

TLC 2021 Operational Deficit

Impacts on TLC Operational Budget

- **Facility Closures – January 1 – February 8 and May 9 – June 14 (10 weeks total)**
 - ✓ **Membership and drop-in revenues**
 - ✓ **Facility rentals**
 - ✓ **Tenant Rent (received grant revenue which reduced impact)**
- **Provincial Restrictions & Implementation of Restrictions Exemption Program**
 - ✓ **Membership retention**
 - **400 members cancelled upon implementation**
 - ✓ **Staffing required to screen-in patrons**

Measures taken to reduce expenses

- **Collective Agreement amended; COLA reduced to 0% for 2021**
- **Staffing levels reduced during closures and based on activity levels**
- **Continued with reduced facility hours**
- **Material and supplies budget reduced**
- **Training and travel budgets frozen**
- **Reduction in contracted services (security and custodial)**

Revenues to year-end: 67.8% of budget

Expenses to year-end: 72.7% of budget



Deficit Projection vs Final

- **Initial deficit projections in July 2021- \$160,000 approximately**
- **Final deficit - \$352,191**

What led to this change?

- **Restrictions Exemption Program**
 - ✓ **Decrease in membership upon implementation**
 - ✓ **Costs associated with screening patrons**
- **Unanticipated decrease in field rentals**



TLC Reserves

- **As per the MOA (Article 7.5), the TLC currently has two reserves; Operations and Capital**
- **Operations Reserve is to be used to fund future deficits of the corporation**
- **Capital Reserve is intended to offset future capital purchases in any given year**
- **At the end of 2021, TLC Reserves were:**
 - ✓ **Operations (98,471)**
 - ✓ **Capital - \$839,873 (\$364,875 committed to 2022 Infrastructure Projects)**
- **Deferred revenue from previous capital and infrastructure projects - \$113,147**

Option 1

Fund deficit utilizing:

- **Operations Reserve** **\$98,471**
- **Deferred Revenue** **\$113,147**
- **Capital Reserve** **\$140,573 (\$334,426 remaining for future use)**

Pros

- **No need for additional financial support from the municipalities**

Cons

- **Operations Reserve is reduced to zero**
- **Deferred Revenue and Capital Reserved reduced for future use**

Option 2

Increased Contribution from Municipalities

Pros

- **Both reserves and deferred revenue remain intact for future use**

Cons

- **Additional and unexpected financial burden on municipalities**

Funding Options

- 1. Fund from Operations Reserve, Deferred Revenue and Capital Reserve**
- 2. Fund from an increased contribution from municipalities**

TLC Administrative and Board Recommendation: Option #1



