



NOTICE OF MEETING

AUDIT COMMITTEE

Monday, 21 January 2019
Trustees' Committee Room
7:00 p.m. Public
In Camera to Follow

COMMITTEE MEMBERS:

Mark Fisher
Trustee, Zone 11

Sandra Schwartz
Trustee, Zone 12

Keith Penny
Trustee, Zone 8

EXTERNAL MEMBERS:

Erik Husband

Annik Blanchard

DISTRIBUTION:

All Board Members
Senior Administration
Auditor

If you would like further information on this agenda please contact:
Nicole Guthrie, Committee Coordinator, Board Services, at 596-8211, ext. 8643, or
nicole.guthrie@ocdsb.ca

ABOUT AUDIT COMMITTEE:

- The Audit Committee recommends annual internal and external audit plans to the Board; receives and reviews the resulting internal audit reports; receives the reports of the audits of individual schools/operations and use of Board-allocated and school-generated funds; receives the report from the External Auditor on any finding commented on during the annual audit, and the management responses thereto; and oversees the selection of the external auditor and recommends the appointment of the external auditor to the Board.
- The Audit Committee shall meet before the end of January each year and at the call of the Chair of the Committee. You may confirm dates and start times on the Board's web site.
- The Audit Committee shall meet in private when internal control issues are discussed to ensure the Board's assets are not inadvertently put at risk.

ABOUT THE AUDIT COMMITTEE AGENDA:

- The Ottawa-Carleton District School Board posts complete standing committee and Special Education Advisory Committee agendas and reports on the website on the Friday, at least ten days prior to the scheduling of the meeting.
- In most instances, staff names have been included on the agenda for contact purposes should you have any questions prior to the meeting.
- If you would like further information on this Agenda or how the Committee meeting works, please contact Nicole Guthrie, Committee Coordinator, at 613-596-8211, extension 8643 or (613) 596-8211 ext. 8643

PURPOSE OF IN CAMERA MEETINGS:

- Under provincial law, *"A meeting of a committee of a board, including a committee of the whole board, may be closed to the public when the subject-matter under consideration involves*
 - (a) *the security of the property of the board;*
 - (b) *the disclosure of intimate, personal or financial information in respect of a member of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian;*
 - (c) *the acquisition or disposal of a school site;*
 - (d) *decisions in respect of negotiations with employees of the board; or*
 - (e) *litigation affecting the board."*



AUDIT COMMITTEE PUBLIC AGENDA

Monday, January 21, 2019, 7:00 pm

Trustees' Committee Room

133 Greenbank Road

Ottawa, Ontario

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2.	Election of Chair	
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11.	Adjournment	



MEMORANDUM

Memo No. 19-008

TO: Audit Committee

FROM: Camille Williams-Taylor, Director of Education and Secretary of the Board
Superintendent/Executive Officer

DATE: 11 January 2019

RE: **Audit Committee-Discussion Regarding Direction for the Coming Year**

In planning for the upcoming Audit Committee meeting taking place on 21 January 2019, the past chair of the Committee has suggested that staff provide an opportunity for members of the Audit Committee, as a whole, to consider some goals and direction for the coming year.

The work of the Regional Internal Audit Team (RIAT) will be finalized when the new manager, Genevieve Segu, assumes her role later this month.

Individual members of the Audit Committee have made suggestions, such as presenting and considering the Strategic Enterprise Risk Management (STERM) model and we hope this will allow an opportunity for the Committee to highlight some of its own priorities as we go forward.

If you have questions or wish to forward your suggestions in advance of the meeting, please contact Mike Carson, Chief Financial Officer at michael.carson@ocdsb.ca or at 613-596-8211 ext. 8881.

cc Senior Staff
Manager Board Services
Corporate Records



AUDIT COMMITTEE REPORT (PUBLIC)

Monday, November 19, 2018

7:00 pm

Trustees' Committee Room

133 Greenbank Road

Ottawa, Ontario

Members: Sandra Schwartz (Trustee), Keith Penny (Trustee), Lynn Scott (Trustee), Annik Blanchard (External Member), Erik Husband (External Member)

Staff and Guests: Mike Carson (Chief Financial Officer), Jennifer Adams (Director of Education), Shawn Lehman (Superintendent of Instruction), Kevin Gardner, (Manager of Financial Services), Charles D'Aoust (Coordinator of Budget Services), Teri Adamthwaite (Coordinator of Financial Reporting), Kim Lebrun (Finance/Project Officer), Sandy Owens (Manager, Business and Learning Technologies), Sandra Lloyd (Manager of Risk and Supply Chain Management), Rob Clayton (KPMG), Rebecca Prophet (KPMG) Nicole Guthrie (Board/Committee Coordinator)

1. Call to Order

Trustee Schwartz called the public session to order at 7:02 p.m and acknowledged that the meeting is taking place on unceded Algonquin Territories and thanked the Algonquin Nations for hosting the meeting on their land.

2. Approval of Agenda

Moved by Trustee Penny,

THAT the agenda be approved.

Carried

3. Delegations

There were no delegations.

4. Superintendent's Report

Chief Financial Officer (CFO) Carson advised that recent media discussions on claims against the District will be discussed in the in camera session.

The District recently completed the upgrade of the K212 Finance system and the transition has been routine. Staff continues to work with the developers to resolve any issues as they arise. He noted that within the next several years the District will want to investigate a more robust product to meet its needs.

CFO Carson thanked Director Adams for her continuous support and commitment to the Audit Committee and its work. He noted that her support has been a key factor in the District's recognition as a leading-edge board of education.

5. Action Items

5.1 Review of Audit Committee Report

a. 26 September 2018

Moved by Trustee Scott,

THAT the report from the Audit Committee, dated 26 September 2018, be received.

Carried

b. Business Arising

There was no business arising.

5.2 Referred - Report 18-081, Audit Committee Annual Report for 2017-2018 (M. Carson ext. 8881)

Your Committee had before it Report 18-081 seeking approval of the 2017-2018 annual report on activities.

Moved by Trustee Penny,

THAT the revised Report 18-081 be approved as the Audit Committee Annual Report to the Board for 2017-2018. (Attached as Appendix A)

Carried

5.3 Report 18-101, Draft 2017-2018 Consolidated Financial Statements (M.Carson, ext. 8881)

Your Committee had before it Report 18-101 seeking approval of the draft 2017-2018 Consolidated Financial Statements.

During the presentation of the financial statements and in ensuing discussion, the following points were noted:

- The actual 2017-2018 Consolidated Financial Statements show a surplus of \$26.2 million;
- The 2017-2018 Budget identified a surplus of approximately \$15.0 million and staff are actively trying to identify the specific sources of the higher

than anticipated surplus. Early investigations indicate the use of occasional teaching staff as an area requiring further review;

- Table 3 on folio 4 identifies a carry forward amount of approximately \$2.1 million;
- With a larger than anticipated surplus, the District has some flexibility moving into the 2019-2020 budget planning process;
- Every effort will be made to identify and address issues of underspending; and
- KPMG have audited the consolidated financial statements and provided a clean and unmodified opinion. KPMG expressed no issues or reservations with the consolidated financial statements.

Moved by Erik Husband,

THAT the Draft 2017-2018 Consolidated Financial Statements be approved. (Attached as Appendix B)

Carried

6. Matters for Discussion

6.1 Report 18-102, Analysis of the District's 2017-2018 Financial Results (M. Carson, ext.8881)

Your Committee had before it Report 18-102 providing information regarding the District's financial results for the year ended 31 August 2018.

During the presentation and in ensuing discussion, the following points were noted:

- The District approved a balanced budget of \$928.0 million. Owing to an increase in revenue, the District anticipates an approximate surplus of \$15.0 million;
- Enrolment growth and expense control contributed to the higher than anticipated surplus;
- Other significant items include increased international student enrolment, additional funding through the receipt of special purpose grants and reduced instruction related compensation costs;
- Portable relocation costs of \$3.5 million were incurred whereas the 2017-2018 budget was \$900,000. These costs will normalize in future years;
- The Infant Toddler Preschool (ITP) program had a projected deficit of \$400,000 but ended the year with a deficit of \$233,000. The surplus in the Extended Day program (EDP) was used to offset the deficit in the ITP program. The ITP/EDP programs ended the 2017-2018 year with a net surplus of \$673,000;
- The District achieved significant savings related to compensation costs for instruction. Preliminary reviews suggest that the variance is due to new

staff commencing their tenure at a lower rate of pay, the use of occasional teachers and replacement staff during the staffing process, and a residual effect of the employee life and health trusts. Staff continue to investigate the variance and will provide more information as part of the finalized 2018-2019 Revised Estimates;

- Through the increased enrolment and an increase in the Language grant the District was able to address English as a Second Language (ESL) staffing shortages;
- There has been a significantly larger than expected decrease in the liability associated with employee future benefits. Although the decrease works in favour of the District, staff need a better understanding of the issue to be able to plan for coming years;
- Director Adams noted that the issue of replacement staff is an area the District must focus on. The cost of replacement staff is more than financial in that the replacement staff affects the continuity of learning for students. She noted that the District and other school boards across the province have made overtures to the Ministry noting the lack of availability of staff and absentee rates. The District must continue to investigate solutions to lower the absentee rate;
- In response to a query from Trustee Scott, Director Adams noted that casual staff is employed during the staffing process to comply with Regulation 274. The replacement staff are paid at the casual rate until the hiring process is finalized. While it is more cost effective to employ casual staff, it is disruptive to learning as students may have multiple teachers before full-time staff are hired. Trustee Scott requested that information on this matter be provided to the trustees to assist in their advocacy efforts;
- Trustee Scott queried whether or not the District anticipates a reduction in retirement gratuity payouts over time. CFO Carson responded that the payouts have been reducing annually but it still represents a significant cost. Some of the decreases in the amount are the result of a freeze on entitlements;
- In response to a query from Trustee Scott, CFO Carson responded that the Human Resources department has a detailed understanding of the number and nature of pending retirements in all employee groups and provides the Finance department with the information;
- Trustee Scott requested that staff provide the Board and Audit Committee with a summary of the overall trends. She noted there may be a potential liability within retirement gratuities;
- Trustee Penny suggested that staff provide clear language regarding the larger than anticipated surplus to ensure public confidence;
- Director Adams noted that the surplus will enable the District to allocate funding to specific areas of need;
- In response to a query from Trustee Penny regarding the provision of equipment and support for special education students, CFO Carson noted that Learning Support Services (LSS) and Business and Learning

Technologies (B<) staff work diligently to shorten any wait lists experienced in the acquisition of needed technology and training for special education students. He noted that staff resources have been added to B< and that staff continue to address the issues as they arise;

- Chair Schwartz highlighted the EDP surplus as a function of the fee increase owing to deficits in previous years. The surplus will be used to cover the losses in ITP and invest in much-needed software for the department. She queried whether or not staff felt the trend of an EDP surplus would continue and advised that the Board may need to revisit the fee structure;
- CFO Carson noted that the planned investment in the software for the EDP department, approximately \$300,000, has been carried forward to the 2018-2019 school year and staff are optimistic the program will be in place for the start of the 2019-2020 school year. Changes to the support and level of staff within the EDP are being monitored and a report on the fee structure for 2018-2019 will be presented for further discussion by the Board in December 2018; and
- CFO Carson cautioned trustees to be mindful of possible future fee increases and noted the surplus is a valuable safety net.

6.2 Report 18-107, Regulatory Compliance Register (M. Carson, ext. 8881)

Your Committee had before it Report 18-107 to provide information on the processes and controls in place to ensure that the District is in compliance with key regulations and statutes.

During the presentation of the report and in ensuing discussion, the following points were noted:

- Staff are working with all internal departments to better understand the regulations used by each department to determine compliance;
- The District continues to work toward an Enterprise Risk Management (ERM) system ;
- In areas where partial compliance or noncompliance is identified, the noncompliance is documented and the corrective actions taken;
- Chair Schwartz highlighted the examples staff provided on folio 16 as evidence of the District's efforts towards full compliance. She understood the list will not be exhaustive but is satisfied with the annual review;
- In response to a query regarding compliance with the Ontario Human Rights Commission's Policy on Accessible Education for Students with Disabilities, Superintendent Grigoriev noted that Learning Support Services staff are reviewing District procedures and practices with respect to accommodations for students with special education needs to assess alignment with the policy. She noted that the policy references more than just physical disabilities but does not reference all of the exceptionalities presently defined by the District. For example, those identified with a

disability, including a communication or a learning disability (LD), would be captured by the policy;

- The register provided in Appendix A to Report 18-107 captures the key statutes and regulations of the 2016-2017 and 2017-2018 school years;
- CFO Carson noted that the regulatory net is vast and constantly changing through Ministry Directives and Policy/Program Memorandum (PPM). Staff is constantly working on processes and controls to achieve compliance;
- Mr. Husband advised that it is the role of the Audit committee to review the processes and controls in place to ensure the District is in compliance. He added that it would be helpful if the Audit Committee could see a list of all the statutes and regulations so that they can confirm compliance; and
- CFO Carson noted that resources are a factor and that an ERM system would help staff prioritize processes and controls.

7. Information Items

7.1 Long Range Agenda

The long range agenda was provided for information. CFO Carson advised that he will review and revise the long range agenda with the new Chair of the Audit Committee.

In response to a query from Trustee Scott regarding item 13, Self Evaluation of the Audit Committee, CFO Carson noted that staff has been investigating this item and possible solutions on the development of a tool to conduct the evaluation. Trustee Scott noted the importance of the item and hoped that it would remain on the long range agenda for the new Audit Committee to address in 2019.

8. New Business

There was no new business.

9. Adjournment

The public meeting adjourned at 7:58 p.m.

Sandra Schwartz, Chair, Audit Committee



AUDIT COMMITTEE (PUBLIC) Report No. 19-001

21 January 2019

Purchasing Policies Exceptions

Key Contact: Michael Carson, Chief Financial Officer, 613-596-8211 ext. 8207

PURPOSE:

1. To provide the Audit Committee with annual information regarding purchasing policies exceptions.

CONTEXT:

2. District policy, in alignment with the legislated Broader Public Sector (BPS) procurement directive, sets forth rules with respect to following a procurement process that is fair and transparent to all stakeholders.

As a general rule, a competitive procurement process is followed as outlined in the District purchasing policies; however, from time to time, special circumstances require non-competitive procurement.

All BPS organizations, including the OCDSB may use non-competitive procurement only in situations outlined in the Canadian Free Trade Agreement (CFTA), and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).

KEY CONSIDERATIONS:

3. Process for Non-Competitive Procurement
Prior to the commencement of a non-competitive procurement, supporting documentation is completed and approved by the appropriate superintendent and the Director of Education or Chief Financial Officer.

Supply Chain Management (SCM) record and track all non-competitive procurement transactions in a central database under the three categories deemed acceptable by the free trade agreements (see Appendix A):

- non-application;
- single source; and
- sole source.

Non-application means that the goods or services being procured do not require a competitive bid process. Single source means that only one supplier is approached for a particular good or service. Sole source means that only one supplier can supply the goods or services required.

A fourth category of non-competitive procurement, nonconformance, is also tracked. Nonconformance procurements are those that fall outside of the free trade agreement exceptionalities and outside of the requirements of the District's purchasing policies. Nonconformity is defined as failure or refusal to conform to a prevailing rule or practice. Typically, these are the purchases where the requisitioner failed to obtain a sufficient number of competitive bids.

In the case of nonconforming procurement, payment does not occur until a rationale is documented that indicates why it was nonconforming and then signed by the appropriate superintendent and Director of Education or Chief Financial Officer.

In the case of exceptions, SCM follows up with the schools or departments reminding them of the District's purchasing policies and provides guidance with respect to strategic sourcing and possible procurement processes that can be used for future procurements.

Training is addressed on an ongoing basis through the Finance department's school support hotline, telephone support and guidance from SCM staff, and presentations to principals and office administrators at school operations meetings and office administrator meetings.

4. Purchasing Policies Exceptions

Attached as Appendices B and C are the purchasing policies exceptions for September 2017 to August 2018, as well as the previous annual (2016-2017) purchasing exception report for comparison purposes.

As noted, the total dollar value of purchase orders processed in 2017-2018 was 29% higher than the previous year. The number of purchasing exceptions in all categories has increased slightly from the previous year. However, the non-conformance purchases remain at less than 1% of the total number of purchase orders processed and less than 1% of the total dollar value of purchase orders processed.

SCM staff continue to make presentations to principals, vice-principals, office administrators and departmental staff on the BPS procurement directive competitive bidding requirements, as well as the District's purchasing policies.

RESOURCE IMPLICATIONS:

5. Competitive procurement ensures optimum value for money.

COMMUNICATION/CONSULTATION ISSUES:

6. There is regular communication with schools and departments regarding tendered standing offer contracts that have already gone through the rigour of a competitive procurement process. This enables schools and departments to acquire goods or services in a timely and cost-effective manner.

Updated purchasing policies and procedures are communicated to District staff in a timely fashion. Purchasing policy nonconformance is brought to the attention of the requisitioner and to their respective superintendent to prevent future occurrences.

This purchasing exceptions report is provided on an annual basis. However, should there be an occurrence of substantial nonconformance, it will be brought to the attention of the Audit Committee immediately, staff will not wait to include it in the annual report.

STRATEGIC LINKS:

7. In addition to requirements that ensure the Ottawa-Carleton District School Board (OCDSB) is able to effectively maintain and operate safe and healthy learning and working environments for its students and staff, enhanced operational practices, including responsible management of financial resources, is a key component to achieving the OCDSB stewardship goals.

GUIDING QUESTIONS:

8. The following question is provided to support the discussion of this item by the Committee:
 - How does this activity connect with the Audit Committee's objectives?

Michael Carson
Chief Financial Officer

Camille Williams-Taylor
Director of Education and
Secretary of the Board

APPENDICES

Appendix A Sole Source

Appendix B Purchasing Policies Exceptions for Fiscal Year 2017-2018

Appendix C Purchasing Policies Exceptions for Fiscal Year 2016-2017

APPENDIX A To Report 19-001

CFTA/CETA - Allowable Exceptions

Non-Application of Trade Agreements

Where a non-application clause exists under CFTA or CETA, Broader Public Sector (BPS) organizations may apply this clause as the basis for conducting non-competitive procurement.

A BPS organization asserting that procurement is subject to a non-application clause under a trade agreement must formally establish applicability of this clause.

As of July 2017 (CFTA) and September 2017 (CETA), the above-mentioned non-application clauses of the free trade agreements are outlined below. BPS organizations are required to comply with any amendments to the trade agreements approved after release of the BPS Procurement Directive.

- Procurement of goods intended for resale to the public;
- Contracts with a public body or a non-profit organization;
- Procurement of goods and services purchased on behalf of an entity that is out of scope of the Directive;
- Procurement from philanthropic institutions, prison labour or persons with disabilities;
- Procurement of any goods the inter-provincial movement of which is restricted by laws not inconsistent with the trade agreements;
- Procurement of goods and services that is financed primarily from donations that are subject to conditions that are inconsistent with the Directive;
- Procurement of goods and services related to cultural or artistic fields and computer software for educational purposes;
- Procurement of services that in Ontario may, by legislation or regulation, be provided only by any of the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries;
- Procurement of services of financial analysts or the management of investments by organizations who have such functions as a primary purpose;

- Procurement of financial services respecting the management of financial assets and liabilities (i.e., treasury operations), including ancillary advisory and information services, whether or not delivered by a financial institution;
- Procurement of goods and services for use outside Canada as well as construction work done outside Canada; and
- Health services and social services.

Single Sourcing

BPS organizations may conduct non-competitive procurement in the circumstances listed below (also known as single-source situations); provided that they do not do so for the purposes of avoiding competition between suppliers or to discriminate against suppliers:

- Where an unforeseeable situation of urgency exists and the goods or services cannot be obtained in time by means of open procurement procedures.
- Failure to plan and allow sufficient time for a competitive procurement process does not constitute an unforeseeable situation of urgency;
- Where goods or services regarding matters of a confidential or privileged nature are to be purchased and the disclosure of those matters through an open tendering process could reasonably be expected to compromise government confidentiality, cause economic disruption or otherwise be contrary to the public interest;
- Where a contract is to be awarded under a cooperation agreement that is financed, in whole or in part, by an international cooperation organization, only to the extent that the agreement between the entity and the organization includes rules for awarding contracts that differ from the obligations set out in the Directive;
- Where construction materials are to be purchased and it can be demonstrated that transportation costs or technical considerations impose geographic limits on the available supply base, specifically in the case of sand, stone, gravel, asphalt, compound and pre-mixed concrete for use in the construction or repair of roads;
- Where compliance with the open tendering provisions set out in the Directive would interfere with the entities' ability to maintain security or order or to protect human, animal or plant life or health; and
- In the absence of a receipt of any bids in response to a call for proposals or tenders made in accordance with the Directive.

Sole Sourcing

Where only one supplier is able to meet the requirements of a procurement, BPS organizations may conduct non-competitive procurement in the circumstances listed below (also known as sole-source situations) provided that they do not do so for the purposes of avoiding competition between suppliers or to discriminate against suppliers:

- To ensure compatibility with existing products, to recognize exclusive rights, such as exclusive licenses, copyright and patent rights, or to maintain specialized products that must be maintained by the manufacturer or its representative;
- Where there is an absence of competition for technical reasons and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;
- For the procurement of goods or services the supply of which is controlled by a supplier that is a statutory monopoly;
- For the purchase of goods on a commodity market;
- For work to be performed on or about a leased building or portions thereof that may be performed only by the lessor;
- For work to be performed on property by a contractor according to provisions of a warranty or guarantee held in respect of the property or the original work;
- For a contract to be awarded to the winner of a design contest;
- For the procurement of a prototype of a first good or service to be developed in the course of and for a particular contract for research, experiment, study or original development, but not for any subsequent purchases;
- For the purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;
- For the procurement of original works of art;
- For the procurement of subscriptions to newspapers, magazines or other periodicals; and
- For the procurement of real property.

APPENDIX B
To Report 19-001

PURCHASING POLICIES EXCEPTIONS FOR FISCAL YEAR 2017-2018

For 2017-2018 Fiscal Year

Total # of P.O.s processed

10884

Total Dollar Value of P.O.s processed

\$142,728,085.91

Exceptions	Number of P.O.s	% of Number of Total P.O.s Processed	Dollar Value	% of Total Dollar Value
Non-Application	8	0.07%	\$172,636.89	0.121%
Single Source	31	0.28%	\$213,109.20	0.15%
Sole Source	76	0.70%	\$1,845,486.03	1.29%
TOTAL	115	1.05%	\$2,231,232.12	1.56%
Non-Conformance	47	0.43%	\$297,888.39	0.21%

APPENDIX C
To Report 19-001

PURCHASING POLICIES EXCEPTIONS FOR FISCAL YEAR 2016-2017

For 2016-2017 Fiscal Year

Total # of P.O.s processed 9,894

Total Dollar Value of P.O.s processed \$110,778,526.82

Exceptions	Number of P.O.s	% of Number of Total P.O.s Processed	Dollar Value	% of Total Dollar Value
Non-Application	17	0.17%	\$353,003.01	0.32%
Single Source	17	0.17%	\$159,048.54	0.14%
Sole Source	76	0.77%	\$1,613,884.96	1.46%
TOTAL	110	1.11%	\$2,125,936.51	1.93%
Non-Conformance	30	0.32%	\$302,971.16	0.27%



AUDIT COMMITTEE COMMITTEE OF THE WHOLE (BUDGET)

**21 January 2019
22 January 2019**

Report No. 19-002

2018-2019 Revised Estimates

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

PURPOSE:

1. To explain changes reflected in the District's 2018-2019 Revised Estimates as compared to the District's 2018-2019 Budget.

CONTEXT:

2. The Ministry of Education requires that school boards approve and submit annual budget estimates by the end of June preceding the beginning of a new school year. The original budget estimates were approved by the Board on 11 June 2018.

The Ministry also requires that the approved budget estimates be revised after the start of the school year to reflect the financial impact resulting from actual enrolment levels. Changes in revenues and expenses not related to enrolment are also included. The update to the Board approved budget is referred to as revised estimates.

The changes reflected in the 2018-2019 Revised Estimates include the impact of increased enrolment which resulted in increased revenue and additional staffing costs, adjustments resulting from grants announced after the passing of the District's budget and changes identified as part of ongoing monitoring of operations. The revised estimates are prepared relatively early in the school year and, recognizing the increased enrolment, staff continues to evaluate where additional resources may be needed to respond to student needs.

The revised estimates reflect the use of \$5.4 million to support capital spending. The spending will advance specific initiatives relating to information technology and student furniture renewal. A separate report seeking Board approval of the proposed investments will be presented to Committee of the Whole-Budget on 22 January 2019.

KEY CONSIDERATIONS:

3. In June 2018, the Board approved the 2018-2019 Budget authorizing expenses totaling \$974.3 million. Funding of the expenses was provided through grants and other revenues totaling \$974.3 million. This resulted in a balanced budget.

The District's 2018-2019 Revised Estimates provide for expenses of \$978.7 million, revenues of \$981.5 million and a planned surplus of \$2.8 million. Table 1 compares the anticipated surplus reflected in the revised estimates with the amount originally budgeted.

Table 1 – Comparison of Revised Estimates and Budget

	Revised Estimates	Budget	Change	Change
	\$	\$	\$	%
Revenues	981,538,700	974,300,600	7,238,100	0.7
Expenses	978,693,900	974,300,600	4,393,300	0.5
Surplus	2,844,800	-	2,844,800	

Changes to revenues and expenses since the passing of the 2018-2019 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**

The 2018-2019 Budget was developed using enrolment estimates established in early 2018. Average daily enrolment (ADE) levels have a direct impact on funding and also affect related instructional expenses. The approved budget reflected ADE of 49,296 for elementary and 22,954 for secondary.

Actual elementary ADE for 2018-2019 Revised Estimates purposes was 49,685 students which is an increase of 389 students (0.8%) over the approved budget. Secondary day-school enrolment was revised to reflect ADE of 23,054 students which is an increase of 100 students (0.4%) over the approved budget.

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 \$2.6 million more than budgeted.

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

	Enrolment (Pupils of the Board)			Pupil Foundation Grant		
	Revised Estimates	Budget	Change	Revised Estimates	Budget	Change
				\$	\$	\$
Elementary	49,685	49,296	389	270,612,100	268,558,500	2,053,600
Secondary	23,054	22,954	100	137,276,800	136,678,200	598,600
Total	72,739	72,250	489	407,888,900	405,236,700	2,652,200

Other allocations that comprise part of the Grants for Student Needs (GSNs) are affected by changes in enrolment and student demographics. Of these, the funding change relating to the Special Education grant was most affected and increased by over \$1.8 million while the School Operations grant increased by \$726,900.

Special mention must be made regarding the Indigenous Education grant. The District's grant is comprised of a base amount to support the Board's action plan on indigenous education, a per pupil amount reflective of the enrolment of indigenous students and an indigenous studies amount which provides funding based on student enrolment in qualifying secondary panel courses. Almost all of the \$1.5 million increase relates to indigenous studies where 1,631 pupil credits are anticipated as compared to the 375 pupil credits assumed during budget development. The increase is generally attributable to enrolment in compulsory English credit courses which qualify for increased funding.

Appendix C - Grants for Student Needs compares the revised GSNs with the approved budget.

5. **Compensation-Related Instruction Costs**

Compensation-related instruction costs are those incurred in meeting the needs of students in the classroom. Examples of staff whose costs are reported in the Instruction category include classroom teachers, school-based administrators, learning consultants and professional and support staff such as psychologists, educational assistants (EAs) and early childhood educators (ECEs).

The forecast of compensation-related instructions costs, exclusive of specific amounts totaling \$1.0 million and discussed in sections 6 and 7, show that savings of \$9.1 million are likely in comparison to the 2018-2019 Budget. Almost all of this reduction relates to classroom teachers.

A review was initiated to identify the factors giving rise to the significant savings. The review confirmed an anomaly related to the compensation of new teaching staff. Teachers that leave the District normally have significant qualifications and experience and, accordingly, are compensated at the high end of the salary scale. Teachers filling the vacated positions are generally compensated at lower rates of pay which reflect their more recent entry into the teaching profession.

Actual trends show that the qualification and experience levels and, consequently, the rates of pay are less than originally provisioned in the budget. Revenue provided by the Qualification and Experience grant has also decreased by \$1.6 million given that teachers are starting at lower rates of pay as compared to the salary benchmark.

Recognizing that the District's 2019-2020 budget development cycle is about to commence, the observation is particularly timely because it will allow staff to more accurately project costs in what may be a challenging budget year.

6. **Enrolment-Related Compensation Adjustments**

As previously mentioned, the revised estimates reflect increased enrolment in both the elementary and secondary panels. There has also been increased enrolment of international students. The additional enrolment, as influenced by site-specific enrolment needs, has resulted in changes in the number of teaching staff required by the District.

The revised estimates reflect the addition of 9.5 FTE elementary teachers beyond the approved complement to meet enrolment-driven needs. The increase is offset by savings of 9.0 FTE secondary teaching assignments. Although enrolment at the secondary level increased, teaching assignments were accommodated within approved staffing levels. The cost adjustments associated with the positions result in a modest increase of \$29,900. Additional information on the academic staffing changes is available in Memo 19-006, Staffing Update.

Recognizing that the increased enrolment would include recent immigrants, a provision of \$500,000 has been established to meet incremental needs to support English language learners.

7. **Special Education Costs**

The District continues to experience increased demand for supports provided by EAs. This group of employees has also experienced increased pressure as it relates to absenteeism. Accordingly, the revised estimates have been updated to reflect additional costs totaling \$377,600 to meet increased casual EA staffing needs. Also, an additional \$100,000 has been provided for behavioural analyst supports.

Spending on supplies and services relative to the budget is expected to be \$362,200 more than planned. This amount is part of the net instruction-related costs discussed in Section 10. The increased costs will be funded using the Special Equipment Amount (SEA). The SEA grant is a specific funding envelope within the special education envelope.

8. **Teacher Absences**

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 the revised estimates, the District has identified supply teaching costs of \$19.0 million, which is \$2.1 million more than budgeted. The increased cost

reflects current experience and reporting. It is important to note that OTs are also used to staff vacant contract teaching positions, but that such costs are reported in the Instruction category. Staff continues to investigate whether some of the increased OT costs being reflected are the result of inadvertent coding errors within the District's Human Resources system.

Although the use of OTs has a financial impact, the effect on student learning is also a primary consideration. Accordingly, OT use will continue to be monitored as will the continued promotion of a healthy workplace that fosters employee well-being.

9. International Students

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 2018-2019 Budget reflected revenue of over \$10.6 million based on 817 students. The revised estimates reflect anticipated revenue of just over \$10.9 million based on 846 students. Increased enrolment of 29 students accounts for the \$379,000 revenue increase.

Administrative fees paid to OCENET by the District are reported as a fee in the Instruction category. These costs have increased by \$147,600 to \$4.3 million.

10. Other Instruction-Related Costs

Other instruction 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 \$991,200. The majority of this amount is the increased spending provided as a result of school budget carry forwards authorized with the approval of the 2017-2018 Consolidated Financial Statements.

11. Student Transportation

Transportation of the District's students is provided by the Ottawa Student Transportation Authority (OSTA). Amounts reflected in the 2018-2019 Budget were based on information received from OSTA. The estimates have been updated and costs are expected to be \$677,300 more than budgeted. The additional costs relate primarily to the driver retention mitigation strategy intended to reduce bus driver turnover which was approved by the OSTA board in June 2018. These costs are partially offset by additional funding totaling \$276,500.

Transportation expenses of \$42.1 million are shown in the revised estimates. These costs are supported by the \$41.7 million Transportation grant.

12. **Facility Operations**

Spending on school facilities represents the largest operating cost category outside of the instruction envelope. Projected compensation costs have remained constant overall whereas non-compensation costs have increased by close to \$2.2 million. This cost increase is comprised of two amounts:

- a provision of \$1.0 million to address property lease costs retroactive to the 2014-2015 school year and inclusive of a potential retroactive rate increase; and
- \$1.2 million for anticipated additional costs to relocate portables during the year.

13. **Other Program Grants and Deferred Revenues**

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 2018-2019 Budget reflected EPO grants totaling \$10.5 million. Close to \$1.6 million has been added to this amount. Of the new grants, \$1.3 million relates to a settlement that 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 the Canadian Charter of Rights and Freedoms. The remaining \$275,600 is for a variety of initiatives as shown in Appendix D – Other Program Grants.

EPO-related revenues and expenses reflected in the revised estimates both equal \$12.1 million. Most of the expenses relating to EPO funding are shown in the Instruction category in Appendix B - Comparative Summary of Expenses.

Subsequent to the preparation of the revised estimates, the Ministry announced that certain EPO grants would either be reduced or eliminated. An assessment of the impact of the changes is ongoing.

14. **Other Non-Instruction Costs**

Other non-instruction costs relate to the activities of the Continuing Education department and central administrative departments, inclusive of staff secondments.

Continuing Education programs are supported by specific funding, including funding from the federal government and various government ministries. Growth in various program areas is expected to result in increased costs in both compensation and supplies and services categories. Compensation costs shown

in the revised estimates are \$28,800 more than budgeted while supplies and services costs are \$19,400 more.

Central departments show increased compensation costs of \$40,300 in the revised estimates.

The District pays the salaries of staff seconded to other organizations. The costs are recovered and reported as revenue in accordance with Ministry requirements. Costs in this category are expected to be \$56,200 more than budgeted. The latter amount is included as a component of the Other Net Revenue Adjustments line shown on Appendix A. Residual costs related to staff on loan total \$320,000 and reflect contractual obligations that limit the amounts recoverable from teacher federations. Obligations relating to remedy payments and other legal matters represent the balance of the budget overage.

15. Deferred Capital Contributions and Amortization Expenses

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 \$53.4 million. The revised estimates amounts are close to \$56.0 million for both. Expenses and revenues increased by \$2.6 million.

16. Minor Tangible Capital Assets

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.

The revised estimates reflect anticipated capital spending to advance specific initiatives relating to information technology and student furniture renewal. In total, \$5.4 million previously identified as operating revenue will instead be used to support MTCA acquisitions. Requests to proceed with acquisitions will be submitted for approval according to Board policy.

17. **Extended Day Program**

The Extended Day Program (EDP) commenced operations in 2010. Significant growth in the program ensued and it now operates District-run programs in 63 schools and serves close to 5,500 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, ECEs who staff the EDP, before and after school, also partner with teachers during the core day to provide the kindergarten program.

Increased program participation has been observed this year which has resulted in additional revenue of \$715,800 being reported in the revised estimates.

Costs of the program have also changed. A net increase in compensation costs is projected and reflects a provision of \$300,000 to address participants with special needs. This cost pressure is offset by net savings of \$112,300 which is expected to result from temporarily vacant positions that occur during the year.

The budget for supplies and services has also increased by \$48,000. A review of historical spending on snacks and program supplies resulted in the identification of a \$198,000 cost pressure for the year. The pressure is substantially offset by anticipated savings of \$150,000 relating to the purchase of computer software to manage participant registration and billing. The savings reflect that anticipated software project costs totaling \$300,000 will be spread over two years.

Table 3 shows the original budget and revised estimates by category. The program is expected to have a small surplus of \$86,600 for the year.

Table 3 – Extended Day Program Comparative Amounts

	Revised Estimates	Budget	Change
Revenues	\$ 17,361,800	\$ 16,646,000	\$ 715,800
Expenses			
Compensation	15,580,500	15,392,800	187,700
Administrative Transfers (Comp)	576,400	576,400	-
Supplies and Services	788,000	740,000	48,000
Facility Transfers (Supplies)	330,300	330,300	-
	17,275,200	17,039,500	235,700
Surplus (Deficit)	86,600	(393,500)	480,100

18. **Child Care Program**

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 (ITP) 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. As part of the 2017-2018 Budget, the Board approved the closure of two underutilized sites and increased user fees in an effort to stabilize the program's financial performance.

The ITP program is eligible for general operating (GO) funding. 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. Projected GO funding of \$200,000 was reflected in the budget, but the City of Ottawa has since confirmed that it will provide \$390,000 for the year, which is an increase of \$190,000. This amount accounts for most of the program's increased revenue shown in the revised estimates.

Costs have also been updated. Compensation costs are expected to be \$52,700 less than budgeted and is generally attributable to net savings that result from temporarily vacant positions. The costs of supplies are also expected to be \$15,000 less than budgeted due to savings on snacks and meals.

Table 4 shows the original budget and revised estimates by category.

Table 4 – Child Care Program Comparative Amounts

	Revised Estimates	Budget	Change increase (decrease)
Revenues	\$ 1,791,000	\$ 1,597,000	\$ 194,000
Expenses			
Compensation	1,934,300	1,987,000	(52,700)
Supplies and Services	95,000	110,000	(15,000)
	2,029,300	2,097,000	(67,700)
Deficit	238,300	500,000	(261,700)

The anticipated deficit is expected to be fully supported using the EDP accumulated surplus.

19. **Accumulated Surplus**

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 2018-2019 Revised Estimates, this amount is \$8.6 million. Approval to use accumulated surplus in excess of this amount must be obtained from the Ministry. That said, the District's 2018-2019 Budget was balanced meaning that no reliance was placed on the use of the accumulated surplus.

Table 5 presents the components of accumulated surplus and shows the anticipated increase and alignment of the projected 2018-2019 net operating surplus of \$2.8 million.

Table 5 – Accumulated Surplus Available for Compliance

	Projected as at 31 Aug 2019	Actual as at 31 Aug 2018	Change increase (decrease)
	\$	\$	\$
Available for compliance			
Restricted-committed capital	430,000	471,600	(41,600)
Internally appropriated			
Extended Day Program	734,600	886,300	(151,700)
Budgets carried forward	2,149,000	2,149,000	-
Business Systems	2,000,000	2,000,000	-
Contingencies	17,200,000	15,000,000	2,200,000
Unappropriated	15,200,400	14,362,300	838,100
	37,714,000	34,869,200	2,844,800

It is important to highlight that with the approval of the 2017-2018 Consolidated Financial Statements, the Board appropriated \$17.0 million to be used to respond to revenue shortfalls or increased expenses relative to the budget. This appropriation was categorized as “Contingencies” and included \$2.0 million for use in modernizing business systems used to manage student, financial and human resources needs. As at 31 August 2018 the \$2.0 million is now shown separately under the Business Systems category.

20. Summary

The District’s 2018-2019 Revised Estimates include 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 costs relating to remedy payments to eligible staff.

The enrolment increase this year has added 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.

The revised estimates show expenses of \$978.7 million, revenues of \$981.5 million and a projected surplus of \$2.8 million.

RESOURCE IMPLICATIONS:

21. The District’s 2018-2019 Budget was balanced. The District’s 2018-2019 Revised Estimates present a surplus of \$2.8 million, which is compliant with the Ministry’s budget compliance framework.

COMMUNICATION/CONSULTATION ISSUES:

22. The 2018-2019 Revised Estimates were prepared by Finance staff in consultation with other departments.

STRATEGIC LINKS:

23. 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:

24. 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

Camille Williams-Taylor
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
		\$
Planned Surplus in Original Estimates		-
Revenues Increase (Decrease)		
Grants for Student Needs		
Pupil Foundation	4	2,652,200
Special Education	4	1,816,900
School Operations	4	726,900
Indigenous Education	4	1,474,200
Teacher Qualification and Experience	4,5	(1,647,700)
Transportation	4,11	276,500
Minor Tangible Capital	4,16	(5,390,400)
Net Other (School Foundation, Learning, etc.)	4	868,600
		<u>777,200</u>
Other Revenue		
International Student Fees (OCENET)	9	379,000
Education Program Grants	13	1,556,600
Amortization of Capital Assets	15	2,551,400
Extended Day Program	17	715,800
Child Care Program	18	194,000
Other Net Revenue Adjustments		1,064,100
		<u>6,460,900</u>
Total Increase in Revenues		<u>7,238,100</u>
Expenses (Increase) Decrease		
Compensation Costs		
Compensation-Related Instruction Costs	5	9,125,400
Teaching Complement	6	(29,900)
ESL Provision	6	(500,000)
Special Education Staff	7	(477,600)
Teacher Absences	8	(2,110,000)
Facilities	12	(4,500)
Other Education Program Grants	13	(275,600)
Other Non-Instruction	14	(125,300)
Extended Day Program	17	(187,700)
Child Care Program	18	52,700
		<u>5,467,500</u>
Non-Compensation Costs		
International Student Fees (OCENET)	9	(147,600)
Other Instruction	10	(991,200)
Student Transportation	11	(677,300)
Facilities	12	(2,160,000)
Other Non-Instruction	13,14	(3,300,300)
Amortization of Capital Assets	15	(2,551,400)
Extended Day Program	17	(48,000)
Child Care Program	18	15,000
		<u>(9,860,800)</u>
Total Increase in Expenses		<u>(4,393,300)</u>
Surplus (Deficit)	19	<u>2,844,800</u>
Increase (Decrease) from Original Estimates		<u>2,844,800</u>

Ottawa-Carleton District School Board
Comparative Summary of Expenses
forecast for the year ending 31 August 2019 (Revised Estimates)

In \$ Millions EXPENSE CATEGORY	2018-2019						2017-2018				
	Budget	Revised Estimates	YTD Dec 2018	Forecast	Variance	% Spent	Budget	Revised Estimates	Actual Year End Expenses	Variance	% Spent
					Revised minus Budget	Forecast over Approved				Actual minus Approved	Actual over Approved
Instruction											
Salaries and Benefits	668.5	660.7	201.9	660.7	(7.8)	-1.2%	636.6	649.8	631.3	(5.3)	-0.8%
Salaries and Benefits (Occasional Teachers)	16.9	19.0	7.6	19.0	2.1	12.5%	16.4	17.2	18.4	2.0	12.5%
Staff Development, Supplies and Services	26.4	27.4	8.9	27.4	1.0	3.8%	24.9	25.2	20.3	(4.6)	-18.6%
Fees, Contractual and Rentals	9.8	10.0	4.3	10.0	0.1	1.5%	9.4	10.2	12.3	2.9	30.7%
Instruction Sub-Total	721.7	717.1	222.7	717.1	(4.6)	-0.6%	687.3	702.4	682.2	(5.0)	-0.7%
Continuing Education											
Salaries and Benefits	10.0	10.0	3.0	10.0	0.0	0.3%	9.1	9.5	9.9	0.9	9.6%
Staff Development, Supplies and Services	0.5	0.5	0.2	0.5	0.0	0.7%	0.5	0.5	0.7	0.3	57.0%
Fees, Contractual and Rentals	0.5	0.5	0.2	0.5	0.0	3.4%	0.4	0.4	0.5	0.1	29.8%
Continuing Education Sub-Total	11.0	11.0	3.3	11.0	0.0	0.4%	9.9	10.4	11.2	1.3	12.6%
Transportation											
Salaries and Benefits	1.2	1.2	0.4	1.2	-	0.0%	1.3	1.3	1.2	(0.1)	-8.5%
Staff Development, Supplies and Services	0.4	0.4	0.2	0.4	-	0.0%	0.4	0.4	0.3	(0.1)	-18.9%
Fees, Contractual and Rentals	39.9	40.6	15.8	40.6	0.7	1.7%	38.4	38.9	38.3	(0.1)	-0.3%
Transportation Sub-Total	41.5	42.1	16.4	42.1	0.7	1.6%	40.1	40.6	39.8	(0.3)	-0.8%
School Facilities											
Salaries and Benefits	52.1	52.1	17.2	52.1	0.0	0.0%	50.8	51.9	51.5	0.7	1.4%
Staff Development, Supplies and Services	24.5	24.2	7.4	24.2	(0.3)	-1.1%	24.7	24.0	24.1	(0.7)	-2.7%
Fees, Contractual and Rentals	8.5	9.8	6.1	9.8	1.3	14.8%	8.1	8.5	7.8	(0.2)	-3.0%
Other/Temporary Pupil Accommodation	0.8	2.0	0.2	2.0	1.2	138.1%	0.9	0.9	3.5	2.6	286.3%
Interest Charges on Capital	6.2	6.2	2.7	6.2	-	0.0%	6.5	6.5	6.5	(0.0)	0.0%
School Facilities Renewal Expense	5.7	5.7	5.3	5.7	-	0.0%	5.7	5.7	6.7	1.0	17.9%
School Facilities Sub-Total	97.8	99.9	38.8	99.9	2.2	2.2%	96.7	97.5	100.1	3.4	3.5%
Central Administration											
Salaries and Benefits	16.2	16.2	5.6	16.2	0.0	0.2%	16.3	16.2	16.8	0.6	3.5%
Staff Development, Supplies and Services	2.1	2.1	0.6	2.1	-	0.0%	1.9	1.9	1.9	0.1	3.8%
Fees, Contractual and Rentals	1.9	1.9	0.6	1.9	0.0	0.0%	1.3	1.3	1.7	0.4	29.1%
Central Administration Sub-Total	20.2	20.2	6.8	20.2	0.0	0.2%	19.5	19.4	20.5	1.0	5.3%
Other											
Extended Day Program Compensation	16.0	16.2	5.0	16.2	0.2	1.2%	15.4	15.4	14.9	(0.6)	-3.6%

Ottawa-Carleton District School Board
Comparative Summary of Expenses
forecast for the year ending 31 August 2019 (Revised Estimates)

In \$ Millions EXPENSE CATEGORY	2018-2019						2017-2018				
	Budget	Revised Estimates	YTD Dec 2018	Forecast	Variance	% Spent	Budget	Revised Estimates	Actual Year End Expenses	Variance	% Spent
					Revised minus Budget	Forecast over Approved				Actual minus Approved	Actual over Approved
Extended Day Program Supplies/Int Svcs	1.1	1.1	0.1	1.1	0.0	4.5%	1.2	1.2	0.9	(0.3)	-24.3%
Child Care Program Compensation	2.0	1.9	0.5	1.9	(0.1)	-2.7%	1.9	2.0	1.8	(0.1)	-3.6%
Child Care Program Supplies/Int Svcs	0.1	0.1	0.0	0.1	(0.0)	-13.6%	0.1	0.1	0.1	(0.0)	-33.4%
Recoverable Compensation (Secondments)	7.2	7.2	2.6	7.2	0.1	0.8%	7.6	7.6	6.8	(0.9)	-11.3%
Remedy payments and other	-	3.3	0.7	3.3	3.3	0.0%	-	-	7.7	7.7	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	28.8	32.3	9.0	32.3	3.5	12.2%	28.8	28.8	34.6	5.9	20.5%
Amortization											
Ministry Approved Projects	53.4	55.9	13.3	55.9	2.6	4.8%	45.8	47.5	48.6	2.8	6.2%
Board Approved Projects	0.0	0.0	-	0.0	-	0.0%	0.0	0.0	0.0	0.0	6.7%
Amortization Sub-Total	53.4	56.0	13.3	56.0	2.6	4.8%	45.8	47.5	48.7	2.8	6.2%
Grand Total	974.3	978.7	310.4	978.7	4.4	0.5%	928.1	946.8	937.2	9.0	1.0%

Finance 2019.01.07 (numbers may not add due to rounding)

	Budget	Revised Estimates	Change increase (decrease)
	\$	\$	\$
Revenue			
Pupil Foundation-ADE only	405,236,743	407,888,931	2,652,188
School Foundation	52,063,690	52,262,638	198,948
Special Education	97,211,751	98,626,322	1,414,571
Language	31,922,357	32,037,755	115,398
Rural and Small Community Allocation	188,140	188,140	-
Learning Opportunity (includes mental health leader)	27,568,922	27,672,457	103,535
Adult Education, Continuing Education and Summer School	6,750,093	7,619,777	869,684
Cost Adjustment and Teacher Qualification and Experience	80,560,874	78,913,126	(1,647,748)
ECE Qualification and Experience Allocation	4,816,359	4,656,503	(159,856)
New Teacher Induction Program (NTIP)	604,418	566,095	(38,323)
Restraint Savings	(279,158)	(279,158)	-
Transportation	41,384,828	41,661,345	276,517
Administration and Governance	20,839,682	20,827,506	(12,176)
School Operations	77,099,422	77,826,281	726,859
Community use of schools	1,064,827	1,064,827	-
Declining Enrolment Adjustment	-	-	-
Indigenous Education Allocation	1,171,049	2,645,232	1,474,183
Safe and Accepting Schools	1,869,628	1,878,170	8,542
Permanent Financing of NPF (Board 55 Trust)	2,523,115	2,523,115	-
	<u>852,596,740</u>	<u>858,579,062</u>	<u>5,982,322</u>
Revenue Deferrals			
Deferred Revenue - MTCA Allocation	(21,314,919)	(21,464,477)	(149,558)
Deferred Revenue - Rural and Northern Ed Fund	(188,140)	(188,140)	-
Deferred Revenue - Special Education	(97,211,751)	(98,626,322)	(1,414,571)
Deferred Revenue - Mental health leader (from LOG)	-	-	-
Deferred Revenue - Library Staffing	(238,343)	(238,343)	-
Deferred Revenue - Student Achievement Envelope	(6,684,008)	(6,787,543)	(103,535)
Deferred Revenue - Indigenous Education	(732,681)	(738,626)	(5,945)
	<u>(126,369,842)</u>	<u>(128,043,451)</u>	<u>(1,673,609)</u>
Deferred Revenue Recognition and Adjustments			
Deferred Revenue (5.1) - Special Education	96,449,071	98,265,969	1,816,898
Deferred Revenue (5.1) - Library Staffing	238,343	238,343	-
Deferred Revenue (5.1) - Student Achievement Envelope	6,684,008	6,787,543	103,535
Deferred Revenue (5.1) - Indigenous Ed PPA	732,681	738,626	5,945
Deferred Revenue - MTCA (Sch 5.1 Capital)	18,285,834	12,895,392	(5,390,442)
Deferred Revenue - School Renewal (this is maintenance)	5,693,776	5,693,776	-
Deferred Revenue - Interest on Capital Projects (OFA)	6,720,459	6,652,972	(67,487)
Deferred Revenue - Temporary Accommodation	840,000	840,000	-
Deferred Revenue - Rural and Northern Education Fund	188,140	188,140	-
Trustees' Association Fee	43,316	43,316	-
	<u>135,875,628</u>	<u>132,344,077</u>	<u>(3,531,551)</u>
Total Operating and Capital Support GSN	<u>862,102,526</u>	<u>862,879,688</u>	<u>777,162</u>

	Budget	Revised Estimates	Change
	\$	\$	increase (decrease)
	\$	\$	\$
Education Program-Other Grants			
After School Skills Development	58,268	58,268	-
Autism Pilot Project	247,595	247,595	-
Board Leadership Development Strategy	117,276	117,276	-
Common European Framework of Reference	-	37,065	37,065
DECE PA Day Release	-	86,910	86,910
Enhancements to Support Experiential Learning	281,185	281,185	-
Experiential Learning for Adults	10,529	10,529	-
Focus on Youth	476,000	476,000	-
Focusing on Fundamental Mathematics (replaces RMS)	1,682,261	1,682,261	-
French as a Second Language	298,875	298,875	-
Gap Closing in Literacy Grades 7-12	38,000	38,000	-
Identity based Data Collection, Analysis and Use	-	103,000	103,000
Indigenous Student Learning & Leadership Strategy	15,370	15,370	-
Indigenous Support and Engagement Initiative	100,000	100,000	-
Innovation Learning Fund	108,111	108,111	-
Jiangsu Summer Leadership Program	15,000	15,000	-
Mental Health Workers in Schools	607,188	607,188	-
Mentoring for All	7,268	7,268	-
Ontario Focused Intervention Partnership	23,500	23,500	-
OSSTF Education Workers Apprenticeship Training	212,997	425,997	213,000
Outreach Coordinator	152,800	152,800	-
Parents Reaching Out	80,199	80,199	-
PD for Designated ECEs	-	71,143	71,143
Prepare for Recreational Cannabis	76,100	76,100	-
Priority Schools	510,000	510,000	-
Re-engagement Initiative (12 & 12+)	71,421	71,421	-
Remedy Payments-Non Affiliated	-	277,930	277,930
Remedy Payments-OSSTF (Residual)	-	695,139	695,139
Remedy Payments-Principals and Vice-Principals	-	307,857	307,857
Safe, Inclusive, and Accepting Schools	298,454	298,454	-
Speak Up Project	70,627	70,627	-
Specialist High Skills Major	242,263	343,998	101,735
Teacher Learning and Leadership Program	-	47,930	47,930
Technomath Glebe CI	7,500	7,500	-
Tutors in the Classroom	56,600	56,600	-
	<u>5,865,387</u>	<u>7,807,096</u>	<u>1,941,709</u>
Other Deferred Revenues			
Literacy and Basic Skills (Advanced Education & Skills Development)	831,042	831,042	-
English as a Second Language (Citizenship & Immigration)	1,818,388	1,751,315	(67,073)
Infrastructure, Environment & Climate Change (Rideau HS Hub)	208,500	208,500	-
Breakfast Program (ONFE)	555,978	555,978	-
Ontario Works	538,574	514,961	(23,613)
MISA - PNC	10,000	10,000	-
CODE Summer Learning	105,000	105,000	-
Ontario Early Years Child & Family Centre	566,606	272,150	(294,456)
	<u>4,634,088</u>	<u>4,248,946</u>	<u>(385,142)</u>
Total	<u>10,499,475</u>	<u>12,056,042</u>	<u>1,556,567</u>

Audit Committee Long Range Agenda 2018-2019

21 January 2019

1.	Audit Committee 2019 Planning	Public	MC	Info
2.	Purchasing Policy Exceptions	Public	MC	Info
3.	2018-2019 Revised Estimates	Public	MC	
4.	Election of Chair (Annual)			

Cyclical/Regular Items

1.	Receipt of Report (Minutes) from previous meeting			Action
2.	Review internal audit team findings completed since last meeting	In Camera	MC	Info
3.	Long Range Agenda	Public	MC	Info
4.	Regional Internal Auditor's Multi-Year Internal Audit Plan (June)	In Camera	MC	Action
5.	External Auditor's Audit Plan for the Year-End Audit (September)	Public	MC	Action
6.	Financial Forecast/Revised Estimates (Jan, Apr, June)	Public	MC	Info
7.	Evaluation of Regional Internal Audit Manager and Team (Nov)	In Camera	MC	Action
8.	Annual Audit Committee Reports to Ministry and Board (Sept)	Public	MC	Action
9.	Approval of District Financial Statements (November)	Public	MC	Action
10.	Orientation to Audit Committee (January)	Public	MC	Info
11.	Information Technology Update (June and November, as required)	In Camera	SL	Info
12.	In Camera Action Tracking Log	In Camera	MC	Info
13.	Self-evaluation of the Audit Committee (November)	Public	MC	Info
14.	Legal Issues Being Defended by OSBIE (periodically)	In Camera	MC	Info
15.	Purchasing Exceptions Reporting (Annual)	Public	MC	Info
16.	OSBIE Incident Report to Audit Committee (April)	In Camera	MC	Info
17.	Regulatory Compliance (November)	Public	MC	Info
18.	District Insurance Coverage (May)	In Camera	MC	Info

Future Agenda Items to be Scheduled

1.	Succession Planning	In Camera	MC	Action
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Updated 9 January 2019