



Second Quarter Interim Financial Report, 2020-2021

To: Finance, Budget and Enrolment Committee

Date: 7 April, 2021

Report No.: 04-21-4074

Strategic Directions

- Provide Equity of Access to Learning Opportunities for All Students
- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the Second Quarter Interim Financial Report, 2020-2021 be received.

Context

Enclosed is the second quarter report for the September 1, 2020 to February 28, 2021 period, outlining the financial position of the Board relative to the Revised Estimates report presented on January 20, 2021.

The attached information summarizes the projected financial position of the Board as of February 28, 2021. In the first quarter, the Board forecasted an in-year deficit of \$45.6M and a negative working funds balance of \$8.5M by the end of the 2020-21 school year.

Based on the updated projection, as outlined in the schedule below, there is a positive change to the in-year operating result, in the amount of \$18.2M. This change is mainly attributed to the utilization of additional Ministry funding, as well as savings generated from school closures.

The updated in-year deficit is \$27.5M and updated working funds balance is at \$9.7M. The items that contributed to the changes in the financial position are as follows:

**2020-21 Projected Financial Position and
Working Fund Balance (as of Feb 28th, 2021)**

	In millions
20-21 Financial Position reported at January 20 FBEC meeting - Surplus/(Deficit)	\$(45.6)
Revenue changes	
GSN stabilization funding change due to Ministry update on formula	(0.8)
GSN reduction due to decline in Con Ed student enrolment (net of program cost savings)	(1.1)
Goods receipt invoice receipt clearing recovery lower than anticipated	(2.0)
Interest income less than budgeted due to lower interest rate	(1.4)
HST rebate less than anticipated	(1.7)
Extended Day Program additional safe restart funding net of EDP program deficit	1.2
Permit, lease, pool and childcare revenue lower than budget due to COVID restrictions	(5.1)
Total Revenue changes	(10.9)
Compensation Expenses changes	
Central department gapping and temp savings	4.3
Short term supply teacher cost savings	8.6
School based staff savings due to gapping (net of teacher's Q&E grant reductions)	7.1
Total Compensation Changes	20.0
Operational Expenses Changes	
Net transportation cost savings	1.5
Visa student revenue (net of expenses) lower than budget due to Covid	(0.5)
Utility savings due to school closures and remote learning	4.0
Savings from caretaking operating costs for supplies and utilization of COVID funding	3.0
Other miscellaneous department savings due to school closures	1.1
Total Operating Expense Changes	9.1
Changes to financial position	18.2
Updated 2020-21 Financial Position - Surplus/(Deficit)	\$(27.5)
Projected working funds balance per January 20, 2021 FBEC report	\$(8.5)
Changes in financial position	18.2
Updated projected working funds balance as at August 31, 2021	9.7

Risks to Projection

The following items are being tracked by staff and could have an impact on the operating results for the year:

- The enrolment count of students in October has been completed, while finalization of the March 31 count date for enrolment is not yet complete. Staff are closely monitoring enrolment, paying close attention to the Continuing Education student enrolment.

- We assume that schools will be continually operating as per the current model, and all leases and permits will resume starting May 2021. If there are any future school closures or program cancellation or operational changes, there would be corresponding impact to the financial projections.
- The current projection does not capture any additional 2020-21 funding that may be announced after February 28, 2021.
- There is an in-year savings target of \$9.2M in the 1st quarter and 2nd quarter projections, which may not be fully achieved.

Provided in this report are several appendices that summarize the results of operations for the second quarter:

- Appendix A provides high level financial information in the Public Sector Accounting Board (PSAB) format, around changes to both revenue and expenses since the original budget was approved. In the second section of the appendix, enrolment changes are highlighted based on 31 October 2020 counts. The last section of the appendix outlines the changes to Board staffing during the same timeframe.
- Appendix B provides a summary of revenues for the second quarter ending 28 February 2021. The first section of this appendix provides information on the Grants for Student Needs (GSN), while the second section of the appendix provides information on the other revenues of the Board. The actual results for the first six months and a comparison to the same period in the prior year are included in the appendix.
- Appendix C provides the summary of expenses for the second quarter ending 28 February 2021, based on Ministry of Education classifications. The appendix includes the Board approved original budget and second quarter projection. The right side of the appendix provides actual results of the operations in the first six months and a comparison to the same period in the prior year.
- Appendix D provides a current versus projected expenditure summary by department. Explanations of significant variances have been provided.

Action Plan and Associated Timeline

Not applicable.

Resource Implications

Not applicable.

Communications Considerations

The report will be posted on the Board's budget website.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

- Appendix A: Dashboard Summary
- Appendix B: Detailed Revenue Summary
- Appendix C: Detailed Expenses Summary by Category
- Appendix D: Departmental Summaries

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