



## REPORT TO

# CORPORATE SERVICES, STRATEGIC PLANNING AND PROPERTY COMMITTEE

## FINANCIAL REPORT AS AT DECEMBER 2016

*"To do what is right and just is more acceptable to the LORD than sacrifice."*  
**Proverbs 21:3**

Created, Draft	First Tabling	Review
February 7, 2017	February 15, 2017	
D. Bilenduke, Senior Coordinator of Finance P. De Cock, Comptroller of Business Services & Finance		
<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

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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 December 31, 2016 provides a detailed review of both revenues and expenditures. A more detailed variance summary is attached (Appendix A & B). The overall YTD classroom spending percentage at December 2016 is 40.2% compared to 38% in 2015 due to four extra teaching days in December 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 10 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 December 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 December 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:

(000's)	2015/16 Actual	2016/17 Rev. Est.	Change
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 4 months' performance at December 31, 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 40% spent (4/10) and expenditures associated with administration and facilities are usually 33% spent (4/12).

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:

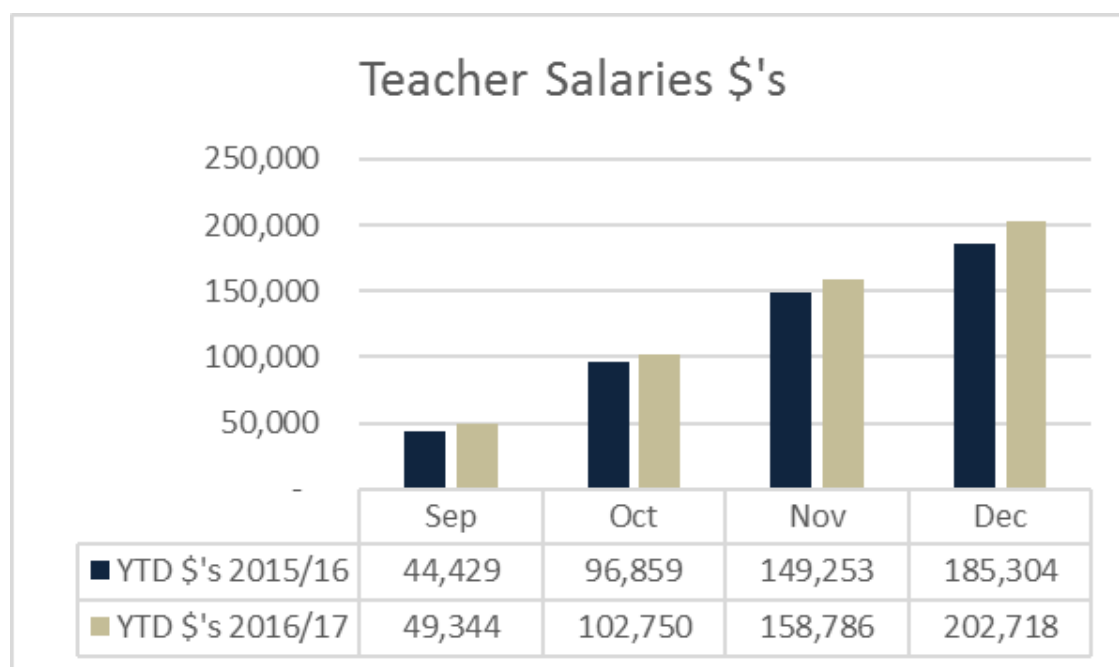
	<b>ADE</b>	<b>ADE</b>	<b>ADE</b>
<b>Average Daily Enrolment (ADE) Pupils of the Board</b>	<b>2015-16 Actual</b>	<b>2016-17 Budget Estimates</b>	<b>2016-17 Revised Estimates</b>
ELEMENTARY	60,434	60,919	61,181
SECONDARY	29,827	29,810	29,547
<b>TOTAL</b>	<b>90,261</b>	<b>90,729</b>	<b>90,728</b>

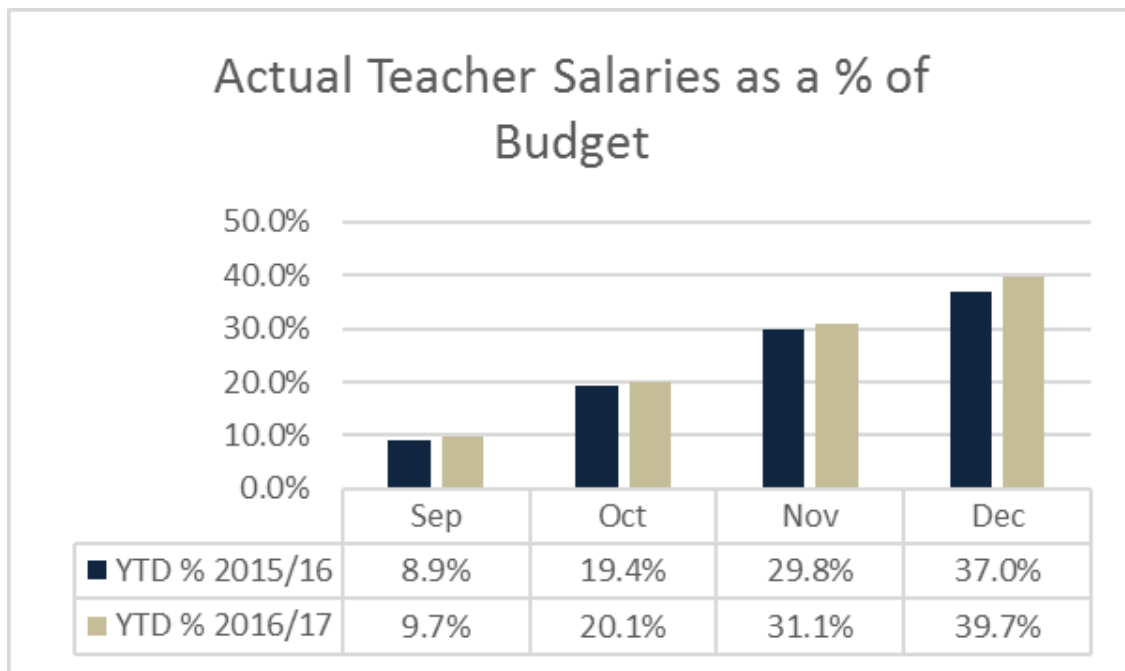
## **E. METRICS AND ACCOUNTABILITY**

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 3% higher than the previous year. We know that 5% is accounted for by the four additional teaching days in 2016. In conclusion, teacher salaries are running approximately 2% behind last year's rate and is still under the expected rate of 40%. Last year the collective agreement settlements were implemented towards the end of the year while this year the increases are implemented throughout the year.

## 2. Occasional Teachers

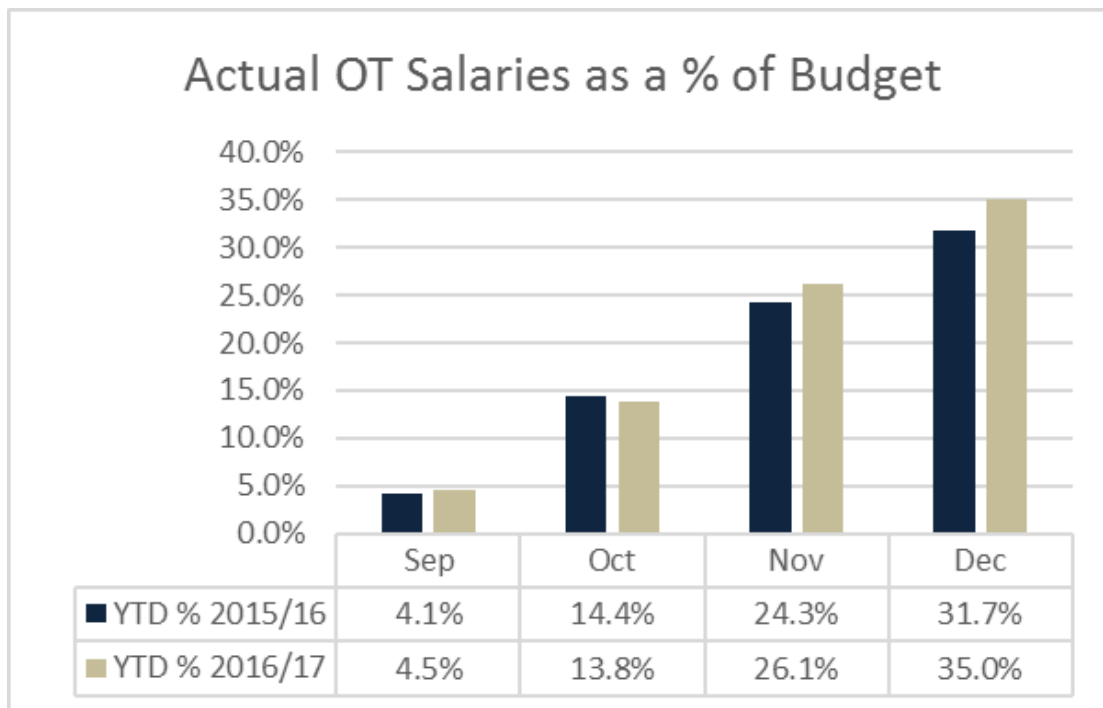
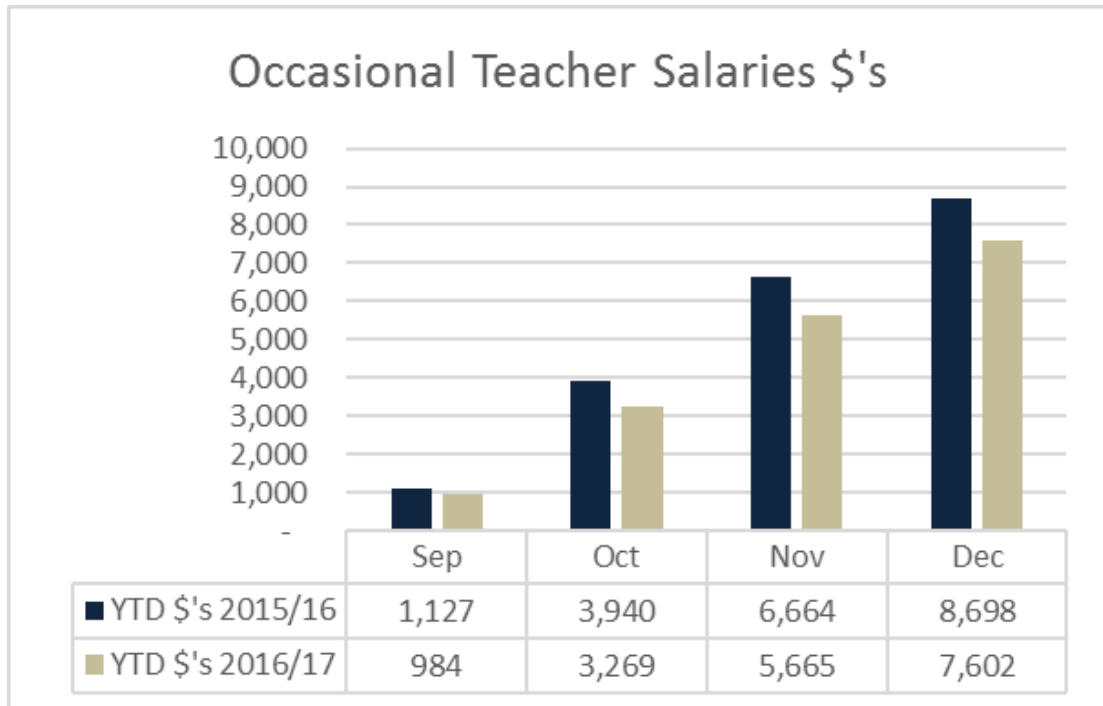
Occasional Teacher expense is \$1.1 million less than the same period last year, however, since the budget this year is \$2M less than last year's actual, the percentage of budget spent on the reduced base budget is 3.3% higher than the same period last year.

Although the percentage spent of 35% is still well below the 40% classroom expenditure benchmark one would expect at this time, the financial situation does not directly reflect teacher increased absenteeism rates. This increase in absenteeism has not translated into additional financial costs due to the higher number of long term absences and the corresponding inability to fill daily absences by Occasional Teachers.

Based on financial trends observed over the last four months, this expenditure category will finish under budget. It is management's commitment to fill teacher vacancies due to illness and efforts have been made and will continue to be made to add more Occasional Teachers to the roster. As a result, it is

likely that this will cause an additional cost pressure, and will require constant monitoring.

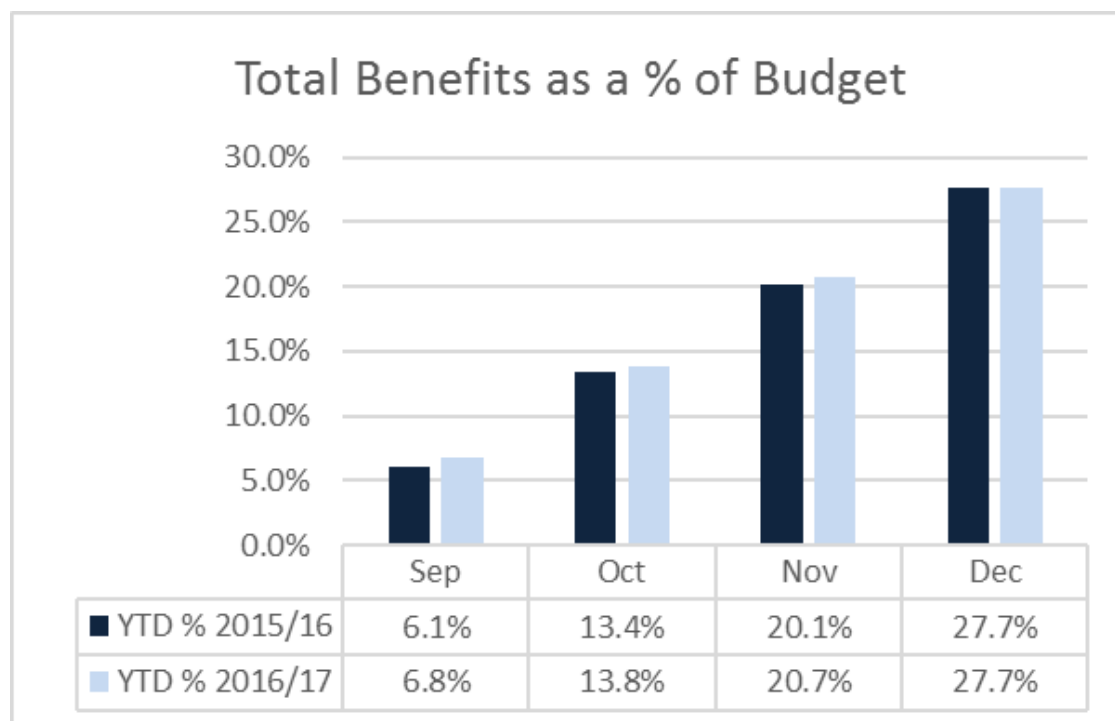
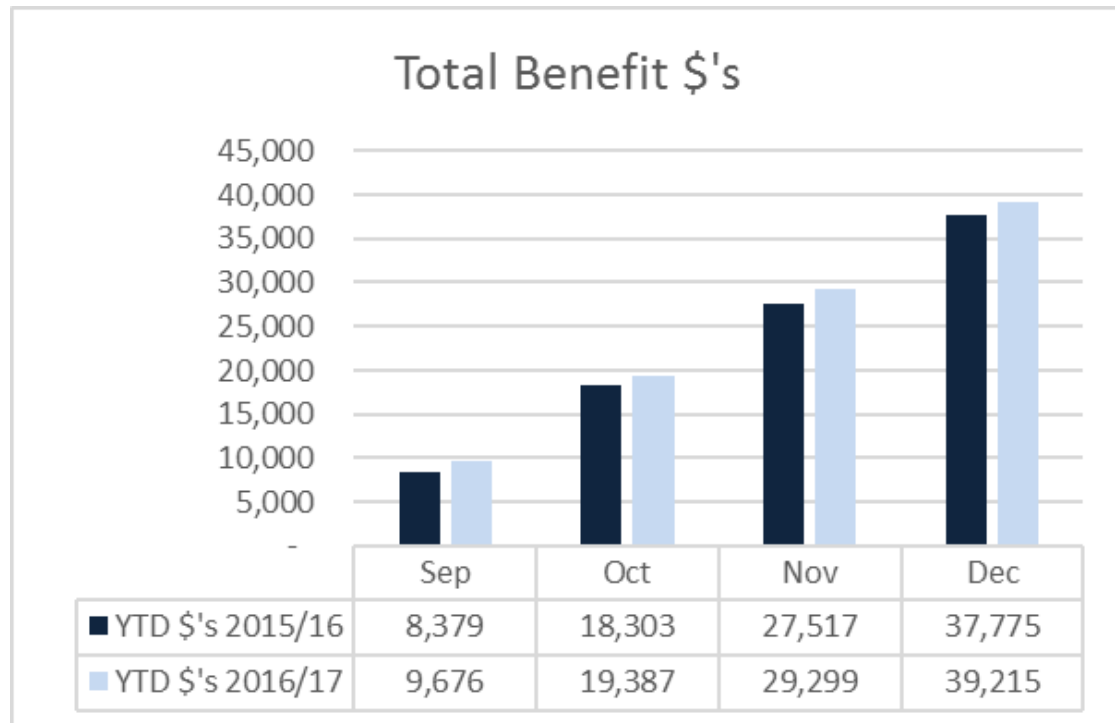
The following graphs illustrate occasional teacher salaries against the same period last year both in dollars and as a percent of budget:



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

### 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:



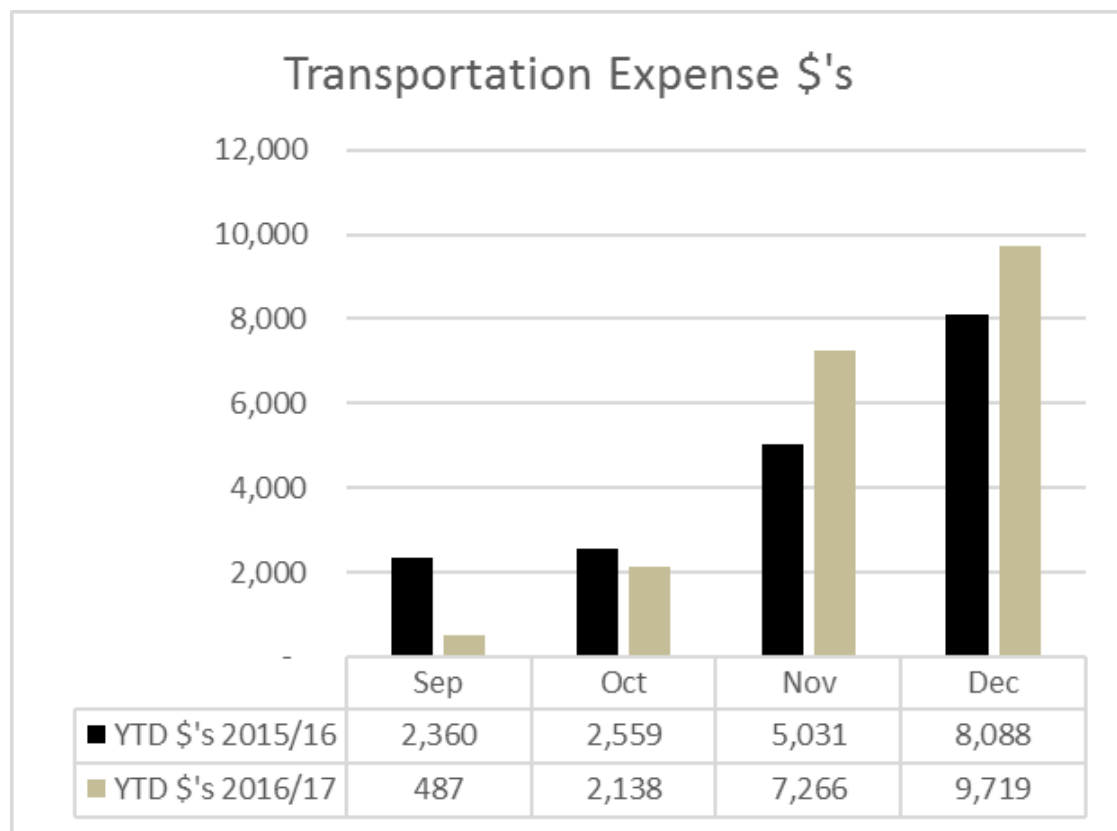
***Figure 2 - 2015-16 Budget \$140.6M, 2016-17 Budget \$141.7M***

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 27.7% of the budget has been spent when we are 33.3% 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.

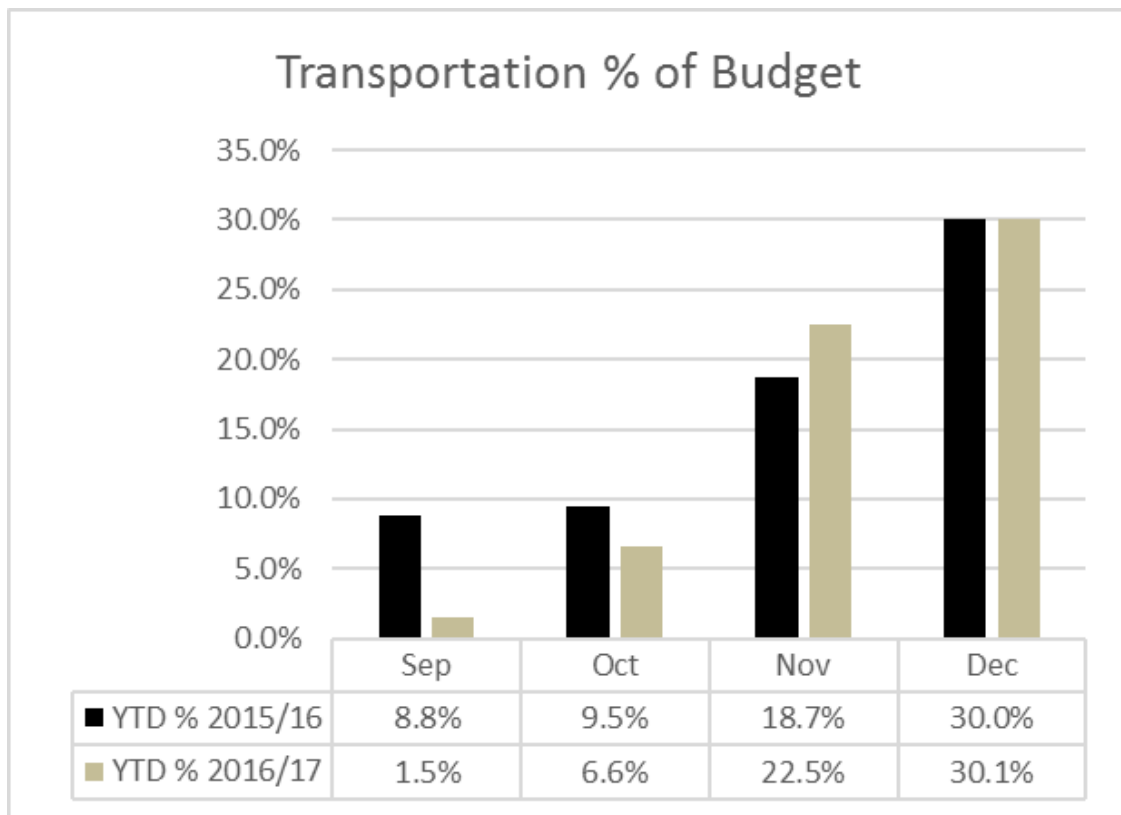
4. Transportation

Transportation expense is \$1.6 million higher than the same period last year while the percentage of budget spent is almost identical. The one extra teaching day explains .5% of the variance. There are many variables in transportation this year including, snow days, new contracts, higher rates and varying volumes of accommodations and utilizations for special needs students. At 30.1%, transportation expense is still under the 33.3% that would be expected for the 4 months but will require close scrutiny due to the aforementioned variables.

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







***Figure 3 - 2015-16 Budget \$27.7M, 2016-17 Budget \$32.3M***

## **F. CONCLUDING STATEMENT**

This report is for the consideration of the Board of Trustees.