



**Office of the Provincial Controller
Division**

2016-17 Public Accounts Preliminary Results

July 06, 2017

Confidential – For Internal Discussion Purposes

Expenses



2016-17 Preliminary Actual Results

\$ Millions	Budget	Interim	2016-17 Actual (Prelim)	2015-16 Actual	Change from Budget	%	Change from Interim	%
Expense								
Program Expense	129,377	130,952	130,107	128,074	730	0.6%	(845)	-0.6%
Interest on Debt	12,335	11,908	11,709	11,589	(626)	-5.1%	(199)	-1.7%
Total Expenses	141,712	142,860	141,816	139,663	104	0.1%	(1,044)	-0.7%

Possible Range of Impact of Outstanding Items

Areas under review:

Impact (+/- Deficit)

Contaminated Sites, including Grassy Narrows

+

Accounting for Affordability fund
Remedy Accrual

+/-

Tax revenue accruals

+/-

ELHT Expense recognition

-

WSIB benefits

-

Consolidated Expense By Ministry: Interim vs. Prelim. Actual



Preliminary Analysis (Interim vs. Prelim. Actual)



- Aboriginal Affairs: \$29M higher expense reflects the land claim settlement with Lac Dec Mille Lacs First Nation (Ministry got TBS approval in June to make additional payment of \$29M)
- Economic Development, Employment and Infrastructure (MEDEI): \$160M lower expense is mainly due to \$129M unspent amount of Clean Water and Wastewater Fund (CWWF) allocated in 2017 budget (Provincial contribution - \$47M and Federal Contribution - \$82M)
- Education: School boards expense is lower than expected, ministry funded other programs are higher than expected (details to follow)
- Teachers' Pension: \$125M higher expense is mainly due to edits in the pension plan model.
- Interest on Debt: The \$199M lower interest expense is due to a multitude of factors including higher than anticipated consolidation adjustments and investment income, as well as lower than anticipated interest rate impacts.
- Health: Hospitals and agency expense is lower than expected, offset by higher spending on ministry's other programs (details to follow).
- Power Supply Contract Costs: \$99M higher expense offset by equal revenue – fiscally neutral adjustment
- Training, Colleges and Universities: Higher program spending than expected. The colleges spending is on target.
- Employee and Pensioner Benefits: WSIB did change their estimation method. The reduction in the provision rate of 6.10% from 34.3% was a result of WSIB excluding first year claims administration expenses from the expense provision as a review concluded that first year claims administration expenses are part of the in-year expenses for the next year rather than part of the benefit liabilities of the current year end.