



REPORT TO

REGULAR BOARD

FINANCIAL UPDATE REPORT AS AT DECEMBER 31, 2017

Proverbs 19:1

Better a poor man whose walk is blameless than a fool whose lips are perverse.

Created, Draft	First Tabling	Review
January 16, 2018	January 25, 2018	
D. Bilenduke, Senior Coordinator, Finance P. De Cock, Comptroller for Business Services & Finance		
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 uniting home, parish and school and rooted in the love of Christ.

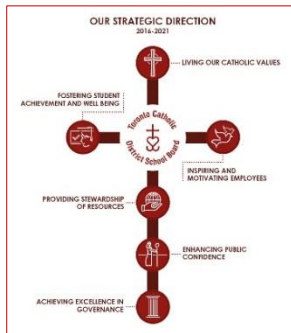
We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.

Rory McGuckin
 Director of Education

D. Koenig
 Associate Director
 of Academic Affairs

T.B.D.
 Associate Director
 of Planning and Facilities

L. Noronha
 Executive Superintendent
 of Business Services and
 Chief Financial Officer



A. EXECUTIVE SUMMARY

This Budget Status Report as at December 31st, 2017 provides a year-to-date look at both revenues and expenditures. This is the first update for fiscal 2017-18 using the Revised Estimates approved by the Board of Trustees in December. The Board is on target to meet the budgeted operating surplus of \$0.1 million for 2017/18. The anticipated surplus of \$10.5 million from the benefits reserve is considered an extraordinary item and has not been included in the preceding operating surplus. A more detailed variance summary is attached as Appendix B. When comparing the percentage spent to this period last year, it is important to know that YTD December 2016 and YTD December 2017 both had 78 teaching days.

The cumulative staff time required to prepare 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.

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 2017-18 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 Revenue and Expenditure summary is presented in the following table:

(000's)	2016/17 Actual	2017/18 Rev. Est.	Change
Expenditure	(1,125,189)	(1,179,350)	(54,161)
Revenue	1,150,908	1,179,404	28,496
ASO Benefit Surplus	0	10,500	10,500
Surplus/(Deficit)	25,719	10,554	(15,165)

The anticipated surplus in 17/18 is \$10.554 million, which is \$15.165 million less than the 2016/17 actual surplus.

D. EVIDENCE/RESEARCH/ANALYSIS

1. Business Services closely monitors the 2017-18 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 31st, 2017 as outlined in Appendix A (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 31st 2017 and projected enrolment for March 31st 2018.

A table of enrolment trends is as follows:

Average Daily Enrolment (ADE) Pupils of the Board	ADE	ADE	ADE
	2016-17 Actual	2017-18 Budget Estimates	2017-18 Revised Estimates
ELEMENTARY	61,219	61,652	61,617
SECONDARY	29,666	29,249	29,191
TOTAL	90,885	90,901	90,808

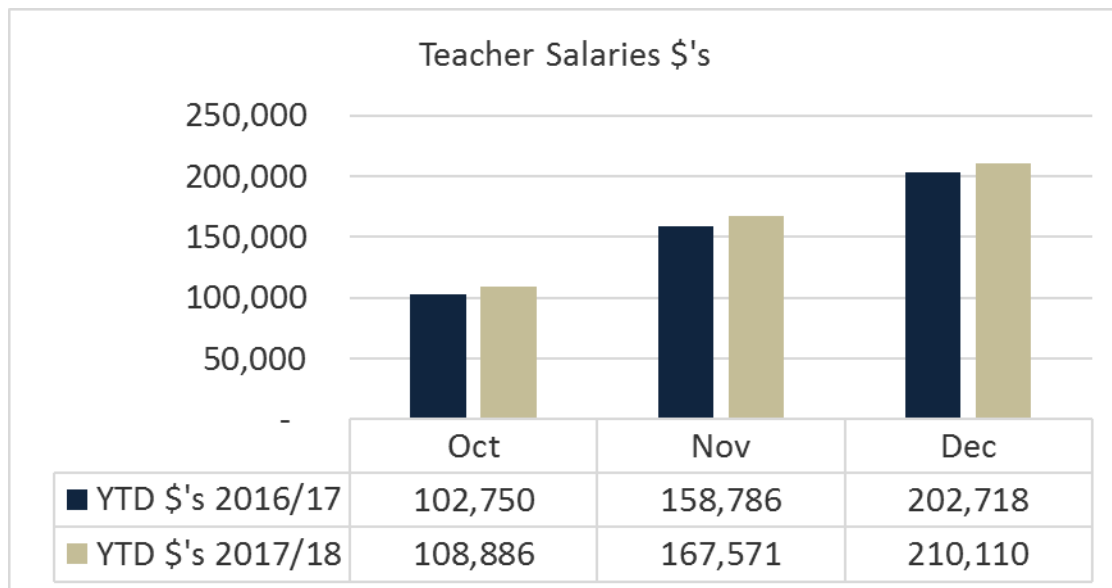
E. METRICS AND ACCOUNTABILITY

In the following examples, when the percentage of budget comparison is used it means actual YTD expenditure divided by total Revised Budget for 2017/18 and actual YTD expenditure divided by total expenditure for 2016/17. This provides us with a more accurate comparator for 2016/17 and assumes any explained variance in 2016/17 corrected in the 2017/18 Revised Estimates.

The following are trends and issues identified; in order to keep the graph scale relevant, current month expenditures are compared to the previous two periods.

1. Teacher Salaries

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



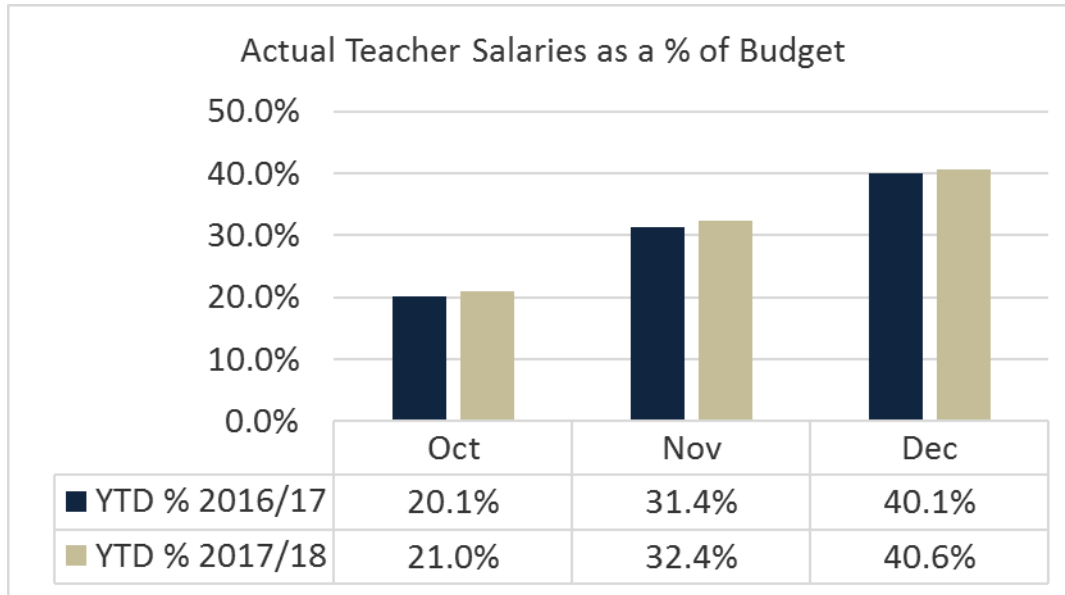


Figure 1 – 16/17 Budget \$511M, 16/17 Actual \$506M, 17/18 Budget \$518M

The table in the second graph indicates that teacher salaries are approximately .5% higher than the previous year. In conclusion, teacher salaries are running approximately .5% ahead of last year’s actual and is 0.6% higher than the expected rate of 40%.

2. Occasional Teachers

Occasional Teacher expense is \$1.9 million higher than the same period last year. When combined with a total budget reduction of \$1.1 million from last year’s actual the percentage spent is at a rate almost 10% higher than last year.

In 16/17 the Board experienced a shortage of Occasional Teachers so the previous year’s usage did not accurately portray absenteeism. The Board has made a concerted effort to have more Occasional Teachers available for 2017/18 and this is now reflected in the usage.

The percentage spent of 41.1% is only 1.1% higher than the 40% classroom expenditure benchmark one would expect at this time. Experience has shown that the rate of Occasional Teacher usage increases as the year progresses.

It is management’s commitment to fill teacher vacancies due to illness and efforts have been made and will continue to be made to make more Occasional Teachers available. 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/actual:

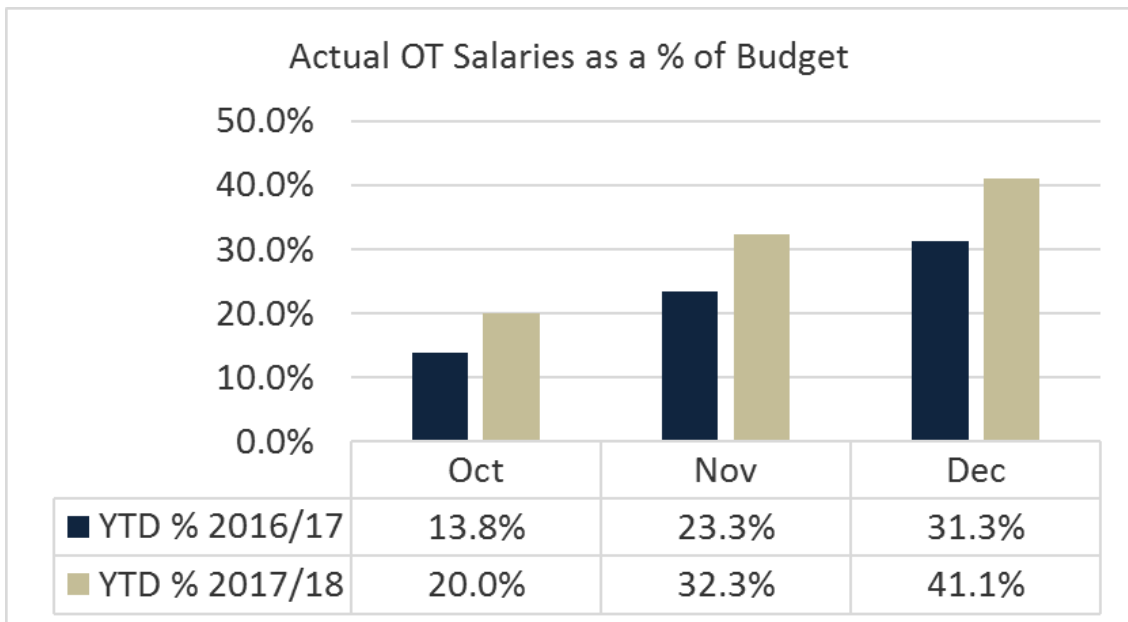
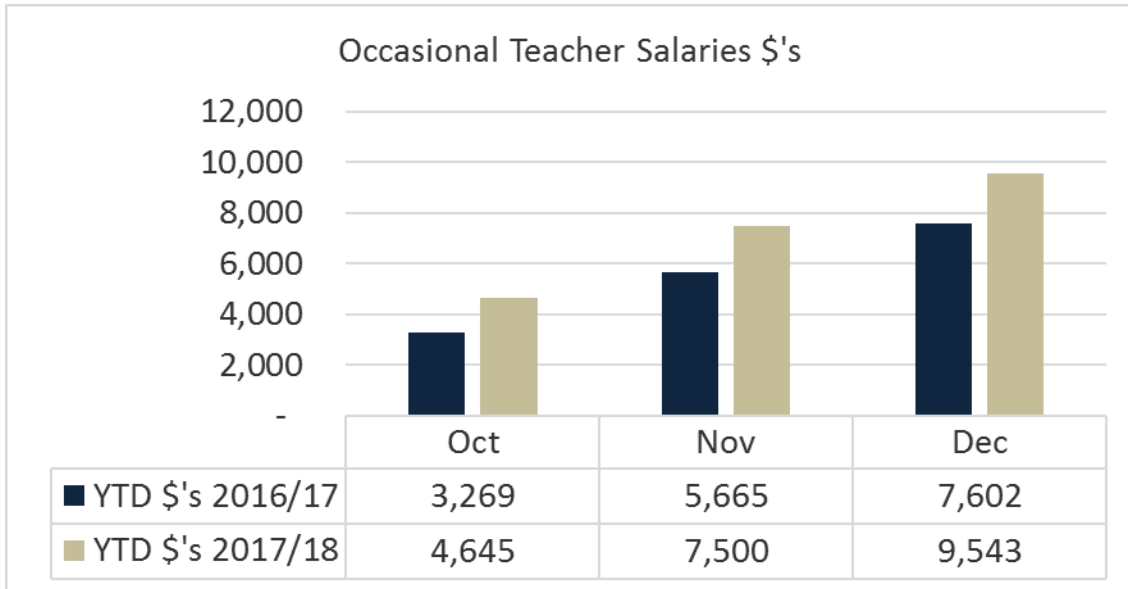


Figure 2 – 16/17 Budget \$21.7M, 16/17 Actual \$24.3M, 17/18 Budget \$23.2M

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/actual:

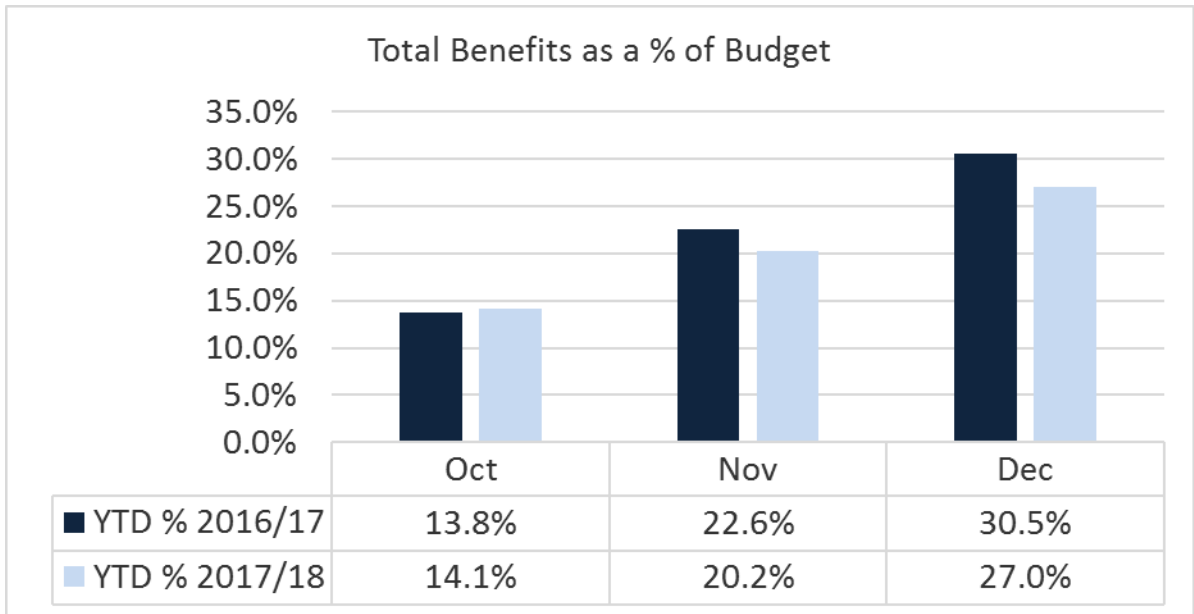
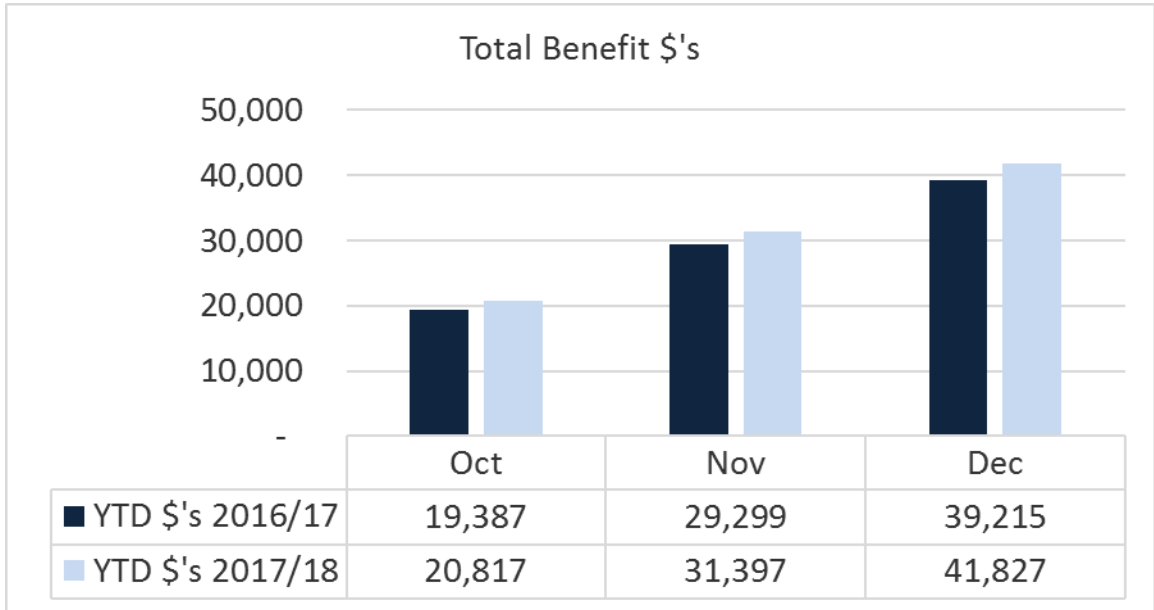


Figure 3 – 16/17 Budget \$142M, 16/17 Actual \$130M, 17/18 Budget \$155M

The above graphs indicate that spending is only slightly higher than last year while the current year’s budget has been increased 19% over last year’s actual. The Board has rolled out an Employee Assistance Program in December that

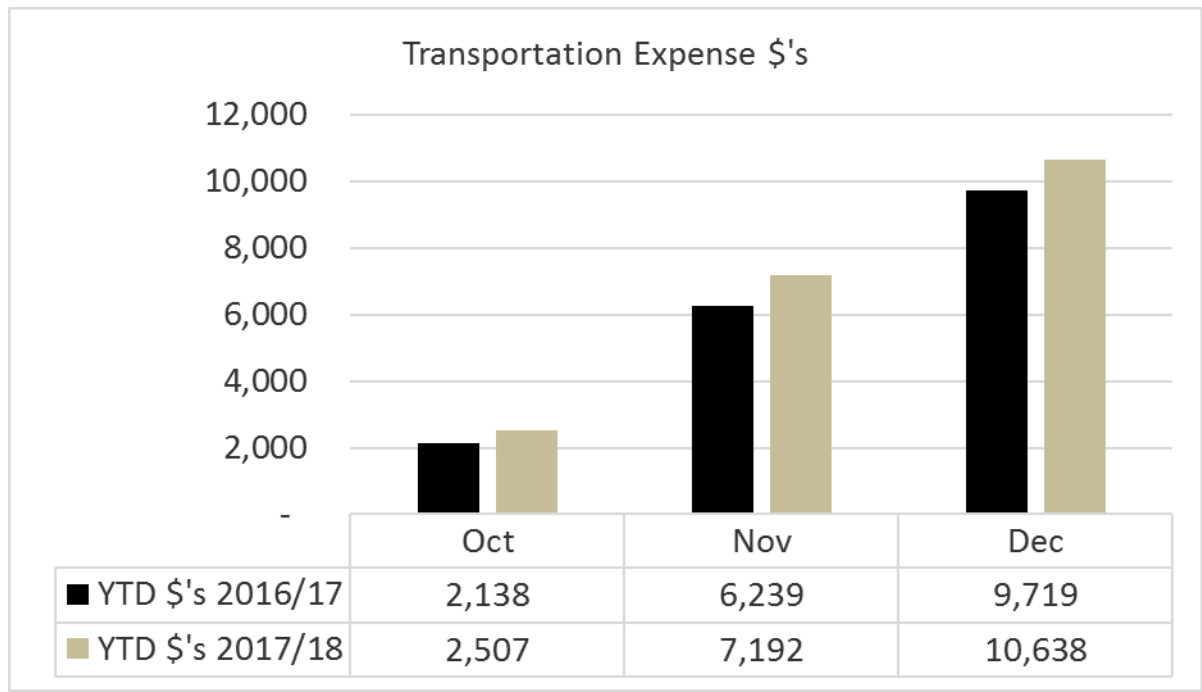
will result in some extra costs going forward. The roll out of the Benefit Trusts has been delayed which creates favourable variances to the Board. Benefits are expected to finish the year under budget.

Transportation

Transportation expense is approximately 1.5% higher than the same period last year and has been consistently higher for each of the previous 3 months. This budget will be scrutinized more closely in the months to come.

There are many variables in transportation including, snow days, new contracts, higher rates and varying volumes of accommodations and utilizations for special needs students.

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



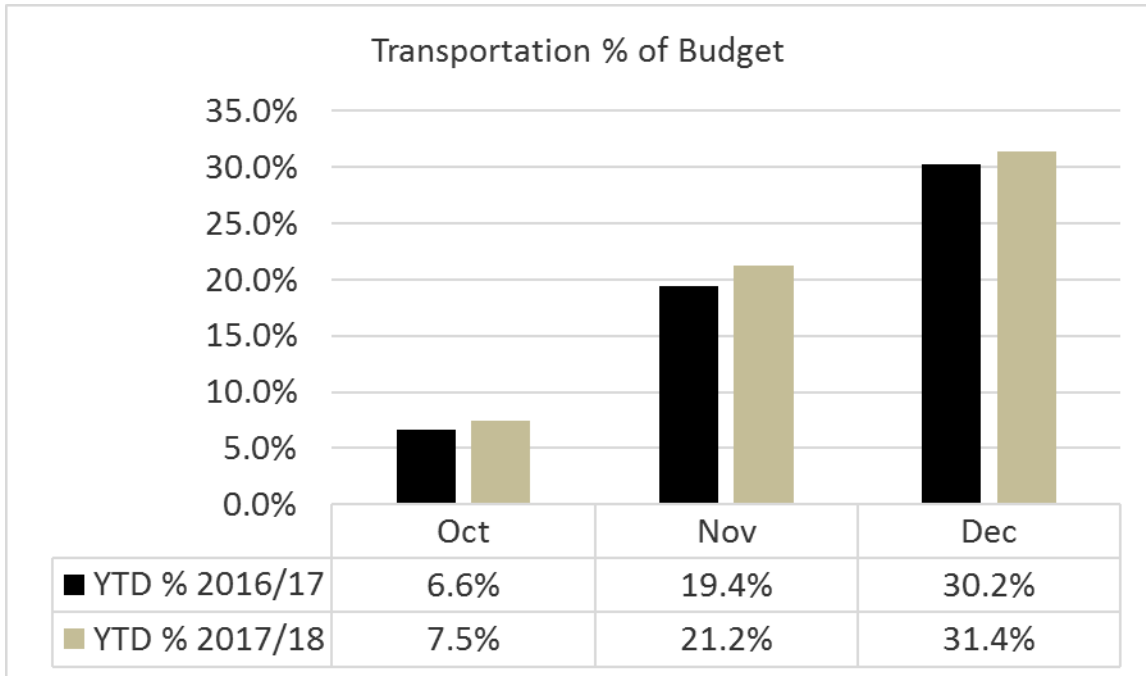


Figure 4 – 16/17 Budget \$32.3M, 16/17 Actual \$32.1M, 17/18 Budget \$33.9M

F. CONCLUDING STATEMENT

This report is for the consideration of the Board.