REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

YTD JUNE 2018 INTERIM FINANCIAL REPORT

Psalm 51:6

Surely you desire truth in the inner parts; you teach me wisdom in the inmost place.

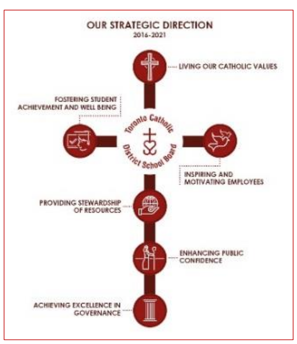
Created, Draft	First Tabling	Review
September 4, 2018	September 13, 2018	

D. Bilenduke, Senior Coordinator of Finance
P. De Cock, Comptroller of Business Services & Finance

INFORMATION REPORT

Vision:
At Toronto Catholic we transform the world through witness, faith, innovation and action.

Mission:
The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.
We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.



Rory McGuckin
Director of Education

D. Koenig
Associate Director
of Academic Affairs

T. Robins
Associate Director
of Planning and Facilities
(Acting)

L. Noronha
Executive Superintendent
of Business Services and
Chief Financial Officer

A. EXECUTIVE SUMMARY

This Financial Update Report as at June 30th, 2018 provides a year-to-date look at significant financial activities at the Board.

The Board is on target to exceed the budgeted operating surplus of $0.1 million for 2017-18 and expects the surplus to be in the $6 million to $9 million range. The anticipated surplus from the ASO benefits reserve has not been included in the preceding projected in-year operating surplus because this item is considered an extraordinary one-time revenue item. Appendix A provides a high-level summary expenditure variance analysis.

The cumulative staff time required to prepare this report was 15 hours.

B. PURPOSE

The Financial Update report is required to keep Trustees informed on the Board's financial performance through the year and illustrate any variance in expected outcomes. The report will provide a systematic analytical review of Operating and Capital Budgets, in the following order:

- High Level Review and Risk Assessments of Operating Budget
- Staff Absenteeism and Employee Family Assistance Program
- High Level Review of School Renewal and Capital Projects

C. BACKGROUND

1. ***This report is recognized as a best practice in the province.*** The Ministry of Education and the District School Board Reporting Workgroup have both identified regular periodic financial reporting as a best practice in managing the Board's financial outcomes.

D. EVIDENCE/RESEARCH/ANALYSIS

HIGH LEVEL REVIEW AND RISK ASSESSMENTS OF OPERATING BUDGET

1. ***Salary and Benefit expenditures are expected to finish on or below target for this academic year.*** Overall, in the Salary and Benefits area, Figure 1 below illustrates the current risk exposure. This expenditure category is the most closely monitored risk as it comprises the largest portion of the operating budget.

Figure 1: Salary and Benefits Variance / Risk Analysis

	Actual to Budget	***Actual to Previous Year***	***Risk Assessment***
Instructional Salaries	↓ 1.5%	↑ 0.7%	●
Instructional Benefits	↓ 17.2%	↓ 2.9%	●
Non-Instructional Salaries	↑ 0.3%	↓ 0.8%	●
Non-Instructional Benefits	↓ 11.2%	↓ 13.5%	●

● = Low: On Track ◆ = Medium: Monitor ⬣ =High: Action Required

All employee groups have been moved to the benefit trusts as of June 1st. Some catch-up payments are still required but benefits are tracking to finish under budget. This will contribute significantly to the forecasted surplus at year-end.

2. ***At an aggregate level, other expenditure categories (besides salary and benefits) are expected to finish on or below target.*** Overall, in the Non-Salary area, Figure 2 below illustrates the current risk exposure.

Figure 2: Non-Salary Variance / Risk Analysis

	Actual to Budget		***Actual to Previous Year***		***Risk Assessment***
Instructional Expense	↓	34.9%	↓	15.0%	●
Transportation Expense	↑	4.9%	↑	1.5%	◆
Operations & Maintenance	↓	5.5%	↑	0.7%	●
Other Administrative	↓	24.5%	↑	14.0%	●

While Instructional expenses are tracking low compared to budget, they are considered a low risk because the timing of expenditure recognition is subject to annual variations and unspent school block funds are carried forward. Transportation Expenses were closely monitored due to higher fuel costs and the triggering of fuel escalation clauses in bus contracts. Other Revenue Related expenses are tracking higher than budget, however, this can be attributed to prior year's remedy payments negotiated by the Ministry of Education and paid out this year. The Ministry is providing the Board with offsetting revenue against this expense.

3. ***Grant Revenue from the Province remains stable.*** There are no anticipated events affecting operating revenues received by the Ministry of Education for the 2017-18 fiscal year.

4. ***Other Revenues are subject to external factors, which may result in variances from the Annual Plan.*** The 2017-18 revenue and expenditure estimates contained a plan to expand the number of school sites available for parking fee revenue generation in association with the Toronto Parking Authority (TPA). Permit Rate increases and increased enrolment of

international Visa students also contributed to an overall increase in other revenues estimates.

Figure 3: Other Revenue Variance / Risk Analysis

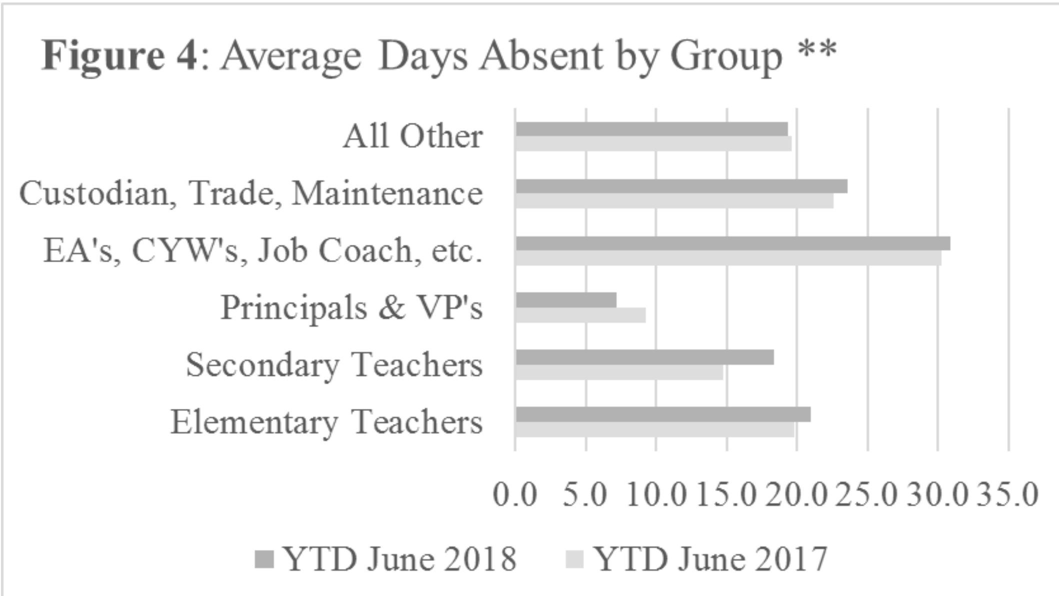
	Actual to Budget		***Actual to Previous Year***		***Risk Assessment***
Permit Revenues	↑	0.5%	↑	84.9%	●
Parking Revenues	↓	90.5%	↑	2.0%	⬢
Visa Fees	↑	3.2%	↑	9.0%	●

Parking revenues year-to-date have realized 9.5% of the planned $400K, and the year-to-date results are in line with the previous year's actual revenues. Staff have confirmed the delayed rollout of additional school sites to the TPA, and consequently, negatively impacted upon planned parking revenue growth in 2017-18.

STAFF ABSENTEEISM AND EMPLOYEE FAMILY ASSISTANCE PROGRAM

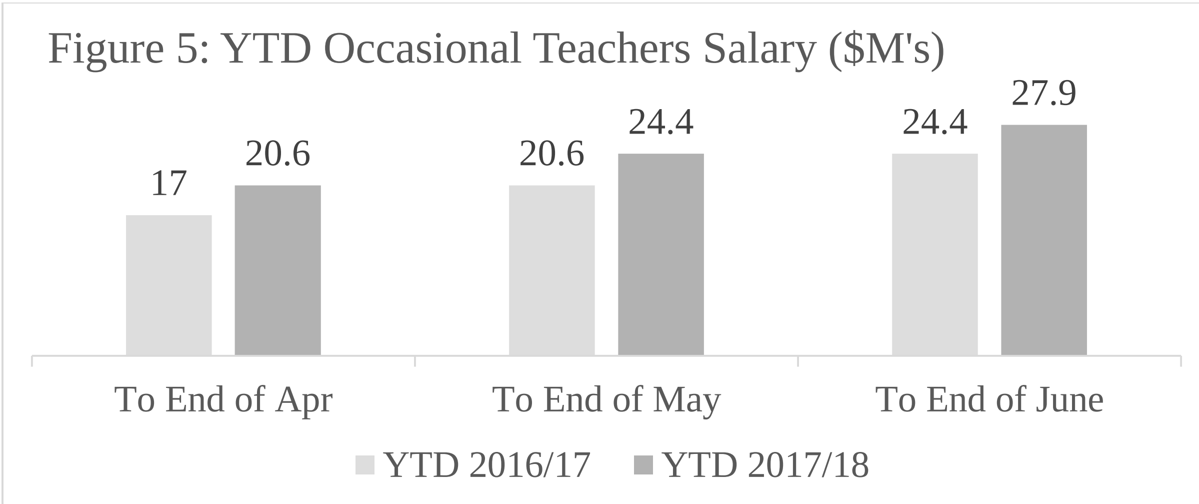
5. ***Staff Absenteeism Rates have increased and Occasional Fill Rates have declined.*** Recent statistics continue to provide evidence that staff absenteeism rates are increasing across all employee groups. Total Teacher Absence days have risen by 11.2% (20 days/teacher avg.) and Total Occasional Teacher expenditures are 20.2% over budget and have risen by 14.7% compared to the same period last year.

The following table provides a year-over-year comparison of staff absenteeism over the same period in the previous fiscal year. Elementary Teachers, Education Assistants (EAs), Child and Youth Workers (CYW), Job Coaches, Secondary Teachers and Custodians/Maintenance are all showing an increase in days absent, while Other school board employees and Principals/VP's are showing a decrease in days absent. The following chart compares average sick utilization by employee type as of June:



** Absence days are Category A&B and are inclusive of: Personal Illness Days, Non-Personal Illness Days, Bereavement, Compassionate Leave, Health & Safety Inspections, In Lieu of Planning, Jury Duty/Subpoenaed as Witness, Recoverable, Special Circumstances, Special Permission and Suspension.

6. ***Salaries and wages account for 75% of TCDSB's operating budget.*** Staff absenteeism due to personal illness continues to be a problem at the Board. More Occasional Teachers have been made available this fiscal year resulting in 2017-18 usage rate of 18.7% higher when compared to the same period last year as illustrated in Figure 5. Staff had anticipated this increase and budgeted accordingly for the year. As a result, on an overall basis, salary and wages are expected to finish at or below the budgeted amount.



7. ***The Board has invested in employee wellness by purchasing an Employee Family Assistance Program (EFAP).*** The Board purchased an EFAP in December 2018. The data collected to August 31, 2018 show that usage rates climbed during the year and was also well used over the summer months. Figure 6 provides the services accessed by month and Figure 7 provides information on the types of services accessed.

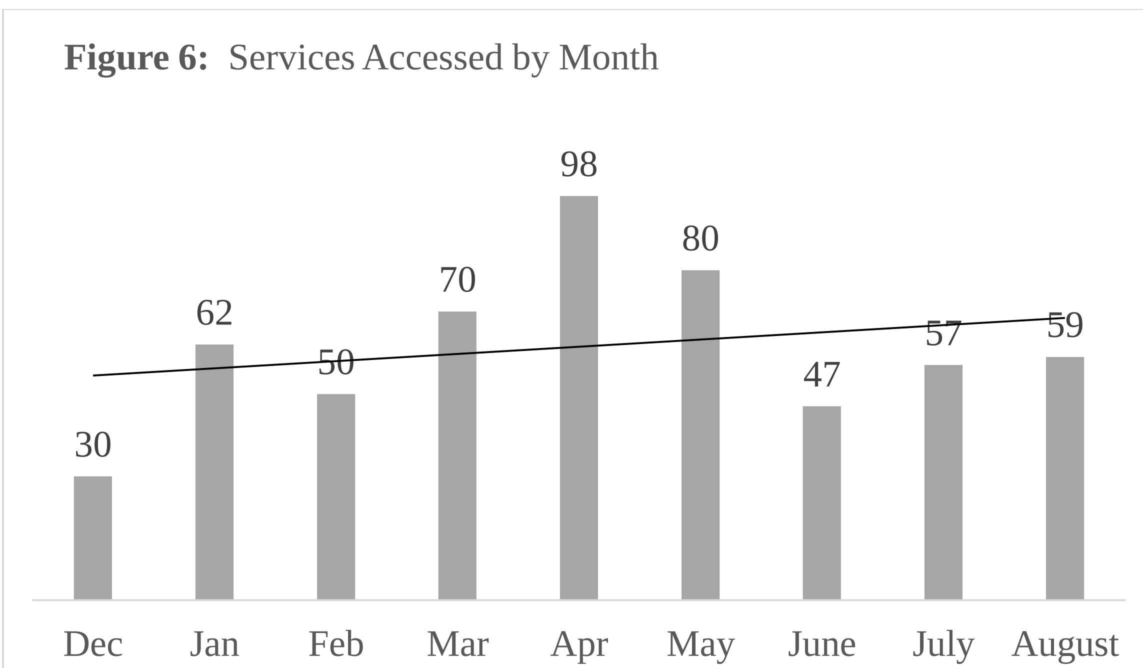


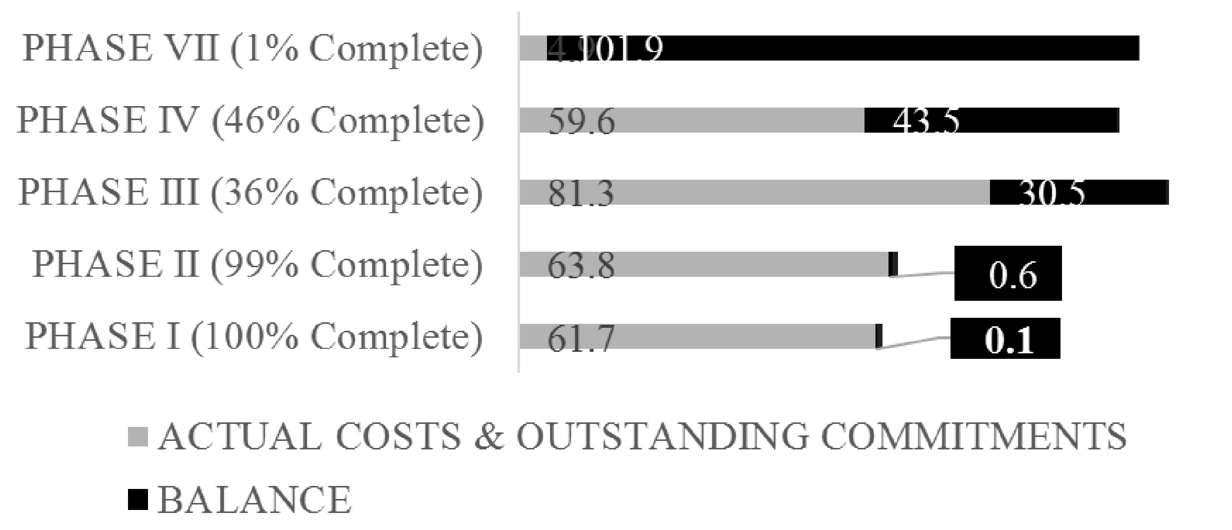
Figure 7: Counselling Service Types

	Q1	Q2	Q3	Current YTD		Industry Average	National Norm
Addiction Related	1	11	3	15	3.9%	1.7%	2.5%
Couple / Relationship	15	50	27	92	24.1%	23.5%	23.0%
Family	4	18	17	39	10.2%	11.9%	10.9%
Personal / Emotional	54	85	65	204	53.4%	50.7%	50.5%
Work Related	7	12	13	32	8.4%	12.2%	13.2%
Total	**81**	**176**	**125**	**382**	**100.0%**		

HIGH LEVEL REVIEW OF SCHOOL RENEWAL AND CAPITAL PROJECTS

8. ***The Capital program totals $448 million.*** The Board received Capital Project funding for many new schools, additions and childcare spaces. The capital program funding includes Childcare funding and Full Day Kindergarten funding for projects where applicable. Figure 8 illustrates the Ministry approved capital budgets, the amount spent and/or committed, the balance remaining and the percentage completed by each Phase. Appendix B provides more detail regarding the Capital Projects Phases 1 to 7.

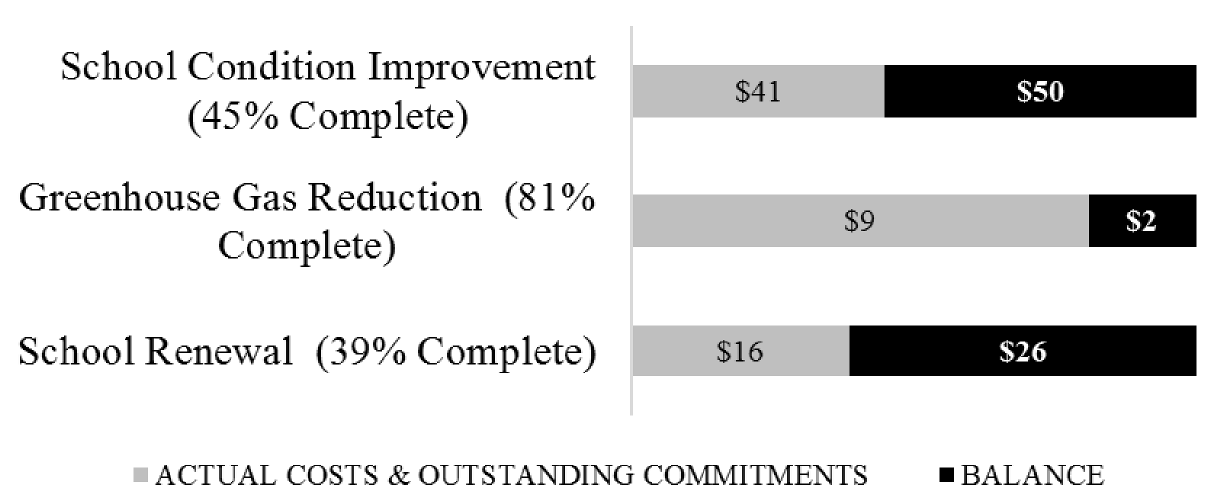
Figure 8: Capital Project Spending Status ($M)



9. ***The Renewal Program consists of major building component replacements and site improvements for a total available at September 1, 2017 of $140M with funding of approximately $74M remaining.*** The Renewal Program is funded through several grants such as Regular School Renewal Grant, School Improvement Grant and the Greenhouse Gas Reduction Grant.

Figure 9 provides a high-level view of the Ministry Approved funding, Actual & Committed Amounts spent and the balance remaining for School Renewal, Greenhouse Gas Reduction and School Renewal Capital Projects to date:

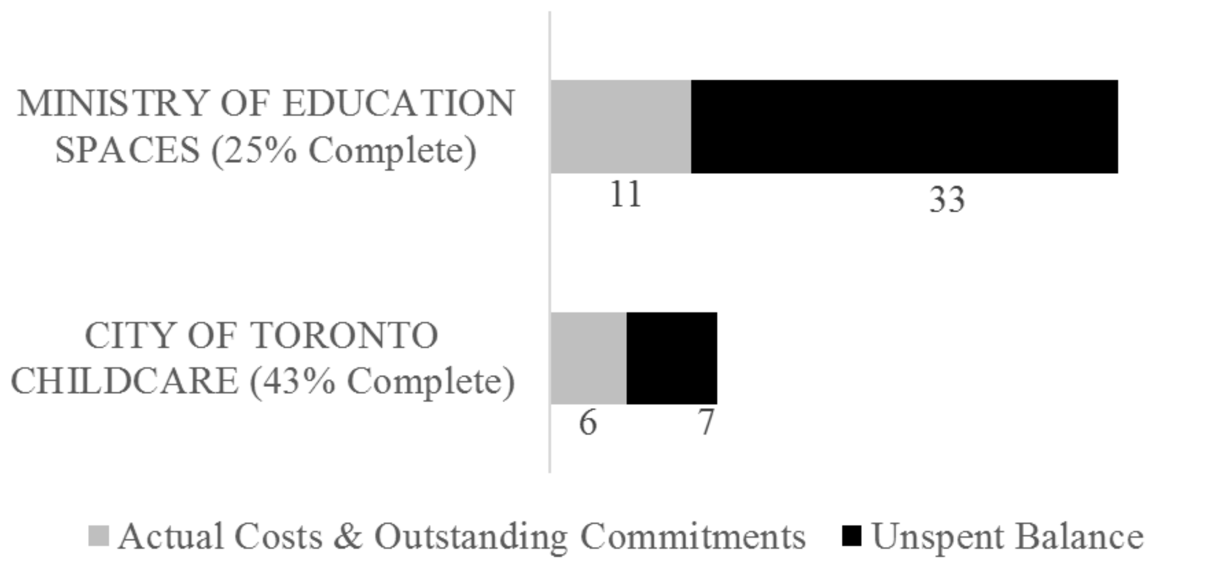
Figure 9: Renewal Spending Status ($M's)



The Board received a budget of \$7.1M for Greenhouse Gas Reduction with an expenditure timeline of March 31st 2018 and an additional \$3.8M on April 1, 2018 with an expenditure timeline of March 31st 2019. The Board met the completion timeline of March 31, 2018. The Board continues to complete work already underway to meet the expenditure timeline for March 31, 2019.

10. ***The Capital budget also includes two Childcare Program capital projects.*** The childcare program consists of childcare additions, childcares as part of new school construction and retrofit of existing childcares. Childcare capital funding is received from the Ministry of Education and the City of Toronto for purposes of building childcare space at specific schools. Figure 10 presents the status of progress to date including the percentage complete, actual and committed costs, as well as the balance remaining for both the Ministry and City of Toronto funded childcares.

Figure 10: Childcare Capital Program Spending Status (\$M)



E. METRICS AND ACCOUNTABILITY

1. ***The Board is on track to finish the year with a surplus.*** Expenditures and Revenues are on track to finish the year with an expected surplus of \$6 to \$9 million primarily due to efficiencies in benefit expenditures.

2. ***The one-time extraordinary item of the ASO Benefit Surplus is subject to continuing review by the Ministry of Education and outstanding grievances.*** The accounting for this surplus has become a moving target and it is expected to land somewhere between $4 and $10 million, but not likely by the end of this fiscal year.

F. CONCLUDING STATEMENT

This report is for the consideration of the Board.