

TORONTO CATHOLIC  
DISTRICT SCHOOL

2021 - 2022  
**BUDGET  
ESTIMATES**

*Non-Instructional  
Book*



# BOARD OF TRUSTEES

*Catholic school trustees are the critical link between communities and school boards. Catholic ratepayers in City of Toronto elect 12 English Language Trustees to the Toronto Catholic District School Board during each municipal election. The Chair of the Board and the Vice-Chair are elected at the Inaugural meeting of the Board, and serve for one year.*

*Working together, a school trustee is responsible, as a member of the Board:*

- *To govern and set policy.*
- *To govern for the provision of curriculum, facilities, human and financial resources.*
- *To advocate for the needs of their communities.*
- *As a constituency representative, to explain the policies and decisions of the TCDSB to residents.*

*Trustees are available to help taxpayers, parents and others address any issues they may have about the Catholic school system.*



Trustee Joseph Martino  
Ward 1: Etobicoke



Trustee Markus de Domenico  
Ward 2: Etobicoke



Trustee Ida Li Preti  
Ward 3: North York



Trustee Teresa Lubinski  
Ward 4: Toronto/York/Etobicoke



Trustee Maria Rizzo  
Ward 5: North York



Trustee Frank D'Amico, CD  
Ward 6: York



Trustee Michael Del Grande  
Ward 7: Scarborough/North York



Trustee Garry Tanuan  
Ward 8: Scarborough



Trustee Norm Di Pasquale  
Ward 9: Toronto



Trustee Daniel Di Giorgio  
Ward 10: Toronto



Trustee Angela Kennedy  
Ward 11: East York/Toronto



Trustee Nancy Crawford  
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Trustee Keith Andre Baybayon  
Student Trustee: All TCDSB Schools



Trustee Kathy Nguyen  
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# Toronto Catholic District School Board

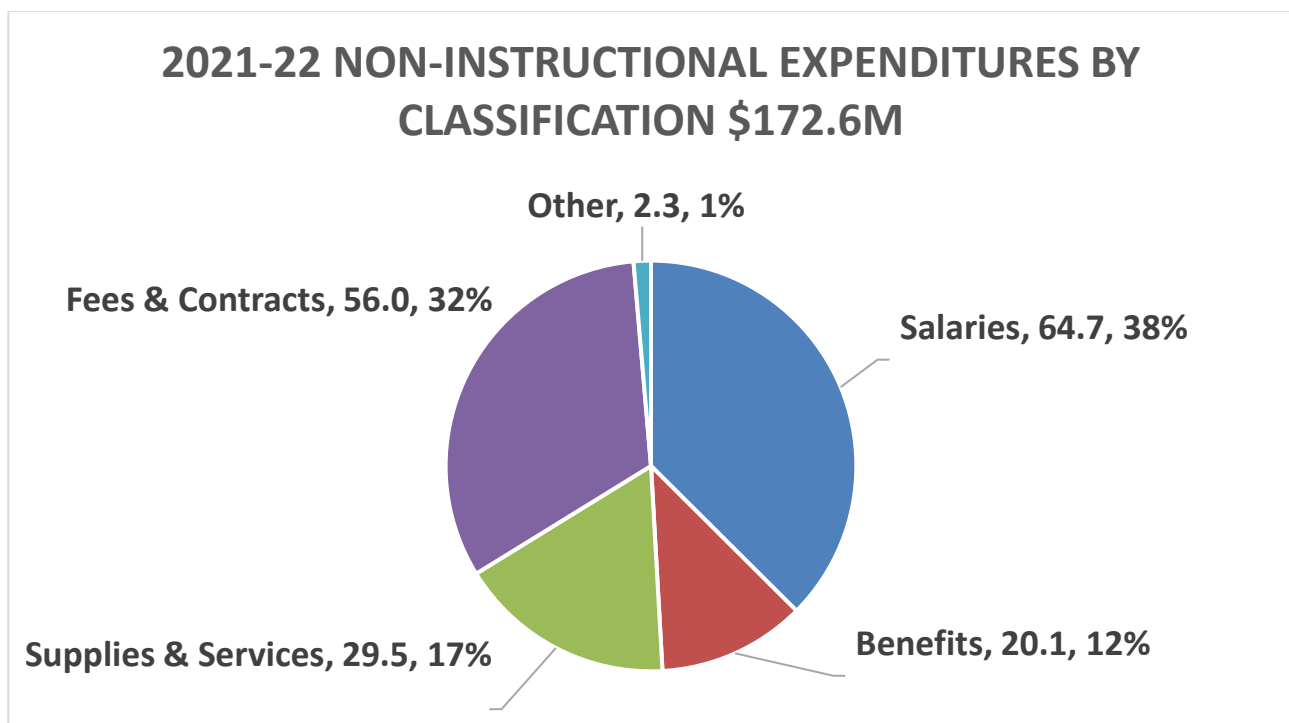
## Volume V: Non-Instructional Related Expenditures

## NON-INSTRUCTIONAL EXPENDITURES ARE NECESSARY TO SUPPORT STUDENT ACHIEVEMENT AND WELL-BEING

While the majority of TCDSB's expenditures support Instructional related activities, there are several functions within the organization that are Non-Instructional in nature, but still play a critical role in providing safe and enriching environments for students. They are also key to ensuring that stewardship of the Board's physical assets and services are provided for with a high degree of quality. Non-Instructional Operating Expenditures can be summarized in four main areas: Administration and Governance, Transportation, School Operations and Maintenance, and Temporary Accommodations. Appendix 5A provides a detailed breakdown.

Administration and Governance expenditures include costs such as operating the Board office (Catholic Education Centre) and central facilities, Business Services and payroll, and senior staff, Trustees, other system-wide based staff and expenditures. Transportation expenditures includes costs to transport students between home, school, and other programs, clubs and sport team's events and field trips. School operations and maintenance includes custodial, maintenance and school operations staff salaries and benefits, utilities, insurance and other expenditures to maintain clean and safe school environments. Other expenditures include funding for special purpose projects.

The following chart provides an overview of Non-Instructional Related Expenditures by functional classification.



The chart below provides a comparison between the 2020-21 Revised Budget and the 2021-22 Budget Estimates by category. On the following page is a brief analysis of each line item (referenced by line #) explaining the differences between each year's budget.

## NON-INSTRUCTIONAL EXPENDITURES INCREASES / (DECREASES) (\$000)

	Non-Instructional Related Expenditure Categories	2020/21 Budget Revised Estimates	Variance Incr./ (Decr.)	2021/22 Budget Estimates
1	Administration and Governance	26,443	750	27,193
2	School Operations & Maintenance	111,223	(11,041)	100,182
3	Transportation	40,722	2,143	42,865
4	Temporary Accommodation	3,774	(1,424)	2,350
	<b>Sub-Total Non Classroom</b>	<b>182,162</b>	<b>(9,572)</b>	<b>172,589</b>

### Non-Instructional Expenditures Variance Analysis –Appendix 5A provides further details.

The following is related commentary regarding key line-item change:

- **#1 - Board Administration and Governance Cost's Increased.** There is an overall increase of 1% as a result of new collective agreements as well as some additional investment in new Employee Relation Investigator areas and the conversion of a Contract Recording Secretary to permanent status.
- **#2 - School Operations and Maintenance have decreased \$11.1M.** There is an overall increase in salary and benefits and utility costs but a greater reduction in one-time COVID -19 related costs as well as enrolment changes.
- **#3 - Transportation costs have a net increase of \$2.1M.** There are one-time costs increase due to school relocations, the continuation of COVID cleaning costs, and increase in the projected contract rates for buses.
- **#4 - Temporary Accommodation funding has decreased.** Due to a reduction for instructional space leasing cost funding has declined accordingly

# Toronto Catholic District School Board

## Volume V: Appendices



## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## NON INSTRUCTIONAL

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Director's Office	6,385,549	6,385,549	6,661,500	\$ 275,951	4.3%
Communications	819,156	819,156	955,443	\$ 136,287	16.6%
Human Resources	7,548,472	6,033,193	6,086,970	\$ 53,778	0.9%
Business Administration	5,298,282	5,298,282	5,421,209	\$ 122,926	2.3%
Legal Fees	1,125,000	1,125,000	1,200,000	\$ 75,000	6.7%
Corporate Services	1,360,426	1,360,426	1,472,930	\$ 112,504	8.3%
Employee Relations	1,147,413	1,147,413	1,439,094	\$ 291,681	25.4%
Facilities Services & Planning Services	1,529,212	1,529,212	1,261,506	\$ (267,706)	-17.5%
Catholic Education Centre	2,621,081	2,621,081	2,570,791	\$ (50,290)	-1.9%
Transportation	39,661,690	40,721,550	42,865,090	\$ 2,143,540	5.3%
Operations & Maintenance	101,761,098	111,222,957	100,181,704	\$ (11,041,253)	-9.9%
Other Expenditures	123,771	123,771	123,771	\$ -	0.0%
Temporary Accommodation	3,435,732	3,773,704	2,349,704	\$ (1,424,000)	-37.7%
<b>TOTAL</b>	<b>\$ 172,816,883</b>	<b>\$ 182,161,294</b>	<b>\$ 172,589,712</b>	<b>\$ (9,571,582)</b>	<b>-5.3%</b>





**2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL  
CLASSIFICATION**

**Director's Office**

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Director/Supervisory Officers Salaries	\$ 3,310,122	\$ 3,310,122	\$ 3,482,145	172,023	5.2%
Director/Supervisory Officers Benefits	1,019,187	1,019,187	974,652	(44,534)	-4.4%
Director & Supervisory Officers Professional Development	42,500	42,500	42,500	-	0.0%
Director & Supervisory Officers Other Expenses	43,680	43,680	43,680	-	0.0%
Office Support Staff Salaries	804,949	804,949	902,227	97,278	12.1%
Office Support Staff Benefits	242,853	242,853	294,036	51,183	21.1%
Trustees & Student Trustees Honorariums	273,008	273,008	272,014	(994)	-0.4%
Trustees & Student Trustees Other Expenses	279,490	279,490	280,484	995	0.4%
OCSTA Annual Membership Fee	210,978	210,978	210,978	-	0.0%
OCSOA Membership Fees	32,895	32,895	32,895	-	0.0%
Director's Office					
Printing	15,000	15,000	15,000	-	0.0%
Telephone	2,500	2,500	2,500	-	0.0%
Supplies	98,388	98,388	98,388	-	0.0%
Contractual Services	10,000	10,000	10,000	-	0.0%
<b>TOTAL</b>	<b>\$ 6,385,549</b>	<b>\$ 6,385,549</b>	<b>\$ 6,661,500</b>	<b>275,951</b>	<b>4.3%</b>

## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Communications

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Salaries	\$ 575,566	\$ 575,566	\$ 670,953	95,387	16.6%
Benefits	173,648	173,648	218,664	45,015	25.9%
<b>Supplies &amp; Services</b>					
Car Allowance	4,116	4,116	-	(4,116)	-100.0%
Printing	7,500	7,500	7,500	-	0.0%
Telephone	4,000	4,000	4,000	-	0.0%
Supplies	54,326	54,326	54,326	-	0.0%
<b>TOTAL</b>	<b>\$ 819,156</b>	<b>\$ 819,156</b>	<b>\$ 955,443</b>	<b>136,287</b>	<b>16.6%</b>



## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Human Resources

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Salaries	\$ 5,078,429	\$ 3,914,352	\$ 3,874,140	(40,212)	-1.0%
Benefits	1,532,162	1,180,960	1,262,582	81,622	6.9%
Central Temporary Staffing	85,000	85,000	85,000	-	0.0%
Summer Help (Temporary Staffing)	85,000	85,000	85,000	-	0.0%
Negotiation Costs	125,719	125,719	125,719	-	0.0%
New Teacher Induction Program NTIP Provision	50,000	50,000	50,000	-	0.0%
Workplace Safety Team Professional Development Fund	50,000	50,000	50,000	-	0.0%
Whistle Blower Security	75,000	75,000	75,000	-	0.0%
Central Bargaining - OCSTA	43,017	43,017	55,384	12,367	28.7%
Car Allowance	24,696	24,696	24,696	-	0.0%
Professional Development	15,000	15,000	15,000	-	0.0%
Printing	8,000	8,000	8,000	-	0.0%
Telephone	11,406	11,406	11,406	-	0.0%
Supplies	97,250	97,250	97,250	-	0.0%
Recruitment of Staff	80,000	80,000	80,000	-	0.0%
Professional Services	117,811	117,811	117,811	-	0.0%
Software Fees & Licensing Fees	69,982	69,982	69,982	-	0.0%
<b>TOTAL</b>	<b>\$ 7,548,472</b>	<b>\$ 6,033,193</b>	<b>\$ 6,086,970</b>	<b>53,778</b>	<b>0.9%</b>

## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Business Administration

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Salaries	\$ 3,928,557	\$ 3,928,557	\$ 3,949,565	21,008	0.5%
Benefits	1,185,246	1,185,246	1,287,163	101,918	8.6%
<b>Supplies &amp; Services</b>					
Materials Management	9,116	9,116	9,116	-	0.0%
Payroll Services	28,920	28,920	28,920	-	0.0%
Business Services	46,444	46,444	46,444	-	0.0%
Printing Services	(100,000)	(100,000)	(100,000)	-	0.0%
Bank Charges & Other Fees	25,000	25,000	25,000	-	0.0%
Audit Fees	100,000	100,000	100,000	-	0.0%
Employee Expense Reimbursement Software Maintenance	75,000	75,000	75,000	-	0.0%
<b>TOTAL</b>	<b>\$ 5,298,282</b>	<b>\$ 5,298,282</b>	<b>\$ 5,421,209</b>	<b>122,926</b>	<b>2.3%</b>



## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Legal Fees

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Legal Fees & Services - General Corporate & Safe Schools	\$ 150,000	\$ 150,000	\$ 150,000	-	0.0%
Legal Fees & Services - Employee Relations	625,000	625,000	700,000	75,000	12.0%
Legal Fees & Services - Planning & Facilities	350,000	350,000	350,000	-	0.0%
<b>TOTAL</b>	<b>\$ 1,125,000</b>	<b>\$ 1,125,000</b>	<b>\$ 1,200,000</b>	<b>75,000</b>	<b>6.7%</b>





2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

Corporate Services

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Salaries	\$ 755,137	\$ 755,137	\$ 829,309	74,173	9.8%
Benefits	227,825	227,825	270,272	42,447	18.6%
Professional Development	82,700	82,700	82,700	-	0.0%
Printing	1,200	1,200	1,200	-	0.0%
Telephone	2,000	2,000	2,000	-	0.0%
Supplies	26,088	26,088	26,088	-	0.0%
Contractual Services	57,861	57,861	57,861	-	0.0%
Software Fees & Licensing Fees	3,500	3,500	3,500	-	0.0%
Car Allowance	4,116	4,116	-	(4,116)	-100.0%
Integrity Commissioner	150,000	150,000	150,000	-	0.0%
Parliamentarian	50,000	50,000	50,000	-	0.0%
<b>TOTAL</b>	<b>\$ 1,360,426</b>	<b>\$ 1,360,426</b>	<b>\$ 1,472,930</b>	<b>112,504</b>	<b>8.3%</b>



## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Employee Relations

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Salaries	\$ 834,188	\$ 834,188	\$ 1,029,781	195,593	23.4%
Benefits	251,675	251,675	335,606	83,931	33.3%
Professional Development	7,500	7,500	7,500	-	0.0%
Printing	10,000	10,000	10,000	-	0.0%
Telephone	3,000	3,000	3,000	-	0.0%
Supplies	13,770	13,770	25,927	12,157	88.3%
Professional Services	19,048	19,048	19,048	-	0.0%
Car Allowance	8,232	8,232	8,232	-	0.0%
<b>TOTAL</b>	<b>\$ 1,147,413</b>	<b>\$ 1,147,413</b>	<b>\$ 1,439,094</b>	<b>291,681</b>	<b>25.4%</b>





## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Facilities Services &amp; Planning Services

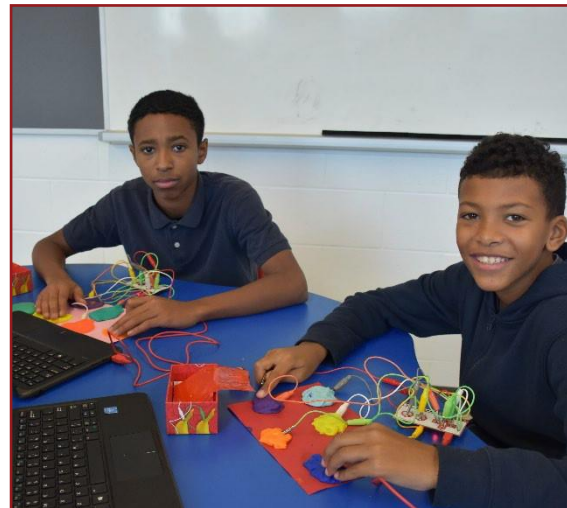
Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Salaries	\$ 1,134,266	\$ 1,134,266	\$ 911,659	(222,608)	-19.6%
Benefits	342,208	342,208	297,110	(45,099)	-13.2%
<b>Supplies &amp; Resources</b>					
Facilities Services Department	12,243	12,243	12,243	-	0.0%
Capital Development Department	3,500	3,500	3,500	-	0.0%
Planning Department	18,000	18,000	18,000	-	0.0%
Development Services	2,995	2,995	2,995	-	0.0%
Admissions Department	1,000	1,000	1,000	-	0.0%
Facilities Legal Services Department	10,000	10,000	10,000	-	0.0%
Capital Planning Capacity Program	5,000	5,000	5,000	-	0.0%
<b>TOTAL</b>	<b>\$ 1,529,212</b>	<b>\$ 1,529,212</b>	<b>\$ 1,261,506</b>	<b>(267,706)</b>	<b>-17.5%</b>



## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Catholic Education Centre

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Custodial Salaries	\$ 418,809	\$ 418,809	\$ 373,236	(45,573)	-10.9%
Custodial Benefits	126,355	126,355	121,638	(4,717)	-3.7%
CEC Facility Utilities & Maintenance	600,000	600,000	600,000	-	0.0%
CEC Amortization of Previous Building Improvements	1,475,917	1,475,917	1,475,917	-	0.0%
<b>TOTAL</b>	<b>\$ 2,621,081</b>	<b>\$ 2,621,081</b>	<b>\$ 2,570,791</b>	<b>(50,290)</b>	<b>-1.9%</b>



## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Transportation

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Administrative Salaries	\$ 1,020,208	\$ 1,060,757	\$ 1,065,430	4,673	0.4%
Administrative Benefits	237,913	247,369	245,262	(2,107)	-0.9%
Temporary Assistance	50,000	50,000	50,000	-	0.0%
Office Supplies & Services	131,900	131,900	131,900	-	0.0%
<b>TRANSPORTATION - REGULAR INSTRUCTION</b>					
Excursions for Physically Challenged Students	14,969	14,969	15,008	39	0.3%
Ontario Schools Deaf & Blind	94,451	186,993	187,479	486	0.3%
Regular Home to School	17,357,902	17,357,902	17,403,033	45,131	0.3%
New Routes & Growth	246,973	-	-	-	0.0%
Student Safety	70,076	70,076	70,258	182	0.3%
Safe Schools	14,118	14,118	14,155	37	0.3%
Remedial Language	111,622	111,622	111,912	290	0.3%
Regular Transit Fares for Scholars & Children	36,114	36,114	36,728	614	1.7%
Safe Schools Transit Fares (Scholars)	16,024	16,024	16,296	272	1.7%
Summer School	486,444	486,444	489,245	2,801	0.6%
Bilingual Program Transit Fares (Scholars & Children)	32,438	32,438	32,990	551	1.7%
Exceptional Circumstances (Tickets)	537,375	517,375	526,170	8,795	1.7%
Fuel Escalation Charge Provision	170,000	170,000	170,000	-	0.0%
Software Fees & Licenses	180,926	180,926	192,178	11,252	6.2%
Transportation Consortium	150,639	150,639	167,288	16,649	11.1%
COVID 19	-	895,549	200,000	(695,549)	-77.7%

## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Transportation

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
<b>TRANSPORTATION - SPECIAL EDUCATION</b>					
Vision, Hearing & Speech	2,343,357	2,343,357	2,349,449	6,093	0.3%
Medical & Physically Challenged	9,100,259	9,100,259	9,123,919	23,661	0.3%
Special Education Transit Fares for Adults	4,869	4,869	4,952	83	1.7%
Developmentally Disabled Transit Fares for Scholars	8,346	8,346	8,488	142	1.7%
Special Transit Fares for Scholars & Children	256,867	256,867	261,234	4,367	1.7%
Developmentally Disabled	605,847	605,847	607,422	1,575	0.3%
Care & Treatment & Correctional Facilities Programs	1,123,571	1,123,571	1,126,492	2,921	0.3%
Special Education	4,360,128	4,648,866	5,153,433	504,567	10.9%
Co-operative Education (Special Education & W/C) & Transit Tickets	898,354	898,354	909,616	11,262	1.3%
<b>ONE-TIME TRANSPORTATION SERVICES</b>					
One-time Transportation Services due to New School Construction	\$ -	\$ -	\$ 2,194,753	2,194,753	100.0%
<b>TOTAL</b>	<b>\$ 39,661,690</b>	<b>\$ 40,721,550</b>	<b>\$ 42,865,090</b>	<b>2,143,540</b>	<b>5.3%</b>



## 2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

## Operations &amp; Maintenance

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Salaries	\$ 47,783,741	\$ 49,783,741	\$ 47,255,981	(2,527,760)	-5.1%
Benefits	14,672,589	14,672,589	14,780,035	107,446	0.7%
Utilities	20,285,351	20,285,351	21,014,840	729,489	3.6%
Insurance	2,650,000	2,650,000	2,610,000	(40,000)	-1.5%
Professional Development Provision	93,445	93,445	99,875	6,430	6.9%
Printing and Photocopying	4,097	4,097	4,097	-	0.0%
Plant Operations Supplies	1,224,713	1,224,713	1,182,040	(42,673)	-3.5%
Automobile Reimbursement	60,709	60,709	60,709	-	0.0%
Travel Expense Allowance	110,166	110,166	110,166	-	0.0%
Vehicle Fuel	130,000	130,000	130,000	-	0.0%
Repairs-Custodial Equipment	150,000	150,000	141,600	(8,400)	-5.6%
Telephone Expense	106,432	106,432	217,999	111,567	104.8%
Office Supplies and Services	23,097	23,097	34,472	11,375	49.2%
Maintenance Supplies and Services	5,019,174	5,019,174	3,460,000	(1,559,174)	-31.1%
Vehicle Maintenance and Supplies	178,000	178,000	178,000	-	0.0%
Other Professional Fees (Health & Safety)	181,552	181,552	203,502	21,950	12.1%
Other Contractual Services	8,068,033	7,946,335	8,698,389	752,053	9.5%
COVID-19 Related Expenditures	1,020,000	8,603,556	-	(8,603,556)	-100.0%
<b>TOTAL</b>	<b>\$ 101,761,098</b>	<b>\$ 111,222,957</b>	<b>\$ 100,181,704</b>	<b>(11,041,253)</b>	<b>-9.9%</b>



2021-22 BUDGET EXPENDITURE ESTIMATES BY FUNCTIONAL CLASSIFICATION

Other Expenditures

Expenditures	2020/2021 Estimates	2020/2021 Revised Estimates	2021/2022 Estimates	Difference	
				\$	%
Parental Involvement Funding	121,771	121,771	121,771	-	0.0%
Partnership Development Department - Office Supplies & Services	2,000	2,000	2,000	-	0.0%
<b>TOTAL</b>	<b>\$ 123,771</b>	<b>\$ 123,771</b>	<b>\$ 123,771</b>	<b>-</b>	<b>0.0%</b>



# Toronto Catholic District School Board

## Volume VI: Financial Sustainability



## FINANCIAL SUSTAINABILITY REQUIRES LOOKING FORWARD

School Board funding is almost entirely dependent on Provincial grants. Large portions of these grants remain stable year over year and therefore the TCDSB is able, to a certain extent, consider its sustainability beyond an annual budget process.

Historically, much concentration is placed on balancing the funding received by the Province with the planned expenditures for the year. Often a

Board may face one-time increases or decreases in expenditures, which puts the budget out of balance. It also may be faced with “structural deficits” arising from legislative or labour arbitration decisions essentially placing an ongoing cost burden that is greater than the funding received by the Province. In order to remain sustainable, the TCDSB should consider funding strategies that are beyond an annual view and that works within the current legislative permissions granted to it by the Province.



### The TCDSB has established an Operating Contingency Reserve

The Operating Contingency reserve approved by the Board in the 2018-19 budget process acts as a contingency to offset future in-year deficits. This Reserve approved by the Board must operate with a minimum and maximum amount. The minimum would be 1% of the operating budget, while the maximum amount held in the reserve would be 2% of the operating budget. It should be noted that the Province has indicated that 2% is the optimal amount to be held in contingency. The Operating Contingency Reserve had a balance of \$47.5M at the start of the 2020-21 fiscal year.

This reserve may play a crucial role in the 2021-22 school year given the uncertainties surrounding COVID – 19. The Revised Budget Estimates for 2020-21 Estimated a deficit of approximately \$41.9M while the 2021-22 Budget Estimates are currently projecting \$19.7M deficit. The Operating Contingency Reserve will be used to fund this shortfall. In addition, for 2021-22 only TCDSB will need to temporarily use portions of other strategic reserves to cover an on-going COVID-19 related deficit. The Strategic reserves are expected to be replenished by the Ministry of Education's one-time Reserve “top up” program for COVID-19.

## A RESERVE STRATEGY IS NECESSARY TO COMPLEMENT AN ACCUMULATED SURPLUS AND MITIGATE THE RISK AGAINST IN-YEAR DEFICITS

The Education Act allows School Boards to create something called “Reserves”. These are special purpose type funds that are restricted to a specific type of expenditure and can be funded by the Accumulated Surplus.

During the 2018-19 budget process, the TCDSB board approved the establishment of strategic reserves funded from accumulated surpluses, which may fund future projects, provide for operating contingencies, and provide funding for unexpected events and/or legislated liabilities.

Reserve funds play a very important role in TCDSB finances and provides a strong indicator of TCDSB’s overall financial health. For this reason, the management of reserve funds is vitally important.

***Staff brought forward a Reserve Policy that was approved by the board in fiscal year 2019-20.*** The policy is intended to establish consistent guidelines and standards, which will assist in the administration of reserve funds in a responsible and consistent manner.



## RESERVE FUND CLASSIFICATIONS AND TYPES

Reserve funds are classified into the following three categories:

### Strategic Reserve Funds (Discretionary)

These reserve funds can be used to better plan for the implementation of projects over the long-term. These funds will be used for high priority projects critical to the success of the organization moving into the future. These are fiscally prudent investments given their broad impact on the organization.

### Reserve Funds for One-Time Projects (Discretionary)

An allocation of funds for which the Board of Trustees earmark, at their discretion, funding for a future expenditure, liability or other purpose. Funding is typically determined during the budget estimates, revised estimates or year-end financial results. These reserves are funded from various sources including, but not limited to, allocated revenues, accumulated surpluses, and dedicated contributions, etc.

Unspent funds during a fiscal year can be transferred to the Reserve only if the financial statements of the Board reflect an in-year and accumulated surplus position in the current fiscal year. The amount of unspent funds to be transferred is subject to change depending on the available in-year surplus as reported on the final year-end financial statements.

### Reserve Funds (Obligatory)

Obligatory Reserve funds are prescribed for specific purposes through the Education Act or, act as a contingency to offset future in-year deficits. For example, mandated reserves exist for Education Development Charges (EDCs) and Proceeds of Disposition (POD).



Appearing below is a list of the Strategic Reserve funds set-up for the TCDSB and a plan as to how these reserves funds will be used in the future.

## Strategic Reserve (Discretionary)

**Information Technology Strategic System Reserve:** This reserve will be used for the long-term financial planning for the replacement and/or update of major enterprise-wide systems. Fund Balance as of August 31, 2020, is \$24.2M.

### Projects schedule for current and future years.

- The Student Information System project was approved by the Board of Trustees in January 2020 at \$14.1M over a 3 to 4-year period. The cost at the end of year 2 is estimated at \$2.5M and the balance will be required to complete the project.
- The SAP system used for Finance, Human Resources, and Facilities is due for replacement before 2027 as the vendor will no longer support the older version of SAP which has been running since 2000. To prepare for this project, TCDSB will need to carry out an assessment and pre-planning work in 2021-22 at a cost of \$0.2M. A replacement of SAP is expected to be a significant expense similar in scale to the Student Information System project.
- The Human Resources department needs a new solution to combine systems and processes to facilitate management of human resources, business processes, and data. This is a 2 to 3-year project to develop a strategy and implement a solution with recruitment and talent management as one of the initial deliverables to modernize and streamline hiring and on boarding practices at TCDSB. TCDSB is in the process of issuing an RFP for consultee assistance in the approach, project team structure and solution RFP. The cost of this project is estimated at \$3.5M with an estimated spend of \$2M in year one.
- TCDSB requires a new public website. The project was approved by the Board of Trustees in December 2019 at a cost of \$0.5M. TCDSB is in the process of issuing an RFP. The implementation will span the 2020-21 and 2021-22 school years.

The projected end balance of the IT Strategic Systems Reserve is expected to be \$5.9M including current project completion commitments in future years. Additional contributions to this reserve will need to be made to meet future demands including SAP replacement project which is estimated to be over \$20M.

	<b>Year</b>	<b>\$M</b>
Opening balance	August 31, 2020	24.2
Student Information System	2019-20 to 2022-23	14.1
SAP Project	2021-22	0.2
Human Resources Management System	2021-22 to 2022-23	3.5
Public Web Site	2020-21 to 2021-22	0.5
Projected Ending Balance after Commitments		<b>5.9</b>

**Administrative Facility Reserve:** This reserve restricts funding for the renewal activities of administrative buildings for which most PPF and Capital grants from the Province do not provide funding. Fund Balance as of August 31, 2020 is \$3.1M

### Proposed projects schedule for current and future years.

<b>Items</b>	<b>\$M</b>
<i>Catholic Education Centre:</i>	
Security Desk reconfiguration	0.15
Washroom renovations	0.28
Lobby wall refinishing	0.01
Power washing exterior	0.05
Parking Garage 1 <sup>st</sup> floor repairs	1.10
Floor Workstation reconfigurations to increase capacity	0.05
Floor conversion of former York U space	0.02
Post-COVID-19 Safety modifications	0.10
<i>East Facilities:</i>	
Parking lot repaving and drainage repairs	0.15
Building envelope replacements (windows, roof, etc.)	0.60
Workstation reconfigurations	0.04
<i>West Facilities:</i>	
Drainage repairs in parking lot	0.15
Washroom renovations	0.28
Workstation reconfigurations	0.01
Building envelope upgrades	0.05
<b>Total</b>	<b>3.06</b>

Projected end balance of Reserve is expected to be approximately \$0.0M



**Student Equity Strategic Reserve:** This reserve sets aside funds that can be applied towards various equity initiatives across the Board. The Balance as of August 31, 2020 is \$3.1M

Projects schedule for current and future years.

- \$0.3M transferred to the playground reserve (approved by Board in-year) to be used up in 2020-21 fiscal year.
- \$0.5M for student devices distributed on an equity basis due to new remote Learning models driven by COVID-19.
- \$0.1M provided to the Angel foundation
- \$2.2M School block enhancements for the 2020-21 School Year.

Projected end balance of Reserve is expected to be approximately \$0.0M

	Year	\$M
Opening balance	August 31, 2020	3.1
Playground Reserve contribution	2019-20	0.3
Procurement of Devices-IPads	2020-21	0.5
Angel Foundation	2020-21	0.1
School Block Budget enhancements	2020-21	2.2
Projected Ending Balance after commitments		<b>0.0</b>

**Information Technology Infrastructure Reserve Fund:** This fund will be used for the replacement of Information & Communication Technology hardware equipment. Fund Balance as of August 31, 2020, is \$6.9M.

Projects schedule for current and future years.

- The TCDSB phone system is over 20 years old and in critical need of replacement. TCDSB is in the process of completing an RFP. The estimated one-time replacement cost of the phone system is \$3.5M.
- The TCDSB needs to replace outdated and out-of-support core servers and storage systems in the main data centre that support all systems. The cost of this hardware is estimated to cost \$0.6M over two years.

Projected end balance of the Information Technology Infrastructure Reserve is expected to be \$2.8M. Additional contributions to this reserve will need to be made to meet future demands including server and storage lifecycle replacement.

	Year	\$M
Opening balance	August 31, 2020	6.9
Telephone System*	2021-22	3.5
Core IT infrastructure	2020-21 to 2021-22	0.6
Projected Ending Balance after Commitments		<b>2.8</b>

\*Note: Staff are reviewing the possibility of as to having the Telephone replacement costs be transferred to the School Renewal fund to free up Reserves. In addition, Wi-Fi Systems at Secondary Schools was shown here in previous years, but have since been covered by CVRIS. A residual amount for the Wi-Fi project of \$0.8M will be charged to the School Renewal budget.

**Trustee Strategic Initiatives Reserve:** This fund will be used to fund Board of Trustee strategic initiatives. Fund Balance as of August 31, 2020 is \$0.05M

Projects schedule for current and future years.

The Board of Trustees to provide direction during the course of the year.

#### **Ward Priorities School Playground Reserve:**

The 2019-2020 Playground Reserve has been fully allocated, except for a balance of \$13,297.82 in the Ward 2 as no eligible Ward 2 schools submitted Playground Reserve applications (N-tile score of 7 or higher). A status update report was provided to Board in January 2021. Since that date, the balance of funding that had been carried over for Ward 1 was awarded and project status updates have been issued to trustees for projects in their Wards. Most projects are expected to be completed in the summer of 2021.

Following from the Board's approval of the Audit Committee's recommendation to designate most of 2019-2020 in-year surplus Operating Contingency Reserve, no new funds will be available for the Playground Reserve for the 2020-2021 fiscal year.

2019-2020 Playground Reserve projects totalling \$691,582 were submitted and approved for federal COVID-19 Resilience Infrastructure Stream (CVRIS) funding. The Playground Reserve funding freed by the CVRIS funding which is being maintained for the time being as a contingency allowance for the CVRIS playground projects. Once these projects are complete, any balance not required for cost overages on the CVRIS projects may be allocated to new playground projects. The criteria and process for allocating the surplus have not yet been determined.



# Toronto Catholic District School Board

## Volume VI: Appendices

The Strategic Reserves have the following projected balances and commitments in millions of dollars estimated for the year end August 31, 2021.

<b>Strategic Reserves</b>	<b>Balance Nov 2020</b>	<b>Committed</b>	<b>Uncommitted Balance</b>
Operating Contingency	\$47.5	\$(39.7)	\$7.8
IT Strategic Systems	24.2	(18.3)	5.9
IT Infrastructure	6.9	(4.1)	2.8
Administrative Facilities	3.1	(3.1)	0.0
Student Equity	3.1	(3.1)	0
19-20 Trustee Strategic	0.05	0	0.05
Playgrounds Reserve	1.2	(1.2)	0