



Annual Report: Reconciliation of the 2018-2019 Actual Results to Budget

To: Finance, Budget and Enrolment Committee

Date: 22 January, 2020

Report No.: 01-20-3818

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that Update on Actual Operating Results for 2018-2019 be received.

Context

The Board's financial position as a result of operations was an in-year deficit of \$11.5M versus a projected budget deficit of \$27.8M, this variance of approximately \$16.3M represents 0.48% of the budget. Details are explained in Appendix A.

The initial 2019-2020 operating budget included the use of working funds reserves in the amount of \$13M. During the year, this amount was revised to approximately \$21.0M. The current ending working fund balance as of August 31, 2019 is \$29.3M or approximately \$8.3M better than forecasted. These funds are available to support any changes to the 2019-2020 budget or future years.

Action Plan and Associated Timeline

Staff will present updates to the forecasted operating financial position of the Board for 2019-2020 at the end of the first quarter (January 2020) and second quarter (April 2020). In addition, the projected budget for the 2020-2021 year will be presented during the Spring of 2020. These updates will provide information on the use of working funds to balance any budget shortfalls.

Resource Implications

The use of working funds will be utilized to offset any budget shortfalls until such time as permanent savings are realized.

Communications Considerations

The report will be posted in the 2020-21 budget website as information supporting the development of the budget.

Board Policy and Procedure Reference(s)

N/A

Appendices

- Appendix A: 2018-19 Year End Financial Position and Working Funds Balance

From

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2018-19 Year End Financial Position and Working Fund Balance
(\$ Millions)

Appendix A

Type	Description	Budget	Comments
		\$	
Budgeted In-Year Operating Result - Surplus/(Deficit)		(27.8)	
Grant Changes			
	GSN increase	5.1	GSN increase due to enrollment and teacher's Q&E
	Con Ed Adult ESL teacher salary enhancement	3.5	Additional funds to support Con Ed adult day school teacher salary parity
	Subtotal	\$ 8.6	
Labour Expenses			
	Central Department Staffing Cost	3.7	Net savings in central department due to timing differences in filling positions
	Facilities Staffing	4.2	Net savings in Facilities department due to timing differences in filling positions
	Maintenance trades staff overspending	(1.7)	Maintenance costs were higher than budgeted
	School based staffing cost	6.0	School based ECE, EA, Lunchroom, Clerical staffing savings
	WSIB cost increase	(9.3)	WSIB claims higher than projected
	EPO contingency	1.9	Staffing contingency established due to uncertainty of EPO funding
	Subtotal	\$ 4.8	
Operating Revenues and Expenses			
	Transportation Department Budget	(3.4)	Transportation contract cost higher than projected
	Interest Income	3.8	Interest income higher than budgeted
	Lease and permit revenue	3.9	Lease and CUS revenue higher than the budget
	Utilities Savings	4.0	Due to favourable pricing on natural gas
	Facilities Operating Expenses	(5.5)	Maintenance costs were higher than budgeted \$4M and Ops /Renewal 1.7M
	Business Services Department	1.1	Claims experience lower than projected
	Gap of in year savings	(2.4)	In year savings of 7M was not achieved
	Subtotal	\$ 1.5	
Non-Operating Adjustments			
	Goods Receipt/Invoice Receipt Clearing	(1.4)	Write off of cumulative clearing account balance
	HST rebate	2.8	HST rebate for prior years
	Subtotal	\$ 1.4	
	Variances to Budget total	16.3	
Actual in - Year Operating Result		(11.5)	
Prior Year Working Fund Balance		40.8	
Working Fund Balance as at Aug 31 2019		\$ 29.3	Originally forecasted to be \$13.0M

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