



REPORT TO

REGULAR BOARD

FINANCIAL UPDATE REPORT AS AT JUNE 30, 2016

1 Corinthians 16:13

Be on your guard; stand firm in the faith; be men of courage; be strong.

Created, Draft	First Tabling	Review
August 16, 2016	August 25, 2016	
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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



G. Poole

Associate Director of Academic Affairs

A. Sangiorgio

Associate Director of Planning and Facilities

C. Jackson

Executive Superintendent of Business Services and Chief Financial Officer

Angela Gauthier

Director of Education

A. EXECUTIVE SUMMARY

This Budget Status Report as at June 30th, 2016 provides a final year-to-date look at both revenues and expenditures before the audited financial statements are prepared. After netting the increased revenues and expenses the Board is on track to finish the year on budget or slightly better than budget.

Expenditures are under considerable pressure due to cost increases on the Occasional Teacher line of approximately \$10 million over budget. The Board has experienced some efficiencies in other expenditures to help mitigate the Occasional Teacher pressure. Total expenditures are tracking approximately \$2.2 million over budget.

Preliminary elementary enrolment numbers for the March count date indicate an increase of 116 pupils of the board, as well as increased English as a Second Language (ESL) and French as a Second Language (FSL) enrolments. Secondary enrolment is not fully reported at this time but is not expected to change significantly. These enrolment increases are projected to generate an additional \$2.759M in-year for 2015-16. All other revenues are trending close to budget.

B. PURPOSE

The Budget Status report reviews expenditures, revenues, enrolment and staffing. The report tracks expenditures and revenues by category and compares YTD results to current budget and prior year actuals. Inconsistencies are investigated and analysed to detect, correct and report any unfavourable trends and events.

C. BACKGROUND

1. As part of the regular reporting cycle and consistent with best practices as outlined by both the Ministry of Education and District School Board Reporting Workgroup, a monthly Financial Report is prepared detailing any in-year expenditure variances and savings identified by analysing the 2015-16 year-to-date actual expenditures compared to the Revised Budget Estimates.

2. All June YTD revenues and expenses have been adjusted for known Ministry of Education Public Sector Accounting Board (PSAB) requirements.
3. Attached as Appendix B1 & B2 is the June Year-to-date expenditure and revenue forecast which has been established as our method of reporting interim financial results. A high level summary is presented in the following table:

(000's)	Rev. Budget	Forecast	Variance
Expenditure	1,185,796	1,187,976	(2,180)
Revenue	1,186,344	1,189,103	2,759
Surplus/(Deficit)	548	1,127	579

D. EVIDENCE/RESEARCH/ANALYSIS

1. Business Services closely monitors the 2015-16 budget performance to identify areas of potential savings as well as any areas of potential cost pressures to the Board. There were variances across most expenditure categories based on the 10 months performance at June 30th, 2016 as outlined in Appendix B1 (attached). Most classroom expenditures are incurred over a 10 month period while administrative and facilities expenditures are more likely to follow a 12 month model. There are many other factors that determine monthly expenditures but as a rule and as a simple starting point, you would expect the classroom expenditures to be 100% spent (10/10) and the administration and facilities to be 83% spent (10/12).
2. Enrolment remains the key driver for generating Grants for Student Needs (GSNs). The GSNs are calculated using a weighted average of enrolment projections for two count dates, actual enrolment on October 31st 2015 and actual enrolment for March 31st 2016. The Revised Estimates' enrolment retention for the period of October 2015 through March 2016 for elementary has been projected at 100% retention and secondary has been projected at

98.11% based on historical trends. The resulting Average Daily Enrolment is the key variable generating the grant revenues.

The Board has an estimated overall increase in enrolment of 630 ADE in the Revised Estimates compared to the original 2015-16 Budget Estimates. Enrolment in the elementary panel was projected to increase by 291 and secondary enrolment was projected to increase by 339 ADE. Any increase in overall enrolment increases revenue and also requires additional staff to meet class size requirements. These enrolment increases and corresponding staff requirements have been included in the revised estimates used in this report.

The following chart illustrates the 2015-16 preliminary actual enrolment against the two enrolment projections used for budget preparations for 2015-16.

	ADE	ADE	ADE
Average Daily Enrolment (ADE) Pupils of the Board	2015-16 Actual	2015-16 Budget Estimates	2015-16 Revised Estimates
ELEMENTARY	60,434	60,027	60,318
SECONDARY	29,827	29,488	29,827
TOTAL	90,261	89,515	90,145

E. METRICS AND ACCOUNTABILITY

The following are trends and issues that have been identified:

1. Benefits

Benefit expenses are trending similar to last year in most categories. It is known that last year's benefits finished the year significantly under budget and this also appears to be the trend this year. At this point there is a positive variance

2. Salaries

Classroom salaries have a mix of 10 and 12 month employees but is more heavily skewed to the 10 month side. It is expected that the classroom

salaries would be close to 100% spent at this time if using teaching days as the key benchmark. The actual percentage spent for Classroom Teachers is 96%. The anticipated 1% lump sum salary pay-out, which was negotiated as part of the central labour negotiations, will negate most of this favourable variance.

Occasional Teacher Salaries has consumed 160% of the annual budget and will finish the year \$10 million over budget.

A risk for non-classroom salary types is the possibility of an unusually high vacation accrual at the end of the year. Human Resources is tracking vacations to ensure that employees are taking vacation in the year in which the vacation entitlement is earned and are not being carried forward.

A risk for all categories of salary expenses is the recently ratified labour agreements. Board staff are working diligently to get clarification on issues, apply interpretations in a consistent manner, and look for unanticipated costs stemming from these agreements.

3. Expenses – Other

Other expenses are budget checked and an expenditure cannot be incurred in excess of approved budget allocations. School Block budgets that are not spent in the current year are carried forward to the next fiscal year. The Information Technology and Maintenance & Operations budgets will experience considerable pressure this year. IT has lost the advantage of leasing classroom computers due to changes in Ministry reporting which greatly reduces their purchasing power. Maintenance and Operations is experiencing pressure from increased facility leasing costs and increased repair demands on a shrinking budget base.

Toronto Catholic District School Board's financial results are currently trending to finish the year on track.

F. CONCLUDING STATEMENT

This report is for the consideration of the Board.