PUBLIC

REPORT TO **AUDIT COMMITTEE**

2020-21 SECOND QUARTER FINANCIAL STATUS UPDATE

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

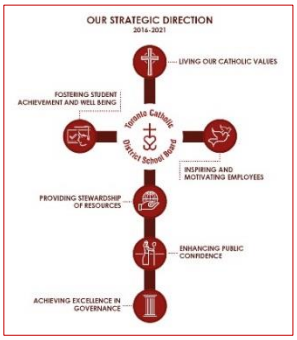
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March 30, 2021	April 7, 2021	

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



Brendan Browne. PhD
Director of Education

D. Koenig
Associate Director
of Academic Affairs

S. Camacho
Acting, Associate Director
Facilities, Business and
Community Development

A. EXECUTIVE SUMMARY

This Financial Update Report as at February 28th, 2021 provides a year-to-date look at significant financial activities at the Board.

This is the second update for fiscal 2020-21 using the Revised Estimates approved by the Board of Trustees in December 2020. This update forecasts an in-year deficit of approximately $33.8M versus the $42M approved in the 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 February 2021 had 115 teaching days and YTD February 2020 had 114 teaching days (114 teaching days for YTD February 2020 accounts for 3 job action days by OECTA. Had there been no job action by OECTA, the YTD February 2020 teaching days would have totalled 117). 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 and a deficit elimination plan for the 2021-22 fiscal/school year. This significant budget increase in various expenditure categories creates extraordinary variances for comparative purposes.

D. EVIDENCE/RESEARCH/ANALYSIS

HIGH LEVEL REVIEW AND RISK ASSESSMENTS OF OPERATING REVISED ESTIMATES

1. ***LATEST FORECAST identifies a Net Savings of $8.2M vs approved 2020-21 Revised Budget Estimates.*** The savings is largely driven by the delay of new hires in all Instructional positions, with the exception of Occasional Teachers.

Expenditure Saving	$M
Instructional Staff Costs (excl. Occasional)	13.50
Transportation (offset in Revenue)	0.54
Total Expenditure Savings	14.04

Additional Costs	$M
Occasional Staff Costs	5.00
Other Staff Costs	0.34
Total Additional Cost	5.34

Revenue Loss	$M
Transportation Claw-back	0.54
Net Savings	**8.16**

2. ***Salary and Benefit expenditures are expected to finish slightly below target for this academic year ($8.5M).*** 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.

Figure 1: Salary and Benefits Variance / Risk Analysis

	Actual to Revised Estimates (millions)	***Risk Assessment***
Instructional Salaries	↓ $36.63 (7.6%)	●
Instructional Benefits	↓ $9.18 (12.9%)	●
Non-Instructional Salaries	↓ $0.70 (1.8%)	●
Non-Instructional Benefits	↓ $0.69 (6.5%)	●

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

Salaries for both Instructional and Non-Instructional categories are projected to come in slightly below Revised Estimates. The small favourability in Benefits, Actuals to the Revised Estimates, is due primarily to the delay in new Instructional hires.

3. ***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

	Actual to Revised Estimate (millions)	***Risk Assessment***
Instructional Expense	↓ $9.16 (34.5%)	●
Transportation Expense	↓ $1.14 (4.8%)	●

Operations & Maintenance	↓	$5.20 (22.2%)	●
Other Non-Instructional	↓	$0.47 (1.9%)	●

While Operations & Maintenance is tracking low compared to Revised Estimates, they are considered a low risk because of the timing of expenditures. As a result of COVID-19 school closures, Transportation $0.54M (offset in Revenue)

4. ***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.

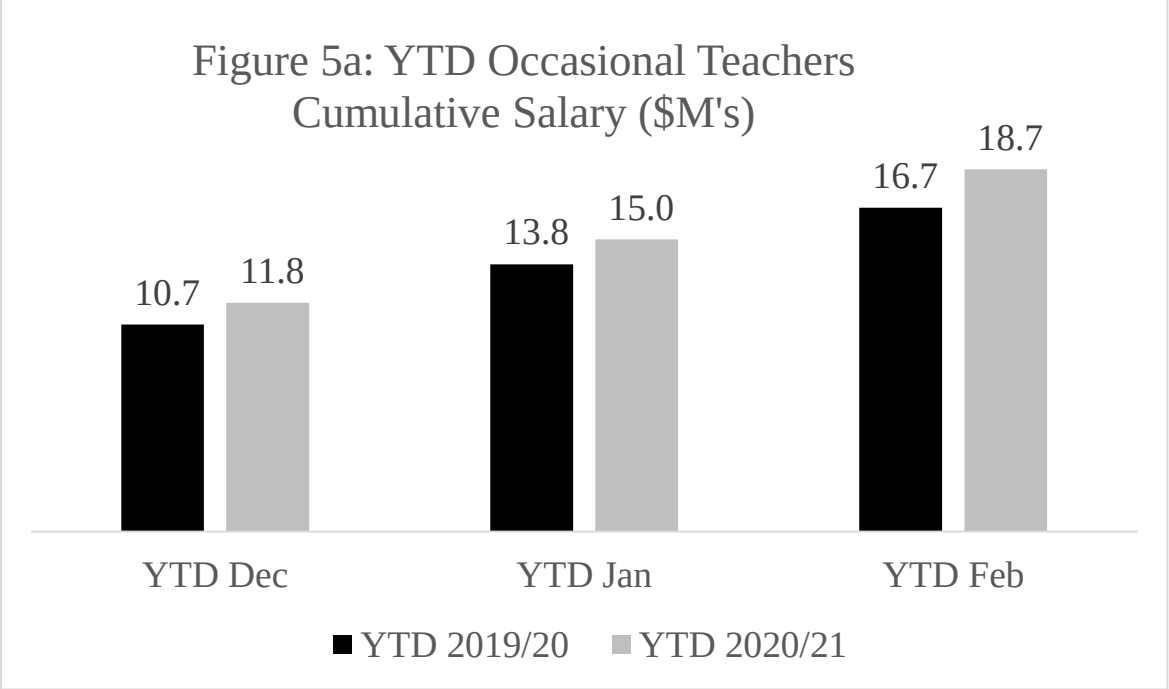
5. ***COVID related reductions to Other Revenues (-$0.54M) as a result of school closures.*** The Transportation Revenue claw-back due to the reduction in bussing usage is estimated to be $542K.

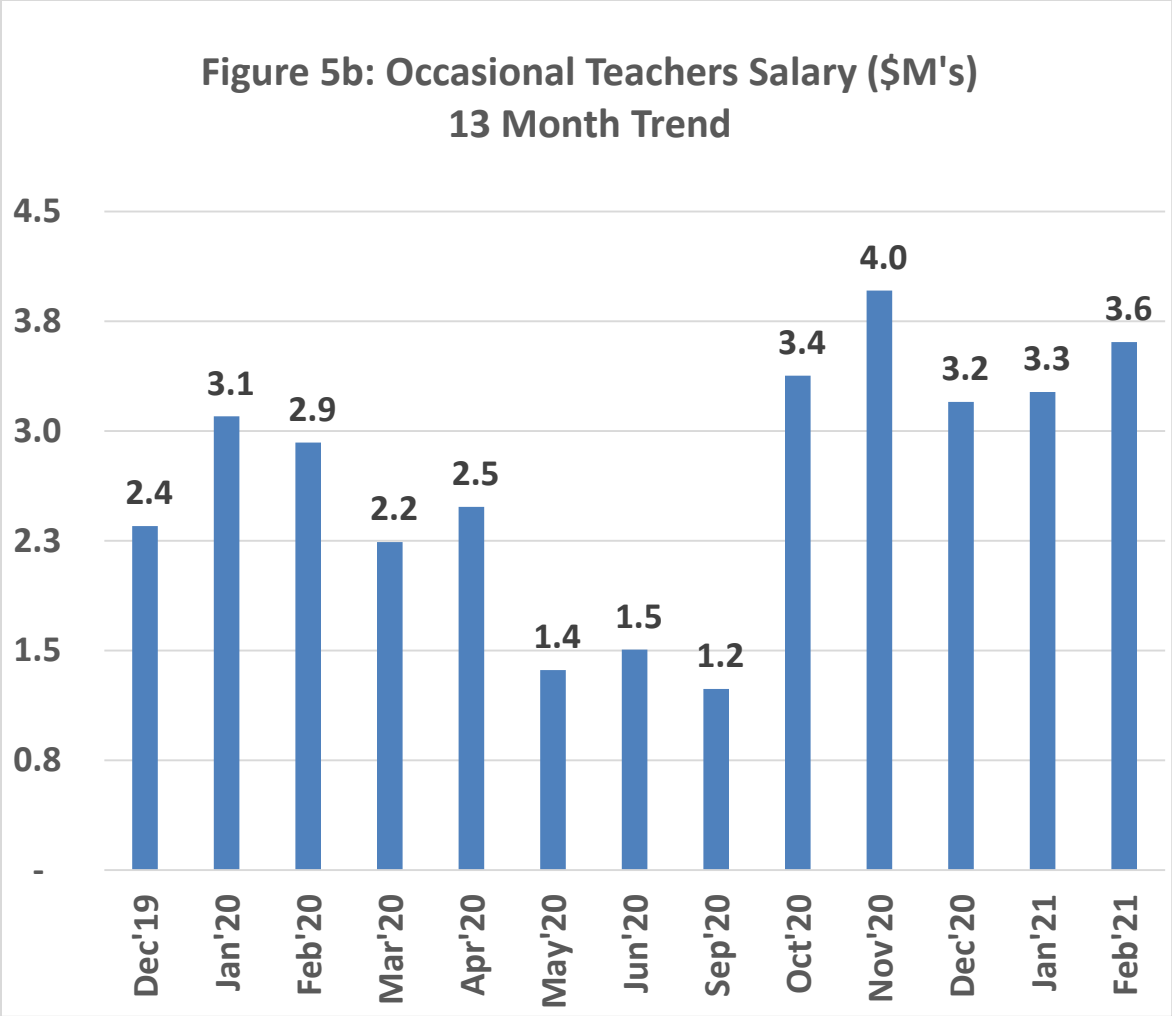
STAFF ABSENTEEISM AND EMPLOYEE FAMILY ASSISTANCE PROGRAM

6. ***Staff Absenteeism Rates and Occasional Fill Rates have decreased overall.*** Recent statistics provide evidence that overall staff absenteeism rates experienced a decrease of 3,030 days over the same period, from the prior year. Although the net absenteeism in Instructional Staff is higher (797 days), the large decrease is driven by the reduction in the Other School Board Employees and the Custodian/Trade/Maint. groups (-3,612 days and -214 days, respectfully). The average absence days per FTE are 11.2 compared to 11.5 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. **

7. ***Staff absenteeism in Instructional groups continues to be an area of concern for the Board.*** The Occasional Teacher costs shown in Figure 5a are expected to come in over the Revised Estimate by $5.0M. The Board has not been able to fill all teacher absences and the Occasional Teacher cost would be higher still if the teachers were available. Figure 5b illustrates the 13-month trend in Occasional Teachers salary. The first six 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.

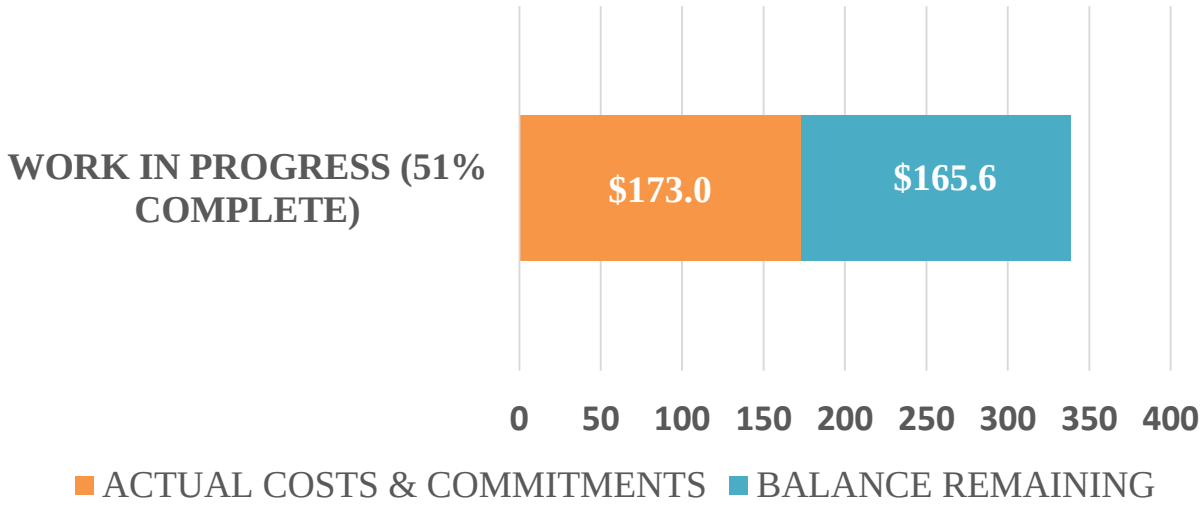




HIGH LEVEL REVIEW OF SCHOOL RENEWAL AND CAPITAL PROJECTS

1. ***The Capital program totals $339 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.

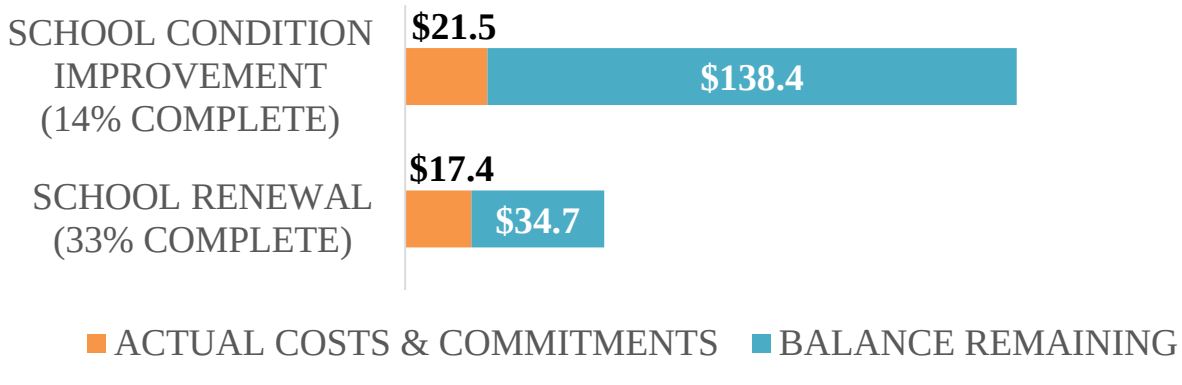
FIGURE 8: CAPITAL PROJECT SPENDING STATUS FOR WORK IN PROGRESS ($M) NEW



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 $173.05M 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.

FIGURE 10: CHILDCARE CAPITAL PROGRAM SPENDING STATUS ($M)



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 slightly favourable compared with the $42M deficit approved in the 2020-21 Revised Estimates.*** The Board's latest estimate reflects an in-year deficit of $33.8M.

E. CONCLUDING STATEMENT

This report is for the consideration of the Audit committee.