

TORONTO STAFF REPORT

May 2, 2005

To: Budget Advisory Committee

From: Deputy City Manager and Chief Financial Officer

Subject: 2004 Year-End Operating Variance Report

Purpose:

The purpose of this report is to provide the City of Toronto Final Operating Variance report for the year ended December 31, 2004.

Financial Implications and Impact Statement:

The 2004 Council approved net expenditure budget was under spent, resulting in a final operating surplus of \$5.8 million or 0.2 percent of the total tax levy. The Preliminary Operating Variance report reflected a deficit of \$0.4 million. The additional surplus is primarily due to one-time unbudgeted increases in both TTC revenue (negotiated contractual settlement with a supplier related to bus purchases) and Non-Program revenue (Toronto Parking Authority sale of air rights) reflected in 2004.

It is recommended that the 2004 Operating Surplus of \$5.837 million be transferred to the City's Capital Financing Reserve (in accordance with City policy) to fund 2005 TTC bus purchases. In addition, it is recommended that the funding of \$0.238 million for outstanding 2004 Toronto & Region Conservation Authority (TRCA) levy payments and the City's contribution of \$0.143 million to Exhibition Place to settle the outstanding 2003 Royal Agricultural Winter Fair payment be funded from the 2004 Operating Surplus.

Recommendations:

It is recommended that:

- (1) the \$5.837 million 2004 Operating Surplus be transferred to the City's Capital Financing Reserve (in accordance with City policy) to fund 2005 TTC bus purchases;
- (2) funding of \$0.238 million for outstanding 2004 TRCA levy payments be made from the 2004 Operating Surplus;

- (3) Council authorize the City's contribution of \$0.143 million to Exhibition Place to settle the outstanding 2003 Royal Agricultural Winter Fair payment and that this payment be funded from the 2004 Operating Surplus;
- (4) the Deputy City Manager and Chief Financial Officer be authorized to settle all Special Purpose Body 2004 and prior year-end deficits, as reported in the Final Year-end Variance Report, through the 2004 Operating Surplus and that the Deputy City Manager and Chief Financial Officer report back to the Budget Advisory Committee on any incremental funding from or contributions to the Working Capital Reserve should the final audited Special Purpose Body financial statements indicate year-end variances different from those represented in this report;
- (5) this 2004 Year-End Operating Variance report be forwarded to the Policy & Finance Committee and Council for their consideration; and,
- (6) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

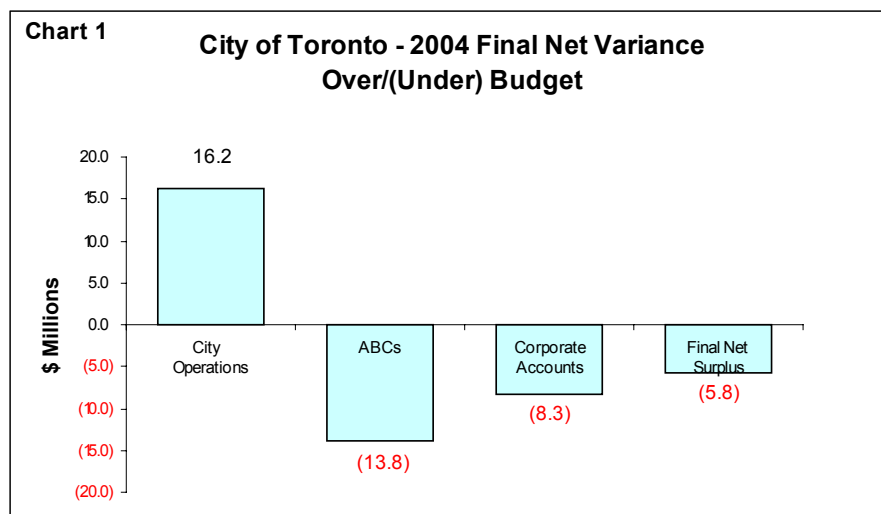
Comments:

Background

The annual audit of the City's accounts and financial statements was substantially completed in April 2005, however, final audit review is still required for some Special Purpose Bodies and will be completed in early May 2005. Otherwise, this variance report was prepared using audited accounting information for the year ended December 31, 2004.

Overview

Appendices A, B and C compare actual expenditures and revenues to budget for City Operations, ABCs and Corporate Accounts. As summarized in Chart 1, City Operations were over spent by \$16.2 million, while ABCs and Corporate Accounts were under spent by \$13.8 million and \$8.3 million respectively. In total, the City was under spent by \$5.8 million or 0.2 percent of the total tax levy. While revenues were over achieved by \$24.6 million in 2004, this was offset by over spending of \$18.7 million in gross expenditures.



2004 Surplus

The final year-end surplus of \$5.8 million is \$6.2 million more than the deficit of \$0.4 million reported in the Preliminary Operating Variance report. The audit of the City's operating accounts and final 2004 year-end entries, made after the Preliminary Operating Variance report was prepared, have resulted in the \$5.8 million final favourable net variance for 2004. The additional surplus is primarily due to one-time unbudgeted increases in both TTC revenue (negotiated contractual settlement with a supplier) and Non-Program revenue (Toronto Parking Authority sale of air rights) reflected in 2004. These revenue increases were partially offset by an expense accrual at the TTC reflecting the 2004 portion of the Ontario Health Premium (OHP) to be paid on behalf of its employees. While a judicial review of the arbitration decision is being pursued, prudent accounting suggests that potential liabilities be accrued.

Chart 2			
City of Toronto			
2004 Budget Surplus - Preliminary vs Final			
(\$000's)			
	Preliminary	Final	Variance
Total City Operations	(16,212)	(16,205)	8
Total Special Purpose Bodies	10,189	13,770	3,581
Total Corporate Accounts	5,647	8,272	2,625
Net Surplus (Deficit)	(376)	5,837	6,213

At its meeting of September 28, 29, 30 and October 1, 2004, Council adopted the report "Policy on Management of Operating Budget Surplus" (Consolidated Clause in Report No. 7 of the Policy and Finance Committee), which recommended that for the fiscal 2004 surplus, if any, the Chief Financial Officer and Treasurer be authorized to apply any additional surplus entirely to the Capital Financing Reserve Fund.

It is therefore recommended that the 2004 Operating Surplus of \$5.837 million be transferred to the City's Capital Financing Reserve (in accordance with City policy) to fund 2005 TTC bus purchases. In addition, it is recommended that the funding of \$0.238 million for outstanding 2004 Toronto & Region Conservation Authority (TRCA) levy payments and the City's contribution of \$0.143 million to Exhibition Place to settle the outstanding 2003 Royal Agricultural Winter Fair payment be funded from the 2004 Operating Surplus.

Year-end Transfers to/from Reserve Funds

In accordance with Council directives and Provincial Legislation, the following Program surpluses (or portions thereof) were transferred to Reserve Funds: \$1.4 million was transferred to the Childcare Capital Reserve; \$3.5 million was transferred to the HFA Capital Reserve and \$3.5 million to the HFA Stabilization Reserve; \$14.0 million was transferred to the Social Housing Stabilization Reserve (\$11.0 million related to the 2003 GTA Pooling reconciliation adjustment

and \$3.0 million related to the Social Housing Download); \$8.3 million was transferred to the Waste Management Reserve; and, \$0.025 million was transferred to the Hummingbird Centre Stabilization Reserve.

Table A			
Reserve Fund (RF) Transfers (\$000s)	Net Expenditure Before RF Transfers Over/(Under)	Reserve Fund Transfers	Net Expenditure After RF Transfers Over/(Under)
(a) Children's Services	(1,429.4)	1,429.4	(0.0)
(b) Homes for the Aged	(7,406.4)	6,989.9	(416.6)
(c) Shelter, Housing and Support Services	(16,311.0)	14,003.5	(2,307.5)
(d) Solid Waste Management Services	(11,323.7)	8,323.8	(3,000.0)
(e) Theatres (Hummingbird Centre)	532.2	24.8	557.0
Tax Supported Reserve Transfers	(35,938.3)	30,771.3	(5,167.0)

Cost-Containment Savings

At its meeting of March 8, 2004, the Budget Advisory Committee (BAC) directed that the cost-containment measures already in place for City Programs be extended to December 31, 2004. The BAC also directed that the measures apply to ABCs. Cost-containment measures saved the City a net \$36.5 million in 2004. These cost-containment savings are included in the year-end results and have been used to meet the departmental efficiency budget reductions that were approved by Council (\$2.6 million) and to partially offset extraordinary 2004 pressures the City has incurred in various Programs (i.e. Social Services and EMS).

Discussion of Significant Department/Program Variances (Appendices A, B and C):

(1) Community and Neighbourhood Services (CNS)

CNS reported a year-end net over expenditure of \$14.7 million or 2.5 percent.

Table 1			
2004 Year-end Net Variances (\$ Millions)			
	Before Reserve Fund Transfers Over/(Under)	Reserve Fund Transfers	After Reserve Fund Transfers Over/(Under)
(a) Children's Services	(1.4)	1.4	(0.0)
(b) Homes for the Aged	(7.4)	7.0	(0.4)
(c) Shelter, Housing & Support	(16.3)	14.0	(2.3)
(d) Social Development & Administration	(0.1)		(0.1)
(e) Social Services	17.6		17.6
Total Variance	(7.7)	22.4	14.7

Shelter, Housing & Support had a favourable net year-end variance of \$2.3 million or 0.9 percent. This surplus was primarily due to reductions in expenditures and revenues resulting from a lower than budgeted volume in Hostel Services. At December 31, 2004, Hostel Services had a 12.0 percent decline in demand for hostel bed nights compared to the 2004 budget (1,481,228 vs. 1,682,963 budgeted bed nights). In addition, the Province increased the hostel per diem by 3 per cent or \$1.15 per bed night effective July 2004, which generated additional revenue of \$0.854 million for the year.

Social Services had a year-end favourable gross variance of \$45.0 million mainly attributable to a lower than budgeted average monthly caseload of 67,124 compared to the budgeted average of 72,000. However, the Program showed a year-end unfavourable net variance of \$17.6 million mainly due to unfavourable net expenditure variances of \$35.8 million offset by one-time Provincial revenues of \$18.2 million. The unfavourable year-end net expenditure variances were primarily the result of increased costs for the Provincially administered Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit (ODB) Program combined with lower GTA Pooling Revenues. In addition, the unexpected budget pressure resulting from reduced Provincial funding of the cost of administration affected a number of divisions within the Department, but is reflected through Social Services in this report. For the past several years this base funding shortfall has been managed through cash-flow and funding adjustments agreed to with the Ministry, however, these opportunities no longer exist and pressures will continue for future operating budgets.

The Social Services unfavourable net expenditure variances at year-end are comprised of the following:

- \$16.3 million for the Provincial Downloaded programs: ODSP Program Benefits and Delivery, ODB and other Mandatory Benefits. These are costs allocated to the City for programs delivered by the Province, and the City has no control over the amounts allocated;
- \$15.2 million subsidy shortfall for the Ontario Works (OW) Cost of Administration (COA) against the 2004 budget after offsetting cash flow and one time funding. The COA base Provincial funding has been capped and has not been adjusted for uncontrollable costs such as collective bargaining and inflationary increases; and,
- \$4.3 million shortfall in GTA Pooling Revenues.

Social Services continues to work with the Toronto Regional Office and the Ministry of Community and Social Services on these issues.

(2) Works and Emergency Services (WES)

WES reported a year-end net over expenditure of \$2.4 million or 0.3 percent.

EMS had an unfavourable year-end variance of \$9.8 million (20.1 percent) due to unilateral Provincial caps on basic costs, such as salary costs. Provincial funding is provided based on eligibility criteria established by the Province. Salary increases were not fully covered by the

eligibility criteria resulting in subsidy shortfalls (i.e. the labour arbitration award of a 5% wage increase) and the Province is not funding their share of service costs. As a result of reduced funding, the City has incurred additional costs to maintain EMS service levels. The City's senior staff continue to meet with the Emergency Health Service Branch of the Ministry of Health and Long Term Care to resolve these issues.

Table 2			
2004 Year-end Net Variances (\$ Millions)			
	Before Reserve Fund Transfers Over/(Under)	Reserve Fund Transfers	After Reserve Fund Transfers Over/(Under)
(a) Emergency Medical Services	9.8		9.8
(b) Solid Waste Management Services	(11.3)	8.3	(3.0)
(c) Fire Services	(0.5)		(0.5)
(d) Transportation Services	(5.7)		(5.7)
(e) Works - Support Services	0.0		0.0
(f) Works - Technical Services	1.7		1.7
Total Variance	(6.0)	8.3	2.4

The net surplus of \$3.0 million (1.9 percent) in Solid Waste Management Services was mainly attributed to the loss of paid private waste tonnage received at Transfer Stations (resulting in reduced net expenditures). In addition, favourable contract services negotiations for Source Separated Organics processing and increased revenue for recyclable materials have contributed to the favourable variance.

Transportation Services was under spent by \$5.7 million (3.3 percent) primarily due to higher than planned collection of doubtful accounts, higher than planned utility cut repair revenues and lower than planned intra-departmental charges from WES Support/Technical Services.

Technical Services reported a year-end over expenditure of \$1.7 million (31.1 percent) primarily due to the under recovery of allocated charges. The under recovery was partially offset by increased salary gapping from vacant positions as a result of the hiring freeze and under spending in non-staff expenditures. The under recovery also resulted in client budgets experiencing substantial reductions in inter-divisional charges.

(3) Economic Development, Culture and Tourism (EDCT)

At year-end EDCT was over spent by \$6.4 million or 3.1 percent.

While the over expenditure of \$0.5 million in Customer & Business Support reflects a year-end accrual for bad debts, Parks and Recreation was largely responsible for the overall EDCT unfavourable variance. Parks and Recreation experienced a \$6.0 million over expenditure primarily due to incurring higher than planned utility costs and realizing reduced actual revenues compared to budget due to an increased use of Toronto's Welcome Policy and lower Ferry and Golf Course revenues.

Table 3

Net Variances (\$ Millions)	
Year-end 2004	
Over/(Under)	
(a) Culture	(0.0)
(b) Customer & Business Support	0.5
(c) Economic Development	(0.2)
(d) Parks & Recreation	6.0
(e) Tourism	0.1
(f) Economic Recovery	(0.0)
Total Variance	6.4

(4) Urban Development Services (UDS)

UDS reported a favourable net variance of \$1.6 million or 10.4 percent of net expenditures at year-end. UDS savings of \$1.6 million was primarily due to staff vacancies (hiring freeze impact), discretionary spending savings and project deferrals. These savings were partially offset by lower than budgeted licensing fee revenue.

Table 4

Net Variances (\$ Millions)	
Year-end 2004	
Over/(Under)	
Urban Development Services	(1.6)
Total Variance	(1.6)

(5) Corporate Services

Corporate Services reported a surplus of \$3.4 million or 2.5 percent at the end of 2004.

The surplus of \$1.1 million or 15.8 percent in Service Improvement & Innovation was due primarily to staff vacancies (hiring delays) and cost-containment savings.

Facilities and Real Estate reported a \$0.5 million favourable variance at year-end due to additional work requested by and subsequently charged back to corporate clients.

The Human Resources year-end net unfavourable variance of \$0.6 million or 2.4 percent was primarily due to early union negotiation costs, increased legal costs and audit fees. In addition, the cost of mediation and arbitration services with respect to employee and labour relations exceeded the budget.

Table 5

Net Variances (\$ Millions)	
Year-end 2004	
Over/(Under)	
(a) City Clerk's Office	0.2
(b) Court Services	(0.0)
(c) Services Improvement & Innovation	(1.1)
(d) Corporate Communications	(0.2)
(e) Facilities & Real Estate	(0.5)
(f) Fleet Services	0.2
(g) Human Resources	0.6
(h) Information & Technology	(2.0)
(i) Legal Services	(0.7)
Total Variance	(3.4)

Information and Technology had a \$2.0 million (4.9 percent) favourable variance at year-end mainly due to lower expenditures for maintenance costs for hardware and software currently on lease.

The surplus of \$0.7 million or 4.1 percent in Legal Services was due primarily to significant staff vacancies throughout the year (hiring delays and cost-containment measures).

(6) Finance

For the year-ended December 31, 2004, the Finance Department was under budget by \$0.6 million or 1.6 percent.

Table 6

Net Variances (\$ Millions)	
Year-end 2004	
Over/(Under)	
Finance	(0.6)
Total Variance	(0.6)

The favourable net variance was due to savings from the hiring freeze and other discretionary cost reductions, partially offset by revenue shortfalls in Pension Plan user fees and Tax/Water certificate revenues.

(7) Other Programs

A favourable variance of \$1.4 million or 7.7 percent was reported for the 2004 Council Budget primarily due to some Councillors not spending their full office budget allocation and/or opting to hire less than the 3 approved positions each.

Table 7	
	Net Variances (\$ Millions)
	Year-end 2004
	Over/(Under)
(a) Auditor General's Office	(0.2)
(b) Chief Administrator's Office	(0.2)
(c) Council	(1.4)
(d) Mayor's Office	(0.1)
Total Variance	(1.8)

(8) Special Purpose Bodies

Special Purpose Bodies collectively reported a favourable net variance of \$13.8 million or 1.3 percent at December 31, 2004.

Table 8	
	Net Variances (\$ Millions)
	Year-end 2004
	Over/(Under)
(a) Toronto Public Health	(4.4)
(b) Toronto Public Library	6.8
(c) Association of Community Centres	0.0
(d) Exhibition Place	0.4
(e) Heritage Toronto	0.0
(f) Theatres	0.6
(g) Toronto Zoo	(0.4)
(h) Arena Boards of Management	0.1
(i) Yonge Dundas Square	(0.1)
(j) Toronto & Region Conservation Authority	0.2
(k) Toronto Transit Commission - Conventional	(15.4)
(l) Toronto Transit Commission - Wheel Trans	0.0
(m) Toronto Police Service & TPS Board	(1.6)
Total Variance	(13.8)

The Toronto Public Health surplus of \$4.4 million (6.1 percent) was due mainly to hiring freeze savings, salary savings due to staff recruitment and retention problems, delays in capital project implementation, under spending for the WNV Program (staff recruitment/retention and unusually cool summer), and staff recruitment issues resulting in lower costs for the Dental Program.

The Toronto Public Library had an unfavourable net expenditure variance of \$6.8 million or 5.3 percent due to the retroactive portion of the Wage Harmonization Arbitration Award approved in late 2004.

Exhibition Place showed a deficit of \$0.4 million at year-end, primarily due to increased employee costs. In addition, this report contains a recommendation that the City's contribution of \$0.143 million to Exhibition Place to settle the outstanding 2003 Royal Agricultural Winter Fair payment be funded from the 2004 Operating Surplus.

Theatres reported an over expenditure of \$0.6 million at year-end primarily due to an accrual for the Council approved final settlements from the City for the St. Lawrence Centre for the Arts 2002/3 year-end deficits (\$0.462 million). Also, the year-end over expenditure reflects both the City's recovery of 1999-2001 surpluses from the St. Lawrence Centre for the Arts (\$0.058 million) and an additional 2003 year-end deficit recorded by the St. Lawrence Centre for the Arts due to a restatement of the 2003 financial statements (\$0.101 million).

The Toronto Zoo had a year-end favourable net variance of \$0.4 million or 4.0 percent, primarily due to attendance levels exceeding those budgeted and resulting in increased revenues (admissions, parking and food services). In addition, the Toronto Zoo had savings as a result of implementing cost-containment measures.

The Arena Boards of Management had an unfavourable net variance of \$0.1 million at year-end. This was mainly due to accruals for the \$0.062 million final settlement from the City for the 2002 year-end (approved by Council at its meeting of February 1-3, 2005) and the City contribution to the Arena Board account in the Vehicle and Equipment Replacement Reserve of \$0.121 million from net surpluses arising from the 1999-2001 year-ends (approved by Council at its meeting of April 19-23 and 26-28, 2004).

The Toronto & Region Conservation Authority (TRCA) \$0.2 million deficit at year-end reflects the accrual for outstanding regional 2004 levy payments (TRCA property tax). This portion of the City's contribution towards the TRCA's other regional property taxes was originally eliminated from the 2004 TRCA Operating Budget by BAC. This report contains a recommendation that the funding of \$0.2 million for outstanding 2004 Toronto & Region Conservation Authority (TRCA) property taxes be made through the 2004 Operating Surplus. In 2005, the TRCA Operating Budget has been approved with the assumption that the City will not be funding other regional partner's property taxes, and as a long-term strategy, the TRCA has been requested to seek exemption from these levy payments (as provided by the City).

The Toronto Transit Commission (TTC) net budget surplus of \$15.4 million (Conventional and Wheel Trans) was primarily due to increased ridership during 2004. In addition, a one-time unbudgeted revenue increase of \$6.3 million resulting from a negotiated contractual settlement with a supplier was reflected in 2004. Due to the recent arbitration ruling that required the TTC to pay the Ontario Health Premium (OHP) on behalf of its employees, an accrual was processed at year-end to reflect the 2004 portion of this expense. While a judicial review of the arbitration decision is being pursued, prudent accounting suggests that potential liabilities be accrued. This report recommends that the City fund \$6.3 million for 2005 TTC bus purchases through a combination of 2004 Operating Surplus (\$5.837 million) and other funding sources (\$0.424 million) to be determined by the Deputy City Manager and Chief Financial Officer (to be reported in the June 2005 Quarterly Variance Report).

The Toronto Police Service surplus of \$1.6 million was mainly due to realizing higher than planned revenues.

(9) Corporate Accounts

Corporate Accounts were under spent by \$8.3 million or 5.1 percent at December 31, 2004.

The Corporate Accounts under expenditures of \$8.3 million were largely due to delays in issuing debt to finance capital projects combined with lower than budget interest rates resulting in reduced debt charges (Capital & Corporate Financing \$8.6 million) and significantly higher than anticipated Supplementary Taxes (\$21.6 million). These positive budget variances were partially offset by a revenue shortfall in payments-in-lieu of taxes (\$4.3 million) and higher than anticipated tax deficiencies (\$21.2 million). In addition, the City's portion of Toronto Parking Authority revenues have increased since the Preliminary Operating Variance report was issued (\$2.1 million), primarily due to the sale of air rights.

Table 9	
	Net Variances (\$ Millions)
	Year-end 2004 Over/(Under)
Community Partnership and Investment Program	(0.2)
Capital & Corporate Financing	(8.6)
Non-Program Expenditures	21.3
Non-Program Revenue	(20.8)
Total Variance	(8.3)

Consulting Costs:

The total 2004 Council Approved Budget for consulting costs was \$5.3 million and the City's actual consulting costs were \$5.6 million at year-end. While this over expenditure was mostly a combination of small operational variances, the largest variance occurred in The Toronto Library due to unplanned legal consulting costs related to the Wage Rate and Job Classification Harmonization arbitration concluded in December 2004.

Approved Positions:

The City budgets and monitors its staff complement based on Approved Positions. As at December 31, 2004, the City reported 43,519.3 full-time approved positions (42,500.6 permanent and 1,018.7 casual/seasonal) and 4,333.3 part-time approved positions (1,588.1 permanent and 2,745.2 casual/seasonal). This reflected an increase of 0.2 percent from the Council Approved Positions and occurred mainly due to seasonal fluctuations within City Programs/ABCs.

Utility Costs:

The year-end utility over expenditure of \$0.5 million was due to a combination of increased usage during the winter months in the early part of 2004, higher hydro rates and higher heating costs (i.e. higher natural gas rates). As at December 31, 2004, levy operations reported utility costs of \$59.8 million compared to a budget of \$59.3 million.

Conclusion:

The 2004 Council approved net expenditure budget was under spent, resulting in a final operating surplus of \$5.8 million or 0.2 percent of the total tax levy. Final audit review is still required for some Special Purpose Bodies and will be completed in early May 2005. The Preliminary Operating Variance report reflected a deficit of \$0.4 million (after transfers to/from Reserves in accordance with Council directives and Provincial legislation). The additional surplus is primarily due to one-time unbudgeted increases in both TTC revenue (negotiated contractual settlement related to bus purchases) and Non-Program revenue (Toronto Parking Authority sale of air rights) reflected in 2004.

The City of Toronto's net variances for City Operations, Special Purpose Bodies and Corporate Accounts for the year-ended December 31, 2004 are summarized in Table 10.

Table 10	
	Net Variances (\$ Millions)
	Year-end 2004
	Over/(Under)
(1) Community & Neighbourhood Services	14.7
(2) Works & Emergency Services	2.4
(3) Economic Development, Culture & Tourism	6.4
(4) Urban Development Services	(1.6)
(5) Corporate Services	(3.4)
(6) Finance	(0.6)
(7) Other	(1.8)
Total - City Operations	16.2
(8) Special Purpose Bodies	(13.8)
(9) Corporate Accounts	(8.3)
Sub-Total	(22.0)
Total Variance	(5.8)

It is recommended that the 2004 Operating Surplus of \$5.837 million be transferred to the City's Capital Financing Reserve (in accordance with City policy) to fund 2005 TTC bus purchases. In addition, it is recommended that the funding of \$0.238 million for outstanding 2004 Toronto & Region Conservation Authority (TRCA) levy payments and the City's contribution of \$0.143 million to Exhibition Place to settle the outstanding 2003 Royal Agricultural Winter Fair payment be funded from the 2004 Operating Surplus.

Contacts:

Bert Riviere, Manager, Financial Planning Division
Tel: (416) 397-4227

Joseph P. Pennachetti
Deputy City Manager and Chief Financial Officer

List of Attachments:

Appendix A – Net Expenditures
Appendix B – Gross Expenditures
Appendix C – Gross Revenues



CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000s)

	December 31, 2004			
	Year-End Budget	Final Actuals	Final Actuals Vs Budget Over / (Under)	%
Community and Neighbourhood Services				
Children's Services	64,932.8	64,932.8	(0.0)	0.0%
Homes for the Aged	28,231.3	27,814.7	(416.6)	-1.5%
Shelter, Housing & Support	270,187.3	267,879.8	(2,307.5)	-0.9%
Social Development & Administration	8,812.6	8,684.1	(128.5)	-1.5%
Social Services	219,717.3	237,316.3	17,599.0	8.0%
Department Total	591,881.3	606,627.7	14,746.4	2.5%
Works and Emergency Services				
Emergency Medical Services	49,007.8	58,836.0	9,828.2	20.1%
Solid Waste Management Services	158,075.2	155,075.2	(3,000.0)	-1.9%
Fire Services	298,417.4	297,945.3	(472.1)	-0.2%
Transportation Services	175,067.0	169,371.8	(5,695.2)	-3.3%
WES - Support Services	0.0	0.0	0.0	n/a
WES - Technical Services	5,495.1	7,206.3	1,711.2	31.1%
Department Total	686,062.5	688,434.6	2,372.1	0.3%
Economic Development, Culture and Tourism				
Culture	8,986.1	8,946.1	(40.0)	-0.4%
Customer & Business Support	17,414.9	17,949.7	534.8	3.1%
Economic Development	7,462.6	7,303.4	(159.2)	-2.1%
Parks & Recreation	163,183.0	169,159.9	5,976.9	3.7%
Tourism	7,514.7	7,649.6	134.9	1.8%
Economic Recovery	200.0	181.4	(18.6)	-9.3%
Department Total	204,761.3	211,190.2	6,428.9	3.1%
Urban Development Services				
Urban Development Services	15,369.6	13,777.7	(1,591.9)	-10.4%
Department Total	15,369.6	13,777.7	(1,591.9)	-10.4%
Corporate Services				
City Clerk's Office	19,286.7	19,531.6	244.9	1.3%
Court Services	(9,636.5)	(9,644.6)	(8.1)	0.1%
Service Improvement & Innovation	6,642.3	5,590.0	(1,052.3)	-15.8%
Corporate Communications	6,336.4	6,144.5	(191.9)	-3.0%
Facilities & Real Estate	32,369.9	31,857.5	(512.4)	-1.6%
Fleet Services	0.0	233.9	233.9	n/a
Human Resources	24,420.7	24,999.1	578.4	2.4%
Information & Technology	40,724.8	38,716.4	(2,008.4)	-4.9%
Legal Services	16,716.7	16,032.3	(684.4)	-4.1%
Department Total	136,861.0	133,460.8	(3,400.2)	-2.5%
Finance				
Finance	34,754.3	34,196.4	(557.9)	-1.6%
Department Total	34,754.3	34,196.4	(557.9)	-1.6%
Other City Departments				
Auditor General's Office	3,151.5	2,956.6	(194.9)	-6.2%
Chief Administrator's Office	5,482.3	5,330.2	(152.1)	-2.8%
Council	17,706.0	16,345.1	(1,360.9)	-7.7%
Mayor's Office	1,745.1	1,660.2	(84.9)	-4.9%
Department Total	28,084.9	26,292.1	(1,792.8)	-6.4%
TOTAL - CITY OPERATIONS	1,697,774.9	1,713,979.4	16,204.5	1.0%



CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000s)

	December 31, 2004			
	Year-End Budget	Final Actuals	Final Actuals Vs Budget Over / (Under)	%
Special Purpose Bodies				
Toronto Public Health	72,927.2	68,501.8	(4,425.4)	-6.1%
Toronto Public Library	128,730.3	135,552.9	6,822.6	5.3%
Association of Community Centres	5,263.5	5,269.3	5.8	0.1%
Exhibition Place	(249.6)	147.7	397.3	-159.2%
Heritage Toronto	297.9	298.8	0.9	0.3%
Theatres	2,669.1	3,226.1	557.0	20.9%
Toronto Zoo	10,639.8	10,213.7	(426.1)	-4.0%
Arena Boards of Management	143.2	244.5	101.3	70.7%
Yonge Dundas Square	551.0	497.3	(53.7)	-9.7%
Toronto & Region Conservation Authority	2,744.6	2,982.6	238.0	8.7%
Toronto Transit Commission - Conventional	129,584.1	114,184.9	(15,399.2)	-11.9%
Toronto Transit Commission - Wheel Trans	50,518.5	50,525.5	7.0	0.0%
Toronto Police Service & TPS Board	679,340.0	677,744.7	(1,595.3)	-0.2%
TOTAL - SPECIAL PURPOSE BODIES	1,083,159.6	1,069,389.8	(13,769.8)	-1.3%
Corporate Accounts				
Community Partnership and Investment Program	36,773.3	36,616.5	(156.8)	-0.4%
Capital & Corporate Financing	386,529.9	377,976.3	(8,553.6)	-2.2%
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	74,251.4	95,424.6	21,173.2	28.5%
- Assessment Function (MPAC)	29,200.0	29,003.9	(196.1)	-0.7%
- Temporary Borrowing	400.0	4.3	(395.7)	-98.9%
- Funding of Employee Related Liabilities	25,482.6	25,749.0	266.4	1.0%
- Other Corporate Expenditures	(75.3)	348.4	423.7	-562.7%
- Insurance Premiums & Claims	16,300.0	16,300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	39,972.7	39,461.1	(511.6)	-1.3%
- Programs Funded from Reserve Funds	0.0	0.0	0.0	n/a
- Vacancy Rebate Program	12,000.0	14,956.2	2,956.2	24.6%
- Corporate Utilities	22,811.3	20,292.5	(2,518.8)	-11.0%
- Computer Leasing & External Contract Inquiry	0.0	69.1	69.1	n/a
Non-Program Expenditures	220,342.7	241,609.1	21,266.4	9.7%
Non-Program Revenue				
- Payments in Lieu of Taxes	(83,674.2)	(79,387.4)	4,286.8	-5.1%
- Supplementary Taxes	(27,000.0)	(48,559.0)	(21,559.0)	79.8%
- Tax Penalties	(29,000.0)	(26,692.2)	2,307.8	-8.0%
- Interest/Investment Earnings	(61,000.0)	(57,338.9)	3,661.1	-6.0%
- Prior Year Surplus	(15,184.0)	(15,067.7)	116.3	-0.8%
- Other Corporate Revenues	(2,318.1)	(9,836.7)	(7,518.6)	324.3%
- Toronto Hydro Revenues	(91,655.7)	(91,655.7)	0.0	0.0%
- Parking Authority Revenues	(29,394.0)	(31,586.7)	(2,192.7)	7.5%
- Administrative Support Recoveries - Water	(18,973.0)	(18,973.0)	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	(17,302.0)	(17,302.0)	0.0	0.0%
- Parking Tag Enforcement & Oper.	(72,667.6)	(75,653.7)	(2,986.1)	4.1%
- Other Tax Revenues	(17,030.0)	(13,970.5)	3,059.5	-18.0%
- Woodbine Slots	(15,700.0)	(15,702.8)	(2.8)	0.0%
Non-Program Revenues	(480,898.6)	(501,726.3)	(20,827.7)	4.3%
TOTAL - CORPORATE ACCOUNTS	162,747.3	154,475.6	(8,271.7)	-5.1%
NET OPERATING TAX LEVY	2,943,681.8	2,937,844.8	(5,837.0)	-0.2%



CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000s)

	December 31, 2004			
	Year-End Budget	Final Actuals	Final Actuals Vs Budget Over / (Under)	%
Community and Neighbourhood Services				
Children's Services	289,785.2	274,262.8	(15,522.4)	-5.4%
Homes for the Aged	168,787.9	166,997.4	(1,790.5)	-1.1%
Shelter, Housing & Support	631,014.2	621,379.1	(9,635.1)	-1.5%
Social Development & Administration	18,626.3	17,933.7	(692.6)	-3.7%
Social Services	940,125.1	895,139.6	(44,985.5)	-4.8%
Department Total	2,048,338.7	1,975,712.6	(72,626.1)	-3.5%
Works and Emergency Services				
Emergency Medical Services	125,932.7	136,985.2	11,052.5	8.8%
Solid Waste Management Services	216,116.8	209,085.9	(7,030.9)	-3.3%
Fire Services	302,995.3	304,281.0	1,285.7	0.4%
Transportation Services	254,548.8	251,570.0	(2,978.8)	-1.2%
WES - Support Services	35,379.4	33,548.6	(1,830.8)	-5.2%
WES - Technical Services	52,789.0	49,823.3	(2,965.7)	-5.6%
Department Total	987,762.0	985,294.1	(2,467.9)	-0.2%
Economic Development, Culture and Tourism				
Culture	12,792.6	13,185.8	393.2	3.1%
Customer & Business Support	19,618.4	20,351.4	733.0	3.7%
Economic Development	9,232.3	9,091.0	(141.3)	-1.5%
Parks & Recreation	240,763.4	238,200.1	(2,563.3)	-1.1%
Tourism	10,986.6	9,019.1	(1,967.5)	-17.9%
Economic Recovery	200.0	181.4	(18.6)	-9.3%
Department Total	293,593.3	290,028.7	(3,564.6)	-1.2%
Urban Development Services				
Urban Development Services	93,120.8	89,600.1	(3,520.7)	-3.8%
Department Total	93,120.8	89,600.1	(3,520.7)	-3.8%
Corporate Services				
City Clerk's Office	39,625.9	38,563.0	(1,062.9)	-2.7%
Court Services	27,663.5	27,750.7	87.2	0.3%
Service Improvement & Innovation	7,261.4	6,095.6	(1,165.8)	-16.1%
Corporate Communications	6,446.0	6,292.3	(153.7)	-2.4%
Facilities & Real Estate	86,994.6	91,597.3	4,602.7	5.3%
Fleet Services	30,722.6	33,881.4	3,158.8	10.3%
Human Resources	26,216.9	26,641.4	424.5	1.6%
Information & Technology	45,306.0	41,228.4	(4,077.6)	-9.0%
Legal Services	24,404.6	23,146.2	(1,258.4)	-5.2%
Department Total	294,641.5	295,196.2	554.7	0.2%
Finance				
Finance	67,774.7	65,565.3	(2,209.4)	-3.3%
Department Total	67,774.7	65,565.3	(2,209.4)	-3.3%
Other City Departments				
Auditor General's Office	3,151.5	2,956.6	(194.9)	-6.2%
Chief Administrator's Office	5,639.7	5,501.3	(138.4)	-2.5%
Council	17,706.0	16,347.9	(1,358.1)	-7.7%
Mayor's Office	1,745.1	1,660.2	(84.9)	-4.9%
Department Total	28,242.3	26,466.0	(1,776.3)	-6.3%
TOTAL - CITY OPERATIONS	3,813,473.3	3,727,863.0	(85,610.3)	-2.2%



CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000s)

	December 31, 2004			
	Year-End Budget	Final Actuals	Final Actuals Vs Budget Over / (Under)	%
Special Purpose Bodies				
Toronto Public Health	184,397.2	171,375.5	(13,021.7)	-7.1%
Toronto Public Library	143,436.3	151,129.7	7,693.4	5.4%
Association of Community Centres	5,430.3	5,436.1	5.8	0.1%
Exhibition Place	42,406.8	41,990.9	(415.9)	-1.0%
Heritage Toronto	464.0	414.5	(49.5)	-10.7%
Theatres	20,005.9	20,928.7	922.8	4.6%
Toronto Zoo	34,473.3	34,512.3	39.0	0.1%
Arena Boards of Management	5,386.1	5,712.0	325.9	6.1%
Yonge Dundas Square	910.4	975.3	64.9	7.1%
Toronto & Region Conservation Authority	26,650.8	27,246.9	596.1	2.2%
Toronto Transit Commission - Conventional	928,636.5	935,419.3	6,782.8	0.7%
Toronto Transit Commission - Wheel Trans	53,221.1	53,183.1	(38.0)	-0.1%
Toronto Police Service & TPS Board	707,801.7	708,620.7	819.0	0.1%
TOTAL - SPECIAL PURPOSE BODIES	2,153,220.4	2,156,945.0	3,724.6	0.2%
Corporate Accounts				
Community Partnership and Investment Program	41,981.5	41,717.3	(264.2)	-0.6%
Capital & Corporate Financing	394,663.9	388,463.0	(6,200.9)	-1.6%
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	74,251.4	95,424.6	21,173.2	28.5%
- Assessment Function (MPAC)	29,200.0	29,003.9	(196.1)	-0.7%
- Temporary Borrowing	400.0	4.3	(395.7)	-98.9%
- Funding of Employee Related Liabilities	25,482.6	25,749.0	266.4	1.0%
- Other Corporate Expenditures	17,742.7	21,536.6	3,793.9	21.4%
- Insurance Premiums & Claims	16,300.0	16,300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	39,972.7	39,461.1	(511.6)	-1.3%
- Programs Funded from Reserve Funds	3,243.9	85,953.9	82,710.0	2549.7%
- Vacancy Rebate Program	12,000.0	14,956.2	2,956.2	24.6%
- Corporate Utilities	28,453.0	25,607.4	(2,845.6)	-10.0%
- Computer Leasing & External Contract Inquiry	4,549.0	4,676.9	127.9	2.8%
Non-Program Expenditures	251,595.3	358,673.9	107,078.6	42.6%
TOTAL - CORPORATE ACCOUNTS	688,240.7	788,854.2	100,613.5	0.0%
LEVY OPERATING GROSS EXPENDITURES	6,654,934.4	6,673,662.2	18,727.8	0.3%
NON LEVY OPERATIONS				
Toronto Parking Authority	52,322.9	52,119.0	(203.9)	-0.4%
Toronto Water	555,185.4	557,507.6	2,322.2	0.4%
NON LEVY OPER. GROSS EXPENDITURES	607,508.3	609,626.6	2,118.3	0.3%



CITY OF TORONTO
CONSOLIDATED GROSS REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000s)

	December 31, 2004			
	Year-End Budget	Final Actuals	Final Actuals Vs Budget Over / (Under)	%
Community and Neighbourhood Services				
Children's Services	224,852.4	209,330.0	(15,522.4)	-6.9%
Homes for the Aged	140,556.6	139,182.7	(1,373.9)	-1.0%
Shelter, Housing & Support	360,826.9	353,499.3	(7,327.6)	-2.0%
Social Development & Administration	9,813.7	9,249.6	(564.1)	-5.7%
Social Services	720,407.8	657,823.3	(62,584.5)	-8.7%
Department Total	1,456,457.4	1,369,084.9	(87,372.5)	-6.0%
Works and Emergency Services				
Emergency Medical Services	76,924.9	78,149.2	1,224.3	1.6%
Solid Waste Management Services	58,041.6	54,010.7	(4,030.9)	-6.9%
Fire Services	4,577.9	6,335.8	1,757.9	38.4%
Transportation Services	79,481.8	82,198.2	2,716.4	3.4%
WES - Support Services	35,379.4	33,548.6	(1,830.8)	-5.2%
WES - Technical Services	47,293.9	42,616.9	(4,677.0)	-9.9%
Department Total	301,699.5	296,859.4	(4,840.1)	-1.6%
Economic Development, Culture and Tourism				
Culture	3,806.5	4,239.7	433.2	11.4%
Customer & Business Support	2,203.5	2,401.7	198.2	9.0%
Economic Development	1,769.7	1,787.5	17.8	1.0%
Parks & Recreation	77,580.4	69,040.2	(8,540.2)	-11.0%
Tourism	3,471.9	1,369.4	(2,102.5)	-60.6%
Economic Recovery	0.0	0.0	0.0	n/a
Department Total	88,832.0	78,838.5	(9,993.5)	-11.2%
Urban Development Services				
Urban Development Services	77,751.2	75,822.4	(1,928.8)	-2.5%
Department Total	77,751.2	75,822.4	(1,928.8)	-2.5%
Corporate Services				
City Clerk's Office	20,339.2	19,031.3	(1,307.9)	-6.4%
Court Services	37,300.0	37,395.3	95.3	0.3%
Service Improvement & Innovation	619.1	505.6	(113.5)	-18.3%
Corporate Communications	109.6	147.9	38.3	34.9%
Facilities & Real Estate	54,624.7	59,739.8	5,115.1	9.4%
Fleet Services	30,722.6	33,647.5	2,924.9	9.5%
Human Resources	1,796.2	1,642.2	(154.0)	-8.6%
Information & Technology	4,581.2	2,512.0	(2,069.2)	-45.2%
Legal Services	7,687.9	7,114.0	(573.9)	-7.5%
Department Total	157,780.5	161,735.5	3,955.0	2.5%
Finance				
Finance	33,020.4	31,368.9	(1,651.5)	-5.0%
Department Total	33,020.4	31,368.9	(1,651.5)	-5.0%
Other City Departments				
Auditor General's Office	0.0	0.0	0.0	n/a
Chief Administrator's Office	157.4	171.1	13.7	8.7%
Council	0.0	2.8	2.8	n/a
Mayor's Office	0.0	0.0	0.0	n/a
Department Total	157.4	173.9	16.5	10.5%
TOTAL - CITY OPERATIONS	2,115,698.4	2,013,883.6	(101,814.8)	-4.8%



CITY OF TORONTO
CONSOLIDATED GROSS REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2004
(\$000s)

	December 31, 2004			
	Year-End Budget	Final Actuals	Final Actuals Vs Budget Over / (Under)	%
Special Purpose Bodies				
Toronto Public Health	111,470.0	102,873.7	(8,596.3)	-7.7%
Toronto Public Library	14,706.0	15,576.8	870.8	5.9%
Association of Community Centres	166.8	166.8	0.0	0.0%
Exhibition Place	42,656.4	41,843.2	(813.2)	-1.9%
Heritage Toronto	166.1	115.7	(50.4)	-30.3%
Theatres	17,336.8	17,702.6	365.8	2.1%
Toronto Zoo	23,833.5	24,298.6	465.1	2.0%
Arena Boards of Management	5,242.9	5,467.5	224.6	4.3%
Yonge Dundas Square	359.4	478.0	118.6	33.0%
Toronto & Region Conservation Authority	23,906.2	24,264.3	358.1	1.5%
Toronto Transit Commission - Conventional*	799,052.4	821,234.4	22,182.0	2.8%
Toronto Transit Commission - Wheel Trans	2,702.6	2,657.6	(45.0)	-1.7%
Toronto Police Service & TPS Board	28,461.7	30,876.0	2,414.3	8.5%
TOTAL - SPECIAL PURPOSE BODIES	1,070,060.8	1,087,555.1	17,494.3	1.6%
Corporate Accounts				
Community Partnership and Investment Program	5,208.2	5,100.8	(107.4)	-2.1%
Capital & Corporate Financing	8,134.0	10,486.7	2,352.7	28.9%
<u>Non-Program Expenditures</u>				
- Other Corporate Expenditures	17,818.0	21,188.2	3,370.2	18.9%
- Programs Funded from Reserve Funds	3,243.9	85,953.9	82,710.0	2549.7%
- Corporate Utilities	5,641.7	5,314.9	(326.8)	-5.8%
- Computer Leasing & External Contract Inquiry	4,549.0	4,607.8	58.8	1.3%
Non-Program Expenditures	31,252.6	117,064.8	85,812.2	274.6%
<u>Non-Program Revenue</u>				
- Payments in Lieu of Taxes	83,674.2	79,387.4	(4,286.8)	-5.1%
- Supplementary Taxes	27,000.0	48,559.0	21,559.0	79.8%
- Tax Penalties	29,000.0	26,692.2	(2,307.8)	-8.0%
- Interest/Investment Earnings	61,000.0	57,338.9	(3,661.1)	-6.0%
- Prior Year Surplus	15,184.0	15,067.7	(116.3)	-0.8%
- Other Corporate Revenues	2,318.1	9,836.7	7,518.6	324.3%
- Toronto Hydro Revenues	91,655.7	91,655.7	0.0	0.0%
- Parking Authority Revenues	29,394.0	31,586.7	2,192.7	7.5%
- Administrative Support Recoveries - Water	18,973.0	18,973.0	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	17,302.0	17,302.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	72,667.6	75,653.7	2,986.1	4.1%
- Other Tax Revenues	17,030.0	13,970.5	(3,059.5)	-18.0%
- Woodbine Slots	15,700.0	15,702.8	2.8	0.0%
Non-Program Revenues	480,898.6	501,726.3	20,827.7	4.3%
TOTAL - CORPORATE ACCOUNTS	525,493.4	634,378.6	108,885.2	20.7%
LEVY OPERATING REVENUES	3,711,252.6	3,735,817.4	24,564.8	0.7%
NON LEVY OPERATIONS				
Toronto Parking Authority	95,335.1	98,107.0	2,771.9	2.9%
Toronto Water	555,185.4	521,174.7	(34,010.7)	-6.1%
NON LEVY OPERATING REVENUES	650,520.5	619,281.7	(31,238.8)	-4.8%

* Toronto Transit Commission - Conventional year-end revenue budget includes the \$70.0 M Provincial subsidy and \$20.0 M gas tax revenue.