



REPORT TO

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

**2019-20 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 21, 2020	January 29, 2020	February 13, 2020

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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

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

A. EXECUTIVE SUMMARY

This Financial Update Report as at November 30th 2019 provides a year-to-date look at significant financial activities at the Board.

This is the first update for fiscal 2019-20 using the Revised Estimates approved by the Board of Trustees in December 2019. The Board is on track to generate an in-year deficit this year as per the approved 2019-20 Revised Estimates. Appendix A provides a more detailed variance summary.

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 Revised Estimates
- Staff Absenteeism
- 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 teaching days are comparable.* Both YTD November 2018 and YTD November 2019 had 63 teaching days.

D. EVIDENCE/RESEARCH/ANALYSIS

HIGH LEVEL REVIEW AND RISK ASSESSMENTS OF OPERATING REVISED ESTIMATES

1. ***Salary and Benefit expenditures are expected to finish on 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 revised operating expenditure estimates. These expenditures are expected to be on track at this time.

Figure 1: Salary and Benefits Variance / Risk Analysis

	<i>Actual to Revised Estimates</i>		<i>Actual to Previous Year</i>		<i>Risk Assessment</i>
<i>Instructional Salaries</i>	↑	1.0%	↑	0.1%	●
<i>Instructional Benefits</i>	↓	8.3%	↓	1.7%	●
<i>Non-Instructional Salaries</i>		0.0%	↓	0.6%	●
<i>Non-Instructional Benefits</i>	↓	2.1%	↑	0.7%	●

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

Salaries for both Instructional and Non-Instructional categories are projected to align with Revised Estimates. The favourability in Benefits, Actuals to the Revised Estimates, is due primarily to timing and is expected to finish on target for the year.

2. ***At an aggregate level, the total of other expenditure categories (besides salary and benefits) are expected to finish on 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 Revised Estimate</i>		<i>Actual to Previous Year</i>		<i>Risk Assessment</i>
<i>Instructional Expense</i>	↓ 1.3%		↑ 0.8%		●
<i>Transportation Expense</i>	↑ 0.4%		↑ 11.5%		●
<i>Operations & Maintenance</i>	↓ 8.6%		↓ 0.6%		●
<i>Other Administrative</i>	↑ 7.7%		↑ 22.4%		●

While Operations & Maintenance is tracking low compared to Revised Estimates, they are considered a low risk because of the timing of expenditures. Transportation costs are expected to come in on target. Computer expenses are trending unfavourably in the first quarter but are expected to finish on target for this fiscal year.

3. ***Grant Revenue from the Province projected to remain unchanged from the Latest Revised 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 2019-20 fiscal year.

STAFF ABSENTEEISM AND EMPLOYEE FAMILY ASSISTANCE PROGRAM

4. ***Staff Absenteeism Rates and Occasional Fill Rates have increased.*** Recent statistics provide evidence that overall staff absenteeism rates experienced an increase of 1,833 days over the same period, from the prior year. The average absence days per FTE are 5.8 compared to 5.5 in the prior year’s first quarter.

** Absence days are Category A&B and are inclusive of: Personal/Family Illness Days, Urgent Personal Business Days, Bereavement, Compassionate Leave, Health & Safety Inspections, In Lieu of Planning, Jury Duty/Subpoenaed as Witness, Recoverable, Special Circumstances, Special Permission, Suspension and Teachers' Earned Leave Plan – Partial Paid Days. **

- 5. ***Staff absenteeism 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. Figure 5b illustrates the 13-month trend in Occasional Teachers salary. The first 3 months of the school year experienced higher levels of salary when compared to prior year. This graph highlights any trends in absenteeism by month, year over year.

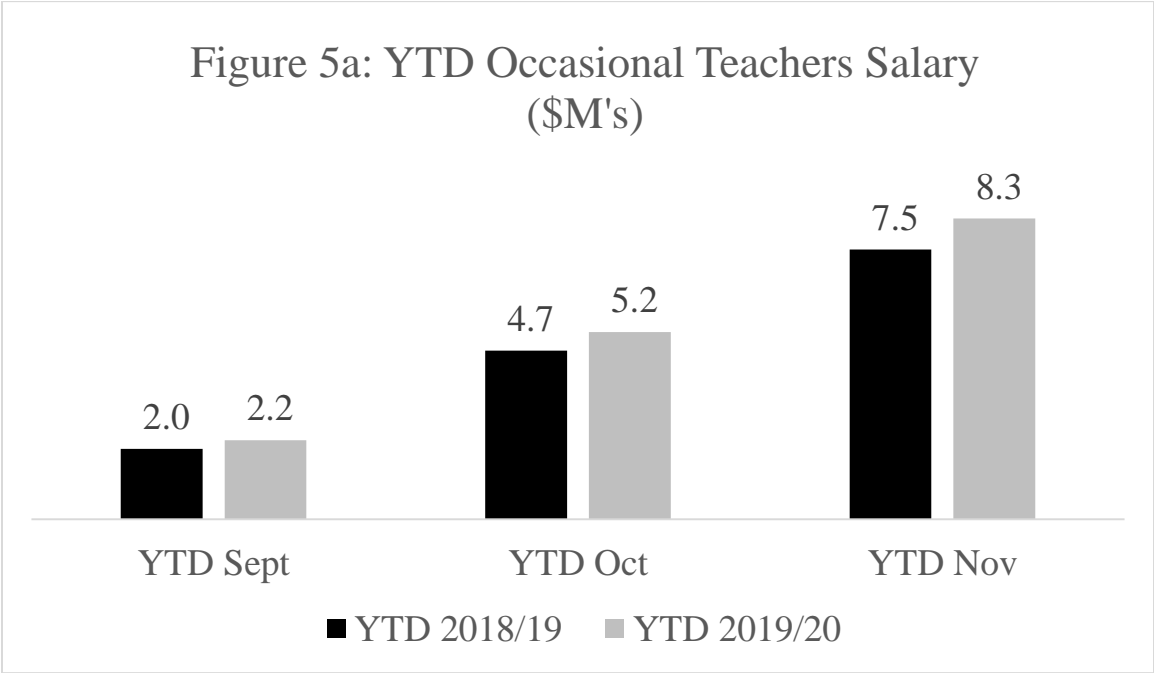
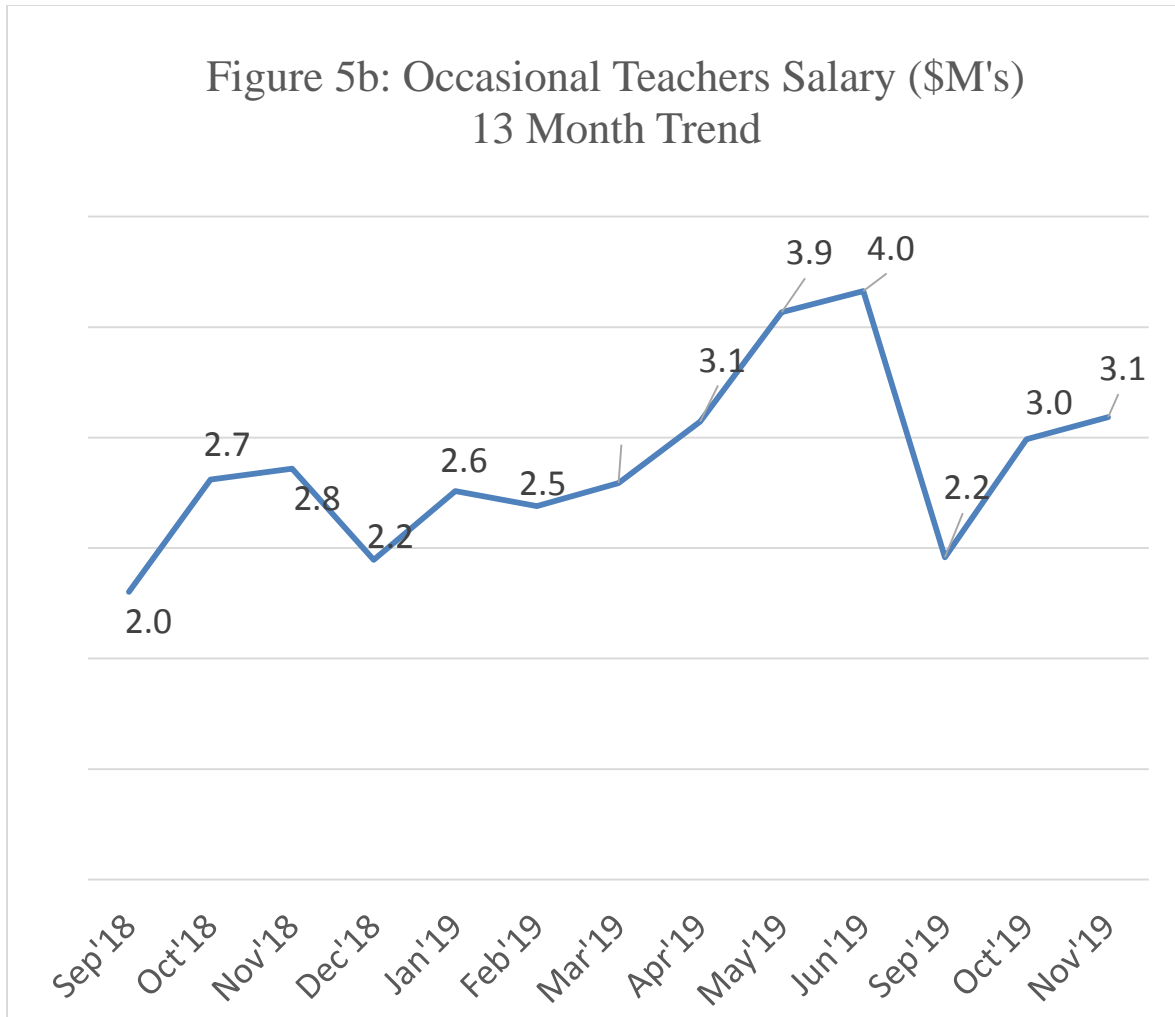


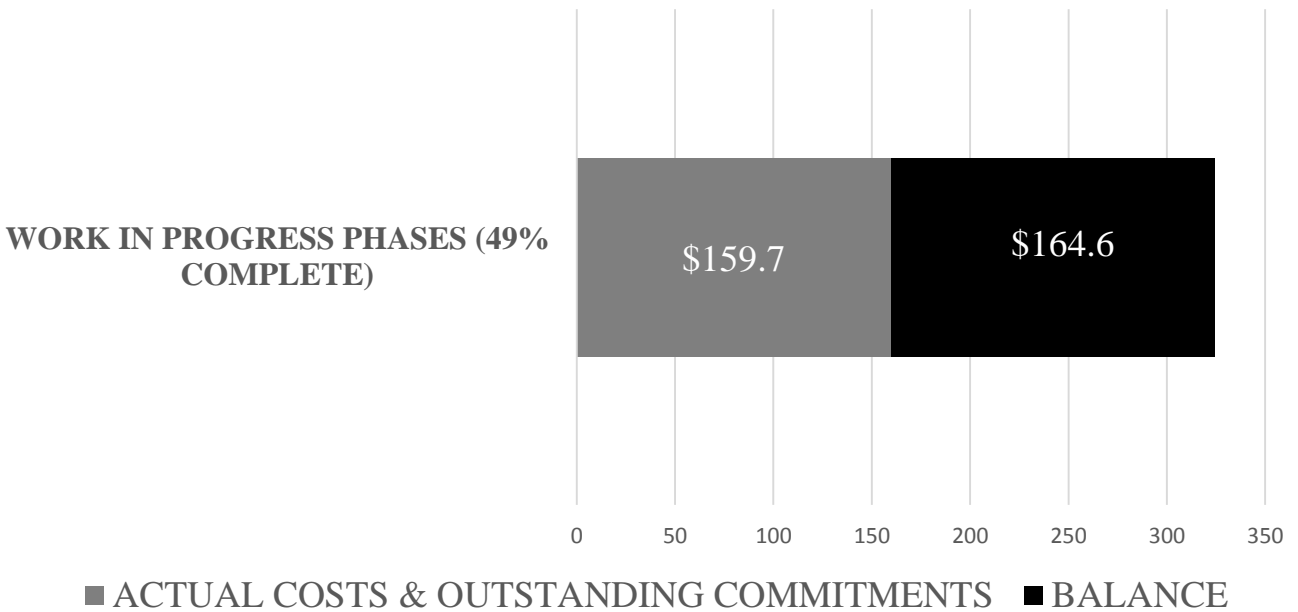
Figure 5b: Occasional Teachers Salary (\$M's)
13 Month Trend



HIGH LEVEL REVIEW OF SCHOOL RENEWAL AND CAPITAL PROJECTS

1. ***The Capital program totals \$450 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 FOR WORK IN PROGRESS (\$M) NEW



Phase I - 16 School Additions (*Projects Completed*)

Phase II - 6 New Elementary Schools (*Projects Completed*)

Phase III - 5 New Elementary Schools (*Work In Progress*)

Phase IV - 8 School Additions & 3 New Elementary Schools (*Work In Progress*)

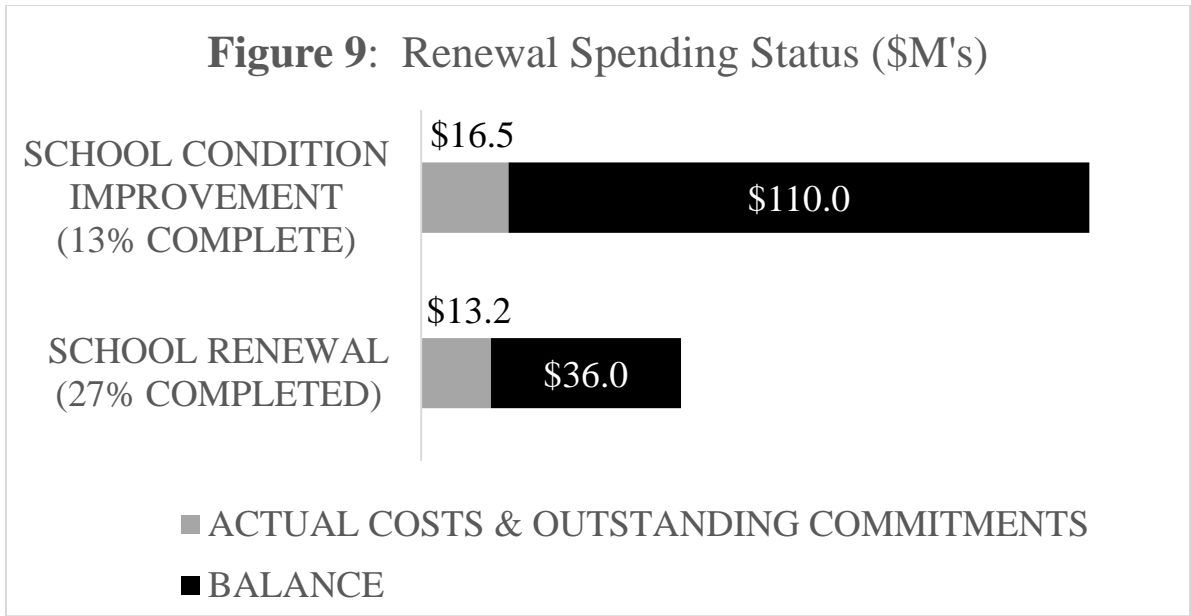
Phase VII - 7 New Elementary Schools (*Work In Progress*)

Phase V – Full Day Kindergarten (*All Projects Completed*)

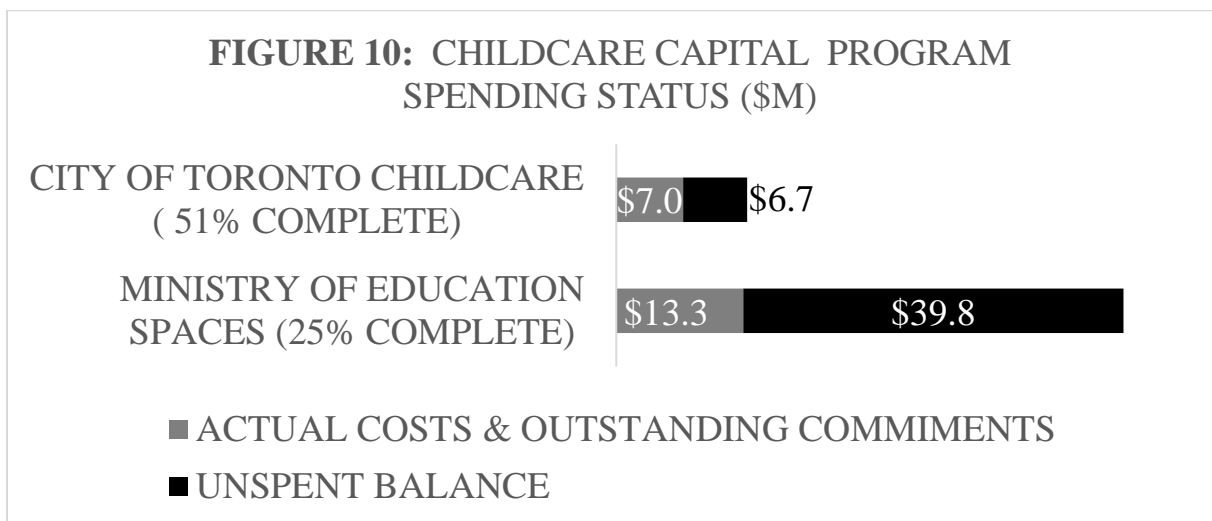
Phase VI – Railway/Bishop MacDonnell consolidated into **Phase VII**

The Renewal Program consists of major building component replacements and site improvements for a total available at September 1, 2019 of \$175M with funding of approximately \$146M remaining. The Regular School Renewal Grant, School Improvement Grant and several other grants provide the funding for the School Renewal Program.

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



2. *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.



E. METRICS AND ACCOUNTABILITY

1. ***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/ContractAwardsReports/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.

2. ***The Government of Ontario plans to establish a centralized procurement for both the Ontario Public Service (OPS) and the Broader Public Sector (BPS).*** The initiative applies to school boards who are part of the BPS. The BPS Interim Measures (Measures) set out requirements that support the development of a centralized procurement system. They are critical to support the identification of opportunities for collaborative purchasing while helping to ensure value for money and accountability. The Ministry of Education updated the BPS Interim Measures (Measures) on September 23rd 2019 as follows:

- a. In-Scope – the Measure apply to:
 - new procurements for goods and services (consulting and non-consulting) valued at \$100,000 or higher. This was previously set at \$25,000 or higher.
- b. Out-of-Scope - the Measure do not apply:
 - where procurement is related to construction work. This includes any consulting services that are included in the procurement of construction work.

- Where procurement is related to goods acquired solely for resale.

BPS organizations must use existing Vendor of Record (VOR) arrangements whenever possible and appropriate, regardless of the value of the procurement. A VOR arrangement could be an Enterprise Vendor of Record arrangement managed by Ministry of Government and Consumer Services (MGCS), or any other arrangement available to the organization. Any new contract, including any extensions, must not exceed two years. In cases where a new contract will exceed two years, organizations may proceed with the procurement; however, they must submit a Procurement Rationale Report at least 45 days prior to issuing an In-Scope procurement greater than \$100,000.

BPS organizations must prepare and submit the following reports to the funding ministry:

- **Planned Procurement Report:** information on planned procurements for 2019 and through to the end of 2021 to the extent the information is available.
 - **Activity Update Report:** information on procurement activity over the past six months, highlighting any variance from the planned procurement report; include a rationale for any variances.
3. *The actual revenues and expenditures are tracking to the Revised Estimates at the end of the first quarter as detailed in this report.*

F. CONCLUDING STATEMENT

This report is for the consideration of the Board of Trustees.