



REPORT TO

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

**2020-21 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 19, 2021	January 27, 2021	February 11, 2021

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



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A. EXECUTIVE SUMMARY

This Financial Update Report as at November 30th 2020 provides a year-to-date look at significant financial activities at the Board.

This is the first update for fiscal 2020-21 using the Revised Estimates approved by the Board of Trustees in December 2020. The Board is on track to generate an in-year deficit of approximately \$42M this year as per the approved 2020-21 Revised Estimates that included additional COVID-19 related expenses. 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 comparisons can be slightly skewed.* When comparing the percentage spent to this period last year, it is important to note that YTD November 2020 had 62 teaching days and YTD November 2019 had 63 teaching days. On-line learning is a significant factor for the current period and was not a factor for the same period last year. Lastly, the 2020-21 Revised Budget Estimates approved by the Board of Trustees in December 2020

included an in-year deficit of \$42M and a deficit elimination plan for the 2021-22 fiscal/school year. This significant budget increase in various expenditure categories creates extraordinary variance for comparative purposes.

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 (millions)</i>		<i>Risk Assessment</i>
<i>Instructional Salaries</i>	↓	\$17.54 (6.9%)	●
<i>Instructional Benefits</i>	↓	\$7.46 (21.0%)	●
<i>Non-Instructional Salaries</i>	↑	-\$0.23 (-1.2%)	●
<i>Non-Instructional Benefits</i>	↓	\$0.44 (8.3%)	●

● = 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 (millions)</i>	<i>Risk Assessment</i>
<i>Instructional Expense</i>	↓ \$5.03 (37.9%)	●
<i>Transportation Expense</i>	↓ \$0.53 (4.5%)	●
<i>Operations & Maintenance</i>	↓ \$3.79 (32.5%)	●
<i>Other Non-Instructional</i>	↑ -\$0.67 (-53.7%)	●

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.

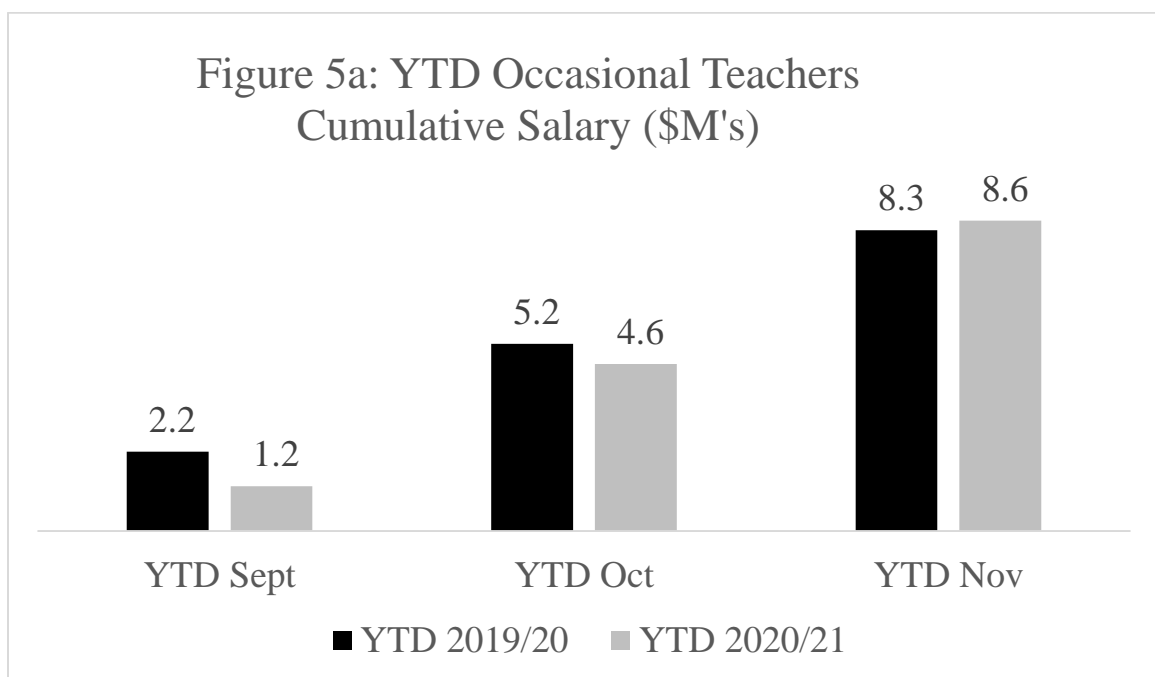
3. ***Grant Revenue from the Province projected to remain unchanged from the 2020-2021 Revised Estimates.*** Grants for Student Needs (GSNs) revenue is expected to remain unchanged and all indications from the current Provincial Government is that they will not be affected in the 2020-21 fiscal year. The ministry has included a GSN Stabilization funding component that is intended to minimize the enrolment losses funded by the GSN's that all boards are experiencing during the COVID-19 pandemic. It is important to note, the GSN Stabilization did not fully offset the GSN reductions (Net Shortfall of \$1.6M) and additional Revenue losses, i.e. International VISA Student Tuition Revenues (\$11.6M), resulted in an overall loss in revenues for the TCDSB.

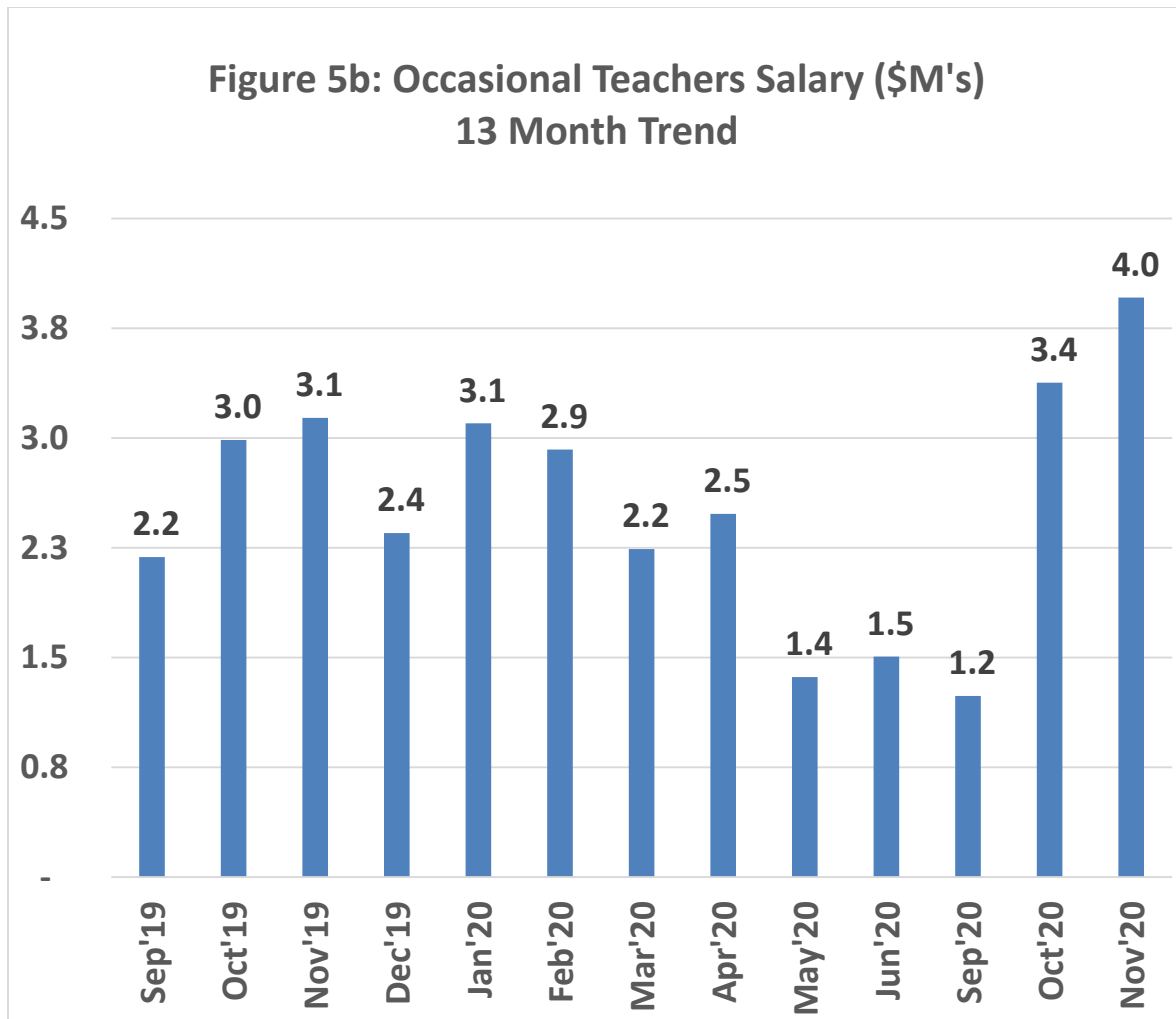
STAFF ABSENTEEISM AND EMPLOYEE FAMILY ASSISTANCE PROGRAM

4. ***Staff Absenteeism Rates and Occasional Fill Rates have increased.*** Recent statistics provide evidence that overall staff absenteeism rates experienced an increase of 3,190 days over the same period, from the prior year. The average absence days per FTE are 6.1 compared to 5.7 in the prior year's first quarter.

** Absence days 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.





HIGH LEVEL REVIEW OF SCHOOL RENEWAL AND CAPITAL PROJECTS

1. ***The Capital program totals \$329 million.*** The Board received Capital Project funding for 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. **Appendix B** provides more detail regarding the Capital Projects.

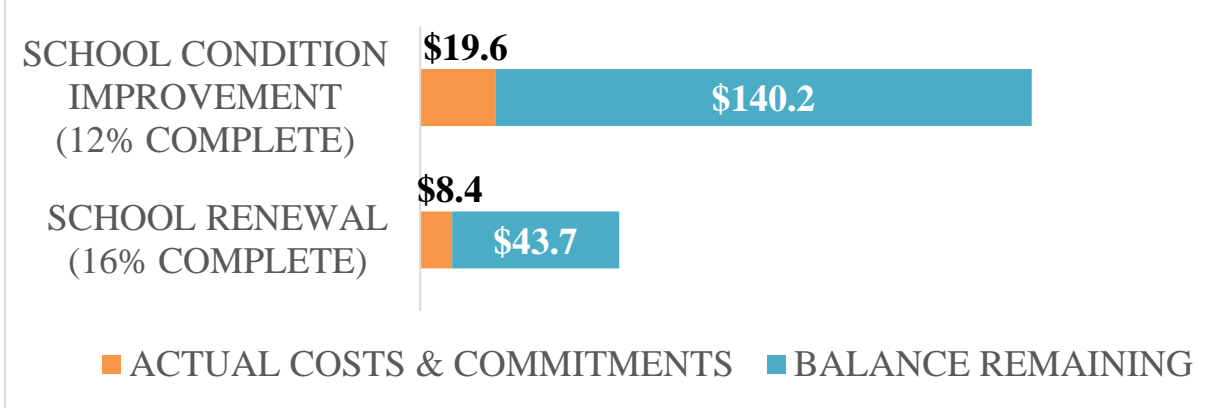
FIGURE 8: CAPITAL PROJECT SPENDING STATUS FOR WORK IN PROGRESS (\$M) NEW



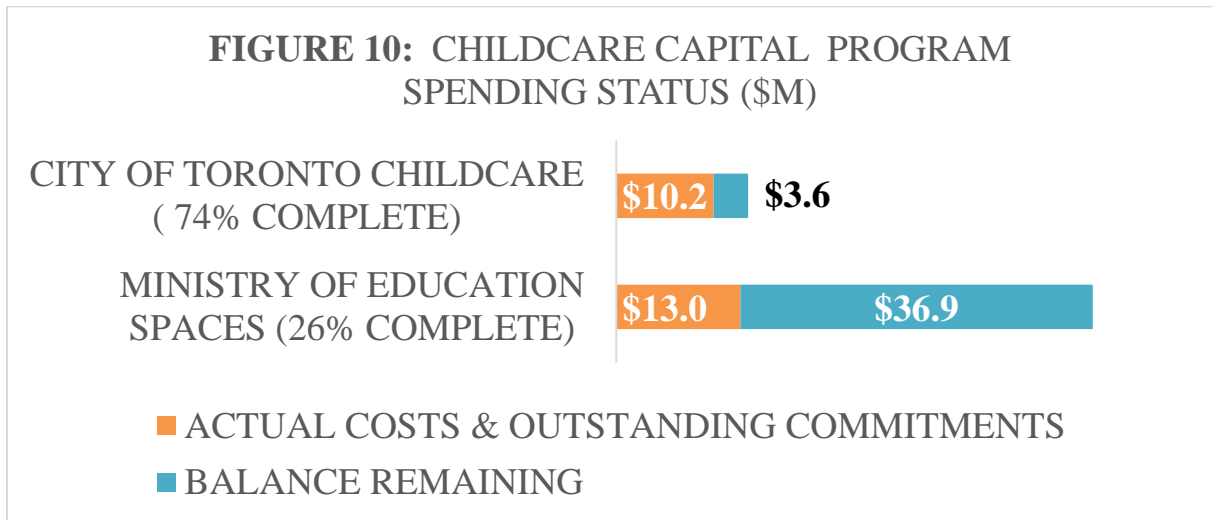
2. *The Renewal Program consists of major building component replacements and site improvements for a total available at September 1, 2020 of \$211.9M with funding of approximately \$183.81M remaining.* The Regular School Renewal Grant, School Improvement Grant and several other grants provide the funding 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:

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



3. *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.



METRICS AND ACCOUNTABILITY

1. *Negotiated salary and wage increases are not included in actuals.* The 1% salary increase negotiated with the various unions for September 2019 and September 2020 will not be paid until the conclusion of all local negotiations.
2. *The overall actual revenues and expenditures are trending in line with the 2020-21 Revised Estimates at per the end of the first quarter as detailed in this report.*

E. CONCLUDING STATEMENT

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