



REPORT TO

REGULAR BOARD

## FINANCIAL REPORT AS AT NOVEMBER 2016

*Proverbs 21:3*

*To do what is right and just is more acceptable to the LORD than sacrifice.*

Created, Draft	First Tabling	Review
January 17, 2017	January 26, 2017	
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<b>INFORMATION REPORT</b>		

### **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 uniting home, parish and school and rooted in the love of Christ.*

*We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.*



R. McGuckin

Associate Director of Academic Affairs

A. Sangiorgio

Associate Director of Planning and Facilities

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Executive Superintendent of Business Services and Chief Financial Officer

Angela Gauthier

Director of Education

## **A. EXECUTIVE SUMMARY**

This Budget Status Report as at November 30, 2016 provides a detailed review of both revenues and expenditures. The Revised Estimates have been approved and we are now able to make projections against expected outcomes. A more detailed variance summary is attached (Appendix A & B). The overall YTD spending % at November 2016 is 30.5% compared to 30% in 2015 due to one extra teaching day in 2016. Presently, all budget lines are tracking in line with budget. There are no significant budget risks identified at this time, however, staff will monitor all budget lines closely.

***The cumulative staff time dedicated to developing this report was 20 hours.***

## **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. Business Services staff investigate and analyse variances in order to detect, correct and report any unfavourable trends and events. The Ministry of Education (EDU) also uses this report to track the Board's compliance to its recovery plan.

## **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 2016-17 year-to-date actual expenditures compared to the Revised Budget Estimates. The current year's percentage spent of total budget is compared to the previous year's percentage spent for the same period.
2. All November YTD revenues and expenses have been adjusted for known MOE Public Sector Accounting Board (PSAB) requirements.
3. Attached as Appendix A and B is the November YTD Revenue and Expenditure forecast which has been established as our method of reporting interim financial results. A high level summary is presented in the following table:

<b>(000's)</b>	<b>2015/16 Actual</b>	<b>2016/17 Rev. Est.</b>	<b>Change</b>
Expenditure	1,103,071	1,118,652	15,581
Revenue	1,107,005	1,119,418	12,413
<b>Surplus/(Deficit)</b>	<b>3,934</b>	<b>765</b>	<b>(3,168)</b>

The anticipated surplus in 16/17 is \$765K which is \$3.2 million less than the 2015/16 actual. The 2015/16 surplus had been projected at \$548K but finished the year \$3.9 million surplus due to higher than projected revenues and one-time cost savings , primarily in benefits.

#### **D. EVIDENCE/RESEARCH/ANALYSIS**

1. Business Services closely monitors the 2016-17 budget performance to identify areas of potential savings as well as any areas of potential cost pressures to the Board. There were small variances across most expenditure categories based on the 3 months' performance at November 30, 2016 as outlined in Appendix A & B (attached). Most classroom expenditures occur over a 10-month period while administrative and facilities expenditures are more likely to follow a 12-month model. There are many factors that affect monthly expenditures, but as a rule and as a simple starting point, classroom expenditures are generally 30% spent (3/10) and expenditures associated with administration and facilities are usually 25% spent (3/12).
2. Enrolment remains the key driver for generating Grants for Student Needs (GSNs). The GSNs for the Revised Budget Estimates are calculated using a weighted average of enrolment projections for two count dates, actual enrolment on October 31<sup>st</sup> 2016 and projected enrolment for March 31<sup>st</sup> 2017. A table of enrolment trends is as follows:

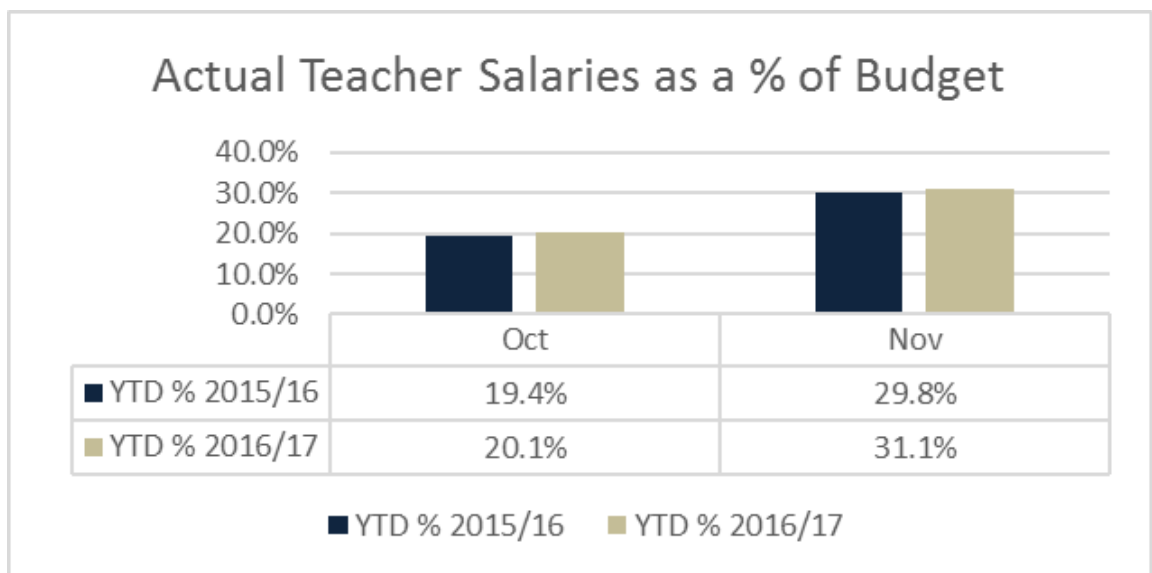
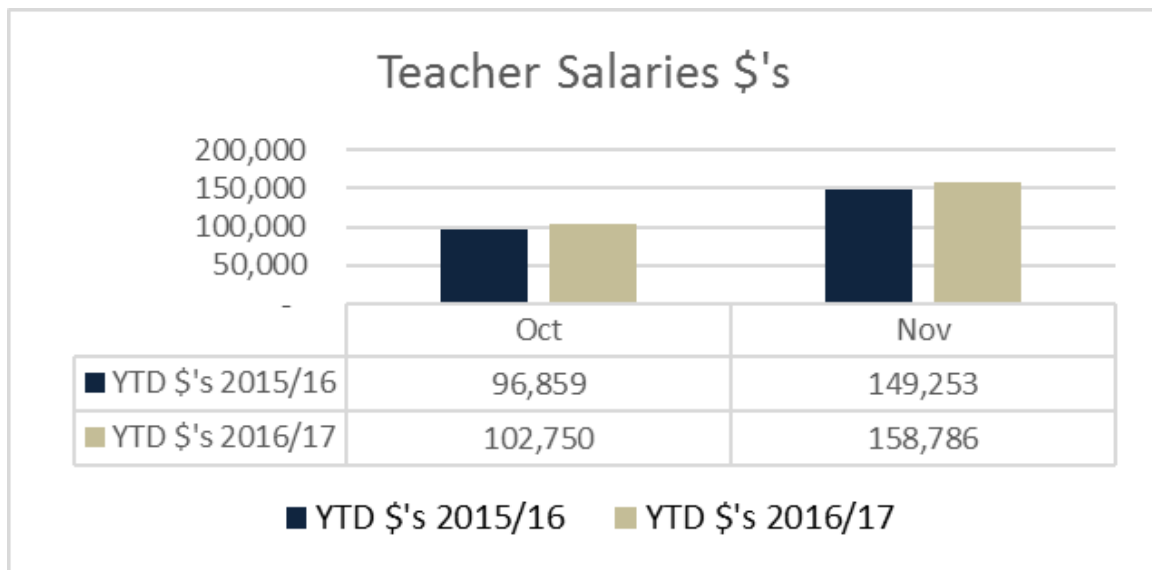
	<b>ADE</b>	<b>ADE</b>	<b>ADE</b>
<b>Average Daily Enrolment (ADE) Pupils of the Board</b>	<b>2015-16 Actual</b>	<b>2016-17 Budget Estimates</b>	<b>2016-17 Revised Estimates</b>
ELEMENTARY	60,434	60,919	61,181
SECONDARY	29,827	29,810	29,547
<b>TOTAL</b>	<b>90,261</b>	<b>90,729</b>	<b>90,728</b>

## E. METRICS AND ACCOUNTABILITY

The following are trends and issues that have been identified:

### 1. Teacher Salaries

The following graphs illustrate teacher salaries against the same period last year both in dollars and as a percent of budget:

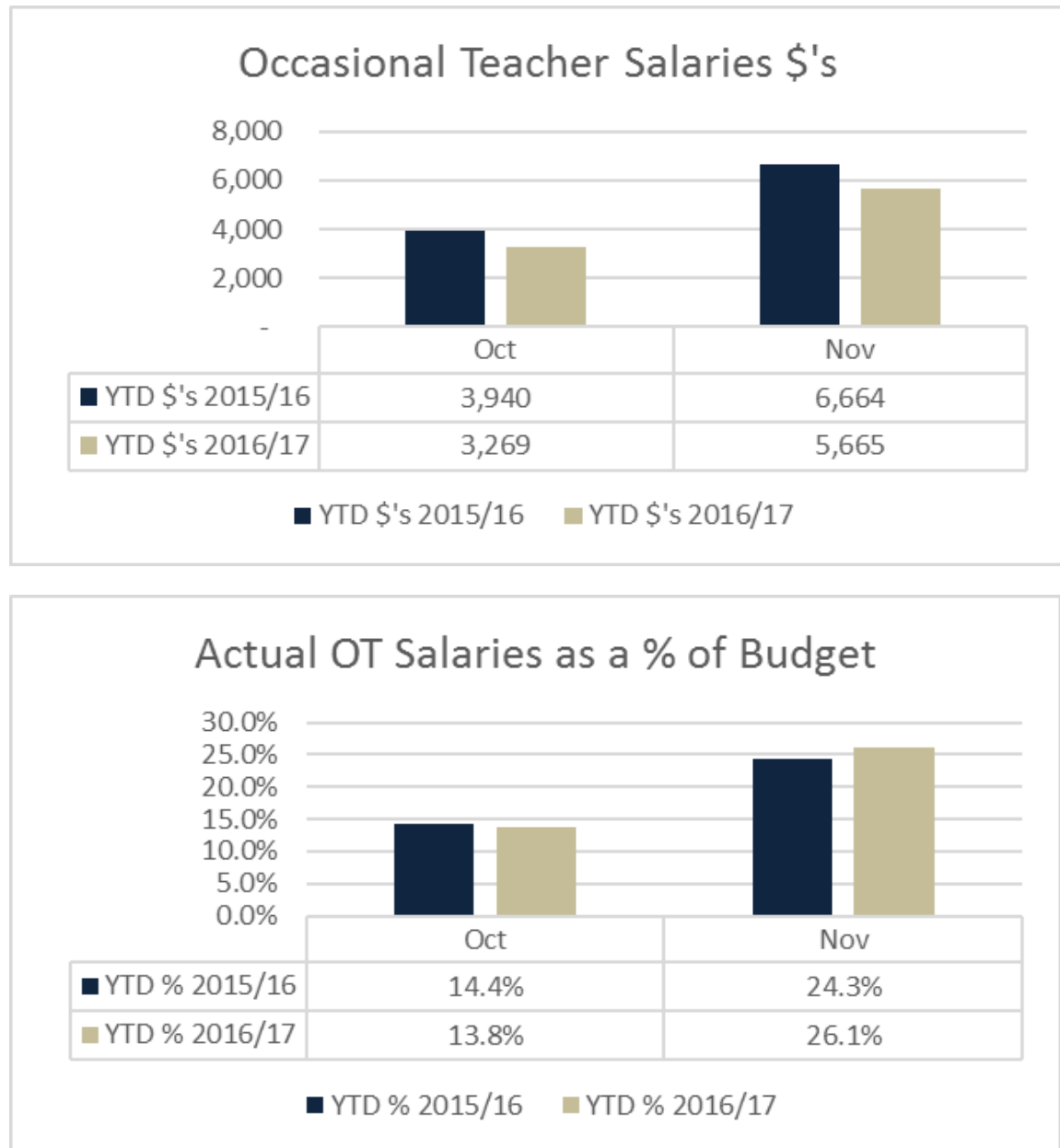


The table in the second graph indicates that teacher salaries are approximately 1% higher than the previous year. We know that .5% is accounted for by the one additional teaching day in 2016. In conclusion, teacher salaries are running approximately .5% ahead of last year's rate

which translates to approximately \$800,000 over budget year to date which is primarily attributed to collective agreement settlements.

2. Occasional Teachers

The following graphs illustrate occasional teacher salaries against the same period last year both in dollars and as a percent of budget:



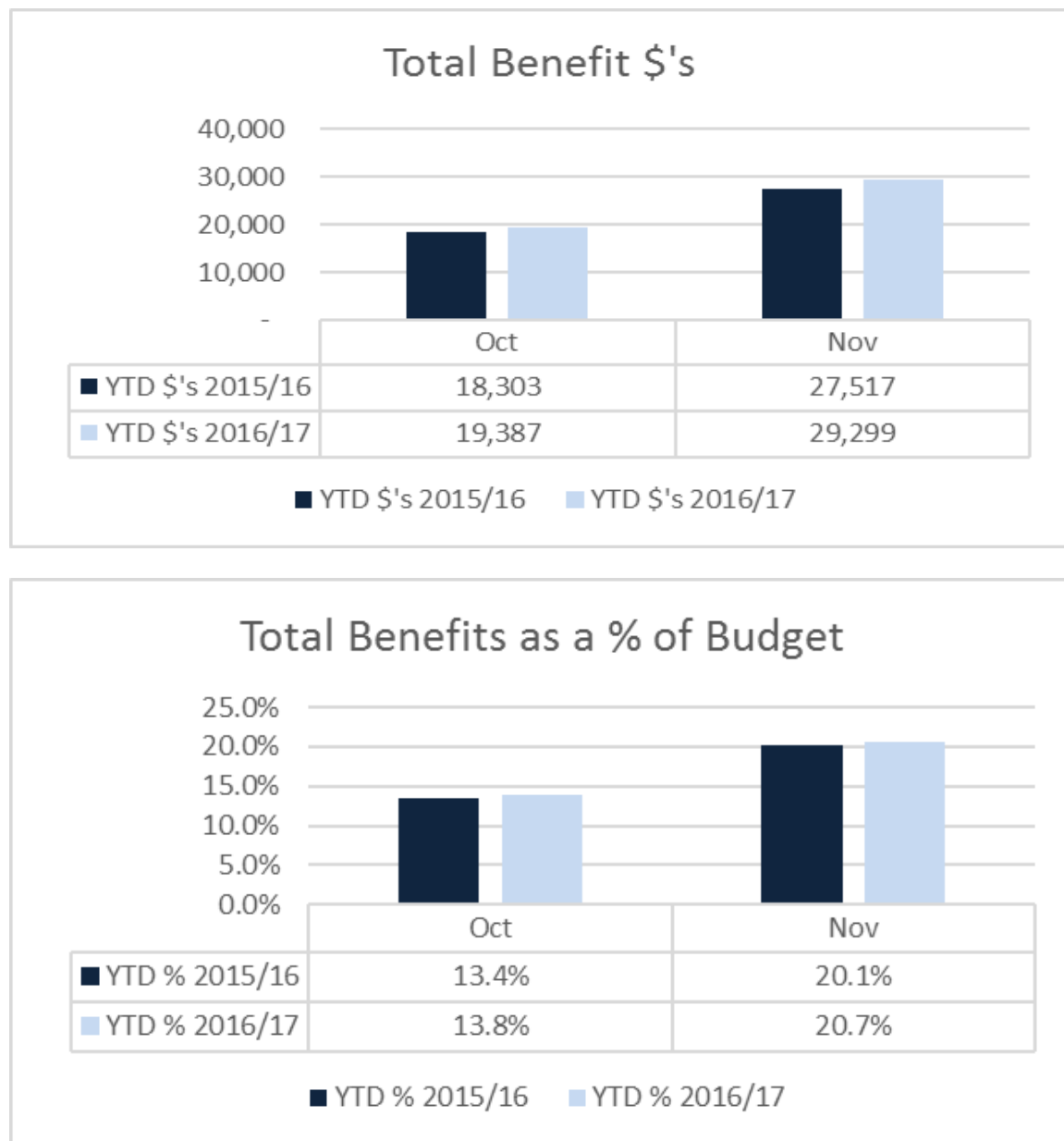
***Figure 1 - 2015-16 Budget \$20.5M, 2016-17 Budget \$26.1M***

Occasional Teacher expense is \$1 million less than the same period last year, however, since the budget this year is \$2M less than last year's actual, the percentage of budget spent on the reduced base budget is 1.8% higher than

the same period last year. The percentage spent of 26.1% is still well below the 30% classroom expenditure benchmark one would expect at this time. We can conclude from this that we are tracking to finish under budget, however, due to the unpredictability of this expense and the tendency for Occasional Teacher use to increase towards the end of the year, will require constant monitoring.

### 3. Benefits

The following graphs illustrate Board wide benefit costs against the same period last year both in dollars and as a percent of budget:



***Figure 2 - 2015-16 Budget \$140.6M, 2016-17 Budget \$141.7M***

The above graphs indicate that spending is higher this year compared to last year, however last year there was a significant surplus in this line. To date only 20.7% of the budget has been spent when we are 25% through the year. This indicates that we are tracking to finish under budget, however, this budget line is contingent on staff's use of their benefits creating a higher level of unpredictability.

4. Transportation

Transportation expense is \$2.2 million higher than the same period last year and the percentage of budget spent is also 4% unfavourable when compared to the same period in the previous year. The one extra teaching day explains .5% of the variance. The remaining unfavourable balance is explained by a number of factors, including, new contracts, higher rates and varying volumes of accommodations and utilizations for special needs students. At 22.5%, transportation expense is still under the 25% that would be expected for the 3 months but will require close scrutiny due to the aforementioned variables.

**F. CONCLUDING STATEMENT**

This report is for the consideration of the Board.