



Update to the 2019-20 Financial Forecast

To: Special Finance, Budget and Enrolment Committee

Date: 7 July, 2020

Report No.: 07-20-3919

Strategic Directions

- Transform Student Learning
- Create a Culture for Student and Staff Well-Being
- Provide Equity of Access to Learning Opportunities for All Students
- Allocate Human and Financial Resources Strategically to Support Student Needs
- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

Recommendation

It is recommended that Update to the 2019-20 Financial Forecast be received.

Context

This report provides an update to Trustees on significant operational changes to TDSB's 2019-20 budget and the impact of COVID-19. The first update was provided to Trustees in a report to FBEC on 13 May. When the original report was prepared, staff did not know that schools would be closed for the remainder of the school year. As a result, there have been changes to the original financial forecast. This report has been prepared based on the latest information available and contains estimates on the impact to revenues or expenses for the balance of the year.

Staff will provide a final reconciliation of actual lost revenues and costs as part of the year-end financial statements presentation.

Action Plan and Associated Timeline

The chart below shows TDSB's projected financial position, including the impact of COVID-19 on board operations. Included in this projection is the status of the working fund balance at the end of the fiscal year. The working fund balance will be able to support activities in the 2020-21 school year.

Significant changes to the original forecast:

- Supply Costs - Staff have revised the projection for supply cost savings to August 31, 2020 by an additional \$8.0M due to revised actuals to June 30th.
- Transportation - While the forecasted savings from fuel costs during the shutdown has not changed, as part of the Grant for Student Needs (GSN) announcement, school boards were informed that the transportation allocation to for 2019-20 would be reduced as a result of reduced fuel costs. TDSB's reduction to the allocation is approximately \$1.5M.
- Permit Revenue – The closure of most pools during July and August will have an impact on permit revenue not previously forecasted. This impact will be offset somewhat by additional permits from CampTO and other community programs during the summer. At this time the exact number of sites and length of programs is not confirmed. Staff are projecting a decrease in permit revenue of approximately \$2M. Staff will update Trustees when additional information is available.
- EarlyON and EDP programs – Revenue projections for EarlyON programs have been provided by the city in the amount of \$1.3M above original projections as EarlyON centres have met the funding criteria and continue to serve communities with virtual programs. EDP program subsidies have not been provided during the COVID19 shutdown resulting in an decrease in revenue of approximately \$0.5M. This means that the overall impact forecasted for these programs has improved by approximately \$0.8M.
- Other Reserves – The transition to the various benefit trusts of the Health, Dental and Life insurance has been completed. Staff are working to finalize adjustments to the Benefit Funds on Deposit balance. It is anticipated that this will result in a transfer of approximately \$10M to the working fund reserve at the end of the process.

2019-20 Forecasted Financial Position

Item	May 13th Reported Amount	Updated Revenue or Costs	Projected Financial Position as at June 30th
Second Quarter Operating Deficit	(\$31.2)		(\$31.2)
Other Reserves - transfer		\$10.0	\$10.0
COVID 19 Impacts			
Distribution Centre	(\$0.4)		(\$0.4)
Facilities revenue reduction	(\$11.5)	(\$2.0)	(\$13.5)
Utility Savings	\$9.0		\$9.0
Facilities Operating savings	\$9.7		\$9.7
Cafeteria Services	(\$1.2)		(\$1.2)
Transportation Savings (net of Grant Reduction)	\$3.3	(\$1.5)	\$1.8
Technology purchases/leases	(\$5.3)		(\$5.3)
Daily Supply Costs	\$14.5	\$8.0	\$22.5
EDP and EarlyOn Funding	(\$1.8)	\$0.8	(\$1.0)
Net impact of COVID19 on operations	\$16.3	\$5.3	\$21.6
Net forecasted Operating Deficit	(\$14.9)		\$0.4
Working Funds - Beginning Balance	\$29.3		\$29.3
Projected working funds - Ending Balance	\$14.4		\$29.7

Should there be any significant changes to the estimated costs for 2019-20 as new information becomes available, staff will provide an update at the next Finance, Budget and Enrolment Committee meeting.

Resource Implications

N/A

Communications Considerations

This report will be posted to the Board's budget website to keep stakeholders informed.

Board Policy and Procedure Reference(s)

N/A

Appendices

N/A

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