	Net favourable variance of $9.3 million mainly due to over-achieved revenues from Private Transportation Companies trips fees, business and gaming licenses due to increased volumes; and higher Accessibility fees, as well as underspending in salaries and benefits, partially offset by overspending in service and rents.
Policy, Planning, Finance and Admin	Materially on budget	Projected materially on budget
Transit Expansion	Materially on budget	Projected materially on budget
Transportation Services	Year-to-date unfavourable net variance of $23.9 million is primarily due to enhanced service delivery, including responding to two major snowstorms, repairing potholes, carrying out beautification work, and managing expressway closures to maintain safety and keep roads in good condition. This is partially offset by higher-than-expected revenue from third-party work.	Projected year-end unfavourable net variance is $10.0 million. The year-end projection is inclusive of a provisional $45.5 million draw from stabilization reserves in response to major winter events. Staff will continue to monitor, evaluate and implement, as appropriate, actions to reduce the need to draw from the reserves.

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Development & Growth Services						
City Planning	(1.2)	30%		(1.2)	7%	
Development Review	0.0	0%		0.1	8%	
Housing Secretariat	9.0	4%		6.6	1%	
Toronto Building	1.7	0%		(0.0)	8%	
Sub-Total Development & Growth Services	9.4	4%		5.5	1%	

Development & Growth Services Narrative		
	Year-To-Date	**Year-End**
City Planning	Materially on budget	Projected materially on budget
Development Review	Materially on budget	Projected materially on budget
Housing Secretariat	A favourable net variance of $9.0 million is primarily attributable to lower-than-anticipated expenditures resulting from delays in the onboarding and implementation of rental supplement subsidy programs.	A projected favourable net variance of $6.6 million is attributable to lower-than-anticipated social housing subsidy costs and delays in supportive housing projects.
Toronto Building	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Corporate Services						
Corporate Real Estate Management	4.4	9%		0.5	0%	
Customer Experience	0.4	9%		0.0	0%	
Environment, Climate and Forestry	4.0	17%		1.5	2%	
Fleet Services	(1.1)	8%		(8.2)	23%	
Technology Services	(13.7)	32%		1.8	1%	
Toronto Cyber Security	1.0	10%		0.3	1%	
Sub-Total Corporate Services	(5.0)	4%		(4.1)	1%	

Corporate Services Narrative		
	Year-To-Date	**Year-End**
Corporate Real Estate Management	Materially on budget	Projected materially on budget
Customer Experience	Materially on budget	Projected materially on budget
Environment, Climate and Forestry	Materially on budget	Projected materially on budget
Fleet Services	Materially on budget	Projected year-end unfavourable net variance of $8.2 million primarily driven higher-than-budgeted fuel expenditures resulting from both increased market prices and higher consumption volumes, partially mitigated by savings achieved through fuel hedging strategies.
Technology Services	Unfavourable net variance of $13.7 million was primarily due to calendarization and timing differences in the budget, resulting in expenditures being ahead of the phased budget allocation. This variance is largely timing-related and does not reflect actual overspending. The impact was partially offset by savings from staff vacancies due to a hiring slowdown.	Projected materially on budget
Toronto Cyber Security	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Finance and Treasury Services						
Financial Operations and Control	1.6	14%		1.6	7%	
Office of the Chief Financial Officer and Treasurer	2.4	19%		2.4	7%	
Sub-Total Finance and Treasury Services	4.1	17%		4.1	7%	

Finance and Treasury Services Narrative		
	Year-To-Date	Year-End
Financial Operations and Control	Materially on budget	Projected materially on budget
Office of the Chief Financial Officer and Treasurer	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
City Manager						
City Manager Services	16.4	44%		0.0	0%	
Sub-Total City Manager	16.4	44%		0.0	0%	

City Manager Narrative		
	Year-To-Date	Year-End
City Manager Services	Favourable net variance of $16.4 million is mainly due to timing of budgeted expenditures for FIFA World Cup 2026 Secretariat, which are expected to be fully incurred in second quarter of 2026. This favorable variance was partially offset by no Federal/Provincial funding received to date, and higher recoveries from reserves and unbudgeted temporary service agreements with City divisions.	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Other City Programs						
City Clerk's Office	3.3	20%		0.0	0%	
City Council	0.9	10%		0.0	0%	
Court Services	1.9	383%		0.0	108%	
Legal Services	(0.0)	0%		(1.0)	2%	
Mayor's Office	(0.0)	3%		0.0	0%	
Sub-Total Other City Programs	6.1	14%		(1.0)	1%	

Other City Programs Narrative		
	Year-To-Date	Year-End
City Clerk's Office	Materially on budget	Projected materially on budget
City Council	Materially on budget	Projected materially on budget
Court Services	Materially on budget	Projected materially on budget
Legal Services	Materially on budget	Projected materially on budget
Mayor's Office	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Accountability Offices						
Auditor General's Office	0.3	11%		0.1	1%	
Office of the Integrity Commissioner	0.1	25%		0.0	0%	
Office of the Lobbyist Registrar	0.1	25%		0.1	9%	
Office of the Ombudsman	0.1	6%		0.0	0%	
Sub-Total Accountability Offices	0.5	11%		0.2	1%	

Accountability Offices Narrative		
	Year-To-Date	**Year-End**
Auditor General's Office	Materially on budget	Projected materially on budget
Office of the Integrity Commissioner	Materially on budget	Projected materially on budget
Office of the Lobbyist Registrar	Materially on budget	Projected materially on budget
Office of the Ombudsman	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Agencies						
CreateTO	0.0	n/a		0.0	n/a	
Exhibition Place	2.2	77%		2.0	91%	
Heritage Toronto	0.1	26%		0.0	0%	
Sankofa Square	0.5	55%		0.0	0%	
TO Live	(0.9)	38%		0.0	0%	
Toronto & Region Conservation Authority	0.0	0%		(0.0)	0%	
Toronto Police Service	(9.0)	2%		(15.0)	1%	
Toronto Police Service Board	(0.3)	85%		(0.0)	0%	
Toronto Public Health	1.5	8%		2.5	2%	
Toronto Public Library	1.6	2%		(0.4)	0%	
Toronto Transit Commission - Conventional	(13.7)	3%		(52.3)	4%	
Toronto Transit Commission - Wheel Trans	1.1	2%		(1.3)	1%	
Toronto Zoo	(0.0)	0%		(0.3)	2%	
TOTAL - AGENCIES	(17.0)	2%		(64.9)	2%	

Agencies Narrative		
	Year-To-Date	**Year-End**
CreateTO	Materially on budget	Projected materially on budget
Exhibition Place	Materially on budget	Projected materially on budget
Heritage Toronto	Materially on budget	Projected materially on budget
Sankofa Square	Materially on budget	Projected materially on budget
TO Live	Materially on budget	Projected materially on budget
Toronto & Region Conservation Authority	Materially on budget	Projected materially on budget
Toronto Police Service	Year-to-date unfavourable variance of $9.0 million primarily due to higher premium pay costs, including court time, overtime, and callbacks.	Projected year-end unfavourable net variance of $15.0 million reflect the same pressures, with continued higher premium pay costs remaining a significant and ongoing financial challenge. The Service is pursuing opportunities for expenditure reductions and/or increasing revenue throughout the year to mitigate year-end deficits to the extent possible.
Toronto Police Service Board	Materially on budget	Projected materially on budget
Toronto Public Health	Materially on budget	Projected materially on budget

Toronto Public Library	Materially on budget	Projected materially on budget
Toronto Transit Commission - Conventional	Year-to-date net unfavourable variance of $13.7 million primarily due to lower revenue variance from reduced ridership demand and lower provincial funding associated with the delayed opening of Line 5 Eglinton. This is partially offset by lower-than expected costs, mainly from corporate spending.	Projected year-end unfavourable net variance of $52.3 million reflects continued pressures from lower ridership revenues and higher costs including diesel fuel, traction power costs, partially offset by lower labour costs.
Toronto Transit Commission - Wheel Trans	Materially on budget	Projected materially on budget
Toronto Zoo	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Capital & Corporate Financing						
Capital from Current	0.0	n/a		0.0	0%	
Debt Charges	2.3	1%		0.0	0%	
Technology Sustainment	0.0	n/a		(0.0)	0%	
Sub-Total Capital & Corporate Financing	2.3	1%		(0.0)	0%	

Capital & Corporate Financing Narrative		
	Year-To-Date	**Year-End**
Capital from Current	Materially on budget	Projected materially on budget
Debt Charges	Materially on budget	Projected materially on budget
Technology Sustainment	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Non-Program Expenditures						
Assessment Function (MPAC)	0.0	0%		0.0	0%	
Funding of Employee Related Liabilities	(0.0)	5%		0.0	0%	
Heritage Property Taxes Rebate	0.1	17%		0.2	17%	
Insurance Contributions	0.0	n/a		0.0	0%	
Other Corporate Expenditures	(34.4)	92%		(0.0)	0%	
Parking Tag Enforcement & Operations Exp	0.4	2%		(0.4)	0%	
Programs Funded from Reserve Funds	(4.6)	13%		0.0	n/a	
Solid Waste Management Services Rebate	1.5	6%		0.0	0%	
Tax Deficiencies/Write offs	0.3	4%		0.0	0%	
Tax Increment Equivalent Grants (TIEG)	0.9	7%		2.8	7%	
Tax Increment Funding (TIF)	0.0	n/a		0.0	0%	
Sub-Total Non-Program Expenditures	(35.9)	39%		2.6	1%	

Non-Program Expenditures Narrative		
	Year-To-Date	Year-End
Assessment Function (MPAC)	Materially on budget	Projected materially on budget
Funding of Employee Related Liabilities	Materially on budget	Projected materially on budget
Heritage Property Taxes Rebate	Materially on budget	Projected materially on budget
Insurance Contributions	Materially on budget	Projected materially on budget
Other Corporate Expenditures	Unfavourable net expenditure variance of $34.4 million is mainly attributable to calendarization of vacancy savings which will be allocated to divisions.	Projected materially on budget
Parking Tag Enforcement & Operations Exp	Materially on budget	Projected materially on budget
Programs Funded from Reserve Funds	Materially on budget	Projected materially on budget
Solid Waste Management Services Rebate	Materially on budget	Projected materially on budget
Tax Deficiencies/Write offs	Materially on budget	Projected materially on budget
Tax Increment Equivalent Grants (TIEG)	Materially on budget	Projected materially on budget
Tax Increment Funding (TIF)	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Non Program Revenues						
Administrative Support Recoveries - Health & EMS	0.0	0%		0.0	0%	
Administrative Support Recoveries - Water	0.0	0%		0.0	0%	
Casino Woodbine Revenues	(0.0)	1%		(1.7)	6%	
Dividend Income	0.0	0%		0.0	0%	
Interest/Investment Earnings	(19.3)	31%		(0.0)	0%	
Municipal Accommodation Tax (MAT)	4.6	15%		4.9	6%	
Municipal Land Transfer Tax	21.0	10%		21.0	3%	
Other Corporate Revenues	0.8	1%		0.0	0%	
Other Tax Revenues	(0.0)	1%		0.0	0%	
Parking Authority Revenues	0.0	0%		0.0	0%	
Parking Tag Enforcement & Operations Rev	0.7	2%		2.1	1%	
Payments in Lieu of Taxes	(1.6)	4%		1.0	1%	
Provincial Revenue	0.0	0%		0.0	0%	
Supplementary Taxes	(13.9)	95%		0.0	0%	
Tax Penalty Revenue	4.5	27%		4.1	7%	
Third Party Sign Tax	0.0	0%		0.0	0%	
Vacant Home Tax	0.0	n/a		0.0	n/a	
Sub-Total Non-Program Revenues	(3.2)	1%		31.5	1%	

Non Program Revenues Narrative		
	Year-To-Date	Year-End
Administrative Support Recoveries - Health & EMS	Materially on budget	Projected materially on budget
Administrative Support Recoveries - Water	Materially on budget	Projected materially on budget
Casino Woodbine Revenues	Materially on budget	Projected materially on budget
Dividend Income	Materially on budget	Projected materially on budget
Interest/Investment Earnings	Unfavourable net revenue variance of $19.3 million is driven by $19.0 million unfavourability from lower than expected performance from the Toronto Investment Board (TIB) long-term fund earning 2.7% versus 3.5% budgeted.	Projected materially on budget
Municipal Accommodation Tax (MAT)	Materially on budget	Projected materially on budget

Municipal Land Transfer Tax	Favourable net revenue variance of $21.0 million is mainly due to higher than expected sales activities for the period.	Projected favourable year-end variance of $21.0 million based on results seen year-to-date.
Other Corporate Revenues	Materially on budget	Projected materially on budget
Other Tax Revenues	On budget.	On budget.
Parking Authority Revenues	On budget	On budget
Parking Tag Enforcement & Operations Rev	Materially on budget	Projected materially on budget
Payments in Lieu of Taxes	Materially on budget	Projected materially on budget
Provincial Revenue	Materially on budget	Projected materially on budget
Supplementary Taxes	Unfavourable net revenue variance of $13.9 million is due to the timing of Supplementary and/or Omitted roll from MPAC not being posted to the account by April 30th.	Projected materially on budget
Tax Penalty Revenue	Materially on budget	Projected materially on budget
Third Party Sign Tax	Materially on budget	Projected materially on budget
Vacant Home Tax	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Non-Program Agencies						
Arena Boards of Management	0.9	138%		0.1	5%	
Association of Community Centres	0.6	12%		(0.0)	0%	
Total- Non-Program Agencies	1.5	36%		0.0	0%	

Non-Program Agencies Narrative		
	Year-To-Date	Year-End
Arena Boards of Management	Materially on budget	Projected materially on budget
Association of Community Centres	Materially on budget	Projected materially on budget

Appendix E - Operating Variance Dashboard for City Programs and Agencies

City Program/Agency	Year-To-Date			Year-End		
	Net Variance		Status	Net Variance		Status
	$	%		$	%	
Rate Programs						
Solid Waste Management Services	3.1	6%		0.4	n/a	
Toronto Parking Authority	(1.7)	9%		(0.0)	0%	
Toronto Water	26.2	7%		32.4	n/a	
Total - Rate Programs	27.7	6%		32.7	54%	

Rate Programs Narrative		
	Year-To-Date	Year-End
Solid Waste Management Services	Materially on budget	Projected materially on budget
Toronto Parking Authority	Materially on budget	Projected materially on budget
Toronto Water	The favourable net expenditure variance of $26.2 million is mainly due to a favourable revenue variance of $31.1 million mainly from higher than planned revenue from sale of water to Toronto and York Region due to higher consumption and timing of customer billings and higher industrial waste agreements than planned. The overachieved revenue is partially offset by lower revenue from watermain connection fees. The favourable revenue variance is partially offset by an overspending in expenditures by $4.8 million mainly due overspending in utilities due to higher rates than planned, contract services due to increased haulage at water treatment facilities, and materials and supplies. This is partially offset by lower than budgeted expenditures in salaries and benefits due to vacancies.	Projected favourable year-end net revenue and expenditures variance is $32.4 million.Toronto Water is projecting an under expenditure of $3.9 million mainly due to underspending in chemicals, contract services and equipment mainly driven by contingencies built in contracts and favourability in rates, and lower than budgeted salaries and benefits due to vacancies. This is projected to be partially offset by overspending in utilities mainly due to higher rates than planned.Revenues are projected to be higher than budgeted by $28.4 million, primarily due to higher than planned consumption of water based on year-to-date consumption and adjustments to prior year consumption billed in 2025. Year-end results can vary significantly due to the uncertainty of sale of water and consumption levels arising from fluctuations in weather. The predictability of revenue from sale of water will continue to pose a challenge in the future due to potential inaccuracies in estimated billing until a full city-wide replacement of MTUs is implemented and completed.The projected increase in revenues will be partially offset by lower revenue from watermain connection fees.