



YORK CATHOLIC DISTRICT SCHOOL BOARD

AUDIT COMMITTEE MEETING AGENDA

Tuesday, November 11, 2025

6:30 p.m.

Catholic Education Centre

320 Bloomington Rd. West, Aurora, ON. L4G 0M1

Watch the Audit Committee Meeting STREAM event on our YCDSB TV Channel: <http://bit.ly/YCDSB-TV>

* Indicates Addendum

	Pages
1. CALL TO ORDER	
2. OPENING PRAYER/LAND ACKNOWLEDGEMENT	
<i>Father in Heaven, Thank You for all the graces and blessings You have bestowed upon us, spiritual and temporal, our faith and religious heritage, Our food and shelter, our health, the love we have for one another. Please grant us continued graces and blessing as we go upon our day.</i>	
<i>Amen</i>	
<i>We are gathered on the ancestral lands and waters of all Indigenous Peoples, who have left their footprints on Mother Earth before us. We respectfully acknowledge, those who have walked on it, those who walk on it now, and future generations who have yet to walk upon it. We pray to the Creator for strength and wisdom that all may continue to serve as stewards of the earth.</i>	
3. ROLL CALL	
4. APPROVAL OF NEW MATERIAL	
5. APPROVAL OF THE AGENDA	
6. DECLARATION OF CONFLICT OF INTEREST	
7. APPROVAL OF THE PREVIOUS MINUTES	Carol Cotton 3
8. BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETING	
9. OUTSIDE PRESENTATION(S)	
10. STAFF PRESENTATIONS	
10.a 2024-25 Consolidated Financial Statements	
a. Audited Consolidated Financial Statements	Calum McNeil 6

for the 2024-25 Year-End (PowerPoint)

b.	2024-25 Draft Consolidated Financial Statements	Calum McNeil	13
11.	ACTION ITEM(S)		
11.a	Consolidated Financial Statements for the Year Ended August 31, 2025	Calum McNeil	44
11.b	Audited Summary Schedules of Education Development Charges	Calum McNeil	45
11.c	RIAT Risk Assessment and Regional Internal Audit Plan 2025-26	Paula Hatt	55
12.	DISCUSSION ITEM(S)		
13.	INFORMATION ITEM(S)		
13.a	YCDSB Regional Internal Audit Team (RIAT) Update and Annual Report	Paula Hatt	64
13.b	Regional Internal Audit Charter	Paula Hatt	87
14.	FUTURE ITEM(S)		
15.	ADJOURNMENT		

York Catholic District School Board

MINUTES AUDIT COMMITTEE (Regular Session)

A regular session of the Audit Committee was held in the Boardroom at 320 Bloomington Road West and virtually via Google Meets, on Tuesday, September 29, 2025, commencing at 5:00 p.m.

PRESENT:

Committee Members: C. Cotton, M. Iafrate, J. Wigston, F. Cellucci, D. Murack*

Absent:

Other Trustees: A. Saggese

Administration: J. De Faveri, J. Sarna, C. McNeil, J. Tsai, A. Arcadi*, J. Chiutsi*,
N. Galatianos*, A. Iafrate*, T. Laliberte*, L. Sawicky*, S. Wright*

RIAT Team: P. Hatt, Regional Internal Audit Senior Manager

Absent with Notice:

Recording: K. Errett

Presiding: C. Cotton, Committee Chair

[denotes attendance via teleconference]*

1. CALL TO ORDER, PRAYER AND LAND ACKNOWLEDGEMENT

C. McNeil, CFO and Treasurer of the Board, called the meeting to order, led the opening prayer, read the York Catholic District School Board Land Acknowledgement, and provided roll call. The new Committee member appointed for the 2026 to 2029 term (J. Wigston) was welcomed and the external members were recognized.

2. ELECTION OF CHAIR

Trustee C. Cotton was acclaimed Audit Committee Chair for 2026 on nomination by Trustee M. Iafrate.

REGULAR MEETING: Presiding, Trustee C. Cotton, Committee Chair.

3. REVIEW OF THE TERMS OF REFERENCE FOR 2026

The Committee Terms of Reference for 2026 were provided.

4. APPROVAL OF NEW MATERIAL: Nil

5. APPROVAL OF THE AGENDA

Motion: Iafrate/Cellucci

THAT the Agenda be approved as presented.

– MOTION CARRIED –

6. APPROVAL OF THE MINUTES:

Motion: Murack/Cellucci

THAT the Minutes of the May 20, 2025, Audit Committee meeting be approved as presented.

– MOTION CARRIED –

7. **DECLARATION OF CONFLICT OF INTEREST:** Nil
8. **BUSINESS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING:** Nil
9. **NEXT MEETING DATE:** November 11, 2025
10. **STAFF PRESENTATION ITEMS:** Nil
11. **ACTION ITEMS:** Nil
12. **DISCUSSION ITEMS:** Nil
13. **INFORMATION ITEM(S):**

a) **Annual Audit Committee Report to the Board of Trustees**

C. McNeil, Chief Financial Officer and Treasurer of the Board, presented the *Annual Audit Committee Report to the Board of Trustees* which included both the *Draft Annual Audit Committee Report to the Ministry of Education for the year ended August 31, 2025 (Appendix A)* and *Draft Annual Audit Committee Report to the Board of Trustees for the year ended August 31, 2025 (Appendix B)*, as required by O. Reg. 361/10 – Audit Committees and lists the membership, meeting attendance, and details of RIAT audits for 2025. The *Annual Audit Committee Report to the Board of Trustees* was referred to the September 30, 2025 Regular Board Meeting for Information.

b) **YCDSB Regional Internal Audit Team (RIAT) Update**

P. Hatt, Regional Internal Audit Senior Manager, presented the Regional Internal Audit Team Update. The status of engagements for the 2023-24 (Special Education Financial and Operational Review, Phase 2 and Student Achievement Engagement – Analysis of EQAO Trends) and 2024-25 (Succession Planning for Senior Administration and Audit of Expense Reimbursements for Trustees & Senior Administration) Regional Audit Plans was provided.

P. Hatt also provided an update on other RIAT work, i.e. update of Risk Assessment & Audit Plan to be presented on November 11, 2025, update of the register of audit findings from previously issued reports (updates from departments on the action plans to address findings), follow-up reports, and Annual Report to the Audit Committee from the RIAT. The implementation of the new Global Internal Audit Standards will also be presented at the November Audit Committee meeting, including a gap analysis between current state and new Standards.

P. Hatt highlighted that the vacant Internal Audit Specialist position is anticipated to be filled by mid-November and that a focus for that position will be on follow-up audits.

It was requested that the findings register be augmented to provide a compilation of rich and comprehensive audit data at the end of each trustee term that can be used to assist future audit committees to understand the activities undertaken.

c) **SchoolDay Cashless Online System**

C. McNeil, Chief Financial Officer and Treasurer of the Board, introduced the report providing the SchoolDay usage (post 2023-24 final implementation), which was reflective of an increase in usage at both the elementary (12%) and secondary

(6%) panels and which in turn equates to an increase in revenue (elementary \$2.6m, secondary \$1.2m). The results indicate an increase in sign-up as well as actual payments made through SchoolDay.

2024-25 ended in a very good position with high enrolment and usage of SchoolDay. J. Tsai, Manager, Financial Reporting and School Finance, noted, however, that there remain some challenges with school participation, family adoption and vendor transition. Staff continues to take the necessary steps to strengthen the adoption and utilization rates, as well as to ensure that barriers to adoption are addressed. Principals' dashboards are a helpful tool used to address issues by providing real-time SAP data on SchoolDay use and enrolment.

Staff to take the suggestion for standardized system-wide staff training and development of a user reference guide for training/assisting school administrators in a consistent manner to ensure fairness across the board.

Staff was requested to explore the reinstatement of the vendor rebate.

d) 2023-24 School Finance Audit Reports

C. McNeil, Chief Financial Officer and Treasurer of the Board, reminded the Committee that the *2023-24 School Finance Audits and Administration's Follow-Up Actions* and *School Finance Audit – Summary Report 2024* was forwarded from the May 20, 2025 Audit Committee - Private Session where it was provided for Trustee review prior to being released in public. C. McNeil presented the report highlighting the key issues and measures being taken.

J. Tsai, Manager, Financial Reporting and School Finance, stated that the audit, which assessed compliance with Board policies and procedures related to management of school finances, identified issues attributed to the high number of new administrators and school secretaries who lack experience in bookkeeping (particularly with bank reconciliations and banking procedures). Administration is increasing training, oversight and support, and accountability to address the issues. Staff is proactively providing assistance to school administrators, providing refresher training and providing enhanced support through the principal's dashboard, in order to facilitate the requirements of the school administrators.

14. FUTURE ITEM(S): Nil

Adjournment: 5:38 P.M.

On Motion: lafrate/Cellucci and CARRIED

Audited Consolidated Financial Statements for the 2024-25 Year-End

Audit Committee

November 11, 2025

Prepared by: Jesua Tsai, Manager, Financial Reporting and School Finance
Submitted by: Calum McNeil, Chief Financial Officer and Treasurer of the Board
Endorsed by: John De Faveri, Director of Education, Foundation Chair and Secretary of the Board





Overview

- Consolidated financial statements were prepared in accordance with the Financial Administration Act supplemented by:
 - Ministry of Education memorandum 2004:B2 requiring school boards to adopt Canadian Public Sector Accounting Standards
 - Ontario Regulation 395/11 of the Financial Administration Act requiring the recording of deferred capital contributions
- Annual surplus/deficit in the consolidated financial statements provides the basis for the Ministry compliance in-year surplus/deficit, which includes certain adjustments prescribed by the Ministry



Statement of Financial Position

(\$ Millions)	2024-25 Actual	2023-24 Actual	Change
FINANCIAL ASSETS			
Cash and cash equivalents	46.6	70.5	(23.8)
Other investments	38.0	10.4	27.6
Accounts receivable	4.3	33.0	(28.7)
Accounts receivable - Government of Ontario	146.2	214.1	(67.9)
Accounts receivable - Municipalities	22.8	22.8	(0.0)
Financial assets - other	0.8	0.8	0.0
TOTAL FINANCIAL ASSETS	258.7	351.6	(92.9)
LIABILITIES			
Accounts payable and accrued liabilities	41.4	86.0	(44.6)
Accounts Payable - Government of Ontario	1.2	-	1.2
Liabilities - other	5.6	5.6	0.0
Deferred revenue	64.5	96.7	(32.2)
Deferred capital contributions	645.9	657.3	(11.4)
Asset retirement obligations	7.7	7.5	0.2
Retirement and other employee future benefits	16.2	17.7	(1.5)
Net debenture debt and capital loans	129.5	156.9	(27.4)
TOTAL LIABILITIES	912.0	1,027.7	(115.7)
NET DEBT	(653.3)	(676.1)	22.8
NON-FINANCIAL ASSETS			
Tangible capital assets	931.5	925.9	5.6
TOTAL NON-FINANCIAL ASSETS	931.5	925.9	5.6
ACCUMULATED SURPLUS	278.2	249.8	28.4

Reduction due to debt principal repayments (\$27M) and reduction in Delayed grant payment receivable (\$44M)

2024 includes provision for OECTA Collective Agreement not paid at year end of \$32M and decrease in 2024-25 due to timing of payments

Reduction in EDC \$17M for land acquisition and reduction in POD of \$18M for POD exemption

Principal repayments



Statement of Operations

(\$ Millions)	2024-25 Actual	2023-24 Actual	Change
REVENUES			
Core Education Funding			
<i>Provincial Legislative Grants</i>	464.4	449.3	15.1
<i>Education Property Tax</i>	193.4	191.1	2.3
Provincial grants - other	17.5	74.0	(56.6)
School generated funds revenues	26.4	25.3	1.1
Investment income	1.8	3.3	(1.5)
Other fees and revenues from school boards	0.2	0.4	(0.2)
Fees and revenues from other sources	52.8	15.9	36.9
Amortization of deferred capital contribution			-
<i>Related to Provincial Legislative Grants</i>	37.8	36.7	1.1
<i>Related to Third Parties</i>	0.7	0.6	0.0
TOTAL REVENUES	795.0	796.7	(19.0)
EXPENSES			
Instruction	584.9	594.0	(9.1)
Administration	21.8	22.8	(1.0)
Transportation	21.2	21.6	(0.4)
Pupil accommodation	112.6	111.8	0.8
School generated funds expenses	25.7	24.4	1.3
Other	0.3	37.2	(36.8)
TOTAL EXPENSES	766.6	811.8	(45.2)
ANNUAL SURPLUS/(DEFICIT)	28.4	(15.1)	43.5
Accumulated surplus at beginning of year	249.8	264.9	(15.1)
Accumulated surplus at end of year	278.2	249.8	28.4

Increased benchmarks for labour

Decrease due to Bill 124 Remedy in 2023-24

Increase due to land revenue of \$17M and POD exemption \$18M

Increase in student activities, hot lunches and excursions

Decrease of \$36M related to labour provision in 2023-24



Appendices



Appendix A - Statement of Operations (Annual Surplus/Deficit): Reconciliation to Compliance

(\$ Millions)	2024-25 Actuals	2023-24 Actuals
Ministry Compliance Surplus/(Deficit)	8.4	(18.6)
Items included in Financials (not in compliance)		
Interest Accrued for Long Term Debt	0.3	0.3
School Generated Funds	0.7	0.9
Revenues Recognized for Land	19.2	2.5
Asset Retirement Obligation	(0.2)	(0.2)
Surplus/(Deficit) per Financial Statements	28.4	(15.1)

SGF in surplus position of \$0.9M in 2023-24, and surplus position of \$0.7M in 2024-25

Land revenue excluded from compliance

Asset retirement obligation impact excluded from compliance



Appendix B - Accumulated Surplus: Reconciliation to Compliance

(\$ Millions)	2024-25 Actuals	2023-24 Actuals
Accumulated (Deficit) Available for Compliance	(1.5)	(9.9)
Items included in Financials (not in compliance)		
Employee Future Benefits	(4.6)	(4.6)
Interest Accrued for Long Term Debt	(1.5)	(1.8)
School Generated Funds	10.1	9.4
Asset Retirement Obligation	(5.1)	(4.9)
Revenues Recognized for Land	280.8	261.6
Accumulated Surplus per Financial Statements	278.2	249.8



York Catholic District School Board Consolidated Financial Statements Year ended August 31, 2025



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Management Report

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the York Catholic District School Board are the responsibility of the Board management and 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, as described in Note 1 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. The Audit Committee of the Board meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

The consolidated financial statements have been audited by Doane Grant Thornton LLP, independent external auditors appointed by the Board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Original Signed by

Original Signed by

Director of Education

Chief Financial Officer

November 11, 2025

Independent auditor's report

To the Board of Trustees of the York Catholic District School Board

Opinion

We have audited the consolidated financial statements of York Catholic District School Board ("the Board"), which comprise the consolidated statement of financial position as at August 31, 2025, and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements are prepared, in all material respects, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the consolidated financial statements, which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada
November XX, 2025

Chartered Professional Accountants
Licensed Public Accountants



York Catholic District School Board Consolidated Statement of Financial Position

As at August 31

	2025	2024
	(\$000's)	(\$000's)
Financial assets		
Cash and cash equivalents	46,589	70,468
Other investments (Note 2)	38,021	10,380
Accounts receivable	4,273	32,944
Accounts receivable – Government of Ontario (Note 3)	146,207	214,106
Accounts receivable – Municipalities	22,782	22,825
Financial Assets - other	830	817
Total financial assets	258,702	351,540
Liabilities		
Accounts payable and accrued liabilities	41,382	85,978
Accounts payable – Government of Ontario	1,227	---
Liabilities - other	5,637	5,609
Deferred revenue (Note 4)	64,472	96,721
Deferred capital contributions (Note 5)	645,946	657,348
Asset retirement obligations (Note 6)	7,651	7,453
Retirement and other employee future benefits (Note 8)	16,192	17,714
Net debenture debt and capital loans (Note 9)	129,479	156,865
Total liabilities	911,986	1,027,688
Net financial assets (net debt)	(653,284)	(676,148)
Non-financial assets		
Tangible capital assets (Note 14)	931,486	925,909
Accumulated surplus (Note 15)	278,202	249,761

Contractual obligations and contingent liabilities (Note 17)

Signed on behalf of the Board:

Original Signed by

Original Signed by

Director of Education

Chair of the School Board



York Catholic District School Board

Consolidated Statement of Operations

For the Year Ended August 31

2025

2025

2024

	Budget (\$000's)	Actual (\$000's)	Actual (\$000's)
Revenues			
Core Education Funding (Note 12)			
<i>Provincial Legislative Grants</i>	415,540	464,422	449,329
<i>Education Property Tax</i>	189,639	193,413	191,144
Provincial grants – other (Note 21)	29,837	17,455	74,027
School generated funds revenues	22,500	26,449	25,326
Investment income	1,500	1,793	3,274
Other fees and revenues from school boards	178	203	438
Fees and revenues from other sources	44,935	52,860	15,910
Amortization of deferred capital contribution (Note 5)			
<i>Related to Provincial Legislative Grants</i>	37,945	37,812	36,642
<i>Related to Third Parties</i>	640	663	631
Total revenues	742,714	795,070	796,721
Expenses (Note 13)			
Instruction	540,340	584,903	594,006
Administration	21,292	21,811	22,845
Transportation	23,125	21,249	21,608
Pupil accommodation	109,821	112,607	111,797
School generated funds expenses	22,500	25,739	24,406
Other (Note 21)	12,057	320	37,169
Total expenses	729,135	766,629	811,831
Annual surplus (deficit)	13,579	28,441	(15,110)
Accumulated surplus at beginning of year	270,046	249,761	264,871
Accumulated surplus at end of year	283,625	278,202	249,761



York Catholic District School Board Consolidated Statement of Cash Flows

For the Year Ended August 31

	2025	2024
	(\$000's)	(\$000's)
Operating transactions		
Annual surplus (deficit)	28,441	(15,110)
Sources and (uses)		
Non-cash items including:		
Amortization, write downs, and gain on disposal	38,576	37,371
Amortization of TCA – asset retirement obligations	205	191
Increase of asset retirement obligation liabilities excluding settlements	198	45
(Increase) of tangible capital assets – asset retirement obligation asset excluding amortization on asset retirement obligations	(198)	(45)
Amortization of deferred capital contributions (Note 5)	(38,475)	(37,273)
Decrease (increase) in accounts receivable	28,714	(17,336)
Decrease in accounts receivable – Delayed grant payment	44,443	1,376
Decrease (increase) in financial assets – other	(13)	207
(Decrease) increase in accounts payable and accrued liabilities	(44,596)	19,909
(Decrease) increase in accounts payable – Government of Ontario	1,227	-
(Decrease) in deferred revenue – operating	(717)	(396)
(Decrease) increase in retirement and other employee future benefits	(1,522)	1,149
Settlement of asset retirement liability through abatement	-	(31)
Increase in other liabilities	28	958
Cash applied to operating transactions	<u>56,311</u>	<u>(8,985)</u>
Capital transactions		
Cash used to acquire tangible capital assets	<u>(44,160)</u>	<u>(36,014)</u>
Cash applied to capital transactions	<u>(44,160)</u>	<u>(36,014)</u>
Investing transactions		
Increase in portfolio investments measured at amortized cost	<u>(27,641)</u>	<u>(10,380)</u>
Cash applied to investing transactions	<u>(27,641)</u>	<u>(10,380)</u>
Financing		
Decrease in accounts receivable – Government of Ontario	23,456	33,086
Additions to deferred capital contributions (Note 5)	27,073	29,437
(Increase) in deferred revenue – Capital	(31,532)	(2,074)
Repayment of net debenture debt and capital loans	<u>(27,386)</u>	<u>(26,040)</u>
Cash provided by financing transactions	<u>(8,389)</u>	<u>34,409</u>
Change in cash and cash equivalents	<u>(23,879)</u>	<u>(20,970)</u>
Opening cash and cash equivalents	<u>70,468</u>	<u>91,438</u>
Closing cash and cash equivalents	<u>46,589</u>	<u>70,468</u>



York Catholic District School Board
Consolidated Statement of Changes in Net Debt

For the Year Ended August 31

	2025	2024
	(\$000's)	(\$000's)
Annual surplus (deficit)	<u>28,441</u>	<u>(15,110)</u>
Non-financial asset activity		
Acquisition of tangible capital assets	(44,160)	(36,014)
Amortization and write downs of tangible capital assets	38,781	37,562
Changes in estimate of tangible capital assets-asset retirement obligations	(198)	(99)
Disposals of tangible capital assets-asset retirement obligations	<u>-</u>	<u>54</u>
Total non-financial asset activity	<u>(5,577)</u>	<u>1,503</u>
Decrease (increase) in net debt	<u>22,864</u>	<u>(13,607)</u>
Net debt at beginning of year	<u>(676,148)</u>	<u>(662,541)</u>
Net debt at end of year	<u>(653,284)</u>	<u>(676,148)</u>

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

With Jesus Christ as our model, the mission of the York Catholic District School Board (“the Board”) is to provide all students with a Catholic education rooted in equity, well-being and learning.

1. Significant accounting policies

The consolidated financial statements are prepared by management in accordance with the basis of accounting described below.

a) Basis of Accounting

The consolidated financial 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.

The Financial Administration Act requires that the consolidated financial statements be prepared in accordance with the accounting principles determined by the relevant Ministry of the Province of Ontario. A directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Canadian public sector accounting standards commencing with their year ended August 31, 2004 and that changes may be required to the application of these standards as a result of regulation.

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the statement of operations over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than depreciation, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

The accounting policy requirements under Ontario Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which require that

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions may be recorded differently under Canadian Public Sector Accounting Standards.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

b) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Board and which are controlled by the Board.

School generated funds, which include the assets, liabilities, revenues and expenses of various organizations that exist at the school level and which are controlled by the Board are reflected in the consolidated financial statements.

The Board's consolidated financial statements reflect the proportionate consolidation of the Student Transportation Services - York Region Consortium whereby they include the assets that the Consortium controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

c) Trust Funds

Trust funds and their related operations administered by the Board are not included in the consolidated financial statements as they are not controlled by the Board.

d) Financial Instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument.

<u>Financial Instrument</u>	<u>Measurement Method</u>
Cash and cash equivalents	Cost
Guaranteed investment certificate	Amortized Cost*
Accounts receivable	Amortized Cost*
Accounts payable and accrued liabilities	Amortized Cost*
Accrued vacation pay	Amortized Cost*
Debenture debt and capital loans	Amortized Cost*

*Amortized cost is measured using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to the acquisition of investments are added to the amortized cost. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

Cost category: Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

e) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of 90 days or less.

f) Investments

The Board has Other Investments in guaranteed investment certificates, which are recorded at amortized cost using the effective interest rate method.

g) Deferred Revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services, performance obligations and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services are performed.

h) Deferred Capital Contributions

Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions in the form of depreciable tangible assets received or receivable for use in providing services, shall be recognized as deferred capital contribution as defined in Ontario Regulation 395/11 of the Financial Administration Act. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

- Government transfers received or receivable for capital purposes
- Other restricted contributions received or receivable for capital purposes
- Property taxation revenues which were historically used to fund capital assets

i) Retirement and Other Employee Future Benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: Ontario English Catholic Teachers' Association (OECTA), Canadian Union of Public Employees (CUPE), Ontario Secondary School Teachers' Federation (OSSTF) and trust for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals up to a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. The Board is no longer responsible to provide certain benefits to OECTA effective February 1, 2017, OSSTF effective February 1, 2018, CUPE effective March 1, 2018, principals and vice principals effective April 1, 2018 and non-union employees effective June 1, 2018.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

Upon transition of the employee groups' health, dental and life benefits plans to the ELHT, school boards are required to remit a negotiated amount per full-time equivalency(FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Core Education Funding, including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements and employee group, the Board provides health, dental and life insurance benefits for some retirees who are retired under these plans.

The Board has adopted the following policies with respect to accounting for these employee benefits:

- The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, disability recovery rates, long-term inflation rates and discount rates.
- The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.
- For self-insured retirement and other employee future benefits that vest or accumulated over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.
- For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.
- The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period. The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

j) Tangible Capital Assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction and legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

Tangible capital assets, except land, are amortized on a straight-line basis over their estimated useful lives as follows:

<u>Asset</u>	<u>Estimated Useful Life in Years</u>
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
Other buildings	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	3
Computer software	5
Vehicles	5-10
Leasehold Improvements	Over the lease term

Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as “assets held for sale” on the Consolidated Statement of Financial Position.

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

k) Asset Retirement Obligations

Asset retirement obligations (ARO) are provisions for legal obligations for the retirement of tangible capital assets that are either in productive use or no longer in productive use.

An ARO liability is recognized when, as at the financial reporting date:

- there is a statutory, contractual or legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up;
- a reasonable estimate of the amount can be made.

A corresponding amount is added to the carrying value of the related tangible capital asset and is then amortized over its remaining useful life.

The estimated amounts of future costs to retire the asset is reviewed annually and adjusted to reflect the current best estimate of the liability. Adjustments may result from changes in the assumption used to estimate the amount required to settle the obligation. These amounts are recognized as an increase or decrease in the carrying amount of the asset retirement obligation liability, with a corresponding adjustment

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

to the carrying amount of the related asset. If the related asset is no longer in productive use, all subsequent changes in the estimate of the liability for the ARO are recognized as an expense in the period incurred.

l) Government Transfers

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. If government transfers contain stipulations, which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

Government transfers for capital are deferred as required by Ontario Regulation 395/11, and recorded as deferred capital contributions (DCC) and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

m) Other Revenues

Other revenues from transactions with performance obligations, for example, fees or royalties from the sale of goods or rendering of services, are recognized as the board satisfies a performance obligation by providing the promised goods or services to the payor. Other revenue from transactions with no performance obligations, for example, fines and penalties, are recognized when the board has the authority to claim or retain an inflow of economic resources and when a past transaction or event is an asset. Amounts received prior to the end of the year that will be recognized in subsequent fiscal year are deferred and reported as a liability.

n) Investment Income

Investment income is reported as revenue in the period earned.

When required by the funding government or related Act, investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education forms part of the respective deferred revenue balances.

o) Net debenture debt and capital loans

Net debenture debt is recorded net of related sinking fund asset balances.

p) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. The budget figures presented have been adjusted to reflect the same accounting policies that were used to prepare the consolidated financial statements.

q) Use of Estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to significant estimates include asset retirement obligation liabilities, retirement and other future employee benefits and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

r) Education Property Tax Revenue

Under Canadian Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the financial statements, which in the case of the Board, is the Province of Ontario. As a result, education property tax revenue received from the municipalities is recorded as part of Core Education Funding, under Education Property Tax.

s) Non Monetary Transactions

Non-monetary transactions include the exchange of non-monetary assets, liabilities or services for other non-monetary assets, liabilities or services with little or no monetary consideration involved. It also includes transactions where non-monetary assets, liabilities or services are transferred without any consideration given in return. Non-monetary transactions that lack commercial substance are measured at their carrying value.

2. Other investments

Other investments are comprised of redeemable Guaranteed Investment Certificates (GICs) recorded at amortized cost. The investments are carried on the Statement of Financial Position.

	2025				2024			
	Issue Date	Maturity Date	Interest Rate (%)	Amount (\$)	Issue Date	Maturity Date	Interest Rate (%)	Principal Amount (\$)
Redeemable GICs - Principal	Apr. 11, 2025	Oct. 8, 2025	3.55%	\$10,000				
	Apr. 11, 2025	Apr. 11, 2026	3.55%	\$10,000				
	Apr. 11, 2025	Oct. 8, 2026	3.55%	\$10,000				
	Apr. 11, 2025	Oct. 8, 2025	3.65%	\$2,500				
	Apr. 11, 2025	Jan. 6, 2025	3.65%	\$2,500				
	Apr. 11, 2025	Apr. 13, 2025	3.65%	\$2,500				
Redeemable GIC - Principal Interest					Dec.19, 2023	Sep. 16, 2024	5.4%	\$10,000
				\$521				\$380
Total				\$38,021				\$10,380

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

3. Accounts receivable - Government of Ontario

The Province of Ontario (Province) replaced variable capital funding with a one-time debt support grant in 2009-10. The Board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board receives this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry.

	<u>2025</u> \$	<u>2024</u> \$
Account receivable – capital grant	146,207	169,663
Account receivable – delayed grant payments	<u>-</u>	<u>44,443</u>
Closing balance	<u>146,207</u>	<u>214,106</u>

4. Deferred revenue

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2025 is comprised of:

	Balance as at August 31, <u>2024</u> \$	Externally restricted revenue and investment <u>income</u>	Transfers (to)/from Deferred Capital <u>Contributions</u>	Revenue Recognized and adjustments <u>in the period</u>	Balance as at August 31, <u>2025</u> \$
Legislative Grants - operating	8,315	84,547	-	85,325	7,537
Other Ministry of Education	178	10,464	-	10,502	140
Third Party	347	2,011	-	1,912	446
Other Provincial Grants	-	335	-	335	-
Deferred revenue – operating	<u>8,840</u>	<u>97,357</u>	<u>-</u>	<u>98,074</u>	<u>8,123</u>
Legislative Grants – capital	2,951	30,489	(7,623)	24,233	1,584
Proceeds of disposition	44,363	-	-	17,924	26,439
Education development charges	40,567	7,021	-	19,262	28,326
Third Party	-	582	(582)	-	-
Deferred revenue – capital	<u>87,881</u>	<u>38,092</u>	<u>(8,205)</u>	<u>61,419</u>	<u>56,349</u>
Total deferred revenue	<u>96,721</u>	<u>135,449</u>	<u>(8,205)</u>	<u>159,493</u>	<u>64,472</u>

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

5. Deferred capital contributions

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with Ontario regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

	<u>2025</u>	<u>2024</u>
	\$	\$
Opening balance	657,348	665,184
Additions to deferred capital contributions	27,073	29,437
Revenue recognized in the period	<u>(38,475)</u>	<u>(37,273)</u>
Closing balance	<u>645,946</u>	<u>657,348</u>

6. Asset retirement obligations

The Board discounts significant obligations where there is a high degree of confidence on the amount and timing of cash flows and the obligation will not be settled for at least five years from the reporting date. The discount and inflation rate is reflective of the risks specific to the asset retirement liability.

As at August 31, 2025, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

As at August 31	2025	2024
Liabilities for asset retirement obligations at beginning of year	7,453	7,439
Liabilities incurred/disposed during the year	-	(54)
Increase in liabilities reflecting changes in the estimate of liabilities ¹	198	99
Liabilities settled during the year	-	(31)
Liabilities for asset retirement obligations at end of year	7,651	7,453

¹ Reflecting changes in the estimated cash flows

The Board made an inflation adjustment increase in estimates of 2.61% as at March 31, 2025 (3.66% as at March 31, 2024) in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canadian Building Construction Price Index ("BCPI") survey during the 2024 calendar year, as well as an adjustment to true up the estimated rate that was used at March 31, 2024. This rate is being used to update cost assumptions made in the ARO costing models in order to be reflective of March 31, 2025 costs. Since the March 31 rate each year is determined based on the BCPI for the prior year ending December 31, the rate is updated the following March 31 to true up the prior year estimated rate (based on the 2024 calendar year) to the actual rate for the 12-month period ending March 31, 2025.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

7. Financial instruments

Risks arising from financial instruments and risk management

The Board is exposed to a variety of financial risks including credit risk, liquidity risk and market risk. The Board's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Board's financial performance.

Credit risk

The Board's principal financial assets are cash, accounts receivable and investments, which are subject to credit risk. The carrying amounts of financial assets on the Consolidated Statement of Financial Position represent the Board's maximum credit exposure as at the Consolidated Statement of Financial Position date.

Liquidity risk

Liquidity risk is the risk that the Board will not be able to meet all cash flow obligations as they come due. The Board mitigates the risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining sufficient cash on hand if unexpected cash outflows arise.

Market risk

The Board is exposed to interest rate risk and price risk with regard to its portfolio and other investments and interest rate risk on its long-term debts, all of which are regularly monitored.

The Board's financial instruments consist of cash, other investments, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is the Board's opinion that the Board is not exposed to significant interest rate or currency risks arising from these financial instruments except as otherwise disclosed.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

8. Retirement and other employee future benefits

Retirement and other employee future benefits liabilities and expense as of August 31, 2025 is comprised of:

	August 31, 2025		
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	\$ 6,555	\$ 9,637	\$ 16,192
Current year benefit cost	\$ -	\$ 1,001	\$ 1,001
Change due to data correction	-	-	-
Amortization of actuarial gains/(losses)	27	(90)	(63)
Interest on accrued benefit obligation	234	350	584
Employee future benefits expenses	\$ 261	\$ 1,261	\$ 1,522

Retirement and other employee future benefits liabilities and expense as of August 31, 2024 is comprised of:

	August 31, 2024		
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	\$ 6,963	\$ 10,751	\$ 17,714
Current year benefit cost	\$ -	\$ 4,214	\$ 4,214
Change due to data correction	-	-	-
Amortization of actuarial gains/(losses)	8	(278)	(270)
Interest on accrued benefit obligation	285	320	605
Employee future benefits expenses	\$ 293	\$ 4,256	\$ 4,549

¹ Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

8. Retirement and other employee future benefits (continued)

(a) Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2025 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2025. Actuarial probabilities were determined and based on updated average daily salary and banked sick days as at August 31, 2025. The economic assumptions used in these valuations are the Board's best estimates of expected rates as follows:

	<u>2025</u>	<u>2024</u>
	%	%
Inflation		
Workplace Safety and Insurance Boards Obligation ("WSIB")	2.0	2.0
General inflation for all benefits	2.0	2.0
Wage and salary escalation		
Sick leave benefits	2.0	2.0
Insurance and health care cost escalation		
WSIB health care costs	4.0	4.0
Health care cost escalation	5.0	5.0
Dental benefit care escalation	5.0	5.0
Discount on accrued benefit obligation		
WSIB obligation	3.8	3.8
Sick leave benefits, life insurance, health care and long-term disability	3.8	3.8

(b) Retirement Benefits

(i) Ontario Teacher's Pension Plan (OTPP)

Teachers and related employee groups are eligible to be members of OTPP. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

(ii) Ontario Municipal Employees Retirement System ("OMERS")

All non-teaching employees of the Board are eligible to be members of the OMERS, a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2025, the Board contributed \$10,776 (2024 - \$12,029) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

(iii) Retirement Gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

8. Retirement and other employee future benefits (continued)

(b) Retirement Benefits (continued)

(iv) Retirement life insurance and health care benefits

The Board provides life insurance, health care and dental benefits to certain employee groups after retirement until the members reach 65 years of age depending on prior arrangements. The premiums are based, on the Board experience for those who have not transitioned to the ELHT, and retiree or active rates for those who have transitioned to the ELHT. Depending on the year of retirement, retiree premiums may be subsidized by the Board as defined by individual service contracts. The benefit costs and liabilities related to the subsidization are included in the Board's consolidated financial statements. In accordance with the Broader Public Sector Executive Compensation Act, 2014, employees with these benefits are no longer eligible for post-retirement benefits under the board's compensation plan except for the transition period (i.e., by the third anniversary of the effective date of the new executive compensation plan). Employees must have retired before August 31, 2019 to be eligible for post-retirement benefits and August 31, 2025 for Designated Executives.

(c) Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations

- a. The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act ("WSIB") and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.
- b. The Workplace Safety and Insurance Board obligations for employee future benefit plans as at August 31, 2025 are based on actuarial valuations for accounting purposes as at August 31, 2025. These actuarial valuations were based on assumptions about future events.

(ii) Long-Term Disability

- a. The Board provides long-term disability benefits to certain employee groups. The costs of salary compensation paid to employees on long-term disability are fully insured and not included in this plan.

(iii) Sick Leave Top-up Benefits

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the financial statements relating to this are \$399 (2024 - \$319).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2025 and is based on the average daily salary, and banked sick days of employees as at August 31, 2025.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

9. Net Debenture Debt and Capital Loans

Debenture debt and capital loans reported on the Consolidated Statement of Financial Position is comprised of the following:

(BNY – BNY Trust Company of Canada, OFA – Ontario Financing Authority)

Debenture/Loan	Interest	Maturity	2025 \$	2024 \$
BNY - #179	7.200	09-Jun-25	-	4,110
BNY - #182	6.550	19-Oct-26	3,827	6,181
BNY - #186	5.800	07-Nov-28	5,832	7,295
BNY - #188	4.789	08-Aug-30	16,175	18,976
OFA - #189	4.560	15-Nov-31	3,917	4,424
BNY - #190	5.376	25-Jun-32	26,141	29,144
OFA - #191	4.900	03-Mar-33	8,549	9,430
OFA - #192	5.347	15-Nov-33	3,178	3,466
OFA - #193	5.062	13-Mar-34	1,943	2,114
OFA - #196	5.047	15-Nov-34	20,186	21,806
OFA - #197	5.232	13-Apr-35	678	729
OFA - #198	3.942	19-Sep-25	2,535	9,632
OFA - #199	4.833	11-Mar-36	866	926
OFA - #201	3.564	09-Mar-37	10,652	11,366
OFA - #202	3.799	19-Mar-38	7,286	7,719
OFA - #203	4.037	30-Oct-28	4,361	5,513
OFA - #204	4.003	11-Mar-39	7,820	8,237
OFA - #206	2.993	09-Mar-40	134	141
OFA - #207	3.242	15-Mar-41	5,399	5,656
Balance as at August 31			129,479	156,865

Principal and interest payments relating to net debenture debt and capital loans of \$156,820 outstanding as at August 31, 2025 are due as follows:

	<u>Principal</u>	<u>Interest Payments</u>	<u>Total</u>
2026	19,552	5,876	25,428
2027	16,538	4,962	21,500
2028	15,971	4,166	20,137
2029	15,089	3,379	18,468
2030	14,231	2,677	16,908
Thereafter	48,098	6,281	54,379
Total	\$ 129,479	\$ 27,341	\$ 156,820

Interest on net debenture debt and capital loans amounted to \$6,848 (2024 - \$8,222).

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

10. Temporary borrowing

The Board has lines of credit available to a maximum of \$75,000 on revolving facilities to address operating requirements to bridge capital expenditures.

Interest on the operating facilities range from the bank's prime lending rate minus 0.75%, while the CORRA based loans range from daily/term CORRA Rate plus 1.05%. All loans are unsecured, due on demand and are in the form of term loans.

11. Debt charges and capital loans interest

	<u>2025</u>	<u>2024</u>
	\$	\$
Principal payments on long-term liabilities	27,386	26,040
Interest payments on long-term liabilities	<u>6,848</u>	<u>8,222</u>
Balance as at August 31	<u>34,234</u>	<u>34,262</u>

12. Core education funding

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and location taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. 83% (2024 – 80%) of the consolidated revenues of the Board are directly controlled by the provincial government through the core education funding. The payment amounts of this funding are as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Provincial Legislative Grants	464,422	449,329
Education Property Tax	<u>193,413</u>	<u>191,144</u>
Core education funding	<u>657,835</u>	<u>640,473</u>

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

13. Expenses by object

The following is a summary of the expenses reported on the Consolidated Statement of Operations by object:

	<u>2025</u> Budget \$	<u>2025</u> Actual \$	<u>2024</u> Actual \$
Salary and wages	499,614	533,831	577,249
Employee benefits	84,945	88,153	93,812
Staff development	843	620	621
Supplies and services	58,256	59,123	58,764
Interest charges on capital	6,848	6,848	8,222
Rental expenses	641	669	724
Fees and contract services	37,788	37,661	33,281
Other	1,222	943	740
Transfer to other boards	-	-	856
Amortization and write-downs of tangible capital assets	38,786	38,576	37,371
Amortization expenses on TCA - ARO	<u>192</u>	<u>205</u>	<u>191</u>
Total expenses	<u>729,135</u>	<u>766,629</u>	<u>811,831</u>

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

14. Tangible capital assets

<u>Cost</u>	<u>Balance at August 31, 2024</u>	<u>Additions and Transfers</u>	<u>Disposals, write-offs, Adjustments</u>	<u>Revaluation of TCA-ARO</u>	<u>Balance at August 31, 2025</u>
	\$	\$	\$	\$	\$
Land	261,576	19,203	-	-	280,779
Land improvements	64,208	8,034	-	-	72,242
Buildings	1,166,366	12,484	-	198	1,179,048
Furniture and equipment	11,103	3,727	3,029	-	11,801
Construction in progress	552	712	-	-	1,264
Total cost	<u>1,503,805</u>	<u>44,160</u>	<u>3,029</u>	<u>198</u>	<u>1,545,134</u>
<u>Accumulated Amortization</u>	<u>Balance at August 31, 2024</u>	<u>Additions and Transfers</u>	<u>Disposals, write-offs, Adjustments</u>	<u>Revaluation of TCA-ARO</u>	<u>Balance at August 31, 2025</u>
	\$	\$	\$	\$	\$
Land improvements	27,092	4,158	-	-	31,250
Buildings	545,075	32,792	-	-	577,867
Furniture and equipment	5,729	1,831	3,029	-	4,531
Total cost	<u>577,896</u>	<u>38,781</u>	<u>3,029</u>	<u>-</u>	<u>613,648</u>
<u>Net book value</u>				<u>2025</u>	<u>2024</u>
				\$	\$
Land				280,779	261,576
Land improvements				40,992	37,116
Buildings				601,181	621,291
Furniture and equipment				7,270	5,374
Construction in progress				<u>1,264</u>	<u>552</u>
Total net book value				<u>931,486</u>	<u>925,909</u>

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

14. Tangible capital assets (continued)

a) Assets under construction

Assets under construction having a value of \$1,264 (2024 - \$552) have not been amortized. Amortization of these assets will commence when the assets are put into service.

b) Write-down of Tangible Capital Assets

The write-down of tangible capital assets during the year was \$nil (2024 - \$nil).

15. Accumulated surplus	2025	2024
	\$	\$
Accumulated surplus consists of the following:		
Invested in non-depreciable tangible capital assets	280,779	261,576
Employee future benefits to be covered in the future	(4,556)	(4,556)
Interest accrual	(1,480)	(1,843)
School Generated Funds	10,080	9,370
Asset Retirement Obligations to be covered in the future	(5,108)	(4,903)
Unrestricted	(1,513)	(9,883)
Total accumulated surplus	278,202	249,761

16. Ontario School Board Insurance Exchange (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$24,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2025 amounted to \$1,609 (2024 - \$1,611).

Any school board wishing to join OSBIE must execute a reciprocal insurance exchange agreement whereby every member commits to a five-year subscription period, the current one of which will end on December 31, 2026.

OSBIE exercises stewardship over the assets of the reciprocal, including the guarantee fund. While no individual school board enjoys any entitlement to access the assets of the reciprocal, the agreement provides for two circumstances when a school board, that is a member of a particular underwriting group, may receive a portion of the accumulated funds of the reciprocal.

- 1) In the event that the board of directors determines, in its absolute discretion, that the exchange has accumulated funds in excess of those required to meet the obligations of the Exchange, in respect of claims arising in prior years in respect of the underwriting group, the Board of Directors may reduce the actuarially determined rate for policies of insurance or may grant premium credits or policyholder dividends for that underwriting group in any subsequent underwriting year.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

16. Ontario School Board Insurance Exchange (OSBIE) (continued)

- 2) Upon termination of the exchange of reciprocal contracts of insurance within an Underwriting Group, the assets related to the Underwriting Group, after payment of all obligations, and after setting aside an adequate reserve for further liabilities, shall be returned to each Subscriber in the Underwriting Group according to its subscriber participation ratio and after termination the reserve for future liabilities will be reassessed from time to time and when all liabilities have been discharged, any remaining assets returned as the same basis upon termination.

In the event that a Board or other Board organization ceases to participate in the exchange of contracts of insurance within an Underwriting Group or within the Exchange, it shall continue to be liable for any Assessment(s) arising during or after such ceased participation in respect of claims arising prior to the effective date of its termination of membership in the Underwriting Group or in the exchange, unless satisfactory arrangements are made with the Board of Directors to buy out such liability.

17. Contractual obligations and contingent liabilities

Contractual obligations

The Board enters into contracts for construction and renovation of various new and existing schools. The Board's commitment under these contracts as at August 31, 2025 is \$22,297.

Contingent liabilities

The Board is contingently liable with respect to litigation and claims, which arise from time to time in the normal course of business. In the opinion of management, the liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the Board.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

18. Transportation consortium

In September 2010, the Board renewed its agreement with York Region District School Board in order to provide common administration of student transportation in the Region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of Student Transportation Services of York Region Consortium are shared. No partner is in a position to exercise unilateral control.

Each Board participates in the shared costs associated with this service for the transportation of their respective students through Student Transportation Services of York Region. This entity is proportionately consolidated in the Board's consolidated financial statements whereby the board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. The Board's pro-rata share for 2025 is 33.9% (2024 – 50.0%). The transportation consortium has no assets, liabilities or revenue for 2025 and 2024. Inter-organizational transactions and balances have been eliminated.

The following summarizes the School Board's share of expenses:

	<u>2025</u> <u>Total</u>	<u>2025</u> <u>Board</u> <u>Portion</u>	<u>2024</u> <u>Total</u>	<u>2024</u> <u>Board</u> <u>Portion</u>
	\$	\$	\$	\$
Expenses	<u>1,901</u>	<u>644</u>	<u>1,967</u>	<u>983</u>

19. Repayment of "55 school board trust" funding

On June 1, 2003, the Board received \$3,008 from The 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, The 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position. The flow-through of \$224 (2024 - \$224) in grants in respect of the above agreement for the year ended August 31, 2025, is recorded in these consolidated financial statements.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

20. Related party disclosures

The Ontario Financing Authority (OFA) provides financing to various public bodies on direction from the Province. These loans are included in the Province's consolidated financial statements.

The Board has principal amounts payable to OFA of \$77,503 (2024 - \$91,159). These loans bear interest ranging from 2.993% to 5.347% and mature from 2025 to 2041. Details of the loans are disclosed under Note 9.

21. In-kind transfers from the Ministry of Public and Business Service Delivery and Procurement

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery and Procurement (MPBSDP). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSDP and quantity information based on the Board's records. The in-kind revenue for these transfers, recorded in Provincial grants - other, is \$30 with expenses based on use of \$30 recorded in Other expenses for a net impact of \$nil.

22. Future accounting standard adoption

The Board is in the process of assessing the impact of the upcoming new standards and the extent of the impact of their adoption on its financial statements.

Applicable for fiscal years beginning on or after April 1, 2026 (in effect for the board as of September 1, 2026 for the year ending August 31, 2027). Standards must be implemented at the same time:

New Public Sector Accounting Standards (PSAS) Conceptual Framework:

This new model is a comprehensive set of concepts that underlie and support financial reporting. It is the foundation that assists:

- preparers to account for items, transactions and other events not covered by standards;
- auditors to form opinions regarding compliance with accounting standards;
- users in interpreting information in financial statements; and
- Public Sector Accounting Board (PSAB) to develop standards grounded in the public sector environment.

The main changes are:

- Additional guidance to improve understanding and clarity
- Non-substantive changes to terminology/definitions
- Financial statement objectives foreshadow changes in the Reporting Model
- Relocation of recognition exclusions to the Reporting Model
- Consequential amendments throughout the Public Sector Accounting Handbook

The framework is expected to be implemented prospectively.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2025

(All amounts in thousands of dollars)

22. Future Accounting Standard Adoption (continued)

Reporting Model- PS 1202- Financial Statement Presentation:

This reporting model provides guidance on how information should be presented in the financial statements and will replace PS 1201- Financial Statement Presentation. The model is expected to be implemented retroactively with restatement of prior year amounts.

The main changes are:

- Restructured Statement of Financial Position
- Introduction of financial and non-financial liabilities
- Amended non-financial asset definition
- New components of net assets- accumulated other and issued share capital
- Increased clarity regarding presentation of budget comparatives on the Statement of Operations
- Relocated net debt to its own statement
- Renamed the net debt indicator
- Revised the net debt calculation
- Removed the Statement of Change in Net Debt
- New Statement of Net Financial Assets/Liabilities
- New Statement of Changes in Net Assets Liabilities
- Financing transactions presented separately from operating, capital and investing transactions on the Statement of Cash Flows



York Catholic District School Board

REPORT

Report To: Audit Committee

From: Administration

Date: November 11, 2025

Report: Consolidated Financial Statements for the Year Ended August 31, 2025

EXECUTIVE SUMMARY:

Attached are the Consolidated Financial Statements for the Year Ended August 31, 2025.

BACKGROUND INFORMATION:

Administration has prepared the Consolidated Financial Statements for the year ended August 31, 2025. The statements have been audited by the board's external auditors, Doane Grant Thornton LLP, Chartered Professional Accountants.

CURRENT SITUATION:

As noted in their independent auditor's report, the consolidated financial statements are prepared, in all material respects, in accordance with the basis of accounting described in the notes to the financial statements. In other words, they have provided a "clean" opinion. The details of the board's financial position and summary of operations have been provided in the previous reports.

RECOMMENDATION:

The Board's audited Consolidated Financial Statements for the year ended August 31, 2025 are submitted for Audit Committee and Board approval on November 11, 2025 with the following recommendations:

1. **THAT the Board approve the 2024-25 Consolidated Financial Statements of the York Catholic District School Board, for the period ended August 31, 2025, as audited by Doane Grant Thornton LLP.**
2. **That the 2024-25 Audited Consolidated Financial Statements of the York Catholic District School Board, together with the Auditor's Report, will be made available and posted on the Board's website.**

Submitted by: Jesua Tsai, Manager – Financial Reporting and School Finance

Reviewed by: Calum McNeil, CFO and Treasurer of the Board

Endorsed by: John De Faveri, Director of Education, Foundation Chair and Secretary of the Board



York Catholic District School Board

REPORT

Report To: Audit Committee

From: Administration

Date: November 11, 2025

Report: AUDITED SUMMARY SCHEDULES OF EDUCATION DEVELOPMENT CHARGES

EXECUTIVE SUMMARY:

The purpose of this report is to present for action the motion to approve the audited Summary Schedules of Education Development Charges (EDC) for York Catholic District School Board (YCDSB) for the year ended August 31, 2025.

BACKGROUND INFORMATION:

YCDSB administers the collection and distributions of Education Development Charges on behalf of York Region District School Board (YRDSB) and York Catholic District School Board.

The following shows By-Law #8 rates for Education Development Charges for July 1, 2024 to June 30, 2025:

By-Law	Development Type	Combined	York Catholic District School Board	York Region District School Board
#8	Residential Development per dwelling unit	\$8,184	\$872	\$7,312
#8	Non-Residential Development per square foot of GFA	\$1.52	\$0.27	\$1.25

The following shows By-Law #8 rates for Education Development Charges for July 1, 2025 to June 30, 2026:

By-Law	Development Type	Combined	York Catholic District School Board	York Region District School Board
#8	Residential Development per dwelling unit	\$8,550	\$872	\$7,678
#8	Non-Residential Development per square foot of GFA	\$1.62	\$0.27	\$1.35



York Catholic District School Board

HIGHLIGHTS:

Appendix A provides a summary of all By-Laws since the inception of EDCs in 1992.

The following chart summarizes the collection and distribution of EDCs from July 1, 2024 to August 31, 2025 for By-Law #8 (officially approved internally under YCDSB By-Law #209):

By-Law	Total	York Catholic District School Board	York Region District School Board	Effective Dates
By-Law #8	\$51,757,725	\$6,065,923	\$45,691,802	July 1, 2024 to June 30, 2029

Note: The current balance of EDC collections (net of expenditures) of \$28,325,822 is reflected as Deferred Revenues in the Board's audited 2024-25 Financial Statements.

SUMMARY SCHEDULES OF EDUCATION DEVELOPMENT CHARGES:

Enclosed are the draft Summary Schedules of Education Development Charges for the year ended August 31, 2025 as audited by Doane Grant Thornton LLP for the York Catholic District School Board and for the York Region District School Board.

RECOMMENDATION:

THAT the Board approve the Summary Schedules of Education Development Charges of the York Catholic District School Board for the year ended August 31, 2025 as audited by Doane Grant Thornton LLP.

Submitted by:	Teresa Steenhoek, Manager, Accounting & Capital
Reviewed by:	Calum McNeil, Chief Financial Officer & Treasurer of the Board
Endorsed by:	John De Faveri, Director of Education, Foundation Chair and Secretary of the Board

Summary Schedules of Education Development Charges of

York Catholic District School Board

August 31, 2025

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Notes to the Summary Schedules of Education Development Charges	6

Independent Auditor's Report

Doane Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (416) 360-4949

**To the Trustees of
York Catholic District School Board**

Opinion

We have audited the accompanying Summary Schedules of Education Development Charges ("summary schedule") of York Catholic District School Board ("the Board") for the year ended August 31, 2025, and notes to the Summary Schedules of Education Development Charges, including a summary of significant accounting policies (together, "the Summary Schedules").

In our opinion, the Summary Schedules are prepared, in all material respects, in accordance with the requirements of Section 257.98(2) of the Education Act of Ontario.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Summary Schedules* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the Summary Schedules in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Use

The Summary Schedules are prepared to assist the Board to comply with the financial reporting requirements of Section 257.98(2) of the Education Act of Ontario. As a result, the Summary Schedules may not be suitable for another purpose. Our report is intended solely for the Board and should not be used by parties other than the Board.

Responsibilities of Management and Those Charged with Governance for the Summary Schedules

Management is responsible for the preparation of the Summary Schedules in accordance with the requirements of Section 257.98(2) of the Education Act of Ontario, and for such internal control as management determines is necessary to enable the preparation of the Summary Schedules that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Summary Schedules

Our objectives are to obtain reasonable assurance about whether the Summary Schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Summary Schedules.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Summary Schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Toronto, Canada
November XX, 2025

Chartered Professional Accountants
Licensed Public Accountants

York Catholic District School Board **Combined By-Law # 7 & By-Law # 8** **Summary Schedule of Education Development Charges**

Year ended August 31	2025	2024	2023	2022	2021	Cumulative Total
Revenue, collected						
Residential	\$ 4,359,970	\$ 6,594,625	\$ 4,624,908	\$ 19,058,587	\$ 12,207,843	\$ 46,845,933
Non-residential	<u>1,360,704</u>	<u>755,124</u>	<u>874,176</u>	<u>989,892</u>	<u>670,166</u>	<u>4,650,062</u>
	5,720,674	7,349,749	5,499,084	20,048,479	12,878,009	51,495,995
Interest earned	3,838	8,100	8,578	5,589	3,036	29,141
Bank charges	<u>(43)</u>	<u>(69)</u>	<u>(73)</u>	<u>(76)</u>	<u>(83)</u>	<u>(344)</u>
	5,724,469	7,357,780	5,507,589	20,053,992	12,880,962	51,524,792
Distributions						
Refunds	5,380	22,742	991	1,463	8,899	39,475
YCDSB	<u>5,719,089</u>	<u>7,335,038</u>	<u>5,506,598</u>	<u>20,052,529</u>	<u>12,872,063</u>	<u>51,485,317</u>
	5,724,469	7,357,780	5,507,589	20,053,992	12,880,962	51,524,792
Under (over) distribution of education development charges	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

York Catholic District School Board

By-Law # 8

Summary Schedule of Education Development Charges

Year ended August 31	2025	2024	2023	2022	2021	Cumulative Total
Revenue, collected						
Residential	\$ 4,359,970	\$ 305,201	\$ -	\$ -	\$ -	\$ 4,665,171
Non-residential	<u>1,360,704</u>	<u>40,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,401,132</u>
	5,720,674	345,629	-	-	-	6,066,303
Interest earned	3,838	1,209	-	-	-	5,047
Bank charges	<u>(43)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47)</u>
	5,724,469	346,834	-	-	-	6,071,303
Distributions						
Refunds	5,380	-	-	-	-	5,380
YCDSB	<u>5,719,089</u>	<u>346,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,065,923</u>
	5,724,469	346,834	-	-	-	6,071,303
Under (over) distribution of education development charges	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

York Catholic District School Board

By-Law # 7

Summary Schedule of Education Development Charges

Year ended August 31	2025	2024	2023	2022	2021	Cumulative Total
Revenue, collected						
Residential	\$ -	\$ 6,289,424	\$ 4,624,908	\$ 19,058,587	\$ 12,207,843	\$ 42,180,762
Non-residential	-	<u>714,696</u>	<u>874,176</u>	<u>989,892</u>	<u>670,166</u>	<u>3,248,930</u>
	-	7,004,120	5,499,084	20,048,479	12,878,009	45,429,629
Interest earned	-	6,891	8,578	5,589	3,036	24,094
Bank charges	-	<u>(65)</u>	<u>(73)</u>	<u>(76)</u>	<u>(83)</u>	<u>(297)</u>
	-	<u>7,010,946</u>	<u>5,507,589</u>	<u>20,053,992</u>	<u>12,880,962</u>	<u>45,453,489</u>
Distributions						
Refunds	-	22,742	991	1,463	8,899	34,095
YCDSB	-	<u>6,988,204</u>	<u>5,506,598</u>	<u>20,052,529</u>	<u>12,872,063</u>	<u>45,419,394</u>
	-	<u>7,010,946</u>	<u>5,507,589</u>	<u>20,053,992</u>	<u>12,880,962</u>	<u>45,453,489</u>
Under (over) distribution of education development charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

York Catholic District School Board

Notes to the Summary Schedules of Education

Development Charges

August 31, 2025

1. Nature of operations

Education Development charges are imposed by the York Catholic District School Board ("YCDSB") against residential and non-residential development, in order to recover growth-related net education land costs, as determined in compliance with the Education Act of Ontario and its associated Regulations. The Summary Schedules represent five years of Education Development Charges for By-Law # 7 (YCDSB internal By-Law #208) effective for the period July 1, 2019 to June 30, 2024, and By-Law # 8 (YCDSB internal By-Law #209) effective for the period July 1, 2024 to June 30, 2029.

2. Summary of significant accounting policies

Basis of presentation

The summary schedules have been prepared in accordance with the requirements of Section 257.98(2) of the Education Act of Ontario. The Education Act of Ontario requires school boards to maintain a separate account for education development charges and to report the transactions relating to the accounts. Transactions in the summary schedules are prepared on an accrual basis of accounting.

Use of estimates

In preparing the summary schedules, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the summary schedules and reported amounts of revenue and distributions during the period. Actual results could differ from these estimates.



York Catholic District School Board

REPORT

Report To: Audit Committee

From: Administration

Date: November 11, 2025

Report: RIAT Risk Assessment and Regional Internal Audit Plan 2025-26

EXECUTIVE SUMMARY:

The purpose of the attached report is to present the proposed Regional Internal Audit Plan for 2025-26 to the York Catholic District School Board's Audit Committee for approval.

BACKGROUND INFORMATION:

O. Reg. 361/10, s. 9 (3), requires the Audit Committee to make recommendations to the board on the content of annual or multi-year internal audit plans and on all proposed major changes to plans.

The Ministry of Education requires the RIAT to complete two internal audit or advisory engagements annually for each school board. Selection of engagements is based on a risk assessment, as required by the RIAT charter and Global Internal Audit Standards, in addition to other factors.

The engagements included in the proposed plan include:

- Finance and Human Resources Advisory Engagement
- Legislative Compliance Tool Advisory Engagement

RECOMMENDATION:

THAT: The York Catholic District School Board's Audit Committee approve the Regional Internal Audit Plan for 2025-26.

Submitted by: Paula Hatt, Regional Internal Audit Senior Manager

Reviewed by: Calum McNeil, Chief Financial Officer and Treasurer of the Board

Endorsed by: John De Faveri, Director of Education, Foundation Chair and Secretary of the Board



INTERNAL AUDIT TEAM

Toronto and Area Region

Risk Assessment and Regional Internal Audit Plan: 2025-26

York Catholic District School Board

Prepared by:

Paula Hatt, CPA, CA, CIA, Senior Manager, Regional Internal Audit

Purpose

The purpose of this report is to present the proposed Regional Internal Audit Plan for 2025-26 to the York Catholic District School Board's (YCDSB) Audit Committee for approval.

Background

The Toronto and Area Regional Internal Audit Team (RIAT) provides independent and objective assurance and advisory services to six school boards in the GTA: (1) Dufferin-Peel Catholic District School Board, (2) Peel District School Board, (3) Toronto Catholic District School Board, (4) Toronto District School Board, (5) York Catholic District School Board and (6) York Region District School Board.

As required by the Ministry of Education, RIAT's mandate is to complete two internal audit or advisory (consulting) engagements annually for each school board in the region, in addition to follow-up activities. Selection of engagements is based on risks across the organization and consideration of where value can be added, while also considering audit coverage from previous years. Risk is defined as the possibility of an event occurring that will impact achievement of Board strategies and objectives.

Regional Internal Audit Risk Assessment

Following the requirements of the Regional Internal Audit Charter and Global Internal Audit Standards, the process of selecting engagements for the proposed plan included a risk assessment as follows:

- Questionnaires were distributed to the head of each process in the School Board Audit Universe in the fall of 2024. Information obtained included consideration of risk factors and rating of inherent risk (the risk of an event occurring in the absence of controls, as calculated through an assessment of impact and likelihood), management's assessment of the control environment, as well as management's top risks or issues for the area.
- Since risk assessment questionnaires were completed last year, we did not redistribute them. Instead, we held a discussion with the CFO to determine whether any changing or emerging risks should be considered in the current audit plan. No significant changes were identified.

Refer to Appendix A for the results of the risk assessment completed by YCDSB management in 2024, and Appendix B for more details regarding the risk assessment methodology and definitions.

Proposed Regional Internal Audit Plan

Following discussions with the CFO, we are proposing the following two engagements for inclusion in the 2025-26 audit plan and are seeking Audit Committee approval.

Process/ Area	Engagement	Engagement Objectives	Preliminary Scope
Financial and People	Finance and HR Advisory	The objectives of this advisory engagement are as follows: - Identify opportunities to strengthen collaboration between the Finance and HR functions with a focus on payroll processes. Collaboration challenges can lead to misalignment, duplication of effort, and unclear accountability. These can impact project delivery and ongoing operations. - Clarify internal control responsibilities between Finance and HR. - Identify opportunities to optimize payroll within the Human Resource Information System (HRIS) and reduce the number of manual workarounds and overpayments.	The engagement will involve the following procedures: - Conduct an end-to-end payroll process review, in order to identify automation opportunities; streamline workflows; and recommend strategies to minimize the number of manual tasks. - Develop a control ownership matrix; recommend segregation of duties; and align with best practices within the sector for financial and HRIS controls.
Legislative Compliance	Legislative Compliance Tool Advisory Engagement	To provide YCDSB with a framework to manage and demonstrate compliance with applicable laws and regulations.	Through engagements completed at other boards, a tool was created to capture a generic compliance universe of legislation, regulations, and other requirements relevant to school boards, alongside a risk assessment methodology to prioritize these. The tool will be tailored to YCDSB through the following steps: RIAT will update the universe for any changes to legislation, etc., since the last engagement. The completeness and accuracy

Process/ Area	Engagement	Engagement Objectives	Preliminary Scope
			of the universe will be confirmed by management. • Management will prioritize items in the universe based on an inherent risk assessment (taking into account likelihood and impact, but before controls are considered). RIAT will support management, as required, throughout this process. • For higher risk items, management will document controls in place and assess the residual risk of non-compliance based on those controls. RIAT will support management, as required, throughout this process. • RIAT will hand off the completed tool to Senior Administration, together with details on how it can be managed going forward.

APPENDIX A – Risk Ranked Audit Universe

The results below are based on management’s self assessment of inherent risk and the control environment, completed in the fall of 2024. For information purposes, engagements included in the 2020-21 to 2024-25 audit plans, both completed and in-progress, are also provided.

YCDSB AUDIT UNIVERSE		2024-25 Risk Assessment		Completed and Scheduled Engagements 2020-21 to 2024-25
Functional Area	Process	Inherent Risk	Control Assessment	
Strategy and Governance	Risk Management	Moderate	Opportunities for Improvement	
	Policies and Procedures	Moderate	Opportunities for Improvement	Audit of Expense Reimbursements for Trustees and Senior Administration (In-Progress)
	Project Management - IT	Moderate	Satisfactory	
	Project Management - Capital	Moderate	Opportunities for Improvement	
	Artificial Intelligence	Moderate-High	Opportunities for Improvement	
Legal and Compliance	Legislative Compliance	Moderate	Opportunities for Improvement	
	Privacy	Moderate-High	Opportunities for Improvement	
	Ethics, Conduct and Fraud	Moderate	Opportunities for Improvement	
People	Recruiting & Retention	Moderate-High	Opportunities for Improvement	
	Succession Planning	High	Opportunities for Improvement	Succession Planning (On-Hold)
	Absenteeism	High	Opportunities for Improvement	
	Equity, Diversity & Inclusion	Moderate	Opportunities for Improvement	
	Student and staff health, safety and well-being	High	Opportunities for Improvement	
	Resource capacity/allocation	Moderate-High	Opportunities for Improvement	Peer Staffing Comparison - Non-Academic (2024) Payroll Review (2021)
	Skill Set	Moderate	Opportunities for Improvement	

YCDSB AUDIT UNIVERSE		2024-25 Risk Assessment		Completed and Scheduled Engagements 2020-21 to 2024-25
Functional Area	Process	Inherent Risk	Control Assessment	
Service Delivery and Operations	Academic Programming & Delivery	Moderate	Satisfactory	Special Education Financial and Operational Review (2023) Analysis of EQAO Trends (On-Hold)
	Critical Incident Management	High	Satisfactory	Business Continuity Planning (2023)
	Capital Planning and Forecasting	Moderate	Satisfactory	
	Facility Management & Maintenance	Moderate	Satisfactory	
	Construction Management	Moderate-High	Satisfactory	
	Transportation	Moderate	Opportunities for improvement	
Financial	Financial Sustainability	High	Opportunities for improvement	School Finance Audits (2020)
	Procurement/Purchasing	Moderate	Opportunities for improvement	
Technology	Cyber Security	High	Opportunities for improvement	Cyber Security Audit (2024)
	IT Infrastructure & Resources	Moderate-High	Opportunities for improvement	
	Records & Information Management	Moderate	Opportunities for improvement	Records Management Framework (2021)

APPENDIX B – Risk Assessment Definitions and Methodology

Inherent Risk:

Inherent risk is the risk considered **in the absence of controls** and is the product of ratings on two dimensions:

- (1) The likelihood of an event occurring
- (2) The extent to which the event would impact the achievement of Board objectives

Each dimension is rated on a scale of one to four, with the results multiplied to arrive at the overall inherent risk score. This is demonstrated in the inherent risk matrix below.

Inherent Risk Matrix					
Likelihood	Likely (4)	4	8	12	16
	Probable (3)	3	6	9	12
	Unlikely (2)	2	4	6	8
	Remote (1)	1	2	3	4
		Low (1)	Moderate (2)	High (3)	Critical (4)
		Impact			

Inherent Risk Ratings

Low
Moderate
Moderate-High
High

Management considers a number of factors when assessing likelihood such as complexity, volume/frequency of transactions, extent of recent changes in process or information systems, extent of reliance on automation, need for specialized skills, and the degree of reliance on estimation, valuation and judgment.

Factors that are considered when assessing impact include the significance of the department/business process to the Board's overall strategic objectives, potential impact to public image/reputation (reputational risk), dollar value of transactions within the process (financial risk), and the extent to which the process impacts other processes.

Control Assessment:

An internal control is an action taken by the Board, management or other personnel to manage risk. By implementing one or more controls, the Board decreases the risk and increases the chance that goals and objectives will be achieved. The control assessment is an overall rating of the controls in place over an auditable unit, using a four-point scale:

Controls Assessment	
4.0	Strong
3.0	Satisfactory
2.0	Opportunities for improvement
1.0	Limited controls or unknown

While criteria were provided, the control rating was based on management's self-assessment. Therefore, there was a subjective element to assessing controls.



York Catholic District School Board

REPORT

Report To: Audit Committee

From: Administration

Date: November 11, 2025

Report: **YCDSB Regional Internal Audit Team (RIAT) Update and Annual Report**

EXECUTIVE SUMMARY:

The purpose of the attached report is to provide the Audit Committee with:

- Information regarding RIAT's progress on completing planned engagements and other activities (audit plan, follow-up activities, recruiting activities).
- The RIAT Annual Report for 2024-25, which provides a summary of RIAT activities for the year and information that RIAT is required to communicate.

Submitted by: Paula Hatt, Regional Internal Audit Senior Manager

Reviewed by: Calum McNeil, Chief Financial Officer and Treasurer of the Board

Endorsed by: John De Faveri, Director of Education, Foundation Chair and Secretary of the Board

YCDSB Regional Internal Audit Update & Annual Report – November 2025

The following is the status of engagements from York Catholic District School Board's 2023-24 and 2024-25 Regional Internal Audit Plans.

Year	Audits/Advisory	Audit Stage				
		Cancelled	Planning	Fieldwork	Reporting	Complete
2023-24	2	1		1		
2024-25	2			2		

Special Education Financial and Operational Review, Phase 2 (2023-24)

- Objective: To further assist management with some of the analysis recommended in the first phase, as needed. Management will inform RIAT if a second phase is required.
- **Status: Cancelled**
- RIAT confirmed with the Superintendent of Education: Exceptional Learners that no assistance is needed, so a second phase is not required. As a result, Phase 2 of this engagement, currently in the RIAT plan as a placeholder, has been removed from the plan. If the need arises for an engagement at a later date, it will be considered in the risk assessment and annual planning process.

Student Achievement Engagement - Analysis of EQAO Trends (2023-24)

- Objective: To analyze EQAO Trends for both Elementary and Secondary, by school, together with other metrics (which may include staff absenteeism, percentage of students whose first language is not English, and others) to determine whether there is any correlation between the EQAO trends/results and other data.
- **Status: Fieldwork**
- Fieldwork is ready to be completed. Due to the current vacancies on the RIAT, we are determining the best approach to staff this engagement (co-source or assign to an incoming team member that possesses the necessary skills). This will be dependent on the results of the current recruitment efforts.

Succession Planning for Senior Administration (2024-25)

- Objective: To develop a consistent approach to succession planning, that will assist in managing key person risk for the Senior Administration positions. YCDSB management will use a toolkit, previously developed by RIAT for use at other boards, to assess vacancy risk, prepare a succession plan and select appropriate action plans to further mitigate risk, such as retention strategies and mechanisms for knowledge sharing.
- **Status: Fieldwork**
- Fieldwork continues to be deferred, at management's request. RIAT will continue to touch base with management to determine when fieldwork can be started.

Audit of Expense Reimbursements for Trustees and Senior Administration (2024-25)

- **Objectives:**
 - To determine whether expense reimbursements paid to or expenses paid on behalf of YCDSB Trustees and Senior Administration were in compliance with YCDSB policies and procedures in place at the time of the expense.
 - To identify the extent and types of exceptions to policies and procedures that were approved, if any.
 - To review relevant policies and procedures and make recommendations to improve these based on the results of the compliance testing.
- **Status: Fieldwork**
- The fieldwork relating to trustee expenses is now complete. Fieldwork for the Senior Team expenses will follow.

Other RIAT Work

Risk Assessment & Audit Plan: RIAT has revisited the risk assessment completed in November 2024 and developed the proposed RIAT plan for 2025-26, which will be presented to the Audit Committee for approval.

RIAT Annual Report & Charter: To better align with the new Global Internal Audit Standards:

- RIAT has prepared an Annual Report that will be shared with the Audit Committee of each board served by the Toronto & Area RIAT (see Appendix 1). This report covers the 2024-25 fiscal year and provides information that RIAT is required to communicate.
- RIAT has revised the Regional Internal Audit Charter. As the revised charter requires the Audit Committee's agreement/approval, it will be presented as a separate agenda item.

Follow-up Activities:

- RIAT re-circulated the findings register for updates on the implementation of management action plans from previously completed engagements, where necessary. A summary of the results is included in Appendix 2.
- Through this process, RIAT identified four engagements that are ready to be followed up. Follow-up engagements will be completed as resources become available.

Recruitment Update

RIAT is currently recruiting for the following positions:

- Regional Internal Audit Specialist – vacancy
- Regional Internal Audit Specialist – new position
- Manager, Regional Internal Audit – temporary position (12 months)

The results of this process will be shared at the next meeting.

Appendix 1 – Regional Internal Audit Team (RIAT) Annual Report – 2024-25

Introduction

The Toronto & Area Regional Internal Audit Team (RIAT) provides independent and objective assurance and advisory services to six school boards: (1) Dufferin-Peel Catholic District School Board, (2) Peel District School Board, (3) Toronto Catholic District School Board, (4) Toronto District School Board, (5) York Catholic District School Board and (6) York Region District School Board.

RIAT's work is guided by two main sources:

- The Regional Internal Audit Charter (Charter)
- Mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), including the Global Internal Audit Standards¹ (Standards) and Topical Requirements (containing mandatory requirements for evaluating and assessing the effectiveness of governance, risk management, and control processes on specific risk topics²).
 - The current version of the standards came into effect on January 9, 2025. An overview of the new Standards has been included in Appendix 1-A. While full implementation was not expected by January 9, 2025, internal audit functions were expected to be working toward implementation. RIATs across the province are continuing to identify and address gaps between the current and previous version of the Standards.

In following this guidance, the Toronto & Area RIAT has prepared an Annual Report to the Audit Committee for 2024-25. This report communicates information required by the Charter and/or IPPF (along with other relevant information), including:

- A description of RIAT's mandate and function
- RIAT's mission, vision and strategy
- Annual confirmation of RIAT's independence
- Professional development undertaken
- Quality assurance activities undertaken and results of these

Further, it supports the Audit Committee's duties related to internal audit, as outlined in subsection 9(3) of Ontario Regulation 361/10 (Audit Committees)³.

¹ Further details on the IPPF and its mandatory elements can be found on the [IIA website](#).

² As of October 31, 2025, Topical Requirements have been issued for Cybersecurity and Third Party

³ [Ontario Regulation 361/10: Audit Committees](#)

Purpose Statement, Mandate and Charter

RIAT's purpose statement and mandate are defined in the charter adopted by all English-language RIATs across the province. The charter has been revised to incorporate the new Standards and is based on the model public sector charter developed by the IIA (with modifications made based on RIAT's specific circumstances). The updated charter is being presented for agreement/approval by the Audit Committee.

The charter will also be presented annually as a refresher and should be re-signed where there is a change in one or more of the charter's signatories (Audit Committee Chair, Director of Education and/or Senior Manager, Regional Internal Audit).

Mission, Vision and Strategy

Standard 9.2 (Internal Audit Strategy) now requires RIAT to develop and implement a strategy for the regional internal audit function and present this to the Audit Committee and senior management periodically.

A province-wide strategic plan was developed for RIAT, including common goals, based on work previously completed by MNP on behalf of the RIATs. This plan has been customized for the Toronto & Area Region, including the objectives developed to address the common goals and the addition of region-specific goals.

See Appendix 1-B for the strategic plan, which captures RIAT's mission, vision and strategy.

Annual Independence Confirmation

In accordance with Standard 7.1 (Organizational Independence) and RIAT's charter, we confirm that RIAT is organizationally independent and free from interference in determining the scope of internal audits, performing work, and communicating results.

To ensure organizational independence, RIAT reports:

- Functionally to each Audit Committee of the six boards in the Toronto and Area Region; and
- Administratively to the Chief Financial Officer of the York Catholic District School Board (the host board).

In addition to the above reporting structure, there is also the Toronto & Area Regional Internal Audit Coordinating and Steering Committee, which is composed of senior business officials from the region's six member boards. The mandate of this committee is to assist in the coordination of the regional internal audit initiative for the Toronto & Area boards and to facilitate discussions and action where required. One meeting was held in 2024-25.



RIAT Structure & Staffing

RIAT consists of the:

- Senior Manager, Regional Internal Audit – Paula Hatt, CPA, CA, CIA
- Manager, Regional Internal Audit – Viraj Trivedi, CPA, CA
- Manager, Regional Internal Audit – Judy Selvadurai, CPA, CMA, CIA
- Regional Internal Audit Specialist – Rupam Shah, CPA, CA
- Regional Internal Audit Specialist – Vacant

All staff are appropriately qualified. The managers and specialist report directly to the senior manager.

Beginning in the 2025-26 fiscal year, the Ministry of Education has increased the annual funding for regional internal audit teams provincially. As a result, the Toronto & Area Regional Internal Audit Coordinating and Steering Committee approved a request to expand RIAT's headcount, as follows:

- One FTE for a Regional Internal Audit Specialist (permanent)
- One FTE for a Manager, Regional Internal Audit (12-month contract)

Recruitment for these positions is currently underway. Additional staffing decisions may be made, depending on whether the Ministry makes any changes to RIAT's mandate.

In addition to the staff noted above, RIAT allocates a portion of its budget toward consulting fees, which allows the flexibility to co-source or outsource when a specialist or additional capacity is required. In 2024-25, RIAT engaged the following organizations to complete or assist in the following engagements:

- Richter – Cybersecurity Audit (outsourced)
- MNP – Strategic Risk Management (outsourced)
- MNP – Trustee & Senior Administration Expense Audit (staff resource to assist in fieldwork)

Annual funding from the Ministry of Education was sufficient to support the Toronto & Area RIAT's resource requirements in 2024-25. However, the specialist position remained vacant due to uncertainty over future funding increases.

Professional Development and Memberships

Standard 3.2 (Continuing Professional Development) requires internal auditors to maintain and continually develop their competencies to improve the effectiveness and quality of internal

audit services through continuing professional development. This includes fulfilling the requirements applicable to certifications held by auditors (minimum number of continuing professional development hours annually, including an ethics training requirement). All RIAT staff have confirmed that they met the continuing education requirements of their respective certifications for 2024. Training opportunities undertaken by various RIAT staff in 2024-25 covered a variety of relevant topics, including:

- Artificial intelligence
- Attendance support programs
- Business resilience (continuity planning)
- Cybersecurity
- Environmental, Social and Governance
- Ethics
- Fraud
- Internal audit strategy development
- New Global Internal Audit Standards
- Quality assessments
- Public sector internal auditing
- Soft skills
- Topical Requirements
- Whistleblowing

Staff continue to be members of the OASBO Internal Audit Committee, the Municipal Internal Auditors Association and the IIA. In addition, some team members held volunteer positions on sector and professional boards and committees as follows:

- P. Hatt leads the Subcommittee on Implementing Global Internal Audit Standards (2024 to present).
- V. Trivedi was the Vice President of OASBO (May 2024 – May 2025) and is currently the President (May 2025 – May 2026). He also sits on the IIA Toronto Public Sector Committee.

Quality Assurance and Improvement Program

Both the charter and Standards require RIAT to report on the quality assurance and improvement program (QAIP), which includes ongoing internal assessments and a periodic external assessment to assess conformance with the Standards. The following is an update on RIAT's progress in these areas:

- Internal Assessments – Quality is assessed internally through ongoing monitoring and review activities, both at the engagement level and overall. Annually, RIAT undertakes an internal self-assessment on its conformance with the Standards. On the advice of the IIA Quality Services department, the current year's self-assessment took the form of a

gap assessment to the new Standards. This involved comparing existing operations to the updated requirements and developing action plans to close gaps and achieve conformance.

- There were seven significant gaps noted that affect conformance with seven of the fifty-two standards. Action plans have been developed (or updated from previously identified action plans) to address these. See Appendix 1-C.
- External Assessment – An external assessment has not been completed to date. The IIA Quality Services department recommended that an external assessment should take place approximately six months after identified gaps have been addressed. As a result, this is not expected to take place until 2027.

RIAT Plan & Activities

The Ministry of Education issued guidance in May 2016, noting that each school board should receive a minimum of two engagements a year from RIAT, in addition to follow-up activities on findings and recommendations from previously issued audit reports. For each board in the region, RIAT prepares an audit plan (one or two years) based on a risk assessment that also considers feedback from management and the Audit Committee. The plan is presented to the Audit Committee for recommendation to the Board of Trustees for approval.

An update is provided at each Audit Committee meeting to communicate the progress toward completing planned engagements, as well as an update on any follow-up activities.

Engagements Completed Across the Region in 2024-25

RIAT was impacted by a staffing shortage in 2024-25 (down 1.0 FTE). Given the additional funding announced (as noted above), this is now being addressed.

The following engagements were completed by the Toronto & Area Region in 2024-25:

- Analysis of Available Courses and Extracurricular Activities (Secondary Schools) (one board)
- Cybersecurity Audit (one board, outsourced to Richter)
- Guidance Counselling Services Audit (one board)
- Racism, Bias and Hate Portal Review (one board)
- Strategic Risk Assessment (one board, outsourced to MNP)

In addition, the following engagements were in the reporting phase at August 31, 2025:

- Asset Renewal Workflow Review (one board)
- Enrolment Audit (one board)
- Incident Reporting (one board)

- Recruiting, Hiring and Retention Audit (one board)

In addition to the engagements listed above, RIAT completed seven follow-up engagements and the risk assessments for five boards/audit plans for six boards.

Based on the Ministry's annual requirement of two engagements per board, at least 12 audit or advisory engagements are expected to be completed across the region in 2025-26, along with follow-up activities at each board.

Appendix 1-A: Global Internal Audit Standards - An Overview



GLOBAL INTERNAL AUDIT STANDARDS



International Professional Practices Framework® (IPPF)

New Standards came into effect on January 9, 2025 – need to be working on implementing



GLOBAL INTERNAL AUDIT STANDARDS

5 Domains, 15 Principles, 52 Standards

Domain I: Purpose of Internal Auditing

Domain II: Ethics & Professionalism

- | | | | | |
|--------------------------|-------------------------|---------------------------|-----------------------------------|-----------------------------|
| 1. Demonstrate Integrity | 2. Maintain Objectivity | 3. Demonstrate Competency | 4. Exercise Due Professional Care | 5. Maintain Confidentiality |
|--------------------------|-------------------------|---------------------------|-----------------------------------|-----------------------------|

Domain III: Governing the Internal Audit Function

- 6. Authorized by the Board
- 7. Positioned Independently
- 8. Overseen by the Board

Domain IV: Managing the Internal Audit Function

- 9. Plan Strategically
- 10. Manage Resources
- 11. Communicate Effectively
- 12. Enhance Quality

Domain V: Performing Internal Audit Services

- 13. Plan Engagements Effectively
- 14. Conduct Engagement Work
- 15. Communicate Engagement Conclusions & Monitor Action Plans

GLOBAL INTERNAL AUDIT STANDARDS – SIGNIFICANT CHANGES

- New Standards are more specific than the previous version
- Introduction of Topical Requirements
- Now provides direction for public sector internal audit functions
- Focus on both conformance and performance
- Clarifies management and Board/Audit Committee responsibilities

ADDRESSING THE CHANGES



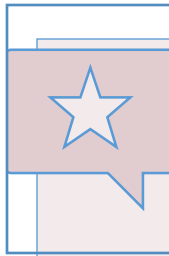
New Audit Charter

- **Status:** To be approved



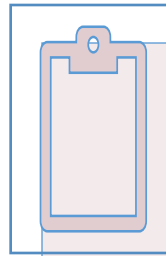
Refreshed Audit Manual & Methodology

- **Status:** In-progress



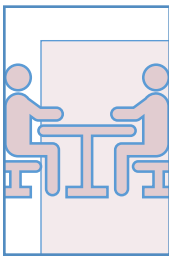
Gap Assessment

- **Status:** Complete



Act on Identified Gaps

- **Status:** In-progress



Essential Conditions

- **Status:** See below



RIAT Mission, Vision & Strategy

- **Status:** Complete

APPLYING THE NEW STANDARDS IN THE PUBLIC SECTOR

While the Standards apply to all internal audit functions, internal auditors in the public sector operate within a political environment under governance, organizational and funding structures that may differ from the private sector. These differences may, in certain cases, limit full conformance with the Standards.

Factors that may affect the application of the Standards in public sector internal audit functions include:

- Legislative and regulatory requirements
- Governance and organizational frameworks
- Funding arrangements

As a public sector internal audit function, RIAT's funding, structure, positioning within the host board and overall mandate are established by the Ministry of Education. Further, the duties of school board Audit Committees are specified in Ontario Regulation 361/10. Where conflicts arise, these requirements take precedence over the Standards, potentially preventing full conformance.

In such cases, the chief audit executive (Senior Manager, Regional Internal Audit) must document the reason for non-conformance, make appropriate disclosures, and conform with all other requirements of the Standards.

APPLYING THE NEW STANDARDS IN THE PUBLIC SECTOR: EXAMPLE

Global Internal Audit Standards introduced the concept of “essential conditions”, which are activities of the Board/Audit Committee (and senior management) that enable an internal audit function’s success. While the Audit Committee’s duties and powers related to internal audit, as specified in Regulation 361/10, support conformance with some of these essential conditions, not all of the essential conditions are captured due to the unique structure and features of the RIAT, such as the regional model, funding set externally, reporting relationships defined by the Ministry and hiring decisions/compensation determined by the host board. As a result, full conformance to the essential conditions is not possible. Examples of conformance and non-conformance with respect to the essential conditions for the Audit Committee are noted below.

Essential Conditions for the Audit Committee – Duties/ Powers in Regulation that Support Conformance

- Review of RIAT charter/mandate (leading to approval)
- Approval of audit plan
- Review of RIAT’s performance
- Make inquiries to determine whether RIAT is experiencing any restrictions or limitations on scope or access to information.
- Ability to meet periodically with the Senior Manager in sessions without senior management present.

Essential Conditions for the Audit Committee – Not Applicable/Non-Conformance

- Provide input on Senior Manager remuneration
- Approval of RIAT’s budget and resource plan
- Approval of Senior Manager’s roles and responsibilities
- Authorize the appointment and removal of the Senior Manager.
- Provide input on the level to which the Senior Manager reports



INTERNAL AUDIT TEAM

Toronto and Area Region

Appendix 1-B: Toronto & Area RIAT – 2025-26 Strategic Plan

Prepared by:

Paula Hatt, CPA, CA, CIA, Senior Manager, Regional Internal Audit

Introduction

While the frequency and type of audits vary between RIATs and boards, there are many commonalities within the K-12 education sector. RIATs across the province identified an opportunity to develop a provincial-wide strategic plan to increase information sharing and collaboration across all teams.

This strategic plan was originally developed based on a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis, completed to identify and confirm all factors that should be considered when developing specific strategies and goals. The inputs into the SWOT analysis were a survey distributed to all RIATs and a facilitated discussion with all RIATs that took place in June 2022. The original version of the strategic plan was revisited by the Regional Internal Audit Managers and has been updated for 2025-26.

Values

Based on the analysis completed, the following values were identified:

Values inherent in the RIAT model

- Customer service
- Professionalism
- Competence
- Ethical practices
- Integrity and due care
- Independence
- Timeliness

The results of the SWOT analysis and the values were used to develop the strategic mission, vision and goals for the RIATs.

Strategic Mission, Vision and Goals

Mission Statement: The mission of the RIAT model is to provide independent, objective assurance and advisory services that support the achievement of each school board's objectives by providing them with reasonable assurance on the reliability of their internal controls, the management of their risks and the quality of governance processes.

Vision Statement: Increase collaboration and information sharing across all RIATs to increase efficiency; ensure timely, high-quality service delivery; and demonstrate our value as a key partner to the school boards we serve, as well as to Audit Committees.

Goals: Both common goals and goals specific to the Toronto & Area RIAT were developed and selected based on the SWOT analysis. Team members selected a manageable number of longer-term goals that would support the vision statement and enable progress on goal achievement. For 2025, objectives

were developed independently by each RIAT to determine how they could best achieve the common goals. The following goals relate to the regional internal audit function as a whole:

		
Goal	Goal	Goal
Develop common tools and methodologies that can be utilized by all RIATs	Identify and develop collaboration opportunities with school boards and Audit Committees	Develop a shared schedule of professional development activities for all RIATs
Objectives	Objectives	Objectives
Identify ways to improve sharing of audit programs and best practices identified through completed audits. Refresh RIAT manual to reflect new standards and common approaches. Determine how generative AI can be used to improve the efficiency and effectiveness of audits and communicate learnings to other RIATs.	Align RIAT audit plans with board multi-year strategic plans. Provide opportunities for training both new and existing Audit Committee members. Identify and implement additional feedback mechanisms to maintain open communication with stakeholders.	Conduct a skills inventory for RIAT staff and identify gaps to target when recruiting new staff (based on current and future needs) Identify and address training and development needs both within the Toronto & Area RIAT and across Ontario

In addition, to better achieve the values, mission and vision within the Toronto & Area RIAT, the following region-specific goals have also been set:

	
Goal	Goal
Enhance the timeliness of engagement completion, while clearing the backlog of prior-year engagements	Achieve conformance with the Global Internal Audit Standards
Objectives	Objectives
Leverage new funding and deferred revenue to reduce backlog through added staff and temporary support (outsourcing or supplemental staff) Identify ways to increase audit efficiency through streamlining processes	Train all staff on the new Standards Update existing audit methodologies, supporting documents and templates in the audit software to align with the new standards Implement action plans identified through gap analysis Confirm conformance through an external assessment

Work Plan

In order to action the above goals, a work plan was developed to identify additional details around specific actions, measures and timing. The Senior Manager, Regional Internal Audit will utilize the work plan to monitor the progress toward achieving each goal. An update on the progress will be provided to the Audit Committee as part of the next annual report.

Appendix 1-C - RIAT Quality Assurance & Improvement Program - Action Plans Resulting from Gap Assessment to New Global Internal Audit Standards

As required to close significant gaps and bring RIAT into conformance with Global Internal Audit Standards

September 1, 2025

#	New Standard	Gap	Action Plan	Target Implementation Date
1	5.1 - Use of Information	While the Toronto & Area RIAT is bound by the policies and procedures of YCDSB, there has been no record retention requirements specified to date for RIAT. In absence of this, RIAT is currently working on developing RIAT-specific requirements.	Action plan from prior year is in progress, with some initial research undertaken. Target implementation date has been revised due to staffing constraints in 2024-25. Senior Manager is in the process of developing records retention requirements for RIAT (including disposal of records no longer within the retention period), which will be implemented once developed. Requirements will align with any procedures developed by York Catholic DSB and other RIATs will be consulted for their approach.	Strategy to be formalized and implemented by March 31, 2026 (including disposal of any old records, as required).
2	6.3 – Board and Senior Management Support	Standards note that one way for the Board (as represented by the Audit Committee) to demonstrate support for internal audit is to meet periodically with the chief audit executive (Senior Manager, Regional Internal Audit) in sessions without senior management present. The ability to meet without management present is one of the powers of the Audit Committee outlined in subsection 10(c) of Ontario Regulation 361/10, "Audit Committees". While this takes place annually at some boards in the Toronto & Area Region, it does not take place at all boards.	This is a new action plan to reflect changes in the Standards. The Senior Manager will remind Audit Committees and senior management of each board in the region that this option is available (at the discretion of the Audit Committee).	December 31, 2025
3	8.3 – Quality 8.4 – External Quality Assessment	An external quality assessment (EQA) has not been completed to date.	To address the previous year's action plan in this area, RIAT met with the IIA's Quality Services Department in November 2024 to discuss getting an EQA. Given the available timing for an EQA, it would be on the new standards, which RIAT is still implementing (thus overall conformance would likely not be achieved). It was suggested that RIAT complete a gap assessment to the new standards, develop and implement action plans to address any gaps, and complete an external assessment once action plans are implemented (approximately 6 months after action plan implementation). This will form the new action plan. Results from the EQA will be communicated to the Audit Committee and senior management of each board at the meeting following completion.	- Gap assessment and development of action plans was completed in August 2025. - Action plan implementation to be completed by October 31, 2026. - Initial EQA to be completed by August 31, 2027 (and every five years thereafter). - Results to be communicated to each Audit Committee by December 31, 2027.

#	New Standard	Gap	Action Plan	Target Implementation Date
4	8.3 – Quality	While some audit committees provide feedback on RIAT, feedback is not obtained from management.	This is a new action plan to reflect requirements in the new Standards. As part of a future Toronto & Area Regional Coordinating and Steering Committee meeting, the Senior Manager will work with the member boards to determine a mechanism to provide feedback on the RIAT function.	June 30, 2026
5	10.2 – Human Resources Management	A performance review process is not in place for RIAT.	This is a new action plan to reflect requirements in the new Standards. A performance review process will be implemented for 2025-26. This will include objective setting (including a training plan) and evaluating against objectives.	December 31, 2025 for objective setting October 31, 2026 for completing evaluation.
6	13.6 – Work Program	Due to resource constraints in 2024-25, requiring the Senior Manager to be involved in completing fieldwork for some engagements, formal sign-offs by the Senior Manager on work programs and completed work was not always timely (although frequent discussions took place regarding the testing to be undertaken and any issues encountered).	This is a new action plan to reflect requirements in the new Standards, as well as resource constraints experienced in 2024-25. The Senior Manager will review the newly allocated funding to determine the budget available for hiring additional staff. These new hires will take on fieldwork responsibilities and various administrative tasks, enabling the Senior Manager to focus more effectively on the timely review and sign-off of audit work.	December 31, 2025 to increase headcount By June 30, 2026, all engagement steps in a given phase (e.g. planning or fieldwork) will be approved in the audit software before moving to the next phase.
7	15.2 – Confirming the Implementation of Recommendations or Action Plans	RIAT is continuing to make progress in this area. However, there are still two boards that did not have the findings register updated and three boards that did not have follow-up engagements completed in 2024-25.	Action plan from prior year is in progress. Updated for current year, including revised target implementation date. Given the expected increase in headcount, each team member will be tasked with the responsibility of follow-up activities for one or two boards. This will form part of the performance objectives. The Senior Manager will direct staff to ensure: (1) Findings registers have been implemented for each board and updated within the last year (2) Two follow-up engagements are completed for each board (where the follow-up register identifies engagements as ready for a follow-up).	Findings registers that have not been updated in the past year to be updated by December 31, 2025. A summary of each board's updated register, along with two follow-up engagements, to be completed and presented to their respective Audit Committees by June 30, 2026.

York Catholic District School Board

Appendix 2 - Current Status of Findings on Completed Engagements

Presented to the Audit Committee in November 2025

Plan Year	Report Date	Engagement Name	# of Findings	Current Status of Management Action Plan						Comments as of September 2025
				Open	Not Started	In Progress	Mgmt. Assumes Risk	Closed - Mgmt. Assertion	Closed - RIAT Validated	
2011-12	Jun-13	Repairs and Maintenance	15	0	0	1	0	6	8	In progress finding currently in the testing phase. Expected to be implemented by the end of November 2025.
2014-15	Mar-15	IT Strategy Review	15	0	0	0	2	6	7	RIAT to follow up as time permits. Management assumed risk of not taking action on two findings due to budgetary constraints.
2014-15	Feb-15	Special Education Review	6	0	0	0	0	6	0	RIAT to follow up as time permits.
2015-16	Oct-16	IT Asset Management	3	0	0	0	0	3	0	RIAT to follow up as time permits.
2018-19	Nov-21	Records Management Consulting	9	0	4	3	0	2	0	CIO noted that the new Manager, Records and Privacy will continue to work on action plans as time permits.
2019-20	Aug-21	Payroll Review (Workflow Assessment)	26	0	0	0	0	26	0	Follow-up has been deferred. RIAT will follow up when payroll is ready.
2020-21	Apr-24	Cyber Security	16	5	0	2	0	9	0	
2022-23	Sep-23	Sp. Education Financial & Operational Review	12	0	4	0	6	2	0	Plans not started have revised completion dates (Nov 2025 & April 2026). Management assumed risk of not taking action on five findings due to lack of human resources and one finding due to collective agreement restrictions.
Total			102	5	8	6	8	60	15	

Definitions:

Open: The target implementation date for management's action plan, developed to address the finding, has not yet been reached. An update will be requested once the target date is met.

Not Started: Although the target implementation date for management's action plan has passed, no progress has been made toward its implementation. RIAT will request a further update in fall 2026.

In Progress: The target implementation date for management's action plan has passed. While progress has been made, the plan remains partially implemented. RIAT will request a further update in fall 2026.

Management Assumes Risk: Management has indicated that the action plan will not be implemented, due to factors such as budgetary constraints, lack of human resources or collective agreement restrictions. Details will be provided in the follow-up report.

Closed - Management Assertion: Management provided RIAT with an update indicating that the action plan has been implemented (or that other action was taken to mitigate the risk). Once all action plans for that engagement have been implemented, the next step is for RIAT to schedule a follow-up to verify the action taken (i.e. confirm that findings are closed).

Closed - RIAT Validated: Through a previously completed follow-up engagement, RIAT has confirmed that the action plan was implemented or that other action was taken to mitigate the risk. The finding is considered to be closed, with no further follow-up required.

Note: Engagements are removed from the table once RIAT has completed a follow-up and confirmed that all findings are closed.



York Catholic District School Board

REPORT

Report To: Audit Committee

From: Administration

Date: November 11, 2025

Report: **Regional Internal Audit Charter**

EXECUTIVE SUMMARY:

The purpose of the attached report is to present the updated Regional Internal Audit Charter to the Audit Committee for review and approval.

Pending approval, the charter is to be signed by the Audit Committee Chair, Director of Education (or designate) and Senior Manager, Regional Internal Audit.

BACKGROUND INFORMATION:

RIAT's purpose statement and mandate are defined in the charter adopted by all English-language RIATs across the province. The charter, which was previously presented in May 2023, has been revised to incorporate the new Global Internal Audit Standards (Standards) which came into effect on January 9, 2025 and is based on the model public sector charter developed by the Institute of Internal Auditors (with customizations made based on RIAT's specific circumstances). The updated charter is being presented for review and approval by the Audit Committee.

The Standards require internal audit functions to develop and maintain an internal audit charter that specifies, at a minimum, the internal audit function's:

- Purpose of Internal Auditing.
- Commitment to adhering to the Standards.
- Mandate, including scope and types of services to be provided, and the board's/Audit Committee's responsibilities and expectations regarding management's support of the internal audit function.
- Organizational position and reporting relationships.

Submitted by: Paula Hatt, Regional Internal Audit Senior Manager
Reviewed by: Calum McNeil, Chief Financial Officer and Treasurer of the Board
Endorsed by: John De Faveri, Director of Education, Foundation Chair and Secretary of the Board

Regional Internal Audit Charter

Purpose

The purpose of the regional internal audit team is to strengthen the ability of the district school boards in the Toronto & Area Region¹ to create, protect, and sustain value by providing the Audit Committee of the Board of Trustees (Audit Committee) and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The regional internal audit function enhances the district school board's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The regional internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit StandardsTM, which are set in the public interest.
- The regional internal audit team is independently positioned with direct accountability to the Audit Committee.
- Regional internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

The regional internal audit team will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Senior Manager, Regional Internal Audit will report annually to the Audit Committee and senior management regarding the regional internal audit team's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

¹ The Toronto & Area Region comprises the Dufferin-Peel Catholic District School Board (DSB), Peel DSB, Toronto Catholic DSB, Toronto DSB, York Catholic DSB and York Region DSB.

Mandate

Authority

The regional internal audit function is established by the Ministry of Education through the annual Core Education Funding.

The Ministry of Education issued guidance in May 2016 (memorandum 2016: B10), requiring each school board to receive a minimum of two assurance or advisory engagements a year from the regional internal audit team (or a comprehensive engagement covering at least two processes²), in addition to follow-up activities on recommendations or action plans from previously issued reports.

The role of the Audit Committee towards the regional internal audit function is established by Ontario Regulation 361/10, “Audit Committees”, subsection 9(3).

The regional internal audit team’s authority is created by its direct reporting relationship to the Audit Committee. Such authority allows for unrestricted access to the Audit Committee.

The Audit Committee authorizes the regional internal audit team to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Regional internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the regional internal audit function’s objectives.
- Obtain assistance from the necessary personnel of the district school board and other specialized services from within or outside the district school board to complete internal audit services.

Independence, Organizational Position, and Reporting Relationships

The internal audit function in Ontario’s district school boards follows a regional model. The function consists of a Senior Manager, Regional Internal Audit responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education.

The Senior Manager, Regional Internal Audit will be positioned at a level in the school board that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the regional internal audit team. (See “Mandate” section.) The Senior Manager, Regional Internal Audit will report functionally

² Amendment noted in Ministry of Education memorandum 2017: SB26.

to each audit committee in the region and be administratively (for example, day-to-day operations) supported by a host school board Senior Business Official. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference and supports the regional internal auditors' ability to maintain objectivity. The function is further supported by a Regional Coordinating & Steering Committee, consisting of a Senior Business Official from each district school board in the region, that assists in the coordination and implementation of the function and facilitates discussions and action where required. Every effort is made to adequately staff the internal audit function, within the available financial resources allocated by the Ministry of Education, in order to perform its audit activities.

The functional reporting relationship between the Senior Manager, Regional Internal Audit and each Audit Committee will be further demonstrated by each Audit Committee performing the following functions for their Board:

- Approve the regional internal audit charter;
- Recommend for approval the risk-based internal audit plan;
- Receive information from the Senior Manager, Regional Internal Audit about the internal audit activity performance to plan and other relevant matters;
- Inquire of the Senior Manager, Regional Internal Audit whether there are resource or scoping limitations; and
- Review annually the performance of the regional internal audit activity and provide the Board of Trustees with their comments regarding the performance of the Senior Manager, Regional Internal Audit.

The Senior Manager, Regional Internal Audit will interact directly with the Audit Committee, including in-camera sessions and between audit committee meetings as appropriate.

The Senior Manager, Regional Internal Audit will confirm to the Audit Committee, at least annually, the organizational independence of the regional internal audit team. If the governance structure does not support organizational independence, the Senior Manager, Regional Internal Audit will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Senior Manager, Regional Internal Audit will disclose to the Audit Committee any interference regional internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the regional internal audit team's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Senior Manager, Regional Internal Audit, Audit Committee, and senior management on the regional internal audit

mandate or other aspects of the regional internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganization within the district school board.
- Significant changes in the Senior Manager, Regional Internal Audit, Audit Committee, and/or senior management.
- Significant changes to the district school board's strategies, objectives, risk profile, or the environment in which it operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Audit Committee Oversight

To establish, maintain, and ensure that the regional internal audit function has sufficient authority to fulfill its duties, the oversight role of the Audit Committee over the regional internal audit function is outlined in Ontario Regulation 361/10, "Audit Committees", subsection 9(3).

Further, subsection 10(c) of the regulation allows private meetings between regional internal audit and the Audit Committee members without senior management present.

Note: Funding for the regional internal audit function is determined by the Ministry of Education annually through the Core Education Funding.

Senior Manager, Regional Internal Audit Roles and Responsibilities

Ethics and Professionalism

The Senior Manager, Regional Internal Audit will ensure that regional internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Objectivity

The Senior Manager, Regional Internal Audit will ensure that the regional internal audit function remains free from all conditions that threaten the ability of regional internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Senior Manager, Regional Internal Audit determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Regional internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, regional internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the district school board or its affiliates.
- Initiating or approving transactions external to the regional internal audit function.
- Directing the activities of any district school board employee that is not employed by the regional internal audit function, except to the extent that such employees have been appropriately assigned to the regional internal audit team or to assist regional internal auditors.

Regional internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Senior Manager, Regional Internal Audit, Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Regional Internal Audit Function

The Senior Manager, Regional Internal Audit has the responsibility to:

- Develop a risk-based regional internal audit plan (annual or two-year plan) that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.
- Communicate the impact of resource limitations on the regional internal audit plan to the Audit Committee and senior management.
- Review and adjust the regional internal audit plan, as necessary, in response to changes in the district school board's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit Committee and senior management if there are significant interim changes to the regional internal audit plan. Submit all proposed major changes to the regional internal audit plan to the Audit Committee for approval.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee and senior management as available.
- Ensure the regional internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the regional internal audit mandate.
- Identify and consider trends and emerging issues that could impact the district school board and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the regional internal audit function.
- Ensure adherence to the district school board's relevant policies and procedures unless such policies and procedures conflict with the regional internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the Senior Manager, Regional Internal Audit cannot achieve an appropriate level of coordination, the issue must be

communicated to senior management and if necessary escalated to the Audit Committee.

Communication with the Audit Committee and Senior Management

The Senior Manager, Regional Internal Audit will report annually (or more frequently, as needed) to the Audit Committee and senior management regarding:

- The regional internal audit function's mandate.
- The regional internal audit plan and performance relative to its plan.
- Significant revisions to the regional internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the regional internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the regional internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the district school board's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the regional internal audit function determines may be unacceptable or acceptance of a risk that is beyond the district school board's risk appetite.

Quality Assurance and Improvement Program

The Senior Manager, Regional Internal Audit will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the regional internal audit function. The program will include external and internal assessments of the regional internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the regional internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the regional internal audit function's deficiencies and opportunities for improvement.

Annually, the Senior Manager, Regional Internal Audit will communicate with the Audit Committee and senior management about the regional internal audit function's quality

assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the district school boards served by the regional internal audit team; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the district school board, including all of the district school board's activities, assets, and personnel. The activities and processes within the scope are captured in the audit universe. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the district school board.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the regional internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of the district school board's strategic objectives are appropriately identified and managed.
- The actions of the district school board's officers, directors, management, employees, and contractors or other relevant parties comply with the district school board's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the district school board.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Approved by the Audit Committee of the (*name of school board*) at its meeting on [date].

Acknowledgments/Signatures

Senior Manager, Regional Internal Audit

Date

Audit Committee Chair

Date

Director of Education or designate

Date