



REPORT TO

CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

2020-21 FINANCIAL STATUS UPDATE #3

*"I am the vine; you are the branches.
If you remain in me and I in you, you will bear much fruit;
apart from me you can do nothing."*
John 15:5

Created Draft	First Tabling	Review
August 31, 2021	September 9, 2021	
L. LePera, Senior Financial Analyst D. Bilenduke, Senior Coordinator of Finance R. Putnam, Chief Financial Officer and Treasurer		
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

A. Della Mora
Associate Director of
Academic Affairs and
Chief Operating Officer

D. Boyce
Associate Director of
Facilities, Business and
Community Development

R. Putnam
Chief Financial Officer
and Treasurer

A. EXECUTIVE SUMMARY

Financial Status Update Report #3 provides a projected year end forecast to August 31, 2021 based on actual results as of the third quarter (May 31, 2021).

This is the third update for fiscal 2020-21 and is benchmarked to the Revised Estimates approved by the Board of Trustees in December 2020.

At this time staff is forecasting a projected in-year deficit of approximately \$22.5M versus the \$42M initially approved in the 2020-21 Revised Estimates.

The cumulative staff time required to prepare this report was 20 hours.

B. PURPOSE

This report is intended to keep Trustees informed with respect to the Board's financial performance throughout the year and to highlight any variance in budgeted to actual outcomes. The report provides a high level overview and analysis of the Operating Budget, Staff Absenteeism and Capital Programs.

C. BACKGROUND

1. **Quarterly reporting is recognized as a best practice in the Province.** The Ministry of Education and School Board Reporting Working Group have both identified regular periodic financial reporting as a best practice in managing and monitoring financial outcomes.
2. **The 2020-21 school year budget and year to date actual expenditure is influenced by extraordinary COVID-19 related costs.** The Revised Estimates contained provisions to ensure the Board was able to meet the fluid and dynamic needs of the system during unprecedented and uncertain times.

D. EVIDENCE/RESEARCH/ANALYSIS

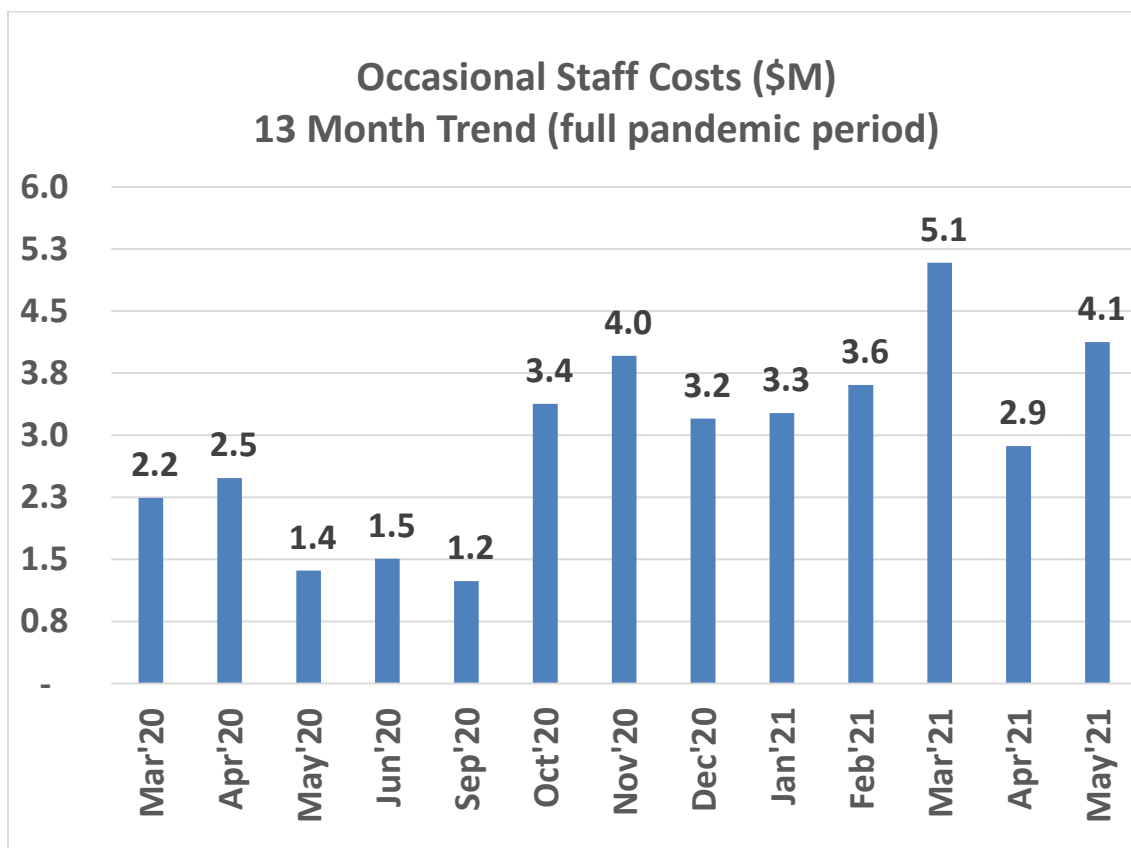
OPERATING BUDGET - UPDATED YEAR END FORECAST

The updated year end forecast projects a positive result (surplus to budget) of \$19.5M relative to the 2020-21 Revised Estimates. As per the below the improved financial position is primarily a result of savings in salaries and benefits which is offset in part by an increase in the use of occasional staff to meet inordinate absence demands due to COVID-19. For the most part additional COVID related technology, supplies and supports as well as any closure related revenue loss was mitigated by the receipt of Federal and Provincial Stabilization Funding and Ministry provided PPE.

<u>Expenditure Savings</u>	<u>\$M</u>
Salaries and Benefits (excluding occasional staff)	32.3
Transportation Fuel Savings (offset in revenue)	1.2
Board Purchased PPE (provided by the Ministry)	3.8
 <u>Additional Costs</u>	 <u>\$M</u>
Occasional Staffing (absence coverage)	(10.0)
Technology (to meet system needs)	(4.5)
Remote Learning Supports	(2.5)
COVID Related Supplies	(5.0)
 Net Expenditure Savings	 15.3
 <u>Revenue Loss</u>	 <u>\$M</u>
Transportation Funding Reduction (fuel savings)	(1.2)
International Education (VISA student tuition)	(1.5)
Community Use of Schools (permits, child care)	(1.6)
 <u>Additional Revenue</u>	 <u>\$M</u>
Federal and Provincial COVID Stabilization Funding	8.5
 Net Increase in Revenue	 4.2
 Net Change in Financial Position	 19.5

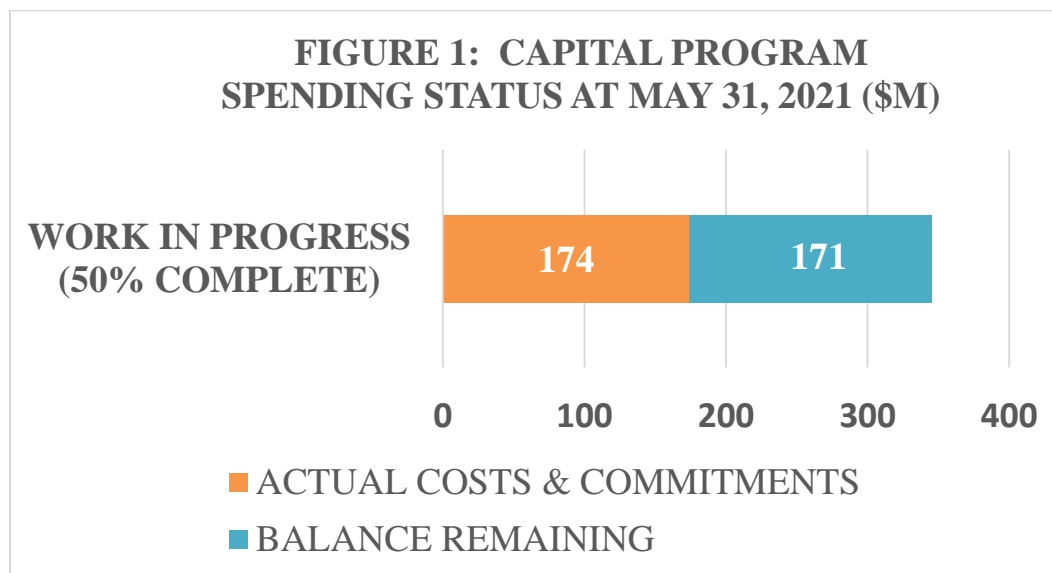
STAFF ABSENTEEISM – ANALYSIS AND TRENDS

Staff absenteeism rates have increased significantly compared to the prior year as a result of COVID-19. Recent statistics indicate that staff absenteeism rates experienced an increase of 35,000 days (representing a \$10M cost pressure) compared to the prior year with an average absence rate of 17.3 days per FTE for 2020-21 versus 13.8 days per FTE in 2019-20.

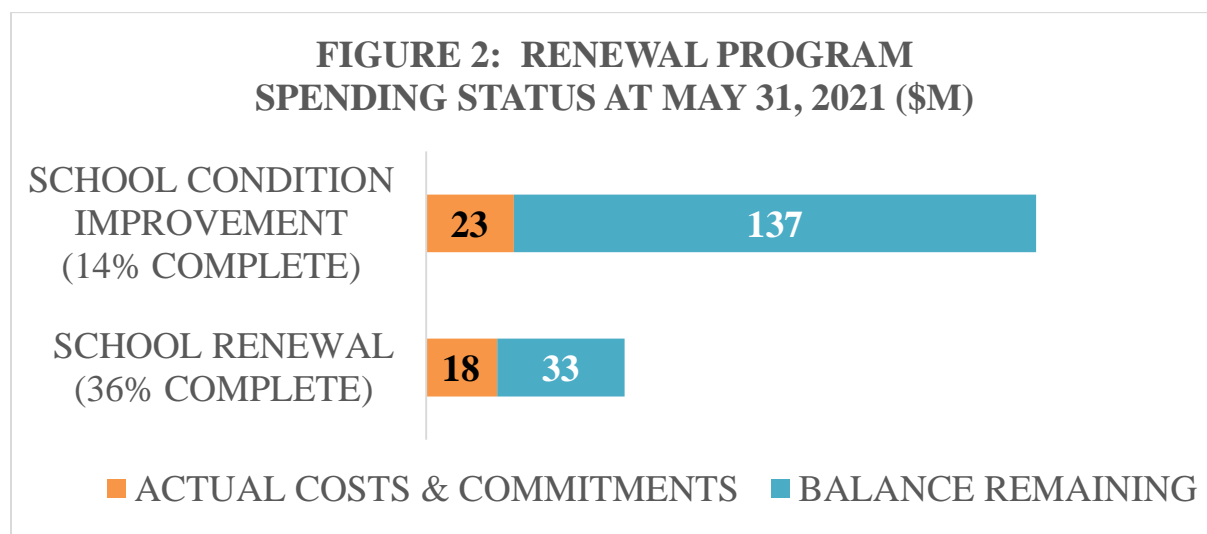


CAPITAL AND RENEWAL PROGRAMS – SPENDING STATUS

The current Ministry approved Capital Program funding totals \$345M. Boards receive capital funding for new schools, additions and child care spaces. Typically projects of this nature span more than one year with the funds being carried forward each year until the respective projects are completed. Figure 1 illustrates the amount of Ministry funding spent and/or committed, balance remaining and percentage completed as at May 31, 2021.



The Renewal Program totals \$211M. Boards receive Ministry funding for the maintenance and upgrade of schools including replacement and repair of major building and site components. Figure 2 illustrates the amount spent and/or committed, balance remaining and percentage completed as at May 31, 2021.



METRICS AND ACCOUNTABILITY

1. **Revenue and expenditure third quarter results are trending favourably when compared to the \$42M in-year deficit initially approved in the 2020-21 Revised Estimates in December 2020.** The latest forecast projects an in-year deficit of \$22.5M (representing an improved financial position of \$19.5M or 1.7% of the total operating budget).
2. **Final results for the 2020-21 fiscal year will be reported in November 2021.** The audited financial statements will be reviewed with the Audit Committee on November 16, 2021 and presented to the Board of Trustees for approval on November 18, 2021.
3. **The projected surplus to budget reduces the use of the Board's reserve funds to balance the 2020-21 operating budget.** Reserves are integral to an organization's overall financial health and stability providing a contingency funding source for future cost pressures and/or to support the implementation of one-time strategic investments and initiatives.
4. **This report meets the requirements of Board Policy F.M. 08 – Effective Financial Management and Control of Operations.** Such policy mandates that quarterly reports be presented to the Board of Trustees with respect to the financial and budget status of the Board.

E. CONCLUDING STATEMENT

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