

BUREAU OF MUNICIPAL RESEARCH

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFORMATION WITH REGARD TO TORONTO'S BUSINESS.

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TORONTO
CANADA

White Paper No. 208

October 23, 1935

City of Toronto

Estimated Current Expenditures for 1935 out of (1) Taxation, (2) General Revenues, (3) Educational Grants, Surpluses, Credits, etc., (4) Reserves for deferred expenditure and (5) Proceeds of the issue of Direct Unemployment Relief Debentures less Unemployment Relief Debt Charges (in order to preserve comparability with 1932 and previous years).

Budget Story No. 3.

Estimated Funds Available for Current Appropriations

(1) Net Tax Revenue for 1935 after allowing for uncollectible taxes, etc.....	\$32,820,094	
(2) Other General Civic Revenues.....	2,670,233	
(3) Educational Grants, Surpluses, Credits, etc.....	980,511	
(4) Reserve from 1934 Revenues Brought Forward.....		\$36,470,838
		36,810
<i>Total Amount of Current Funds Available for Current Appropriations.....</i>		<u>\$36,507,648</u>

Estimated Current Expenditures

Appropriations from 1935 revenues (other than debt charges on Direct Relief Unemployment Debentures).....	\$35,453,714	
Appropriation from revenue reserves brought forward from 1934.....	36,810	
		\$35,490,524
Appropriation for Debt Charges on Direct Unemployment Relief Debentures.....		1,017,124
<i>Total Appropriation to be met out of Current Revenues.....</i>		<u>\$36,507,648</u>
Estimated Current Expenditures to be met out of proceeds of Direct Unemployment Relief Debentures.....	\$3,260,000	
Less (for purposes of comparison with previous years) debt charges on Direct Unemployment Relief Debentures included above.....	\$1,017,124	
		\$ 2,242,876
Total Estimated Current Expenditure for 1935.....		<u>\$38,750,524</u>
Net Estimated Deficit on Current Account for 1935.....		\$ 2,242,876

Estimated Current Expenditure out of Taxation, Grants, Surpluses, Credits, Other General Revenues, and Proceeds from the Sale of Short Term Debentures issued to meet the net cost of Direct Unemployment Relief for the Years 1930 to 1935 (both inclusive).

Analyzed according to the Objects of Expenditure Entering into the Cost of the General Functions of the Municipal Government (See Story No. 2 in this Series.)

OBJECTS OF EXPENDITURE	TOTAL						PER CAPITA					
	1935	1934***	1933	1932	1931	1930	1935*	1934**	1933	1932	1931	1930
Salaries and Wages and Other Payments for Personal Services.....	\$18,442,384	\$18,261,816	\$18,025,079	\$18,852,387	\$18,659,092	\$18,076,871	\$29.27	\$29.02	\$28.91	\$30.08	\$29.75	\$29.08
Other expenses, including unclassified Welfare expenses less Direct Relief D.C.	11,895,123	12,666,439	13,405,430	11,181,919	11,202,753	9,976,278	18.88	20.13	21.50	17.85	17.86	16.05
Debt Service.....	8,413,017	7,785,661	7,464,742	7,500,757	7,411,177	6,662,214	13.36	12.37	11.97	11.74	11.81	10.72
(a) Interest.....	4,211,955	4,236,447	4,244,444	4,139,629	4,122,266	3,888,667	6.69	6.73	6.81	6.61	6.57	6.26
(b) Debt Retirement.....	4,201,062	3,549,214	3,220,298	3,216,628	3,288,911	2,773,547	6.67	5.64	5.16	5.13	5.24	4.46
Capital Outlay.....				182,539	213,403	491,414				.29	.34	.79
TOTAL.....	\$38,750,524	\$38,713,916	\$38,895,251	\$37,572,602	\$37,486,425	\$35,206,777	\$61.51	\$61.52	\$62.38	\$59.96	\$59.76	\$56.64
Amount net cost of Direct Relief met or to be met from Proceeds of Debentures, as follows:.....	\$2,242,876	\$2,529,629	\$2,388,552	Nil	Nil	Nil	\$3.56	\$4.02	\$3.83	Nil	Nil	Nil
Proceeds of Debentures.....	3,260,000	2,849,895	2,400,791	Nil	Nil	Nil	5.17	4.53	3.85	Nil	Nil	Nil
Less Debt Charges on Debentures.....	1,017,124	320,266	12,239	Nil	Nil	Nil	1.61	.51	.02	Nil	Nil	Nil
Current Expenditure to be met out of Current Revenue.....	\$36,507,648	\$36,184,287	\$36,506,699	\$37,572,602	\$37,486,425	\$35,206,777	\$57.95	\$57.50	\$58.55	\$59.96	\$59.76	\$56.64

*On estimated population of 630,000.

**On actual population of 629,285.

***White Paper No. 200 used the \$2,000,000 Estimated Unemployment Relief total mentioned in the introduction to the 1934 Estimates, but not included in the Estimates proper. In order that one year might be more comparable with the others, the approx. actual figures are now used i.e. \$3,201,548, of which \$351,653, represents administrative

charges, finally met out of current funds, and the remainder, \$2,849,895, met out of proceeds of debenture sales. \$234,752, representing the salary portion of these administrative charges, are now included in total salaries.

COMMENT

1. These figures are all estimated and not actual expenditure figures except in the case of direct unemployment relief expenditures. In 1933 and 1934 there were no items in the budget itself under this head, except under debt charges. The figure mentioned in the introduction to the 1934 estimates fall so far short of the actual expenditures of that year, that inclusion of the actual figures was necessary for comparative purposes. As the 1934 administration charges, etc., were paid for finally out of current funds, the necessary amount is added in the 1934 figures for comparative purposes to "Current Expenditure to be met out of current revenues." The estimated figures for salaries, wages and other personal services in the Bureau's 1934 analysis have been increased by the salaries and wages element included in the administration charges, etc., of direct unemployment relief. The amount of salaries and wages in the reserves for deferred expenditure are also available this year and are included. The total under the heading of salaries, wages and

other personal services is, therefore, somewhat larger (\$16,635) than it would have been on the 1934 basis for analysis.

2. As frequently stated by the Bureau—and in this the Bureau is supported by authorities and an increasing number of citizens—net expenditures on direct unemployment relief are current expenditures and in fact so appeared in the budgets of 1932 and previous years. They are, therefore, included above in all years, but in order to maintain comparability with 1932 and previous years, debt charges on direct unemployment relief expenditures are deducted in the statement.

3. The total estimated (with reservations above noted) current expenditures for 1935 exceed those for 1934 by \$36,608. The amount to be paid out of the revenue for 1935 exceeds the corresponding figure of 1934 by \$323,361.

4. The total estimated expenditures between 1930 and 1935 increased in every year over that of the preceding year save in one case and total estimated current expenditure in 1935 is more than three and a half million dollars greater than in 1930, and even the estimated payments out of current revenues are greater by more than \$1,300,000. This with declining assessments from the peak of 1932, and shrinking incomes of taxpayers!
5. As the official estimates for 1935 contains for the first time complete, or almost complete, figures for salaries and wages, little estimating on the part of the Bureau was necessary under the heading of salaries, wages and other payments for personal services. The figures for 1935 are therefore more complete and probably more accurate than those of 1934, and hence are not strictly comparable. It is probable, however, that the estimated total of salaries and wages for the general budget has again resumed its steady march upward.
6. There has been an increase in estimated debt charges in every year save one since 1930. The increase this year was over \$625,000, the largest increase in any year save one.
7. There has been for the second year, a large decrease in estimated expenditures for supplies, materials, equipment and miscellaneous.
8. For the first time both for overhead and operating departments, except under the heading of General Courts and Inquests, the item of salaries and wages is shown separately. For the first time, therefore, it is possible to learn from civic estimates the total amount estimated to be paid out in salaries and wages, for current purposes. This is a large step in advance.

QUERIES

1. Inasmuch as there is a fundamental difference between supplies which are consumed currently and equipment and materials which may have a considerable life, should not the amounts in the estimates under materials, supplies, etc., be further classified?
2. "Does a careful examination of the facts herein presented give evidence of an anxious concern on the part of public budget-making bodies for the interests of the people who pay the bills or of any adequate conception on the part of members and employees of public bodies of the narrowed circumstances of many taxpayers who do not draw their incomes from public revenues? If so, what is this evidence?" (White Paper No. 200, Nov. 30th, 1934).