



REPORT TO

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

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

“Whatsoever thy hand findeth to do, do it with all thy might.”
Ecclesiastes 9:10

Created, Draft	First Tabling	Review
September 3, 2019	September 12, 2019	
L. LePera, Sr. Financial Analyst D. Bilenduke, Senior Coordinator of Finance P. De Cock, Comptroller of Business Services & Finance		
INFORMATION REPORT		

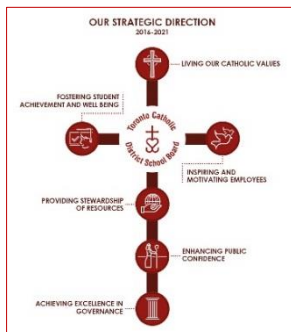
Vision:

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

L. Noronha
Associate Director of Facilities,
Business and Community
Development, and
Chief Financial Officer

A. EXECUTIVE SUMMARY

This Financial Update Report as at May 31st, 2019 provides a year-to-date look at significant financial activities at the Board.

This is the third update for fiscal 2018-19 using the Revised Estimates approved by the Board of Trustees in December 2018. The Board is on target to end the year with a surplus. 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
- 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 May 2019 had 1 additional teaching day compared to YTD May 2018.

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 expenditures 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>	↓	3.7%	↓	0.7%	●
<i>Instructional Benefits</i>	↑	0.7%	↓	0.7%	●
<i>Non-Instructional Salaries</i>	↑	0.9%	↓	0.8%	●
<i>Non-Instructional Benefits</i>	↓	3.5%	↓	5.9%	●

● = 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

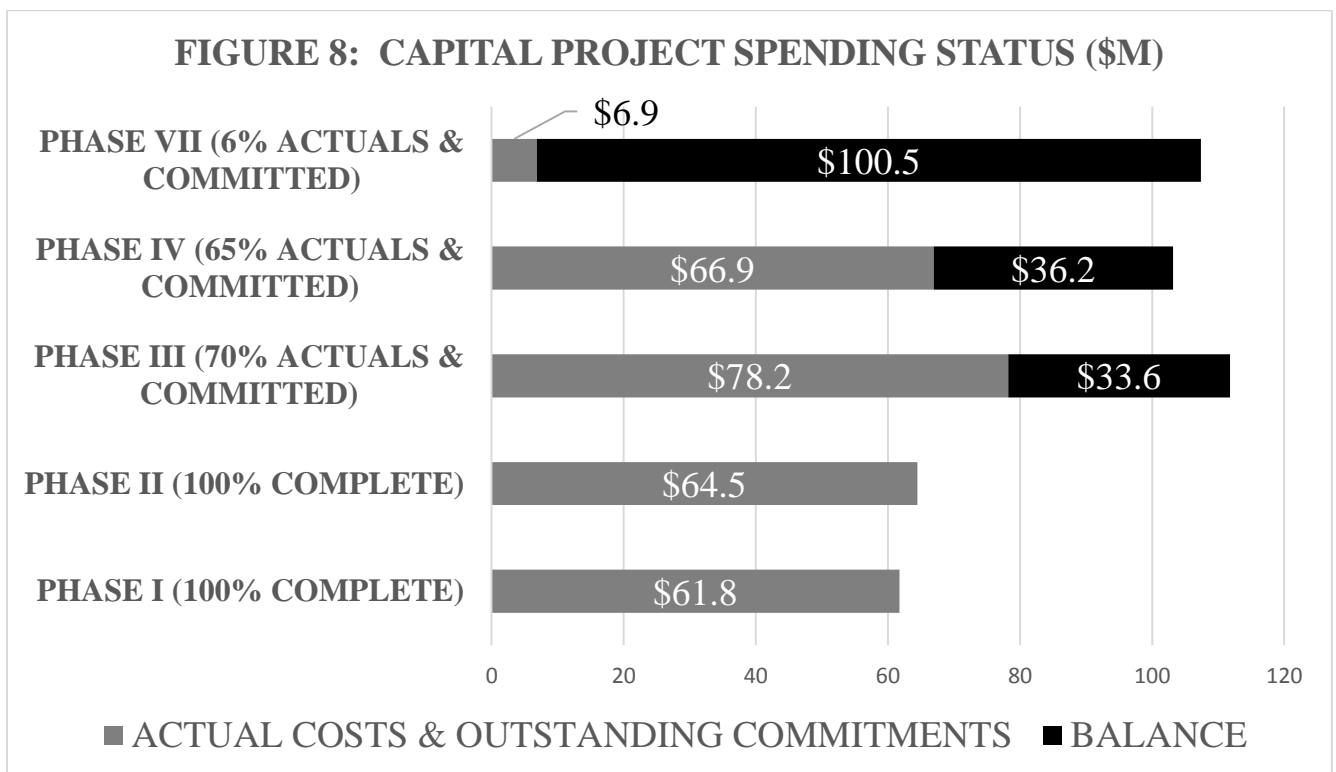
	<i>Actual to Budget</i>		<i>Actual to Previous Year</i>		<i>Risk Assessment</i>
<i>Instructional Expense</i>	↓	29.6%	↓	9.8%	●
<i>Transportation Expense</i>	↑	2.0%		0.0%	●
<i>Operations & Maintenance</i>	↓	9.9%	↓	2.9%	●
<i>Other Administrative</i>	↑	30.5%	↑	26.7%	●

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. Transportation costs are expected to come in on target. Although Computer expenses are trending favourable as of May, they are expected to finish on or slightly below target for this year.

3. ***Grant Revenue from the Province projected to increase by a net of \$7.635M to a maximum of \$10.135M.*** This net change is a function of a net decrease of 170 in ADE Enrolment or \$0.965M in Grants for Student Needs (GSNs), an increase in ESL Enrolment of \$5.1M and an increase in GSN Teacher Qualification & Experience Grant of \$3.5M to \$6.0M.
4. ***Priorities and Partnership Funds or PPF's (previously referred to as EPO's)*** originally indicated a decrease of \$812K. However, new PPF projects were issued reducing the amount further.
5. ***Additional Funding of \$369K for Special Education*** – TCDSB is in the process of finalizing enrolment for students arriving with Autism Spectrum Disorders in TCDSB schools. This will be completed in the next couple of weeks as enrolment is finalized for the 2018-19 ONSIS Submission.
6. ***Visa Student enrolments*** decreased by a net of 22.68 ADE. Consequently, Visa tuition fees are expected to decrease by \$0.344M.

HIGH LEVEL REVIEW OF SCHOOL RENEWAL AND CAPITAL PROJECTS

7. **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

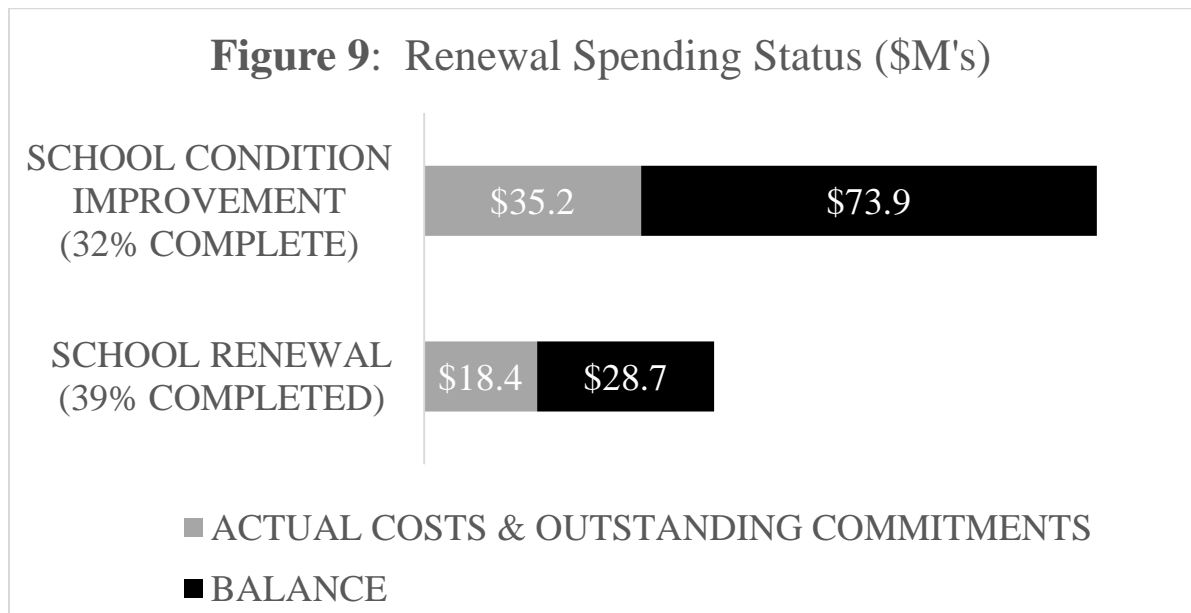
Phase VII - 7 New Elementary Schools

Phase V – Full Day Kindergarten (All Projects Completed)

Phase VI – Projects consolidated into **Phase VII**

8. ***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 \$102M remaining.*** The Renewal Program is funded through several grants such as Regular School Renewal Grant, School Improvement Grant and the Greenhouse Gas Reduction Grant. Staff are currently planning for the upcoming construction. Greenhouse Gas Reduction funding projects were fully completed as of March 31, 2019.

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 and is detailed in Appendix C:

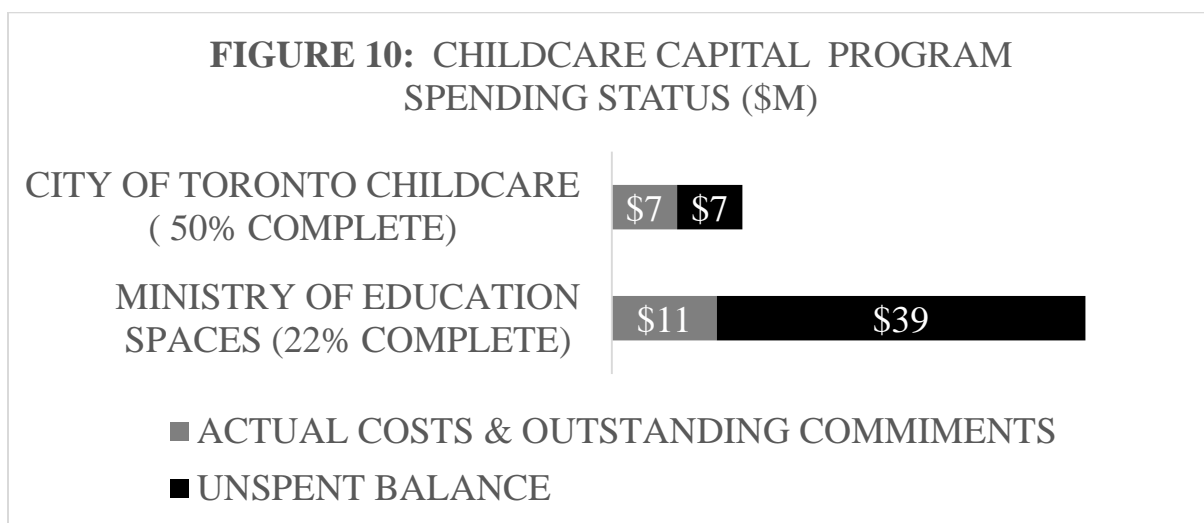


The Board received a budget of \$7.1M for Greenhouse Gas Reduction with an expenditure timeline of March 31st 2018 and an additional \$3.8M on April 1, 2018 with an expenditure timeline of March 31st 2019. The Board met the completion timeline of March 31, 2019.

9. ***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.

The City of Toronto and the TCDSB must confirm to the Ministry of Education that any required operating funding for new child care spaces will be managed from within the CMSM’s or DSSAB existing operating budget prior to adding childcare spaces. The requirement applies to 19 Ministry of Education funded childcare projects totalling \$27,573,077. The deadline for the commitment was August 31; last week it was extended to October 31.



E. METRICS AND ACCOUNTABILITY

1. The actual revenues and expenditures are tracking to budget at the end of the third quarter as detailed in this report.
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.
3. ***In compliance with the Purchasing Policy, the Contract Awards Report will list Tenders and Request for Proposals (RFP) awards.*** This report has been posted on the TCDSB’s website, and provides details such as Project/Service/Products, Ward, Supplier and low bid/highest score and total contract amount:

<https://www.tcdsb.org/Board/BoardAdministration/AdministrationOffices/purchasing/TenderingInformation/Pages/Default.aspx>

A Tender award is based on the compliant low bid meeting specifications, and Contractors bidding on construction or maintenance projects must be prequalified.

The report lists the total value of the project over the term of the contract, however, the actual amount may vary depending on the volume of product or services used during the term of the contract. An RFP award is based on the overall highest scoring proposal, and the evaluation is based on the scoring of specific weighted criteria including price.

F. CONCLUDING STATEMENT

This report is for the consideration of the Corporate Services, Strategic Planning and Property Committee..