Public Accounts 2016-17: Financial Highlights
Treasury Board Secretariat

Overview

TBS was established to support the President of the Treasury Board in leading the government's efforts on accountability, openness and modernization. TBS supports the government's goal in achieving its fiscal targets, while continuing to deliver the services that the people of Ontario rely on and achieve the best possible value-for-money.

TBS provides enterprise-wide services to other ministries and some agencies in key areas such as Treasury Board/ Management Board of Cabinet support, corporate policy, agency governance and open government, human resource policy and planning, labour relations in the OPS and the broader public sector, government-wide information and information technology, and training and internal audit services.

TBS holds some very unique votes:

- Employee and Pensioner Benefits (Employer Share) Program
- The Contingency and Capital Contingency Funds embedded in the Treasury Board Support and Financial Planning vote
- Bulk Media Buy
- Harmonized Sales Tax Receivable (Operating Asset)

Since these programs do not reflect TBS operational expenses and are OPS-wide, they are covered in a separate section.

Highlight of Key Financial Data: Appropriation vs. Actual

Public Accounts for TBS for 2016-17 show total operating expenses of $1,277.1M compared to Printed Estimates of $2,723.6M and appropriation at year-end of $2,437.5M. However, these totals include the OPS operating contingency fund, Employee Pensioner and Benefits expenses and Bulk Media Buy. The table below portrays a more meaningful picture to explain the 47.6% variance.

Ministry (in $ Million)	Printed Estimates	Appropriation	Actual 2016-17	Actual to Appropriation (Surplus) / Deficit	
				$	%
Ministry Programs	280.6	234.4	228.7	-5.7	-2.4%
Operating Contingency Fund	1,100.0	880.6	-	-880.6	-100.0%
Employee and Pensioner Benefits (EPB)	1,318.0	1,318.0	1,048.4	-269.6	-20.5%
Bulk Media Buy (BMB)	25.0	4.5	-	-4.5	-100.0%
Operating Expense	**2,723.6**	**2,437.5**	**1,277.1**	**-1,160.4**	**-47.6%**
Operating Assets - Prepaid	15.9	15.9	737.1	721.2	4542.5%
Capital Expense	11.3	11.3	11.0	-0.2	-2.2%
Capital Expense Capital Contingency Fund	100.0	368.3	0.0	-368.3	-100.0%
Capital Assets	55.8	55.8	51.6	-4.2	-7.5%

The **($1,160.4M)** operating expense savings were primarily contributed by:

1. **($5.7M)** savings from TBS programs as a result of:
    - ($3.1M) Treasury Board Support Program due to delay in hiring and project cost for expert panel, public accounts, & etc.
    - ($0.8M) Ministry Administration program related to lease rationalization savings, delayed hiring and lower chargeback
    - ($0.6M) Labour Relations & Compensation due to delay in project with BPS Labour Relations
    - ($0.4M) Enterprise I&IT from delay in recruitment and staff turnover in innovation and strategy
    - ($0.4M) CPAGOG & CFLL primarily from project scope revised for Service Ontario contact centre and One key
    - ($0.3M) OIAD due to actual recoveries higher than forecasted

2. **($269M)** savings in Employee Pensioner and Benefits (EPB) program as a result of:
    - ($141M) decrease in other post-employment benefits from lower administration claim rates on WSIB
    - ($73M) savings in OPSEU pension expense due to lower than forecasted salary escalation rate
    - ($67M) decrease in other retirement benefits expense due to OPPA funding agreement amendment
    - ($52M) lower legislative severance expense due to plan change for PEGO employees, partially offset by
    - $42M increase pension (PSPP) expense due to higher salaries
    - $24M increase Provincial Judges Pension Plan due to accounting model change

3. **($4.5M)** savings from Bulk Media Buy as a result of underspending in advertising campaigns across OPS ministries

4. **($880M)** contingency funding not required to be released to cover any costs of unforeseen expenditures or financial pressures from individual ministries

Operating Assets showed a variance of $721M primarily related to pending HST rebate from Canada Revenue Agency (CRA). The HST of $726M was a timing difference of when the rebate was incurred on OPS purchases and when this rebate was paid by CRA. The rebate is a statutory item with no appropriation and a balance at year-end is common and represents the outstanding accounts receivable. The remaining variance of ($4.9M) was from Enterprise I&IT. The underspending was related to ITS reviewing contracts and timing of invoices to minimize the prepayment practice and move to the annual payment model. This had resulted in lesser prepayment required for IT software maintenance and licences to support various IT systems across government. As an industry practice, TBS prepaid the amount of $11M for licence support to be provided in the next fiscal year of 2017-18.

The underspending of ($368M) in Capital Expense reflects the Capital Contingency Fund amounts that were not required to be released for unanticipated expenses. The capital expense of $11M was incurred for ongoing maintenance to support Guelph Data Centre.

The underspending of ($4.2M) in Capital Assets was attributed to Enterprise I&IT' s delays in assets procurements, mainly data centre hardware and Transfer Payment Modernization Project's delays due to delayed project timeline and thus underspending in cluster chargebacks for salaries and fee for services.

Highlight of Key Financial Data – Actual 2016-17 vs 2015-16

The year-over-year increase of $39.9M or 3.2% in Operating Expenses were primarily driven by $14.9M in the Employee and Pensioner Benefits (EPB) program and $25.0M in various Ministry programs.

Ministry (in $Million)	Actual 2015-16	Actual 2016-17	Actual 2016-17 to 2015-16 Increase / (Decrease)	
			$	%
Ministry Programs	*203.7*	*228.7*	*25.0*	*12.3%*
Employee Pensioner and Benefits	*1,033.5*	*1,048.4*	*14.9*	*1.4%*
Operating Expenses	**1,237.2**	**1,277.1**	**39.9**	**3.2%**
Operating Assets - Prepaid	713.5	737.1	23.6	3.3%
Capital Expense	12.1	11.0	-1.0	-8.6%
Capital Assets	48.2	51.6	3.4	7.1%

For the EPB program, expenses increase from last year by **$14.9M** due to:

- $136M increase in legislative severance expense from prior year due to one-time reduction in 2015-16 due to OPSEU plan change
- $114M increase in LTIP expense from prior year due to one-time reduction in 2015-16 due to OPSEU plan change.
- $34M increase in Public Service Supplementary Plan (PSSP) expense due to member salary increases in 2016-17.
- $17M in Case Management Master Supplementary Pension expense relates the one-time setup of a supplemental pension plan, *partially offset by*
- ($147M) decrease in other post-employment benefits from lower administration claim rates on WSIB
- ($110M) decrease in other retirement benefits expense due to one-time increase in prior year due to reverted cost sharing arrangement with lawyers
- ($30M) in OPSEU pension expense due to investment gain

For TBS programs, the operating expenses were **$25M** higher than last year 2015-16 as a result of:

- $12.1M increase in Enterprise Information Technology Services primarily related to $6M from additional resources transferred to Infrastructure Technology Services (ITS) from seven ministries in 2016-17 to establish a consolidated enterprise Service Management division (eSM). The remaining $6M related to lower expense last year in 2015-16 from one-time savings related to contract consolidation (IBM Topaz and mainframe software), TBS' share of ITS Modernization, and delay in Microsoft Office 365 procurement.

- $5.7M increase in Local Poverty Reduction funding release in 2016-17 reflected the second round of funding commitment of $8.5M to help prevent and end chronic homelessness in Ontario, compared to $3.1M funding released in the first round in 2015-16.

- $5.2M increase in Treasury Board Support Program primarily for projects to drive continuous improvement in financial management, reporting, transparency and accountability in the Ontario Public Sector and Broader Public Sector including providing funding for audit support to ministries.

- $2M increase in Central Cluster Agencies (CAC) in 2016-17 related to lower expense last year in 2015-16 from one-time savings.

The operating assets increase of $23.6M compared to last year reflects changes in HST paid and rebated.

The capital expense decreased by ($1M) from 2015-16 primarily due to $0.8M decrease in Data Centres maintenance support requirements and $0.2M decrease due to delay in accommodation project initiation, cost reduced for the Kingston fire damage repair and savings of other projects.

Of the $12M capital expense spent, $11M related to continued support of data centres requiring ongoing maintenance such as equipment replacement and upgrades to enable the management and continuity of the government's information and data processing services. The remaining $1M was used to support space requirements for new government initiatives and operational requirements.

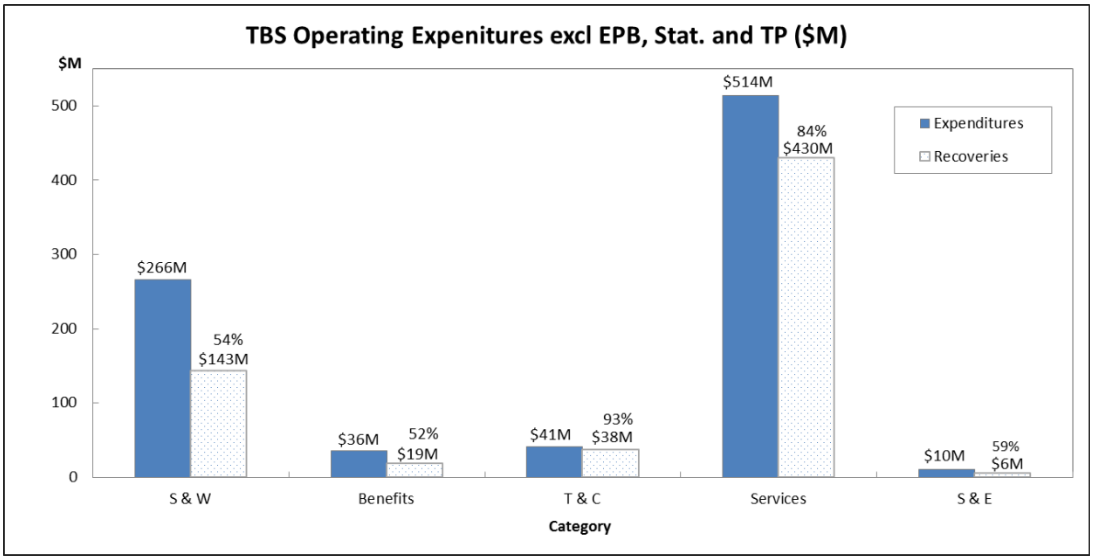
Capital assets increased by $3.4M compared to last year primarily due to $2.8M related to building the enterprise Transfer Payment application (Grants Ontario), as part of the Transfer Payment Modernization Project. The remaining $0.5M related to increase in hardware and desktop purchase compared to last year.

Expenses and FTEs

In TBS, the majority of operating expenditures were for services expense category. It accounted for $514M or 60% of the total TBS gross operating expenditure of $867M. This reflects TBS' enterprise role of providing a broad spectrum of technology services to ministries across OPS. Specifically, IT Source carries most of the IT task based consulting services spent on behalf of OPS ministries. 84% of the $514M spent on these services is recoverable from client ministries.

Salaries and Wages of $266M (or 31%) make up the second largest expense pool. This is in line with the ministry's mandate as a service provider not only for IT, but also human resources, corporate policy, agency governance, open government and internal audit.

The following chart shows the breakdown of expenses by category and the percentage indicates how much of the expenses are recovered. EPB is excluded from this summary.



As of March 2017, TBS showed 2,729 FTEs against an FTE limit of 3,008. This leaves TBS 279 FTEs below the limit. The variance was primarily due to vacancies management, planned effort to manage to 3% below FTE allocation, and retirements. These vacancies were partially used to offset the increase in FTEs for new government priorities including Open Government, Transfer Payment Modernization project, and work on Broader Public Sector Executive Compensation review.

TBS had 26 more actual FTEs in 2016-17 versus 2015-16, primarily due to new government priorities in Open Government office, Transfer Payment Administration Modernization project, and additional staff for newly created Associate Office and for work on the BPS Executive Compensation file in Public Sector Labour Relations and Compensation division, partially offset by vacancy management and retirement in 2016-17.

	FTE Limit	FTE Actuals		Actual 2016-15 to 2014-15
Program	2016-17	2016-17	Prior Year 2015-16	Variance Increase/ (Decrease)
Total TBS	3,008	2,729	2,703	26

A detail breakdown by program is shown in Appendix 1.

Financial Statement Discussion and Analysis

Public Accounts for TBS as presented in Volume 1 of the Provinces Financial Statements show Printed Estimates, Appropriations, and 2016-17 Actual Results and restated 2015-16 Actual Results by vote.

PUBLIC ACCOUNTS 2016-17 MINISTRY OF TREASURY BOARD SECRETARIAT SUMMARY STATEMENT OF EXPENSES AND ASSETS BY PROGRAM For the year ended March 31, 2017				
		2016-2017		
2015-16	PROGRAMS	Printed Estimates	Appropriations	Actual
$		$	$	$
	OPERATING EXPENSE			
	TBS Programs			
26,360,880	Ministry Administration	29,143,814	25,289,214	24,494,985
24,925,313	Bargaining, Labour Relations & Compensation	64,500,500	25,330,300	24,747,510
1,033,497,281	Employee and Pensioners Benefits (Employer Share)	1,318,005,000	1,318,005,000	1,048,360,388
42,854,544	Treasury Board Support	55,338,300	51,164,200	48,059,482
-	Treasury Board Support - Operating Contigency Fund	1,100,000,000	880,604,500	-
29,895,096	Governance, Agency Oversight, Enterprise Leadership & Learning	32,796,800	32,026,100	31,609,900
4,865,238	Audit	5,242,400	5,275,400	4,983,200
4,496,467	Poverty Reduction Strategy	10,477,100	10,296,800	10,233,346
17,300,964	Enterprise Information Technology Services	25,033,400	29,831,000	29,456,102
52,152,491	Central Agency Cluster	57,237,300	54,301,900	54,267,732
826,957	Agencies, Boards, Commissions and Tribunals	857,500	884,200	837,567
-	Bulk Media Buy	25,000,000	4,484,500	-
1,237,175,231	**TOTAL OPERATING EXPENSE**	**2,723,632,114**	**2,437,493,114**	**1,277,050,212**
	OPERATING ASSETS			
702,451,636	Treasury Board Support	1,000	1,000	726,269,182
11,050,600	Enterprise Information Technology Services	15,875,400	15,875,400	10,999,790
713,502,236	**TOTAL OPERATING ASSETS**	**15,876,400**	**15,876,400**	**737,268,972**
	CAPITAL EXPENSE			
1,321,520	Ministry Administration	1,323,500	1,323,500	1,111,719
-	Treasury Board Support	100,000,000	368,253,800	-
	Governance, Agency Oversight and Centre for Leadership and Lear	2,000	2,000	-
10,760,247	Enterprise Information Technology Services	9,964,200	9,964,200	9,935,918
-	Central Agencies Cluster	2,000	2,000	-
12,081,767	**TOTAL CAPITAL EXPENSE**	**111,291,700**	**379,545,500**	**11,047,637**
	CAPITAL ASSETS			
-	Ministry Administration	1,000	1,000	-
	Governance, Agency Oversight and Centre for Leadership and Lear	4,308,200	4,308,200	2,847,416
48,202,462	Enterprise Information Technology Services	51,514,000	51,514,000	48,780,032
-	Central Agencies Cluster	1,000	1,000	-
48,202,462	**TOTAL CAPITAL ASSETS**	**55,824,200**	**55,824,200**	**51,627,448**
2,010,961,696	**Grand Total**	**2,906,624,414**	**2,888,739,214**	**2,076,994,269**

Notes: 1. Public Accounts do **not** include interim actual results. 2. Appropriations as reflected in Public Accounts do not reflect the ministry's in-year and year-end TBO changes. The operating expense appropriation changes are only reflected if the decrease is classified as an offset inside or outside of the ministry. Also minuted statutory changes are not shown and not all funding requests may even be minuted. For example, reductions to capital assets are often not minuted.

Detailed Variance Analysis by Vote

Ministry Administration – Vote 3401

3401-Ministry Administration		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation Surplus / (Deficit)		Actual 2015-16	Actual 2016-17 to 2015-16 Increase / (Decrease)	
						$	%		$	%
340101	Main Office	3.2	-0.1	3.1	2.9	0.2	5.4%	2.8	0.1	2.4%
340101	Financial and Administrative Services	13.7	-4.4	9.3	8.9	0.4	4.0%	9.2	-0.3	-3.6%
340101	Legal	5.1	0.8	5.9	5.8	0.1	1.6%	5.3	0.5	8.8%
340101	Audit	0.5	0.0	0.4	0.4	0.0	0.2%	0.6	-0.2	-29.5%
340101	Communications	4.3	0.3	4.6	4.6	0.0	0.4%	6.1	-1.5	-24.3%
340101	Human Resources	2.3	-0.4	1.9	1.8	0.1	6.8%	2.1	-0.3	-14.5%
	Subtotal	*29.1*	*-3.9*	*25.2*	*24.4*	*0.8*	*3.1%*	*26.2*	*-1.5*	*-5.6%*
340102	Ministry Administration - Capital Expense	1.3	0.0	1.3	1.1	0.2	15.9%	1.3	-0.2	-15.9%
340116	Statutory - Minister/PA Salaries	0.1	0.0	0.1	0.1	0.0	17.1%	0.2	-0.1	-65.9%
340119	Statutory - Bad Debt	0.0	0.0	0.0	0.0	0.0	100.0%	0.0	0.0	0.0%
340103	Capital Asset (mTCA)	0.0	0.0	0.0	0.0	0.0	100.0%	0.0	0.0	0.0%
340118	Statutory Amortization (mTCA)	0.0	0.0	0.0	0.0	0.0	100.0%	0.0	0.0	0.0%
	Subtotal Operating Expense	29.1	-3.9	25.3	24.5	0.8	3.1%	26.4	-1.9	-7.1%
	Subtotal Capital Expense	1.3	0.0	1.3	1.1	0.2	16.0%	1.3	-0.2	-15.9%
	Subtotal Capital Assets	0.0	0.0	0.0	0.0	0.0	100.0%	0.0	0.0	0.0%
Grand Total		**30.5**	**-3.9**	**26.6**	**25.6**	**1.0**	**3.8%**	**27.7**	**-1.8**	**-6.4%**

Ministry Administration program's actual spending in 2016-17 was $24.4M compared to an appropriation of $25.2M in operating expenses. The underspending of $0.8M was primarily related to savings due to vacancy management, lease savings related to offices moving to Ferguson Block, and lower chargeback in Main Office. The 2016-17 operating expense was lower than last year's 2015-16 by $1.9M primarily due to changes in funding model for the InsideOPS (formerly InSite) project.

Capital Expense had underspending of $0.2M due to delay in accommodation project initiation, $30K cost reduced for the Kingston fire damage repair and savings of other projects.

Bargaining Labour Relations and Compensation Program – Vote 3402

3402-Bargaining Labour Relations & Comp		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation Surplus		Actual 2015-16	Actual 2016-17 to 2015-16 Increase / (Decrease)	
						$	%		$	%
340201	Employee Relations	59.8	-39.1	20.8	20.8	(0.0)	-0.2%	20.7	0.1	0.5%
	Broader Public Sector Labor Relations	2.3	-0.1	2.2	1.7	0.5	24.4%	2.0	-0.3	0.0%
	Human Resources Policy and Planning	2.3	0.0	2.3	2.2	0.1	3.7%	2.2	0.1	2.8%
Grand Total		**64.5**	**-39.2**	**25.3**	**24.7**	**0.6**	**2.3%**	**24.9**	**-0.2**	**-0.7%**

The program's operating expense was $24.7M below the appropriation by $0.6M primarily due to the delay in confidential labour related project with Broader Public Sector Labour Relations.

The favorable year-over-year variance of $0.3M was mainly due to one-time labour relations expense in 2015-16 when bargaining with multiple units was underway.

Employee and Pensioner Benefits (Employer Share) – Vote 3403

TBS carries the employer portion of pensions and other benefits on behalf of all ministries and certain agencies. Reporting follows Public Sector Accounting Board (PSAB) accounting rules.

Voted expenses for the Canada Pension Plan, Dental Plan, Employer Health Tax, Employment Insurance, Group Life Insurance, Long-term Income Protection, Ontario Provincial Police Association Benefits and Supplementary Health and Hospital Plan expenses are recovered from ministries. The other voted expenses such as pension benefits, Retired Employee Benefits and Legislated Severance are not recovered and contribute to the bottom line expenses for the vote. None of the statutory expenses are recovered. Voted expenses represent the cash component and statutory expenses represent the remaining adjustment required to record the full cost of benefits under PSAB reporting.

Total Employee & Pensioner Benefits expenses ran a surplus of ($269.6M) or (20.5%) primarily due to reductions in Post-Employment Benefits from plan amendments affecting legislative severance and revised LTIP and WSIB liability forecasts.

3403-Employee and Pensioner Benefits (EPB)		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation Surplus / (Deficit)		Actual 2015-16	Actual 2016-2017 to 2015-2016 Increase / (Decrease)	
						$	%		$	%
340301	EPB - voted	944.5		944.5	940.7	3.8	0.4%	868.9	71.8	8.3%
340316	EPB - statutory	373.5		373.5	107.7	265.8	71.2%	164.5	-56.9	-34.6%
Grand Total		**1,318.0**	**-**	**1,318.0**	**1,048.4**	**269.6**	**20.5%**	**1,033.5**	**14.9**	**1.4%**

The actual expense was lower than budget by **($269.6M)** in 2016-17 was largely driven by:

- ($141M) lower WSIB expense mainly due to a significant reduction in 2016 forecast claims administration rate from 34.3% for 2015 claims to 2016 claims
- ($73M) savings in OPSEU pension expense due to lower than forecasted salary escalation rate
- ($67M) decrease primarily in Other Retirement Benefit expense due to an amendment of OPPA funding agreement in Feb 2016 where employees hired on or after January 1 2018 will need to meet new criteria and pay 50% retiree benefits premium costs to participate in the benefit plan.
- ($52M) lower legislative severance expense due to one-time gain with respect to plan change for PEGO employees to cap termination pay accrued up to December 31st, 2016

  Partially offset by

- $42M Public Service Supplementary Plan (PSSP) mainly due to higher than expected salary increases in 2016-17 for SMG, MCP classified employees over the 2016 Budget forecast.
- $24M increase in Provincial Judges Pension expense due to accounting model change in 2016-17

The year-over year increase of **$14.9M** was largely the result of:

- $136M increase in legislative severance expense from prior year due to one-time reduction in 2015-16 due to OPSEU plan change specific to termination payments on retirement in the future will be paid based on salary in effect on December 31, 2016.
- $114M increase in LTIP expense from prior year due to one-time reduction in 2015-16 due to OPSEU plan change.
- $34M increase in Public Service Supplementary Plan (PSSP) expense due to member salary increases in 2016-17.
- $17M in Case Management Master Supplementary Pension expense relates the one-time setup of a supplemental pension plan to provide additional benefits to Case Management Masters in addition to those provided by the PSPP

Partially offset by

- ($147M) WSIB expense has decreased significantly due to a reduction in 2016 forecast claims administration rate from 34.3% 2015 claims administration rate to 2016 claims administration rate of 6.1%. Demographic assumptions have also been updated in 2016.
- ($110M) decrease in Retiree Benefits expenses due to one-time increase in prior year expense. The 2015-16 expense were higher than 2016-17 due to the change introduced in cost sharing arrangement with lawyers was reverted back resulting in a $27.9M past service cost included in 2015-16, as well, an update in diabetic supplies and service benefit resulting an increase in a past service cost in 2015-16.
- ($30M) decrease in OPSEU pension expense due to investment gain, higher interest revenue earned and lower salary escalation expectation.

Further detailed explanations of the expense variances are included in the following two tables. In addition, Appendix 2 shows the Balance Sheet for TBS and includes a breakdown of the significant liabilities related to EPB.

Table 1: Employee and Pensioner Benefits (Employer Share) -Comparison: 2016-17 Actual Results to Appropriation

In $ millions		Comparison: 2016-17 Actual Results to Appropriation				
Description	**Voted / Stat**	**Appropriation**	**Actual**	**Actual to Appropriation Surplus / (Deficit)**		**2016-17 Variance Explanation**
Public Service Pension Plan	Stat	149.2	136.5	12.7	8.5%	PSPP expense ($502M) was lower than what was forecasted in 2016 Budget ($524M). The decrease of ($21.8M) was mainly due to a decrease in active members in the plan than originally forecasted . This was partially offset by lower employee contributions than forecasted due to a decrease in anticipated numbers of active members.
Public Service Pension Plan	Voted	374.9	365.7	9.2	2.4%	
Subtotal		524.0	502.2	21.8	4.2%	
Public Service Supplementary Plar	Stat	13.0	53.8	-40.8	-314.2%	PSSP expense ($65 million) was $42 million higher than the 2016 Budget (by $42.4 million) mainly due to higher than expected salary increases in 2016-17 for SMG, MCP classified employees over the 2016 Budget forecast.
Public Service Supplementary Plar	Voted	10.0	11.5	-1.5	-15.1%	
Subtotal		23.0	65.4	-42.4	-184.1%	
OPSEU Pension Plan	Stat	0.0	-69.5	69.5	6946194.9%	OPSEU pension expense ($146M) was lower than 2016-17 appropriation ($220M). The decrease was due to a lower than forecasted salary escalation rate, and a revision to the model to account for 47.4% of total pension expense vs. 50% used for Budget forecast
OPSEU Pension Plan	Voted	220.0	216.0	4.0	1.8%	
Subtotal		220.0	146.5	73.5	33.4%	
Provincial Judges Benefits Fund	Stat	1.0	25.0	-24.0	-2398.0%	Provincial Judges Pension expense was higher than the budget due to accounting model change in 2016-17
Provincial Judges Benefits Fund	Voted	40.0	40.9	-0.9	-2.2%	
Subtotal		41.0	65.9	-24.9	-60.7%	
CMM Supplementary Pension Plan	Stat	0.0	17.0	-17.0	100.0%	Case Management Master Supplementary Pension expense was higher by $17M. This reflects the one-time setup of a supplemental pension plan to provide additional benefits to Case Management Masters in addition to those provided by the PSPP
Retired Pensioners' Benefits	Stat	156.3	93.8	62.5	40.0%	2016-17 actual Retiree's Pensioners' Benefits expense is lower than 2016-17 budget due to assumption change as result of February 26, 2016 OPPA funding agreement was not reflected in budget forecast numbers budget figures were locked prior to February 26, 2016. Plan change related to OPPA employees who are hired on or after January 1, 2018 will be required to meet new criteria in order to qualify for post-retirement benefits and to pay fifty (50) percent of the retiree benefits premium costs to participate in the benefit plan. The savings from is partially offset by lower discount rate at time 2017 Budget (3.35%) valuation compared to 2016 Budget valuation (3.20%).
Retired Pensioners' Benefits	Voted	193.7	189.4	4.3	2.2%	
Subtotal		350.0	283.2	66.8	19.1%	
Legislated Severance	Stat	0.0	-65.7	65.7	6571602.0%	Legislative severance expense has decreased over appropriation by $52M. The decrease was mainly due to one-time gain with respect to plan change for PEGO employees to cap termination pay accrued up to December 31st, 2016.
Legislated Severance		105.0	118.7	-13.7	-13.1%	
Subtotal		105.0	53.0	52.0	49.5%	
Vacation Pay & Compensated Abs	Stat	0.0	-11.6	11.6	1159773.3%	Vacation expense for 16-17 was $1.4M, while compensated absenses were negative ($13M). A change has been made to the Compensated Absence benefit for PEGO members. Effective January 1, 2017, employees are no longer entitled to accumulate compensation option credits. Any compensation option credits accumulated shall be used in their entirety by no later than September 30, 2020. This change is estimated to reduce Compensated Absence obligation from last year's forecast by $1M.
Group Life Insurance	Stat	0.0	0.8	-0.8	-	The increase in expenses over appropriation is due to the renewal rate adjustments. The total employer surplus decreased from prior year's $38.7M to this year's $37.9M. The April renewal rate adjustments were determined on a break-even basis but since it was implemented in Oct 2016, the impact on the employer surplus was not fully realized. In additon, the rate change of one pensioner group was implemented in Dec 2016.
Group Life Insurance	Voted	10.4	7.7	2.7	26.2%	
Subtotal		10.4	8.5	1.9	18.6%	
Long-term Income Protection	Stat	16.0	6.8	9.2	57.5%	LTIP decrease was largely attributed to the LTIP plan amended in 2016. PEGO and OPP employees who are receiving or deemed eligible to receive LTIP benefits before, on or after January 1, 2017, must provide to the Employer a written confirmation from the Ontario Pension Board of the earliest date of the eligibility for an actuarially unreduced pension and the current amount of credit into the Public Service Pension Plan. Employee, who have at least 30 years of credit in Public Service Pension Plan or are eligible to an actuarially unreduced pension, whichever is later, and not retiring, will be required to pay the employee's portion of the pension contributions if they are receiving or if they are qualified to receive LTIP benefits under the plan. This change contributed to fiscal savings compared to previous forecast.
Long-term Income Protection	Voted	93.3	99.1	-5.8	-6.2%	
Subtotal		109.3	105.9	3.4	3.1%	
WSIB	Stat	30.0	-111.8	141.8	472.7%	WSIB liability has decrease significantly due to a significant reduction in 2016 forecast claims administration rate from 34.3% 2015 claims administration rate to 2016 claims administration rate of 6.1%. Demographic assumptions have also been updated.
Other		(94.7)	-75.7	-19.0	20.1%	
Total		**1,318.0**	**1,048.4**	**269.6**	**20.5%**	

Table 2: Employee and Pensioner Benefits (Employer Share) -Comparison: 2016-17 Actual Results to 2015-16 Actual Results (in $ Millions)

In $ millions	Comparison: 2016-17 Actual Results to 2015-16 Actual Results					
Description	**Voted / Stat**	**2016-17 Actual**	**2015-16 Actual**	**2016-17 to 2015-16 Actual Variance**		**Variance Explanation**
Public Service Pension Plan	Stat	136.5	180.1	-43.6	-24.2%	PSPP expense in 2016-17 ($502 million) is $33 million lower than 2015-16 ($535 million) due to a decrease in amortization of experience loss reflecting higher investment return in 2015-16 that start to amortize in 2016-17 and lower interest cost as a result of an improved asset value over increases in obligations.
Public Service Pension Plan	Voted	365.7	355.6	10.1	2.8%	
Subtotal		502.2	535.7	-33.5	-6.3%	
Public Service Suppl Pension	Stat	53.8	21.2	32.6	153.8%	PSSP expense in 2016-17 ($65 million) is $34 million higher than 2015-16 ($31 million) mainly due to member salary increases in 2016-17.
Public Service Suppl Pension	Voted	11.5	9.8	1.7	17.7%	
Subtotal		65.4	31.0	34.4	110.8%	
OPSEU Pension Plan	Stat	-69.5	-38.8	-30.6	78.9%	The OPSEU pension expense for the 2016-17 ($146.5 million) decreased by $30 million compared to the 2015-16 actual ($177 million) primarily due to: • The impact of investment gains earned by plan assets in 2015-16 as investment gains are brought into pension expense starting the following year; • Higher interest revenue earned on pension assets than interest expense accrued on pension obligations; and • A reduction in long-term salary escalation expectations
OPSEU Pension Plan	Voted	216.0	215.8	0.2	0.1%	
Subtotal		146.5	177.0	-30.4	-17.2%	
Provincial Judges Benefits Fu	Stat	25.0	-1.2	26.2	-2188.3%	Provincial Judges Pension expense was higher than the budget due to accounting model change in 2016-17
Provincial Judges Benefits Fu	Voted	40.9	38.0	2.8	7.5%	
Subtotal		65.9	36.8	29.0	78.8%	
CMM Supplementary Pension Plan	Stat	17.0	0.0	17.0	100.0%	Case Management Master Supplementary Pension expense was higher by $17M. This reflects the one-time setup of a supplemental pension plan to provide additional benefits to Case Management Masters in addition to those provided by the PSPP
Retired Pensioners' Benefits	Stat	93.8	213.5	-119.7	-56.1%	The 2016-17 Retiree Benefits expense decreased by $110M from prior year due to several factors. The Lawyers group successfully challenged the plan change that introduced the 50% cost sharing with new eligibility requirements. The plan has reverted back cost sharing with original eligibility requirements resulting in a $27.9M past service cost included in 2015-16. The 2nd amendment relates to an update in diabetic supplies and service benefit resulting an increase in a past service cost in 2015-16. The remaining decrease is due to amortization gains from OPPA funding agreement assumption change February 26, 2016
Retired Pensioners' Benefits	Voted	189.4	179.8	9.6	5.3%	
Subtotal		283.2	393.2	-110.0	-28.0%	
Vacation Pay & Compensated	Stat	-11.6	24.3	-35.9	-147.8%	Vacation expense for 16-17 was $1.4M, while compensated absenses were ($4M). Vacation expenses decreased by $20M due to prior year's plan changes of transition COC entitlements to vacation entitlements. A change has been made to the Compensated Absence benefit for PEGO members. Effective January 1, 2017, employees are no longer entitled to accumulate compensation option credits. Any compensation option credits accumulated shall be used in their entirety by no later than September 30, 2020. This change is estimated to reduce Compensated Absence obligation from last year's forecast by $1M.
Workers Compensation	Stat	-111.8	35.8	-147.6	-412.3%	WSIB liability has decrease significantly due to a significant reduction in 2016 forecast claims administration rate from 34.3% 2015 claims administration rate to 2016 claims administration rate of 6.1%. Demographic assumptions have also been updated.
Group Life Insurance	Stat	0.8	12.3	-11.5	-93.5%	The expenses in 2016-17 is lower than 2015-16 due to the renewal rate adjustments. The total employer surplus decreased from prior year's $38.7M to this year's $37.9M. The April renewal rate adjustments were determined on a break-even basis but since it was implemented in Oct 2016, the impact on the employer surplus was not fully realized. In additon, the rate change of one pensioner group was implemented in Dec 2016.
Group Life Insurance	Voted	7.7	7.6	0.1	1.3%	
Subtotal		8.5	19.8	-11.4	-57.3%	
Long-term Income Protection	Stat	6.8	-96.6	103.4	-107.0%	LTIP Expense has increased from prior year by ($114M) due to plan amendments introduced for the OPSEU Group in 2015-16 resulted in signifant reduction in the LTIP obligation. No adjustment is made in 2016-17. Under the amendment disabled members who have 30 years of credit in the OPSEU Plan, or become eligible for unreduced pension (whichever is later) are responsible for paying the employee's portion of the pension contributions while they continue receiving LTIP benefits.
Long-term Income Protection	Voted	99.1	87.8	11.3	12.8%	
Subtotal		105.9	-8.8	114.7	-1309.2%	
Ontario Provincial Police Association Benefits	Voted	36.5	37.1	-0.7	-1.8%	OPPA expenditures have remained consistent with prior year
Legislated Severance	Stat	-65.7	-159.5	93.8	-58.8%	The increase in legislative serverance expense from prior year due to one time gain in 2015-16. OPSEU ratified their agreement in fall of 2015. Under the new OPSEU agreement, termination pay will be capped for service accrued up to December 31, 2016. Any termination payments on retirement in the future will be paid based on salary in effect on December 31, 2016.
Legislated Severance	Voted	118.7	76.0	42.8	56.3%	
Subtotal		53.0	-83.5	136.6	-163.5%	
Other		-112.2	-164.9	52.7	-32.0%	
Total		**1,048.4**	**1033.5**	**14.9**	**1.4%**	

Treasury Board Support Program – Vote 3404

3404-Treasury Board Support and Financial Planning		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation $	Actual to Appropriation %	Actual 2015-16	Actual 2016-17 to 2015-16 $	Actual 2016-17 to 2015-16 %
	Operating Expense									
340401	Planning and Expenditure Management	19.0	-2.2	16.9	16.1	0.8	4.5%	15.6	0.52	3.3%
340401	Capital Planning	8.1	-1.6	6.5	6.1	0.4	6.3%	5.7	0.40	7.0%
340401	Office of the Provincial Controller	28.2	-0.4	27.8	25.9	1.9	7.0%	21.6	4.29	19.9%
340402	TB Support Operating Contingency Fund	1,100.0	-219.4	880.6	-	880.6	100.0%	-	-	-
	Subtotal	1,155.3	-223.6	931.8	48.1	883.7	94.8%	42.9	5.20	12.1%
	Operating Assets									
340417	Harmonized Sales Tax, *the Financial Administration Act*	-	-	-	726.1	-726.1	100.0%	702.5	23.61	3.4%
	Capital Expense									
340404	TB Support Capital Contingency Fund	100.0	268.3	368.3	-	368.3	100.0%	-	-	-
Grand Total		**1,255.3**	**44.7**	**1,300.0**	**774.1**	**525.9**	**40.5%**	**745.3**	**28.8**	**3.9%**

Operating Expense Analysis:

Treasury Board Support Program had an in-year appropriation decrease of ($223.6M) from Printed Estimates primarily due to ($219.4M) decrease in the Operating Contingency fund released to other ministries. The Operating Contingency Fund is held by TBS on behalf of the OPS to ensure sufficient appropriation and fiscal flexibility is available to manage in-year risks for ministries. The remaining $4.2M decrease in appropriation from delay in hiring in Central Resources Unit and Behaviour Insight unit from Planning and Expenditure Management Division (PEMD), transfer of infrastructure group to Ministry of Infrastructure and savings from vacancy management.

The year-end operating expense saving of ($883.7M) is due to the release of unused contingency funding of ($880.6M) to the consolidated revenue fund. In addition, the Office of the Provincial Controller Division spent ($1.9M) below their appropriation as OPCD delay in hiring for staff turnover and savings from projects included public accounts audits, expert panel and office renovations.

The year-over-year operating expense increase of $5.2M was primarily due to

- $4.3M increase in the OPCD related to projects to drive continuous improvement in financial management, reporting, transparency and accountability in the Ontario Public Sector and Broader Public Sector including providing funding for audit support to ministries.
- $0.5M year-over-year increase in PEMD due to the IT Governance Branch was created in 2016-17 to build capacity to assess how programs are performing, using evidence to inform choices.

Operating Asset Analysis:

In TBS, Treasury Board Support Program centralized the coordination of recording and reporting HST incurred on purchase across the OPS. The operating asset account is used to capture HST paid and rebate from the CRA.

The 2016-17 operating asset of $726.1M related to HST incurred and reimbursement filed with the CRA, but the rebate has not yet received from the CRA. This is the timing difference between rebate filed and money received from the CRA. The HST is fiscally neutral to the province.

The year-over-year increase of $23.61M reflects changes in the year-end pending rebate receipt from prior year.

Capital Expense Analysis:

The Capital Contingency Fund of $100M is held centrally to help mitigate the risk of unanticipated expenses across OPS. During the fiscal year 2016-17, the contingency fund had an in-year appropriation increase of $268.3M from savings contributed from other ministries. At year end, the total unused capital contingency fund of $368.3 was not required and return to central revenue fund (CRF).

Governance, Agency Oversight and Centre for Leadership and Learning Program – Vote 3405

3405-Governance Agency Oversight and Centre for Leadership and Learning		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation Surplus / (Deficit)		Actual 2015-16	Actual 2016-17 to 2015-16 Increase / (Decrease)	
						$	%		$	%
	Operating Expense									
340501	Corporate Policy and Agency Governance	7.3	1.2	8.5	8.14	0.4	4.4%	6.4	1.8	27.6%
340501	Open Government	2.1	-0.2	1.9	1.66	0.2	10.5%	2.4	-0.7	-30.3%
340501	Centre for Leadership and Learning	21.4	0.3	21.6	21.80	-0.2	-0.7%	21.1	0.7	3.2%
340502	Ontario Digital Government Service	2.0	-2.0	0.0	0.0	0.0	-	0.0	0.0	-
	Captial Assets									
340503	Governance, Agency Oversight, and Centre for Leadership & Learning	4.3	0.0	4.3	2.8	1.5	33.9%	0.0	2.8	-
Grand Total		**37.1**	**-0.8**	**36.3**	**34.5**	**1.9**	**5.2%**	**29.9**	**4.6**	**15.3%**

The Governance, Agency Oversight and Centre for Leadership and Learning Program provides leadership to ministries and provincial agencies through the delivery of strategic enterprise-wide policies, directives and advice that support an effective public service and enhance the oversight and accountability of provincial agencies. The program includes Corporate Policy and Agency Governance, Open Government and Centre for Leadership and Learning divisions.

Below are the explanations for operating expense variances for each division:

Corporate Policy and Agency Governance Division (CPAG)

- CPAG had an in-year appropriation increase of $1.2M related to pressure from Public Appointment Secretariat (PAS) for Premier's staff and other expenses, PAS IT System and new forms
- At year-end, CPAG had underspending of ($0.4M) related delay in project scope for SO contact centre & One-key initiative
- Comparing to last year 2015-16, CPAG had increased in expense by $1.8M primarily due to transfer payment administrative modernization project

Open Government (OG)

- OG had an in-year appropriation decrease of ($0.2M) primarily due to savings from delay in hiring
- At year-end, OG had surplus of ($0.2M) related to delay in internal data portal project
- Comparing to last year, OG’s expense was lower by ($0.7M) due to the Agency Mandate Review project in prior year 2015-16.

Centre for Leadership and Learning Division (CFLL)

- CFLL had an in-year appropriation increase of $1.3M related to pressures from Service Management for Learning Management System (LMS) & resources for Request For Bid, Enterprise Employee Engagement Survey, and S&W pressure for MCP compensation changes
- CFLL ended the fiscal year with $0.2M pressure primarily due to delay in recoveries from ministries
- Compared to last fiscal year 2015-16, CFLL had increase in expense of $0.7M primarily related to LMS and Employee Engagement Survey

Digital Government Service's budget of $2.0M was transferred to Cabinet Office in fiscal year 2016-17.

In addition, the capital assets appropriation of $4.3M represents the budget for constructing the enterprise-wide transfer payment application (i.e. Grants Ontario) under the Transfer Payment Modernization Project in CPAGOG division. The actual capital spending was $2.8M. The underspending of $1.5M was due to delay in project timeline. TPAM capital asset is transferred to Ministry of Government and Consumer Services (MGCS) in April 2017.

Audit Program – Vote 3406

3406 Ontario Internal Audit Division		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation Surplus / (Deficit)		Actual 2015-16	Actual 2016-17 to 2015-16 Increase / (Decrease)	
						$	%		$	%
340601	Ontario Internal Audit Division	5.2	0.1	5.3	5.0	0.3	5.5%	4.9	0.1	2.4%
Grand Total		**5.2**	**0.1**	**5.3**	**5.0**	**0.3**	**5.5%**	**4.9**	**0.1**	**2.4%**

Ontario Internal Audit Division (OIAD) is an enterprise service and composed of 13 audit teams in addition to the Office of the Chief Internal Auditor and the Audit Centre for Excellence.

The in-year appropriation was increased slightly by $0.1M due to pressures from an increase in benefits costs & audit software charges, partially offset by vacancy management to achieve saving targets. The actual operating expense of $5.0M ran $0.3M below the appropriation of $5.3M. The in-year savings was primarily due to actual recoveries of audit services higher than anticipated.

The operating expense was slightly higher by $0.1M compared to 2015-16.

Poverty Reduction Strategy Program – Vote 3407

3407 Poverty Reduction Program		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation Surplus / (Deficit)		Actual 2015-16	Actual 2016-17 to 2015-16 Increase / (Decrease)	
						$	%		$	%
340701	Poverty Reduction Strategy Office	10.5	-0.2	10.3	10.2	0.1	0.6%	4.5	5.7	100.0%
Grand Total		**10.5**	**-0.2**	**10.3**	**10.2**	**0.1**	**0.6%**	**4.5**	**5.7**	**100.0%**

Poverty Reduction Strategy Office was created in 2015-16 to support Ontario's multi-year priority outcome of reducing poverty, inequality and exclusion.

In 2016-17, Poverty Reduction office had an in-year appropriation decrease of $0.2M due to decrease in program outreach & travel expenses to achieve in-year saving targets. The actual operating expense of $10.2M in 2016-17 was slightly below budget by $0.1M primarily due to decrease in other discretionary spends.

The year-over-year variance of $5.7M reflected the second year of transfer payment of $8M made under the program in 2016-17 compared to $3M transfer payment made in 2015-16.

Enterprise Information Technology Services Program – Vote 3408

The Enterprise Information Technology Services Program provides leadership in establishing modern information and information technology (I&IT) in order to meet the needs of Ontarians and the OPS.

3408-Enterprise Information and IT Services		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation Surplus / (Deficit)		Actual 2015-16	Actual 2016-17 to 2015-16 Increase / (Decrease)	
						$	%		$	%
	Operating Expense									
340801	Infrastructure Technology Services	5.2	4.6	9.8	9.7	0.1	0.9%	(2.2)	11.9	-536.1%
340801	Innovation & Strategy	9.6	-0.6	9.0	8.7	0.4	3.9%	8.7	-0.1	-0.9%
340801	Cyber Security	10.2	0.9	11.1	11.1	-0.1	-0.6%	10.8	0.4	3.3%
	Subtotal	**25.0**	**4.8**	**29.8**	**29.5**	**0.4**	**1.3%**	**17.3**	**12.2**	**70.3%**
	Operating Asset									
340802	Enterprise Information & IT Services	15.9	0.0	15.9	11.0	4.9	30.7%	11.1	-0.1	-0.5%
	Capital Expense									
340803	Infrastructure Technology Services	9.7	0.0	9.7	9.6	0.0	0.3%	9.9	-0.2	-2.1%
340818	Statutory Amortization (mTCA)	0.3	0.0	0.3	0.3	0.0	0.0%	0.9	-0.6	-67.5%
	Subtotal	**10.0**	**0.0**	**10.0**	**9.9**	**0.0**	**0.3%**	**10.8**	**-0.8**	**-7.7%**
	Capital Asset (mTCA)									
340804	Capital Asset (mTCA)	51.5	0.0	51.5	48.8	2.7	5.3%	48.2	0.6	1.2%
Grand Total		**102.4**	**4.8**	**107.2**	**99.2**	**8.0**	**7.5%**	**87.3**	**11.9**	**13.6%**

Operating Expense Analysis:

The Enterprise I&IT program had an increase of $4.6M in-year appropriation in Operating Expenses primarily related to funding transferred to ITS from the consolidation of resources from other ministries to create enterprise Service Management (eSM) in 2016-17.

At year-end 2016-17, the program had $0.4M underspending primarily due to delays in recruitment and staff turnover in Innovation & Strategy.

Comparing to last year, Enterprise I&IT's expense was higher by $12.2M and was primarily due to:

- $6.4M additional resources (109 FTEs) transferred from seven ministries to Infrastructure Technology Services (ITS) in 2016-17 to establish a consolidated enterprise Service Management (eSM) division.
- $3.0M one-time savings in 2015-16 from contract consolidation/negotiation (IBM Topaz software) and mainframe software
- $3.0M one-time savings in 2015-16 from delayed procuring Microsoft Office 365

Operating Asset Analysis:

The operating assets are amounts paid in advance for goods or services that will be delivered in the future. The amount spent reflected the prepayment of hardware and software licences and maintenance and support services.

The actual operating asset of $11M was lower than the budget by $4.9M. The underspending was the result of program currently reviewing contracts and timing of invoices to minimize the prepayment practice and move to the annual payment model.

Capital Expense Analysis:

The capital expense of $9.9M in 2016-17 was on budget. The $9.6M capital expense related to the building and maintenance of the Guelph Data Centre. The $0.3M was for amortization expense related to IT hardware and infrastructure software such as personal computers and IT servers.

Capital Asset Analysis:

The actual capital asset amount of $48.8M came close to the appropriation of $51.5M with $2.7M in savings for 2016-17. The capital assets represented the amount paid to procure desktop hardware (e.g. computers, printers, monitors) and data centre hardware (e.g. servers, mainframe systems) for all ministries in the OPS. The capital asset spent in 2016-17 was $0.6M slightly higher than in 2015-16.

Central Agencies Cluster Program – Vote 3409

3409 Central Agencies Cluster		Printed Estimates	Board Approvals	Appropria tion	Actual 2016-17	Actual to Appropriation		Actual 2015-16	Actual 2016-17 to 2015-16 Increase /	
						$	%		$	%
340901	Operating Expense	57.2	-2.9	54.3	54.3	0.0	0.1%	53.2	1.1	2.1%
340903	Capital Expense (mTCA)	-	-	-	-	-	-	-	-	-
340904	Capital Asset (mTCA)	-	-	-	-	-	-	-	-	-
340918	Statutory Amortization (mTCA)	-	-	-	-	-	-	-	-	-
Grand Total		**57.2**	**-2.9**	**54.3**	**54.3**	**0.0**	**0.1%**	**53.2**	**1.1**	**2.1%**

Central Agencies Cluster (CAC) had in-year board approvals decrease of $2.9M. The appropriation decrease was the result of budget of $1.2M transferred to Enterprise Service Management (eSM) in ITS and $1.7M savings from vacancy management to achieve in-year target.

The actual 2016-17 operating expense of $54.3M came in on budget.

Compared to prior year 2015-16, the 2016-17 operating expense increased by $1.1M and was primarily due to one-time underspending in last year's maintenance and support for client applications.

Agencies, Boards, Commissions and Tribunal Programs – Vote 3410

3410- Agencies, Boards, Commissions and Tribunals (TBS)		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation Surplus / (Deficit)		Actual 2015-16	Actual 2016-17 to 2015-16 Increase / (Decrease)	
						$	%		$	%
341001	Conflict of Interest Commissioner	0.9	0.0	0.9	0.8	0.0	5.3%	0.8	0.0	1.3%
Grand Total		**0.9**	**0.0**	**0.9**	**0.8**	**0.0**	**5.3%**	**0.8**	**0.0**	**1.3%**

Actual results for the Conflict of Interest Commissioner (COIC) all came in close to the appropriated amount for 2016-17 and were consistent with 2015-16 levels.

Bulk Media Buy – Vote 3411

3411 -Bulk Media Buy		Printed Estimates	Board Approvals	Appropriation	Actual 2016-17	Actual to Appropriation Surplus / (Deficit)		Actual 2015-16	Actual 2016-17 to 2015-16 Increase / (Decrease)	
						$	%		$	%
341101	Bulk Media Buy	25.0	-20.5	4.5	0.0	4.5	100.0%	0.0	0.0	100.0%
Grand Total		**25.0**	**-20.5**	**4.5**	**0.0**	**4.5**	**100.0%**	**0.0**	**0.0**	**100.0%**

Bulk Media Buy was established as a stand-alone vote through the 2012-13 results-based planning process. Through the Bulk Media Buy program, TBS carries an appropriation of $25M centrally. However, as sponsoring ministries run their respective campaigns, the appropriation for those campaigns is transferred to the sponsoring ministries to cover their actual expenses. The reduction of $20.5M represents a net change of the following:

- An increase of $22.1M from transfer in from ministries' media funding
- An increase of $ 3.4M from Ontario 150 funding transfer, and
- Subsequently distribute a total of ($46M) TBS' central Bulk Media Buy budgets to ministries sponsoring campaigns

At year-end, the unused BMB funding was $4.5M.

The distribution of the appropriation to the various consuming ministries is shown as follows:

Ministry	Campaign	Transfer Request ($M)	Status	Board Date
Health and Long-Term Care	Public Health Campaigns	18.440	✓	21-Mar
Environment and Climate Change	Climate Change Public Education Phase 2 & 3	5.990	✓	21-Mar
Advanced Education, Skills and Development	OSAP Advertising	3.600	✓	21-Mar
Tourism, Culture and Sport	Ontario150	3.315	✓	02-Mar
Education	Education System Campaign	3.150	✓	21-Mar
Economic Development and Growth	BUILD ON Infrastructure Campaign	2.450	✓	21-Mar
Transportation	2016 Distracted Driving Campaign	2.000	✓	21-Mar
Energy	2017 Affordable Energy Campaign	1.100	✓	04-Apr
Economic Development and Growth	2016 Accessible Employment Campaign	0.800	✓	21-Mar
Children and Youth Services	2016 Duty to Report Campaign	0.048	✓	21-Mar
Citizenship and Immigration	Order of Ontario	0.175	✓	21-Mar
Citizenship and Immigration	Remembrance Day	0.672	✓	21-Mar
Education	Health & Physical Education (HPE)	0.108	✓	21-Mar
Education	French Language Teachers Campaign	0.015	✓	21-Mar
Finance	Canada Pension Plan (CPP) Enhancement	0.775	✓	21-Mar
Finance	Child Care Announcement	0.005	✓	21-Mar
Finance	Ontario Retirement Pension Plan	0.754	✓	21-Mar
Finance	Tax Season Campaign	0.200	✓	21-Mar
Finance	2017 Budget Talks	0.096	✓	21-Mar
Finance	Market Research on Ontario's Economy	0.045	✓	21-Mar
Government and Consumer Services	Consumer Protection Campaigns	0.278	✓	21-Mar
Government and Consumer Services	ServiceOntario Campaigns	0.179	✓	21-Mar
Indigenous Relations and Reconciliation	Missing and Murdered Indigenous Women & Girls	0.571	✓	21-Mar
Infrastructure	2016-17 Infrastructure Advertising Campaign	0.163	✓	04-Apr
International Trade	Small Medium Enterprises (SME's) Campaign	0.654	✓	21-Mar
Labour	2016 Minimum Wage campaign	0.200	✓	21-Mar
Labour	Tips and Gratuities	0.100	✓	21-Mar
Ontario Women's Directorate	Sexual Violence Public Educaton Awareness	0.100	✓	21-Mar
	Estimated Spend	**45.981**		
	BMB Allocation	**50.470**		
	Residual	4.489		

Revenues

Non-tax revenue (NTR) in 2016-17 was $8.9M in total, a decrease of $9.5M, compared to prior year 2015-16 at $18.4M.

Revenue (in $ dollar)	**2016-17 Actuals**	**2015-16 Actuals**	**Increase / - Decrease to Prior Year**
Fees, Licences and Permits			
Fees for dishonoured cheques	70	35	35
Freedom of Information and Protection of Privacy Act	1,210	504	706
Sales and Rentals			
Information Technology Infrastructure Support (ITS)	3,106,350	2,867,400	238,950
Recovery of Prior Years' Expenditures			
Employee and Pensioner Benefits Program (EPB)	5,305,546	15,552,000	-10,246,454
Services and Rentals	467,548	-	467,548
Miscellaneous prior year refund	34,945	17,100	17,845
Miscellaneous			
Miscellaneous	7,441	132	7,309
Total	**8,923,111**	**18,437,171**	**- 9,514,060**

TBS' non-tax revenue of $8.9M in 2016-17 primarily relates to:

- $5.3M **one-time payment** received in 2017 related to the wind-up from London Life Legacy benefit plan:
    - The OPS has contracts with Great West Life Assurance Company (GWL) and Manulife Financial for the administration of benefits for OPS employees and retirees.
    - One of these contracts was originally with London Life Insurance Company (London Life) and was assumed by GWL when it acquired London Life in 1997. This legacy contract has reached the end of its life and was wound up in 2016. There were currently two employees that remain covered by this contract.
    - In 2016-17, board approval was received to wind up the legacy contract originally held by London Life.
    - The payment of $5.3M received was recorded as Prior Year Recovery NTR in 2016-17, to proper reflect the agreement with the province's entitlement to the money.
    - Subsequently, the refund was transferred into the GWL general surplus account. There would be no fiscal impact because of the revenue offset for the increase.

- $3.1M revenue related to Information Technology Infrastructure Support (ITS) Division providing Broader Public Sector (BPS) Guelph Data Centre co-location hosting services in 2016-17.

The other revenue source of $0.7M is primarily from Ontario Internal Audit for audit services to government agencies/ BPS and miscellaneous prior year refund.

Appendix 1: FTE Count by Program

	FTE Count	FTE Actuals		Year-Over Year Actual	
Program	**2016-17**	**2016-17**	**Prior Year 2015-16**	**Variance**	**Explanation**
Ministry Administration	180	150	162	-12	Decrease due to vacancy management and staff retirement within Corporate Services Division.
Central Agencies Cluster	577	559	580	-21	Primarily transfer of eSM staff to ITS.
Governance, Agency, Oversight, and CFLL	156	188	160	28	Resources new priorities re TPAM, the Open Government, and agency oversight.
Ontario Internal Audit	226	225	221	4	Increased workload.
Bargaining & Compensation	177	163	154	9	Additional staff for the newly created Associate Office and for work on the BPS Executive Compensation file.
Treasury Board Support	238	246	238	8	Hired resources for the Centre of Excellence for Evidence-based Decision Making.
Enterprise IT	1,442	1,180	1,171	9	In-year increase of 109 FTEs for eSM offset by: final transfer-out for GMCB to MCSC, in-year transfer-out of IAM unit to CAC, regular in-year staff turn-over, and a planned effort to manage to 3% of allocation.
Poverty Reduction Strategy	10	14	13	1	Additional staff to strengthen key functional and policy areas.
Conflict of Interest Commission	3	5	4	1	Additional administrative staff requirement.
Total TBS	**3,008**	**2,729**	**2,703**	**26**	

Appendix 2: Statement of Financial Position

Although the ministry specific financial statements in Volume 1 do not show a balance sheet, a statement is included below for reference purposes.

Statement of Financial Position For the Year Ended March 31, 2017		
	in $ Millions	
	2016-17	**2015-16**
Liabilities		
Salaries, Wages and Benefits	69.9	2.6
Vacation Credits	274.4	273.0
Group Life Insurance Liability	-37.9	-38.7
Restructuring	0.0	0.0
Other Accounts Payable and Accrued Liabilities	330.7	370.9
Transfer Payments	0.0	0.0
Obligation under Capital Lease	0.0	0.0
Pensions and Other Employee Future Benefits (Note 2)	7,655.4	8,446.2
Deferred Revenues	0.0	0.0
Other Funds and Liabilities	1,482.5	1,360.5
Total Liabilities	**9,774.8**	**10,414.5**
Assets		
Cash and Cash Equivalents	0.8	0.8
Accounts Receivable	53.1	61.4
Prepaid Expenses	13.4	13.1
mTCA Assets (Note 1)	108.3	99.9
Total Assets	**175.5**	**175.2**
Sub-total	**9,599.3**	**10,239.3**
Inter-ministry Control Accounts (Due To/Due From)	**7,924.3**	**8,991.0**
Accumulated Net Deficit	**1,675.0**	**1,248.3**
Statement of Changes in Accumulated Deficit		
Accumulated Deficit - Opening	1,248.3	1,248.3
Operating Deficit for the Year 2015-16	426.7	-1,248.3
Total Accumulated Deficit	**1,675.0**	**23,888.0**

Note 1 - Breakdown of mTCA Assets		
	2016-17	**2015-16**
IT Hardware	299.3	267.1
Accumulated Depreciation	-191.1	-167.2
	108.3	**99.9**

Note 2- Breakdown of Pensions and Other Employee Future Benefits

	2016-17	**2015-16**
Severance Liability	841.66	907.37
MCO Credits	1.00	18.00
COC Credits	33.00	34.00
SMG Time Banked	37.00	34.00
Vacation Bonus - 25th Anniversary	28.00	26.00
Continuation of Benefits to Disabled	208.10	176.90
WSIB Liability	441.63	553.44
LTIP Liability	166.70	159.90
PSPP Obligation	879.27	1,431.77
Public Service Supplementary Benefits	81.30	38.36
OPSEU Pension Plan Obligation	-883.47	-518.47
Agency Adjustment	0.00	-156.22
Other Retirement Benefits	5,821.21	5,741.15
Total	**7,655.4**	**8,446.2**