



YORK CATHOLIC DISTRICT SCHOOL BOARD

Audit Committee Agenda

Public Session

Monday, November 13, 2023

5:30 p.m. – 6:30 p.m.

Watch the Audit Committee Meeting STREAM
event on our YCDSB TV Channel:

<http://bit.ly/YCDSB-TV>

*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.*

Page(s)

Prayer for Gratitude in Every Day Living

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.

Amen

- | | | | |
|------------------------------------|---|-----------|-------|
| 1. | Call to Order and Prayer/Land Acknowledgement | C. Cotton | |
| 2. | Roll Call | C. McNeil | |
| 3. | Approval of Agenda | C. Cotton | |
| 4. | Approval of the Minutes of the September 19, 2023 Meeting | C. Cotton | 2-3 |
| 5. | Declaration of Conflict of Interest | C. Cotton | |
| 6. | Business Arising from the Minutes of the Previous Meeting: Nil | | |
| <u>Staff Presentations:</u> | | | |
| 7. | 2022-2023 Consolidated Financial Statements | | |
| | a. PowerPoint "Consolidated Financial Statements, 2022-23 Year End" | C. McNeil | 4-10 |
| | b. 2022-23 Draft Consolidated Financial Statements | C. McNeil | 11-43 |
| <u>Action Item(s):</u> | | | |
| 8. | Approval of YCDSB 2022-23 Consolidated Financial Statements | C. McNeil | 44 |
| 9. | Approval of YCDSB 2022-23 Educational Development Charges (EDC) Financial Statements | C. McNeil | 45-55 |
| <u>Information Item(s):</u> | | | |
| 10. | Annual Audit Committee Report to the Ministry of Education | C. McNeil | 56-57 |
| 11. | Regional Internal Audit Team (RIAT) Update | P. Hatt | 58-59 |
| 12. | RIAT Findings and Recommendations from Completed Engagements | P. Hatt | 60-64 |
| <u>Future Items:</u> | | | |
| 13. | Next Meeting Date: May 28, 2024 | | |
| <u>Adjournment</u> | | | |

York Catholic District School Board

MINUTES AUDIT COMMITTEE (Regular Session)

A Regular session of the Audit Committee was held at the Catholic Education Centre Boardroom and virtually via Google Meets, on Tuesday, September 26, 2023, commencing at 4:30 p.m.

PRESENT:

| | |
|-----------------------------|---|
| Committee Members: | C. Cotton, M. Iafrate |
| Other Trustees: | M. Barbieri, E. Crowe, A. Saggese, J. Wigston* |
| External Committee Members: | M. Petrilli*, D. Murack* |
| Administration: | D. Scuglia, C. McNeil, J. Tsai, K. Scanlon, T. Laliberte* |
| RIAT Team: | P. Hatt, Regional Internal Audit Senior Manager |
| Other Guest(s): | |
| Absent with Notice: | J. DiMeo |
| Recording: | K. Errett |
| Presiding: | C. Cotton, Committee Chair |

*[*denotes attendance via Google Meets]*

1. CALL TO ORDER, PRAYER AND LAND ACKNOWLEDGEMENT

Trustee Cotton, Committee Chair, called the meeting to order and led the opening prayer. Director Scuglia read the York Catholic District School Board Land Acknowledgement and C. McNeil, CFO and Treasurer, provided roll call.

C. McNeil, Chief Financial Officer and Treasurer of the Board, introduced and welcomed Daniel Murack who was recently selected as Volunteer External Audit Committee Member.

2. APPROVAL OF NEW MATERIAL

Nil

3. APPROVAL OF THE AGENDA

Motion: Iafrate/Petrilli

THAT the Agenda be approved with an amendment to move Discussion/Information Item 11 a) *YCDSB Regional Internal Audit Update*, to Action Item a).

– MOTION CARRIED –

4. APPROVAL OF THE MINUTES

Motion: Iafrate/Petrilli

THAT the Minutes of the May 29, 2023 Audit Committee meeting be approved as presented.

– MOTION CARRIED –

5. DECLARATION OF CONFLICT OF INTEREST: Nil

6. BUSINESS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING: Nil**7. NEXT MEETING DATE: November 14, 2023****8. ACTION ITEMS:****a) Regional Internal Audit Manager (RIAM) Update**

P. Hatt, Regional Internal Audit Senior Manager, provided the status of engagements for outstanding audits from previous years Regional Internal Audit Plans. From the 2020-21 Audit Plan, the Cybersecurity Audit is in the planning stage and a Request for Services will be developed to procure a firm for the review. The Business Continuity engagement (2021-22) outsourced to MNP is currently in the fieldwork stage.

For 2022-23 a financial risk review was scheduled, however, multiple areas of focus were identified during the current deficit situation, therefore, this review has been divided into three engagements. The first of this series, Special Education Financial and Operational Review, Phase I, is now complete and the second phase of the engagement is planned for 2023-24. The Staffing Benchmarking (2023-24) engagement is currently in the fieldwork stage, School Finance Data Analytics (2022-23) is in planning and Transportation and Payroll Workflow Assessment engagements have been selected for follow-up later in the year.

Included in the Annual Report 2022-23. P. Hatt provided the context for the recommendation to amend the Audit Plan to remove the Workflow Assessment – Plant and Finance (2020-21) and Attendance Support Audit (2023-24) engagements.

Motion: Iafrate/Petrilli

THAT the York Catholic District School Board's Audit Committee approves the following amendment to the Regional Internal Audit Plan:

- **Removal of the Workflow Assessment - Plant and Finance (2020-21 RIAT Audit Plan)**
- **Removal of the Attendance Support Audit (2023-24 RIAT Plan).**

– MOTION CARRIED –

P. Hatt highlighted the signed Regional Internal Audit Team Charter (Appendix 1-A). It was reminded that the Mandate and Purpose were presented and signed by the Committee Chair and Director of Education at the May 29, 2023 Audit Committee meeting.

9. PRESENTATION ITEMS: Nil**10. DISCUSSION/INFORMATION ITEM(S): Nil**

FUTURE ITEM(S): Nil

Adjournment: 4:50 P.M.

On Motion: Iafrate/Petrilli and CARRIED



Consolidated Financial Statements

2022-23 Year End

Audit Committee

November 13, 2023

Prepared by:
Submitted by:
Endorsed by:

Jesua Tsai, Manager, Accounting and Financial Services
Calum McNeil, Chief Financial Officer & Treasurer of the Board
Domenic Scuglia, Director of Education 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
- 2021-22 Financial results have been restated due to adoption of PS3280 Asset Retirement Obligations (ARO). This standard was adopted on September 1, 2022 on a modified retroactive basis with prior period restatement.



Statement of Financial Position

| (\$ Millions) | 2022-23 Actual | 2021-22 Actual Restated | Change |
|---|-------------------|-------------------------------|---------------|
| FINANCIAL ASSETS | | | |
| Cash and cash equivalents | 91.4 | 58.7 | 32.8 |
| Accounts receivable | 15.6 | 9.8 | 5.7 |
| Accounts receivable - Government of Ontario | 248.6 | 294.6 | (46.0) |
| Accounts receivable - Municipalities | 22.9 | 22.8 | 0.1 |
| Other financial assets | 1.0 | 0.1 | 0.9 |
| TOTAL FINANCIAL ASSETS | 379.5 | 386.0 | (6.5) |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities | 66.1 | 42.9 | 23.1 |
| Deferred revenue | 99.2 | 95.3 | 3.9 |
| Other liabilities | 4.6 | 3.2 | 1.4 |
| Deferred capital contributions | 665.2 | 659.6 | 5.6 |
| Asset Retirement obligations | 7.4 | 6.6 | 0.9 |
| Retirement & other employee future benefits | 16.6 | 16.5 | 0.0 |
| Net long-term debt and capital lease | 182.9 | 208.8 | (25.9) |
| TOTAL LIABILITIES | 1,042.0 | 1,032.9 | 9.1 |
| NET DEBT | (662.5) | (646.8) | (15.7) |
| NON-FINANCIAL ASSETS | | | |
| Tangible capital assets | 927.4 | 920.6 | 6.8 |
| TOTAL NON-FINANCIAL ASSETS | 927.4 | 920.6 | 6.8 |
| ACCUMULATED SURPLUS | 264.9 | 273.8 | (8.9) |

Reduction in Capital Grants receivable (\$29M), and Delayed Grant payment receivable (\$13M)

Addition \$43M is greater than amortization of (\$37M)

Principal repayments



Statement of Operations

| (\$ Millions) | 2022-23 Actual | 2021-22 Actual Restated | Change |
|---|-------------------|-------------------------------|---------------|
| REVENUES | | | |
| Provincial grants | 612.3 | 591.8 | 20.5 |
| Deferred capital contribution revenue | 36.6 | 36.0 | 0.6 |
| Provincial grants - Grants for Student Needs | 648.9 | 627.8 | 21.1 |
| Provincial grants - other | 12.9 | 29.9 | (16.9) |
| School generated funds | 22.1 | 12.2 | 10.0 |
| Investment income | 2.6 | 0.6 | 2.0 |
| Other fees and revenues | 11.8 | 19.1 | (7.4) |
| TOTAL REVENUES | 698.4 | 689.5 | 8.8 |
| EXPENSES | | | |
| Instruction | 531.4 | 527.1 | 4.3 |
| Administration | 18.7 | 17.1 | 1.6 |
| Transportation | 19.8 | 20.6 | (0.9) |
| Pupil accommodation | 110.9 | 105.1 | 5.8 |
| School generated funds | 21.6 | 10.9 | 10.7 |
| Other | 4.9 | 6.2 | (1.3) |
| TOTAL EXPENSES | 707.3 | 687.1 | 20.2 |
| ANNUAL SURPLUS/(DEFICIT) | (8.9) | 2.4 | (11.3) |
| Accumulated surplus at beginning of year | 273.8 | 275.8 | (2.0) |
| Accumulated surplus (deficit) PSAS adjustment | | (4.4) | 4.4 |
| Adjusted accumulated surplus at beginning of year | 273.8 | 271.4 | 2.4 |
| Accumulated surplus at end of year | 264.9 | 273.8 | (8.9) |

Increase due to increased benchmarks for labour provision, CUPE collective agreement, and 22-23 covid funding

21-22 included COVID PPE funding and COVID in-kind supply

POD revenue recognized in 21-22 to offset COVID costs

Easing of COVID restrictions, increase in student activities, hot lunches and excursions

Impact of asset retirement obligation



Appendices



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

| 2022-23 Actuals 2021-22 Actuals | | |
|---|--------------|------------|
| (\$ Millions) | | |
| Ministry Compliance Surplus/(Deficit) | (9.7) | 1.0 |
| Items included in Financials (not in compliance) | | |
| Interest Accrued for Long Term Debt | 0.3 | 0.3 |
| School Generated Funds | 0.6 | 1.3 |
| Asset Retirement Obligation | (0.1) | (0.2) |
| Surplus/(Deficit) per Financial Statements | (8.9) | 2.4 |

SGF in surplus position of \$1.3M in 2021-22, and surplus position of \$0.6M in 2022-23

Asset retirement obligation impact excluded from compliance



Appendix B - Accumulated Surplus: Reconciliation to Compliance

| (\$ Millions) | 2022-23 Actuals | 2021-22 Actuals |
|---|-----------------|-----------------|
| Accumulated Surplus Available for Compliance | 8.8 | 18.4 |
| Items included in Financials (not in compliance) | | |
| Employee Future Benefits | (4.6) | (4.6) |
| Interest Accrued for Long Term Debt | (2.2) | (2.5) |
| School Generated Funds | 8.4 | 7.9 |
| Asset Retirement Obligation | (4.7) | (4.6) |
| Revenues Recognized for Land | 259.1 | 259.1 |
| Accumulated Surplus per Financial Statements | 264.9 | 273.8 |



**York Catholic District School Board
Consolidated Financial Statements
Year ended August 31, 2023**



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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 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 XX, 2023

Independent auditor's report

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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, 2023, 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 basis of accounting described in Note 1 to the consolidated financial statements.

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

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 Canadian public sector accounting standards, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Board and the organizations it controls to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 2023

Chartered Professional Accountants
Licensed Public Accountants



York Catholic District School Board Consolidated Statement of Financial Position

As at August 31

| | 2023 (\$000's) | 2022 (\$000's) Restated (Note 2) |
|--|-------------------|--|
| Financial assets | | |
| Cash and cash equivalents | 91,438 | 58,679 |
| Accounts receivable | 15,591 | 9,847 |
| Accounts receivable – Government of Ontario (Note 3) | 248,568 | 294,584 |
| Accounts receivable – Municipalities | 22,842 | 22,815 |
| Other financial assets | <u>1,024</u> | <u>120</u> |
| Total financial assets | <u>379,463</u> | <u>386,045</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | 66,069 | 42,947 |
| Deferred revenue (Note 4) | 99,191 | 95,293 |
| Other liabilities | 4,651 | 3,189 |
| Deferred capital contributions (Note 5) | 665,184 | 659,551 |
| Asset retirement obligations (Note 6 & 7) | 7,439 | 6,554 |
| Retirement and other employee future benefits (Note 9) | 16,565 | 16,531 |
| Net long-term debt and capital lease (Note 10) | <u>182,905</u> | <u>208,813</u> |
| Total liabilities | <u>1,042,004</u> | <u>1,032,878</u> |
| Net debt | (662,541) | (646,833) |
| Non-financial assets | | |
| Tangible capital assets (Note 15) | <u>927,412</u> | <u>920,635</u> |
| Accumulated surplus (Note 16) | <u>264,871</u> | <u>273,802</u> |

Contractual obligations and contingent liabilities (Note 18)

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

2023

2023

2022

| | Restated (Note 19) Budget (\$000's) | Actual (\$000's) | Restated (Note 2) Actual (\$000's) |
|---|---|---------------------|--|
| Revenues | | | |
| Grants for student needs (Note 13) | 599,505 | 612,247 | 591,798 |
| Deferred capital contribution revenue | <u>37,924</u> | <u>36,647</u> | <u>36,011</u> |
| Provincial grants – grants for student needs | 637,429 | 648,894 | 627,809 |
| Provincial grants – other (Note 23) | 12,049 | 12,928 | 29,853 |
| School generated funds | 13,000 | 22,141 | 12,189 |
| Investment income | 250 | 2,589 | 576 |
| Other fees and revenues | <u>26,888</u> | <u>11,847</u> | <u>19,114</u> |
| Total revenues | <u>689,616</u> | <u>698,399</u> | <u>689,541</u> |
| Expenses (Note 14) | | | |
| Instruction | 509,072 | 531,439 | 527,114 |
| Administration | 19,229 | 18,674 | 17,109 |
| Transportation | 22,304 | 19,756 | 20,642 |
| Pupil accommodation | 108,021 | 110,945 | 105,127 |
| School generated funds | 13,000 | 21,567 | 10,896 |
| Other (Note 23) | <u>5,419</u> | <u>4,949</u> | <u>6,214</u> |
| Total expenses | <u>677,045</u> | <u>707,330</u> | <u>687,102</u> |
| Annual (deficit) surplus | 12,571 | (8,931) | 2,439 |
| Accumulated surplus at beginning of year, as previously stated | 268,749 | 273,802 | 275,786 |
| Accumulated surplus PSAS Adjustments (Note 2) | <u>(4,601)</u> | | <u>(4,423)</u> |
| Adjusted accumulated surplus at beginning of year | 264,148 | 273,802 | 271,363 |
| Accumulated surplus at end of year | <u>276,719</u> | <u>264,871</u> | <u>273,802</u> |



York Catholic District School Board Consolidated Statement of Cash Flows

For the Year Ended August 31

| | 2023 (\$000's) | 2022 (\$000's) Restated |
|---|-------------------|-------------------------------|
| Operating transactions | | |
| Annual (deficit) surplus | (8,931) | 2,439 |
| Sources and (uses) | | |
| Non-cash items including: | | |
| Amortization, write downs, and gain on disposal | 36,651 | 36,011 |
| Amortization of TCA – asset retirement obligations | 178 | 178 |
| Increase of asset retirement obligation liabilities excluding settlements | 921 | - |
| (Increase) of tangible capital assets – asset retirement obligation asset excluding amortization on asset retirement obligations | (921) | - |
| Deferred capital contributions amortization (Note 5) | (36,647) | (36,011) |
| (Increase) in accounts receivable | (5,771) | (4,861) |
| Decrease in accounts receivable – Delayed grant payment (Note 3) | 16,713 | 8,665 |
| (Increase) decrease in other financial assets | (904) | 220 |
| Increase (decrease) in accounts payable and accrued liabilities | 23,122 | (10,243) |
| Increase in deferred revenue – operating (Note 4) | 577 | 1,827 |
| Increase (decrease) in retirement and other employee future benefits | 34 | (1,818) |
| Settlement of asset retirement liability through abatement | (36) | - |
| Increase in other liabilities | 1,463 | 256 |
| Cash applied to operating transactions | <u>26,449</u> | <u>(3,337)</u> |
| Capital transactions | | |
| Cash used to acquire tangible capital assets | <u>(42,685)</u> | <u>(42,179)</u> |
| Cash applied to capital transactions | <u>(42,685)</u> | <u>(42,179)</u> |
| Financing | | |
| Decrease in accounts receivable – Government of Ontario | 29,302 | 24,950 |
| Additions to deferred capital contributions (Note 5) | 42,280 | 42,176 |
| Increase in deferred revenue – Capital (Note 4) | 3,321 | 5,037 |
| Debt repayment and sinking fund contributions (Note 9) | <u>(25,908)</u> | <u>(30,082)</u> |
| Cash provided by financing transactions | <u>48,995</u> | <u>42,081</u> |
| Change in cash and cash equivalents | <u>32,759</u> | <u>(3,435)</u> |
| Opening cash and cash equivalents | <u>58,679</u> | <u>62,114</u> |
| Closing cash and cash equivalents | <u>91,438</u> | <u>58,679</u> |



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

For the Year Ended August 31

| | 2023 (\$000's) | 2022 (\$000's) Restated |
|---|-------------------|-------------------------------|
| Annual (deficit) surplus | <u>(8,931)</u> | <u>2,439</u> |
| Non-financial asset activity | | |
| Acquisition of tangible capital assets | (42,685) | (42,179) |
| Amortization and write downs of tangible capital assets | 36,829 | 36,189 |
| Changes in estimate of tangible capital assets-asset retirement obligations | <u>(921)</u> | <u>-</u> |
| Total non-financial asset activity | <u>(6,777)</u> | <u>(5,990)</u> |
| Increase in net debt | <u>(15,708)</u> | <u>(3,551)</u> |
| Net debt at beginning of year | <u>(646,833)</u> | <u>(636,728)</u> |
| PSAS adjustments to net financial assets (Note 2) | - | (6,554) |
| Net debt at end of year | <u>(662,541)</u> | <u>(646,833)</u> |

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

Guided by Gospel Values and Catholic Virtues, in partnership with home and Church, the mission of the York Catholic District School Board ("the Board") is to educate and inspire all students to reach their full potential in a safe and caring environment.

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 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 would be recorded differently under Canadian Public Sector Accounting Standards.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(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.

Financial Instrument

Measurement Method

Cash and cash equivalents

Amortized Cost*

Accounts receivable

Amortized Cost*

Accounts payable

Amortized Cost*

*Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method.

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

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or 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. 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.

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 less than 90 days.

f) 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 and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services are performed.

g) 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

h) 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 (ELHT's) were established in 2016-17: OECTA, CUPE, OSSTF and trust for non-unionized employees including principals and vice-principals. The ELHT's 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. 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

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

(FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), additional ministry funding in the form of a Crown contribution as well as 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, health care cost trends, disability recovery rates, long-term inflation rates and discount rates.
- The cost of retirement gratuities are 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.

i) 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, 2023

(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.

j) 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 Regulation 395/11, 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.

k) 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.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

l) Long-term Debt and Capital Leases

Long-term debt is recorded net of related sinking fund asset balances.

m) 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. .

n) 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 retirement and other future employee benefits and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$7,600. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

o) 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 Grants for Student Needs under Education Property Tax.

p) 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.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

2. Change in Accounting Policy – Adoption of New Accounting Standards

The board adopted the following standards concurrently beginning September 1, 2022 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*.

PS1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets (TCA) controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on September 1, 2022 on a modified retroactive basis with prior period restatement.

In the past, the board has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. It has reported obligations for closure and post closure activities related to landfill sites as the landfill site's capacity was used (if applicable). The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded, and replaces Section PS 3270, Solid Waste Landfill Closure and Post-Closure Liability (PS 3270).

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

2. Change in Accounting Policy – Adoption of New Accounting Standards (continued)

Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance, and monitoring that are an integral part of the retirement of the tangible capital asset (if applicable). When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from board buildings and closure and post closure activities related to landfill sites (if applicable). The board reports liabilities related to the legal obligations where the board is obligated to incur costs to retire a tangible capital asset.

The board's ongoing efforts to assess the extent to which designated substances exist in board assets, and new information obtained through regular maintenance and renewal of board assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to in the estimated cost to fulfil the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in to the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis. When obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows. Subsequently, accretion of the discounted liability due to the passage of time is recorded as an in-year expense (if applicable).

To estimate the liability for similar buildings that do not have information on asbestos and other designated substances, the board uses buildings with assessments on the extent and nature of the designated substances in the building to measure the liability and those buildings and this information is extrapolated to a group of similar assets that do not have designated substances reports. As more information becomes available on specific assets, the liability is revised to be asset specific. In other situations, where the building might not be part of a large portfolio, other techniques are used such as using industry data, experts or basing the estimate on a specific asset that is similar (if applicable).

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

2. Change in Accounting Policy – Adoption of New Accounting Standards (continued)

As a result of applying this accounting standard, an asset retirement obligation of \$7,439 (2022 – \$6,554) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the board owned buildings and equipment, including tanks, and restoration costs related to leasehold improvements. The board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization and amortization expense for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The associated DCC, DCC revenue, TCA gross book value, TCA accumulated amortization and TCA amortization expense were not restated. The adoption of PS 3280 ARO was applied to the comparative period as follows:

| 2022 | As previously reported | Adjustments | As restated |
|---|---------------------------|-------------|-------------|
| | \$ | \$ | \$ |
| Consolidated Statement of Financial Position | | | |
| Asset retirement obligation liability | - | 6,554 | 6,554 |
| Tangible capital assets | 918,682 | 1,953 | 920,635 |
| Accumulated surplus (deficit) | 278,403 | (4,601) | 273,802 |
| Consolidated Statement of Operations | | | |
| Amortization of TCA-ARO (included in pupil accommodation) | 104,949 | 178 | 105,127 |
| Annual surplus | 2,617 | (178) | 2,439 |
| Consolidated Statement of Changes in Net Debt | | | |
| Annual surplus | 2,617 | (178) | 2,439 |
| Amortization of TCA (incl TCA-ARO) | 36,011 | 178 | 36,189 |
| Change in net debt | (3,373) | (178) | (3,551) |

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(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. York Catholic District School 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>2023</u> | <u>2022</u> |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Account receivable – capital grant | 202,749 | 232,052 |
| Account receivable – delayed grant payments | <u>45,819</u> | <u>62,532</u> |
| Closing balance | <u>248,568</u> | <u>294,584</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, 2023 is comprised of:

| | Balance as at August 31, <u>2022</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>2023</u> \$ |
|--------------------------------|---|--|---|---|---|
| Legislative Grants - operating | 7,686 | 82,411 | - | 81,413 | 8,684 |
| Other Ministry of Education | 342 | 4,575 | - | 4,741 | 176 |
| Third Party | 311 | 1,759 | - | 1,693 | 377 |
| Other Provincial Grants | - | 349 | - | 349 | - |
| Deferred revenue – operating | <u>8,338</u> | <u>89,094</u> | <u>-</u> | <u>88,196</u> | <u>9,237</u> |
| Legislative Grants – capital | 6,845 | 37,815 | 7,226 | 31,964 | 5,470 |
| Other Ministry of Education | - | 699 | 340 | 359 | - |
| Proceeds of disposition | 52,919 | - | 1,884 | 562 | 50,473 |
| Education development charges | 27,191 | 6,918 | - | 98 | 34,011 |
| Third party | - | 438 | - | 438 | - |
| Deferred revenue – capital | <u>86,955</u> | <u>45,870</u> | <u>9,450</u> | <u>33,421</u> | <u>89,954</u> |
| Total deferred revenue | <u>95,293</u> | <u>134,964</u> | <u>9,450</u> | <u>121,617</u> | <u>99,191</u> |

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(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 regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

| | <u>2023</u> | <u>2022</u> |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Opening balance | 659,551 | 653,386 |
| Additions to deferred capital contributions | 42,280 | 42,176 |
| Revenue recognized in the period | <u>(36,647)</u> | <u>(36,011)</u> |
| Closing balance | <u>665,184</u> | <u>659,551</u> |

6. Asset retirement obligations

The Board has recorded ARO as of the September 1, 2022 implementation date on a modified retroactive basis, with a simplified restatement of prior year amounts.

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, 2023, 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 | 2023 | 2022 |
|--|--------------|--------------|
| Liabilities for asset retirement obligations at beginning of year | 6,554 | - |
| Opening adjustments for PSAB adjustment | - | 6,554 |
| Liabilities incurred during the year | - | - |
| Increase in liabilities reflecting changes in the estimate of liabilities ¹ | 921 | - |
| Liabilities settled during the year | (36) | - |
| Liabilities for asset retirement obligations at end of year | 7,439 | 6,554 |

¹ Reflecting changes in the estimated cash flows and the discount rate

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

7. Revaluation of asset retirement obligations liability

As a result of recent high levels of inflation, liability balances based on previous cost estimates, the Board has made an inflation adjustment increase in estimates of 14.05% as at March 31, 2023, in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index (BCPI) survey from October 1, 2021 to September 30, 2022 and is the rate being used to update costs assumptions in the costing models in order to be reflective of March 31, 2023 costs.

8. 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 and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the Statement of Financial Position represent the Board's maximum credit exposure as at the 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 on its long-term debts, which are regularly monitored.

The Board's financial instruments consist of cash, 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, 2023

(All amounts in thousands of dollars)

9. Retirement and other employee future benefits

Retirement and other employee future benefits liabilities and expense as of August 31, 2023 is comprised of:

| | August 31, 2023 | | |
|--|--------------------------------|---|---|
| | Retirement Benefits | Other Employee Future Benefits | Total Employee Future Benefits |
| Accrued employee future benefit obligations | \$ 7,485 | \$ 9,080 | \$ 16,565 |
| Current year benefit cost | \$ - | \$ 2,868 | \$ 2,868 |
| Change due to data correction | - | - | - |
| Amortization of actuarial gains/(losses) | 41 | (475) | (434) |
| Interest on accrued benefit obligation | 283 | 266 | 549 |
| Employee future benefits expenses | \$ 324 | \$ 2,659 | \$ 2,983 |

Retirement and other employee future benefits liabilities and expense as of August 31, 2022 is comprised of:

| | August 31, 2022 | | |
|--|--------------------------------|---|---|
| | Retirement Benefits | Other Employee Future Benefits | Total Employee Future Benefits |
| Accrued employee future benefit obligations | \$ 7,981 | \$ 8,550 | \$ 16,531 |
| Current year benefit cost | \$ 8 | \$ 1,353 | \$ 1,361 |
| Change due to data correction | - | - | - |
| Amortization of actuarial gains/(losses) | 70 | (125) | (55) |
| Interest on accrued benefit obligation | 154 | 138 | 292 |
| Employee future benefits expenses | \$ 232 | \$ 1,366 | \$ 1,598 |

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, 2023

(All amounts in thousands of dollars)

9 Retirement and other employee future benefits (continued)

(a) Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2023. Actuarial probabilities were determined and based on updated average daily salary and banked sick days as at August 31, 2023. The economic assumptions used in these valuations are the Board's best estimates of expected rates as follows:

| | <u>2023</u> | <u>2022</u> |
|---|-------------|-------------|
| | % | % |
| Inflation | | |
| Workplace Safety and Insurance Boards Obligation ("WSIB") | 2.5 | 2.7 |
| 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 | 4.4 | 3.9 |
| Sick leave benefits, life insurance, health care and long-term disability | 4.4 | 3.9 |

(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, 2023, the Board contributed \$9,788 (2022 - \$8,686) 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, 2023

(All amounts in thousands of dollars)

9. 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, 2023 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, 2023 are based on actuarial valuations for accounting purposes as at August 31, 2023. 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 \$456 (2022 - \$993).

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, 2023 and is based on the average daily salary, and banked sick days of employees as at August 31, 2023.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

10. Net long-term debt and capital lease

Debenture debt, capital loans and obligation under capital leases 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 | 2023 \$ | 2022 \$ |
|-------------------------|----------|-----------|----------------|----------------|
| BNY - #179 | 7.200 | 09-Jun-25 | 7,939 | 11,506 |
| BNY - #182 | 6.550 | 19-Oct-26 | 8,388 | 10,457 |
| BNY - #186 | 5.800 | 07-Nov-28 | 8,677 | 9,981 |
| BNY - #188 | 4.789 | 08-Aug-30 | 21,647 | 24,195 |
| OFA - #189 | 4.560 | 15-Nov-31 | 4,909 | 5,372 |
| BNY - #190 | 5.376 | 25-Jun-32 | 31,993 | 34,694 |
| OFA - #191 | 4.900 | 03-Mar-33 | 10,269 | 11,069 |
| OFA - #192 | 5.347 | 15-Nov-33 | 3,740 | 4,000 |
| OFA - #193 | 5.062 | 13-Mar-34 | 2,276 | 2,431 |
| OFA - #196 | 5.047 | 15-Nov-34 | 23,348 | 24,815 |
| OFA - #197 | 5.232 | 13-Apr-35 | 777 | 823 |
| OFA - #198 | 3.942 | 19-Sep-25 | 16,458 | 23,022 |
| OFA - #199 | 4.833 | 11-Mar-36 | 983 | 1,037 |
| OFA - #201 | 3.564 | 09-Mar-37 | 12,055 | 12,721 |
| OFA - #202 | 3.799 | 19-Mar-38 | 8,136 | 8,537 |
| OFA - #203 | 4.037 | 30-Oct-28 | 6,620 | 7,684 |
| OFA - #204 | 4.003 | 11-Mar-39 | 8,637 | 9,022 |
| OFA - #206 | 2.993 | 09-Mar-40 | 148 | 154 |
| OFA - #207 | 3.242 | 15-Mar-41 | 5,905 | 6,147 |
| | | | 182,905 | 207,667 |
| Capital lease | 10.000 | 01-May-23 | - | 1,146 |
| Balance as at August 31 | | | 182,905 | 208,813 |

The Capital lease for the Catholic Education Centre (CEC) expired on May 31, 2023. The lease contained an option to purchase the CEC at the end of the term for \$15,000. The Board had a Deposit Agreement with Canada Life Assurance Company which was coterminous with the Capital lease. Upon expiration of the lease, the Board received the Deposit funds and used those funds to exercise the option of \$15,000 with Canada Life.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

10. Net long-term debt and capital lease (continued)

Principal and interest payments relating to net debenture debt, and capital loans of \$182,905 outstanding as at August 31, 2023 are due as follows:

| | <u>Principal</u> | <u>Interest Payments</u> | <u>Total</u> |
|--------------|-------------------|------------------------------|-------------------|
| 2024 | \$ 26,040 | \$ 8,558 | \$ 34,598 |
| 2025 | 27,386 | 7,211 | 34,597 |
| 2026 | 19,552 | 5,876 | 25,428 |
| 2027 | 16,538 | 4,962 | 21,500 |
| 2028 | 15,971 | 4,166 | 20,137 |
| Thereafter | 77,418 | 12,337 | 89,755 |
| Total | \$ 182,905 | \$ 43,110 | \$ 226,015 |

Interest on long-term debt amounted to \$13,795 (2022 - \$11,611).

11. 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 banker's acceptance facilities range from the banker's acceptance rate plus 0.75%. All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts.

12. Debt charges and capital loans and leases interest

| | <u>2023</u> | <u>2022</u> |
|---|----------------------|----------------------|
| | \$ | \$ |
| Principal payments on long-term liabilities | 25,908 | 30,082 |
| Interest payments on long-term liabilities | 9,519 | 10,745 |
| Capital lease interest | <u>4,276</u> | <u>866</u> |
| Balance as at August 31 | <u>39,703</u> | <u>41,693</u> |

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

13. Grants for Student Needs

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. 88% (2022 – 86%) of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

| | <u>2023</u> | <u>2022</u> |
|---------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Provincial Legislative Grants | 422,270 | 400,634 |
| Education Property Tax | <u>189,977</u> | <u>191,164</u> |
| Grants for Student Needs | <u>612,247</u> | <u>591,798</u> |

14. Expenses by object

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

| | <u>2023</u> | <u>2023</u> | <u>2022</u> |
|---|-----------------------|-----------------------|-----------------------|
| | Budget | Actual | Actual |
| | (Restated) | \$ | (Restated) |
| | \$ | | \$ |
| Salary and wages | 460,964 | 479,065 | 478,662 |
| Employee benefits | 77,695 | 83,840 | 79,554 |
| Staff development | 799 | 842 | 408 |
| Supplies and services | 48,294 | 54,522 | 42,771 |
| Interest charges on capital | 9,997 | 13,795 | 11,611 |
| Rental expenses | 559 | 579 | 413 |
| Fees and contract services | 34,437 | 32,273 | 30,897 |
| Amortization and write-downs of tangible capital assets | 37,923 | 36,651 | 36,011 |
| Amortization expenses on TCA - ARO | 178 | 178 | 178 |
| Other | <u>6,199</u> | <u>5,585</u> | <u>6,597</u> |
| Total expenses | <u>677,045</u> | <u>707,330</u> | <u>687,102</u> |

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

15. Tangible capital assets

| <u>Cost</u> | <u>Balance at August 31, 2022</u> | <u>Adjustment for PS3280¹</u> | <u>Opening Balance Adjusted¹</u> | <u>Additions and Transfers</u> | <u>Disposals, write-offs, Adjustments</u> | <u>Revaluation of TCA-ARO</u> | <u>Balance August 31, 2023</u> |
|-------------------------------------|---|--|---|--|---|-----------------------------------|--|
| Land | \$ 259,131 | \$ - | \$ 259,131 | \$ 1 | \$ - | \$ - | \$ 259,132 |
| Land improvements | 48,321 | - | 48,321 | 9,009 | - | - | 57,330 |
| Buildings | 1,066,309 | 6,554 | 1,072,863 | 38,181 | 4,973 | 921 | 1,106,992 |
| Furniture and equipment | 14,682 | - | 14,682 | 1,218 | 3,012 | - | 12,888 |
| Construction in progress | 18,845 | - | 18,845 | 17,730 | - | - | 36,575 |
| Capital lease assets | 23,454 | - | 23,454 | (23,454) | - | - | - |
| Total cost | \$ 1,430,742 | \$ 6,554 | \$ 1,437,296 | \$ 42,685 | \$ 7,985 | \$ 921 | \$ 1,472,917 |
| <u>Accumulated Amortization</u> | <u>Balance at August 31, 2022</u> | <u>Adjustment for PS3280</u> | <u>Opening Balance Adjusted</u> | <u>Additions and Transfers</u> | <u>Disposals, write-offs, Adjustments</u> | <u>Revaluation of TCA-ARO</u> | <u>Balance August 31, 2023</u> |
| Land improvements | \$ 19,731 | \$ - | \$ 19,731 | \$ 3,501 | \$ - | \$ - | \$ 23,232 |
| Buildings | 466,980 | 4,601 | 471,581 | 46,874 | 4,973 | - | 513,482 |
| Furniture and equipment | 9,068 | - | 9,068 | 2,735 | 3,012 | - | 8,791 |
| Capital lease assets | 16,281 | - | 16,281 | (16,281) | - | - | - |
| Total amortization | \$ 512,060 | \$ 4,601 | \$ 516,661 | \$ 36,829 | \$ 7,985 | \$ - | \$ 545,505 |
| <u>Net book value</u> | | | | | | <u>2023</u> | <u>2022 Restated</u> |
| Land | | | | | \$ | 259,132 | \$ 259,131 |
| Land improvements | | | | | | 34,098 | 28,590 |
| Buildings | | | | | | 593,510 | 601,282 |
| Furniture and equipment | | | | | | 4,097 | 5,614 |
| Construction in progress | | | | | | 36,575 | 18,845 |
| Capital lease assets | | | | | | - | 7,173 |
| Total net book value | | | | | \$ | <u>927,412</u> | <u>920,635</u> |

¹See Note 2 Change in Accounting Policy

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

15. Tangible capital assets (continued)

a) Assets under construction

Assets under construction having a value of \$35,048 (2022 - \$18,845) 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 (2022 - \$nil).

| 16. Accumulated surplus | 2023 | 2022 |
|--|---------|----------|
| | | Restated |
| | \$ | \$ |
| Accumulated surplus consists of the following: | | |
| Invested in non-depreciable tangible capital assets | 259,132 | 259,131 |
| Employee future benefits to be covered in the future | (4,556) | (4,556) |
| Interest accrual | (2,179) | (2,495) |
| School Generated Funds | 8,450 | 7,876 |
| Asset Retirement Obligations to be covered in the future | (4,743) | (4,601) |
| Unrestricted | 8,767 | 18,447 |
| Total accumulated surplus | 264,871 | 273,802 |

17. 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, 2023 amounted to \$1,659 (2022 - \$1,595). There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the School board.

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, 2023

(All amounts in thousands of dollars)

17. 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 in the board of directors to buy out such liability.

18. 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, 2023 is \$10,255.

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, 2023

(All amounts in thousands of dollars)

19. 2022-23 Budget Reconciliation

The audited budget data presented in these consolidated financial statements is based upon the 2023 budgets approved by the board. The budget was prepared prior to the implementation of the PS 3280-Assets Retirement Obligations (ARO) standard.

The chart below reconciles the approved budget to the budget figures reported in the Consolidated Statement of Operations.

Where amounts were not budgeted for (ARO amortization and accretion expenses), the actual amounts for 2023 were used to adjust the budget numbers to reflect the same accounting policies that were used to report the actual results.

As school boards only budget the Statement of Operations, the budget figures in the Consolidated Statement of Change in Net Debt have not been provided. The adjustments do not represent a formal amended budget as approved by the board. This is an amendment to make the 2023 budget information more comparable.

Consolidated Statement of Operations (Simplified) For the year ended August 31

| | 2022-23 Budget \$ | Change \$ | 2022-23 Budget Restated \$ |
|---|-------------------------|----------------|----------------------------------|
| Revenues | 689,616 | - | 689,616 |
| Expenses | 676,867 | | |
| Amortization of TCA-ARO | | 178 | 677,045 |
| Annual Surplus (Deficit) | 12,749 | (178) | 12,571 |
| Accumulated Surplus (Deficit) at beginning of year | 268,749 | | 268,749 |
| Accumulated Surplus (Deficit) PSAS Adjustments | - | (4,601) | (4,601) |
| Adjusted Accumulated Surplus (Deficit) at beginning of year | 268,749 | (4,601) | 264,148 |
| Accumulated Surplus/ (Deficit) at the end of year | 281,498 | (4,779) | 276,719 |

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

20. 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 2023 is 50.0% (2022 – 50.0%). The transportation consortium has no assets, liabilities or revenue for 2023 and 2022. Inter-organizational transactions and balances have been eliminated.

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

| | 2023 | 2023 | 2022 | 2022 |
|-----------------|--------------|----------------|--------------|----------------|
| | Total | Board | Total | Board |
| | <u>\$</u> | <u>Portion</u> | <u>\$</u> | <u>Portion</u> |
| Expenses | 1,572 | 786 | 1,751 | 875 |

21. 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 (2022 - \$224) in grants in respect of the above agreement for the year ended August 31, 2023, is recorded in these consolidated financial statements.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

(All amounts in thousands of dollars)

22. 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 \$104,262 (2022 - \$116,834). These loans bear interest ranging from 2.425% to 5.347% and mature from 2025 to 2041. Details of the loans are disclosed under Note 9.

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

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 (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the board's records. The in-kind revenue for these transfers, recorded in Provincial grants - other, is \$128 with expenses based on use of \$128 for a net impact of \$nil.

24. 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.

Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the board for as of September 1, 2023 for the year ending August 1, 2024):

PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

PSG-8 Purchased Intangibles provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 Public Private Partnerships (P3s) provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

York Catholic District School Board

Report

Report To: Audit Committee
From: Administration
Date: November 13, 2023
Subject: Consolidated Financial Statements for the Year Ended August 31, 2023

EXECUTIVE SUMMARY

Attached are the Consolidated Financial Statements for the Year Ended August 31, 2023.

BACKGROUND

Administration has prepared the financial statements for the year ended August 31, 2023. The statements have been audited by the board's external auditors, Grant Thornton, Chartered Professional Accountants.

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, 2023 are submitted for Audit Committee and Board approval on November 13, 2023 with the following recommendations:

- 1. THAT the Board approve the 2022-23 Consolidated Financial Statements of the York Catholic District School Board, for the period ended August 31, 2023, as audited by Grant Thornton LLP.**
- 2. That the 2022-23 Audited Consolidated Financial Statements of the York Catholic School Board, together with the Auditors' Report, will be made available and posted on the Board's website.**

Prepared by: Jesua Tsai, Manager, Accounting and Financial Services
Submitted by: Calum McNeil, CFO and Treasurer of the Board
Endorsed by: Domenic Scuglia, Director of Education

York Catholic District School Board

REPORT

Report to: Audit Committee

From: Administration

Date: November 13, 2023

Report: **AUDITED SUMMARY SCHEDULES OF EDUCATION DEVELOPMENT CHARGES (“EDC”)**

EXECUTIVE SUMMARY

The purpose of this report is to present for action the motion to approve the audited Summary Schedules of Education Development Charges for York Catholic District School Board (YCDSB) for the year ended August 31, 2023.

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 #7 rates for Education Development Charges for July 1, 2022 to June 30, 2023:

| By-Law | Development Type | Combined | York Catholic District School Board | York Region District School Board |
|--------|--|----------|-------------------------------------|-----------------------------------|
| #7 | Residential Development per dwelling unit | \$8,096 | \$1,463 | \$6,633 |
| #7 | Non-Residential Development per square foot of GFA | \$1.31 | \$0.21 | \$1.10 |

The following shows By-Law #7 rates for Education Development Charges for July 1, 2023 to June 30, 2024:

| By-Law | Development Type | Combined | York Catholic District School Board | York Region District School Board |
|--------|--|----------|-------------------------------------|-----------------------------------|
| #7 | Residential Development per dwelling unit | \$8,427 | \$1,463 | \$6,964 |
| #7 | Non-Residential Development per square foot of GFA | \$1.37 | \$0.22 | \$1.15 |

HIGHLIGHTS

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

The following chart summarizes the collection and distribution of EDC's from July 1, 2019 to August 31, 2023 for By-Law #7 (officially approved internally under YCDSB By-Law #208):

| By-Law | Total | York Catholic District School Board | York Region District School Board | Effective Dates |
|------------------|---------------|-------------------------------------|-----------------------------------|---------------------------------|
| By-Law #7 | \$252,947,074 | \$47,129,051 | \$205,818,023 | July 1, 2019 to August 31, 2023 |

Note: The current balance of EDC collections (net of expenditures) of \$34,010,543 is reflected as Deferred Revenues in the Board's audited 2022-23 Financial Statements.

SUMMARY SCHEDULES OF EDUCATION DEVELOPMENT CHARGES

Enclosed are the draft Summary Schedules of Education Development Charges for the year ended August 31, 2023 as audited by 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, 2023 as audited by Grant Thornton LLP.

Prepared by: Teresa Steenhoek, Senior Specialist, Accounting, Capital & Payroll
Submitted by: Calum McNeil, Chief Financial Officer & Treasurer of the Board
Endorsed by: Domenic Scuglia, Director of Education & Secretary of the Board

APPENDIX A



York Region - Summary of By-Law #1 to By-Law #7 As at August 31, 2023

| | BY-LAW #1 | | BY-LAW #2 | | BY-LAW #3 | | BY-LAW #4 | | BY-LAW #5 | | BY-LAW #6 | | BY-LAW #6A | | BY-LAW #7 | | |
|--------------------------------|-------------|------|------------|------|-------------|------|--------------------------|------|-----------------------|------|----------------------|------|----------------------|------|----------------------|------|-------------|
| | 1992 - 1996 | | 1996-1999 | | 2000-2004 | | 2004-2009 (to July 2009) | | Aug 2009 to July 2014 | | Aug 2014 to Feb 2017 | | Mar 2017 to Jun 2019 | | Jul 2019 to Aug 2023 | | CUMULATIVE |
| EDC COLLECTIONS: | | | | | | | | | | | | | | | | | |
| Residential | 72,413,149 | 87% | 59,913,998 | 81% | 149,881,897 | 90% | 75,300,807 | 89% | 87,026,222 | 91% | 90,653,100 | 94% | 124,929,672 | 93% | 234,927,223 | 93% | 895,046,068 |
| Non-Residential | 10,781,328 | 13% | 13,858,952 | 19% | 15,895,998 | 10% | 9,636,591 | 11% | 9,057,820 | 9% | 5,927,569 | 6% | 8,699,248 | 7% | 18,095,219 | 7% | 91,952,725 |
| Total Collected | 83,194,477 | 100% | 73,772,950 | 100% | 165,777,895 | 100% | 84,937,398 | 100% | 96,084,042 | 100% | 96,580,669 | 100% | 133,628,920 | 100% | 253,022,442 | 100% | 986,998,793 |
| Transfer to/from By-Laws | (32,234) | | 32,234 | | - | | - | | - | | - | | - | | - | | - |
| Refunds | (630,279) | | (24,111) | | (61,300) | | (28,851) | | (84,155) | | (107,178) | | (182,410) | | (192,411) | | (1,310,695) |
| Interest Earned less Bank Fees | 553,593 | | 746,698 | | 218,358 | | 69,989 | | 35,298 | | 51,104 | | 52,745 | | 117,043 | | 1,844,828 |
| NET EDC COLLECTIONS | 83,085,557 | | 74,527,771 | | 165,934,953 | | 84,978,536 | | 96,035,185 | | 96,524,595 | | 133,499,255 | | 252,947,074 | | 987,532,926 |
| DISTRIBUTIONS: | | | | | | | | | | | | | | | | | |
| CSD-Centre Sud-Quest | - | | 277,371 | | - | | - | | - | | - | | - | | - | | 277,371 |
| CSD Cath Sud-Quest | - | | 307,884 | | - | | - | | - | | - | | - | | - | | 307,884 |
| YRDSB | 58,921,965 | 71% | 49,555,323 | 66% | 96,823,045 | 58% | 60,864,475 | 72% | 65,084,987 | 68% | 74,497,424 | 77% | 112,810,921 | 85% | 205,818,023 | 81% | 724,376,163 |
| YCDSB | 24,163,592 | 29% | 24,387,193 | 33% | 69,111,908 | 42% | 24,114,061 | 28% | 30,950,198 | 32% | 22,027,171 | 23% | 20,688,334 | 15% | 47,129,051 | 19% | 262,571,508 |
| TOTAL DISTRIBUTIONS | 83,085,557 | 100% | 74,527,771 | 100% | 165,934,953 | 100% | 84,978,536 | 100% | 96,035,185 | 100% | 96,524,595 | 100% | 133,499,255 | 100% | 252,947,074 | 100% | 987,532,926 |
| Undistributed EDC | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 |

Summary Schedules of Education Development
Charges of

York Catholic District School Board

August 31, 2023

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Independent Auditor's Report

**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, 2023, 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 Canadian public sector accounting standards.

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.

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 Canadian public sector accounting standards, 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, 2023

Chartered Professional Accountants
Licensed Public Accountants

York Catholic District School Board **Combined By-Law # 6A & By-Law # 7** **Summary Schedule of Education Development Charges**

| Year ended August 31 | 2023 | 2022 | 2021 | 2020 | 2019 | Cumulative Total |
|--|------------------|-------------------|-------------------|------------------|------------------|---------------------|
| Revenue, collected | | | | | | |
| Residential | \$ 4,624,908 | \$ 19,058,587 | \$ 12,207,843 | \$ 8,228,292 | \$ 5,834,295 | \$ 49,953,925 |
| Non-residential | <u>874,176</u> | <u>989,892</u> | <u>670,166</u> | <u>346,290</u> | <u>404,481</u> | <u>3,285,005</u> |
| | 5,499,084 | 20,048,479 | 12,878,009 | 8,574,582 | 6,238,776 | 53,238,930 |
| Interest earned | 8,578 | 5,589 | 3,036 | 3,195 | 3,686 | 24,084 |
| Bank charges | <u>(73)</u> | <u>(76)</u> | <u>(83)</u> | <u>(50)</u> | <u>(31)</u> | <u>(313)</u> |
| | 5,507,589 | 20,053,992 | 12,880,962 | 8,577,727 | 6,242,431 | 53,262,701 |
| Distributions | | | | | | |
| Refunds | 991 | 1,463 | 8,899 | 20,415 | 6,286 | 38,054 |
| YCDSB | <u>5,506,598</u> | <u>20,052,529</u> | <u>12,872,063</u> | <u>8,557,312</u> | <u>6,236,145</u> | <u>53,224,647</u> |
| | 5,507,589 | 20,053,992 | 12,880,962 | 8,577,727 | 6,242,431 | 53,262,701 |
| 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 # 6A
Summary Schedule of Education Development Charges

| Year ended August 31 | 2023 | 2022 | 2021 | 2020 | 2019 | Cumulative Total |
|--|-------------|-------------|-------------|-------------|------------------|---------------------|
| Revenue, collected | | | | | | |
| Residential | \$ - | \$ - | \$ - | \$ - | \$ 5,709,098 | \$ 5,709,098 |
| Non-residential | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>390,563</u> | <u>390,563</u> |
| | - | - | - | - | 6,099,661 | 6,099,661 |
| Interest earned | - | - | - | - | 2,249 | 2,249 |
| Bank charges | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(28)</u> | <u>(28)</u> |
| | - | - | - | - | 6,101,882 | 6,101,882 |
| Distributions | | | | | | |
| Refunds | - | - | - | - | 6,286 | 6,286 |
| YCDSB | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,095,596</u> | <u>6,095,596</u> |
| | - | - | - | - | 6,101,882 | 6,101,882 |
| 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 | 2023 | 2022 | 2021 | 2020 | 2019 | Cumulative Total |
|--|------------------|-------------------|-------------------|------------------|----------------|---------------------|
| Revenue, collected | | | | | | |
| Residential | \$ 4,624,908 | \$ 19,058,587 | \$ 12,207,843 | \$ 8,228,292 | \$ 125,197 | \$ 44,244,827 |
| Non-residential | <u>874,176</u> | <u>989,892</u> | <u>670,166</u> | <u>346,290</u> | <u>13,918</u> | <u>2,894,442</u> |
| | 5,499,084 | 20,048,479 | 12,878,009 | 8,574,582 | 139,115 | 47,139,269 |
| Interest earned | 8,578 | 5,589 | 3,036 | 3,195 | 1,437 | 21,835 |
| Bank charges | <u>(73)</u> | <u>(76)</u> | <u>(83)</u> | <u>(50)</u> | <u>(3)</u> | <u>(285)</u> |
| | 5,507,589 | <u>20,053,992</u> | <u>12,880,962</u> | <u>8,577,727</u> | <u>140,549</u> | <u>47,160,819</u> |
| Distributions | | | | | | |
| Refunds | 991 | 1,463 | 8,899 | 20,415 | - | 31,768 |
| YCDSB | <u>5,506,598</u> | <u>20,052,529</u> | <u>12,872,063</u> | <u>8,557,312</u> | <u>140,549</u> | <u>47,129,051</u> |
| | 5,507,589 | <u>20,053,992</u> | <u>12,880,962</u> | <u>8,577,727</u> | <u>140,549</u> | <u>47,160,819</u> |
| Under (over) distribution of education development charges | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> |

York Catholic District School Board

Notes to the Summary Schedules of Education Development Charges

August 31, 2023

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 and its associated Regulations. The summary schedules represent five years of Education Development Charges for By-Law # 6A (YCDSB internal By-Law #205) effective for the period March 1, 2017 to June 30, 2019, and By-Law # 7 (YCDSB internal By-Law #208) effective for the period July 1, 2019 to August 31, 2023.

2. Summary of significant accounting policies

Basis of presentation

The summary schedules have been prepared on the 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 13, 2023

Subject: Annual Audit Committee Report to the Ministry of Education

Executive Summary:

Attached is the Annual Audit Committee Report that is required to be submitted annually to the Ministry of Education per Regulation 361/10. The intent of the report to the Ministry of Education is to provide the following:

- A report which outlines the work performed by the Regional Internal Auditors during the fiscal year which provides the Ministry with information on the use of the regional internal audit funding allocation; and
- A list of planned enrolment audits for upcoming fiscal years which allows better coordination of enrolment audits performed by the Ministry of Education and the Regional Internal Auditors.

The Annual Audit Committee Report provides a brief overview of the audit activity for the Regional Internal Audit Team, including the audits conducted during the year and audits that may be underway. The report is required to be submitted annually as of August 31; it is required to be signed by the Audit Chair and submitted to the Ministry by November 15.

Prepared and Submitted by: C. McNeil, Chief Financial Officer and Treasurer of the Board
Endorsed by: D. Scuglia, Director of Education and Secretary of the Board



York Catholic District School Board

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Annual Report to the Board of Trustees and Forwarded To the Ministry of Education For the year ended August 31, 2023

November 13, 2023

District School Board Name: York Catholic District School Board

Fiscal Year: 2022/23

**Re: Annual Audit Committee report to the Ministry of Education as per
Ontario Regulation 361/10**

During the 2022/23 fiscal year, the following internal audits or other engagements were started by the Regional Internal Audit Team but not completed by August 31st:

| Engagement | Commenced | Completed | Presented | Status at August 31 st |
|--|---------------|----------------|----------------|-----------------------------------|
| Special Education Financial & Operational Review | February 2023 | September 2023 | September 2023 | Reporting |

In addition to the above, the following engagement was completed in the 2022/23 fiscal year:

| Engagement | Commenced | Completed | Presented |
|---|----------------|----------------|----------------|
| Human Resources and Payroll – Review of Employee Bank Account Changes | September 2022 | September 2022 | September 2022 |

AND

Based on the Multi-Year Internal Audit Plan, YCDSB is not expecting any Enrolment Audits to be performed.

Date

Signature
Carol Cotton, Audit Committee Chair

YCDSB Regional Internal Audit Update

The following is the status of engagements that are still outstanding from the York Catholic District School Board's Regional Internal Audit Plans from 2020-21 to 2023-24¹.

| Year | Audits / Consulting | Audit Stage | | | | |
|---------|---------------------|-------------|----------|-----------|-----------|----------|
| | | Not Started | Planning | Fieldwork | Reporting | Complete |
| 2020-21 | 1 | | 1 | | | |
| 2021-22 | 1 | | | 1 | | |
| 2022-23 | 1 | | 1 | | | |
| 2023-24 | 3 | 2 | | 1 | | |

Cybersecurity (2020-21)

- **Status: Planning**
- Objective: To assess the current cybersecurity environment considering areas such as penetration testing to determine overall vulnerability levels, an overall network health check, exposure of information assets to breaches, and a maturity and threat analysis to determine the state of the Board's information security environment and practices.
- A Request for Services has been issued for this engagement. The RIAT expects to select a vendor by the end of November, with fieldwork to begin shortly thereafter.

Business Continuity Planning (2021-22)

- **Status: Fieldwork**
- Objective: Development of a Business Continuity Plan for YCDSB that will cover the Board's corporate functions (such as Finance, Human Resources, Information Systems, etc.).
- This engagement is outsourced to MNP. Meetings are currently underway with relevant departments to develop department-level Business Continuity Plans.

School Finance Data Analytics (2022-23)

- **Status: Planning**
- Objective: RIAT will design a set of analytical procedures to assist the Board with auditing/monitoring school finances (including identification of outliers and other unusual information warranting further review in school audits, fraud red flags, etc.).
- Planning is underway for this engagement, with fieldwork expected to begin in early 2024.

¹ Engagements previously completed have been excluded from this list.

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

- **Status: Not Started**
- Objective: To further assist management with some of the analysis recommended in the first phase, as required.
- Management will conduct internal analysis and meetings with other boards to discuss various Special Education approaches and practices. They will inform RIAT if they require further assistance in a second phase. This engagement is on hold until management determines whether a second phase is required.

Benchmarking – Staffing (2023-24)

- **Status: Fieldwork**
- Objective: To benchmark the staffing levels of the Administration and Governance departments with those of four similar-sized school boards, in order to determine whether staffing levels are aligned (accounting for variations in structure).
- RIAT has gathered headcount data from YCDSB and other participating boards and is in the process of analyzing, categorizing and confirming this data.

School-Based Operational Review (2023-24)

- **Status: Not Started**
- Objective: An overall review of school-based and student data in order to identify and address issues related to student achievement, equity and access.
- RIAT is undertaking preliminary planning activities on this engagement. A kick-off meeting with management will take place as our schedule permits.

Other RIAT Work

Follow-up Activities:

- RIAT has updated the register of findings and recommendations from all RIAT reports previously issued to the Board. This register was provided to management to obtain the current status of management's action plans designed to address these findings. Based on the responses received, a summarized update of action taken on audit findings has been prepared for the Audit Committee.
- Follow-up engagements will take place, as time permits. Engagements identified for follow-up have been noted in the summary of the findings and recommendations register.

Update on RIAT Findings and Recommendations from Completed Engagements: November 2023

York Catholic District School Board

Prepared by:

Paula Hatt, CPA, CA, CIA, Senior Manager, Regional Internal Audit
Judy Selvadurai, CPA, CMA, CIA, Manager, Regional Internal Audit

Introduction & Purpose

At the conclusion of each Regional Internal Audit Team (RIAT) engagement, a report is provided outlining the engagement findings. Each finding includes the RIAT observation and recommendation, as well as management's response outlining the action planned to mitigate the risk. The action plan typically includes the expected timing and position responsible for implementation.

The purpose of this report is to provide the Audit Committee with the annual update on the status of management's action plans from completed audit reports, in order to comply with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*¹. This report will also identify potential follow-up work for the current and future years.

While management is ultimately responsible to implement and monitor the status of management action plans, internal audit standards require the RIAT to establish and maintain a system to monitor the progress toward implementing the action plans.

Process to Obtain Status Updates

In 2022, the RIAT compiled a register of audit findings and recommendations from all RIAT reports issued to the Board and obtained from management an update on the implementation of management's action plan for each finding, except where:

- The RIAT had already been informed that the action plan was implemented, either through a follow-up engagement or through management's original response to the finding.
- The target implementation date fell after the register was provided to management.

In mid-2023, RIAT provided the register to management for the annual update. RIAT requested an update in the following circumstances:

- Where last year's update showed management action was still in progress.
- Where the expected implementation date of the management action plan was reached during 2022-23.

Where an update was received, the status of the finding was updated (where necessary). Refer to the chart below for the status types, description and number of findings currently under each category. The RIAT did not validate any of management's status updates provided through this exercise (to be done through future follow-up engagements).

Note that no new reports were added to the register, as there were no reports issued in 2022-23 with findings to be tracked by the RIAT. Reports closed in 2022-23 through a follow-up engagement have

¹ Institute of Internal Auditors. (2017). *Monitoring Progress* (Standard No. 2500). "The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management."

been removed from the register (Payroll/HR, Construction Monitoring and Management, School-Based Audits).

Results

| Status | # of Findings | Definition |
|-------------------------------|---------------|---|
| Open | 4 | Target date not yet reached at the time RIAT circulated the follow up register for updates. To be followed up in 2024. |
| In Progress | 12 | The target implementation date of management's action plan has been reached. Progress has been made toward implementation, but not fully implemented. To be followed up in 2024. |
| Ongoing | 1 | Action plan implementation is dependent on other ongoing work taking place in another department. To be followed up in 2024. |
| Closed - Management Assertion | 50 | Management's status update indicates that the action plan has been implemented. However, the action taken has not been validated by RIAT (i.e., through a follow-up engagement). The RIAT will validate as part of future follow-up activities. |
| Closed - RIAT Validated | 15 | RIAT has validated, through a follow-up engagement, that management has implemented the action plan designed to mitigate the risk. No further action required. |
| Management Assumed Risk | 3 | Since the original audit, management has decided not to implement the action plan and will accept the identified risk. One finding (Continuing Education) was shared with the Audit Committee in November 2022. The other two findings (IT Strategy Review), which were due to budgetary constraints, were shared with the Audit Committee in May 2023. |

Refer to the table in Appendix A for the summary of progress taken, by audit, on management's action plans.

The RIAT would like to thank management for their support and assistance during this process.

Next Steps

Based on the updates received, the audits identified for follow-up have been noted in Appendix A. RIAT will work with management to schedule follow-up work.

In mid-2024, RIAT will add to the register the reports issued in 2023-24 and re-circulate the register for updates, where necessary (i.e., findings with a current status of "in progress" or "ongoing" and new/existing findings that reached the target implementation date during the year).

A report outlining management's progress toward implementing action plans since the current report will be presented to the Audit Committee in 2024-25.

Limitations on use of Report

As noted above, the updates provided by management have not been subject to any validation by the RIAT.

York Catholic District School Board

Appendix A - Current Status of Findings on Completed Engagements Presented to the Audit Committee in November 2023

| Plan Year | Engagement Name | # of Findings | Current Status of Management Action Plan | | | | | | Comments |
|-----------|--------------------------------------|---------------|--|-------------|----------|-------------------|-------------------------|-------------------------|--|
| | | | Open | In Progress | Ongoing | Mgmt Assumed Risk | Closed - Mgmt Assertion | Closed - RIAT Validated | |
| 2011-12 | Repairs and Maintenance | 15 | - | 1 | 1 | - | 5 | 8 | |
| 2014-15 | IT Strategy Review | 15 | - | 3 | | 2 | 3 | 7 | Details provided in May 2023 |
| 2014-15 | Special Education Review | 6 | - | - | - | - | 6 | - | Ready for follow-up procedures |
| 2015-16 | IT Asset Management | 3 | - | 3 | - | - | - | - | Details provided in May 2023 |
| 2016-17 | Continuing Education | 5 | - | 1 | - | 1 | 3 | - | In Progress - Revised due date of January 2024 provided. Assumed Risk - Reported to AC Nov 2022 |
| 2018-19 | Transportation | 6 | - | - | - | - | 6 | - | Ready for follow-up procedures |
| 2018-19 | Records Management Consulting | 9 | 4 | 4 | - | - | 1 | - | |
| 2019-20 | Payroll Review (Workflow Assessment) | 26 | - | - | - | - | 26 | - | Ready for follow-up procedures |
| | | 85 | 4 | 12 | 1 | 3 | 50 | 15 | |