



**COMMITTEE OF THE WHOLE (BUDGET)
AUDIT COMMITTEE**

**24 April 2018
25 April 2018**

Report No. 18-039

2017-2018 Updated Financial Forecast (February)

Key Contact: Mike Carson, Chief Financial Officer, 613-596-8211 ext. 8881

PURPOSE:

1. To present for information the District's 2017-2018 Updated Financial Forecast as of 28 February 2018.

CONTEXT:

2. Financial forecasts are prepared periodically during the year to show the District's anticipated year-end position.

The 2017-2018 Revised Estimates that were submitted to the Ministry of Education in December 2017 served as the first forecast of the year. They reflected the impact of increased enrolment on compensation costs and related revenue streams, adjustments resulting from grants announced after the passing of the District's budget and changes identified as part of ongoing monitoring of operations.

The updated forecast is based on year-to-date experience up to 28 February 2018. It continues to reflect the items discussed in the revised estimates and certain amounts have been updated based on new information. Explanations provided in the revised estimates are repeated in this report and additional commentary explaining further changes has been added.

KEY CONSIDERATIONS:

3. In June 2017, the Board approved the 2017-2018 Budget authorizing expenses totaling \$928.1 million. Funding of the expenses was provided through grants and other revenues totaling \$928.1 million. This resulted in a balanced budget.

The District's 2017-2018 Updated Financial Forecast provides for expenses of \$947.6 million, revenues of \$951.9 million and a planned surplus of \$4.3 million.

Table 1 compares the anticipated surplus reflected in the updated forecast with the amount originally budgeted.

Table 1 – Comparison of Updated Forecast and Approved Budget

	Updated Forecast	Approved Budget	Change	Change
	\$	\$	\$	%
Revenues	951,896,300	928,126,900	23,769,400	2.6
Expenses	947,617,800	928,122,900	19,494,900	2.1
Surplus	4,278,500	4,000	4,274,500	

Changes to revenues and expenses since the passing of the 2017-2018 Budget are expanded upon in Appendix A - Analysis of Changes in Revenues and Expenses. Costs by program area for the current and prior year are presented in Appendix B - Comparative Summary of Expenses. Additional detail regarding grants is provided in Appendix C - Grants for Student Needs and a list of special purpose grants is provided in Appendix D - Other Program Grants.

4. **Enrolment Estimates and Grants (updated)**

The 2017-2018 Budget was developed using enrolment estimates established in early 2017. Average daily enrolment (ADE) levels have a direct impact on funding and also affect related instructional expenses. The approved budget reflected ADE of 48,011 for elementary and 22,235 for secondary.

Actual elementary ADE for 2017-2018 Revised Estimates purposes was 49,043 students which is an increase of 1,032 students (2.1%) over the approved budget. Secondary day-school enrolment was revised to reflect ADE of 22,420 students which is an increase of 185 students (0.8%) over the approved budget. This enrolment projection remains unchanged in the updated forecast.

As previously mentioned, enrolment has a direct impact on various grants and in particular the Pupil Foundation Grant (PFG). This grant applies to students of the District under 21 years of age and excludes 'high credit' ADE. Table 2 shows that the District's PFG is expected to be \$6.4 million more than budgeted.

Table 2 – Effect of Increased Average Daily Enrolment on Pupil Foundation Grant

	Enrolment (Pupils of the Board)			Pupil Foundation Grant		
	Updated Forecast	Approved Budget	Change	Updated Forecast	Approved Budget	Change
				\$	\$	\$
Elementary	49,043	48,011	1,032	260,708,100	255,375,900	5,332,200
Secondary	22,420	22,235	185	131,826,000	130,736,500	1,089,500
Total	71,463	70,246	1,217	392,534,100	386,112,400	6,421,700

Other allocations that comprise part of the Grants for Student Needs (GSNs) are affected by changes in enrolment and student demographics. The Special Education grant and the School Operations grant both increased by \$1.1 million and a \$3.1 million revenue increase resulted from the confirmed enrolment of students whose first language is not English and who have arrived in Canada

since September 2013. The Language grant amount is part of the Net Other line on Appendix A – Analysis of Changes in Revenues and Expenses.

Appendix C - Grants for Student Needs compares the revised GSNs with the approved budget and includes the effect of revenue deferrals.

5. **Employee Life and Health Trusts Benefit Costs (unchanged)**

As part of the ratified centrally bargained collective agreements for unionized employees and ratified central discussions with the principals and vice-principals associations, employee life and health trusts (ELHTs) were established in 2016-2017 for the following employee groups: ETFO, OSSTF, OSSTF-EW, and non-unionized employees including principals and vice-principals. The ELHTs provide (or will provide) health, life and dental benefits to eligible District staff and retired individuals. ELHTs are governed jointly by the bargaining/employee groups, the school board trustees' association and the Government of Ontario. The trusts are funded through a combination of employee and employer contributions as well as with transitional funding provided by the Ministry.

The District's elementary and secondary teachers, as well as unionized education workers, transitioned to the ELHTs effective 1 November 2016. Principals and vice-principals transitioned on 1 April 2018 and other non-unionized employees will transition on 1 June 2018.

The District's budget provided for its share of employee benefit plan costs including those for ELHTs. With regard to ELHTs, the budget was determined in accordance with Ministry requirements and reflected an amount per full-time equivalency (FTE) based on 2014-2015 actual benefit costs plus inflationary increases for subsequent years.

The transition to ELHTs has had an effect on the amount of benefit costs to be reported for the year. Prior to the date of transition, the District was responsible for costs relating to premium waivers for individuals receiving long-term disability (LTD) benefits and amounts had been reflected in the budget to support these costs. As of the date of transition, the liability became the responsibility of the respective trust and there is no requirement to transfer equivalent assets to the trusts. The effect of this change for LTD-related employee future benefits (EFB) is the reduction of associated benefit costs totaling \$2.8 million.

6. **Workers Safety Insurance Board (updated)**

Amendments to Workers Safety Insurance Board (WSIB) programs have introduced benefits to support work-related chronic mental stress. WSIB describes work-related chronic mental stress as an appropriately diagnosed mental disorder that has been predominantly caused by a substantial work-related stressor or series of stressors. A work-related stressor would generally be considered substantial if it is excessive in intensity and/or duration compared with the normal pressures and tensions experienced by people working in similar circumstances. The legislative change was effective 1 January 2018 and provides for retroactive application to 29 April 2014.

The District has engaged School Board Cooperative Inc. (SBCI) to assist with the management of WSIB claim costs. Based on information provided by SBCI, a

provision of \$2.4 million was reflected in the revised estimates to support costs relating to incidents occurring during the current school year or that may be eligible for retroactive coverage. This amount continues to be used in the updated forecast. Confirmation of actual WSIB costs to be reported will be confirmed as part of the actuarial valuation prepared at the end of the school year, but any known adjustments will be reflected in subsequent forecasts.

7. **Special Education Staff (updated)**

The District continues to experience increased demand for supports provided by educational assistants (EAs). This group of employees has also experienced increased pressure as it relates to absenteeism. Accordingly, the updated forecast reflects additional compensation costs totaling close to \$1.1 million to meet increased casual staffing needs and to provide additional resources to students.

As indicated in Memo 18-027, Additional In-Year Staffing, \$370,000 in additional resources are being provided in response to student needs. An amount of \$300,000 was set aside to provide additional EA support to schools and \$70,000 was provided to enhance supports in the areas of social work and psychology.

In addition to the changes in compensation costs noted above, spending on equipment and supports funded using the Special Equipment Amount (SEA) allocation is expected to be \$320,000 lower than budgeted. These expenses are supported by a specific funding envelope within the special education envelope. Accordingly, related funding has been reduced by an equivalent amount. This amount is part of the net cost adjustment discussed in section 16.

8. **Student Transportation (unchanged)**

Transportation of the District's students is provided by the Ottawa Student Transportation Authority (OSTA). Amounts reflected in the 2017-2018 Budget were based on information received from OSTA. The updated forecast remains the same as that shown in the revised estimates: costs are expected to be \$500,000 more than budgeted and will be supported by additional funding totaling \$442,300. The additional costs relate to increased enrolment and more complex transportation needs.

Transportation expenses of \$40.6 million are shown in the updated forecast. These costs are supported by the \$39.4 million Transportation grant.

9. **Minor Tangible Capital Assets (unchanged)**

A portion of the annual GSN is budgeted for the acquisition of minor tangible capital assets (MTCA) such as furniture, equipment and computers. If the funds are not required for capital purposes, they are reported as operating revenue and support overall operating costs.

Consistent with the revised estimates, the updated forecast reflects the realignment of spending between operations and capital. In total, \$1.9 million previously identified as an operating cost is now expected to be classified as being for MTCA acquisitions. Instruction costs have been reduced by this amount as has related revenue.

10. **Deferred Capital Contributions and Amortization Expenses (unchanged)**
Funding received for the purpose of acquiring or developing a depreciable tangible capital asset is termed a deferred capital contribution (DCC). Such contributions are recognized as revenue at the same rate as the related tangible capital asset is amortized into expense. Amortization is based on the expected useful life of the asset.

In addition to the contributions discussed above, certain capital projects are supported internally through the use of the District's accumulated surplus. Internally supported tangible capital assets are amortized in the same manner as those supported by contributions from others, but there is no related revenue.

During the year various capital projects are expected to be completed and a variety of capital assets acquired. In addition, adjustments to incorporate prior year actual results are reflected. These items increase the net value of the tangible capital assets managed by the District. In accordance with accounting requirements, the amortization of an asset's value commences immediately upon completion of the capital project. This has a direct impact on both revenues and expenses. The approved budget projected amortization expenses and related revenue of \$45.8 million. Consistent with the revised estimates, the updated forecast reflects close to \$47.5 million for both. Expenses and revenues increased by \$1.7 million.

11. **Other Program Grants (updated)**

The Ministry announces special purpose grants throughout the year. The grants are targeted to support Ministry priorities and are termed Educational Program Grants-Other (EPO). These grants augment the District's budget; however, funding is tied to actual spending for the specified purpose. Amounts not spent are recovered by the Ministry or, if the funding agreements permit, are carried forward for use in the subsequent year. The District reports EPO grants as deferred revenue. Revenue from these grants is recognized in an amount equal to the associated expenses. Grants from other ministries and non-government organizations are treated in a similar manner and for this analysis are also referred to as EPO grants.

The District's 2017-2018 Budget reflected EPO grants totaling \$7.8 million. An additional \$7.5 million has been added to this amount. Of this amount, \$4.8 million relates to remedy payments which are discussed in the next section and the remaining \$2.7 million are for a variety of initiatives as shown in Appendix D – Other Program Grants.

EPO-related revenues and expenses reflected in the updated forecast both equal \$15.3 million. Almost all of the expenses relating to EPO funding are shown in the Instruction category in Appendix B - Comparative Summary of Expenses.

12. **Remedy Payments (unchanged)**

In February 2017, a settlement was reached between the Ontario Secondary School Teachers' Federation (OSSTF) and the Province as a remedy for the Ontario Superior Court ruling in April 2016 on the *Putting Students First Act, 2012* (PSFA). The ruling determined that the PSFA was a violation of s.2(d) (freedom of association) of the Canadian Charter of Rights and Freedoms.

The remedy has already been or will be provided to eligible staff in three parts:

- a payment to compensate for lost or reduced retirement gratuities;
- a lump sum payment to reflect half of the loss created by the grid movement delay in the 2012-2013 and 2013-2014 school years; and
- one paid day off to permanent OSSTF-represented teachers (excluding long-term occasional teachers) who were employed in the 2016-2017 school year.

Consistent with the revised estimates, the updated forecast reflects remedy costs of \$4.8 million, of which \$3.9 million relates to the Instruction category. The remaining \$972,000 is substantially a facilities cost. The Ministry has committed to funding the costs and EPO revenue has been increased by \$4.8 million.

13. **International Students (unchanged)**

The Ottawa-Carleton Education Network (OCENET) is a not for profit organization that offers international students the opportunity to learn alongside the District's students. OCENET helps prospective students to submit their applications and fees and also supports their transition into the school and community. Fees collected cover OCENET's administrative costs but most of the fee is remitted to the District.

The District's 2017-2018 Budget reflected revenue of over \$8.3 million based on 698 students. The updated forecast reflects anticipated revenue of just over \$10.5 million based on 817 students. Increased enrolment of 119 students accounts for the \$2.2 million revenue increase.

Administrative fees paid to OCENET by the District are reported in the Instruction category. These costs have increased by \$866,000 to \$4.2 million based on the increased enrolment. This is part of the net cost increase shown in section 16.

These amounts are the same as those reported in the revised estimates.

14. **Enrolment-Related Compensation Adjustments (updated)**

As reported in the revised estimates, the updated forecast continues to reflect the increased enrolment in both the elementary and secondary panels, as well as the increased enrolment of international students. The additional enrolment, as influenced by site-specific enrolment needs, has resulted in an increase in the number of teaching staff required by the District.

The revised estimates reflect the addition of 53.0 FTE elementary teachers and 14.3 FTE secondary teachers. The incremental cost for these teachers is approximately \$6.9 million. This amount remains the same in the updated forecast.

As indicated in Memo 18-027, Additional In-Year Staffing, \$300,000 in additional resources to support English language learners has been identified in response to student needs. An amount of \$150,000 was set aside to conduct Steps to English Language Proficiency (STEP) assessments for secondary students, \$70,000 was identified to support a second congregated central orientation class for adult English Language Development (ELD) students at Adult High School, and \$80,000 was provided to support elementary grade ELD students.

15. **Teacher Absences (updated)**

Occasional teachers (OTs) provide coverage when teachers are absent due to illness or to attend medical appointments. In addition, OTs provide coverage when teachers are attending certain professional development and student support activities on a school day.

For 2017-2018, the District expects that supply teaching costs of \$17.8 million will be incurred, which is \$1.4 million more than budgeted. The additional cost is attributable to the increase in teaching staff in response to increased enrolment and overall experience during the year. However, these costs are for the most part offset by other compensation savings totaling \$1.3 million within the Instruction category. Additional analysis is underway to obtain more insight into the cost variances.

Staff has implemented changes effective 2017-2018 to improve how absences are reported in the financial system. The change segregates the cost of school-based decisions from those resulting from teacher illness and other leaves (contractual obligations) which are beyond the direct control of principals. Although absence information is available in the time-reporting system, staff believes that quantifying the impact in the financial system in this manner will provide additional insight into these costs.

Another important initiative is to improve attendance, which will reduce pressure on OT budgets. Enhancements to the attendance support program in terms of both effectiveness and efficiency continue. A key element for 2017-2018 will be the promotion of a healthy workplace and an important step in the strategy is the engagement of staff in a manner that promotes employee well-being. This initiative will continue in future years.

16. **Other Instruction-Related Non-Compensation Costs (updated)**

Other instruction-related non-compensation costs are those that are not specifically identified elsewhere in the report, but form part of the overall spending classified as Instruction. These costs represent an overall increase relative to the budget of \$2.1 million. The majority of this amount is the increased spending provided as a result of school budget carry forwards authorized with the approval of the 2016-2017 Consolidated Financial Statements. The amount also includes increased administrative fees of \$866,000 paid to OCENET and reduced spending totaling \$320,000 relating to specialized equipment for students.

17. **Facility Operations (updated)**

Spending on school facilities represents the largest operating cost category outside of the instruction envelope. Compensation costs shown in the updated forecast have increased by a net amount of close to \$1.4 million. Most of the cost drivers have been discussed in other sections but are included below to highlight the amount identified for facility operations. The net increase is analyzed as:

- \$943,100 in costs relating to OSSTF remedy payments (section 12);
- \$143,600 cost increase attributable to WSIB programs (section 6);
- \$503,000 relating to the increase in the minimum wage and other service needs in schools; and
- Savings of \$220,500 relating to ELHT benefit costs (section 5).

Non-compensation costs have decreased by \$75,100. The reduction reflects normal minor budget variances that are expected during the year.

18. **Extended Day Program (updated)**

The Extended Day Program (EDP) commenced operations in 2010. Significant growth in the program ensued and it now operates in 63 schools and serves over 5,000 children. The program, which is an integral part of the Early Learning strategy, is closely tied to the operations of the District's kindergarten programs. In fact, early childhood educators that staff the EDP, before and after school, also partner with teachers during the core day to provide the kindergarten program.

A modest decrease in program revenue totaling \$157,500 is expected. This change is generally attributable to the flexibility of the program and fluctuating participation rates. The revenue reduction is fully offset by increased grant funding of \$164,000 relating to professional development costs incurred. The net increase in revenue shown in the updated forecast is \$6,500.

Costs of the program have also changed. Compensation costs are expected to increase by a net amount of \$106,100. Direct costs are expected to increase by \$233,000 in response to changes in participation levels, contractual obligations and professional development activities. Compensation transfers will decrease by \$126,900 based on refined costing methodologies.

The budget for supplies and services has decreased by \$312,600 to reflect historical spending patterns. Consequently, an in-year savings of \$200,000 relating to the planned purchase of computer software to manage participant registration and billing is reflected. Most of the computer software cost is expected to be incurred next year.

The program is expected to have a small surplus of \$213,000 for the year. This amount will be added to the \$213,000 of accumulated surplus that resulted from last year's activities. The accumulated surplus will be used to acquire computer software and to offset deficits that may occur in subsequent years.

Table 3 shows the original budget and updated forecast by category.

Table 3 – Extended Day Program Comparative Amounts

	Updated Forecast	Budget	Change Increase (Decrease)
	\$	\$	\$
Expenses			
Compensation	14,966,000	14,733,000	233,000
Compensation Transfer	570,000	696,900	(126,900)
Supplies	540,000	852,600	(312,600)
Supplies Transfer	327,000	327,000	-
	16,403,000	16,609,500	(206,500)
Less: Revenues	16,616,000	16,609,500	6,500
Surplus	213,000	-	213,000

19. **Child Care Program (updated)**

In September 2013 the District assumed the operations of four child care centres that had previously been run by the Ottawa School Day Nursery. The Infant, Toddler and Preschool Child Care program operated at four sites and was intended to operate on a cost recovery basis. Changes to cost structures in relation to revenues resulted in the program operating at a deficit.

A significant issue encountered during 2015-2016 was that the City of Ottawa changed eligibility rules for general operating (GO) funding provided to operators of child care programs. GO funding is the grant provided to licensed not-for-profit child care programs by the City of Ottawa and covers direct operating, pay equity, and wage enhancement grants. The grant was withheld last year, but had been included as a revenue source when developing the 2016-2017 Budget. The City of Ottawa provided special funding during 2016-2017 totaling \$212,000 as compared to the \$300,000 that had been anticipated.

As part of the 2017-2018 Budget, the Board approved the closure of two underutilized sites and increased user fees. This, combined with clarification from the City of Ottawa that the District is eligible for an estimated \$200,000 of GO funding, is expected to limit growth in the program's deficit. Models for delivering the child care program were presented for discussion at a Committee of the Whole meeting in 2017-2018.

Table 4 shows the original budget and updated forecast by category.

Table 4 – Child Care Program Comparative Amounts

	Updated Forecast	Budget	Change Increase (Decrease)
	\$	\$	\$
Expenses			
Compensation	1,858,000	1,858,100	(100)
Supplies	88,000	124,500	(36,500)
	1,946,000	1,982,600	(36,600)
Less: Revenues	1,520,000	1,575,000	(55,000)
Deficit	426,000	407,600	18,400

20. **Other Non-Instruction (updated)**

Other non-instruction compensation costs relate to the activities of the Continuing Education department and, to a lesser extent, central administrative departments inclusive of secondments. Costs are expected to be \$752,300 more than budgeted. Of this amount, \$640,600 relates to the Continuing Education department, the activities of which are supported by related grants. The balance of \$111,700 relates primarily to central departments and includes retroactive costs resulting from the approval of the executive compensation framework which are offset by general vacancy savings.

Supplies and services in these areas are expected to be \$177,700 less than budgeted.

21. **Accumulated Surplus (updated)**

An accumulated surplus is the excess of revenues over expenses that has resulted over time. The *Education Act* allows the Board to use its accumulated surplus to balance its operating budget, but it also restricts the use in any school year to 1% of the operating grants provided by the Ministry. For the 2017-2018 Revised Estimates, this amount is \$8.2 million. Approval to use accumulated surplus in excess of this amount must be obtained from the Ministry.

The District's 2017-2018 Budget was essentially a balanced budget that provided for a small surplus of \$4,000.

The Multi-Year Financial Recovery Plan, which was approved in June 2016, responded to the Ministry's two articulated objectives for 2017-2018:

- A balanced budget, such that the Board is compliant as per section 231 of the *Act*, including any use of unrestricted accumulated surplus to balance the budget; and
- An overall accumulated surplus balance for compliance purposes that is between 0.5% and 1.0% of the District's operating allocation, after accounting for amounts that have been encumbered as a result of legally binding commitments including amounts for committed capital.

The required amount of unrestricted accumulated surplus as at 31 August 2018 would be in the range of \$4.1 million to \$8.2 million, but the Ministry also recommended that an accumulated surplus of 2.0% be established for years subsequent to 2017-2018.

Table 5 presents the components of accumulated surplus and shows the anticipated increase resulting from the 2017-2018 operating surplus of \$4.3 million.

Table 5 – Accumulated Surplus Available for Compliance

	Projected as at 31 Aug 2018	Actual as at 31 Aug 2017	Change increase (decrease)
	\$	\$	\$
Available for compliance			
Restricted-committed capital	472,000	513,000	(41,000)
Internally appropriated			
Extended Day Program	426,000	213,000	213,000
Budgets carried forward	1,700,000	2,212,000	(512,000)
Contingencies	16,400,000	16,000,000	400,000
Unappropriated	5,013,000	794,000	4,219,000
	24,011,000	19,732,000	4,279,000

The \$16.4 million internal appropriation noted as “Contingencies” has been identified to respond to revenue shortfalls or increased expenses relative to the budget. The amount is aligned with the Ministry recommendation that a provision equal to 2% of the annual operating allocation be established. Of the amount, \$5.0 million has been identified for potential costs relating to gratuity payments and WSIB claims and \$1.0 million has been provisioned for the replacement of business systems. The remainder has not been assigned to a specific need.

22. Summary

The District’s 2017-2018 Updated Financial Forecast includes the impact of increased enrolment, enhanced spending authority provided through the use of targeted Ministry grants, the effects of in-year changes to programs and increased compensation costs relating to remedy payments to eligible OSSTF-represented staff.

The enrolment increase this year has added significant revenue, but this is also offset by costs mainly relating to teaching staff and additional student supports. Staff continues to evaluate where additional resources may be required to respond to student needs and to look at investments that can reduce budget pressures in future years.

The District’s 2017-2018 Updated Financial Forecast provides for expenses of \$947.6 million, revenues of \$951.9 million and a planned surplus of \$4.3 million.

RESOURCE IMPLICATIONS:

23. The District’s 2017-2018 Budget anticipated a small surplus of \$4,000. The District’s 2017-2018 Updated Financial Forecast presents a surplus of close to \$4.3 million, which is compliant with the Ministry’s budget compliance framework.

COMMUNICATION/CONSULTATION ISSUES:

24. The 2017-2018 Updated Financial Forecast was prepared by Finance staff in consultation with other departments.

STRATEGIC LINKS:

25. An effectively functioning Audit Committee and approach to risk management is a key component of the focus on sustainably allocating resources, in particular by enhancing operational practices to effectively and responsibly manage human and financial resources in support of students. Monitoring actual performance in relation to the Board's approved budget allows staff to identify opportunities to reallocate resources to address emerging needs and to respond to changes in revenue streams and expense patterns.

GUIDING QUESTIONS:

26. The following questions are provided to support the discussion of this item by the Committee:
- Does the analysis explain the significant changes in revenues and expenses?
 - Is staff taking steps to mitigate any adverse financial impacts and to leverage opportunities that were identified during the preparation of the analysis?

Mike Carson
Chief Financial Officer

Jennifer Adams
Director of Education and Secretary of
the Board

Appendices:

- Appendix A – Analysis of Changes in Revenues and Expenses
- Appendix B – Comparative Summary of Expenses
- Appendix C – Grants for Student Needs
- Appendix D – Other Program Grants

	Report Reference	Revised Estimates	February Forecast	Change from Revised increase (decrease)
		\$	\$	\$
Planned Surplus in Original Estimates		4,000	4,000	4,000
Revenues Increase (Decrease)				
Grants for Student Needs				
Pupil Foundation	4	6,421,700	6,421,700	-
Special Education	4	1,461,000	1,141,000	(320,000)
School Operations	4	1,108,500	1,108,500	-
Transportation	8	442,300	442,300	-
Minor Tangible Capital	9	(1,896,600)	(1,896,600)	-
Net Other (School Foundation, Language, etc.)	4	1,026,000	4,145,000	3,119,000
		<u>8,562,900</u>	<u>11,361,900</u>	<u>2,799,000</u>
Other Revenue				
Amortization of Capital Assets	10	1,717,700	1,717,700	-
Education Program Grants	11,12	6,363,300	7,507,400	1,144,100
International Student Fees (OCENET)	13	2,229,000	2,229,000	-
Extended Day Program	18	189,500	6,500	(183,000)
Child Care Program	19	73,000	(55,000)	(128,000)
Other Net Revenue Adjustments		480,300	1,001,800	521,500
		<u>11,052,800</u>	<u>12,407,400</u>	<u>1,354,600</u>
Total Increase in Revenues		<u>19,615,700</u>	<u>23,769,300</u>	<u>4,153,600</u>
Expenses (Increase) Decrease				
Compensation Costs				
ELHT Savings on Transfer of Employee Benefits	5	2,831,800	2,831,800	-
WSIB Provision	6	(2,400,000)	(2,400,000)	-
Special Education Staff	7	(1,072,000)	(1,072,000)	-
Other Education Program Grants	11	(1,519,100)	(2,663,200)	(1,144,100)
Education Program Grants-Remedy Payments	12	(4,844,200)	(4,844,200)	-
Teaching Complement (FTE:elem 53.0,sec 14.3)	14	(6,869,100)	(6,869,100)	-
Provision for ESL Teachers	14	(509,600)	(300,000)	209,600
Teacher Absences	15	(824,200)	(1,400,400)	(576,200)
Other Instruction	15	254,200	1,273,800	1,019,600
Facilities	17	(209,000)	(503,000)	(294,000)
Extended Day Program	18	58,100	(106,100)	(164,200)
Child Care Program	19	(108,400)	100	108,500
Other Non-Instruction	20	(378,200)	(752,300)	(374,100)
		<u>(15,589,700)</u>	<u>(16,804,600)</u>	<u>(1,214,900)</u>
Non-Compensation Costs				
Student Transportation	8	(500,000)	(500,000)	-
Minor Tangible Capital Assets	9	1,896,600	1,896,600	-
Amortization of Capital Assets	10	(1,720,300)	(1,720,300)	-
International Student Fees (OCENET)	13	(866,000)	(866,000)	-
Other Instruction	16	(2,081,100)	(2,102,400)	(21,300)
Facilities	17	302,000	75,100	(226,900)
Extended Day Program	18	1,400	312,600	311,200
Child Care Program	19	21,600	36,500	14,900
Other Non-Instruction	20	(92,300)	177,700	270,000
		<u>(3,038,100)</u>	<u>(2,690,200)</u>	<u>347,900</u>
Total Increase in Expenses		<u>(18,627,800)</u>	<u>(19,494,800)</u>	<u>(867,000)</u>
Surplus (Deficit)	21	<u>991,900</u>	<u>4,278,500</u>	<u>3,290,600</u>
Increase (Decrease) from Original Estimates		<u>987,900</u>	<u>4,274,500</u>	<u>3,286,600</u>

In \$ Millions EXPENSE CATEGORY	2017-2018						2016-2017				
	Approved Budget	Revised Estimates	YTD Feb 2018	Forecast	Variance	% Spent	Approved Budget	Revised Estimates	Actual Year End Expenses	Variance	% Spent
					Forecast minus Approved	Forecast over Approved				Actual minus Approved	Actual over Approved
Instruction											
Salaries and Benefits	636.6	649.8	292.8	649.8	13.2	2.1%	592.0	614.8	604.6	12.5	2.1%
Salaries and Benefits (Occasional Teachers)	16.4	17.2	10.7	17.8	1.4	8.6%	15.6	15.5	16.3	0.8	4.9%
Staff Development, Supplies and Services	24.9	25.2	11.2	26.5	1.6	6.4%	21.9	22.0	18.6	(3.3)	-15.2%
Fees, Contractual and Rentals	9.4	10.2	6.1	8.9	(0.5)	-5.5%	7.2	7.8	11.4	4.2	59.0%
Instruction Sub-Total	687.3	702.4	320.8	702.9	15.7	2.3%	636.7	660.1	650.9	14.2	2.2%
Continuing Education											
Salaries and Benefits	9.1	9.5	4.3	9.7	0.6	7.1%	8.8	8.8	9.1	0.4	4.3%
Staff Development, Supplies and Services	0.5	0.5	0.5	0.5	0.1	12.9%	0.4	0.4	0.5	0.1	32.4%
Fees, Contractual and Rentals	0.4	0.4	0.2	0.4	0.0	4.5%	0.4	0.4	0.5	0.1	13.7%
Continuing Education Sub-Total	9.9	10.4	5.0	10.7	0.7	7.2%	9.6	9.6	10.2	0.6	5.9%
Transportation											
Salaries and Benefits	1.3	1.3	0.6	1.3	-	0.0%	1.1	1.1	1.3	0.2	18.0%
Staff Development, Supplies and Services	0.4	0.4	0.3	0.4	-	0.0%	0.4	0.4	0.2	(0.2)	-41.4%
Fees, Contractual and Rentals	38.4	38.9	22.9	38.9	0.5	1.3%	36.5	37.0	36.6	0.1	0.4%
Transportation Sub-Total	40.1	40.6	23.8	40.6	0.5	1.2%	37.9	38.5	38.1	0.2	0.4%
School Facilities											
Salaries and Benefits	50.8	51.9	24.2	52.2	1.4	2.7%	48.5	49.0	49.5	1.0	2.0%
Staff Development, Supplies and Services	24.7	24.0	12.1	24.4	(0.3)	-1.3%	25.6	25.6	23.4	(2.2)	-8.4%
Fees, Contractual and Rentals	8.1	8.5	6.5	8.3	0.2	3.1%	7.4	7.5	8.0	0.6	7.5%
Other/Temporary Pupil Accommodation	0.9	0.9	0.5	0.9	-	0.0%	1.7	1.6	2.1	0.4	22.5%
School Facilities Renewal Expense	5.7	5.7	4.9	5.7	-	0.0%	5.1	5.7	6.2	1.2	22.7%
School Facilities Sub-Total	90.2	91.0	48.2	91.5	1.3	1.4%	88.4	89.5	89.3	0.9	1.0%
Central Administration											
Salaries and Benefits	16.3	16.2	8.1	16.3	0.1	0.5%	15.1	15.1	14.7	(0.4)	-2.3%
Staff Development, Supplies and Services	1.9	1.9	1.2	1.9	0.1	4.5%	1.9	1.9	1.7	(0.2)	-9.8%
Fees, Contractual and Rentals	1.3	1.3	0.8	1.0	(0.3)	-25.2%	1.4	1.4	1.0	(0.4)	-29.6%
Central Administration Sub-Total	19.5	19.4	10.1	19.3	(0.2)	-0.9%	18.3	18.3	17.3	(0.9)	-5.1%
Other											
Extended Day Program Compensation	15.4	15.4	6.8	15.5	0.1	0.7%	12.8	14.1	14.6	1.8	14.0%
Extended Day Program Supplies/Int Svcs	1.2	1.2	0.2	0.9	(0.3)	-26.5%	1.2	1.2	0.8	(0.5)	-38.7%
Child Care Program Compensation	1.9	2.0	0.9	1.9	(0.0)	0.0%	2.1	2.1	2.1	0.0	0.8%
Child Care Program Supplies/Int Svcs	0.1	0.1	-	0.1	(0.0)	-29.3%	0.2	0.2	0.1	(0.0)	-15.1%
Recoverable Compensation (Secondments)	7.6	7.6	3.2	7.7	0.0	0.4%	7.4	7.2	7.4	0.0	0.1%
Interest Charges on Capital	6.5	6.5	3.3	6.5	-	0.0%	6.9	6.9	6.9	-	0.0%
Fifty-Five Board Trust (Capital and Interest)	2.5	2.5	-	2.5	-	0.0%	2.5	2.5	2.5	-	0.0%
Other Sub-Total	35.3	35.3	14.4	35.1	(0.2)	-0.6%	33.1	34.2	34.5	1.3	3.9%
Amortization											
Ministry Approved Projects	45.8	47.5	23.8	47.5	1.7	3.8%	40.4	43.4	44.8	4.4	11.0%
Board Approved Projects	0.0	0.0	-	0.0	0.0	6.7%	0.4	0.1	0.1	(0.3)	-82.9%
Amortization Sub-Total	45.8	47.5	23.8	47.5	1.7	3.8%	40.8	43.4	44.9	4.1	10.1%
Grand Total	928.1	946.8	446.1	947.6	19.5	2.1%	864.8	893.6	885.1	20.3	2.4%

Ottawa-Carleton District School Board

 Grants for Student Needs (with deferred revenue impact)
 for the year ending 31 August 2018 (February Forecast)

 Appendix C
 Report 18-039
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	Budget	Revised Estimates	February Forecast	Change from Budget increase (decrease)
	\$	\$	\$	\$
Revenue				
Pupil Foundation-ADE only	386,112,343	392,534,090	392,534,090	6,421,747
School Foundation	50,277,487	50,945,588	50,945,588	668,101
Special Education	92,036,958	93,541,875	93,541,875	1,504,917
Language	28,767,473	28,824,565	31,943,565	3,176,092
Rural and Northern Education Fund	-	189,525	189,525	189,525
Learning Opportunity (includes Mental Health Leader)	26,279,336	26,910,527	26,910,527	631,191
Adult Education, Continuing Education and Summer School	6,949,816	6,625,860	6,625,860	(323,956)
Cost Adjustment and Teacher Qualification and Experience	80,147,768	79,593,050	79,593,050	(554,718)
ECE Qualification and Experience Allocation	4,569,783	4,784,149	4,784,149	214,366
New Teacher Induction Program (NTIP)	604,462	554,562	554,562	(49,900)
Restraint Savings	(279,158)	(279,158)	(279,158)	-
Transportation	38,954,113	39,396,445	39,396,445	442,332
Administration and Governance	19,078,834	19,297,000	19,297,000	218,166
School Operations	73,764,989	74,873,507	74,873,507	1,108,518
Community Use of Schools	1,062,318	1,062,318	1,062,318	-
Declining Enrolment Adjustment	87,455	-	-	(87,455)
Indigenous Education Allocation	1,237,022	1,248,233	1,248,233	11,211
Safe Schools	1,817,028	1,837,792	1,837,792	20,764
Permanent Financing of NPF (55 Board Trust)	2,523,115	2,523,115	2,523,115	-
	<u>813,991,142</u>	<u>824,463,043</u>	<u>827,582,043</u>	<u>13,590,901</u>
Revenue Deferrals				
Deferred Revenue - MTCA Allocation	(20,349,779)	(20,611,576)	(20,689,551)	(339,772)
Deferred Revenue - Rural and Northern Education Fund	-	(189,525)	(189,525)	(189,525)
Deferred Revenue - Special Education	(92,036,958)	(93,541,875)	(93,541,875)	(1,504,917)
Deferred Revenue - Student Achievement Envelope	(123,113)	(123,113)	(123,113)	-
Deferred Revenue - Library Staffing	(235,183)	(235,183)	(235,183)	-
Deferred Revenue - Indigenous Education Base Envelope	(6,113,620)	(6,605,705)	(6,605,705)	(492,085)
Deferred Revenue - Mental Health Leader (from LOG)	(646,963)	(658,174)	(658,174)	(11,211)
	<u>(119,505,616)</u>	<u>(121,965,151)</u>	<u>(122,043,126)</u>	<u>(2,537,510)</u>
Deferred Revenue Recognition and Adjustments				
Deferred Revenue - Special Education	91,510,981	92,971,952	92,651,992	1,141,011
Deferred Revenue - Mental Health Leader Amount	123,113	123,113	123,113	-
Deferred Revenue - Library Staffing	235,183	235,183	235,183	-
Deferred Revenue - Indigenous Education Base Envelope	6,113,620	6,605,705	6,605,705	492,085
Deferred Revenue - Student Achievement Envelope	646,963	658,174	658,174	11,211
Deferred Revenue - MTCA Ops (from Sch 5.1 Capital)	19,517,704	17,882,917	17,960,892	(1,556,812)
Deferred Revenue - School Renewal (Operating Portion)	5,683,122	5,683,122	5,683,122	-
Deferred Revenue - Interest on Capital Projects	6,954,695	6,986,265	6,986,265	31,570
Deferred Revenue - Temporary Accommodation	900,000	900,000	900,000	-
Deferred Revenue - Rural and Northern Education Fund	-	189,525	189,525	189,525
Trustees' Association Fee	43,316	43,316	43,316	-
	<u>131,728,697</u>	<u>132,279,272</u>	<u>132,037,287</u>	<u>308,590</u>
Total Operating and Capital Support GSN	<u>826,214,223</u>	<u>834,777,164</u>	<u>837,576,204</u>	<u>11,361,981</u>

	Budget	Revised Estimates	February Forecast	Change from Budget
	\$	\$	\$	increase (decrease)
Education Program-Other Grants				
After School Skills Development	-	50,000	50,000	50,000
Applied Behaviour Analysis Training Opportunities	105,677	95,000	105,677	-
Autism Pilot Project	-	235,000	235,000	235,000
Board Leadership Development Strategy	118,582	100,000	100,000	(18,582)
Common European Framework of Reference	-	95,000	95,000	95,000
Early Development Instrument	56,360	75,000	50,000	(6,360)
Early Years Leadership Strategy	182,740	185,908	185,908	3,168
Early Years Experience	-	45,000	51,155	51,155
Ensuring Equitable Access to Post-Secondary Education	-	200,000	200,000	200,000
Focus on Youth	476,000	476,000	476,000	-
French as a Second Language	-	250,000	250,000	250,000
Gap Closing in Literacy Grades 7-12	30,000	30,000	30,000	-
Indigenous Support	100,000	100,000	100,000	-
Innovation Learning Fund	-	95,000	90,000	90,000
K-12 International Education	15,000	-	-	(15,000)
Mentoring for All	-	7,268	7,268	7,268
PD for Designated ECEs	296,047	286,483	296,047	-
Ontario 150 Projects	-	4,250	4,250	4,250
Ontario Focused Intervention Partnership	-	20,000	20,000	20,000
OSSTF Remedy Payments	-	4,844,189	4,844,189	4,844,189
Occasional Teacher Professional Development	-	-	16,483	16,483
Outreach Coordinator	152,800	152,800	152,800	-
Parent and Family Literacy Centres	-	222,642	196,565	196,565
Parents Reaching Out	-	80,199	80,199	80,199
Parents Reaching Out Regional	-	12,500	12,500	12,500
Priority Schools	510,000	510,000	510,000	-
Re-engagement Initiative (12 & 12+)	108,033	56,421	56,421	(51,612)
Safe, Inclusive, and Accepting Schools	193,289	180,000	100,000	(93,289)
Speak Up	21,150	21,150	60,000	38,850
Specialist High Skills Major	82,757	236,313	236,313	153,556
Teacher Learning and Leadership Program	-	27,066	20,000	20,000
Tutors in the Classroom	46,800	56,600	56,600	9,800
The Renewed Mathematics Strategy	1,682,261	1,300,000	1,361,414	(320,847)
Transition to the Ontario Autism Program	217,645	385,720	385,720	168,075
Culturally Responsive & Relevant Pedagogy	-	-	37,500	37,500
Daily Physical Activity	-	-	15,930	15,930
Support for Implementation of Rev. Curriculum Documents	-	-	60,000	60,000
Ontario Region Equity Network	-	-	14,000	14,000
Ontario Region Equity Network other boards	-	-	119,035	119,035
Enhancements to Support Experiential Learning	-	-	239,312	239,312
DECE PA Day Release	-	-	40,000	40,000
Experiential Learning for Adults	-	-	10,529	10,529
OECD Study	-	-	230,840	230,840
	<u>4,395,141</u>	<u>10,435,509</u>	<u>11,202,655</u>	<u>6,807,514</u>
Other Deferred Revenues				
Literacy and Basic Skills (Training, Colleges and Universities)	740,780	791,044	791,044	50,264
English as a Second Language (Citizenship and Immigration)	1,543,799	1,726,936	1,726,936	183,137
Breakfast Program (ONFE)	529,570	555,978	555,978	26,408
Ontario Works	508,082	538,574	538,574	30,492
CODE Summer Learning	105,000	103,286	103,286	(1,714)
CODE Student Injury Prevention	-	11,221	11,221	11,221
CODE Support for Environmental Education	-	9,250	9,250	9,250
Outdoor Education Grants	-	13,832	13,832	13,832
Ontario Early Years Child & Family Centre	-	-	377,000	377,000
	<u>3,427,231</u>	<u>3,750,121</u>	<u>4,127,121</u>	<u>699,890</u>
Total	<u><u>7,822,372</u></u>	<u><u>14,185,630</u></u>	<u><u>15,329,776</u></u>	<u><u>7,507,404</u></u>