

Toronto STAFF REPORT

March 23, 2006

To: Budget Advisory Committee

From: Deputy City Manager and Chief Financial Officer

Subject: 2005 Preliminary Year-end Operating Variance Report

Purpose:

The purpose of this report is to provide the City of Toronto Preliminary Year-end Operating Variance report for the twelve months of operations ended December 31, 2005. A final report will be prepared following the annual audit of the City's accounts and financial statements.

Financial Implications and Impact Statement:

It must be noted that the Operating Variance report for the nine months of operations ended September 30, 2005 had projected a \$28.1 million budget shortfall for cost shared programs due to provincial subsidy shortfall for Ontario Works Cost of Administration, the Ontario Disability Support Program (ODSP) and Ontario Drug Benefit (ODB) Program. As a result, staff were directed to implement cost containment measures to offset this projected shortfall. The year-end City Operations' variance has been reduced to \$10.4 million through cost containment measures in other City Programs and the projected Agencies, Boards and Commissions' (ABCs) surplus increased to \$22.9 million due mainly to higher than anticipated Toronto Transit Commission (TTC) revenues. Finally, significant staff initiatives in the assessment appeal process and a more aggressive approach with MPAC in ensuring supplementary assessments are advanced on a timely basis has resulted in both increased tax revenues and reduced tax deficiencies (or write-offs). In total, these measures result in a preliminary gross operating surplus of \$81.0 million.

City Council's approved surplus management policy applies any year-end surplus, in priority order, to the Capital Financing Reserve Fund (75%) and the remainder to any under-funded liabilities. In addition, staff must allocate a portion of the 2005 preliminary surplus to fund the Toronto Transit Commission recommended 2006 Operating Budget draw from the TTC Stabilization Reserve Fund.

Chart 1 (on the following page) outlines the recommended allocation of the 2005 preliminary operating surplus in accordance with Council policy.

Chart 1	
2005 Preliminary Year-end Surplus	
(\$ millions)	
Preliminary Gross Surplus	80.959
Toronto Transit Commission Recommended 2006 Operating Budget Draw from the TTC Stabilization Reserve Fund	(12.624)
Preliminary Net Surplus	68.335
Recommended Allocation per City Policy:	
Capital Financing Reserve Fund (minimum 75%)	51.252
Employee Benefits Reserve Fund	13.418
Perpetual Care of Landfill Reserve Fund	3.166
Homes for the Aged Stabilization Reserve Fund	0.500
	68.335

Recommendations:

It is recommended that:

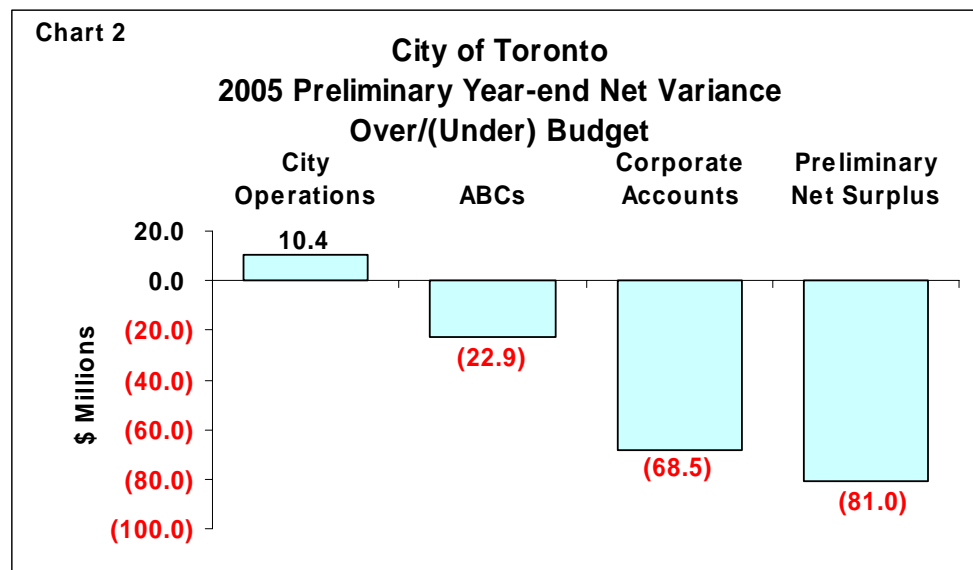
- (1) the 2005 preliminary gross operating surplus of \$80.959 million be allocated to City reserve funds in accordance with the TTC recommended 2006 Operating Budget reserve fund draw and City approved policy as follows: TTC Stabilization Reserve Fund (\$12.624 million), Capital Financing Reserve Fund (\$51.252 million), Employee Benefits Reserve Fund (\$13.418 million), Perpetual Care of Landfill Reserve Fund (\$3.166 million) and Homes for the Aged Stabilization Reserve Fund (\$0.500 million);
- (2) this 2005 Preliminary Year-end Operating Variance report for the year ended December 31, 2005 be forwarded to the Policy & Finance Committee for its consideration; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Comments:

Overview

This variance report was prepared based on preliminary accounting information for the year ended December 31, 2005. The annual audit of the City's accounts and financial statements will be completed in April 2006, accordingly, this variance report should be considered as preliminary.

Appendices A, B and C attached compare actual expenditures and revenues to budget for City Operations, Agencies, Boards and Commissions and Corporate Accounts. As summarized in Chart 2, City Operations were overspent by \$10.4 million, while Agencies, Boards and Commissions and Corporate Accounts were underspent by \$22.9 million and \$68.5 million respectively. In total, the City was underspent by \$81.0 million.



The following comments address the significant preliminary Program variances found in Appendices A, B and C:

City Operations

Citizen Centred Services "A" reported a budget over expenditure of \$21.7 million.

Court Services had a \$5.0 million deficit primarily as a result of lower conviction rates due to the cancellation of court attendance by Toronto Police Service Officers and court closures from a shortage of Justices of the Peace. Additional revenue shortfalls resulted from fewer tickets being issued and the unwillingness of defendants to pay court ordered fines. *Emergency Medical Services (EMS)* reported an over expenditure of \$1.2 million largely due to higher than planned overtime costs related to Hospital offloading and Provincial base funding shortfalls. These unfavourable variances were partially offset by salary & benefit under expenditures and one-time Provincial funding for the Vehicle Reserve. *Homes for the Aged (HFA)* had a surplus of \$5.6 million, primarily the result of reduced expenditures to offset lower than anticipated revenues

and base provincial program subsidies. *Parks, Forestry and Recreation* experienced a \$4.7 million net over expenditure primarily due to unanticipated storm damage costs, increased costs for employee benefits and various revenue shortfalls (golf fees, concessions revenue). *Shelter, Support & Housing Administration* reported a surplus of \$3.1 million mainly due to reductions in expenditures resulting from a lower than budgeted volume of services in Hostel Services. The over expenditure of \$21.1 million in *Social Services* was largely due to a Provincial funding shortfall for Ontario Works (OW) Cost of Administration (COA) of \$12.1 million; increased net costs for the Provincial Downloaded Ontario Disability Support Program (ODSP) and the Ontario Drug Benefit (ODB) Program of \$7.2 million; and net over expenditures in the OW Program of \$1.8 million.

Citizen Centred Services "B" reported a budget surplus of \$5.6 million.

Building Services had a \$1.8 million surplus due primarily to higher than planned vacancies in 2005. The under expenditure of \$8.0 million in *Solid Waste Management Services* was mainly attributed to lower than planned private waste tonnage received at Transfer Stations resulting in lower contracted disposal costs; processing fewer than expected tonnes of Source Separated Organic material; delays in the implementation of the Multi Unit Waste Reduction program; delays in recycling pilot projects; and various savings due to corporate cost containment measures. *Transportation Services* was overspent by \$3.3 million primarily due to higher than planned contracted winter maintenance and salt expenditures. These expenditures were partially offset by lower than expected costs for street lighting, equipment (communications, computers, hand tools), utility cut repair work and grass cutting.

Internal Services reported a budget surplus of \$3.1 million.

The under expenditure of \$0.4 million in the *Office of the Deputy City Manager & CFO* was the result of increased gapping and reduced discretionary expenditures to meet Council's cost containment directions. The *Office of the Treasurer* showed a surplus of \$1.0 million due primarily to savings in both salary accounts (less overtime and increased gapping) and non-salary accounts. *Information and Technology* had a \$1.9 million favourable variance mainly due to reduced staffing required for the TELS Initiative, delays in hiring staff for the SAP Competency Centre and reduced contracted service requirements.

City Manager and Other City Programs reported a budget surplus of \$2.6 million.

The *Council Budget* had a year-end net under expenditure of \$1.4 million. This is primarily due to some Councillors not spending their full office budget allocation and/or opting to hire less than the 3 approved positions each.

Agencies, Boards and Commissions

Agencies, Boards and Commissions reported a net surplus of \$22.9 million or 1.9 percent. *Toronto Public Health's* under expenditure of \$3.8 million was due mainly to staff vacancies (delays pending organizational restructuring and challenges in recruiting professional staff) and lower than planned spending for professional & technical contracted services. *Toronto Transit*

Commission's (TTC) net favourable variance of \$12.5 million (Conventional and Wheel Trans) resulted primarily from increased ridership and implementation of the fare increase sooner than anticipated in 2005. *Toronto Police Service's* surplus of \$6.2 million is mainly the result of lower than planned salary expenditures due to the timing and increased number of separations, lower than planned medical and dental costs that have increased at a lower rate than expected in 2005, and higher than planned revenues (primarily one-time revenues from Federal and Provincial funding for special services). It is recommended that this surplus be allocated in accordance with Council policy.

Corporate Accounts

Under expenditures of \$68.5 million in Corporate Accounts were largely due to lower than planned appeals processed/pending (Tax Deficiencies/Write-offs \$30.4 million) and higher than anticipated Supplementary Taxes (\$42.7 million). The reduced tax appeals are largely due to the Revenue Services' initiatives to provide additional support to MPAC and playing a more active role during the assessment appeal process. In addition, fewer property owners filed for assessment appeals than anticipated in 2005. The supplementary tax revenue increase is substantially higher than budget due to the more aggressive approach of the Revenue Services Assessment unit to ensure that new construction is assessed on a timely basis. Also, MPAC utilized additional resources in 2005 to assess built or renovated properties from 2004 and 2003. These positive budget variances were partially offset by increased expenditures in the vacancy rebate program (\$8.0 million) and revenue shortfalls in payments-in-lieu of taxes (\$2.2 million), tax penalties (\$1.2 million) and the City portion of Toronto Parking Authority revenues (\$1.4 million).

Non Levy Operations

The *Toronto Parking Authority (TPA)* year-end unfavourable variance of \$1.8 million is mainly due to lower than planned revenues. This is primarily attributable to little change in the office occupancy rate or employment levels over the past year and drivers opting for mass transit due to higher fuel costs. *Toronto Water* reported an unfavourable variance of \$11.4 million primarily due to lower than budgeted revenues. Toronto Water will offset the revenue shortfall by reducing the 2005 budgeted contributions to Capital Reserves and this will not adversely affect the Capital Budget given the lower than planned completion of Capital projects in 2005.

Technical Adjustments

Appendix D lists technical adjustments made during the fourth quarter. These adjustments realign the Council approved budget to ensure improved accountability and reporting, and do not increase the 2005 Council Approved Budget.

City Approved Surplus Management Policy

The City's policy for disposition of operating surpluses was approved by Council at its meeting of September 28, 29, 30 and October 1, 2004, when it 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 “starting with fiscal 2005, for any surplus, the Chief Financial Officer and Treasurer be authorized to apply any additional (unbudgeted) surplus, in priority order to:

- (a) Capital Financing Reserve Fund (at least 75 percent of the additional surplus); and
- (b) the remainder to fund any under-funded liabilities, and/or reserves/reserve funds, as determined by the Chief Financial Officer and Treasurer”.

The City has an unprecedented budget shortfall for 2006 and the companion report on Reserve Management allocations recommends significant reserve fund draws for the 2006 Operating Budget. Therefore, other than legislated (Federal/Provincial) transfers of 2005 surpluses to reserve funds (eg. National Child Benefit Support), previously adopted Municipal directions regarding surpluses are superseded by the City’s new policy for disposition of operating surpluses.

2005 Preliminary Year-end Surplus Allocation

The 2005 preliminary gross operating surplus of \$81.0 million has been reduced by a contribution to the TTC Stabilization Reserve Fund (\$12.6 million) to accommodate the Toronto Transit Commission recommended 2006 Operating Budget draw from that reserve fund. The remaining preliminary net operating surplus of \$68.3 million should be allocated to City reserve funds in accordance with City approved policy as follows: Capital Financing Reserve Fund (\$51.3 million), Employee Benefits Reserve Fund (\$13.4 million), Perpetual Care of Landfill Reserve Fund (\$3.2 million) and HFA Stabilization Reserve Fund (\$0.5 million).

The Capital Financing Reserve Fund contribution is to be utilized in the 2006 Operating Budget as a potential source of revenue to offset debt charge expenditure pressures. The Employee Benefits Reserve Fund and the Perpetual Care of Landfill Reserve Fund contributions are minimal amounts required to meet significant liabilities. The HFA Stabilization Reserve Fund contribution is necessary to fund a reserve draw included in the 2006 HFA Operating Budget as recommended by BAC.

Conclusion:

A 2005 preliminary year-end net budget surplus of \$68.3 million is estimated at this time. The reserve contributions from the 2005 preliminary net operating surplus are highlighted in the companion report on Reserve Management allocations to the 2006 other corporate revenues,

which will mitigate 2006 tax increases and/or significant service cuts. Thus, the reserve account allocations in 2005 are utilized as a 2006 source of operating budget revenue pending new revenues from the Province.

Contacts:

Josie La Vita, Director, Financial Planning Division

Tel: (416) 397-4229, Fax: (416) 397-4465, E-mail: jlavita@toronto.ca

Bert Riviere, Manager, Financial Planning Division

Tel: (416) 397-4227, Fax: (416) 392-3649, E-mail: briviere@toronto.ca

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

Appendix D – Technical Adjustments



CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005
(\$000's)

	December 31, 2005			
	Year- End Budget	Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Citizen Centred Services "A"				
Children's Services	68,123.6	66,543.7	(1,579.9)	-2.3%
Court Services	(9,034.5)	(4,002.0)	5,032.5	-55.7%
Culture	8,952.0	9,014.4	62.4	0.7%
Customer & Business Support	10,657.8	10,601.7	(56.1)	-0.5%
Economic Development	7,923.5	7,913.0	(10.5)	-0.1%
Emergency Medical Services	67,518.4	68,759.2	1,240.8	1.8%
Homes for the Aged	32,733.2	27,162.3	(5,570.9)	-17.0%
Parks, Forestry & Recreation	203,508.0	208,181.9	4,673.9	2.3%
Shelter, Support & Housing Administration	271,325.4	268,225.3	(3,100.1)	-1.1%
Social Development, Finance & Administration	9,684.7	9,642.6	(42.1)	-0.4%
Social Services	221,059.8	242,169.8	21,110.0	9.5%
Tourism	5,436.6	5,417.6	(19.0)	-0.3%
Sub-Total Citizen Centred Services "A"	897,888.5	919,629.5	21,741.0	2.4%
Citizen Centred Services "B"				
Building Services	(11,607.3)	(13,407.6)	(1,800.3)	15.5%
Business Support Services	10,136.7	9,459.0	(677.7)	-6.7%
City Planning	13,308.4	12,162.8	(1,145.6)	-8.6%
Fire Services	302,609.9	303,829.6	1,219.7	0.4%
Municipal Licensing & Standards	4,486.3	5,746.9	1,260.6	28.1%
Solid Waste Management Services	165,288.3	157,244.2	(8,044.1)	-4.9%
Transportation Services	189,407.3	192,734.7	3,327.4	1.8%
WES - Support Services	0.0	0.0	0.0	n/a
WES - Technical Services	4,386.1	4,634.1	248.0	5.7%
Sub-Total Citizen Centred Services "B"	678,015.7	672,403.7	(5,612.0)	-0.8%
Internal Services				
Office of the Deputy City Manager & CFO	13,197.7	12,750.9	(446.8)	-3.4%
Office of the Treasurer	30,324.6	29,282.3	(1,042.3)	-3.4%
Corporate Communications	6,816.1	6,489.4	(326.7)	-4.8%
Facilities & Real Estate	51,241.6	50,798.6	(443.0)	-0.9%
Fleet Services	0.0	986.8	986.8	n/a
Information & Technology	41,735.2	39,859.2	(1,876.0)	-4.5%
Sub-Total Internal Services	143,315.2	140,167.2	(3,148.0)	-2.2%
City Manager				
City Manager's Office	5,894.8	5,728.3	(166.5)	-2.8%
Human Resources	26,377.7	26,169.8	(207.9)	-0.8%
Sub-Total City Manager	32,272.5	31,898.1	(374.4)	-1.2%
Other City Programs				
City Clerk's Office	19,907.2	20,045.3	138.1	0.7%
Legal Services	18,017.2	17,595.0	(422.2)	-2.3%
Auditor General's Office	3,566.3	3,211.2	(355.1)	-10.0%
Office of the Mayor	1,855.8	1,724.9	(130.9)	-7.1%
Council	18,514.5	17,105.2	(1,409.3)	-7.6%
3-1-1 Project Management Office	382.9	374.6	(8.3)	-2.2%
Sub-Total Other City Programs	62,243.9	60,056.2	(2,187.7)	-3.5%
TOTAL - CITY OPERATIONS	1,813,735.8	1,824,154.7	10,418.9	0.6%



CITY OF TORONTO
CONSOLIDATED NET EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005
(\$000's)

	December 31, 2005			
	Year- End Budget	Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Agencies, Boards and Commissions				
Toronto Public Health	70,754.2	66,918.2	(3,836.0)	-5.4%
Toronto Public Library	140,448.5	140,410.7	(37.8)	0.0%
Association of Community Centres	5,726.0	5,659.4	(66.6)	-1.2%
Exhibition Place	189.8	743.3	553.5	291.6%
Heritage Toronto	307.9	307.9	0.0	0.0%
Theatres	2,867.6	2,676.9	(190.7)	-6.7%
Toronto Zoo	11,565.5	10,768.2	(797.3)	-6.9%
Arena Boards of Management	261.5	356.9	95.4	36.5%
Yonge Dundas Square	571.2	565.0	(6.2)	-1.1%
Toronto & Region Conservation Authority	3,015.4	3,015.4	0.0	0.0%
Toronto Transit Commission - Conventional	228,480.0	216,015.0	(12,465.0)	-5.5%
Toronto Transit Commission - Wheel Trans	53,735.5	53,735.5	0.0	0.0%
Toronto Police Service	716,102.7	709,940.8	(6,161.9)	-0.9%
Toronto Police Service Board	1,296.7	1,335.4	38.7	3.0%
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,235,322.5	1,212,448.6	(22,873.9)	-1.9%
Corporate Accounts				
Community Partnership and Investment Program	38,862.1	38,806.7	(55.4)	-0.1%
Capital & Corporate Financing	432,463.1	439,650.4	7,187.3	1.7%
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	92,608.6	62,189.4	(30,419.2)	-32.8%
- Assessment Function (MPAC)	31,200.0	29,881.5	(1,318.5)	-4.2%
- Temporary Borrowing	400.0	0.0	(400.0)	-100.0%
- Funding of Employee Related Liabilities	35,487.6	35,488.2	0.6	0.0%
- Other Corporate Expenditures	16,676.0	16,017.6	(658.4)	-3.9%
- Insurance Premiums & Claims	300.0	300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	41,809.3	40,759.5	(1,049.8)	-2.5%
- Programs Funded from Reserve Funds	0.0	0.0	0.0	n/a
- Vacancy Rebate Program	14,000.0	21,987.8	7,987.8	57.1%
- Computer Leasing & External Contract Inquiry	4,200.0	2,166.9	(2,033.1)	-48.4%
Non-Program Expenditures	236,681.5	208,790.9	(27,890.6)	-11.8%
Non-Program Revenue				
- Payments in Lieu of Taxes	(83,929.9)	(81,694.8)	2,235.1	-2.7%
- Supplementary Taxes	(37,000.0)	(79,747.5)	(42,747.5)	115.5%
- Tax Penalties	(26,500.0)	(25,255.7)	1,244.3	-4.7%
- Interest/Investment Earnings	(62,000.0)	(62,975.6)	(975.6)	1.6%
- Other Corporate Revenues	(23,178.6)	(32,230.2)	(9,051.6)	39.1%
- Toronto Hydro Revenues	(195,055.7)	(194,655.8)	399.9	-0.2%
- Provincial Revenue	(136,600.0)	(135,955.2)	644.8	-0.5%
- Parking Authority Revenues	(27,295.4)	(25,918.0)	1,377.4	-5.0%
- Administrative Support Recoveries - Water	(18,973.0)	(18,973.0)	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	(17,302.0)	(17,301.9)	0.1	0.0%
- Parking Tag Enforcement & Oper.	(82,787.0)	(82,757.9)	29.1	0.0%
- Other Tax Revenues	(14,260.1)	(16,360.6)	(2,100.5)	14.7%
- Woodbine Slots	(15,700.0)	(14,501.3)	1,198.7	-7.6%
Non-Program Revenues	(740,581.7)	(788,327.5)	(47,745.8)	6.4%
TOTAL - CORPORATE ACCOUNTS	(32,575.0)	(101,079.5)	(68,504.5)	210.3%
NET OPERATING TAX LEVY	3,016,483.3	2,935,523.8	(80,959.5)	-2.7%
NON LEVY OPERATIONS				
Toronto Parking Authority	(42,887.2)	(41,125.7)	1,761.5	-4.1%
Toronto Water	0.0	11,374.2	11,374.2	n/a
NON LEVY OPERATING NET EXPENDITURES	(42,887.2)	(29,751.5)	13,135.7	-30.6%



CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005
(\$000's)

	December 31, 2005			
	Budget	Year- End Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Citizen Centred Services "A"				
Children's Services	350,748.0	295,991.0	(54,757.0)	-15.6%
Court Services	29,428.4	28,773.9	(654.5)	-2.2%
Culture	12,618.2	13,379.8	761.6	6.0%
Customer & Business Support	10,857.8	10,781.1	(76.7)	-0.7%
Economic Development	9,898.4	9,690.8	(207.6)	-2.1%
Emergency Medical Services	135,089.2	140,332.7	5,243.5	3.9%
Homes for the Aged	179,992.0	174,087.9	(5,904.1)	-3.3%
Parks, Forestry & Recreation	276,580.5	279,434.8	2,854.3	1.0%
Shelter, Support & Housing Administration	679,382.8	654,328.1	(25,054.7)	-3.7%
Social Development, Finance & Administration	19,575.2	19,076.0	(499.2)	-2.6%
Social Services	972,119.2	940,783.1	(31,336.1)	-3.2%
Tourism	9,308.5	6,960.4	(2,348.1)	-25.2%
Sub-Total Citizen Centred Services "A"	2,685,598.2	2,573,619.6	(111,978.6)	-4.2%
Citizen Centred Services "B"				
Building Services	36,665.3	35,939.7	(725.6)	-2.0%
Business Support Services	10,943.5	10,577.6	(365.9)	-3.3%
City Planning	29,926.3	28,191.2	(1,735.1)	-5.8%
Fire Services	309,064.5	311,397.9	2,333.4	0.8%
Municipal Licensing & Standards	27,387.1	25,755.4	(1,631.7)	-6.0%
Solid Waste Management Services	225,219.4	215,696.8	(9,522.6)	-4.2%
Transportation Services	284,062.0	273,758.7	(10,303.3)	-3.6%
WES - Support Services	36,696.2	35,037.8	(1,658.4)	-4.5%
WES - Technical Services	55,487.9	51,157.2	(4,330.7)	-7.8%
Sub-Total Citizen Centred Services "B"	1,015,452.2	987,512.3	(27,939.9)	-2.8%
Internal Services				
Office of the Deputy City Manager & CFO	16,688.1	15,783.1	(905.0)	-5.4%
Office of the Treasurer	60,451.2	61,158.9	707.7	1.2%
Corporate Communications	6,873.1	6,546.8	(326.3)	-4.7%
Facilities & Real Estate	111,602.6	111,810.2	207.6	0.2%
Fleet Services	34,001.2	37,965.4	3,964.2	11.7%
Information & Technology	52,162.0	48,412.1	(3,749.9)	-7.2%
Sub-Total Internal Services	281,778.2	281,676.5	(101.7)	0.0%
City Manager				
City Manager's Office	6,189.8	6,040.5	(149.3)	-2.4%
Human Resources	28,188.5	27,760.5	(428.0)	-1.5%
Sub-Total City Manager	34,378.3	33,801.0	(577.3)	-1.7%
Other City Programs				
City Clerk's Office	40,838.2	39,405.4	(1,432.8)	-3.5%
Legal Services	25,963.5	25,607.8	(355.7)	-1.4%
Auditor General's Office	3,566.3	3,211.2	(355.1)	-10.0%
Office of the Mayor	1,855.8	1,724.9	(130.9)	-7.1%
Council	18,514.5	17,125.7	(1,388.8)	-7.5%
3-1-1 Project Management Office	412.9	404.6	(8.3)	-2.0%
Sub-Total Other City Programs	91,151.2	87,479.6	(3,671.6)	-4.0%
TOTAL - CITY OPERATIONS	4,108,358.1	3,964,089.0	(144,269.1)	-3.5%



CITY OF TORONTO
CONSOLIDATED GROSS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005
(\$000's)

	December 31, 2005			
	Year- End Budget	Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Agencies, Boards and Commissions				
Toronto Public Health	193,997.2	184,360.2	(9,637.0)	-5.0%
Toronto Public Library	154,879.5	157,453.4	2,573.9	1.7%
Association of Community Centres	5,951.3	5,763.7	(187.6)	-3.2%
Exhibition Place	46,383.8	46,081.3	(302.5)	-0.7%
Heritage Toronto	519.0	459.4	(59.6)	-11.5%
Theatres	19,879.6	17,733.9	(2,145.7)	-10.8%
Toronto Zoo	35,360.8	33,973.1	(1,387.7)	-3.9%
Arena Boards of Management	5,490.1	5,525.1	35.0	0.6%
Yonge Dundas Square	1,008.2	1,059.4	51.2	5.1%
Toronto & Region Conservation Authority	30,048.3	32,407.5	2,359.2	7.9%
Toronto Transit Commission - Conventional	970,666.2	968,705.2	(1,961.0)	-0.2%
Toronto Transit Commission - Wheel Trans	56,545.9	56,554.9	9.0	0.0%
Toronto Police Service	748,690.5	744,928.6	(3,761.9)	-0.5%
Toronto Police Service Board	1,296.7	1,335.4	38.7	3.0%
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	2,270,717.1	2,256,341.1	(14,376.0)	-0.6%
Corporate Accounts				
Community Partnership and Investment Program	44,157.3	41,582.8	(2,574.5)	-5.8%
Capital & Corporate Financing	455,963.1	446,616.3	(9,346.8)	-2.0%
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	95,171.0	64,789.1	(30,381.9)	-31.9%
- Assessment Function (MPAC)	31,200.0	29,881.5	(1,318.5)	-4.2%
- Temporary Borrowing	400.0	0.0	(400.0)	-100.0%
- Funding of Employee Related Liabilities	35,487.6	35,488.2	0.6	0.0%
- Other Corporate Expenditures	19,613.0	18,180.6	(1,432.4)	-7.3%
- Insurance Premiums & Claims	300.0	300.0	0.0	0.0%
- Parking Tag Enforcement & Oper.	41,809.3	40,759.5	(1,049.8)	-2.5%
- Programs Funded from Reserve Funds	70,675.6	94,814.3	24,138.7	34.2%
- Vacancy Rebate Program	14,000.0	21,987.8	7,987.8	57.1%
- Computer Leasing & External Contract Inquiry	4,200.0	2,166.9	(2,033.1)	-48.4%
Non-Program Expenditures	312,856.5	308,367.9	(4,488.6)	-1.4%
TOTAL - CORPORATE ACCOUNTS	812,976.9	796,567.0	(16,409.9)	0.0%
LEVY OPERATING GROSS EXPENDITURES	7,192,052.1	7,016,997.0	(175,055.1)	-2.4%
NON LEVY OPERATIONS				
Toronto Parking Authority	54,281.8	53,190.2	(1,091.6)	-2.0%
Toronto Water	586,050.3	583,898.1	(2,152.2)	-0.4%
NON LEVY OPER. GROSS EXPENDITURES	640,332.1	637,088.3	(3,243.8)	-0.5%



CITY OF TORONTO
CONSOLIDATED REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2005
(\$000's)

	December 31, 2005			
	Year- End Budget	Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Citizen Centred Services "A"				
Children's Services	282,624.4	229,447.3	(53,177.1)	-18.8%
Court Services	38,462.9	32,775.9	(5,687.0)	-14.8%
Culture	3,666.2	4,365.4	699.2	19.1%
Customer & Business Support	200.0	179.4	(20.6)	-10.3%
Economic Development	1,974.9	1,777.8	(197.1)	-10.0%
Emergency Medical Services	67,570.8	71,573.5	4,002.7	5.9%
Homes for the Aged	147,258.8	146,925.6	(333.2)	-0.2%
Parks, Forestry & Recreation	73,072.5	71,252.9	(1,819.6)	-2.5%
Shelter, Support & Housing Administration	408,057.4	386,102.8	(21,954.6)	-5.4%
Social Development, Finance & Administration	9,890.5	9,433.4	(457.1)	-4.6%
Social Services	751,059.4	698,613.3	(52,446.1)	-7.0%
Tourism	3,871.9	1,542.8	(2,329.1)	-60.2%
Sub-Total Citizen Centred Services "A"	1,787,709.7	1,653,990.0	(133,719.7)	-7.5%
Citizen Centred Services "B"				
Building Services	48,272.6	49,347.3	1,074.7	2.2%
Business Support Services	806.8	1,118.6	311.8	38.6%
City Planning	16,617.9	16,028.4	(589.5)	-3.5%
Fire Services	6,454.6	7,568.3	1,113.7	17.3%
Municipal Licensing & Standards	22,900.8	20,008.5	(2,892.3)	-12.6%
Solid Waste Management Services	59,931.1	58,452.6	(1,478.5)	-2.5%
Transportation Services	94,654.7	81,024.0	(13,630.7)	-14.4%
WES - Support Services	36,696.2	35,037.8	(1,658.4)	-4.5%
WES - Technical Services	51,101.8	46,523.1	(4,578.7)	-9.0%
Sub-Total Citizen Centred Services "B"	337,436.5	315,108.6	(22,327.9)	-6.6%
Internal Services				
Office of the Deputy City Manager & CFO	3,490.4	3,032.2	(458.2)	-13.1%
Office of the Treasurer	30,126.6	31,876.6	1,750.0	5.8%
Corporate Communications	57.0	57.4	0.4	0.7%
Facilities & Real Estate	60,361.0	61,011.6	650.6	1.1%
Fleet Services	34,001.2	36,978.6	2,977.4	8.8%
Information & Technology	10,426.8	8,552.9	(1,873.9)	-18.0%
Sub-Total Internal Services	138,463.0	141,509.3	3,046.3	2.2%
City Manager				
City Manager's Office	295.0	312.2	17.2	5.8%
Human Resources	1,810.8	1,590.7	(220.1)	-12.2%
Sub-Total City Manager	2,105.8	1,902.9	(202.9)	-9.6%
Other City Programs				
City Clerk's Office	20,931.0	19,360.1	(1,570.9)	-7.5%
Legal Services	7,946.3	8,012.8	66.5	0.8%
Auditor General's Office	0.0	0.0	0.0	n/a
Office of the Mayor	0.0	0.0	0.0	n/a
Council	0.0	20.5	20.5	n/a
3-1-1 Project Management Office	30.0	30.0	0.0	0.0%
Sub-Total Other City Programs	28,907.3	27,423.4	(1,483.9)	-5.1%
TOTAL - CITY OPERATIONS	2,294,622.3	2,139,934.2	(154,688.1)	-6.7%



CITY OF TORONTO
CONSOLIDATED REVENUES
FOR THE YEAR ENDED DECEMBER 31, 2005
(\$000's)

	December 31, 2005			
	Year- End Budget	Preliminary Actuals	Preliminary Actuals Vs Budget Over / (Under)	%
Agencies, Boards and Commissions				
Toronto Public Health	123,243.0	117,442.0	(5,801.0)	-4.7%
Toronto Public Library	14,431.0	17,042.7	2,611.7	18.1%
Association of Community Centres	225.3	104.3	(121.0)	-53.7%
Exhibition Place	46,194.0	45,338.0	(856.0)	-1.9%
Heritage Toronto	211.1	151.5	(59.6)	-28.2%
Theatres	17,012.0	15,057.0	(1,955.0)	-11.5%
Toronto Zoo	23,795.3	23,204.9	(590.4)	-2.5%
Arena Boards of Management	5,228.6	5,168.2	(60.4)	-1.2%
Yonge Dundas Square	437.0	494.4	57.4	13.1%
Toronto & Region Conservation Authority	27,032.9	29,392.1	2,359.2	8.7%
Toronto Transit Commission - Conventional	742,186.2	752,690.2	10,504.0	1.4%
Toronto Transit Commission - Wheel Trans	2,810.4	2,819.4	9.0	0.3%
Toronto Police Service	32,587.8	34,987.8	2,400.0	7.4%
Toronto Police Service Board	0.0	0.0	0.0	n/a
TOTAL - AGENCIES, BOARDS AND COMMISSIONS	1,035,394.6	1,043,892.5	8,497.9	0.8%
Corporate Accounts				
Community Partnership and Investment Program	5,295.2	2,776.1	(2,519.1)	-47.6%
Capital & Corporate Financing	23,500.0	6,965.9	(16,534.1)	-70.4%
Non-Program Expenditures				
- Tax Deficiencies/Write-offs	2,562.4	2,599.7	37.3	1.5%
- Other Corporate Expenditures	2,937.0	2,163.0	(774.0)	-26.4%
- Programs Funded from Reserve Funds	70,675.6	94,814.3	24,138.7	34.2%
Non-Program Expenditures	76,175.0	99,577.0	23,402.0	30.7%
Non-Program Revenue				
- Payments in Lieu of Taxes	83,929.9	81,694.8	(2,235.1)	-2.7%
- Supplementary Taxes	37,000.0	79,747.5	42,747.5	115.5%
- Tax Penalties	26,500.0	25,255.7	(1,244.3)	-4.7%
- Interest/Investment Earnings	62,000.0	62,975.6	975.6	1.6%
- Other Corporate Revenues	23,178.6	32,230.2	9,051.6	39.1%
- Toronto Hydro Revenues	195,055.7	194,655.8	(399.9)	-0.2%
- Provincial Revenue	136,600.0	135,955.2	(644.8)	-0.5%
- Parking Authority Revenues	27,295.4	25,918.0	(1,377.4)	-5.0%
- Administrative Support Recoveries - Water	18,973.0	18,973.0	0.0	0.0%
- Administrative Support Recoveries - Health & EMS	17,302.0	17,301.9	(0.1)	0.0%
- Parking Tag Enforcement & Oper.	82,787.0	82,757.9	(29.1)	0.0%
- Other Tax Revenues	14,260.1	16,360.6	2,100.5	14.7%
- Woodbine Slots	15,700.0	14,501.3	(1,198.7)	-7.6%
Non-Program Revenues	740,581.7	788,327.5	47,745.8	6.4%
TOTAL - CORPORATE ACCOUNTS	845,551.9	897,646.5	52,094.6	6.2%
LEVY OPERATING REVENUES	4,175,568.8	4,081,473.2	(94,095.6)	-2.3%
NON LEVY OPERATIONS				
Toronto Parking Authority	97,169.0	94,315.9	(2,853.1)	-2.9%
Toronto Water	586,050.3	572,523.9	(13,526.4)	-2.3%
NON LEVY OPERATING REVENUES	683,219.3	666,839.8	(16,379.5)	-2.4%

**CITY OF TORONTO
TECHNICAL ADJUSTMENTS
FOR THE FORTH QUARTER ENDED DECEMBER 31, 2005
(\$000's)**

Appendix D

Department/Program	Gross Expenditure	Revenue	Net Expenditure	Comments
Other City Programs				
Mayor's Office				
	47.1		47.1	Transfer of funds from Other Corporate Expenditures to Mayor's Office for merit increment requirements
	<u>47.1</u>		<u>47.1</u>	
Corporate Accounts				
Other Corporate Expenditures				
	(47.1)		(47.1)	Transfer of funds from Other Corporate Expenditures to Mayor's Office for merit increment requirements
	<u>(47.1)</u>		<u>(47.1)</u>	
Total	<u><u>0.0</u></u>		<u><u>0.0</u></u>	