

YCDSB

2017-18 Budget Update

May 30, 2017
Board Meeting



Mission Statement

Guided by Gospel Values and Catholic Virtues, in partnership with home and Church, we educate and inspire all students to reach their full potential in a safe and caring environment.

Vision Statement

Our students will become creative and critical thinkers who integrate Catholic Values into their daily lives, as socially responsible global citizens.

Core Values



Strategic Commitments



Areas of Focus

1. 2017-18 May 30 Budget
 - a) Operating Revenue
 - b) Operating Expenses
 - c) Preliminary Financial Position
2. Fiscal Responsibility: MYFRP
 - a) Compliance Requirements
 - b) MYFRP Requirements
 - c) Compliance Conclusions
 - d) Board Profile
3. Q&A



2017-18 Budget Update

2017-18 Preliminary Budget (May 30th):

Enrolment

- Enrolment in preliminary budget continues to be assessed

Revenues

- Minor Revenue change for Employee Life and Health Trust Revenue adjustment

Expenses

- Incorporates estimated impact of May 23 Board Motions



REVENUES

OPERATING REVENUE

2017-18 Operating Revenue (Preliminary Estimates)

2017-18 Operating Revenue (Preliminary Estimates)				
	2016-17 Revised Estimates	2017-18 Estimates	Difference	
			#/\$	%
<u>ENROLMENT</u>				
Elementary	36,469.22	35,963.35	(505.87)	-1.39%
Secondary	18,281.13	18,122.13	(159.00)	-0.87%
Total Enrolment	54,750.35	54,085.48	(664.87)	-1.21%
OPERATING REVENUE				
Grants for Student Needs (GSN)	\$ 560,413,151	\$ 573,871,876	\$ 13,458,725	2.40%
Other Grants	(118,069)	-	118,069	-100.00%
Other Revenue	10,129,900	9,806,726	(323,174)	-3.19%
Continuing Education Other	7,880,703	7,952,141	71,438	0.91%
	\$ 17,892,534	\$ 17,758,867	\$ (133,667)	-0.75%
TOTAL OPERATING REVENUE (Excl. Grants/Revenue w/ exp offsets, Capital/PSAB)	\$ 578,305,685	\$ 591,630,743	\$ 13,325,058	2.30%

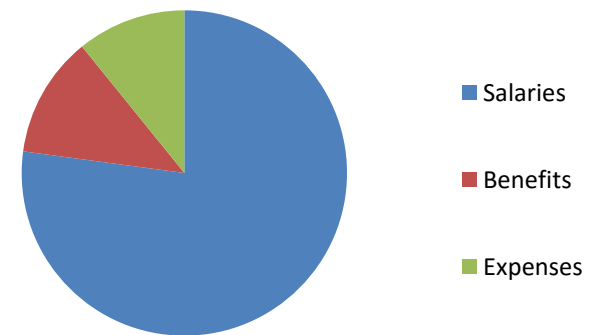
Note: Revenue increase of \$59,019 related to changes to Employee Life and Health Trust adjustment.



OPERATING EXPENSES

	2016/17 Revised Estimates	2017/18 Estimates	Change	%
Salaries	450,380,596	459,624,561	9,243,965	2.05%
Benefits	71,170,668	71,852,969	682,301	0.96%
Salaries and Benefits	521,551,264	531,477,530	9,926,266	1.90%
Expenses	62,821,736	65,248,284	2,426,548	3.86%
Grand Total	584,373,000	596,725,814	12,352,814	2.11%

	2017/18 Estimates	%
Salaries	459,624,561	77.02%
Benefits	71,852,969	12.04%
Salaries and Benefits	531,477,530	89.07%
Expenses	65,248,284	10.93%
Total Operating Expenses	596,725,814	100.00%



Incorporates estimated impact from May 23 2017 Board Motions.



Preliminary Financial Position

Preliminary Projections (With May 23 Board Motions)

Financial Position Summary (Preliminary)				
	2016-17 Revised Estimates	2017-18 Estimates	Difference	
			#/\$	%
Operating Revenue*	\$ 578,305,685	\$ 591,571,724	\$ 13,266,039	2.29%
Operating Expenses*	584,372,998	596,725,814	12,352,816	2.11%
Operating (Deficit)	\$ (6,067,313)	\$ (5,154,090)	\$ 913,223	-15.05%
Compliance items:				
Employee Future Benefit (Ret Grat)	\$ (1,364,272)	\$ (1,364,272)	\$ -	0.00%
Committed Sinking Fund	(142,939)	(142,939)	-	0.00%
Compliance items	\$ (1,507,211)	\$ (1,507,211)	\$ -	0.00%
Compliance Operating (Deficit)	\$ (7,574,524)	\$ (6,661,301)	\$ 913,223	-12.06%
<i>* Preliminary May 30 2017 projected position - Incorporates impacts of May 23 Board Motions</i>				



Fiscal Responsibility

Preliminary Projections (With May 23 Board Motions)

	2015-2016 Actuals	2016-2017 Projected	2017-2018 Projections	2018-2019 Projections	2019-2020 Projections
Opening Accumulated Surplus/(Deficit)	\$9.0	\$15.6	\$4.1	(\$2.5)	(\$10.2)
Total Revenue	\$577.0	\$578.3	\$591.6	\$591.6	\$587.1
(Declining Enrolment GSN Reductions)	\$0.0	\$0.0	\$0.0	(\$3.3)	(\$3.3)
(Declining Enrolment Adjustments)	\$0.0	\$0.0	\$0.0	(\$0.6)	(\$0.1)
(Other Adjustments) ¹	\$0.0	\$0.0	\$0.0	(\$0.6)	(\$0.6)
Total Revenue Adjustments	\$0.0	\$0.0	\$0.0	(\$4.5)	(\$4.0)
Total Operating Revenue	\$577.0	\$578.3	\$591.6	\$587.1	\$583.1
Operating Expenditures	\$582.4	\$589.8	\$598.2	\$598.2	\$594.8
Total Operating Expenditures	\$582.4	\$589.8	\$598.2	\$598.2	\$594.8
(Expenditures Reductions Associated with Declining Enrolment)	\$0.0	\$0.0	\$0.0	(\$2.3)	(\$2.3)
(ELHT Transition Impact)	\$0.0	\$0.0	\$0.0	(\$0.5)	\$0.0
(School Closures Impact)	\$0.0	\$0.0	\$0.0	(\$0.6)	(\$0.4)
Total Expenditure Adjustments	\$0.0	\$0.0	\$0.0	(\$3.4)	(\$2.7)
Total Operating Expenditures	\$582.4	\$589.8	\$598.2	\$594.8	\$592.1
In Year Surplus/(Deficit) Before Current Year Adjustments	(\$5.4)	(\$11.5)	(\$6.6)	(\$7.7)	(\$9.0)
Structural Reductions Required	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
One Time Reductions Required	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Reductions Required	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
In Year Surplus/(Deficit) After Current Year Adjustments	\$6.6	(\$11.5)	(\$6.6)	(\$7.7)	(\$9.0)
Ending Accumulated Surplus/(Deficit)	\$15.6	\$4.1	(\$2.5)	(\$10.2)	(\$19.2)



2017-18 Compliance Requirements

Ministry Directive Re: In-Year Deficit

Boards must seek Ministry approval if actual or projected in-year deficit exceeds the lesser of:

- Accumulated Surplus from the preceding year (For YCDSB: \$4.1 million), or
- 1% of the Boards operating allocation (For YCDSB: \$5.7 million)



2017-18 MYFRP & Savings Strategies

Multi-Year Financial Recovery Plan (MYFRP):

- **Deloitte Report and Recommendations:**
 - Purpose to develop a multi-year savings strategy for the board
 - Expected end of May
- **Ministry MYFRP Requirements:**
 - Incorporate multi-year savings strategies
 - Compliant Budget by 2018-19
 - Accumulated Surplus of 1% by 2019-20
 - Due no later than June 30, 2017
- **Interim Financial Reporting:**
 - Monthly interim financial reporting due 20th of each month



Compliance Conclusions

To achieve compliant 2017-18 Budget (\$4.1 million in-year Deficit) :

- Require additional \$2.5 million structural savings for 2017-18

To comply with MYFRP Requirements:

- Require additional \$5.2 million structural savings for 2018-19 (\$10.2 million if no \$2.5 million savings in 2017-18)
- Require additional \$1.3 million savings for 2019-20 for balanced budget (\$19.2 million if no additional savings in 2017-18 & 2018-19)
- Require additional \$5.7 million savings for 1% accumulated surplus by 2019-20 (one-time)



2017-18 Board Profile

Board Profile:

- **Declining Enrolment (Grant Decreasing):**
 - **Post-FDK implementation in year 2015-16**
- **Funding Reductions:**
 - **Special Education Differentiated Special Education Needs Amount (DSENA)**
 - **School Operations Top-up funding elimination and Supplemental Area Factor (SAF) decreases**
 - **Benefits Benchmarks**
- **Expected School Consolidations:**
 - **Three elementary school closures approved for June 30, 2017**
 - **On-going Pupil Accommodation Reviews (PAR)**

Questions

