



REPORT TO

**CORPORATE SERVICES, STRATEGIC
PLANNING AND PROPERTY
COMMITTEE**

**2018-19 FIRST QUARTER FINANCIAL STATUS
UPDATE**

“Whatsoever thy hand findeth to do, do it with all thy might.”

Ecclesiastes 9:10

Created, Draft	First Tabling	Review
January 8, 2019	January 17, 2019	

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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.

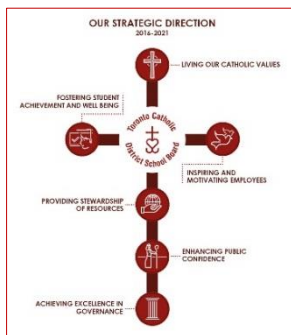
We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.

Rory McGuckin
 Director of Education

D. Koenig
 Associate Director
 of Academic Affairs

T. Robins
 Acting Associate Director
 of Planning and Facilities

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



A. EXECUTIVE SUMMARY

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

This is the first update for fiscal 2018-19 using the Revised Estimates approved by the Board of Trustees in December 2018. The Board is on target to ending the year with a balanced budget. A more detailed variance summary is attached as Appendix A.

The cumulative staff time required to prepare this report was 20 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.
2. *Year to year comparisons can be slightly skewed.* When comparing the percentage spent to this period last year, it is important to note that YTD November 2017 had 62 teaching days and YTD November 2018 had 63 teaching days.

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. These expenditure are expected to be on track at this time.

Figure 1: Salary and Benefits Variance / Risk Analysis

	<i>Actual to Budget</i>		<i>Actual to Previous Year</i>		<i>Risk Assessment</i>
<i>Instructional Salaries</i>	↑	0.4%	↓	0.7%	●
<i>Instructional Benefits</i>	↓	7.1%	↑	2.0%	●
<i>Non-Instructional Salaries</i>	↑	0.5%	↑	1.8%	●
<i>Non-Instructional Benefits</i>	↓	3.5%	↓	3.4%	●

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

Salaries are tracking very close to budget for both Instructional and Non-Instructional categories. All employee groups have been moved to the benefit trusts as of June 1st 2018. Benefits are tracking to finish on budget.

2. ***At an aggregate level, total 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

	<i>Actual to Budget</i>		<i>Actual to Previous Year</i>		<i>Risk Assessment</i>
<i>Instructional Expense</i>	↓	7.1%	↓	2.9%	●
<i>Transportation Expense</i>	↓	5.9%	↓	2.1%	●
<i>Operations & Maintenance</i>	↓	7.5%	↑	1.9%	●
<i>Other Administrative</i>	↑	4.3%	↑	4.7%	◆

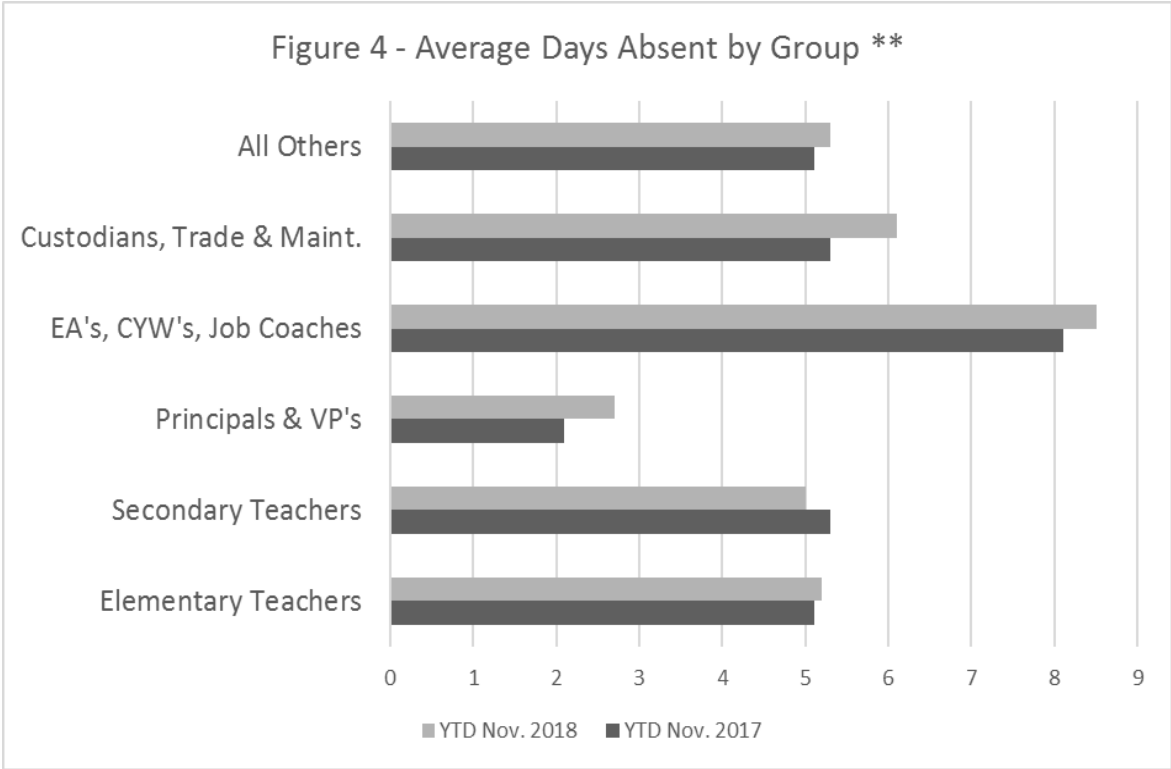
While Instructional expenses are tracking low compared to budget, they are considered a low risk because the timing of expenditure recognition is subject to annual variations and unspent school block funds are carried forward. Other Revenue Related expenses are being monitored and are expected to come in at Budget.

3. ***Grant Revenue from the Province projected to remain unchanged from the Latest Estimates.*** Grants for Student Needs (GSNs) revenue is expected to remain unchanged and all indications from the current Provincial Government is that they will not be affected in the 2018-19 school year.
4. ***“Education Program – Other” or “EPO” Revenues are projected to decrease by a minimum of \$440K, based on the most recent Ministry announcements.*** Recent updates provided by the Ministry of Education mitigated the reduction to EPO funded initiatives, originally estimated at a reduction of \$655K. The conversion to application-based EPO funding agreements could reduce the funding reduction to a minimum of \$440K. The details of this funding reduction are attached as Appendix D.

STAFF ABSENTEEISM AND EMPLOYEE FAMILY ASSISTANCE PROGRAM

5. *Staff Absenteeism Rates have increased and Occasional Fill Rates have declined.* Recent statistics provide evidence that overall staff absenteeism rates experienced an increase of 1,067 days over the same period, from the prior year. Total Teacher Absence days have remained relatively flat year over year, while total Occasional Teacher expenditures have risen by 7.0% when compared to the same period last year.

Figure 4 provides a year-over-year comparison of staff absenteeism over the same period in the previous fiscal year. Elementary Teachers, Principals/VP’s, Education Assistants (EAs), Child and Youth Workers (CYW), Job Coaches, Secondary Teachers, Custodians/Maintenance and Other school board employees are all showing an increase in days absent. These increases were slightly offset by a decrease in days absent for Secondary Teachers. The following chart compares average absence utilization by employee type as of November:



** 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. ***Staff absenteeism due to personal illness continues to be an area of concern for the Board.*** Despite the rise in Occasional Teacher costs shown in Figure 5a, they are expected to end in line with budget as staff proactively increased the Occasional Teacher Budget in the Revised Budget Estimates last fall in anticipation of this increase. Figure 5b illustrates the 13-month trend. The first 2 months of the school year experienced the same level of salary when compared to prior year. This graph highlights any trends in absenteeism by month, year over year.

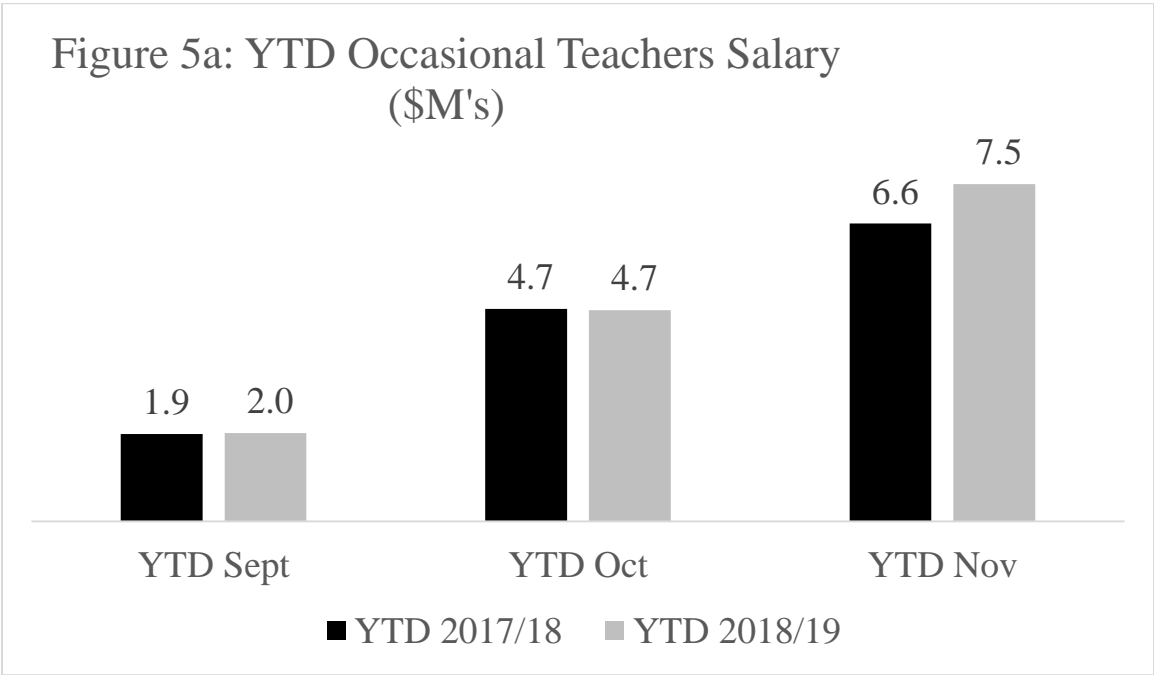
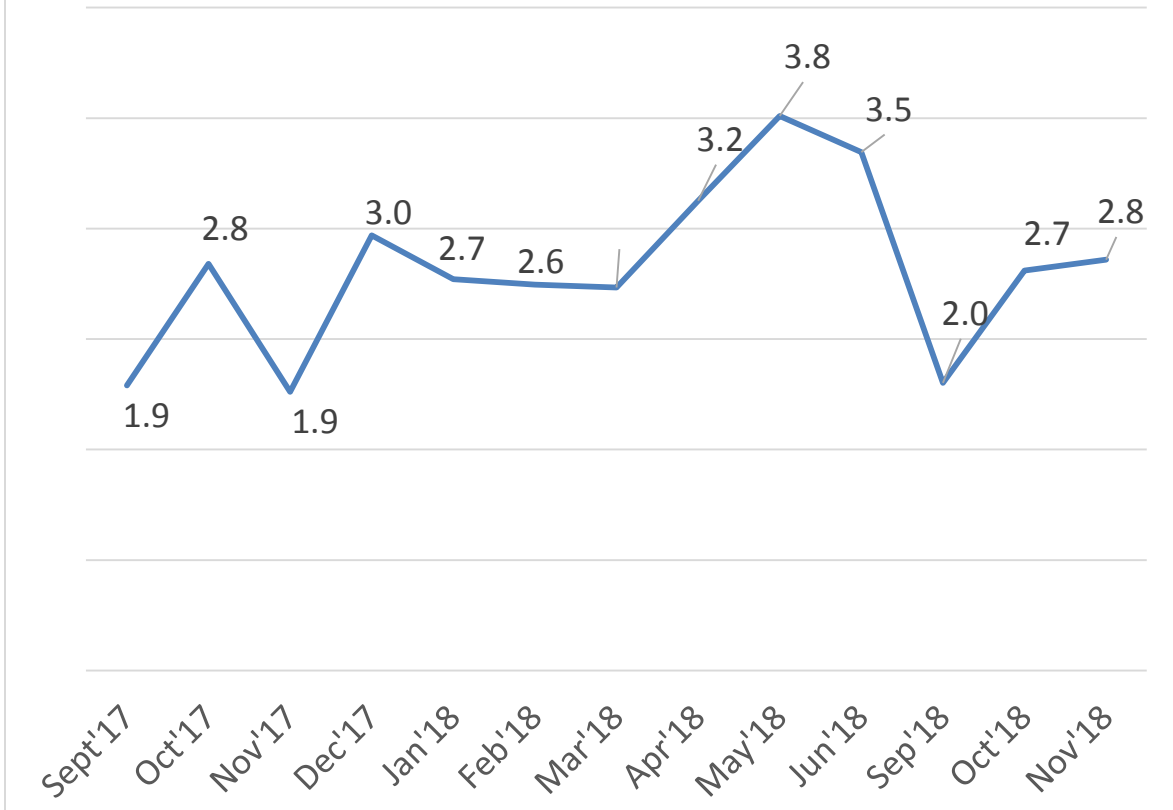


Figure 5b: Occasional Teachers Salary (\$M's)13
Month Trend



- The Board has invested in employee wellness by purchasing an Employee Family Assistance Program (EFAP).*** The Board purchased an EFAP in December 2017. The data collected to November 30, 2018 show that usage rates spiked in the fall months. This is largely driven by promotion of the program as there is a direct connection to supporting employees and their workplace engagement and attendance. Figure 6 provides the services accessed by month and Figure 7 provides information on the types of services accessed.

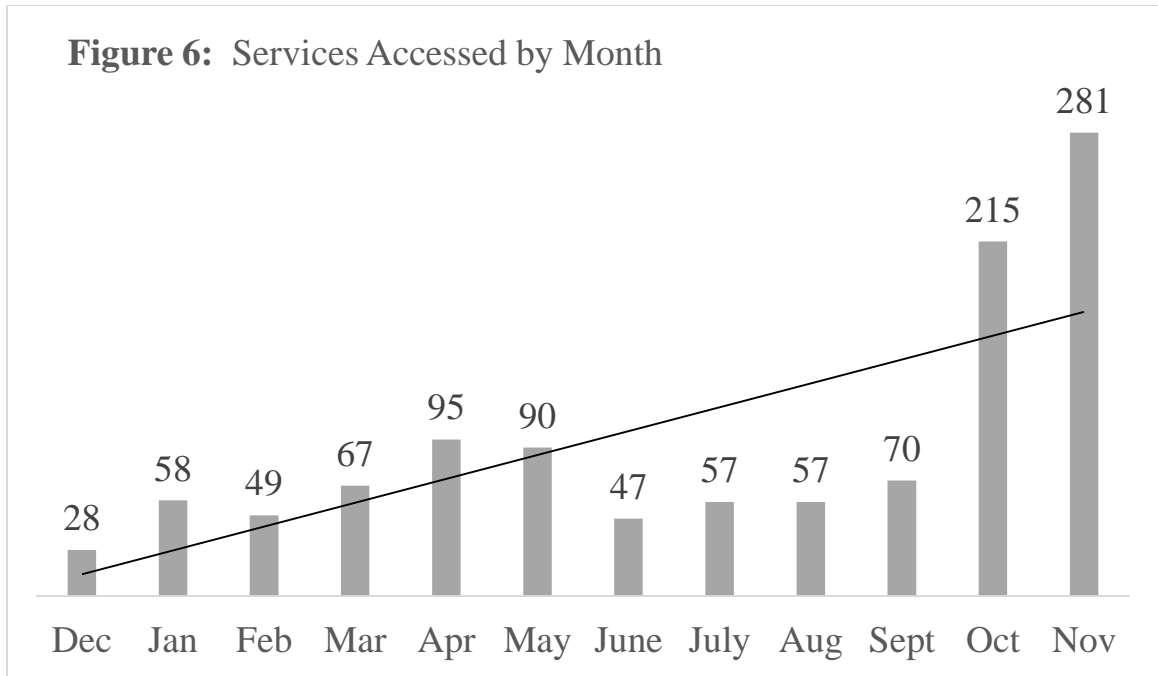
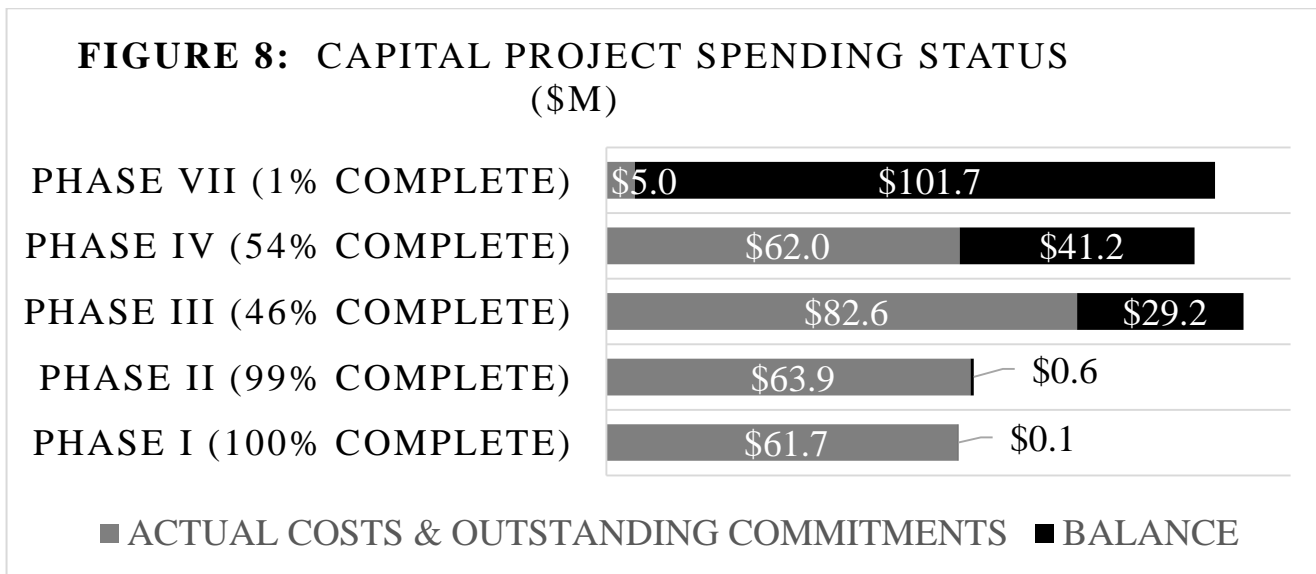


Figure 7: Counselling Service Types

	Q1	Q2	Q3	Q4	Current YTD		Industry Average	National Norm
Addiction Related	1	11	3	2	17	2.3%	1.7%	2.5%
Couple / Relationship	15	50	26	59	150	20.7%	23.5%	23.0%
Family	4	18	17	27	66	9.1%	11.9%	10.9%
Personal / Emotional	54	85	65	201	405	55.9%	50.7%	50.5%
Work Related	7	12	12	56	87	12.0%	12.2%	13.2%
Total	81	176	123	345	725	100.0%		

HIGH LEVEL REVIEW OF SCHOOL RENEWAL AND CAPITAL PROJECTS

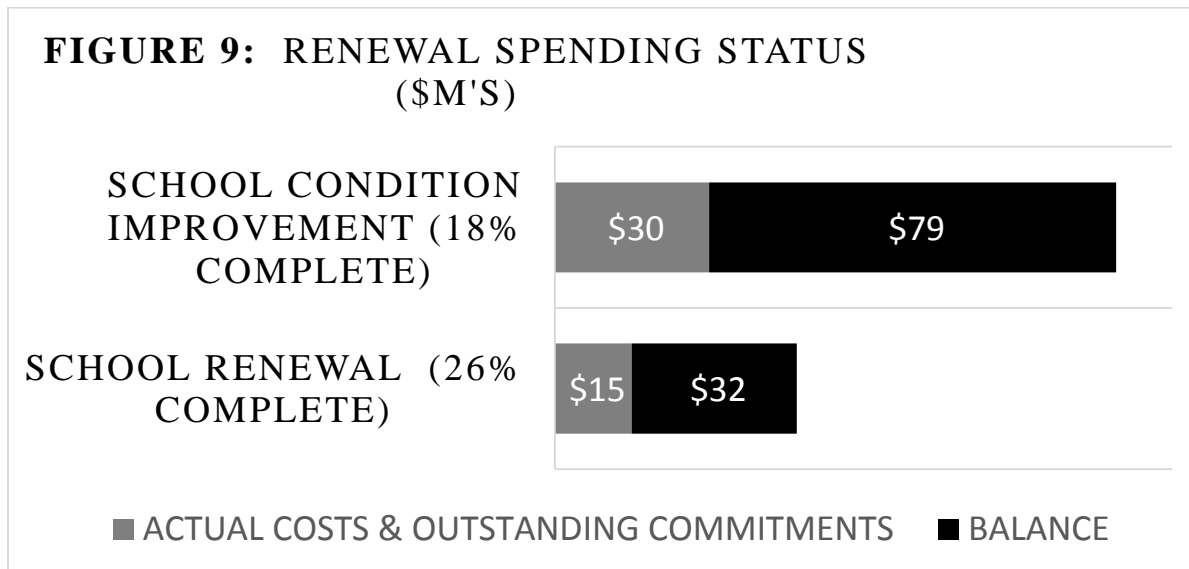
8. ***The Capital program totals \$448 million.*** The Board received Capital Project funding for many new schools, additions and childcare spaces. The capital program funding includes Childcare funding and Full Day Kindergarten funding for projects where applicable. Figure 8 illustrates the Ministry 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.



Phase I (16 School Additions), **Phase II** (6 New Elementary Schools), **Phase III** (5 New Elementary Schools), **Phase IV** (8 School Additions & 3 New Elementary Schools), **Phase VII** (7 New Elementary Schools)

9. ***The Renewal Program consists of major building component replacements and site improvements for a total available at September 1, 2018 of \$158M with funding of approximately \$111M remaining.*** The Renewal Program is funded through several grants such as Regular School Renewal Grant and School Improvement Grant. Staff are currently planning for the upcoming construction season so projects may begin in the summer months. Greenhouse Gas Reduction projects are fully committed and underway and the completion timeline of March 31, 2019 is expected to be met.

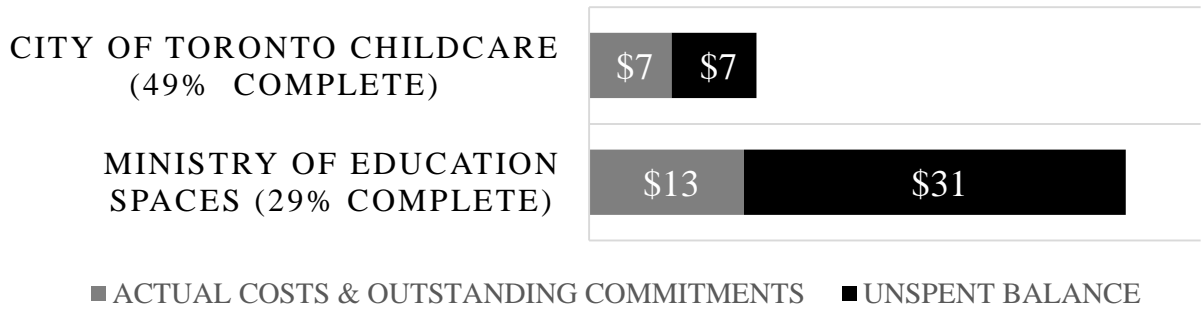
Figure 9 provides a high-level view of the Ministry Approved funding, Actual & Committed Amounts spent and the balance remaining for School Renewal and School Renewal Capital Projects to date:



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 committed work underway to meet the expenditure timeline of March 31, 2019. This funding stream has been discontinued.

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 actual revenues and expenditures are tracking to budget at the end of the first quarter.
2. The one-time extraordinary item (ASO benefit surplus) had a projected balance of \$10.5M for the 2017-18 fiscal year of which \$4.5M was recorded as revenue in the 2017-18 financial statements. The remaining balance of the ASO benefit surplus is projected to be \$5.3M and is expected in the 2018-19 fiscal year.

F. CONCLUDING STATEMENT

This report is for the consideration of the Board.