

**2015-16  
YEAR END FINANCIAL REPORT**

***November 8, 2016***

**Audited Financial Statements  
For Year Ended August 31, 2016**

**Presented by:  
Anna K. Chan, Chief Financial Officer & Treasurer**





# AGENDA

## 1. 2015-16 Financial Results

- Financial Compliance Results
- Cumulative Results
- Reconciliation from Operating to Consolidated Financial Statements

## 2. Audited Consolidated Financial Statements

## 3. Auditors' Report to Audit Committee

## 4. Overview & Recommendations

## 5. Appendices

- A: Capital Trends
- B: Risks & Opportunities



# 2015-16 Financial Results

## FINANCIAL COMPLIANCE RESULTS



# 2015-16 YEAR END FINANCIAL REPORT

## 2015-16 Financial Operating Results

### OVERVIEW

- ✓ No Financial Compliance Deficit
- ✓ Compliance with Ministry Envelopes
  - ☑ *Special Education*
  - ☑ *Pupil Accommodation*
  - ☑ **New:** *Student Achievement Envelope (Six LOG)*
  - Administration & Governance Envelope Deferred*
- ✓ In-year Compliance **Deficit**



# 2015-16 YEAR END FINANCIAL POSITION SUMMARY

<b>Financial Position Summary</b>				
	2014-15	2015-16	Difference	
			#/\$	%
Operating Revenue	\$ 569,610,922	\$ 577,061,141	\$ 7,450,219	1.31%
Operating Expenses	\$ 569,562,899	\$ 581,037,226	\$ 11,474,327	2.01%
Employee Future Benefit (PSAB) Item	1,515,513	1,383,722	(131,791)	-8.70%
<b>Net Operating (Deficit)</b>	<b>\$ (1,467,490)</b>	<b>\$ (5,359,807)</b>	<b>\$ (3,892,317)</b>	<b>265.24%</b>
<b>Other Compliance items:</b>				
Registered Charity	(24,663)	(44,935)	(20,272)	82.20%
Committed Sinking Fund Commitment	\$ (683,480)	\$ (142,939)	\$ 540,541	-79.09%
<b>Ministry Compliance (Deficit)</b>	<b>\$ (2,175,633)</b>	<b>\$ (5,547,681)</b>	<b>\$ (3,372,048)</b>	<b>154.99%</b>



# 2015-16 YEAR END FINANCIAL REPORT

## 2015-16 Financial Operating Results

### OVERVIEW

#### ➤ Comparative using Revised Estimates:

- Estimates used for Consolidated Financial Statements, but not true Board “budget”
- “Budget” now “audited” (“unaudited” for prior years)

#### ➤ From Compliance to Consolidated Financial Statements

- Board perspective: focus change to in-year compliance revenues & expenses (including relevant Committed/PSAB Items): **compliance position focus**



- Total perspective: Consolidated Financial Statements



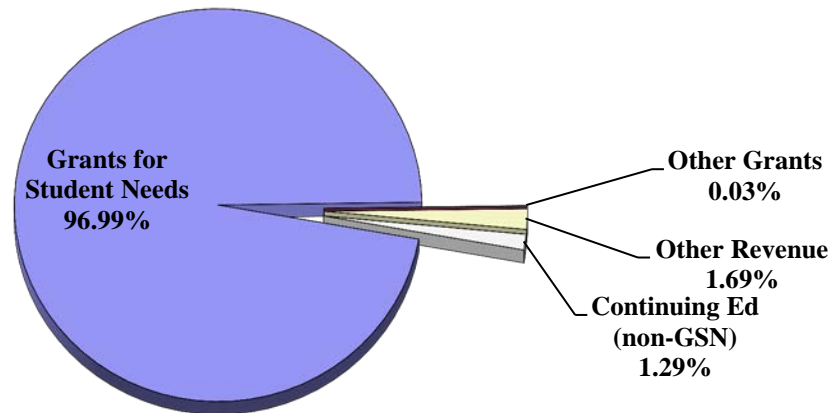
# 2015-16 YEAR END FINANCIAL REPORT

<b>2015-16 Annual Compliance Operating Results</b>						
	Revenue Revised Estimates	Adjustments Labour CA Increases (1)	2015-16 Adjusted Revenue Revised Estimates	2015-16 Actuals	Difference	
					#/\$	%
<b>OPERATING REVENUE (Excluding Capital/PSAB/YE)</b>						
Grants for Student Needs (GSN)	\$ 553,393,432	\$ 7,104,015	\$ 560,497,447	\$ 559,712,551	\$ (784,896)	-0.14%
Other Grants	-		-	164,337	164,337	
Other Revenue	8,381,613		8,381,613	9,749,440	1,367,827	16.32%
Continuing Education Other	7,034,301		7,034,301	7,434,813	400,512	5.69%
<b>Operating Revenue (Excluding Capital/PSAB/YE)</b>	<b>\$ 568,809,346</b>	<b>\$ 7,104,015</b>	<b>\$ 575,913,361</b>	<b>\$ 577,061,141</b>	<b>\$ 1,147,780</b>	<b>0.20%</b>
<b>OPERATING EXPENSES &amp; EFB/PSAB ITEMS</b>						
Operating Expenses	\$ 573,370,166		\$ 573,370,166	\$ 581,037,226	\$ 7,667,060	1.34%
Employee Future Benefit (PSAB) Item	2,216,216		2,216,216	1,383,722	(832,494)	-37.56%
<b>Operating Expenses &amp; EFB/PSAB Items</b>	<b>\$ 575,586,382</b>	<b>\$ -</b>	<b>\$ 575,586,382</b>	<b>\$ 582,420,948</b>	<b>\$ 6,834,566</b>	<b>1.19%</b>
<b>NET OPERATING SURPLUS / (DEFICIT)</b>	<b>\$ (6,777,036)</b>	<b>\$ 7,104,015</b>	<b>\$ 326,979</b>	<b>\$ (5,359,807)</b>	<b>\$ (5,686,786)</b>	<b>-1739.19%</b>
<b>Other Compliance Items</b>						
Registered Charity	\$ -		\$ -	\$ (44,935)	\$ (44,935)	#DIV/0!
Committed Sinking Fund Commitment	\$ (683,480)		\$ (683,480)	\$ (142,939)	\$ 540,541	-79.09%
<b>MINISTRY COMPLIANCE POSITION</b>	<b>\$ (7,460,516)</b>	<b>\$ 7,104,015</b>	<b>\$ (356,501)</b>	<b>\$ (5,547,681)</b>	<b>\$ (5,191,180)</b>	<b>1456.15%</b>

(1) Adjustment is for the additional grants related to central Collective Agreement terms (Grid movements and 1% Lump sum payments)



# Operating Revenues 2015-16 Actual



■ Grants for Student Needs  
■ Other Grants

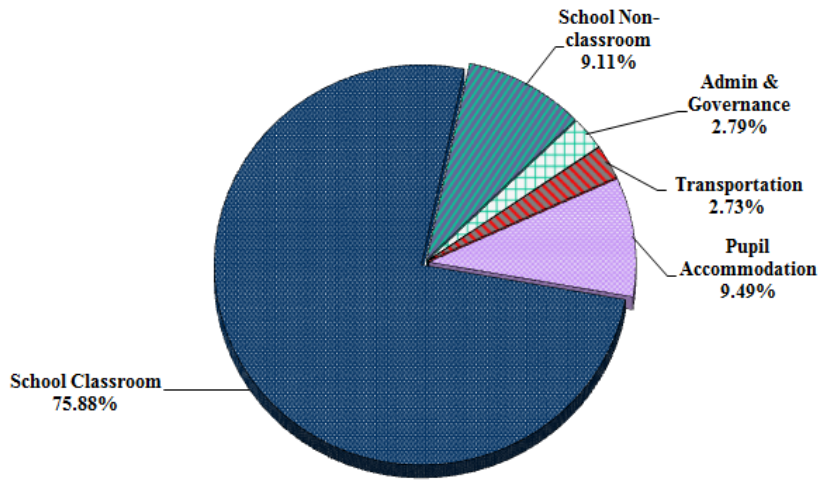
	<u>2015-16 Actuals</u>	%
<b>OPERATING REVENUE</b>		
Grants for Student Needs	\$ 559,712,551	96.99%
Other Grants	164,337	0.03%
Other Revenue	9,749,440	1.69%
Continuing Ed (non-GSN)	7,434,813	1.29%
	<u>\$ 577,061,141</u>	<u>100.00%</u>





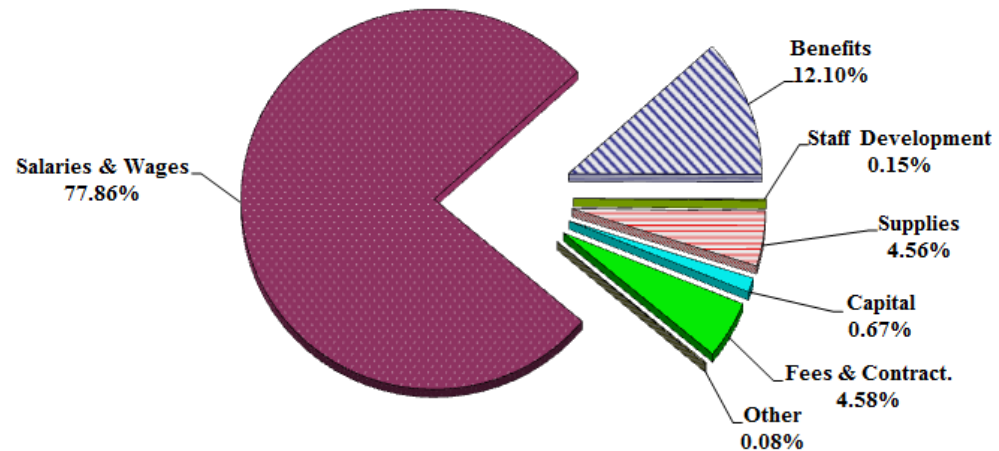
# 2015-16 Operating Expenses Expenses by Function & Object

## BY FUNCTION



• School Classroom	440,891,764	75.88%
• School Non-classroom	52,939,332	9.11%
• Admin & Governance	16,223,914	2.79%
• Pupil Transportation	15,857,054	2.73%
• Pupil Accommodation	<u>55,125,161</u>	<u>9.49%</u>
• TOTAL	<u>581,037,225</u>	<u>100.00%</u>

## BY OBJECT



• Salaries & Wages	452,393,396	77.86%
• Benefits	70,300,563	12.10%
• Staff Development	856,821	0.15%
• Supplies & Services	26,514,223	4.56%
• Capital	3,904,929	0.67%
• Fees & Contract.	26,618,868	4.58%
• Other	<u>448,425</u>	<u>0.08%</u>
• Total	<u>581,037,225</u>	<u>100.00%</u>



# 2015-16 YEAR END FINANCIAL REPORT

## 2015-16 Financial Compliance Results

Accumulated Surplus / Deficit 2015-16							
	2014-15 Accumulated Surplus / (Deficit) Opening	Release of SF Commitment)	2014-15 Accumulated Surplus / (Deficit) After SF Commitment Release	In-Year Increase/Decrease Details		Total In- Year Increase / (Decrease) (Note 1)	2015-16 Accumulated Surplus / (Deficit)
<u>Board Established: - Available for Compliance ("ASD-AFC") Unappropriated</u>				In Year (Utilization)	In Year Increase or (Decrease)		
Technology Infrastructure	75,972		75,972	(74,887)	(1,085)	(75,972)	-
21st Century Learning	94		94		(94)	(94)	-
Strategic Planning	400,719		400,719	(343,198)	(57,521)	(400,719)	-
Funding Stability	2,457,712	12,000,000	14,457,712		(4,345,524)	(4,345,524)	10,112,188
<b>Board Established: Total Unappropriated</b>	<b>2,934,497</b>	<b>12,000,000</b>	<b>14,934,497</b>	<b>(418,085)</b>	<b>(4,404,224)</b>	<b>(4,822,309)</b>	<b>10,112,188</b>
<u>Board Established: AS-AFC Appropriated</u>							
General School Budgets (GSB Carryforward)	1,119,027		1,119,027	(537,498)		(537,498)	581,529
<i>Unfunded Employee Future Benefits:</i>	-		-				
Claims Fluctuation -WSIB & LTD Waiver (2)	5,007,986		5,007,986			-	5,007,986
	-		-				
<b>Board Established: Total Appropriated</b>	<b>6,127,013</b>	<b>-</b>	<b>6,127,013</b>	<b>(537,498)</b>	<b>-</b>	<b>(537,498)</b>	<b>5,589,515</b>
<b>Total Board Established: ASD-AFC Before Committed Items</b>	<b>9,061,510</b>	<b>12,000,000</b>	<b>21,061,510</b>	<b>(955,583)</b>	<b>(4,404,224)</b>	<b>(5,359,807)</b>	<b>15,701,703</b>



# 2015-16 YEAR END FINANCIAL REPORT

## 2015-16 Ministry Compliance Position

### Accumulated Surplus / Deficit 2015-16

	2014-15 Accumulated Surplus / (Deficit) Opening	Release of SF Commitment)	2014-15 Accumulated Surplus / (Deficit) After SF Commitment Release	In-Year Increase/Decrease Details		Total In- Year Increase / (Decrease) (Note 1)	2015-16 Accumulated Surplus / (Deficit)
<b>Total Board Established: ASD-AFC Before Committed Items</b>	9,061,510	12,000,000	21,061,510	(955,583)	(4,404,224)	(5,359,807)	15,701,703
Registered Charity	262,241		262,241	(44,935)		(44,935)	217,306
<b>Total Board Established &amp; Registered Charity: ASD-AFC Before Committed S/F</b>	9,323,751	12,000,000	21,323,751	(1,000,518)	(4,404,224)	(5,404,742)	15,919,009
<b>Committed Sinking Fund interest earned</b>	15,173,249	(12,000,000)	3,173,249	(142,939)		(142,939)	3,030,310
<b>Total Accumulated Surplus/(Deficit) - Available for Compliance</b>	24,497,000	-	24,497,000	(1,143,457)	(4,404,224)	(5,547,681)	18,949,319



# 2015-16 YEAR END FINANCIAL REPORT

## CUMULATIVE RESULTS



# 2015-16 YEAR END FINANCIAL REPORT

## Cumulative Results

- **Accumulated Surplus – Total Perspective**
- **No Unsupported Capital Outlay**
- **Deferred Revenues (Ministry Required)**
- **Accumulated Surplus/Deficit – Available for Compliance (ASD-AFC)**
  - **Trends (including Enrolment trends)**
- **Accumulated Surplus/Deficit – Unavailable for Compliance (ASD-UFC)**
  - **Future Employee Benefits Payable (EFB)**



# 2015-16 YEAR END FINANCIAL REPORT

## 2015-16 Deferred Revenue (Ministry Required)

### Deferred Revenue - Ministry Required 2015-16

	Balance as at August 31, 2015	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions (DCC)	Balance as at August 31, 2016
Special Education (inc. SEA)	521,335	70,978,322	(70,855,091)		<b>644,566</b>
Internal Audit	2,247,406	1,122,780	(943,024)		<b>2,427,162</b>
Mental Health Leader	-	119,832	(119,832)		-
Student Achievement	-	2,922,009	(2,922,009)		-
Energy Efficient Schools - Op'g	270,531	150,000	(317,294)		<b>103,237</b>
EPO Grants	14,056	3,212,427	(3,169,161)		<b>57,322</b>
Banker Board Equity	-	125,000	(125,000)		-
Ministry of Training Colleges & University		160,446	(160,446)		-
Other Prov'l Grants (MCI & Other)	268,339	220,000	(348,197)		<b>140,142</b>
Third Party	70,555	44,475	(100,219)		<b>14,811</b>
Non-Ministry		2,283,081	(2,029,059)		<b>254,022</b>
YCDSB Programs		811,390	(732,523)		<b>78,867</b>
Minor Tangible Capital Asset	-	14,000,176	(12,820,677)	(1,179,499)	-
School Renewal	4,885,123	7,151,705	(1,754,196)	(2,788,891)	<b>7,493,741</b>
Interest on Capital	-	20,093,609	(20,093,609)		-
Temporary Accommodation	-	1,160,000	(949,832)	(124,903)	<b>85,265</b>
School Condition Improvement	1,126,908			(1,126,908)	-
Retrofitting for Childcare	3,322,854	-		(100,441)	<b>3,222,413</b>
Proceeds of Disposition	6,854,335	8,235,477		(14,953,997)	<b>135,815</b>
Education Development Charges	-	10,580,547	(4,482,033)		<b>6,098,514</b>
<b>TOTAL</b>	<b>19,581,442</b>	<b>143,371,276</b>	<b>(121,922,202)</b>	<b>(20,274,639)</b>	<b>20,755,877</b>



# 2015-16 YEAR END FINANCIAL REPORT

## 2015-16 Accumulated Surplus/Deficit: Total Perspective

Accumulated Surplus / Deficit 2015-16							
	2014-15 Accumulated Surplus / (Deficit) Opening	Release of SF Commitment)	2014-15 Accumulated Surplus / (Deficit) After SF Commitment Release	In-Year Increase/Decrease Details		Total In- Year Increase / (Decrease)	2015-16 Accumulated Surplus / (Deficit)
				In Year (Utilization)	In Year Increase or (Decrease)		
<b>Board Established: - Available for Compliance ("ASD-AFC") Unappropriated</b>							
Technology Infrastructure	75,972		75,972	(74,887)	(1,085)	(75,972)	-
21st Century Learning	94		94		(94)	(94)	-
Strategic Planning	400,719		400,719	(343,198)	(57,521)	(400,719)	-
Funding Stability	2,457,712	12,000,000	14,457,712		(4,345,524)	(4,345,524)	10,112,188
<b>Board Established: Total Unappropriated</b>	<b>2,934,497</b>	<b>12,000,000</b>	<b>14,934,497</b>	<b>(418,085)</b>	<b>(4,404,224)</b>	<b>(4,822,309)</b>	<b>10,112,188</b>
<b>Board Established: AS-AFC Appropriated</b>							
General School Budgets (GSB Carryforward)	1,119,027		1,119,027	(537,498)		(537,498)	581,529
<i>Unfunded Employee Future Benefits:</i> Claims Fluctuation -WSIB & LTD Waiver (2)	-		-			-	5,007,986
	5,007,986		5,007,986			-	5,007,986
	-		-			-	-
<b>Board Established: Total Appropriated</b>	<b>6,127,013</b>	<b>-</b>	<b>6,127,013</b>	<b>(537,498)</b>	<b>-</b>	<b>(537,498)</b>	<b>5,589,515</b>
<b>Total Board Established: ASD-AFC Before Committed Items</b>	<b>9,061,510</b>	<b>12,000,000</b>	<b>21,061,510</b>	<b>(955,583)</b>	<b>(4,404,224)</b>	<b>(5,359,807)</b>	<b>15,701,703</b>
Registered Charity	262,241		262,241	(44,935)		(44,935)	217,306
<b>Total Board Established &amp; Registered Charity: ASD-AFC Before Committed S/F</b>	<b>9,323,751</b>	<b>12,000,000</b>	<b>21,323,751</b>	<b>(1,000,518)</b>	<b>(4,404,224)</b>	<b>(5,404,742)</b>	<b>15,919,009</b>
<b>Committed Sinking Fund interest earned</b>	<b>15,173,249</b>	<b>(12,000,000)</b>	<b>3,173,249</b>	<b>(142,939)</b>		<b>(142,939)</b>	<b>3,030,310</b>
<b>Total Accumulated Surplus/(Deficit) - Available for Compliance</b>	<b>24,497,000</b>	<b>-</b>	<b>24,497,000</b>	<b>(1,143,457)</b>	<b>(4,404,224)</b>	<b>(5,547,681)</b>	<b>18,949,319</b>
<b>Accumulated Surplus/(Deficit) - Unavailable for Compliance ("ASD-UFC")</b>							
Employee Future Benefits: Retirement Gratuities (3) Other Benefits (WSIB & LTD Waivers) (2)	(13,662,171) (5,007,986)		(13,662,171) (5,007,986)	1,366,217	17,505	1,383,722 -	(12,278,449) (5,007,986)
Debt Interest Accrual	(4,282,859)		(4,282,859)	154,455		154,455	(4,128,404)
School Generated Funds	7,467,399		7,467,399	367,126		367,126	7,834,525
Revenues Recognized for Land NPF - EDC	205,320,843 (2,038,810)		205,320,843 (2,038,810)	6,419,201 2,038,810		6,419,201 2,038,810	211,740,044 -
<b>Total Accumulated Surplus/(Deficit) - Unavailable for Compliance</b>	<b>187,796,416</b>	<b>-</b>	<b>187,796,416</b>	<b>10,345,809</b>	<b>17,505</b>	<b>10,363,314</b>	<b>198,159,730</b>
<b>Total Accumulated Surplus/(Deficit)</b>	<b>212,293,416</b>	<b>-</b>	<b>212,293,416</b>	<b>9,202,352</b>	<b>(4,386,719)</b>	<b>4,815,633</b>	<b>217,109,049</b>

Board Operating Focus

Mandatory Committed Funds

Ministry Compliance

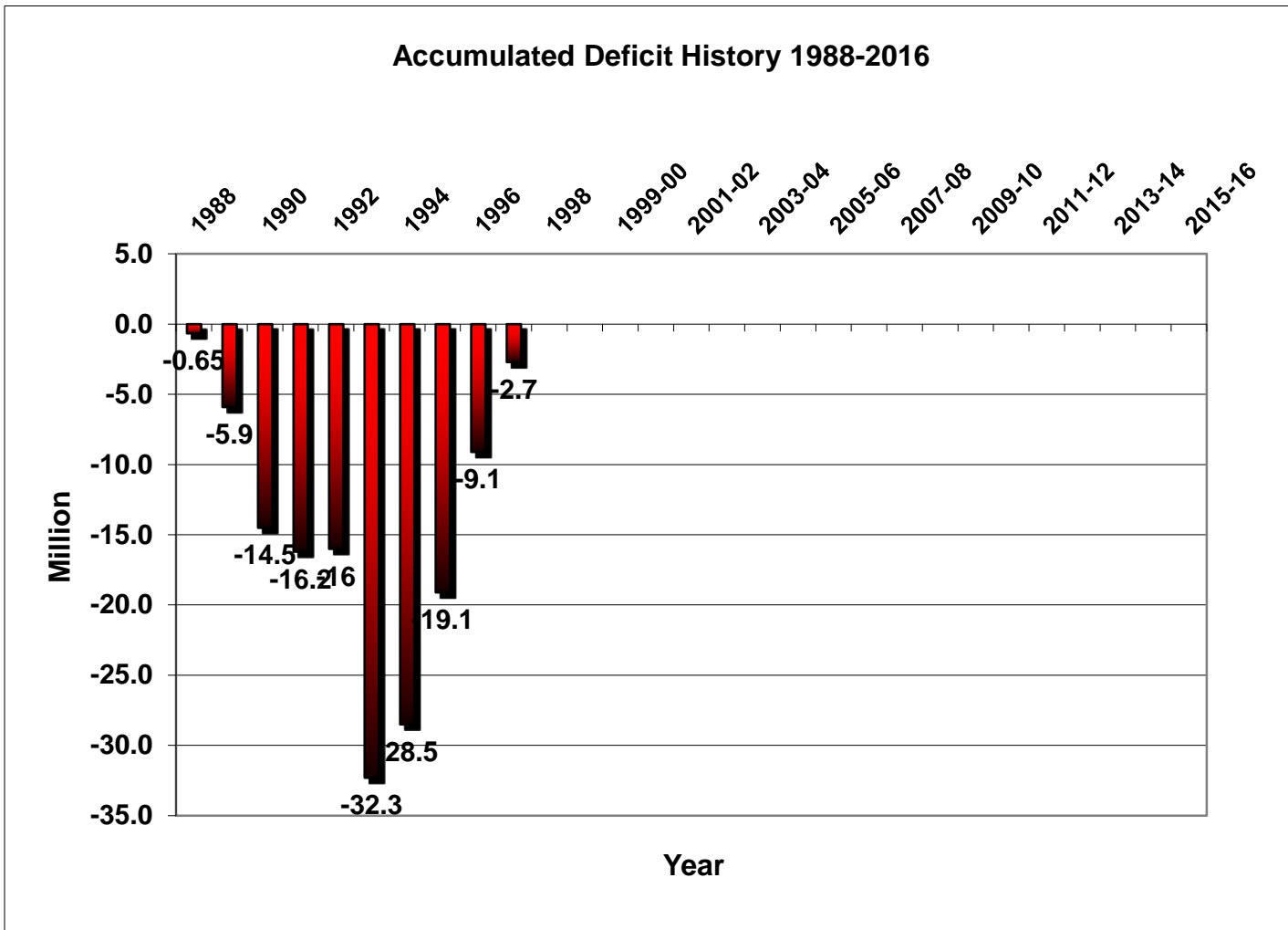
Future Board responsibility over EARSL

Potential Future Board responsibility



# 2015-16 YEAR END FINANCIAL REPORT

## Operating Accumulated Deficit History 1988 - 2016

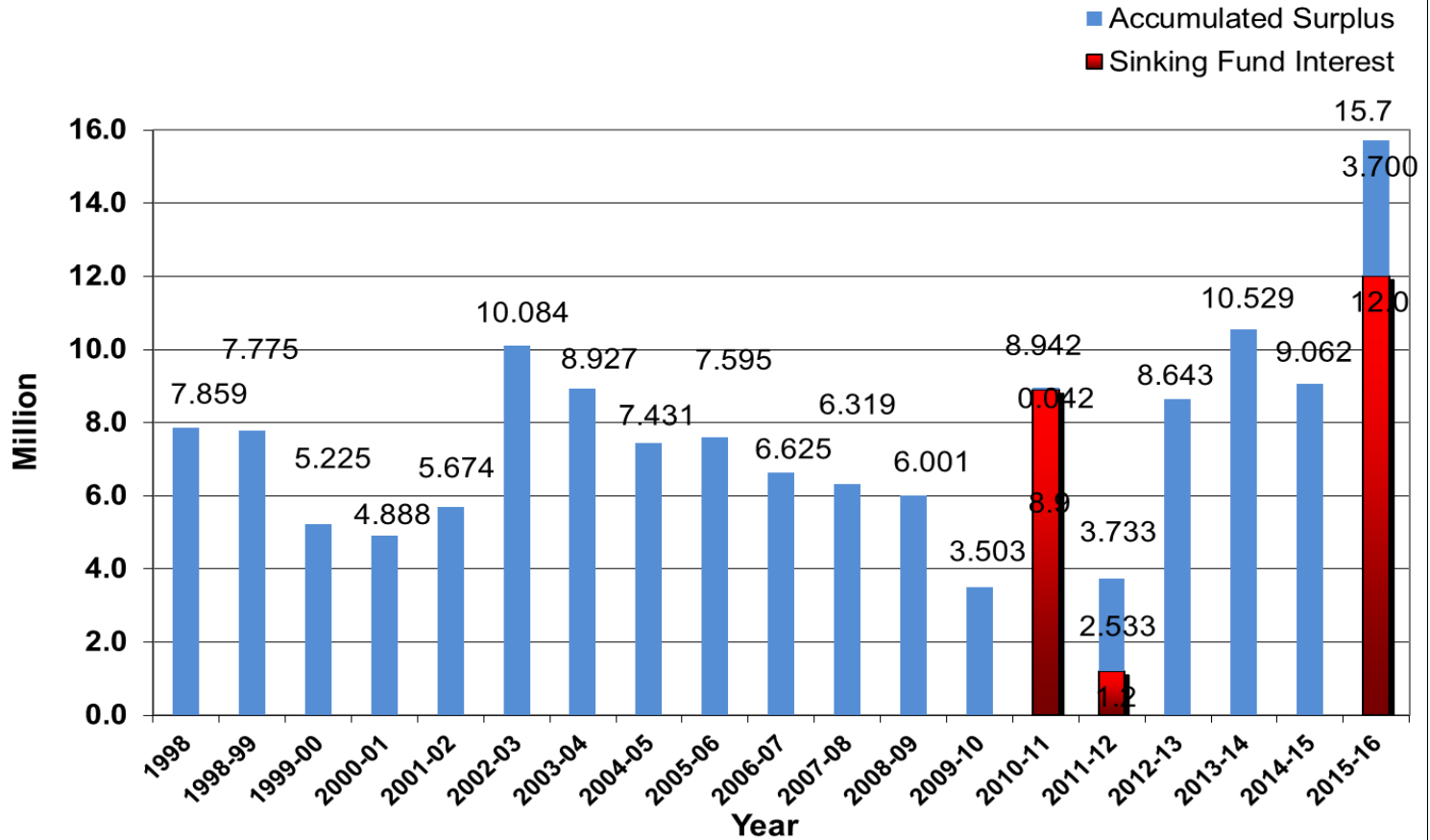






# 2015-16 YEAR END FINANCIAL REPORT

**Accumulated Surplus - Available for Compliance History**  
(Uncommitted = Without Registered Charity & Committed Sinking Fund Interest Earned Surplus)  
**1998-2016**

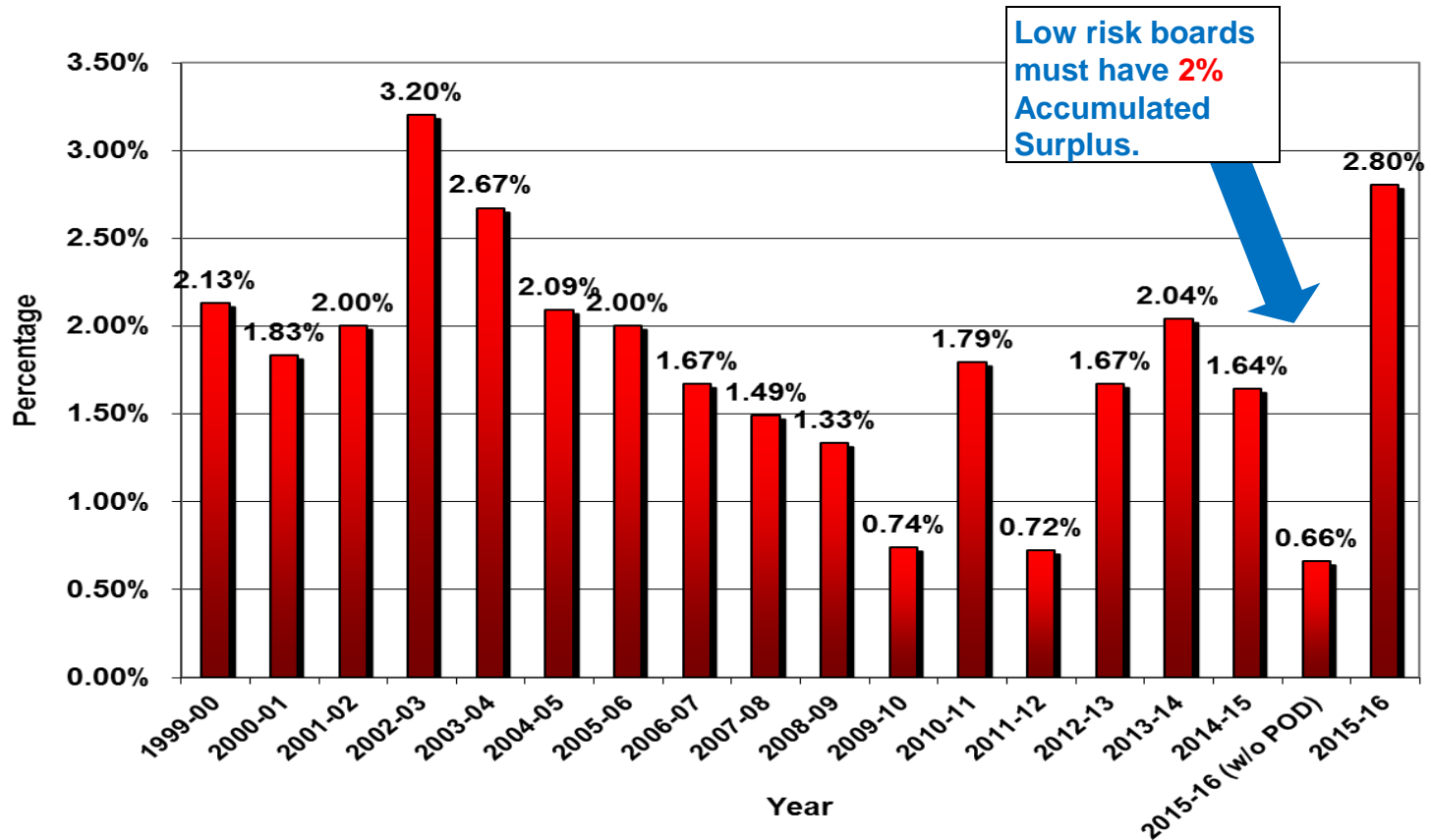


. Note: Sinking fund interest impacts in **Red**



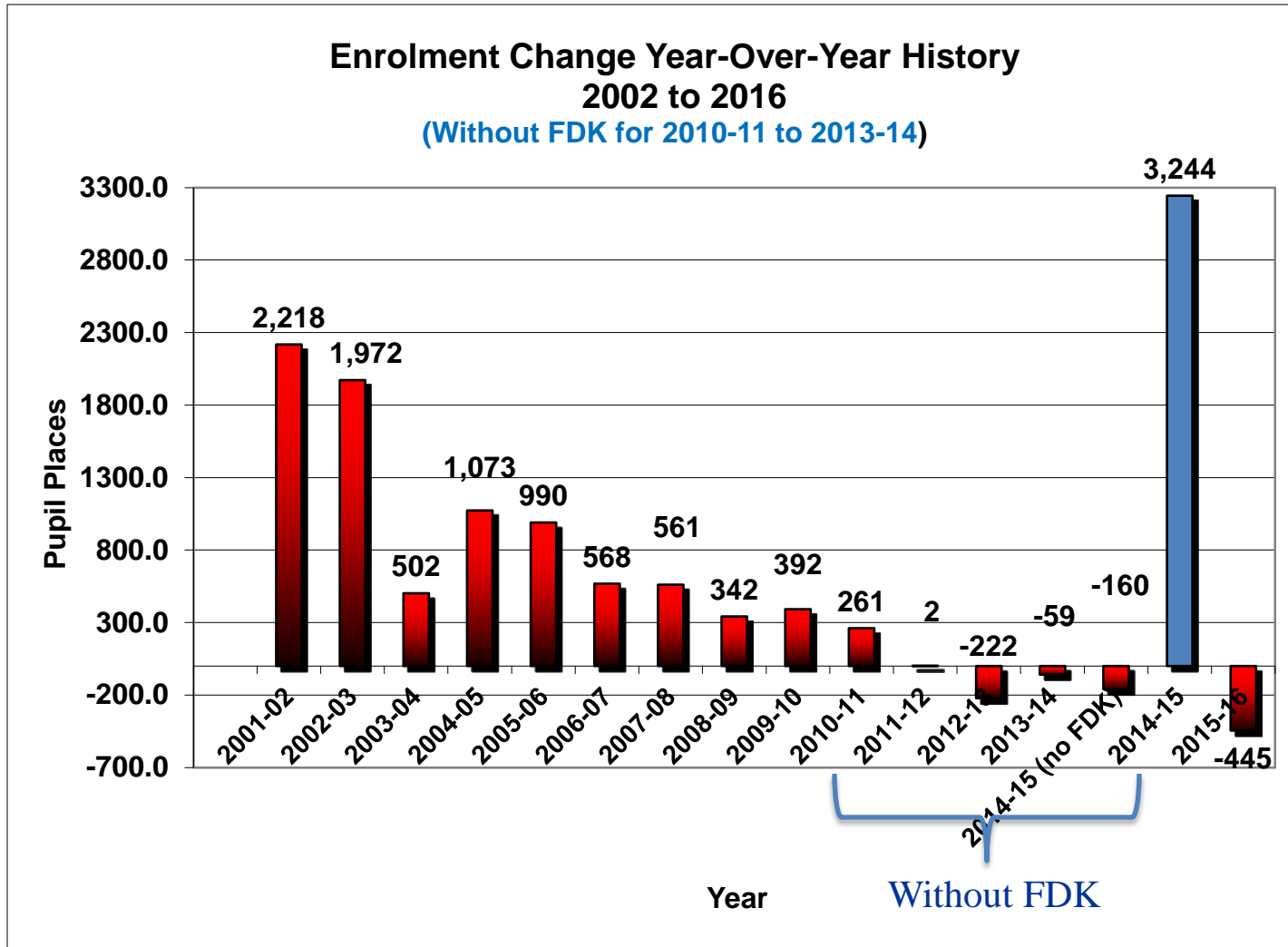
# 2015-16 YEAR END FINANCIAL REPORT

**Accumulated Surplus ("Uncommitted") History  
As Percentage of Grants for Student Needs  
1998-2016**



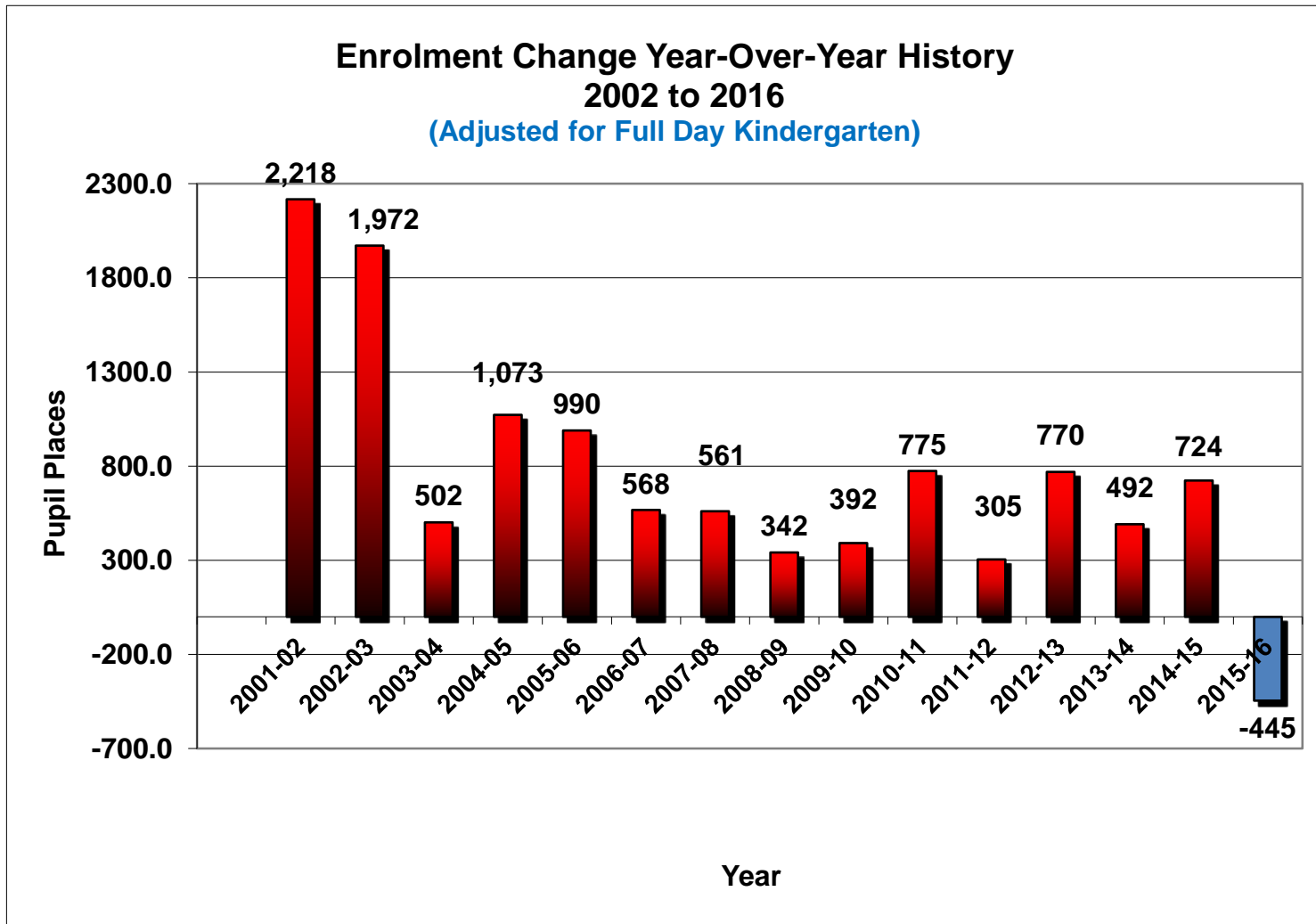


# 2015-16 YEAR END FINANCIAL REPORT





# 2015-16 YEAR END FINANCIAL REPORT



Note: Full Day Kindergarten (FDK) Enrolment included for 2010-11 through 2014-15



# 2015-16 YEAR END FINANCIAL REPORT

## Accumulated Surplus: Unavailable for Compliance

Accumulated Surplus / Deficit 2015-16					
	2014-15 Accumulated Surplus / (Deficit) Opening	In-Year Increase/Decrease Details		Total In- Year Increase / (Decrease) (Note 1)	2015-16 Accumulated Surplus / (Deficit)
<b>Total Accumulated Surplus/(Deficit) - Available for Compliance</b>	24,497,000	(1,143,457)	(4,404,224)	(5,547,681)	18,949,319
<b>Accumulated Surplus/(Deficit) - Unavailable for Compliance ("ASD-UFC")</b>					
Employee Future Benefits:					
Retirement Gratuities (3)	(13,662,171)	1,366,217	17,505	1,383,722	(12,278,449)
Other Benefits (WSIB & LTD Waivers) (2)	(5,007,986)			-	(5,007,986)
					-
Debenture Interest Accrual	(4,282,859)	154,455		154,455	(4,128,404)
School Generated Funds	7,467,399	367,126		367,126	7,834,525
Revenues Recognized for Land	205,320,843	6,419,201		6,419,201	211,740,044
NPF - EDC	(2,038,810)	2,038,810		2,038,810	-
<b>Total Accumulated Surplus/(Deficit) - Unavailable for Compliance</b>	187,796,416	10,345,809	17,505	10,363,314	198,159,730
<b>Total Accumulated Surplus/(Deficit)</b>	212,293,416	9,202,352	(4,386,719)	4,815,633	217,109,049



# 2015-16 YEAR END FINANCIAL REPORT

## Accumulated Surplus/Deficit – Unavailable for Compliance

- **Employee Future Benefits (\$17.3M)**
  - **Board responsibility commencing 2012-13**
- **Interest Accrual (\$4.1M)**
- **School Generated Funds \$7.8M**
- **Tangible Capital Asset – Non-depreciable assets only**
  - **Land in surplus of \$211.7M**
  - **EDC deficit of \$0 (eliminated in 2015-16)**



# 2015-16 YEAR END FINANCIAL REPORT

## Future Employee Benefits Payable (PSAB)

- *Externally calculated actuarial valuations*
- *Significant \$'s: Future implications*

<b>2015-16</b>			
<b>FUTURE EMPLOYEE BENEFITS</b>			
	<b>2016</b>	<b>2015</b>	<b>Increase</b>
Retirement Gratuities	\$ 13,484,645	\$ 14,716,572	(1,231,927)
Retiree Benefits Premiums	323,086	585,861	(262,775)
Compensated Absences	345,035	350,442	(5,407)
Disability Waiver	440,347	357,241	83,106
	<b>\$ 14,593,113</b>	<b>\$ 16,010,116</b>	<b>(1,417,003)</b>
WSIB	3,898,757	3,682,417	216,340
<b>TOTAL</b>	<b>\$ 18,491,870</b>	<b>\$ 19,692,533</b>	<b>(1,200,663)</b>

*Refer to Note 6 of the “Notes to the Consolidated Financial Statements”*



# 2015-16 YEAR END FINANCIAL RESULTS

## RECONCILIATION: Operating Revenue & Expenses To Consolidated Revenue & Expenses





# 2015-16 YEAR END FINANCIAL REPORT

2015-16 Revenue Summary (Operating to FS)							
	Revenue Revised Estimates	Adjustments Labour CA Increases (1)	Revised Estimates	Actuals	Difference		
					#/\$	%	
<b>OPERATING REVENUE</b>							
Grants for Student Needs (GSN)	\$ 553,393,432	\$ 7,104,015	\$ 560,497,447	\$ 559,712,551	\$ (784,896)		-0.14%
Other Grants	-		-	164,337	164,337		
Other Revenue	8,381,613		8,381,613	9,749,440	1,367,827		16.32%
Continuing Education Other	7,034,301		7,034,301	7,434,813	400,512		5.69%
	<b>\$ 15,415,914</b>	<b>\$ -</b>	<b>\$ 15,415,914</b>	<b>\$ 17,348,590</b>	<b>\$ 1,932,676</b>		<b>12.54%</b>
<b>TOTAL OPERATING REVENUE (Excl Cap/YE/PSAB impact)</b>	<b>\$ 568,809,346</b>	<b>\$ 7,104,015</b>	<b>\$ 575,913,361</b>	<b>\$ 577,061,141</b>	<b>\$ 1,147,780</b>		<b>0.20%</b>
<b>GRANTS/REVENUE WITH EXPENSE OFFSETS</b>							
	<b>\$ 6,378,311</b>		<b>\$ 6,378,311</b>	<b>\$ 6,911,343</b>	<b>\$ 533,032</b>		<b>8.36%</b>
<b>OTHER CAPITAL REVENUE</b>							
Capital Grant Non-TCA	\$ 23,607,429		\$ 23,607,429	\$ 29,327,618	\$ 5,720,189		24.23%
Capital Grant Non-TCA (ST Int in Op'g Rev)			-	(189,561)	(189,561)		
Other Capital Non-TCA	250,000		250,000	59,598	(190,402)		-76.16%
Other Capital Non-Depreciable TCA	2,038,810		2,038,810	2,152,116	113,306		5.56%
<b>Capital Revenue</b>	<b>\$ 25,896,239</b>	<b>\$ -</b>	<b>\$ 25,896,239</b>	<b>\$ 31,349,771</b>	<b>\$ 5,453,532</b>		<b>21.06%</b>
<b>TOTAL REVENUE before YE &amp; PSAB Adjustments</b>	<b>\$ 601,083,896</b>	<b>\$ 7,104,015</b>	<b>\$ 608,187,911</b>	<b>\$ 615,322,255</b>	<b>\$ 7,134,344</b>		<b>1.17%</b>
<b>OTHER YE &amp; PSAB Adjustments</b>							
Minor TCA to DCC	\$ (1,000,000)		\$ (1,000,000)	\$ (1,179,500)	\$ (179,500)		17.95%
DCC Amortization Allocation	29,006,611		29,006,611	29,783,454	776,843		2.68%
Registered Charity			-	447,657	447,657		
School Revenues	24,325,000		24,325,000	25,617,339	1,292,339		5.31%
<b>OTHER YE &amp; PSAB Adjustments</b>	<b>\$ 52,331,611</b>	<b>\$ -</b>	<b>\$ 52,331,611</b>	<b>\$ 54,668,950</b>	<b>\$ 2,337,339</b>		<b>4.47%</b>
<b>TOTAL REVENUE for Financial Statements</b>	<b>\$ 653,415,507</b>	<b>\$ 7,104,015</b>	<b>\$ 660,519,522</b>	<b>\$ 669,991,205</b>	<b>\$ 9,471,683</b>		<b>1.43%</b>



# 2015-16 YEAR END FINANCIAL REPORT

<b>RECONCILIATION: OPERATING EXPENSES TO CONSOLIDATED FINANCIAL STATEMENTS</b>	
<b>OPERATING POSITION</b>	<b>581,037,226</b>
<b>Expense with Revenue/Grant Offsets</b>	
Expense with Revenue/Grant Offsets	6,911,343
	<hr style="width: 100%;"/>
	6,911,343
<b>DCC &amp; TCA activities</b>	
Minor TCA (Tsf to DCC)	(1,179,500)
Amortization TCA	29,926,393
	<hr style="width: 100%;"/>
	28,746,893
<b>"Capital" funded operating items:</b>	
Capital Fund Operating Grants	2,704,028
Debt Charges Grant	19,904,047
NPF Debt Grant	224,087
EDC Operating Costs	59,598
	<hr style="width: 100%;"/>
	22,891,760
<b>PSAB items:</b>	
Schools & Registered Charity Expenses	25,742,806
Decrease in unfunded liabilities (PSAB-Debenture interest)	(154,455)
Decrease in unfunded liabilities (PSAB-EFB) <sup>(1)</sup>	-
	<hr style="width: 100%;"/>
	25,588,351
<b>CONSOLIDATED EXPENSES FOR FINANCIAL STATEMENTS</b>	<b>665,175,573</b>
<i>(1) Effective 2015-16 YE, PSAB-EFB will be incorporated into Operating position.</i>	



# 2015-16 FINANCIAL RESULTS

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS



# 2015-16 YEAR END FINANCIAL REPORT

## **Audited Consolidated Financial Statements**

- Management Report – responsibility to financials**
- Independent Auditors' Report**
- CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
- CONSOLIDATED STATEMENT OF OPERATIONS**
- CONSOLIDATED STATEMENT OF CASH FLOW**
- CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT**
- Notes to Consolidated Financial Statements**



# 2015-16 YEAR END FINANCIAL REPORT

## Audited Consolidated Financial Statements

### *MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS*

- Signed by Director of Education and Chief Financial Officer (Treasurer)**
- Consolidated Financial Statements audited by Grant Thornton**

### *INDEPENDENT AUDITORS' REPORT*

- No Changes* General Purpose**
- Not qualified re: school funds**



# 2015-16 YEAR END FINANCIAL REPORT

## Audited Financial Statements

### Statement of Financial Position

- The Consolidated Statement of Financial Position shows the financial assets, liabilities, non-financial assets*

### Statement of Operations

- The Consolidated Statement of Operations shows the revenues, expenses and resulting annual surplus/(deficit)*
- Budget no longer “unaudited”*



# 2015-16 YEAR END FINANCIAL REPORT



## York Catholic District School Board Consolidated Statement of Financial Position

As at August 31,

2016

2015

### Financial assets

Cash and cash equivalents	\$ 41,232,217	\$ 40,288,262
Accounts receivable	25,279,152	24,453,205
Accounts receivable - Government of Ontario (Note 2)	384,323,861	388,698,761
Assets held for sale (Note 3)	86,900	-
Other financial assets	<u>1,136,309</u>	<u>719,744</u>

### Total financial assets

452,058,439      454,159,972

### Liabilities

Accounts payable and accrued liabilities	40,879,117	41,784,021
Deferred revenue (Note 4)	20,755,877	19,581,442
Other liabilities	5,866,974	5,012,507
Deferred capital contributions (Note 5)	690,420,022	679,815,316
Retirement and other employee future benefits (Note 6)	18,491,870	19,692,533
Net long-term debt and capital lease (Note 7)	<u>363,639,003</u>	<u>376,290,143</u>

### Total liabilities

1,140,052,863      1,142,175,962

### Net debt

(687,994,424)      (688,015,990)

### Non-financial assets

Tangible capital assets (Note 11)	<u>905,103,473</u>	<u>900,309,406</u>
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### Accumulated surplus (Note 12)

\$ 217,109,049      \$ 212,293,416



# 2014-15 YEAR END FINANCIAL REPORT



## York Catholic District School Board Consolidated Statement of Operations

For the year ended August 31

2016

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenues</b>			
Provincial grants	\$ 576,669,669	\$ 587,671,107	\$ 575,019,576
Deferred capital contribution revenue	<u>29,183,420</u>	<u>29,783,454</u>	<u>29,362,497</u>
Provincial grants – grants for student needs	605,853,089	617,454,561	604,382,073
Provincial grants – other	9,014,347	10,722,670	11,797,108
School generated funds	24,073,000	25,617,339	24,356,308
Investment income	400,000	654,463	861,535
Other fees and revenues	<u>11,993,965</u>	<u>15,542,173</u>	<u>18,612,726</u>
<b>Total revenues</b>	<b><u>651,334,401</u></b>	<b><u>669,991,206</u></b>	<b><u>660,009,750</u></b>
<b>Expenses (Note 10)</b>			
Instruction	482,094,107	499,224,062	487,912,368
Administration	16,836,292	17,219,023	16,396,837
Transportation	16,462,771	16,919,883	16,691,829
Pupil accommodation	107,878,318	106,338,305	106,931,753
School generated funds	23,630,000	25,250,213	23,906,699
Other	<u>474,087</u>	<u>224,087</u>	<u>519,330</u>
<b>Total expenses</b>	<b><u>647,375,575</u></b>	<b><u>665,175,573</u></b>	<b><u>652,358,816</u></b>
<b>Annual surplus</b>	3,958,826	4,815,633	7,650,934
<b>Accumulated surplus at beginning of year</b>	<u>210,015,208</u>	<u>212,293,416</u>	<u>204,642,482</u>
<b>Accumulated surplus at end of year</b>	<b><u>\$ 213,974,034</u></b>	<b><u>\$ 217,109,049</u></b>	<b><u>\$ 212,293,416</u></b>





# 2015-16 YEAR END FINANCIAL REPORT

## *Notes for 2015-16*

The Board's Statements have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act. Details of the basis of accounting are described in Note 1 to the Statements.

There are new notes for 2015-16...of note:

- Note #3: Subsequent to year-end, the Board entered into an offer to purchase agreement for the sale of surplus land on October 27, 2016. The purchase agreement is subject to due diligence procedures and is expected to close February 28, 2017 for gross proceeds of \$19,690,000.
- Note #6: Benefit Plan Future Changes: Provincial Employee Life and Health Trusts (ELHTs) will be established during 2016-17. These ELHTs will replace the Board's current employee benefit plans for Life, Health and Dental plans.



# 2015-16 FINANCIAL RESULTS

## AUDITOR'S REPORT TO AUDIT COMMITTEE



# 2015-16 YEAR END FINANCIAL REPORT

## **AUDITOR'S REPORT TO AUDIT COMMITTEE**

- **Audit Results, Reportable Matters**
- **Technical Updates**
- **Independent Auditor's Report**
- **Management Representation Letter**
- **Internal Control Findings**



# 2015-16 YEAR END FINANCIAL REPORT

## AUDITORS' REPORT TO AUDIT COMMITTEE

### *REPRESENTATION LETTER*

- **Standard Management Representation**
  - ❑ **All information has been made available to the Auditors, confirmation of data being accurate and complete, no significant information has been withheld.**



# 2015-16 FINANCIAL RESULTS

## OVERVIEW & RECOMMENDATIONS



# 2015-16 YEAR END FINANCIAL REPORT

## 2015-16 Financial Cumulative Results

### OVERVIEW

- ✓ **“Compliant” Deficit**
- ✓ Compliance with Ministry Envelopes
  - ☑ *Special Education*
  - ☑ *Pupil Accommodation*
  - ☑ **New:** *Student Achievement Envelope (Six LOG)*
  - Administration & Governance Envelope Deferred*
- ✓ Management of Accumulated Surplus - Available for Compliance & EFBs in Unavailable for Compliance



# 2015-16 YEAR END FINANCIAL REPORT

## RECOMMENDATIONS

**THAT** the Board approve the 2015-16 Financial Statements of the York Catholic District School Board as audited by Grant Thornton LLP, Chartered Accountants.

**THAT** the Board publish a notice in local newspapers that the 2015-16 Audited Consolidated Financial Statements of the York Catholic School Board, together with the Auditor's Report, will be made available as part of the Board's regular publications and posted on the Board's website.



# 2015-16 FINANCIAL RESULTS

## APPENDIX A: CAPITAL TRENDS





# 2015-16 YEAR END FINANCIAL REPORT

## Capital Trends

**Capital Expenditures are dependent on Ministry funding:**

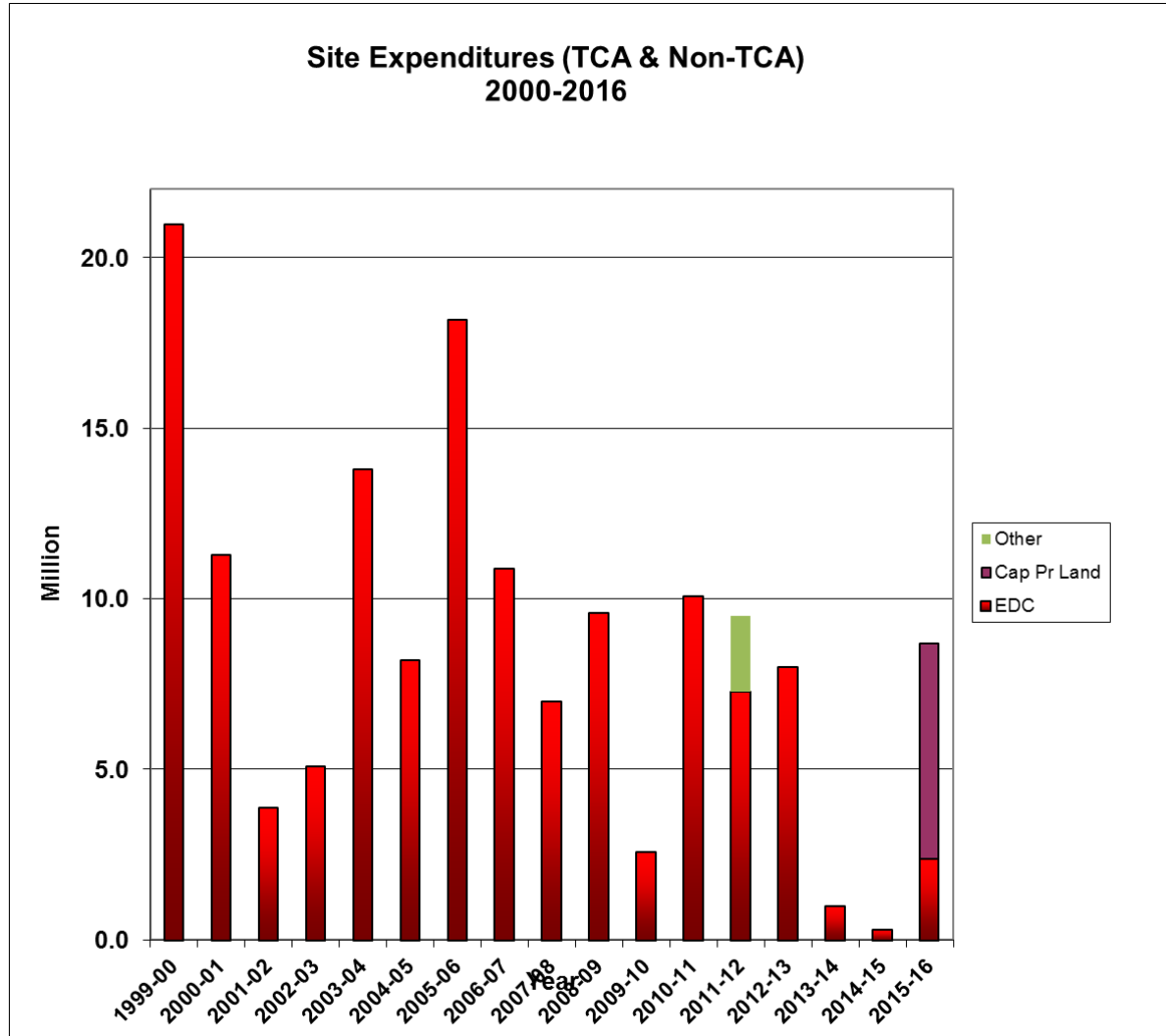
**The following charts will provide some trend analysis for period 2000-2016:**

- Site Expenditures financed by EDC (Year end EDC Reserve \$6M)**
- Capital Construction Expenditures & Site Purchases (Year End NPF balance \$20.7M– fully funded)**
- Facilities Renewal Expenditures includes:**
  - School Renewal Allocation (SRA, formerly FRP) annual funding**
  - School Conditions Improvement (SCI) funding**
  - Early Learning Program (ELP) funding**
  - Proceeds of Disposition (POD)**
  - Temporary Accommodation Grant (TAG)**
  - Retrofit for Childcare Spaces**

**Also provided NPF Year end Balance Summary**

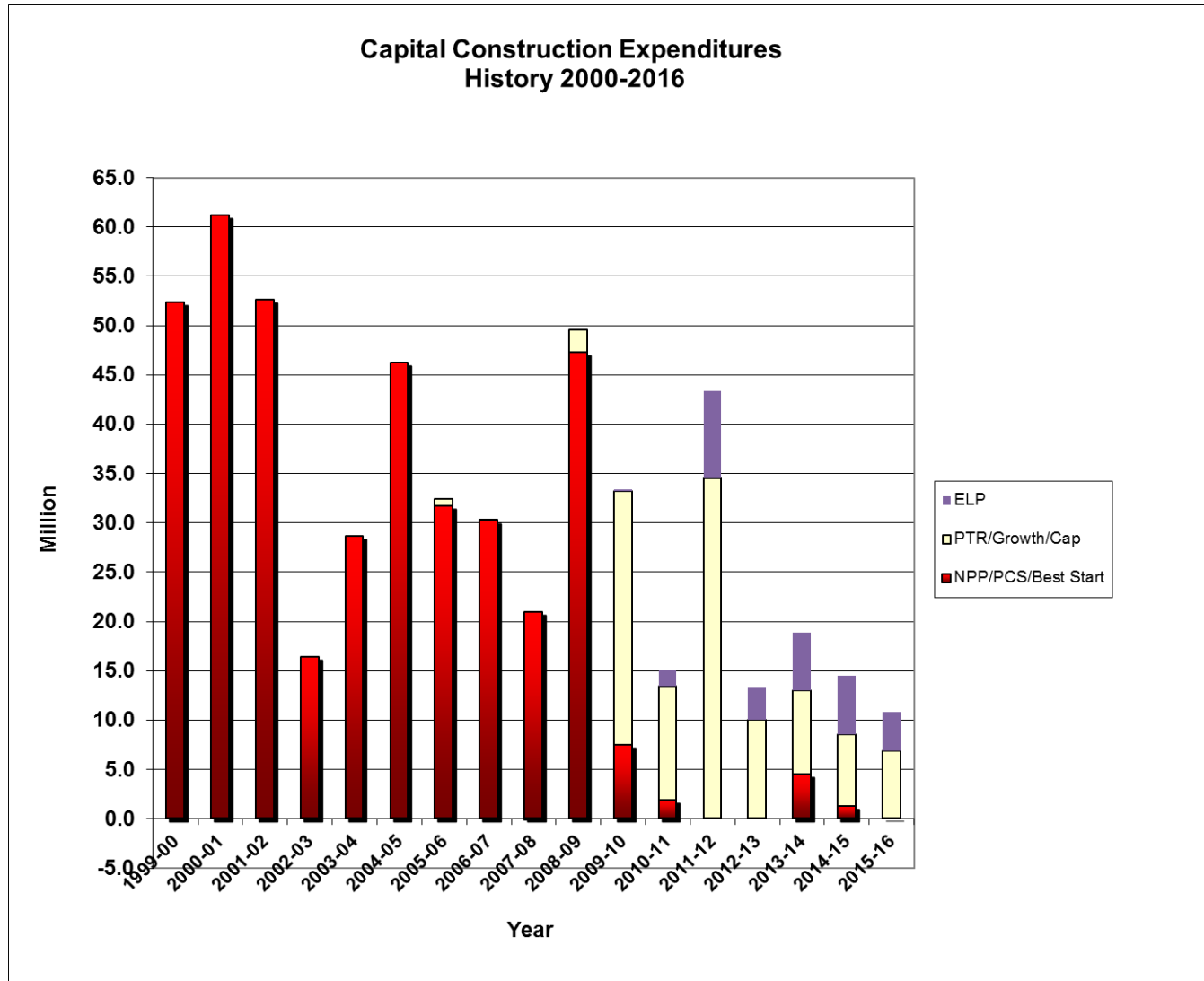


# 2015-16 YEAR END FINANCIAL REPORT



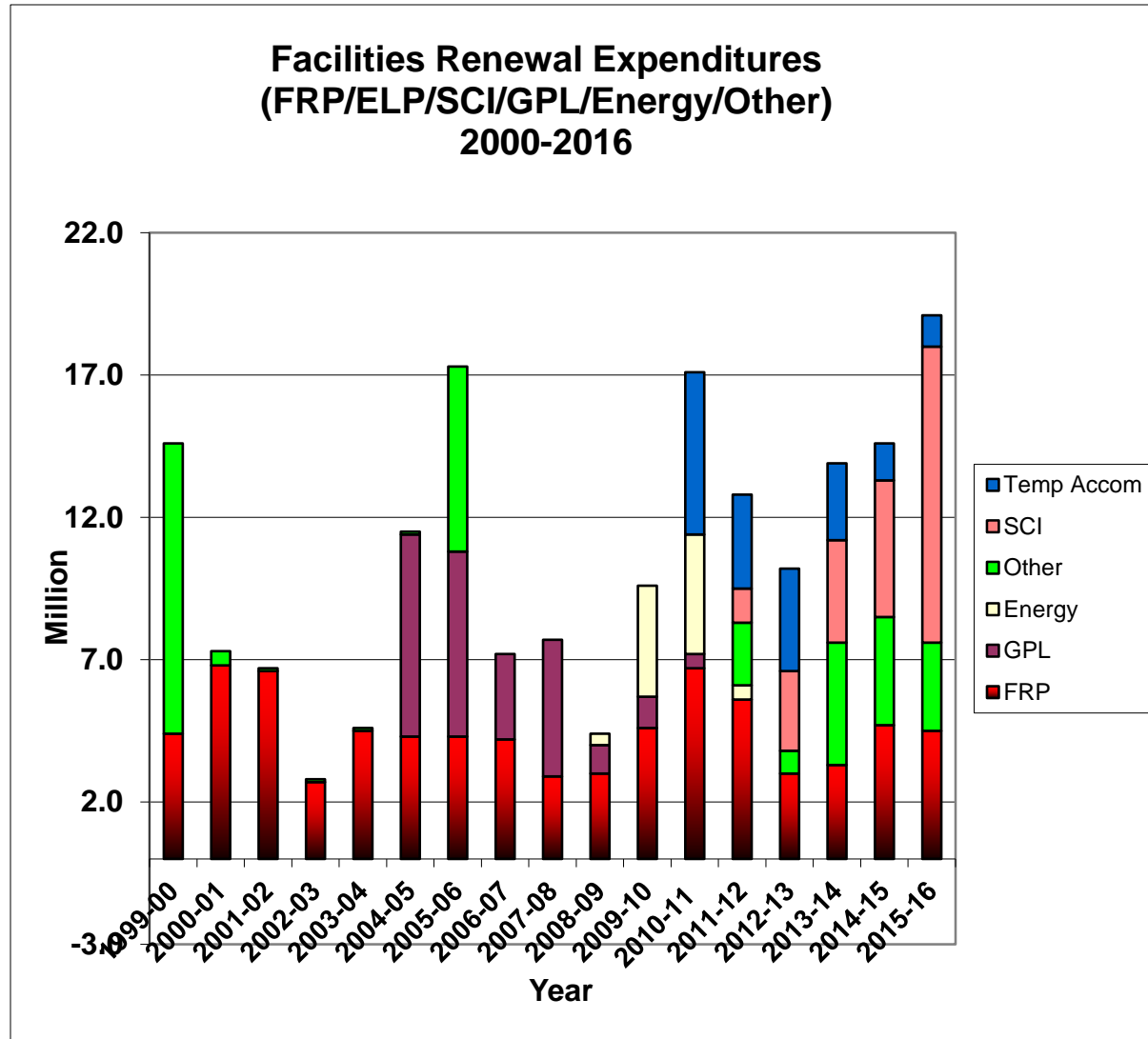


# 2015-16 YEAR END FINANCIAL REPORT





# 2015-16 YEAR END FINANCIAL REPORT





# 2015-16 YEAR END FINANCIAL REPORT

<b>Not Permanently Financed (NPF) - Summary of Projects As at August 31, 2016</b>	
	Net Amount for NPF
<b>MINISTRY FUNDED NPF</b>	
<b><u>GROWTH / CAPITAL PRIORITIES / PTR / \$120M</u></b>	
<b>Post-June 2011 approvals</b>	
Our Lady of Good Counsel	215,634
Pope Francis (Kleinburg)	2,013,411
Guardian Angels (Blk 40)	326,078
St Joseph Mkm (Cornell #3)	165,916
Adjustment - Ministry error	243,548
	<b>2,964,587</b>
<b><u>CAPITAL PRIORITIES - LAND</u></b>	
Our Lady of Good Counsel	4,313,749
St Joseph Mkm (Cornell #3)	1,992,146
Adjustment	
	<b>6,305,895</b>
<b>TOTAL MAJOR CAPITAL NPF</b>	<b>9,270,482</b>
GPL	338
School Condition Improvement (SCI)	9,308,601
ELP/FDK	2,105,435
<b>TOTAL MINISTRY FUNDED NPF ( in DCC and AR)</b>	<b>20,684,856</b>
<b>EDC FUNDED:</b>	
No NPF - EDC Reserve by Year end	-
<b>TOTAL EDC FUNDED NPF (Part of ASD-UFC)</b>	<b>-</b>
<b>NPF AMOUNT AS AT YEAR END PER F/S</b>	<b>20,684,856</b>



# 2015-16 FINANCIAL RESULTS

## APPENDIX B: RISKS & OPPORTUNITIES



# 2015-16 YEAR END FINANCIAL REPORT

## Risks & Opportunities

The following highlights area of future focus and/or concern:

- **Labour Impacts:**
  - **Costly Central terms – Benefits, ELP**
  - **Sick leave continues to be fiscal pressure**
  - **External/provincial factors**
- **Technological Changes:**
  - **Fast paced changes & increasing demands while funding has not kept pace**
  - **Need for financial analytics and reporting to keep pace with Ministry SBEM strategy**
- **Board Profile Changes:**
  - **Declining board with significant excess capacity**
  - **Future GSN targeted reductions/reallocations expected**
- **Capital funding changing focus (Consolidations/Renewal/Childcare/Community Hubs)**
  - **POD management**



# 2015-16 YEAR END FINANCIAL REPORT

## **Risks & Opportunities (Cont'd)**

**The following highlights areas of future focus and/or concern:**

- **The Board has approved the engagement of a Ministry supported consultant to assist Senior Administration to complete a Multi-Year Recovery Plan (MYRP) to identify strategies to bring the Board into balanced budget position.**
- **All departments will participate in the development of the MYRP**
- **Implementation and monitoring of the MYRP recommendations will be required**





# 2015-16 YEAR END FINANCIAL REPORT



## Questions