

York Catholic District School Board

Memo To: Audit Committee Members
cc: Other Trustees

From: Carol Cotton, Chair of the Audit Committee
Anna Chan, CFO & Treasurer of the Board

Date: November 4, 2016

Re: **Audit Committee Meeting November 8, 2016**

The Audit Committee meeting is scheduled as follows:

Tuesday, November 8, 2016
Room 100
Catholic Education Centre
3:00 p.m. – 5:00 p.m.
(light refreshments will be served)

The primary focus of the November 8, 2016 Audit Committee meeting will be to facilitate review and approval the 2015-2016 Year-End Audited Financial Statements which will be submitted to the Board for approval at a Special Board meeting to be held on November 8, 2016 following the Audit Committee meeting, for submission to the Ministry of Education.

An In Camera Session and a Regular Session of the Committee has been scheduled to facilitate processing of agenda items. The proposed sequence of agenda items to process the approval of the Financial Statements, as well as to address other agenda items, as follows:

1. In Camera Session, Agenda Items 1 – 8 and 11
2. Recess into Regular Session
3. In Camera Session, complete Agenda Items 10 and 12-17

The meeting will commence with the In Camera session; the agenda consists of one presentation items and five discussion/information items as well as an allocation of time for supplementary private discussions with RIAT representatives, Grant Thornton LLP, External Auditor representatives and with Administration.

The Regular Session agenda consists of one three-part Presentation item, two Action items and two discussion/information items. *Note: Supplementary reports associated with the year-end financial position have been provided in previous Committee and Board meetings.*

Should time not permit review/processing all of items on the agenda, these items will be deferred to a future meeting. Should you have any questions, please contact Anna Chan or the staff member identified on the agenda.

Please inform Karen Errett (ext. 12301) should you be unable to attend.
Also, please confirm attendance to ensure quorum.



YORK CATHOLIC DISTRICT SCHOOL BOARD

Audit Committee Agenda

(Regular Session)
Tuesday, November 8, 2016
3:00 – 5:00 p.m.
Room 100, Catholic Education Centre

Page(s)

- | | | |
|--|-----------|--------|
| 1. Call to Order and Prayer | C. Cotton | |
| 2. Roll Call | C. Cotton | |
| 3. Approval of Agenda | C. Cotton | |
| 4. Approval of the Minutes of the Previous Meeting | C. Cotton | 1 |
| 5. Declaration of Conflict of Interest | | |
| 6. Business Arising from the Minutes of the Previous Meeting:
Nil | | |
| 7. Next Meeting Date: TBD, 2017 | | |
| 8. Report from In Camera Session of Audit Committee | C. Cotton | verbal |

Presentation Item(s):

- | | | |
|--|-------------------------|--------|
| 9. 2015-16 Year-End Financial Statements Review | | |
| a. 2015-16 Year-End Financial Report | A. Chan/J. Porter | 2-58 |
| b. Draft Financial Statements | A. Chan/L. Giambattista | 59-83 |
| c. PowerPoint "2015-16 Year-End Financial Report –
November 8, 2016 – Audited Financial Statements
for the Year Ended August 31, 2016" | A. Chan/J. Porter | 84-132 |

Action Item(s):

- | | | |
|--|-------------------|---------|
| 10. Approval of YCDSB 2015-2016 Audited Financial Statements | A. Chan/J. Porter | 133 |
| 11. Approval of YCDSB & YRDSB EDC Financial Statements | A. Chan/J. Porter | 134-148 |

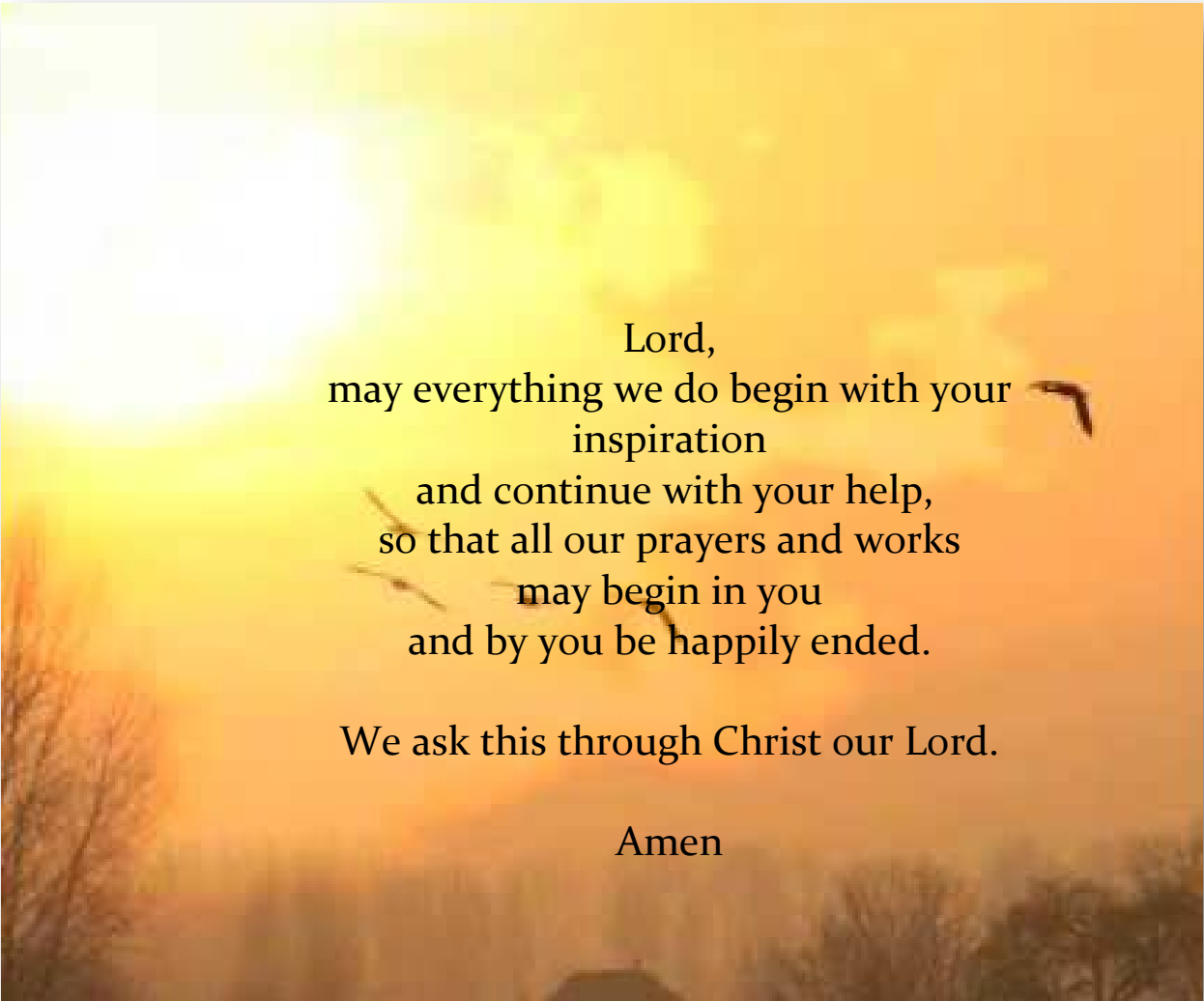
Discussion/Information Item(s):

- | | | |
|---|-----------|---------|
| 12. Annual Audit Committee Report to the Ministry of
Education | J. Porter | 149-153 |
| 13. Ministry Memo 2016 SB31 Update on Regional Internal
Audit Consistency Measures | J. Porter | 154-169 |

Future Items:

Nil

Adjournment



Lord,
may everything we do begin with your
inspiration
and continue with your help,
so that all our prayers and works
may begin in you
and by you be happily ended.

We ask this through Christ our Lord.

Amen

York Catholic District School Board

MINUTES AUDIT COMMITTEE (Regular Session)

A Regular session meeting of the Audit Committee was held at the Catholic Education Centre, 320 Bloomington Road West, Aurora, Ontario, on Tuesday, September 28, 2016, commencing at 3:01 p.m.

PRESENT:

Committee Members: C. Cotton, M. Mogado, M. Marchese
Other Trustees:
External Committee Members: P. Laframboise
Administration: A. Chan, J. Porter, F. Bagley L. Giambattista, C. Logel,
J. Selvadurai, P. Bellerby
RIAT Team: D. Johnston, Regional Internal Audit Manager
Other Guests: A. Ferrari, A. Frizzel, Grant Thornton LLP
H. Manassis [3:17 pm]
Absent with Notice: M. Tedesco
Recording: K. Errett
Presiding: C. Cotton, Committee Chair

1. CALL TO ORDER

Anna Chan, Chief Financial Officer and Treasurer of the Board, called the meeting to order at 3:01 p.m.

2. APPROVAL OF THE AGENDA

Motion: Mogado/Marchese

THAT the Agenda be approved as presented.

– MOTION CARRIED –

3. APPROVAL OF THE MINUTES

Motion: Mogado/Laframboise

THAT the Minutes of the April 19, 2016 Audit Committee meeting be approved as presented.

– MOTION CARRIED –

4. DECLARATION OF CONFLICT OF INTEREST

Nil

5. BUSINESS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING

Nil

6. NEXT MEETING DATE: November 8, 2016

7. PRESENTATION ITEMS:

Nil

8. ACTION ITEMS:

Nil

9. DISCUSSION/ INFORMATION ITEM(S):**a) TORONTO AREA REGIONAL INTERNAL AUDIT COORDINATING & STEERING COMMITTEE (TA-RIA-CAC) UPDATE**

J. Porter, Coordinating Manager of Budget and Audit Services, provided an update as Host Board lead, on the activities of the provincially coordinated Regional Internal Audit (RIA) initiative. As previously reported, the provincial RIA initiative, which is overseen by CODE (D. Duszczyszyn, Provincial Coordinator), continues to use the TA-RIA-CSC as a role model for other RIATs in the Province and further to seek efficiencies in delivering the initiative. Numerous meetings, which provides the opportunity to discuss common issues among the boards, have been held over the course of the past years which has attributed to a successful model.

b) TERM OF EXTERNAL AUDIT COMMITTEE MEMBERS

Anna Chan, Chief Financial Officer and Treasurer of the Board, provided an update on the expiration of the current term of service for the two External Audit Committee Members, which will be ending on April 17, 2017.

As per O. Reg. 361/10 “*Audit Committees*”, the term of an individual who is not a board member may not be appointed to the Audit Committee for more than two terms unless no other candidate is identified through the advertisement process. A posting and advertisement for their replacements will be required.

As such, External Member, P. Laframboise, advised that at the end of the second term he would be seeking other opportunities and would not be returning for another term. Administration will be moving forward to begin the process of advertising for external members for the next three-year term.

c) YCDSB LEADING PRACTICES REPOSITORY SUBMISSIONS

A report was provided to inform the Committee of the status of the Internal Audit Leading Practices Repository, a resource for SBO’s and RIAMs to have access to current/relevant audit reference material intended to highlight leading/exemplary practices and recommendations made from audit findings. It was highlighted that J. Porter, Coordinating Manager of Budget and Audit Services and D. Johnston, Regional Internal Audit Manager have participated on the Leading Practices Repository Committee.

Discussion held regarding the pilot that is currently underway with a few boards which, at this time is using the information from the HR/Payroll audits that have recently been completed. Committee members commented that access for Audit Committee members and Administration would be beneficial from a training and knowledge perspective.

FUTURE ITEM(S): Nil

Adjournment: 3:18 P.M.

On Motion: Mogado/Marchese and CARRIED

York Catholic District School Board

Year-End REPORT

Report to: Audit Committee
From: Administration
Date: November 8, 2016
Re: 2015-16 Year-End Financial Results

EXECUTIVE SUMMARY

The intent of this report (and attachments) is to present for Committee approval the **Audited Consolidated Financial Statements for the year ending August 31, 2016 (“2015-16 Financial Statements”)** and the **Notes to the Consolidated Financial Statements (“Notes”)**, as well as, for Committee In-camera review, the **Auditors’ Report to the Audit Committee.**

Notes: Provided for the November 8, 2016 Committee meeting are:

- a) *2015-16 Year-End Financial Report which contains the Final Draft 2015-16 Financial Statements, Notes, and detailed financial information for 2015-16.*
- b) *A PowerPoint presentation providing an overview of the 2015-16 Financial Statements will be prepared and presented at the meeting. A final condensed version of this presentation will be provided on the Board’s website.*
- c) *Auditors’ Report to the Audit Committee with recommendations (separately provided in the in-camera agenda).*

Following Board approval at the November 8, 2016 Special Board meeting, final bound and signed copies of the 2015-16 Financial Statements will be available for distribution and submission to the Ministry of Education.

In summary:

1. The net operating 2015-16 in-year “deficit” is \$5,359,807 or 0.93% of the “operating revenue” (Ministry compliance deficit of \$5,547,681 or 0.96% of operating revenue):

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

2. The “Operating” fiscal objectives for 2015-16 of no “accumulated deficit” and “compliance” with Ministry enveloping have been met.
3. The “Capital” fiscal objective for 2015-16 of no “unsupported capital deficit” has been met.
4. With Ministry’s approval (exemption to O. Reg. 193/10 - Restricted Purpose Revenues) to apply Proceeds of Disposition (POD) funds towards past Ministry “unsupported” capital, \$12 million Committed Sinking Fund Interest Earned (Committed S/F) was released within Accumulated Surplus - Available for Compliance (AS-AFC). Offset with in-year deficit of \$5,547,681, the AS-AFC before Committed Items grew from \$9.1 million to \$15.7 million. However, the total AS-AFC decreased from \$24.5 million to \$18.9 million.
5. Per the November 1, 2016 Preliminary Year End (YE) Report to Accommodation & Business Affairs Committee, the resulting AS-AFC before Committed Items of \$15,701,703 has been allocated as follows:
 - a. \$10,112,188 for Funding Stability
 - b. \$581,529 for General School Budgets (GSB) Carry-forward
 - c. \$5,007,986 for Unfunded Employee Future Benefits (EFB)

BACKGROUND

With the completion of the 2015-16 audit, the primary purpose of this report is to present to Committee the proposed year-end financial results for the year ended August 31, 2016.

This report is intended to provide information that will assist Board members in reviewing (and approving) the 2015-16 Financial Statements. It includes information related to regular operating results, capital program operating results as well as any year-end and Employee Future Benefit (PSAB) required adjustments. As with prior years, it also provides analysis of the Board’s compliance to Ministry of Education’s reporting requirements.

Furthermore, the report provides commentary associated with the future risks and opportunities the Board will face in relation to managing its financial affairs due in large part to continued Provincial mandates and focus as well as the new provincial bargaining framework.

PROVINCIAL RESTRAINTS AND GRANT ALLOCATION CHANGES

Provincial fiscal challenges and intensified reporting requirements continue to impact the financial management and reporting of financial results for all school boards in Ontario and in particular, this board due to specific targeted areas of GSN reductions and redistribution as well as impacts of specific collective bargaining terms.

Provincial restraints and grant allocation changes from past years contributed to fiscal challenges that have cumulated in the 2015-16 in-year structural deficit. While some grant reductions affected all school boards, others grant changes affected individual school boards differently and in fact, increases grants for one board and decreases grants for another. The chronological list of grant impacts below encompasses both:

- 2011-12 year-end financial statements reflected the initial effects of the Provincial response (as part of their deficit reduction restraint measures) to the material fiscal effects triggered by the PSAB implementation. Loss of grants, triggered in 2011-12, include:
 - \$1.4 million in Learning Opportunities, and
 - \$511,000 in Compensation Restraint Savings and \$650,000 in Administration and Governance allocation

- 2012-13 year end bore the initial impact from the Provincial transfer of responsibility for Employee Future Benefit (EFB) liabilities to school boards as well as other restraint measures. Loss of grants, triggered in 2012-13, include:
 - \$2.1 million decrease (in 2015-16) in benefits benchmark for all school boards (the grant reduction grows annually by \$600,000 cumulating to \$7 million by 2024),
 - \$1.9 million permanent loss in Pupil Foundation allocation for classroom computers and Professional Development (recently partial funding re-emerged as Education Program Other –EPO grant),
 - Almost \$2.5 million in Special Education Equipment (SEA) grant, moving from a board-based to a pupil-based allocation, and
 - \$1.9 million in School Operations allocation due to changes in Supplemental Area factor.
- 2013-14 reflected a fiscal environment with fiscal measures and actions intended to accomplish normalizing the impact of the significant Provincial restraint measures from past years. Loss of grants, triggered in 2013-14, include:
 - Approximately \$100,000 loss in Pupil Foundation Grant from reduction in per pupil funding for the newly defined “High Credit” pupils
- 2014-15 saw new GSN reductions specifically for this Board from the provincial focus on a School Board Efficiencies and Modernization (SBEM) strategy in which the Ministry “redistributed” grant allocations, affecting each school board differently. Loss of grants, triggered in 2014-15, include:
 - \$3 million by 2017-18 in Special Education funding when a new Differentiated Special Education Needs amount (DSENA) completely replaces the High Needs Amount (HNA) (phase-in over four years)
 - \$1 million in School Operations funding due to changes in the “top-up” funding formula to encourage school boards to reduce excess capacity
 - An insignificant reduction in Administration and Governance allocation for the Board.

For 2015-16, the provincial focus on the School Board Efficiencies and Modernization (SBEM) strategy continued and the Board was impacted by yet another set of grant decreases. Loss of grants, triggered in 2015-16, includes:

- Approximately \$1 million by 2017-18 in School Operations allocation due to a decrease for the Board in the Supplemental Area Factor used to calculate grants (phase-in over three years)
- Additional \$3 million by 2017-18 in School Operations allocation to reflect the Ministry’s decision to eliminate the top-up grant (phase in over three years)
- Small decrease in School Foundation grant due to a change in calculating Principal, vice-Principal, school administrative support and school office supplies allocation to discourage small schools unless justified by distance
- \$200,000 in Declining Enrolment Adjustment Allocation to reduce the adjustment amount funded to assist school boards in reducing the impact of declining enrolment for the first few years. The fiscal impact increases the higher the enrolment decrease.

Cumulatively, the above grant decreases amounted to over \$14 million by 2015-16, over \$17 million by 2016-17 and over \$20 million by 2017-18:

Estimated GSN Reduction Impact	2017-18	2015-16
GENERAL	In Year Cumulative	In-Year Cumulative
Benefits Benchmark (affects various allocations)	(3,300,000)	(2,100,000)
Pupil Foundation - Classroom computers & Professional Development	(1,900,000)	(1,900,000)
Pupil Foundation - High Credit Impact	(100,000)	(100,000)
Special Education - SEA	(2,500,000)	(2,500,000)
Special Education - DSENA (HNA)	(3,000,000)	(1,315,000)
Learning Opportunities	(1,400,000)	(1,400,000)
Compensation Restraint Savings (new 2012)	(511,000)	(511,000)
Administration and Governance	(650,000)	(650,000)
Declining Enrolment	(200,000)	(200,000)
School Operations - Decrease in Supplementary Area Factor	(2,900,000)	(2,260,000)
School Operations - Elimination of Top-up	(4,000,000)	(1,865,000)
Total Operating Restraint Measures	(20,461,000)	(14,801,000)

Furthermore, the assessment of the 2015/16-17/18 collective bargaining revealed additional financial challenges for 2015-16 and beyond. These include:

- A \$509,000 year end liability to cover the new Earned Leave Plan (ELP) clause in the Ontario English Catholic Teachers Association (OECTA) agreement in which a teacher earns a day off paid at the Occasional Teacher rate if the teacher incurs less than the 2014-15 threshold (equal to the previous year average less a day) set for 2015-16. The expected impact of the ELP is a reduction in absenteeism, to be demonstrated by a reduction in the year-over-year threshold. Since this is a savings measure identified in the OECTA Memorandum of Settlement (MoS), a threshold reduction will actually trigger a GSN reduction. The Board's 2015-16 threshold increased from 2014-15; therefore, there was no GSN reduction for ELP.
- Increases in absenteeism and therefore, supply costs are also experienced as evidenced by the increase in the ELP threshold.
- Approximately \$2 million increase in benefit plan costs for 2015-16 (cumulatively \$4 million from 2012-13 costs) due to increased benefit plan claims experience.

2015-16 YEAR END FINANCIAL REPORT

The Board's 2015-16 Year-End Financial Report (attached) will provide information on the following:

1. Financial Report Summary (with highlights on significant changes and financial results)
2. Year In Review
3. Accumulated Surplus/Deficit (Available and Unavailable for Compliance) and Deferred Revenues
4. Analysis of Financial Statements
5. Revenue Summary
6. Expenditure by Function and Object Summaries
7. Reconciliation of Expenditures to Consolidated Financial Statements
8. Not Permanently Financed – Summary of Projects
9. Ministry of Education EFIS Financial Statement Forms

AUDITED FINANCIAL STATEMENTS

The attached **2015-16 Year End Financial Report** also provides, for Committee review, the Draft 2015-16 Consolidated Financial Statements, the Auditor's Report to Audit Committee (presented in-camera) as well as supplemental information supporting financial results.

The consolidated financial statements required by the Ministry to be published are:

- Management Report
- Independent Auditors' Report
- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Cash Flow
- Consolidated Statement of Changes in Net Debt
- Notes to the Consolidated Financial Statements

The Ministry requirement under PSAB guidelines, to consolidate school-generated funds (i.e. school bank account and school council funds) into the Financial Statements came into effect in 2004-05. Since then, ALL school bank account financial activity and ALL school council financial activity continue to be included in the Financial Statements.

Auditor's Report to the Audit Committee

Grant Thornton LLP, the Board's external auditors will present to the Audit Committee on November 8, 2016 in the in-camera agenda. Their report will include a review of audit responsibilities, scope, audit opinion and independence, highlights, internal control findings and other matters. The auditors' ***Report to the Audit Committee – Communication of Audit Results*** will be provided to the Audit Committee with the November 8, 2016 Audit Committee In-camera Agenda.

As in past years, an in-camera portion of the Audit Committee on November 8, 2016 will be scheduled to allow for discussion between Trustees and the external auditors without Administration present. This will allow an opportunity for Committee members to pursue any areas that may be of concern, including audit concerns, Administration cooperation, or other matters included within the "auditors report". This practice is recommended and represents good governance practices.

RISKS & OPPORTUNITIES

For 2015-16, there were two items of note:

1. The Ministry mandated that Continuing Education enrolment be processed through ONSIS, the enrolment program also used for day school. For the transition year, 2015-16, the ONSIS Continuing Education enrolment data was not uploaded to EFIS, the Ministry's financial system for school boards. School boards were to enter Continuing Education enrolment manually in EFIS for year-end financials. At this time, the Continuing Education enrolment data in ONSIS is still not yet available to reconcile the manual EFIS enrolment data. An estimated reduction in Continuing Education grants is expected and may amount to approximately \$160,000. Any resulting adjustment will be treated as a prior year grant adjustment for 2016-17.
2. The Budget in the Board's 2015-16 Financial Statements reflects the Budget submitted in EFIS (Ministry reporting system). There exists a discrepancy of \$483,839 between Budget submitted in EFIS and the Board approved budget due to the following:
 - \$250,000 Uniform rebate revenue was not recorded in EFIS
 - Additional expenses of \$283,839 were included in the EFIS submission in error

Future Risks and Opportunities:

With progressing provincial restraint measures and the Ministry's School Board Efficiencies and Modernization (SBEM) strategies along with current provincial Collective Bargaining impacts, the Board's ability to "control" its fiscal environment, at least in the short term, is at risk and materially limited. With the fiscal challenges identified in this report, an in-year deficit of \$5.5 million for 2015-16 and a projected deficit of \$5 million for 2016-17 (per the Board's Estimates), the Board has made a proactive decision to complete a Ministry supported Multi-Year Recovery Plan in 2016-17.

The following are items identified in past years that continue to be areas of future focus and/or concern for the Board and/or education sector:

1. Labour Impacts:

- Putting Students First Act-2012, the MoU, past and future bargaining under a framework set out in Bill 122 School Boards Collective Bargaining Act, 2013 have and will have considerable consequences on school boards. Interpretations and implementation of potential labour terms must continue to be a high focus and priority to ensure fiscal responsibility is applied. Financial impacts need to be monitored and acted on appropriately. While the terms impacted some school boards positively, impacts of provincially ratified Memorandum of Settlement have not been favourable for the Board (e.g. Earned Leave Plan alone resulted in an increase in annual year end liability approximating \$500k and potential annual grant decrease approximating \$400k).
- Certain existing Collective Agreement clauses and practices, borne from the Board's growth era, need to be assessed, monitored and managed.
- 2015-16 sick leave/absence data revealed that this is once again an escalated area of fiscal pressure for the Board. The Board must increase fiscal focus in this area.
- The Retirement Gratuity EFB liability of \$12.3 million remains a significant future liability of the Board for which no provision (pre-funding) has been made.
- The WSIB/Life Waiver EFB liability of \$5 million remains an unfunded liability for the Board.

2. Technological Changes:

- With fast-paced changes and increasing demands in the world of 21st Century technological advancements, it is imperative to have appropriate IT governance and a sustainable (affordable and manageable) IT strategy.
- Through its SBEM strategy, the Ministry continues to increase its web-based applications to obtain board data (enrolment and teacher data via ONSIS, financial data via EFIS, capital planning and facilities data via SFIS, etc). As previously reported, this electronic data availability changes the way the Ministry will monitor and fund school boards. It will be prudent for boards to understand the impact of this electronic age. (*Note: the Ministry rolled out the EFIS V2.0 for school board financial data, ONSIS to capture Continuing Education enrolment data, a new VFA facility system to capture facility renewal project costs and is working on a new SFIS system targeted to go live in 2017*).
- Financial analytics and appropriate reporting are imperative to effectively manage school boards.

3. Board Profile changes:

- Incorporating the effects of Full-Day Kindergarten enrolment, 2015-16 is the first year of declining enrolment for the Board. Projections show that the Board's enrolment will continue to decline. Therefore, the Board must employ appropriate strategies to manage in a declining enrolment environment.
- With the Ministry's three-year phase out of the top-up funding for excess capacity, effectively reducing GSNs by \$4 million by 2017-18, timely Long-Term Accommodation Plan strategies such as Accommodation Reviews and school consolidations are necessary fiscal measures to reduce excess capacity.
- The recent updates by the Ministry in census and other statistical data affecting GSN have resulted in reallocations of GSN among school boards. These have negatively impacted the Board. Cumulatively, the following captures significant areas to-date and into the future as noted in this report.

4. Capital:

- The Capital Wrap-up Template (CWT) process resulted in joint efforts from two branches of the Ministry (Capital and Finance) in producing a mandated tool, Capital Analysis and Planning Template (CAPT), to ensure accountability for large capital investments across school boards and to assess the resulting impact on the Board's Capital surplus/deficit and financial position. Similarly, school boards' Plant and Finance departments need to work collaboratively to maximize the Board's capital positions. YCDSB's inter-departmental collaborative efforts continue to have materialized in very positive outcomes in the capital area. These efforts need to be continued and monitored as the provincial CAPT tool and Ministry monitoring continues to be expanded.
- Capital grants (e.g. Temporary Accommodation, School Condition Improvement (SCI), Retrofitting Space for Childcares) have a changed focus (e.g. school consolidations, SCI, POD, Child Care, Community Hubs) and will be based on new variables and more restrictive criteria for eligibility and determination. The board needs to be vigilant and attentive to these new parameters to maximize outcomes and to resource appropriately.
- Subsequent to year-end, the Board entered into an offer to purchase agreement for the sale of surplus land on October 27, 2016. The purchase agreement is subject to due diligence procedures and is expected to close February 28, 2017 for gross proceeds of \$19,690,000 with net proceeds going into Proceeds of Disposition Deferred Revenue. This and future property sales will need proper planning to maximize outcomes for the Board.

5. Multi-Year Strategic Plan (MYSP):

- The Board has approved a Multi-Year Strategic Plan (MYSP) which will assist in providing guidance over the next few years.
- With the implementation of the Board's MYSP, the Board's budget and various departmental goals and initiatives will be aligned with the Board's strategic plan, school and board improvement plans.

6. Multi-Year Recovery Plan (MYRP):

- The Board has approved the engagement of a Ministry supported consultant to assist Senior Administration to complete a Multi-Year Recovery Plan (MYRP) to identify strategies to bring the Board into balanced budget position.
- The cooperation of all departments is imperative as the MYRP is being developed.
- To be successful, the acceptance, implementation and monitoring of the MYRP recommendations is imperative.

RECOMMENDATIONS

The following recommendations are presented for Audit Committee approval:

1. **THAT the Board approve the 2015-16 Consolidated Financial Statements of the York Catholic District School Board as audited by Grant Thornton LLP, Chartered Accountants.**
2. **THAT the Board publish a notice in local newspapers that the 2015-16 Audited Consolidated Financial Statements of the York Catholic School Board, together with the Auditors' Report, will be made available, as part of the Board's regular publications and posted on the Board's website.**

Prepared & Submitted by:
Endorsed by:

Anna Chan, Chief Financial Officer and Treasurer of the Board
Patricia Preston, Director of Education

York Catholic District School Board



**2015-16 Year-end
FINANCIAL REPORT**
November 8, 2016

YORK CATHOLIC DISTRICT SCHOOL BOARD

**2015-16 Year-End
FINANCIAL REPORT
*November 8, 2016***

PART A
Draft 2015-16 Consolidated Financial Statements and Notes **ATTACHMENT 1**

PART B
Auditors' Report to the Audit Committee (In-camera agenda) **ATTACHMENT 2**

PART C
Supplemental Financial Information **APPENDIX**

Financial Report Summary.....A

- Highlights of Significant Changes impacting fiscal 2015-16
- Supplementary Financial Information
- 2015-16 Financial Results

Year In ReviewB

Accumulated Surplus/Deficit and Deferred RevenuesC

- Accumulated Surplus/Deficit – Available for Compliance
- Accumulated Surplus/Deficit – Unavailable for Compliance
- Deferred Revenues – Ministry Required
- Notes on Accumulated Surplus-Available for Compliance
- Notes on Accumulated Surplus-Unavailable for Compliance

Analysis of Financial StatementsD

Revenue SummaryE

Analysis by Object SummaryF

Expenditures by Function SummaryG

- Pie Graph summary of Expenditures by Function

Expenditures by Object SummaryH

- Pie Graph summary of Expenditures by Object

Reconciliation of Expenditures to Consolidated FSI

Not Permanently Financed – Summary of ProjectsJ

Ministry of Education EFIS Financial Statement FormsK

- *Compliance Report*
- *Schedule 1* *Consolidated Statement of Financial Position*
- *Schedule 1.1* *Consolidated Statement of Operations*
- *Schedule 1.2* *Consolidated Statement of Cash Flow*
- *Schedule 1.3* *Consolidated Statement of Changes in Net Debt*
- *Schedule 5* *Details of Accumulated Surplus/(Deficit)*
- *Schedule 9* *Revenues*
- *Schedule 10* *Expenses*
- *Schedule 10ADJ* *Adjustments for Compliance Purposes*

Appendix A

FINANCIAL REPORT SUMMARY

The draft of the Independent Auditors' Report, Consolidated Financial Statements (the Statements) and Notes to the Consolidated Financial Statements (the Notes) and the in-camera Auditors' Report to the Audit Committee are provided to Committee as *Attachment 1 & 2* of the 2015-16 Year-End Financial Report. Final bound and signed copies of the **2015-16 Audited Consolidated Financial Statements** that are used for publication purposes will be available for distribution after Board approval at the November 8, 2016 Special Board meeting.

Boards are required to publish consolidated financial statements and audit report as follows:

- Management Report
- Independent Auditors' Report
- Consolidated Statement of Financial Position Schedule 1 (EFIS)
- Consolidated Statement of Operations Schedule 1.1 (EFIS)
- Consolidated Statement of Cash Flow Schedule 1.2 (EFIS)
- Consolidated Statement of Changes in Net Debt Schedule 1.3 (EFIS)
- Notes to the Consolidated Financial Statements

Submissions to the Ministry will be done after the November 8, 2016 Special Board meeting. Submissions will include:

- An electronic data file ("EFIS") used to create the Financial Statements and Grants for Student Needs
- Electronic copies (changed from "Hard-copies" in prior years), signed by the Chair and Director of Education / Secretary, of the external Consolidated Financial Statements and relevant EFIS schedules

HIGHLIGHTS OF SIGNIFICANT CHANGES IMPACTING FISCAL 2015-16

New for 2015-16:

1. There were no significant changes in accounting standards that affected the Board's Financial Statements.
2. With Ministry's approval (exemption to O. Reg 193/10 - Restricted Purpose Revenues) to apply Proceeds of Disposition (POD) funds towards past Ministry "unsupported" capital, \$12 million Committed Sinking Fund Interest Earned (Committed S/F) was released within Accumulated Surplus - Available for Compliance (AS-AFC).

REVISED ESTIMATES RESTATEMENT

The 2015-16 Revised Estimates has been restated to reflect the funding for salary increases for collective agreement increases. The submission of 2015-16 Revised Estimates included the related labour expenses without the corresponding grant increases.

Appendix A

These impact Grants for Student Needs (GSN), totaling \$7,104,015 as follows:

- (1) OECTA Qualification and Experience (Q&E) grant increase of \$2,523,988;
- (2) 1% Lump Sum Payment increase per a Table grant of \$4,535,160;
- (3) ECE Qualification and Experience (Q&E) grant increase of \$39,671; and
- (4) Learning Opportunities Grant (LOG) increase of \$5,196 for Literacy and Numeracy Coaches.

The restatements are reflected in the comparatives to actual 2015-16 results where applicable.

MINISTRY STATEMENTS – ITEMS OF NOTE

It should be noted that the Ministry Financial Statements and Grants for Student Needs Calculations entail 217 pages and sections. The financial statements and grant calculation package includes numerous reports both of a financial and statistical nature for financial reporting, grant calculations, envelope compliance, accountability and general data collection. The Consolidated Financial Statements to be published are noted in the previous section.

Public Sector Accounting Board (PSAB) Issues and *Independent Auditors' Report*

As presented to the Audit Committee over the past few years, the financial statements have taken on a completely new look as a result of the implementation of PSAB reporting guidelines. Under the transition to full implementation of PSAB reporting, there were a series of requirements that include the consolidation of all funds controlled by the Board i.e. school generated funds and school council generated funds. For reporting purposes, **ALL school bank account and school council financial activities are included**. Improvement has been made in the collection of school council financial information and **as a result, the Independent Auditor's Report continues NOT to contain a qualification with respect to school-generated funds**.

Comparability of Financial Results Year-to-Year

The following two charts (*one for Consolidated Statements of Financial Position and the other for Consolidated Statement of Operations*) will show the financial results of 2015-16 versus 2014-15.

Appendix A
York Catholic District School Board
Consolidated Statement of Financial Position

As at August 31,

2016

2015

Financial assets

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

Total financial assets
452,058,439 454,159,972
Liabilities

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

Total liabilities
1,140,052,863 1,142,175,962
Net debt
(687,994,424) (688,015,990)
Non-financial assets

Tangible capital assets (Note 11)	<u>905,103,473</u>	<u>900,309,406</u>
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Accumulated surplus (Note 12)
\$ 217,109,049 \$ 212,293,416

Appendix A
**York Catholic District School Board
Consolidated Statement of Operations**

For the year ended August 31

	2016	2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues			
Provincial grants	\$ 576,669,669	\$ 587,671,107	\$ 575,019,576
Deferred capital contribution revenue	<u>29,183,420</u>	<u>29,783,454</u>	<u>29,362,497</u>
Provincial grants – grants for student needs	605,853,089	617,454,561	604,382,073
Provincial grants – other	9,014,347	10,722,670	11,797,108
School generated funds	24,073,000	25,617,339	24,356,308
Investment income	400,000	654,463	861,535
Other fees and revenues	<u>11,993,965</u>	<u>15,542,173</u>	<u>18,612,726</u>
Total revenues	<u>651,334,401</u>	<u>669,991,206</u>	<u>660,009,750</u>
Expenses (Note 10)			
Instruction	482,094,107	499,224,062	487,912,368
Administration	16,836,292	17,219,023	16,396,837
Transportation	16,462,771	16,919,883	16,691,829
Pupil accommodation	107,878,318	106,338,305	106,931,753
School generated funds	23,630,000	25,250,213	23,906,699
Other	<u>474,087</u>	<u>224,087</u>	<u>519,330</u>
Total expenses	<u>647,375,575</u>	<u>665,175,573</u>	<u>652,358,816</u>
Annual surplus	3,958,826	4,815,633	7,650,934
Accumulated surplus at beginning of year	<u>210,015,208</u>	<u>212,293,416</u>	<u>204,642,482</u>
Accumulated surplus at end of year	<u>\$ 213,974,034</u>	<u>\$ 217,109,049</u>	<u>\$ 212,293,416</u>

Appendix A

Notes to the Consolidated Financial Statements

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

There are new notes for 2015-16:

- Note #1 j): Government Transfers note had some prescribed wording changes to reflect the link to Regulation 395/11 for the recording of Deferred Capital Contribution and the subsequent revenue recognition.
- Note #6 b) iv): A one-time Voluntary Retirement Gratuity Early Pay-out Provision, negotiated in the recent labour agreements, was available to all eligible employees. For the Board, the employee future benefit (EFB) decreased by the pay-outs totalling \$292,481 (20 employees exercised the early pay out option) and the EFB liability experienced an actuarial gain of \$17,505. Note that the \$17,505 has a minor impact to the EFB in the relate Accumulated Deficit – Unavailable for Compliance balance.
- Note # 6 Benefit Plan Future Changes: Provincial Employee Life and Health Trusts (ELHTs) will be established during 2016-17. These ELHTs will replace the Board's current employee benefit plans for Life, Health and Dental plans.
- Note #3 Subsequent to year-end, the Board entered into an offer to purchase agreement for the sale of surplus land on October 27, 2016. The purchase agreement is subject to due diligence procedures and is expected to close February 28, 2017 for gross proceeds of \$19,690,000.

SUPPLEMENTARY FINANCIAL INFORMATION

As usually reported at this time, supplementary Financial Reports and analyses are included with this report to provide additional information as follows:

- **Appendix C: Accumulated Surplus/Deficit and Deferred Revenues – Ministry-Required** summaries provide details for Board established ASD-AFC and Ministry controlled/required ASD-UFC and Deferred Reserves.
- **Appendix D: Financial Statement Analysis** provides detailed explanations for financial statement items
- **Appendix E: 2015-16 Revenue Summary**
- **Appendix F - H: 2015-16 Operating Expenditures by Object and by Function**
- **Appendix I: Reconciliation of Reported Expenditures to Consolidated Financial Statements**
- **Appendix J: Not Permanently Financed (NPF) – Summary of Projects**
- **Appendix K: Copies of draft Ministry EFIS Compliance Report and statements**

Consistent with the analysis presented in prior years, budget material is included on Appendices F to H to reflect the new Ministry account groupings. This data **excludes** Long-Term Debt interest, Pupil Accommodation (New Pupil Places/Growth/PTR/Capital Priorities/GPL/Facilities Renewal/Energy

Appendix A

Efficient School/Green School Pilot/Temporary Accommodations/ POD) and utilization of AS-AFC in order to summarize Operating Expenditures. The Expenditures Analysis by Object has been formatted to exclude non-operating expenditures resulting in a summary of Classroom and Non-Classroom costs (Appendix F). A reconciliation of these expenditures to the consolidated Financial Statement expenditures is provided in Appendix I.

Appendix A

2015-16 FINANCIAL RESULTS

OPERATING (MINISTRY COMPLIANCE)

In summary, the 2015-16 financial results are as follows:

- **In-year compliance deficit**
- **Zero cumulative compliance deficit**
- **Compliant with Ministry enveloping provisions**

Annual Compliance determination:

Combining the Board's 2015-16 in-year operating deficit of **\$5,359,807** together with Registered Charity and drawdown of committed surplus for sinking fund interest compliance requirement, the Board's deficit for Ministry compliance purposes is **\$5,547,681** (refer to Appendix B & C). Compared to the 1% (or \$5,609,569) of the operating allocation used in the Ministry's deficit compliance calculation, the Board's 2015-16 financial results is compliant.

The financial objective of “in-year compliance” was achieved.

Zero Cumulative Compliance Deficit determination:

The Summary of Accumulated Surplus/Deficit and Deferred Revenues - Ministry Required (Appendix C) lists the August 31, 2016 balances of Board-established AS-AFC and Ministry mandated ASD-UFC and Deferred Revenues followed by explanatory information. The 2015-16 year ended with Compliance Accumulated Surplus balance of \$18,949,319 (or \$15,701,703 without committed items) and is therefore compliant.

The financial objective of “zero cumulative deficit” was achieved.

Enveloping Compliance determination:

The funding model contains the following enveloping provisions:

- Special Education,
- Board Administration and Governance (Deferred to 2015-16 due to collective bargaining impacts for 2015-16),
- **New:** Student Achievement Envelope within Learning Opportunities Grant (includes six LOG allocations – Literacy and Math Outside the school Day, Student Success, grades 7 to 12, Grade 7 and 8 Literacy and Numeracy and Student Success Teachers, School Effectiveness Framework, Ontario Focused Intervention Partnership (OFIP) Tutoring, and Specialist High Skills Major (SHSM) allocations.

The Board has complied with the provisions of each “envelope” except for Administration and Governance which has been deferred in 2015-16 due to collective bargaining impacts. It should be noted that in the past up to 2014-15, the Administration & Governance envelope was allowed a threshold of 15%. It becomes imperative that any Board Administration “overspending” be addressed for 2016-17.

The financial objective of “Compliant with Ministry enveloping provisions” was achieved.

Appendix A

FINANCIAL DISCLOSURE TO THE PUBLIC

Subsection 252(2) of the Education Act requires that prescribed financial data of a Board be made available to its ratepayers or supporters. It is proposed that, similar to past years, the 2015-16 Statements be posted on the Board's website.

Appendix B

2015-16: YEAR IN REVIEW

Per the Board’s Financial Statements, the 2015-16 Board annual surplus for 2015-16 is \$4,815,633 and the annual surplus for 2014-15 was \$7,650,934. This annual financial position presented in the Board’s financial statements does not represent the Board’s “financial health” as measured by the Ministry.

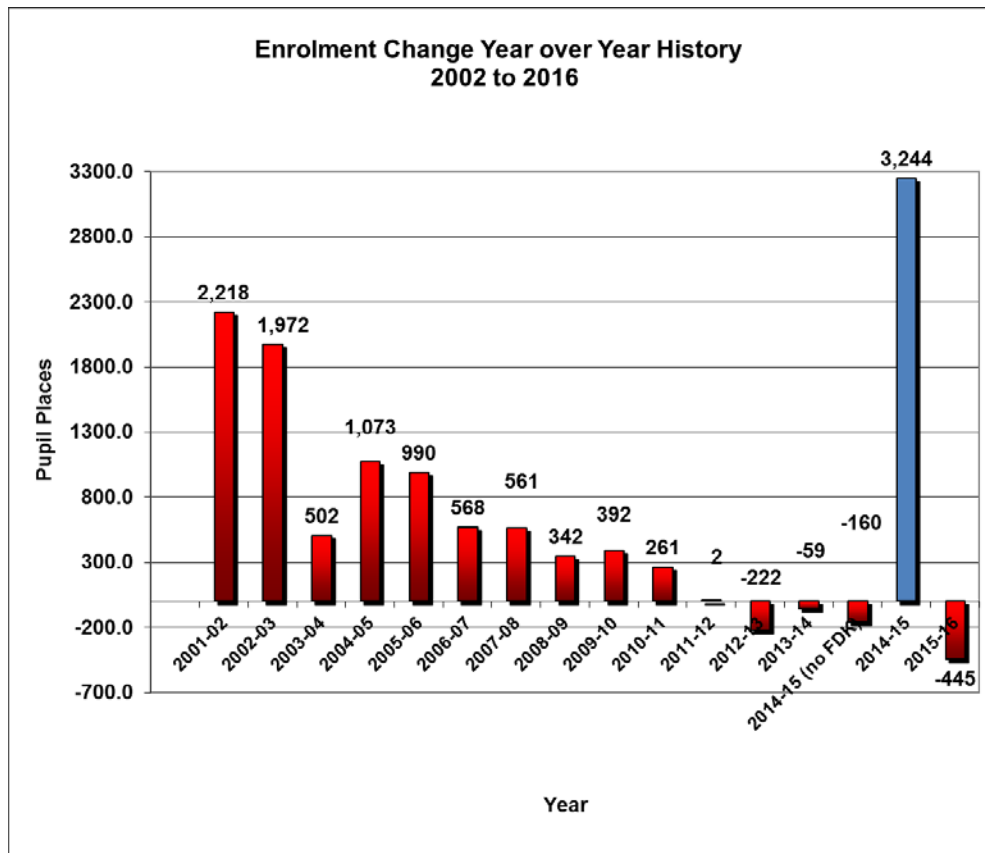
The following key elements will be used to present the financial health of the Board to August 31, 2016:

1. Enrolment
2. Annual Board operating financial results
3. Annual/Cumulative compliance financial position
4. Annual/Cumulative total financial position
5. Capital position

Enrolment:

In that over 95% of the Board’s operating revenue is generated by Provincial legislative grants and that most of the Grants for Student Needs (GSN) are enrolment-based grants, the Board’s enrolment trends is the largest indicator for the Board’s revenue generation.

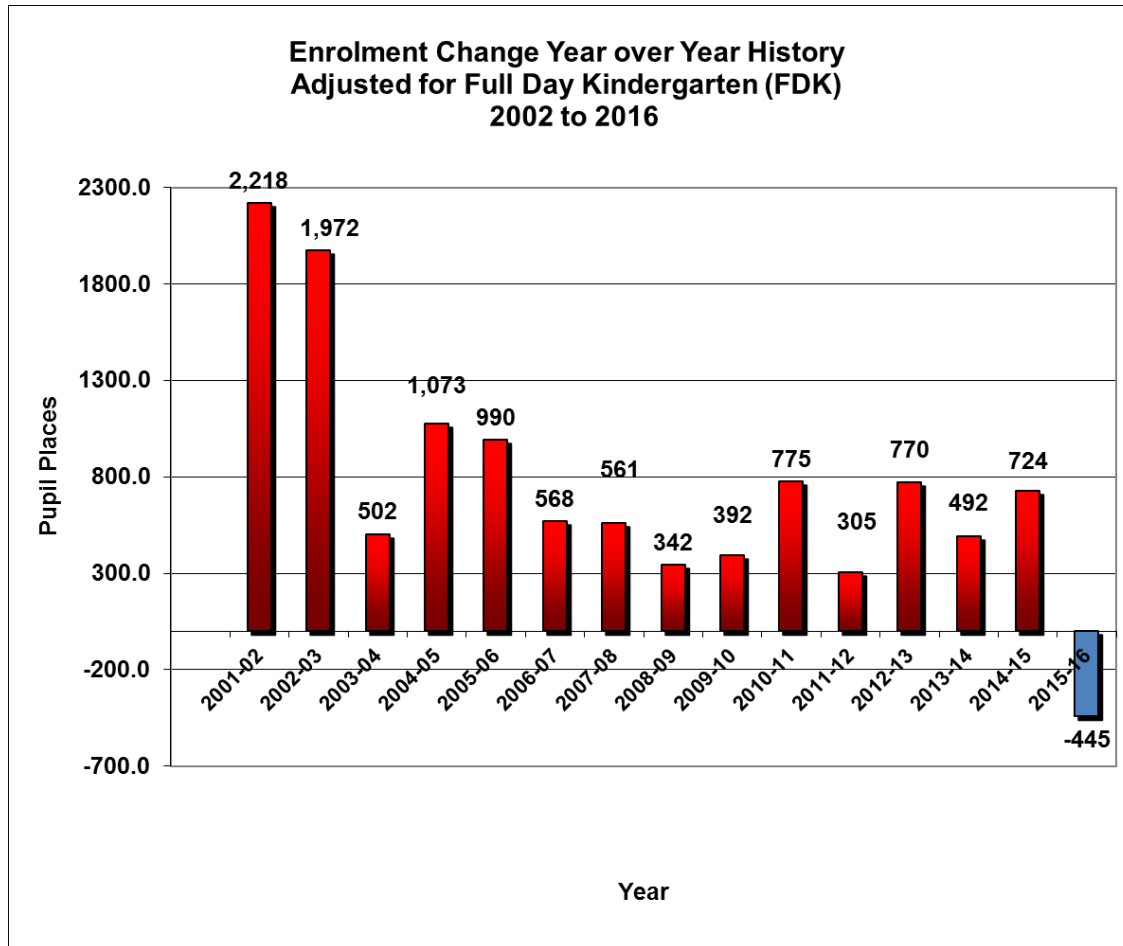
After decades of phenomenal growth, enrolment decreases began in 2012-13 if the effects of Full Day Kindergarten (FDK) implementation are not incorporated as shown in the chart below:



Note that FDK was implemented over five years beginning 2010-11.

Appendix B

When effects of FDK implementation are incorporated in the change in enrolment chart, 2015-16 becomes the first year of enrolment decline:



Annual Board Operating Financial Results:

In summary, the Board's 2015-16 compliance position netted an **operating deficit of \$5,359,807** (or a compliant deficit of **\$5,547,681** after committed amounts). The 2015-16 Revised Estimates submitted and filed with the Ministry of Education, after adjustment of \$7,104,015 for Collective Agreement related GSN increase (*see note in Appendix A on restatement*), projected a small in-year operating surplus of \$326,979 (or a small deficit of \$356,501 after committed amounts).

Note: whereas in past years, the compliance position is complicated by Ministry rules around Other Employee Future Benefit (EFB) liabilities (i.e. WSIB & LTD Waiver), the Board's 2015-16 PSAB EFB reconciling item will now be limited only to the amortization of the unamortized/unfunded Retirement Gratuity EFB amount in the Board's Accumulated Deficit - Unavailable for Compliance section.

The following chart illustrates the 2015-16 audited summary of the actual compliance results in comparison to the adjusted revised estimates filed with the Ministry of Education and the resulting variances:

Appendix B

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

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

Appendix B

Annual/Cumulative Compliance Financial Position:

For Ministry “compliance purposes”, the in-year deficit is **\$5,547,681**. As illustrated below, the Board’s compliance financial position takes into account two committed items: (1) Normal change resulting from Registered Charity consolidation of (\$44,935); and (2) the amortization of Committed Sinking Fund interest earned (Committed S/F) balance of \$142,939). Note that prior to 2015-16, the normal annual amortization amount for the Committed S/F) was \$683,480.

New for 2015-16: With Ministry’s approval (exemption to O. Reg 193/10 - Restricted Purpose Revenues) to apply Proceeds of Disposition (POD) funds towards past Ministry “unsupported” capital (formerly supported by the Committed S/F), \$12 million Committed S/F was released within Accumulated Surplus - Available for Compliance (AS-AFC). The impact is an increase to the designated “Funding Stability” amount as shown in the chart below and a decrease in the annual amortization of the Committed S/F balance as noted above.

The Board’s cumulative available for compliance surplus position, decreased by the in-year compliance deficit of \$5,547,681, is now \$18,949,319 (2015 - \$24,497,000).

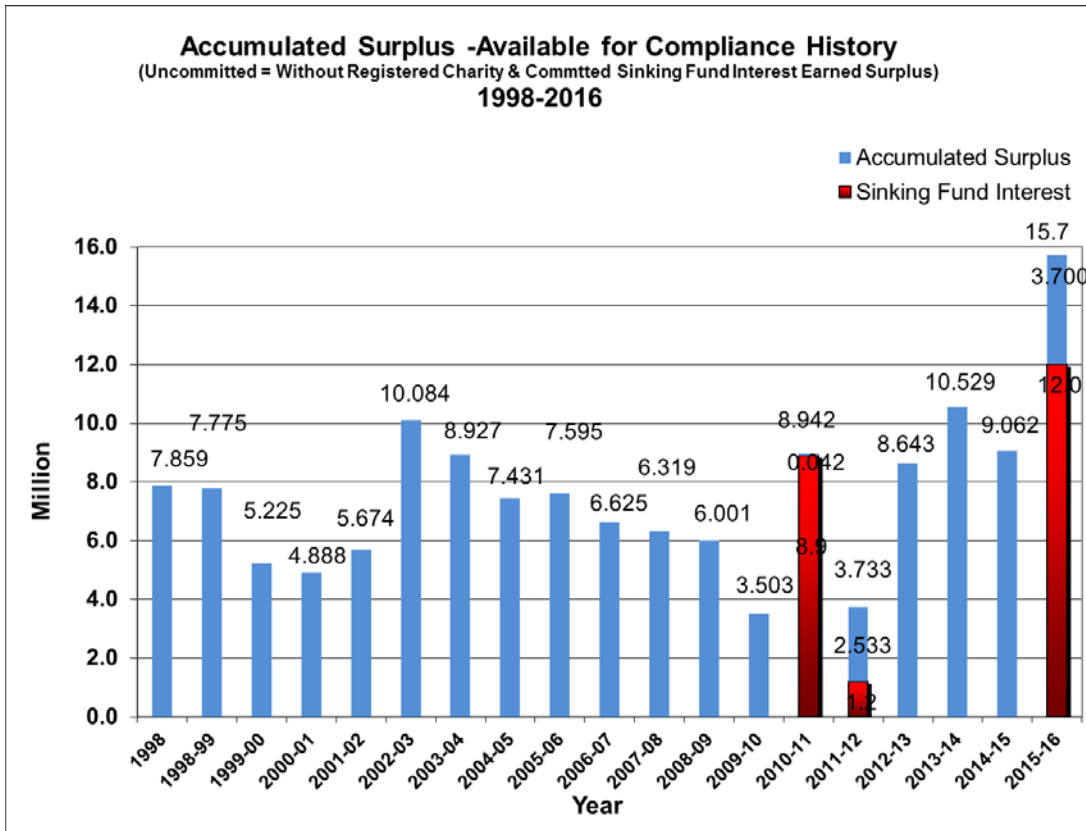
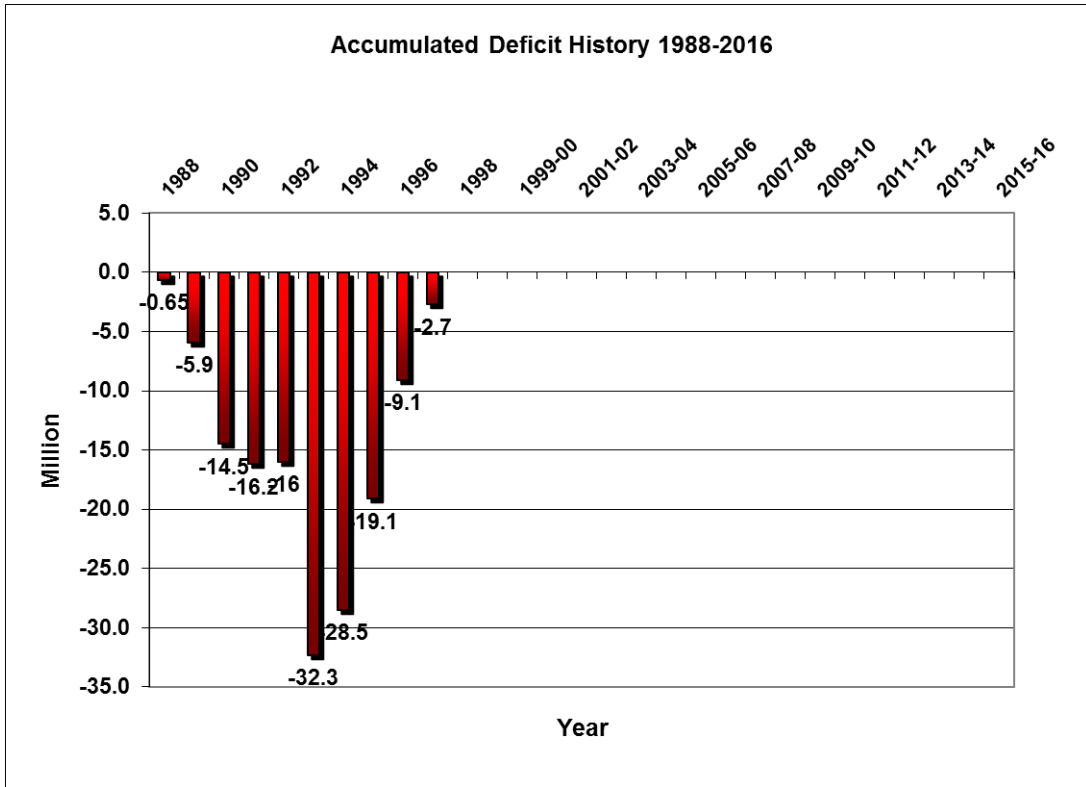
The details for various components of the ASD-AFC illustrated below are provided in Appendix C.

Accumulated Surplus / Deficit 2015-16							
	2014-15 Accumulated Surplus / (Deficit) Opening	Release of SF Commitment)	2014-15 Accumulated Surplus / (Deficit) After SF Commitment Release	In-Year Increase/Decrease Details		Total In-Year Increase / (Decrease)	2015-16 Accumulated Surplus / (Deficit)
<u>Board Established: - Available for Compliance ("ASD-AFC") Unappropriated</u>				In Year In Year (Utilization)	In Year Increase or (Decrease)		
Technology Infrastructure	75,972		75,972	(74,887)	(1,085)	(75,972)	-
21st Century Learning	94		94		(94)	(94)	-
Strategic Planning	400,719		400,719	(343,198)	(57,521)	(400,719)	-
Funding Stability	2,457,712	12,000,000	14,457,712		(4,345,524)	(4,345,524)	10,112,188
Board Established: Total Unappropriated	2,934,497	12,000,000	14,934,497	(418,085)	(4,404,224)	(4,822,309)	10,112,188
<u>Board Established: AS-AFC Appropriated</u>							
General School Budgets (GSB Carryforward)	1,119,027		1,119,027	(537,498)		(537,498)	581,529
<i>Unfunded Employee Future Benefits:</i> Claims Fluctuation -WSIB & LTD Waiver (2)	- 5,007,986		- 5,007,986			-	5,007,986
	-		-				
Board Established: Total Appropriated	6,127,013	-	6,127,013	(537,498)	-	(537,498)	5,589,515
Total Board Established: ASD-AFC Before Committed Items	9,061,510	12,000,000	21,061,510	(955,583)	(4,404,224)	(5,359,807)	15,701,703
Registered Charity	262,241		262,241	(44,935)		(44,935)	217,306
Total Board Established & Registered Charity: ASD-AFC Before Committed S/F	9,323,751	12,000,000	21,323,751	(1,000,518)	(4,404,224)	(5,404,742)	15,919,009
Committed Sinking Fund interest earned	15,173,249	(12,000,000)	3,173,249	(142,939)		(142,939)	3,030,310
Total Accumulated Surplus/(Deficit) - Available for Compliance	24,497,000	-	24,497,000	(1,143,457)	(4,404,224)	(5,547,681)	18,949,319

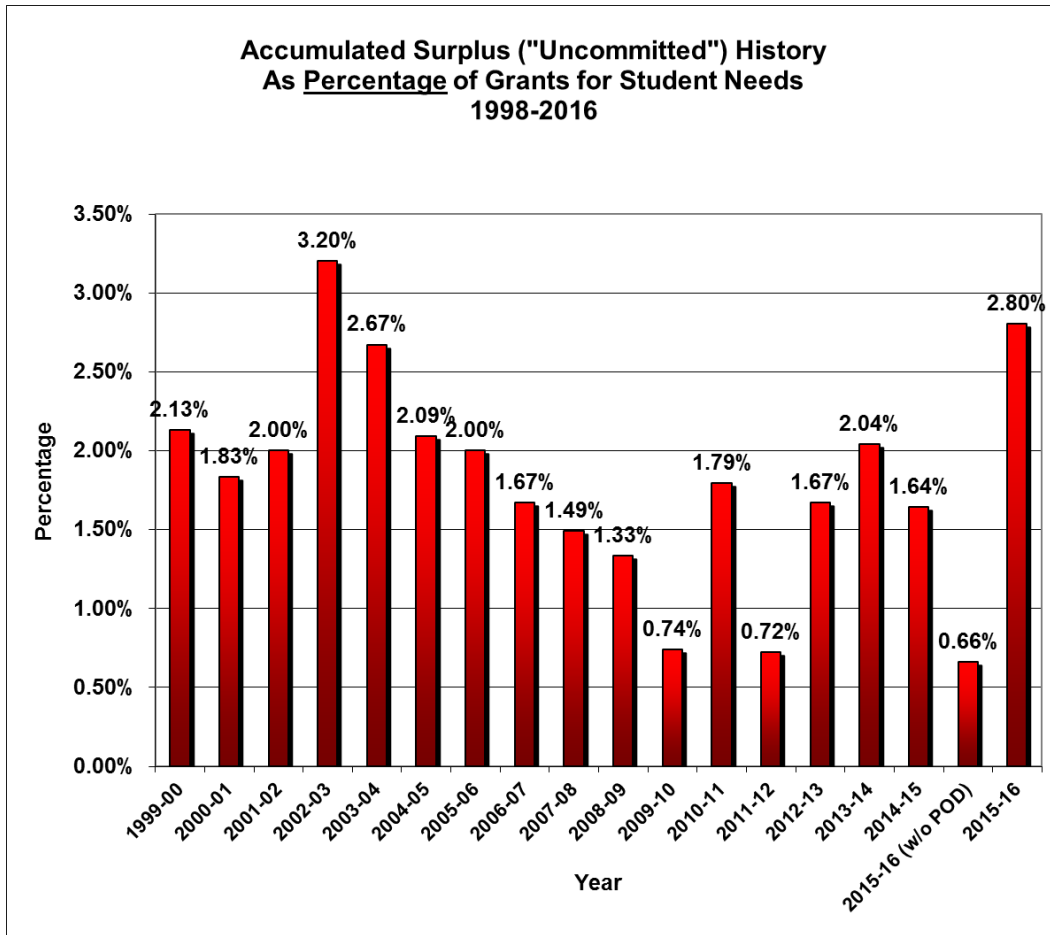
Ministry Compliance

Appendix B

The following charts will illustrate the Board's history of Accumulated Surplus/(Deficit) positions:



Appendix B



** A "Low Risk" board must have 2% of Operating Income as Accumulated Surplus.*

Annual/Cumulative Total Financial Position:

For the Board’s external financial statements, the impact of the PSAB implementations generated a category of Accumulated Surplus/(Deficit) – Unavailable for Compliance (ASD-UFC) cumulating to **\$198,159,730** as at August 31, 2016, increased by \$10,363,314 during 2015-16. As noted in prior years’ reports, the 2012-13 Provincial restraint measures included the transfer of EFB liability responsibility to school boards resulting in significant utilization of the Board’s annual surplus for all future years.

For 2015-16:

1. Assumption of the amortization of the Retirement Gratuity EFB over EARSLS accounted for approximately \$1.4 million. \$12.3 million remains unamortized and will be amortized into the Board’s compliance position over next nine years.
2. Any Retiree Benefit EFB expense is now incorporated into Operating. In a pro-active effort to eliminate future fiscal impacts, this EFB liability was assumed in the 2012-13 financial year end due to its relatively small size, which was further endorsed by the 2013-14 settlement of the OECTA Retiree Benefits grievance.

Appendix B

3. Full assumption of the in-year change in other EFB liabilities (WSIB and LTD Waivers) occurred in 2015-16. For the first time, the in-year change is now incorporated into normal operating results. The unknown, and therefore the board's risk, is: when will the Ministry address Accumulated Deficit – Unavailable for Compliance (AD-UFC) balance? To offset this risk, an equal amount has been “appropriated” from the Board's Accumulated Surplus- AFC.
4. Since the in-year change in Compensated Absences (Sick Leave top-up from the 2012 MoU) EFB liability is also a Board responsibility, the in-year change is now incorporated into the Board's operating results.

The significant fiscal impacts of the PSAB implementation became a major target for the Provincial restraint measures. The reduction in Employee Future Benefit plan curtailments for the Board amounted to \$71.8 million in 2011-12. 2012-13 through 2014-15 witnessed the fiscal responsibility transfers for such EFB liabilities to school boards. 2015-16 was the first year in which all in-year changes in EFB liabilities have become the responsibility of the Board. Therefore, all EFB in-year changes have now been incorporated as part of operating results. Two EFB PSAB items remain outstanding:

1. The Retirement Gratuity EFB amortization over EARSL (2015-16 & beyond \$1,383,722 per year for next nine years) creates a transfer of fiscal responsibility from Unavailable for Compliance to Available for Compliance.
2. The Other EFB (WSIB and LTD Waivers) liability of \$5 million in Unavailable for Compliance remains outstanding. Assumption of this liability by school boards remains a risk for the Board.

Other items in the ASD-UFC include the normal debenture interest accrual, the school generated funds balances, revenue recognized for land net of any not permanently financed or funded amounts.

The Board's overall total Accumulated Surplus/Deficit position for 2015-16 is presented as follows:

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

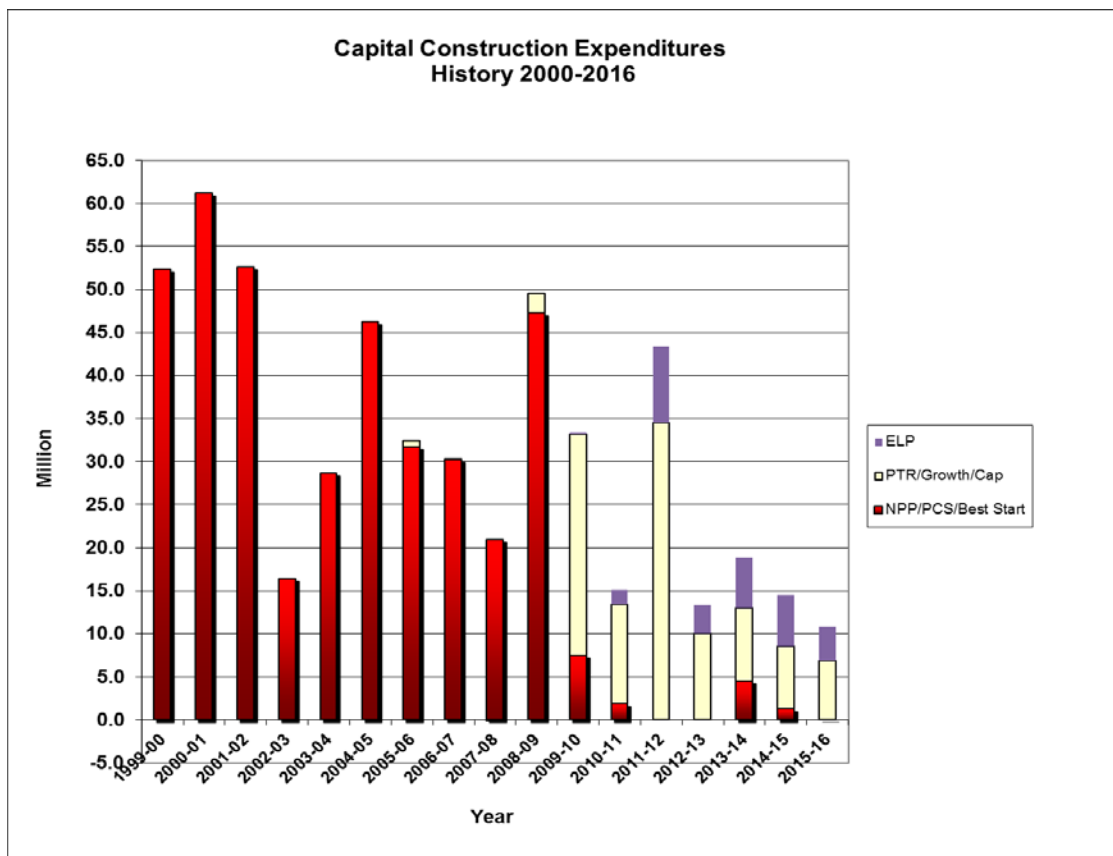
Appendix B

Capital Position

Ministry of Education capital funding focus has transitioned from an era centred on adding new pupil places and schools to one that primarily addresses school consolidations or right-sizing, school renewal and seamless integration with Early Years programs. Through the Ministry’s School Board Efficiency & Modernization (SBEM) initiatives, school boards have lost much of its capital autonomy and must increase its efforts to meet the tracking, reporting and approval requirements from the Ministry. Despite this, a rigorous fully-funded capital program, more focused on renewal than building, was delivered during the year.

2014-15 saw the end in capital spending under the old capital funding model (NPP/Growth/PTR) and 2015-16 saw the last Ontario Financing Authority (OFA) loan being executed. Since the days of the 1998 New Pupil Places (NPP) Capital funding model, the Board has had an extremely fully-funded, active and successful capital program with expenditures in three major categories:

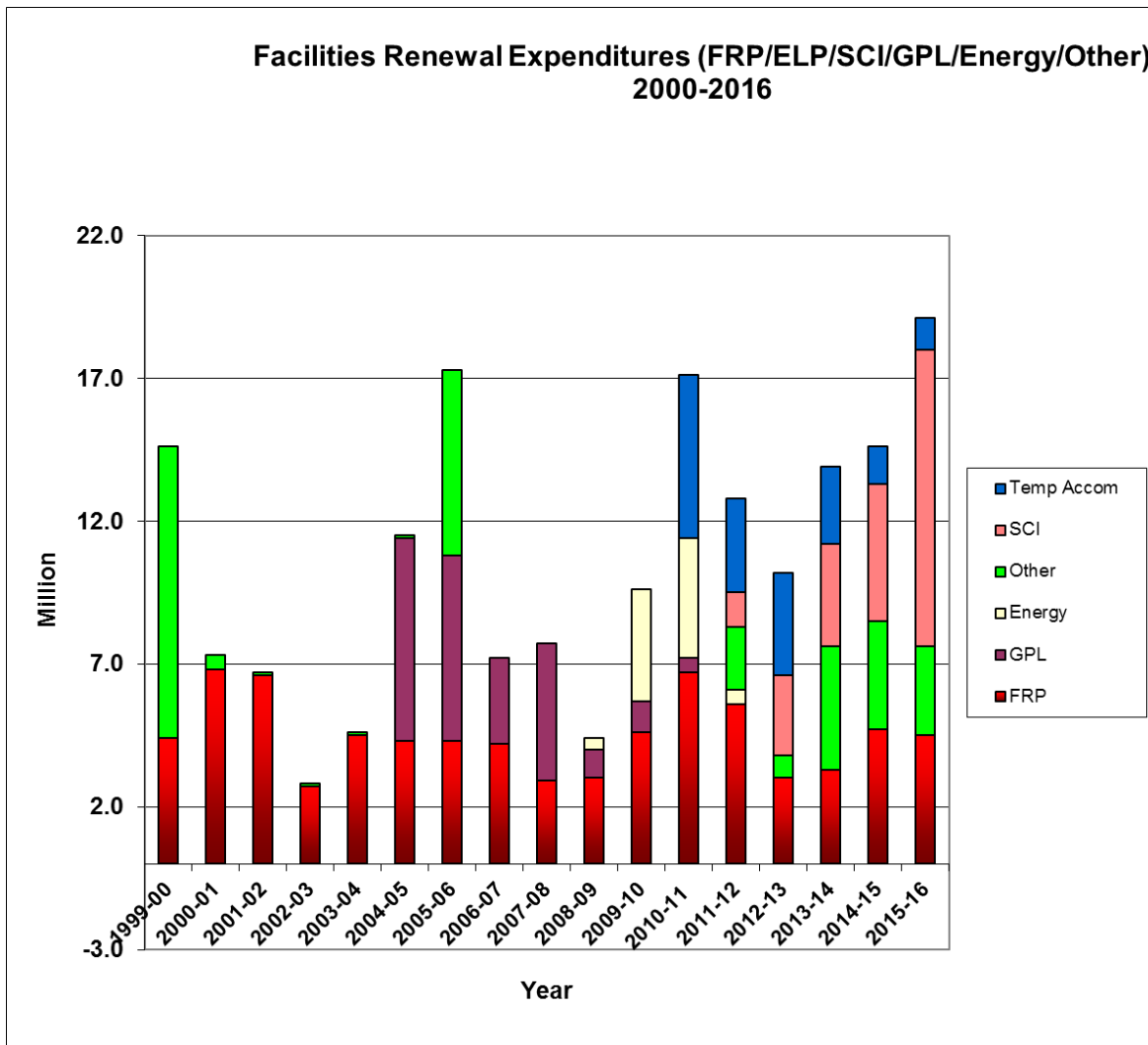
1. **Capital construction projects** spending amounted in excess of \$539 million since year 2000. These projects added both permanent and temporary pupil places capacity for the Board to accommodate students during the Board’s growth period. The NPP program brought in excess of \$402 million, the Early Learning Program which targets the accommodation needs of the Full-Day Kindergarten initiative brought in excess of \$29 million and the other capital programs (Growth, Prohibitive to Repair, and Capital Priorities) supported in excess of \$107 million.



Appendix B

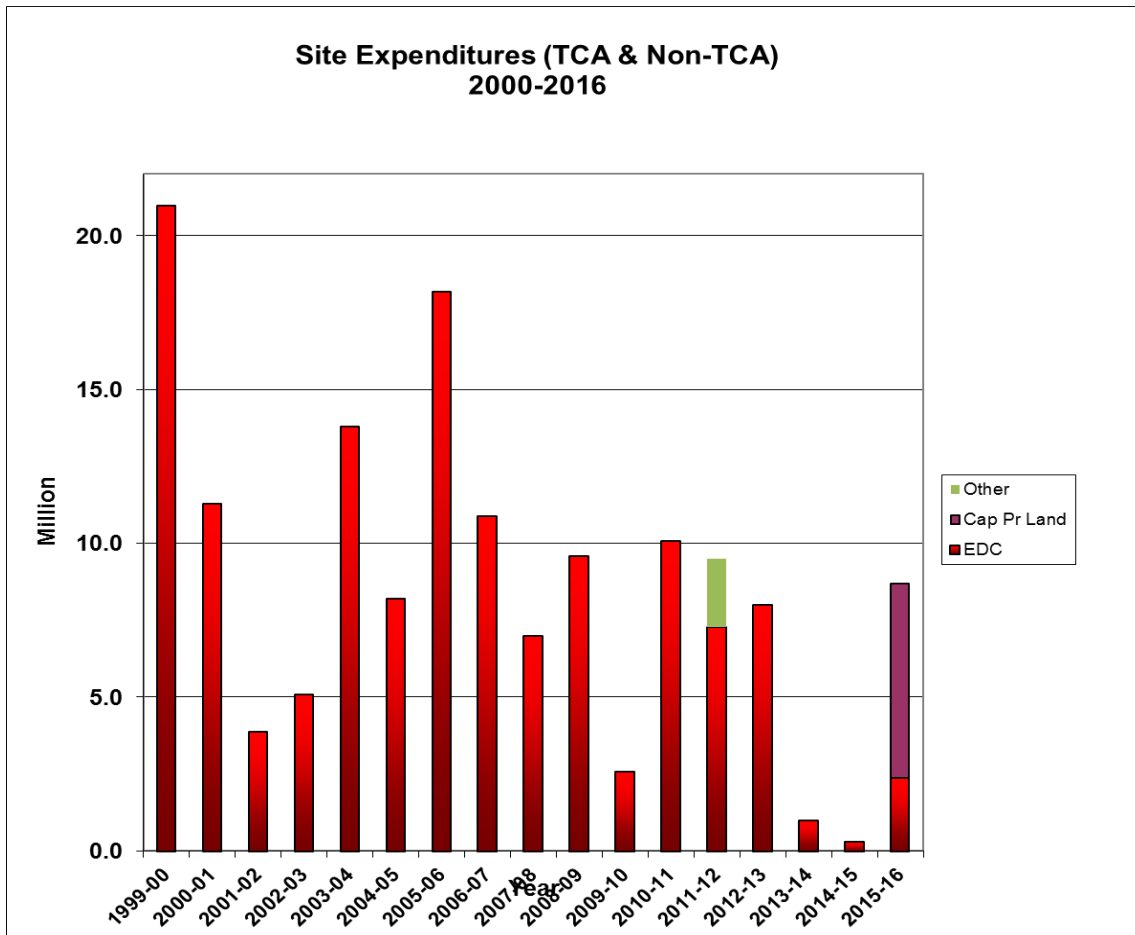
2. **The Facilities Renewal programs** totaled in excess of \$181million since year 2000. These programs covered both major and minor renewal spending. In recent years, new programs targeted at facilities renewal spending as well as temporary accommodation needs have been introduced. These programs include Temporary Accommodation (Temp Accom), School Condition Improvement (SCI), Energy, the older Good Places to Learn (GPL), School Renewal Allocation (SRA, formerly FRP), and the new Childcare Retrofit allocations.

In June 2016, the Ministry announced significant additional investments to improve school buildings for both 2015-16 and 2016-17. SRA increased by \$880,906 (2016-17 - \$891,519) and SCI was increased by \$6,501,392 (2016-17 - \$7,561,401).



Appendix B

3. Site expenditures amounted to approximately \$147 million since year 2000. The majority of the Board’s site purchases or expenditures are funded through Education Development Charges (EDC) levied through municipalities against new residential and non-residential owners. As shown below for 2015-16, the Board received Capital Priorities-Land funding for the first time to fund the portion of land purchases not eligible for EDC. One was retroactively applied for St. Joseph, Markham replacement site and the other is for the new Our Lady of Good Counsel replacement site purchased in 2015-16:



Sale of Properties

During the year, Cornell #1 was sold with proceeds of \$10,505,795. The carrying value of \$2,270,318 was repatriated into EDC reserves creating a recovery of revenue. The resulting gain of \$8,235,477 was deferred into POD reserves in accordance with O. Reg. 193/10.

Subsequent Event

Subsequent to August 31, 2016, the Board entered into an Offer to Purchase agreement for the sale of surplus land. The purchase agreement, entered into on October 27, 2016, is subject to due diligence procedures and is expected to close February 28, 2017 for gross proceeds of \$19,690,000.

Appendix C

ACCUMULATED SURPLUS/DEFICT

As detailed below, the 2015-16 Accumulated Surplus of **\$217,109,049** is comprised of **\$18,949,319** in Accumulated Surplus/(Deficit) – Available for Compliance (ASD-AFC) and **\$198,159,730** Accumulated Surplus/(Deficit) – Unavailable for Compliance (ASD-UFC):

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

Board Operating Focus

Mandatory Committed Funds

Ministry Compliance

Future Board responsibility over EARS

Potential Future Board responsibility

Appendix C

The Ministry required Deferred Reserves, presented in Note #4 to the Financial Statements, are illustrated below. The remaining balances represent revenues received that have been set aside for specific purposes by legislation, regulation or agreement, i.e. by external restrictions.

Deferred Revenue - Ministry Required 2015-16					
	Balance as at August 31, 2015	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions (DCC)	Balance as at August 31, 2016
Special Education (inc. SEA)	521,335	70,978,322	(70,855,091)		644,566
Internal Audit	2,247,406	1,122,780	(943,024)		2,427,162
Mental Health Leader	-	119,832	(119,832)		-
Student Achievement	-	2,922,009	(2,922,009)		-
Energy Efficient Schools - Op'g	270,531	150,000	(317,294)		103,237
EPO Grants	14,056	3,212,427	(3,169,161)		57,322
Banker Board Equity	-	125,000	(125,000)		-
Ministry of Training Colleges & University		160,446	(160,446)		-
Other Prov'l Grants (MCI & Other)	268,339	220,000	(348,197)		140,142
Third Party	70,555	44,475	(100,219)		14,811
Non-Ministry		2,283,081	(2,029,059)		254,022
YCDSB Programs		811,390	(732,523)		78,867
Minor Tangible Capital Asset	-	14,000,176	(12,820,677)	(1,179,499)	-
School Renewal	4,885,123	7,151,705	(1,754,196)	(2,788,891)	7,493,741
Interest on Capital	-	20,093,609	(20,093,609)		-
Temporary Accommodation	-	1,160,000	(949,832)	(124,903)	85,265
School Condition Improvement	1,126,908			(1,126,908)	-
Retrofitting for Childcare	3,322,854	-		(100,441)	3,222,413
Proceeds of Disposition	6,854,335	8,235,477		(14,953,997)	135,815
Education Development Charges	-	10,580,547	(4,482,033)		6,098,514
TOTAL	19,581,442	143,371,276	(121,922,202)	(20,274,639)	20,755,877

Notes:

“Special Education (including SEA)” balance of \$644,566 reflects the deferred revenue associated with Special Education Equipment (SEA) Per Pupil Amount for which the reporting or claim cycle (May to April) differs from the Board’s fiscal cycle (September to August). The balance is not part of the normal Special Education enveloping calculation.

“Internal Audit” balance of \$2,427,162 reflects GSN funding received by the Board in support of its Host Board duties associated with the Toronto Area Regional Internal Audit (RIAT) initiative.

“School Renewal” balance of \$7,493,741 and “School Condition Improvement” (SCI) balance of \$3,222,413 reflects unused “deferred” funding that will be carried forward to be allocated in 2016-17.

“Education Development Charges” (EDC) deferred revenue of \$6,098,514 reflects EDC collections in excess of EDC land purchases as at August 31, 2016.

Appendix C**Notes to Accumulated Surplus-Available for Compliance
(ASD-AFC)****NON-DESIGNATED****Non-Designated amounts** **\$ 0**

Non-designated AS –AFC (formerly non-protected reserves) was depleted in prior years.

DESIGNATED**Funding Stability** **\$10,112,188**

This designated amount is a provision set aside to provide a level of reserve against projected future deficits. This “reserve” is necessitated by anticipated future negative expenditure variances and projected decreases in future Ministry of Education funding allocation for the Board. During 2015-16, the Ministry approved (exemption to O. Reg 193/10 - Restricted Purpose Revenues) the application of Proceeds of Disposition (POD) funds towards past Ministry “unsupported” capital (formerly supported by the Committed S/F). As a result, \$12 million Committed Sinking Fund Interest Earned (Committed S/F) was released within Accumulated Surplus- Available for Compliance (AS-AFC). The impact was an increase to the designated “Funding Stability” amount and a decrease in the Committed S/F balance. Due to the 2015-16 in-year deficit, \$4,345,524 of the Funding Stability amount was utilized.

General School Budgets **\$ 581,529**

As per Board motions the GSB reserve is established at the amount that has not been spent in the current year, amounting to \$ 581,529 as at August 31, 2016. (2015 - \$1,119,027)

Claims Fluctuation-WSIB & LTD Waiver **\$ 5,007,986**

The amount has been appropriated to offset the respective Employee Future Benefit (EFB) liability (in UFC).

Retirement Gratuities EFB **\$ 0**

\$0 has been appropriated (or reserved) for the unfunded EFB liability of \$12,278,449 (in UFC). Per Ministry mandate, this liability will be amortized into AFC over EARSL (nine years of amortization remain) at an annual rate of \$1,383,722 (2015 was \$1,366,217 – small change was due to impact of the Retirement Gratuities Early Payout option available in 2015-16).

Retiree Benefits EFB **\$ 0**

\$0 has been nor need to be appropriated (or reserved) for the EFB liability. Due to the successful settlement of the Retiree Benefit grievance, this EFB liability has been minimized and therefore, accrued within normal operations since 2012-13.

Registered Charity **\$ 217,306**

The Registered Charity ASD-AFC is the balance left in the charity account to be used for future year expenses. The Registered Charity ASD-AFC is only presented for year-end purposes and not included in the operating financial result considerations.

*Appendix C***Committed Sinking Fund Interest Earned** **\$ 3,030,310**

The Committed Sinking Fund interest earned is the unamortized 2010 Capital Wrap-up (CWT) determined amount of sinking fund interest (\$18,590,649) that was required to finance sinking fund debenture maturities. This entire amount was mandatorily set aside (i.e. committed) in 2010-11 within the Board's ASD-AFC to meet this obligation and is amortized over 27.2 years to offset the amortization of "Unsupported Capital" related to these sinking fund debentures. This balance was not available for Board use and up until 2015, the balance was amortized annually at \$683,480 to offset "unfunded" amortization expense. However, during 2015-16, the Ministry approved (exemption to O. Reg 193/10 - Restricted Purpose Revenues) the application of Proceeds of Disposition (POD) funds towards past Ministry "unsupported" capital (formerly supported by the Committed S/F). As a result, \$12 million Committed Sinking Fund Interest Earned (Committed S/F) was released within Accumulated Surplus-Available for Compliance (AS-AFC). The impact was a decrease to the Committed S/F balance as well as a decrease to the annual draw to \$142,939.

Appendix C

Notes to Accumulated Surplus/(Deficit)-Unavailable for Compliance (ASD – UFC)

For the Board's external financial statements, the impact of the PSAB implementations generated a category of Accumulated Surplus/(Deficit) – Unavailable for Compliance (ASD-UFC) cumulating to **\$198,159,730** as at August 31, 2016 with in-year increase of **\$10,363,314**.

Employee Future Benefits **(\$17,286,435)**

The 2012-13 Provincial restraint measures included the transfer of EFB liability responsibility to school boards resulting in significant utilization of the Board's in-year surplus:

1. Amortization of the Retirement Gratuity EFB over EARSL accounted for approximately \$1.4 million, leaving an unamortized amount of \$12,278,449.
2. The other EFB liabilities (WSIB and LTD Waivers) represent the balance that has not yet been transferred into the Board's compliance position. The amount remaining in UFC is \$5,007,986.

Debenture Interest Accrual **(\$4,128,404)**

The debenture Interest Accrual deficit represents a fully funded timing difference between when debenture interest is paid and the August 31st year end.

School Generated Funds **\$7,834,525**

The balance of School Generated Funds at each year end is recognized as part of the Accumulated Surplus-UFC.

Non-Depreciable TCA (Land) **\$211,740,044**

Capital transfers relating to non-depreciable assets (land) is recognized as revenue once the asset is acquired and therefore, regulations were updated to include revenues received for land in Accumulated Surplus – UFC.

Not Permanently Financed (NPF) – Non-Depreciable Assets (EDC) **\$0**

With the adoption of PS3410 Government Transfers, the only remaining NPF (ASD-UFC) amount relates to unfunded EDC supported land costs. (**Appendix I** provides a detailed analysis of all NPF amounts). With the 2015-16 EDC collections, the EDC deficit was eliminated (see Deferred Revenues).

*Appendix D***ANALYSIS OF FINANCIAL STATEMENTS****CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EFIS Schedule 1.0)**

FINANCIAL ASSETS	Aug 31, 2016	Aug 31, 2015
Cash and Cash Equivalents	\$ 41,232,217	\$ 40,288,262
Temporary Borrowing	0	0

The change to the positive cash position was less than \$1 million.

Accounts Receivable	\$ 25,279,152	\$ 24,453,205
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Accounts Receivable includes amounts due from the Province (operating), Municipalities (taxation) and other miscellaneous amounts (community use etc.) as at August 31, 2016.

Accounts Receivable-Govt. of Ontario-approved Capital	\$ 384,323,861	\$ 388,698,761
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This receivable from the Government is the outstanding/unpaid capital grants to-date that is supported by the existing capital programs. Note #2 to the Financial Statements provides more details.

Assets Held for Sale	\$ 86,900	\$0
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The Assets Held for Sale is for the old St Joseph, Markham site. Subsequent to year-end, the Board entered into an offer to purchase agreement for the sale of this surplus land on October 27, 2016. The purchase agreement is subject to due diligence procedures and is expected to close February 28, 2017 for gross proceeds of \$19,690,000.

Other	\$ 1,136,309	\$ 719,744
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Other assets include accrued miscellaneous revenues and grants that are recognized in 2015-16, but are collected in the subsequent year (2016-17).

FINANCIAL LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 40,879,117	\$ 41,784,021
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This amount includes trade accounts payables, payroll accruals, payroll deduction accounts and other year-end accruals as at August 31, 2016. The decrease in 2015-16 from 2014-15 is less than \$1 million.

Deferred Revenue	\$ 20,755,877	\$ 19,581,442
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Deferred revenues of \$20,755,877 consist of Operating and Capital Deferred Revenues. While Operating Deferred Revenues remain relatively the same, Capital Deferred Revenues had four significant changes: (1) School Renewal change of \$2,608,618 due to a mid-year increase in renewal grants; (2) School Condition Improvement (SCI) decrease to \$0 from \$1,126,908 since funding for SCI has changed to post-spend; (3) POD decreased by (\$6,718,520) due to the Ministry-approved \$12 million application of POD towards prior year unsupported capital; and (4) with elimination of the EDC Deficit, the residual EDC collections created an EDC Deferred Revenue balance of \$6,098,514.

Appendix D

	Aug 31, 2016	Aug 31, 2015
Deferred Revenue – Other	\$ 5,866,974	\$ 5,012,507

Deferred Revenue – Other includes tuition fees received for the 2015-16 school year and miscellaneous deferred revenues which will be applied in 2016-17.

Deferred Capital Contributions (DCC)	\$ 690,420,022	\$ 679,815,316
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Under the newly adopted PSAB standard 3410 on Government Transfers, DCC amounts represent government transfers for capital that meet the definition of a liability. Amounts are recognized into revenue as the liability is amortized over the useful life of the asset. The significant increase in DCC is primarily due to Ministry's approval of the application of \$12 million of POD against prior year unsupported capital which creates \$12 million in DCC.

Employee Benefits Payable	\$ 18,491,870	\$ 19,692,533
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As reported previously to the Board, the value of Employee Future Benefits liability must be included in the financial statements, according to PSAB reporting requirements. This amount is comprised of the following:

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

These amounts have been actuarially determined, and appear as liabilities on the Consolidated Statement of Financial Position.

Appendix D**Aug 31, 2016****Aug 31, 2015****Net Debt, Capital Loans and Leases****\$ 363,639,003****\$ 376,290,143**

This item includes all outstanding debenture debt payable by the Board over the term of the debentures. To-date, the entire outstanding amount is fully supported by the Ministry. Note #7 to the Financial Statements provides further details on debenture debt. In 2015-16, the final OFA debenture of \$7,442,915 (B/L #207) was issued for residual capital project amounts.

Appendix D

CONSOLIDATED STATEMENT OF OPERATIONS (EFIS Schedule 1.1)

The Consolidated Statement of Operations reflects three columns of data:

- **2015-16 Budget** (Col. 1)

The Budget in the Board's 2015-16 Financial Statements reflects the Budget submitted in EFIS (Ministry reporting system). There exists a discrepancy of \$483,839 between Budget submitted in EFIS and the Board approved budget due to the following:

- \$250,000 Uniform rebate revenue was not recorded in EFIS
- Additional expenses of \$283,839 was included in the EFIS submission to account for LTAP expenses due to an expectation of additional grants

- **2015-16 Actual** (Col 2)

Reflects the actual financial operating results prepared in accordance with financial provision described in Note 1 to the Financial Statements.

- **2014-15 Actual** (Col 3)

Reflects previous year 2014-15 actual financial results.

CONSOLIDATED STATEMENT OF CASH FLOWS (Schedule 1.2)

The Consolidated Statement of Cash Flow for the Board reflects the net increase or decrease in the balances (Sources or Uses of funds), to arrive at an overall CHANGE IN CASH AND CASH EQUIVALENTS amount.

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT (Schedule 1.3)

The Consolidated Statement of Change in Net Debt for the Board reflects the activities that impact the Net Debt position of the Board.

ACCUMULATED SURPLUS/(DEFICIT) (Schedule 5)

This schedule provides details of the Accumulated Surplus/(Deficit) as per Appendix C. The Summary of Accumulated Surplus/Deficit (Appendix C) lists the August 31, 2016 balances of Board established ASD-AFC and Ministry mandated ASD-UFC.

REVENUES (Schedule 9)

Of note for 2015-16 Revenues is the inclusion of DCC Revenue of \$29,783,454, EDC revenues of \$4,482,033 which is comprised of EDC collections net of the repatriation of EDC funds of \$1,992,146 for St Joseph, Markham, and reduction of revenues of (\$2,270,318) for EDC revenue recovery for the sale of Cornell #1.

EXPENSES (Schedule 10)

ADJUSTMENTS FOR COMPLIANCE PURPOSES (Schedule 10ADJ)

These schedules detail all operating, as well as all PSAB required entries, expenses for the Board for the year ending August 31, 2016 and reflect the adoption of PSAB 3410 on Government Transfers.

Appendix E

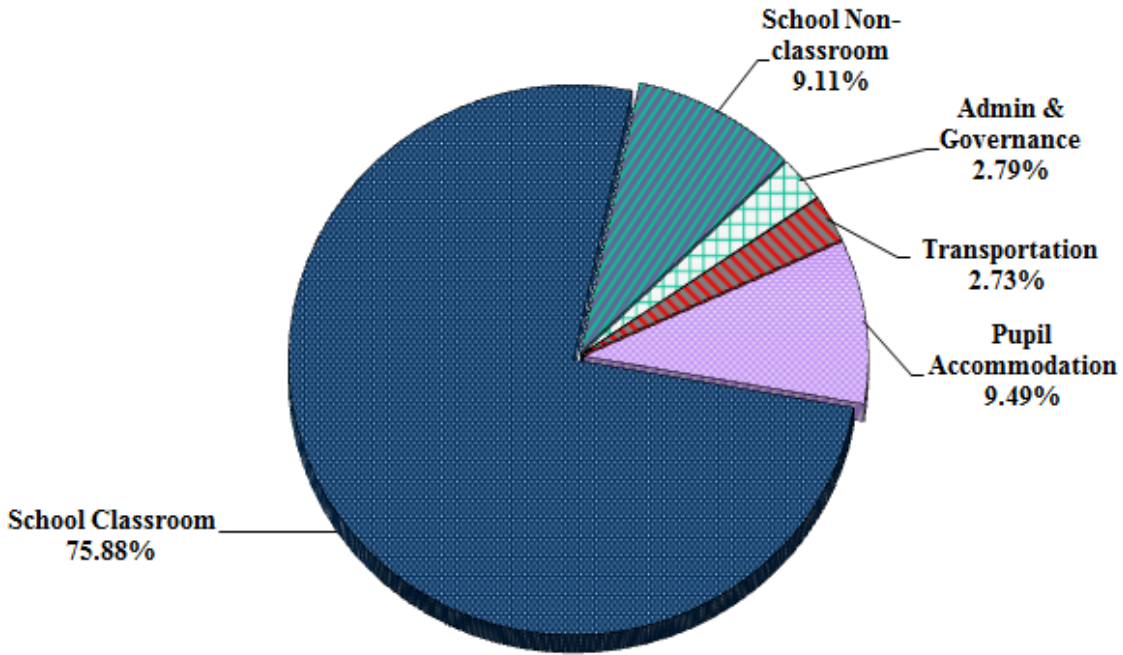
2015-16 Revenue Summary (Operating to FS)							
	Revenue Revised Estimates	Adjustments Labour CA Increases (1)	Revised Estimates	Actuals	Difference		
					#/\$	%	
OPERATING REVENUE							
Grants for Student Needs (GSN)	\$ 553,393,432	\$ 7,104,015	\$ 560,497,447	\$ 559,712,551	\$ (784,896)	-0.14%	
Other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

Appendix F

2015/16 Analysis By Object	
	Actuals August 31, 2016
<u>Salaries and Wages</u>	
CLASSROOM	371,388,970
NON-CLASSROOM	43,800,705
	415,189,675
ADMINISTRATION	10,471,447
TRANSPORTATION	569,717
PUPIL ACCOMMODATION	26,162,557
Total	452,393,396
<u>Employee Benefits</u>	
CLASSROOM	53,290,131
NON-CLASSROOM	6,870,689
	60,160,820
ADMINISTRATION	2,415,067
TRANSPORTATION	147,287
PUPIL ACCOMMODATION	7,577,389
Total	70,300,563
<u>Staff Development</u>	
CLASSROOM	687,033
NON-CLASSROOM	41,873
ADMINISTRATION	98,026
TRANSPORTATION	3,704
PUPIL ACCOMMODATION	26,185
Total	856,821
<u>Supplies and Services</u>	
CLASSROOM	7,871,123
NON-CLASSROOM	1,484,060
ADMINISTRATION	1,359,541
TRANSPORTATION	14,911
PUPIL ACCOMMODATION	15,784,588
Total	26,514,223
<u>Capital Expenditures</u>	
CLASSROOM	3,669,996
NON-CLASSROOM	95,010
ADMINISTRATION	49,158
TRANSPORTATION	0
PUPIL ACCOMMODATION	90,765
Total	3,904,929
<u>Fees and Contractual Services</u>	
CLASSROOM	3,898,776
NON-CLASSROOM	645,565
ADMINISTRATION	1,471,348
TRANSPORTATION	15,121,435
PUPIL ACCOMMODATION	5,481,744
Total	26,618,868
<u>Other Expenditures</u>	
CLASSROOM	85,735
NON-CLASSROOM	1,430
ADMINISTRATION	359,327
TRANSPORTATION	0
PUPIL ACCOMMODATION	1,933
Total	448,425
Total Expenditures	581,037,225

Appendix G

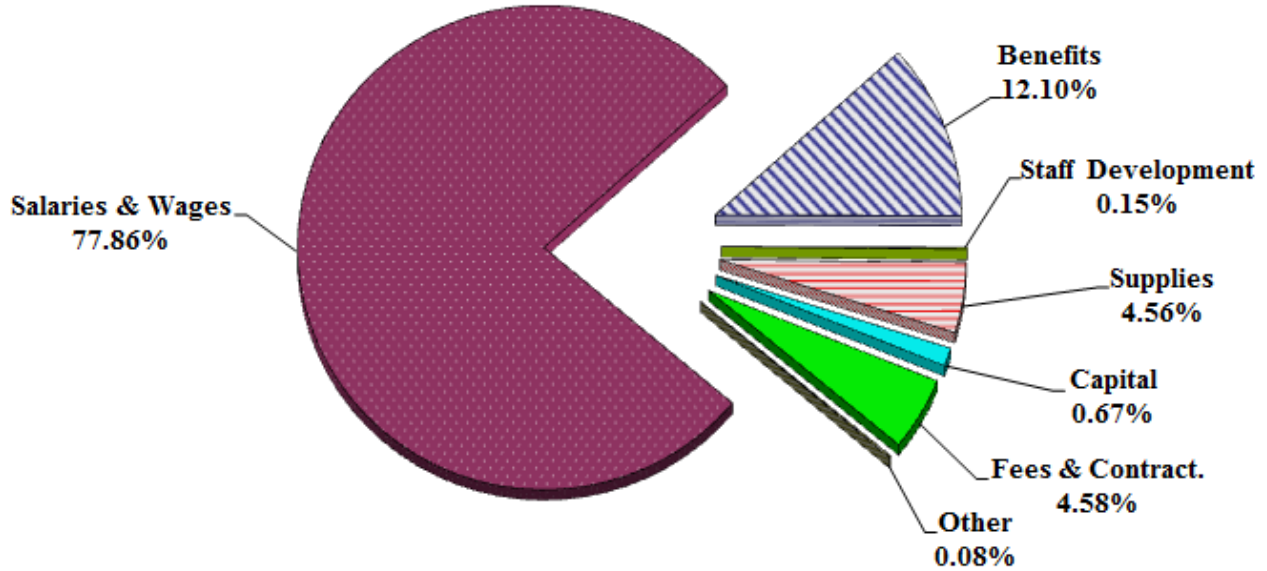
Expenditures by Function Summary



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

Appendix H

Expenditures by Object Summary



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

Appendix I

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

Appendix J

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

Appendix J

Ministry Funded NPF

With the adoption of PS3410 Government Transfers, Ministry funded NPF of depreciable TCA of \$11,376,255 in 2015-16 is part of DCC and included in Accounts Receivable from the Province for Approved Capital.

While the pre-June 2011 approved Growth, PTR, Capital Priorities and GPL projects are to be financed via OFA upon “substantial” completion, post-June 2011 approved projects are paid via Ministry transfer payments. 2014-15 saw the end in capital spending under the old capital funding model (NPP/Growth/PTR) and 2015-16 saw the last issuance of Ontario Financing Authority (OFA) loan for the Board.

Education Development Charges: Sites

The current portion of unfinanced site purchases \$0 (2015-\$2,038,814) marks the elimination of the EDC deficit. As at August 31, 2016, there is an EDC Deferred Revenue of \$6,098,514.

Appendix K

Compliance Report

Administration and Governance	
Gross Expenses excluding internal audit	15,389,875
Other incomes	220,816
Net Expenses excluding internal audit	15,169,059
Funding allocation excluding internal audit	15,147,820
Overspending on Administration and Governance	21,239
Compliant /Non-compliant	NON-COMPLIANT / NON-CONFORME

Is the board in a Multi-Year recovery Plan?

(If board is in multi-year recovery plan then compliance report below does not apply.)



Balanced Budget Determination

1.1	In-year revenues (Sch 9, line 10.0 - Sch 9, line 4.4)	644,373,867
	In Year Revenues for Land (Schedule 5.6, item 1.2 + item 1.3 + item 1.3.1 - item 1.4 + Sch 5.5 Land Projects col. 5.1 + col. 6.1)	8,458,012
1.1.1		
1.2	In-year expenses for compliance purposes (From Sch 10ADJ Page 2, line 90, Col 20)	641,463,537
1.3	In-year surplus/(deficit) for compliance purposes	-5,547,682
Item 1.1 - item 1.1.1 - Item 1.2	

REQUIRES FURTHER
COMPLIANCE
CALCULATION /
REQUIERT DES
CALCULS
COMPLÉMENTAIRES
AUX FINS DE
CONFORMITE

1.4 If item 1.3 is positive, board is in compliance. Otherwise, see calculation below.

Compliance Calculation Prior to Ministry Approval Amount (Education Act, 231. (1))

1.5	Operating Allocation to be used in Compliance Calculation (From section 1A, item 1.92)	560,956,878
1.6	1% of item 1.5	5,609,569
1.7	Prior Year Accumulated Surplus Available for Compliance (From schedule 5, item 3, Col 1)	24,496,995
1.8	Lesser of item 1.6 and item 1.7	5,609,569

1.9 If the amount of deficit on at item 1.3 is less than item 1.8, then the board is in compliance. If the board is not in compliance, see the calculation below.

COMPLIANT /
CONFROME

Compliance Calculation After Ministry Approval Amount (Education Act, 231. (3))

1.10	Amount of Ministerial approval received allowing in-year deficit to exceed item 1.8	-
1.11	Amount of allowable in-year deficit: Sum of item 1.8 and item 1.10	5,609,569

1.12 If the amount of deficit at item 1.3 is less than item 1.11, then the board is in compliance

COMPLIANT /
CONFORME

Appendix K

**Schedule 1 - Consolidated Statement of Financial Position
For the year ending August 31**

	2015-2016 Col 1	2014-2015 Col 2
1 FINANCIAL ASSETS		
1.1 FP - Cash and Cash Equivalents	41,232,217	40,288,262
1.2 FP - Temporary Investments	0	1
1.3 FP - Accounts Receivable	409,603,013	413,151,966
1.4 FP - Investments	-	-
1.4.1 FP - Assets Held for Sale	86,900	-
1.5 FP - Financial Assets - Other	1,136,309	719,744
1.6 TOTAL FINANCIAL ASSETS	452,058,439	454,159,973
2 LIABILITIES		
2.1 FP - Temporary Borrowing	-	-
2.2 FP - Accounts Payable and Accrued Liabilities	40,879,117	41,784,023
2.3 FP - Liabilities - Other	5,866,974	5,012,507
2.4 FP - Net Debenture Debt, Capital Loans and Leases	363,639,003	376,290,143
2.5 FP - Deferred Revenue	20,755,877	19,581,442
2.6 FP - Employee Benefits Payable	18,491,870	19,692,533
2.7 FP - Deferred Capital Contributions	690,420,019	679,815,314
2.8 TOTAL LIABILITIES	1,140,052,859	1,142,175,962
3 NET FINANCIAL ASSETS (NET DEBT)	-687,994,420	-688,015,989
4 NON-FINANCIAL ASSETS		
4.1 FP - Prepaid Expenses	-	-
4.2 FP - Inventories of Supplies	-	-
4.3 FP - Tangible Capital Assets	905,103,473	900,309,406
4.4 TOTAL NON-FINANCIAL ASSETS	905,103,473	900,309,406
5 ACCUMULATED SURPLUS/(DEFICIT)	217,109,052	212,293,417

*Appendix K***Schedule 1.1 - Consolidated Statement of Operations**

	CY Budget	CY Actual	PY1 Actual
1 REVENUES			
1.1 Provincial Legislative Grants	423,187,676	432,630,662	420,502,748
1.2 Provincial Grants - Other	9,014,347	10,722,671	11,797,108
1.3 Local Taxation	182,665,413	184,823,901	183,879,325
1.4 School Generated Funds Revenues	24,073,000	25,617,339	24,356,308
1.5 Federal Grants and Fees	-	-	-
1.6 Investment Income	400,000	654,462	861,535
1.7 Total Other Fees and Revenues from School Boards	-	-	-
1.8 Fees and Revenues from Other Sources	11,993,965	15,542,171	18,612,726
1.10 Total Revenue Category	651,334,401	669,991,206	660,009,750
2 EXPENSES			
2.1 Total Instruction Expenses	482,094,107	499,224,062	487,912,368
2.2 Total Administration Expenses	16,836,292	17,219,023	16,396,837
2.3 Total Transportation Expenses	16,462,771	16,919,882	16,691,829
2.4 Total Pupil Accommodation Expenses	107,878,318	106,338,306	106,931,753
2.5 Total School Generated Funds Expenses.	23,630,000	25,250,213	23,906,699
2.6 Other Expenses.	474,087	224,087	519,330
2.7 Total Expense Category	647,375,575	665,175,573	652,358,816
3.1 Annual Surplus (Deficit)	3,958,826	4,815,633	7,650,934
3.2 Accumulated Surplus (Deficit) at Beginning of Year	210,015,208	212,293,414	204,642,480
3.3 Accumulated Surplus (Deficit) at End of Year	213,974,034	217,109,047	212,293,414

*Appendix K***Schedule 1.2 - Consolidated Statement of Cash Flow**

	2015-2016	2014-2015
1.0 OPERATING TRANSACTIONS		
1.1 Annual surplus (deficit) for Consolidated Statement of Cash Flow	4,815,633	7,650,934
Non-cash items including:		
2.1 Amortization, write downs, (gain)loss on disposal of TCA and transfers to AHFS(Note: excluding deferred gain on disposal of restricted assets)	30,013,293	30,045,977
2.2 Deferred capital contributions revenue	-29,783,454	-29,362,497
2.3 Deferred Gain on Disposal of Restricted Assets	-8,235,477	0
2.4 Decrease (Increase) in temporary investments	1	0
2.5 Decrease (Increase) in accounts receivable - other	-825,948	961,111
2.6 Decrease (Increase) in other financial assets	-416,565	237,856
2.7 Decrease (Increase) in assets held for sale	-86,900	-
2.8 Increase (Decrease) in Accounts payable & Accrued liabilities	-904,906	3,711,058
2.9 Increase (Decrease) in Other liabilities	854,467	1,290,529
2.10 Increase (Decrease) in deferred revenues - operating	327,907	-4,065,609
2.11 Increase (Decrease) employee benefits payable	-1,200,663	-2,256,188
2.12 Decrease (Increase) in prepaid expenses	-	-
2.13 Decrease (Increase) in inventories of supplies	-	-
2.14 Cash provided by (applied to) operating transactions	-5,442,612	8,213,171
3.0 CAPITAL TRANSACTIONS		
3.1 Proceeds on sale of tangible capital assets	10,505,795	-
3.2 Cash used to acquire tangible capital assets	-37,077,678	-28,797,972
3.3 Cash provided by (applied to) capital transactions	-26,571,883	-28,797,972
4.0 INVESTING TRANSACTIONS		
4.1 Decrease (Increase) in long term investments	-	-
4.2 Net increase (decrease) in cash from investing	-	-
5.0 FINANCING TRANSACTIONS		
5.1 Long term liabilities issued	7,442,915	196,179
5.2 Increase (Decrease) in temporary borrowing	-	-
5.3 Debt repaid and sinking fund contributions	-20,094,055	-18,808,628
5.4 Decrease (Increase) in accounts receivable - Gov of Ontario - Approved capital	4,374,901	20,329,994
5.5 Additions to (disposals from) deferred capital contributions	40,388,159	28,789,603
5.6 Increase (Decrease) in deferred revenues - Capital	846,528	-2,037,176
5.7 Net increase (decrease) in cash from financing	32,958,448	28,469,972
6.0 Change in Cash and Cash Equivalents	943,952	7,885,171
7.0 Opening Cash and Cash Equivalents	40,288,260	32,403,089
8.0 Closing Cash and Cash Equivalents	41,232,212	40,288,260

*Appendix K***Schedule 1.3 - Consolidated Statement of Change in Net Debt**

	2015-2016	2014-2015
1.0 Annual Surplus (Deficit) for Consolidated Statement of Change in Net Debt	4,815,633	7,650,934
2.0 TANGIBLE CAPITAL ASSET ACTIVITY		
2.1 Acquisition of tangible capital assets	-37,077,678	-28,797,972
2.2 Amortization of tangible capital assets	29,926,393	30,045,977
2.3 Loss (Gain) on sale of tangible capital assets	0	0
2.4 Proceeds on sale of tangible capital assets	10,505,795	
2.4.1 Less: Gains on sale allocated to deferred revenue	-8,235,477	0
2.5 Transfer to assets held for sale	86,900	0
2.6 Write-downs of tangible capital assets		
2.7 Total tangible capital asset activity	-4,794,067	1,248,005
3.0 OTHER NON-FINANCIAL ASSET ACTIVITY		
3.1 Acquisition of supplies inventories		
3.2 Acquisition of prepaid expenses		
3.3 Consumption of supplies inventories		
3.4 Use of prepaid expenses		
3.5 Total other non-financial asset activity		
4.0 Change in net financial assets (net debt)	21,566	8,898,939
4.1 Net financial assets (net debt) at beginning of year	-688,015,995	-696,914,934
4.2 Net financial assets (net debt) at end of year	-687,994,429	-688,015,995
4.3 Reconciliation Target Category	-687,994,420	-688,015,989

*Appendix K***Schedule 5 - Detail of Accumulated Surplus/(Deficit)**

		Accumulated Surplus (Deficit) - Balance at September 1	Transfer to Committed Capital or Committed Sinking Fund Interest Earned	Accumulated Surplus (Deficit) - In- Year Increase (Decrease)	Accumulated Surplus (Deficit) - Balance at August 31
		Col. 1	Col. 2	Col. 3	Col. 4
1	Available for Compliance - Unappropriated				
1.1	Operating Accumulated Surplus	9,061,506	-	6,595,257	15,656,763
1.2	Available for Compliance - Unappropriated	9,061,506	-	6,595,257	15,656,763
2	Available for Compliance - Internally Appropriated				
2.1	Retirement Gratuities	0	-	-	0
2.2	WSIB	0	-	-	0
2.3	School Renewal (previously included in pupil accommodation debt reserve)	0	-	-	0
2.3.1	Amounts previously included in pupil accommodation debt reserves that are not related to NPP or School Renewal	0	-	-	0
	Other Purposes - Operating:				
2.4	Registered Charity	262,240	-	-	262,240
2.5		0	-	-	0
2.6		0	-	-	0
2.7		0	-	-	0
2.8		0	-	-	0
2.8.1	Committed Sinking Fund interest earned	15,173,249	-	-12,142,939	3,030,310
2.8.2	Committed Capital Projects	0	-	-	0
from Schedule 5.5				
	Other Purposes - Capital:				
2.9		0	-	-	0
2.10		0	-	-	0
2.11		0	-	-	0
2.12		0	-	-	0
2.13		0	-	-	0
2.14	Available for Compliance - Internally Appropriated	15,435,489	-	-12,142,939	3,292,550
3	Total Accumulated Surplus (Deficit) Available for Compliance (Sum of lines 1.2 and 2.14)	24,496,995	-	-5,547,682	18,949,313
4	Unavailable for Compliance				
4.1	Employee Future Benefits - retirement gratuity liability	-13,662,171		1,383,722	-12,278,449
4.1.1	Employee Future Benefits - Early Retirement Incentive Plan	0		0	0
4.1.2	Employee Future Benefits - Retirement Health Dental Life Insurance Plans etc	0		0	0
4.1.3	Employee Future Benefits - other than retirement gratuity	-5,007,985		-	-5,007,985
4.2	Interest to be Accrued	-4,282,858		154,455	-4,128,403
4.4	School Generated Funds	7,467,400		367,126	7,834,526
4.7	Revenues recognized for land	203,282,033	-	8,458,012	211,740,045
4.8	Liability for Contaminated Sites	-		-	-
4.9	Total Accumulated Surplus (Deficit) Unavailable for Compliance	187,796,419	-	10,363,315	198,159,734
5	Total Accumulated Surplus (Deficit)	212,293,414	-	4,815,633	217,109,047

Appendix K

Schedule 9 - Revenues

1	PROVINCIAL GRANTS - GRANTS FOR STUDENT NEEDS		
1.1	Legislative Grants - Current Year	292,388,938	
1.2	Legislative Grants - Amounts from Deferred Revenue	110,458,270	
1.3	Provincial Grants - Grants for Student Needs		402,847,208
2	PROVINCIAL GRANTS - OTHER		
2.8	Other EDU Grants - Amounts from Deferred Revenue	3,611,455	
	Specify other grants for operating:		
2.9			
2.10			
2.11			
2.12			
2.13			
2.14			
2.15	Provincial Grants - Other EDU	3,611,455	
	Grants from Other Ministries and Other Government Reporting Entities (GRE)		
2.16	Provincial Employment Assistance Programs		
2.17	Ministry of Citizenship & Immigration - Citizenship-Adult ESL-FSL	6,338,017	
2.18	TCU Grant - Literacy and Basic Skills		
2.19	TCU Grant - OYAP		
2.20	TCU Grant - Ontario Employment Benefits and Support Measures(EBSM),formerly LDMA		
2.21	Grants from Other Ministries - Amounts from Deferred Revenue	508,643	
	Specify other grants from other ministries:		
2.22			
2.23			
2.24	Grants from Other GRE - Amounts from Deferred Revenue	100,219	
	Specify other grants from other government reporting entities (GRE):		
2.25			
2.26			
2.27	Grants from Other Ministries and Other Government Reporting Entities (GRE)	6,946,879	
2.32	Grant Accrual Re. 2016 Accrued Tax Adjustment	-	
	Prior years' grant adjustments (specify):		
2.33	2014/2015	164,337	
2.34			
2.35	Grant Adjustments	164,337	
2.40	Provincial Grants - Other		10,722,671
3	Local Taxation		
3.1	Tax Revenue from Municipalities	182,803,881	
3.2	Tax Revenue from Unorganized Territories		
3.3	Tax Revenue Adjustment	2,020,020	
3.4	Tax Supplementary and Tax Write-offs Adjustment - Accrual Re. 2016 Amounts		
3.5	Local Taxation		184,823,901

Appendix K

Schedule 9 - Revenues

4	SCHOOL GENERATED FUNDS		
4.1	Elementary Schools Generated Funds and Other Revenues	14,749,855	
4.2	Secondary Schools Generated Funds and Other Revenues	10,867,884	
4.3	Amounts from Deferred Revenue - Schools Generated Funds	-	
4.4	School Generated Funds Revenues		25,617,339
5	FEDERAL GRANTS & FEES		
5.1	Fees - Day School		
5.2	Transportation Recoveries - Federal		
5.3	Employment Assistance		
5.4	Language Instruction for Newcomers to Canada (LINC)		
5.5	Amounts from Deferred Revenue - Federal Government		
	Specify other:		
5.6			
5.7			
5.8	Federal Grants and Fees		-
6	INVESTMENT INCOME		
6.1	Interest income	654,462	
6.2	Interest on Sinking Fund Assets	-	
6.3	Investment Income		654,462
7	OTHER FEES & REVENUES FROM SCHOOL BOARDS		
7.1	Transportation Recoveries - Other School Boards		
7.2	Rental Revenue - Instructional Accommodation - Other School Boards		
7.3	Rental Revenue - Non-Instructional Accommodation - Other School Boards		
	Specify other:		
7.5			
7.6			
7.7	Total Other Fees and Revenues from School Boards		-
8	FEES & REVENUES FROM OTHER SOURCES		
8.1	Fees from Boards outside Ontario		
8.2	Fees from Individuals - Day School - Ontario Residents		
8.3.1	Fees from Individuals - Day School - Other - Transfer from Deferred Revenues		
8.3.2	Fees from Individuals - Day School - Other - Not from Deferred Revenues	4,299,608	
8.4	Fees from Individuals - Continuing Education	896,796	
8.5	Transportation Recoveries from other sources		
8.6	Rental Revenue - Instructional Accommodation - Other sources	994,045	
8.7	Rental Revenue -Non-Instructional Accommodation - Other sources	44,100	
8.8	Rental Revenue from Community Use	1,598,237	
8.9	Rental Revenue - Other	30,508	
8.10	Insurance Proceeds Other than Capital Appurtenances	165,235	
8.11	Cafeteria Income	103,392	
8.12	Board Level Donations - to be Applied to Classroom Expenses	200,000	
8.13	Board Level Donations - Other		

Appendix K

Schedule 9 - Revenues

8.14	Government of Ontario - Non grant payment		
8.15	Amounts from Deferred Revenue - Other Third Party		2,761,582
8.16	Education Development Charge - Transferred to Revenues		4,482,033
8.17	Fees for Extended Day Program related to Early Learning		
8.18	Net Gain on Disposal of Assets		0
	Other Grants - Non-GREs (specify):		
8.19			
8.20			
	Specify other:		
8.21	ENERGY/SOLAR REVENUE		362,176
8.22	OSBIE HELP AUDIT		437,760
8.23	MISCELLANEOUS		989,360
8.24	REGISTERED CHARITY		447,657
8.25			
8.26			
8.27			
8.28			
8.29			
8.30	Revenue Recovery on Land Disposal Schedule 5.6A, item 1.4, Col. 3 + Sch 5.5, Col. 6.1, Total Land Projects		2,270,318
8.31	Fees and Revenues from Other Sources		15,542,171
8.31 = sum (8.1 to 8.29) - 8.30		
9.0	DEFERRED CAPITAL CONTRIBUTIONS		
9.1	Amortization of Deferred Capital Contributions		29,783,454
9.2	DCC on Disposal of Non-pooled and Unrestricted Assets		
9.3	DCC Related to the Loss on Disposal of Restricted Assets		
10.0	Revenue Categories		669,991,206

*Appendix K***Schedule 10 - Expenses**

		Salaries and Wages	Employee Benefits	Staff Development	Supplies and Services	Interest Charges on Capital	Rental Expense
		02	03	04	05	07	08
	INSTRUCTION						
51	Classroom Teachers	301,900,098	37,879,896		125,381		185
52	Supply Teachers	9,160,312	998,097				
53.1	Teacher Assistants	25,302,674	7,090,822				
53.2	Early Childhood Educator	8,894,103	2,641,767				
55	Textbooks and Supplies				8,716,398		20,488
54	Computers				2,647,005	-	1,226
56	Professionals Paraprofessionals and Technicians	14,004,256	3,175,211		252,082		30,601
57	Library and Guidance	12,414,399	1,787,812		7,377		
58	Staff Develop.	-	-	2,293,177			
67	Department Heads	1,160,989	-				
61	Principals and VPs	21,618,543	2,236,209	37,415	54,539		
62	School Office	10,990,618	3,139,881	1,313	738,316	-	1,151
59	Coordinators and Consultants	3,766,642	530,042		79,540		-
63	Continuing Education	8,254,193	1,037,499	3,743	598,799		274,609
72	Instruction - Amortization and Write Downs						
72.1	Instruction - Loss on Disposal of TCA and Assets Held for Sale						
	Total Instruction Expenses	417,466,827	60,517,215	2,335,648	13,219,437	-	328,260
	ADMINISTRATION						
64	Trustees	152,751	5,244	30,316	16,830		
65	Directors and Supervisory Officers	1,904,183	224,284	29,399	32,650		
66	Board Administration	8,459,470	2,194,146	49,345	1,396,754	189,561	3,550
73	Admin - Amortization and Write Downs						
73.1	Admin - Loss on Disposal of TCA and Assets Held for Sale						
	Total Administration Expenses	10,516,404	2,423,674	109,060	1,446,234	189,561	3,550
	TRANSPORTATION						
68	Pupil Transportation	569,717	147,287	3,704	14,911	-	-
69	Transportation - Provincial Schools	-	-	-	-	-	-
74	Transportation - Amortization and Write Downs						
74.1	Transportation - Loss on Disposal of TCA and Assets Held for Sale						
	Total Transportation Expenses	569,717	147,287	3,704	14,911	-	-
	PUPIL ACCOMMODATION						
70	School Operations and Maintenance	26,494,557	7,602,318	27,894	15,935,052	-	134,614
71	School Renewal Expense					-	-
77	Other Pupil Accommodation				59,598	19,749,592	-
75	Pupil Accommodation - Amortization and Write Downs						
80.1	Pupil Accommodation - Loss on disposal of TCA and Assets Held for Sale						
	Total Pupil Accommodation Expenses	26,494,557	7,602,318	27,894	15,994,650	19,749,592	134,614
	OTHER						
79	School Generated Funds Expenses				25,250,213		
78	Other Non-Operating Expenses	-	-	-	-		
76	Other - Amortization and Write Downs						
76.1	Other - Loss on Disposal of TCA and Assets Held for Sale						
	Other Expenses Category Total	-	-	-	25,250,213	-	-
90	Total Expenses Category	455,047,505	70,690,494	2,476,306	55,925,445	19,939,153	466,424

*Appendix K***Schedule 10 - Expenses**

		Fees and Contract Services	Other Expenses	Transfer to Other Boards	Amortization and Write Downs and Net Loss on Disposal	Total Expenses
		09	10	11	12	13
	INSTRUCTION					
51	Classroom Teachers	-				339,905,559
52	Supply Teachers					10,158,409
53.1	Teacher Assistants					32,393,498
53.2	Early Childhood Educator					11,535,870
55	Textbooks and Supplies	1,983,290	74,811			10,794,987
54	Computers	128,429				2,774,680
56	Professionals Paraprofessionals and Technicians	1,962,912	204			19,425,268
57	Library and Guidance	23,795	-			14,233,383
58	Staff Develop.		20,491			2,313,688
67	Department Heads					1,160,989
61	Principals and VPs		-			23,946,706
62	School Office	283,580				15,154,819
59	Coordinators and Consultants	1,978	1,880			4,380,080
63	Continuing Education	109,441	-			10,278,284
72	Instruction - Amortization and Write Downs				767,886	767,886
72.1	Instruction - Loss on Disposal of TCA and Assets Held for Sale				-	-
	Total Instruction Expenses	4,491,403	97,386	-	767,886	499,224,062
	ADMINISTRATION					
64	Trustees		-			205,141
65	Directors and Supervisory Officers		16,902			2,207,418
66	Board Administration	1,467,798	152,864			13,913,488
73	Admin - Amortization and Write Downs				892,976	892,976
73.1	Admin - Loss on Disposal of TCA and Assets Held for Sale				-	-
	Total Administration Expenses	1,467,798	169,766	-	892,976	17,219,023
	TRANSPORTATION					
68	Pupil Transportation	16,126,045	-			16,861,664
69	Transportation - Provincial Schools	58,218	-			58,218
74	Transportation - Amortization and Write Downs					-
74.1	Transportation - Loss on Disposal of TCA and Assets Held for Sale					-
	Total Transportation Expenses	16,184,263	-	-	-	16,919,882
	PUPIL ACCOMMODATION					
70	School Operations and Maintenance	5,362,984	2,138			55,559,557
71	School Renewal Expense	1,754,198	-			1,754,198
77	Other Pupil Accommodation	949,832	-			20,759,022
75	Pupil Accommodation - Amortization and Write Downs				28,265,531	28,265,531
80.1	Pupil Accommodation - Loss on disposal of TCA and Assets Held for Sale					-
	Total Pupil Accommodation Expenses	8,067,012	2,138	-	28,265,531	106,338,306
	OTHER					
79	School Generated Funds Expenses					25,250,213
78	Other Non-Operating Expenses		224,087			224,087
76	Other - Amortization and Write Downs					-
76.1	Other - Loss on Disposal of TCA and Assets Held for Sale					-
	Other Expenses Category Total		224,087	-	-	25,474,300
90	Total Expenses Category	30,210,476	493,377	-	29,926,393	665,175,573

Appendix K

Schedule 10ADJ - Adjustment for Compliance Purposes

		Less: Inc.(Dec.) Unfunded Liab. - Interest Accrued, SGF, Contaminated Sites	Plus: Amort. of Employee Future Benefits - Health, Dental, Life Insurance Sept 1 Liab.	Less: Decrease Unfunded Liabilities - Employee Benefits
	INSTRUCTION	14	15	16
51	Classroom Teachers	-	0	-
52	Supply Teachers	-	-	-
53.1	Teacher Assistants	-	-	-
53.2	Early Childhood Educator	-	-	-
55	Textbooks and Supplies	-	-	-
54	Computers	-	-	-
56	Professionals Paraprofessionals and Technicians	-	-	-
57	Library and Guidance	-	0	-
58	Staff Develop.	-	-	-
67	Department Heads	-	0	-
61	Principals and VPs	-	0	-
62	School Office	-	-	-
59	Coordinators and Consultants	-	0	-
63	Continuing Education	-	-	-
72	Instruction - Amortization and Write Downs			
72.1	Instruction - Loss on Disposal of TCA and Assets Held for Sale			
	Total Instruction Expenses	-	0	-
	ADMINISTRATION			
64	Trustees	-	-	-
65	Directors and Supervisory Officers	-	-	-
66	Board Administration	-	0	-
73	Admin - Amortization and Write Downs			
73.1	Admin - Loss on Disposal of TCA and Assets Held for Sale			
	Total Administration Expenses	-	0	-
	TRANSPORTATION			
68	Pupil Transportation	-	-	-
69	Transportation - Provincial Schools	-	-	-
74	Transportation - Amortization and Write Downs			
74.1	Transportation - Loss on Disposal of TCA and Assets Held for Sale			
	Total Transportation Expenses	-	-	-
	PUPIL ACCOMMODATION			
70	School Operations and Maintenance	-	-	-
71	School Renewal Expense	-	-	-
77	Other Pupil Accommodation	-154,455	-	-
75	Pupil Accommodation - Amortization and Write Downs			
80.1	Pupil Accommodation - Loss on disposal of TCA and Assets Held for Sale			
	Total Pupil Accommodation Expenses	-154,455	-	-
	OTHER			
79	School Generated Funds Expenses	25,250,213		
78	Other Non-Operating Expenses	-	-	-
76	Other - Amortization and Write Downs			
76.1	Other - Loss on Disposal of TCA and Assets Held for Sale			
	Other Expenses Category Total	25,250,213	-	-
90	Total Expenses Category	25,095,758	0	-
91	Reconciliation Target Category		0	

Appendix K

Schedule 10ADJ - Adjustment for Compliance Purposes

		Plus: Amortization of Employee Future Benefits - Retirement Gratuity liability	Total Expenses Adjustments	Total Expenses	Total Expenses for Compliance
	INSTRUCTION	18	19	12	20
51	Classroom Teachers	1,231,844	1,231,844	339,905,559	341,137,403
52	Supply Teachers	-	-	10,158,409	10,158,409
53.1	Teacher Assistants	-	-	32,393,496	32,393,496
53.2	Early Childhood Educator	-	-	11,535,870	11,535,870
55	Textbooks and Supplies	-	-	10,794,987	10,794,987
54	Computers	-	-	2,774,660	2,774,660
56	Professionals Paraprofessionals and Technicians	-	-	19,425,266	19,425,266
57	Library and Guidance	53,302	53,302	14,233,383	14,286,685
58	Staff Develop.	-	-	2,313,668	2,313,668
67	Department Heads	5,391	5,391	1,160,989	1,166,380
61	Principals and VPs	71,356	71,356	23,946,706	24,018,062
62	School Office	-	-	15,154,819	15,154,819
59	Coordinators and Consultants	14,977	14,977	4,380,080	4,395,057
63	Continuing Education	-	-	10,278,284	10,278,284
72	Instruction - Amortization and Write Downs	-	-	767,886	767,886
72.1	Instruction - Loss on Disposal of TCA and Assets Held for Sale	-	-	-	-
	Total Instruction Expenses	1,376,870	1,376,870	499,224,062	500,600,932
	ADMINISTRATION				
64	Trustees	-	-	205,141	205,141
65	Directors and Supervisory Officers	-	-	2,207,418	2,207,418
66	Board Administration	6,852	6,852	13,913,488	13,920,340
73	Admin - Amortization and Write Downs	-	-	892,976	892,976
73.1	Admin - Loss on Disposal of TCA and Assets Held for Sale	-	-	-	-
	Total Administration Expenses	6,852	6,852	17,219,023	17,225,875
	TRANSPORTATION				
68	Pupil Transportation	-	-	16,861,664	16,861,664
69	Transportation - Provincial Schools	-	-	58,218	58,218
74	Transportation - Amortization and Write Downs	-	-	-	-
74.1	Transportation - Loss on Disposal of TCA and Assets Held for Sale	-	-	-	-
	Total Transportation Expenses	-	-	16,919,882	16,919,882
	PUPIL ACCOMMODATION				
70	School Operations and Maintenance	-	-	55,559,557	55,559,557
71	School Renewal Expense	-	-	1,754,196	1,754,196
77	Other Pupil Accommodation	-	154,455	20,759,022	20,913,477
75	Pupil Accommodation - Amortization and Write Downs	-	-	28,265,531	28,265,531
80.1	Pupil Accommodation - Loss on disposal of TCA and Assets Held for Sale	-	-	-	-
	Total Pupil Accommodation Expenses	-	154,455	106,338,306	106,492,761
	OTHER				
79	School Generated Funds Expenses	-	-25,250,213	25,250,213	0
78	Other Non-Operating Expenses	-	-	224,087	224,087
76	Other - Amortization and Write Downs	-	-	-	-
76.1	Other - Loss on Disposal of TCA and Assets Held for Sale	-	-	-	-
	Other Expenses Category Total	-	-25,250,213	25,474,300	224,087
90	Total Expenses Category	1,383,722	-23,712,036	665,175,573	641,463,537
91	Reconciliation Target Category	1,383,722			



**York Catholic District School Board
Consolidated Financial Statements
Year ended August 31, 2016**

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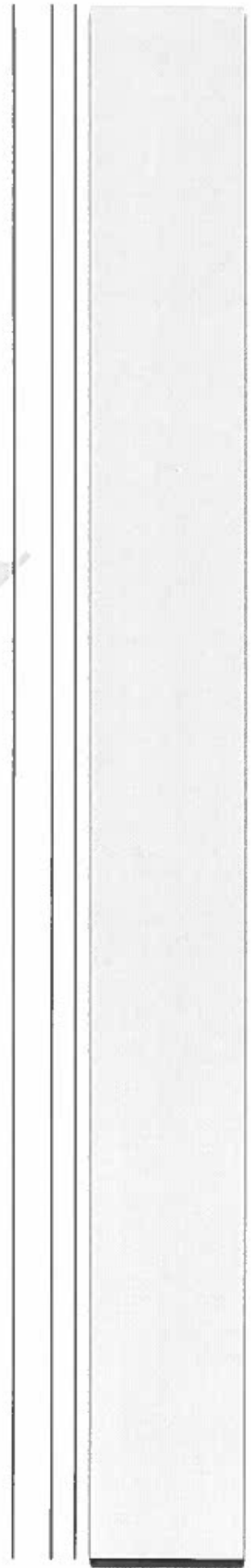


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Management Report

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.

Director of Education

CFO and Treasurer of the Board

November 8, 2016



Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of York Catholic District School Board, which comprise the consolidated statement of financial position as at August 31, 2016, the consolidated statements of operations, changes in net debt and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Board's preparation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of York Catholic District School Board as at and for the year ended August 31, 2016 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Emphasis of Matter

Without modifying our opinion, 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.

Toronto, Canada
November 8, 2016

Chartered Professional Accountants
Licensed Public Accountants

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York Catholic District School Board
Consolidated Statement of Financial Position

As at August 31,

2016

2015

Financial assets

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

Total financial assets

452,058,439 454,159,972

Liabilities

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

Total liabilities

1,140,052,863 1,142,175,962

Net debt

(687,994,424) (688,015,990)

Non-financial assets

Tangible capital assets (Note 11)	<u>905,103,473</u>	<u>900,309,406</u>
-----------------------------------	--------------------	--------------------

Accumulated surplus (Note 12)

\$ 217,109,049 \$ 212,293,416

Contractual obligations and contingent liabilities (Note 14)

Signed on behalf of the Board:

Chief Executive Officer

Chair of the School Board

See accompanying notes to the consolidated financial statements.



York Catholic District School Board
Consolidated Statement of Operations

For the year ended August 31

2016

2016

2015

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

See accompanying notes to the consolidated financial statements.



York Catholic District School Board
Consolidated Statement of Cash Flows
For the year ended August 31

2016

2015

Operating transactions

Annual surplus	\$ 4,815,633	\$ 7,650,934
Sources and (uses)		
Non-cash items including:		
Amortization, write downs and gain on disposal	30,013,293	30,045,977
Deferred capital contributions amortization (Note 5)	(29,783,453)	(29,362,497)
Decrease in retirement and other employee future benefits	(1,200,663)	(2,256,188)
(Increase) decrease in accounts receivable	(825,947)	961,112
(Increase) decrease in assets held for sale	(86,900)	-
(Increase) decrease in other financial assets	(416,565)	237,856
(Decrease) increase in accounts payable and accrued liabilities	(904,904)	3,711,056
Increase (decrease) in deferred revenue	327,907	(4,065,610)
Increase in other liabilities	<u>854,467</u>	<u>1,290,529</u>
Cash provided by operating transactions	<u>2,792,868</u>	<u>8,213,169</u>
Capital transactions		
Proceeds on sale of tangible capital assets	10,505,795	-
Cash used to acquire tangible capital assets	<u>(37,077,678)</u>	<u>(28,797,972)</u>
Cash (applied to) capital transactions	<u>(26,571,883)</u>	<u>(28,797,972)</u>
Financing		
Decrease in accounts receivable – Government of Ontario	4,374,900	20,329,993
Additions to deferred capital contributions (Note 5)	40,388,159	28,789,603
Decrease in deferred revenue	(7,388,949)	(2,037,176)
Long term debt issued	7,442,915	196,179
Debt repayment and sinking fund contributions (Note 9)	<u>(20,094,055)</u>	<u>(18,808,628)</u>
Cash provided by financing transactions	<u>24,722,970</u>	<u>28,469,971</u>
Change in cash and cash equivalents	943,955	7,885,168
Opening cash and cash equivalents	<u>40,288,262</u>	<u>32,403,094</u>
Closing cash and cash equivalents	\$ <u>41,232,217</u>	\$ <u>40,288,262</u>

See accompanying notes to the consolidated financial statements.



York Catholic District School Board
Consolidated Statement of Cash Flows (continued)
For the year ended August 31

2016

2015

Cash and cash equivalents are comprised of:

Cash	\$ 21,232,217	\$ 40,288,262
Short term investments	<u>20,000,000</u>	<u>-</u>
Cash and cash equivalents	\$ <u>41,232,217</u>	\$ <u>40,288,262</u>

See accompanying notes to the consolidated financial statements.



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

For the year ended August 31

2016

2015

Operating transactions		
Annual surplus	\$ <u>4,815,633</u>	\$ <u>7,650,934</u>
Non-financial asset activity		
Acquisition of tangible capital assets	(37,077,678)	(28,797,972)
Proceeds of disposition on sale of tangible assets	10,505,795	-
Gain on sale of tangible capital allocated to deferred revenue (Note 4)	(8,235,477)	-
Transfer to assets held for sale (Note 3)	86,900	-
Amortization and write downs of tangible capital assets	<u>29,926,393</u>	<u>30,045,977</u>
Total non-financial asset activity	<u>(4,794,067)</u>	<u>1,248,005</u>
Decrease in net debt	<u>21,566</u>	<u>8,898,939</u>
Net debt at beginning of year	<u>(688,015,990)</u>	<u>(696,914,929)</u>
Net debt at end of year	<u>\$ (687,994,424)</u>	<u>\$ (688,015,990)</u>

See accompanying notes to the consolidated financial statements.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2016

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, 2016

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) 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.

e) Investments

Temporary investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition, and are carried on the Consolidated Statement of Financial Position at the lower of cost or market value.

Long-term investments consist of investments that have maturities of more than one year. Long-term investments are recorded at cost, and assessed regularly for permanent impairment.

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

York Catholic District School Board
Notes to the Consolidated Financial Statements
August 31, 2016

1. Significant accounting policies (continued)

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, retirement gratuity, worker's compensation and long-term disability benefits. 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 costs 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, life insurance and health care 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. 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, 2016

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	5
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.

l) Long-term Debt and Capital Lease

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

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2016

1. Significant accounting policies (continued)

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.

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.

o) Property Tax Revenue

Under 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, property tax revenue received from the municipalities is recorded as part of Provincial Legislative Grants.

2. 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 Board has an account receivable from the Province of Ontario as at August 31, 2016 of \$384,323,861 (2015 - \$388,698,761) with respect to the approved capital grant.

3. Assets held for sale

As of August 31, 2016 \$86,900 (2015 - \$Nil) related to land was recorded as assets held for sale. During the year, one property was sold. Net proceeds of \$10,505,795 (2015 - \$Nil) were received on the sale of this property, which had a carrying value of \$2,270,318 (2015 - \$Nil), resulting in a gain of \$8,235,477. The gain was deferred for future capital asset purchases according to Ontario Regulations 193/10.

Subsequent event

Subsequent to August 31, 2016, the Board entered into an Offer to Purchase agreement for the sale of surplus land. The purchase agreement, entered into on October 27, 2016, is subject to due diligence procedures and is expected to close February 28, 2017 for gross proceeds of \$19,690,000.

York Catholic District School Board
Notes to the Consolidated Financial Statements
August 31, 2016

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, 2016 is comprised of:

	Balance as at August 31, <u>2015</u>	Externally restricted revenue and investment income	Transfers to Deferred Capital Contributions	Revenue recognized and adjustments in the period	Balance as at August 31, <u>2016</u>
Legislative Grants - operating	\$ 2,768,741	\$ 75,142,943	\$ -	\$ 74,839,956	\$ 3,071,728
Other Ministry of Education	284,586	3,194,816	-	3,318,844	160,558
Third Party	70,555	3,138,946	-	2,861,801	347,700
Other Provincial Grants	<u>268,340</u>	<u>380,446</u>	-	<u>508,643</u>	<u>140,143</u>
Deferred revenue – operating	<u>3,392,222</u>	<u>81,857,151</u>	-	<u>81,529,244</u>	<u>3,720,129</u>
Legislative Grants – capital	9,334,885	42,405,490	5,320,642	35,618,314	10,801,419
Proceeds of disposition	6,854,335	8,235,477	14,953,997	-	135,815
Education development charges	-	10,580,547	-	4,482,033	6,098,514
Third party	-	-	-	-	-
Deferred revenue – capital	<u>16,189,220</u>	<u>61,221,514</u>	<u>20,274,639</u>	<u>40,100,347</u>	<u>17,035,748</u>
Total deferred revenue	\$ <u>19,581,442</u>	\$ <u>143,078,665</u>	\$ <u>20,274,639</u>	\$ <u>122,629,591</u>	\$ <u>20,755,877</u>

During the year ended August 31, 2016, property with a carrying value of \$2,270,318 was sold for net proceeds of \$10,505,795, resulting in a gain on disposal of \$8,235,477. The gain on disposal has been deferred in accordance with Ontario Regulation 193/10.

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>2016</u>	<u>2015</u>
Opening balance	\$ 679,815,316	\$680,388,210
Additions to deferred capital contributions	28,388,159	28,789,603
Deferred Capital contributions – Recognition of Deferred Revenue	-	-
Prior eligible capital	12,000,000	-
Revenue recognized in the period	<u>(29,783,453)</u>	<u>(29,362,497)</u>
Closing balance	\$ <u>690,420,022</u>	\$ <u>679,815,316</u>

York Catholic District School Board
Notes to the Consolidated Financial Statements
August 31, 2016

6. Retirement and other employee future benefits

Retirement and other employee future benefits liabilities and expense/(recovery) as of August 31, 2016 is comprised of:

	<u>August 31, 2016</u>		
	<u>Retirement Benefits</u>	<u>Other Employee Future Benefits</u>	<u>Total Employee Future Benefits</u>
Accrued employee future benefit obligations	\$ 13,807,731	\$ 4,684,139	\$ 18,491,870
Current year benefit cost	\$ -	\$ 1,199,436	\$ 1,199,436
Amortization of actuarial (gains)/losses	(10,417)	(20,436)	(30,853)
Interest on accrued benefit obligation	395,058	101,397	496,455
Plan amendment/curtailment	(17,505)	-	(17,505)
Employee future benefits expenses/ (recovery) ¹	\$ 367,136	\$ 1,280,397	\$ 1,647,533

Retirement and other employee future benefits liabilities and expense / (recovery) as of August 31, 2015 is comprised of:

	<u>August 31, 2015</u>		
	<u>Retirement Benefits</u>	<u>Other Employee Future Benefits</u>	<u>Total Employee Future Benefits</u>
Accrued employee future benefit obligations	\$ 15,302,433	\$ 4,390,100	\$ 19,692,533
Current year benefit cost	\$ -	\$ (140,144)	\$ (140,144)
Amortization of actuarial (gains)/losses	97,394	2,890	100,284
Interest on accrued benefit obligation	483,270	129,688	612,958
Plan amendment/curtailment	145,667	-	145,667
Employee future benefits expenses/ (recovery) ¹	\$ 726,331	\$ (7,566)	\$ 718,765

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, 2016

6. Retirement and other employee future benefits (continued)

(a) Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2016 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2016. Actuarial probabilities were determined and based on updated average daily salary and banked sick days as at August 31, 2016. The economic assumptions used in these valuations are the Board's best estimates of expected rates as follows:

	<u>2016</u>	<u>2015</u>
	%	%
Inflation		
Workplace Safety and Insurance Boards Obligation ("WSIB")	2.0	2.0
General inflation for all benefits	1.5	1.5
Wage and salary escalation		
Sick leave benefits	2.0	nil
Insurance and health care cost escalation		
WSIB health care costs	4.0	4.0
Health care cost escalation	8.0	8.5
Dental benefit care escalation	4.0	4.5
Discount on accrued benefit obligation		
WSIB obligation	2.05	2.45
Sick leave benefits, life insurance, health care and long-term disability	2.05	2.45

(b) Retirement Benefits

(i) Ontario Teachers' 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, 2016, the Board contributed \$8,793,620 (2015 - \$8,602,655) 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, 2016

6. Retirement and other employee future benefits (continued)

(b) Retirement Benefits (continued)

(iv) Voluntary Retirement Gratuity Early Payout Provision

During 2015-16, OECTA and CUPE ratified agreements at the local and central level, which included a voluntary retirement gratuity early payout provision. The provision provided OECTA and CUPE members the option of receiving a discounted frozen retirement gratuity benefit payment by August 31, 2016 (or the first pay period in September 2016 for CUPE).

This provision was also made available to all non-unionized school board employees, including principals and vice-principals. These payments have been made as at August 31, 2016.

Some employees took the early payouts, which were discounted from the current financial statement carrying values. As a result, the reduction in the liability for those members who took the voluntary retirement gratuity early payout option was accompanied by an actuarial gain of \$17,505 in the Board's 2015-16 year financial statements. This resulted in the Board's employee future benefit liability decreasing by \$292,481.

(v) Retirement life insurance and health care benefits

The Board provides life insurance, health care benefits to certain employee groups after retirement until the members reach 65 years of age under the following conditions:

- For a small number of employees the premiums are based on the Board experience and retirees' premiums may be subsidized by the Board as defined by individual service contracts. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date will no longer qualify for the Board's subsidized premiums or contributions.
- For all other retirees (excluding a small number of employees who participated in the plan prior to September 1, 2013), full premiums are required to be paid by the retirees to participate in the Board's group benefit plan. The premiums for such benefits are included in a separate experience pool that is self-funded.

(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 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, 2016 are based on actuarial valuations for accounting purposes as at August 31, 2016. These actuarial valuations were based on assumptions about future events.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2016

6. Retirement and other employee future benefits (continued)

(c) Other Employee Future Benefits (continued)

(ii) Long-Term Disability Life Insurance

- a. The Board provides life waiver of life insurance premiums and continuation of medical and dental benefits coverage for certain employee groups on long-term disability leave. The Board is responsible for the payment of the insurance premiums and the costs of health care benefits under this plan. 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.
- b. The accrued benefit obligations for long-term disability life insurance as at August 31, 2016 are based on actuarial valuations for accounting purposes as at August 31, 2016. 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 \$345,035 (2015 -\$350,442).

For accounting purposes, the valuation of accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2016 and is based on the average salary, banked sick days of employees and usage of sick days studies in 2014-15 and 2015-16.

Benefit Plan Future Changes

Currently, the Board provides health, dental and life insurance benefits for certain employees and retired individuals from school boards and has assumed liability for payment of benefits under these plans. As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, Employee Life and Health Trusts (ELHTs) will be established in 2016-17 for the following employee groups: OECTA, CUPE, non-unionized employees including principals and vice-principals. The ELHTs will provide health, life and dental benefits to teachers (excluding daily 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 will be provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Boards will no longer be responsible for providing benefits to the above mentioned groups once they migrate to their respective ELHT. The Board will transfer to the ELHTs an amount per full-time equivalency based on the 2014-15 actual benefit costs + 8.16% representing inflationary increases for 2015-16 and 2016-17. In addition, the Ministry of Education will provide an additional \$300 per FTE for active employees to the school board. Where collective agreements use the fixed amount per FTE approach, the Ministry will fund the school boards for any shortfall that is created to reach the agreed upon fixed amount per FTE where it is more than the amount described above. These amounts will then be transferred to the Trust for the provision of employee and retiree benefits.

York Catholic District School Board
Notes to the Consolidated Financial Statements
 August 31, 2016

7. 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:

Debenture/Loan	Interest	Maturity	2016	2015
#179	7.200	09-Jun-25	\$ 28,339,454	\$ 30,513,821
#182	6.550	19-Oct-26	20,423,786	21,741,501
#186	5.800	07-Nov-28	16,421,219	17,295,686
#188	4.789	08-Aug-30	37,189,801	39,019,047
#189	4.560	15-Nov-31	7,753,169	8,091,105
#190	5.376	25-Jun-32	48,209,479	50,072,719
#191	4.900	03-Mar-33	15,133,930	15,703,862
#192	5.347	15-Nov-33	5,299,657	5,479,048
#193	5.062	13-Mar-34	3,212,823	3,321,802
#196	5.047	15-Nov-34	32,233,374	33,268,143
#197	5.232	13-Apr-35	57,453,016	62,447,621
#198	3.942	19-Sep-25	1,055,145	1,087,231
#199	4.833	11-Mar-36	1,313,680	1,352,532
#200	2.425	15-Nov-21	4,999,812	5,839,777
#201	3.564	09-Mar-37	16,254,554	16,774,092
#202	3.799	19-Mar-38	10,654,688	10,963,373
#203	4.037	30-Oct-28	13,245,253	14,049,264
#204	4.003	11-Mar-39	11,037,240	11,328,933
#206	2.993	09-Mar-40	190,752	196,179
#207	3.242	15-Mar-41	7,442,915	-
			337,863,747	348,545,736
Capital lease	10.000	01-May-22	25,775,256	27,744,407
Balance as at August 31			\$ 363,639,003	\$ 376,290,143

Principal and interest payments relating to net debenture debt, capital loans and leases of \$363,639,003 outstanding as at August 31, 2016 are due as follows:

Year	Principal	Interest Payments	Capital Lease Payments	Total
2017	\$ 19,222,880	\$ 16,351,525	\$ 5,121,096	\$ 40,695,501
2018	20,175,884	15,398,521	5,437,877	41,012,282
2019	21,179,325	14,395,080	5,774,251	41,348,656
2020	22,236,037	13,338,368	6,131,438	41,705,843
2021	23,349,021	12,225,385	6,510,722	42,085,128
Thereafter	<u>231,700,600</u>	<u>63,996,555</u>	<u>12,335,453</u>	<u>308,032,608</u>
Total	\$ 337,863,747	\$ 135,705,434	\$ 41,310,837	\$ 514,880,018

Interest on long-term debt amounted to \$19,904,047 (2015 - \$20,858,648).

York Catholic District School Board
Notes to the Consolidated Financial Statements
 August 31, 2016

8. Temporary borrowing

The Board has lines of credit available to a maximum of \$75 million 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. As at August 31, 2016, the Board had a prime based loan of \$Nil (2015 - \$Nil).

9. Debt charges and capital loans and leases interest	<u>2016</u>	<u>2015</u>
Principal payments on long-term liabilities	\$ 20,094,055	\$ 18,808,628
Interest payments on long-term liabilities	17,050,436	17,859,735
Capital lease interest	<u>2,853,611</u>	<u>2,998,913</u>
Balance as at August 31	\$ <u>39,998,102</u>	\$ <u>39,667,276</u>

10. Expenses by object

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

	<u>2016</u> Budget	<u>2016</u> Actual	<u>2015</u> Actual
Salary and wages	\$ 438,061,646	\$ 455,047,505	\$ 443,622,066
Employee benefits	68,767,380	70,707,999	65,479,292
Staff development	1,122,970	2,476,306	2,047,772
Supplies and services	59,703,847	55,925,445	57,667,032
Interest charges on capital	19,938,934	19,939,153	20,865,818
Rental expenses	637,388	466,424	549,445
Fees and contract services	27,725,591	30,210,476	31,383,126
Amortization and write-downs of tangible capital assets	29,866,900	29,926,393	30,045,977
Other	1,550,919	493,377	552,621
Future employee benefit plan curtailment/ amendment (Note 6)	<u>-</u>	<u>(17,505)</u>	<u>145,667</u>
Total expenses	\$ <u>647,375,575</u>	\$ <u>665,175,573</u>	\$ <u>652,358,816</u>

York Catholic District School Board
Notes to the Consolidated Financial Statements
August 31, 2016

11. Tangible capital assets

<u>Cost</u>	<u>Balance at August 31, 2015</u>	<u>Additions and Transfers</u>	<u>Disposals, write-offs, Adjustments</u>	<u>Balance August 31, 2016</u>
Land	\$ 205,320,843	\$ 8,689,519	\$ 2,357,218	\$ 211,653,144
Land improvements	11,613,707	2,257,337	-	13,871,044
Buildings	949,769,135	25,746,355	-	975,515,490
Furniture and equipment	24,637,835	2,125,701	2,553,124	24,210,412
Construction in progress	2,101,779	(1,741,234)	-	360,545
Capital lease assets	<u>21,069,493</u>	-	-	<u>21,069,493</u>
Total cost	<u>\$1,214,512,792</u>	<u>\$ 37,077,678</u>	<u>\$ 4,910,342</u>	<u>\$1,246,680,128</u>

<u>Accumulated Amortization</u>	<u>Balance at August 31, 2015</u>	<u>Additions and Transfers</u>	<u>Disposals, write-offs, Adjustments</u>	<u>Balance August 31, 2016</u>
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	4,192,376	1,007,040	-	5,199,416
Buildings	286,570,053	25,433,793	-	312,003,846
Furniture and equipment	11,589,369	2,958,823	2,553,124	11,995,068
Construction in progress	-	-	-	-
Capital lease assets	<u>11,851,588</u>	<u>526,737</u>	-	<u>12,378,325</u>
Total amortization	<u>\$ 314,203,386</u>	<u>\$ 29,926,393</u>	<u>\$ 2,553,124</u>	<u>\$ 341,576,655</u>

<u>Net book value</u>	<u>2016</u>	<u>2015</u>
Land	\$ 211,653,144	\$ 205,320,843
Land improvements	8,671,628	7,421,331
Buildings	663,511,644	663,199,082
Furniture and equipment	12,215,344	13,048,466
Construction in progress	360,545	2,101,779
Capital lease assets	<u>8,691,168</u>	<u>9,217,905</u>
Total net book value	<u>\$ 905,103,473</u>	<u>\$ 900,309,406</u>

a) Assets under construction

Assets under construction having a value of \$360,545 (2015 - \$2,101,779) have not been amortized. Amortization of these assets will commence when the assets are put into service.

b) Write-down of Tangible Capital Assets

For 2016 the write-down of tangible capital assets during the year was \$Nil (2015 - \$Nil).

c) Disposals, Write-offs and Adjustments

During the year ended August 31, 2016, land with a carrying value of \$86,900 was transferred to assets held for sale (2015-\$Nil).

York Catholic District School Board
Notes to the Consolidated Financial Statements
August 31, 2016

12. Accumulated surplus	<u>2016</u>	<u>2015</u>
Accumulated surplus consists of the following:		
Invested in non-depreciable tangible capital assets	\$ 211,740,044	\$ 203,282,033
Employee future benefits to be covered in the future	(17,286,433)	(18,670,156)
Interest accrual	(4,128,403)	(4,282,858)
School Generated Funds	7,834,527	7,467,401
Committed sinking fund interest earned	3,030,310	15,173,249
Unrestricted	<u>15,919,004</u>	<u>9,323,747</u>
Total accumulated surplus	\$ <u>217,109,049</u>	\$ <u>212,293,416</u>

13. Ontario School Board Insurance Exchange (OSBIE)

The School Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act.

OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$24,000,000 per occurrence.

The ultimate premiums over a five year period are based on the reciprocals and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five year term expires December 31, 2021.

14. Contractual obligations and contingent liabilities

Contractual obligations

The Board enters into contracts for construction and renovation of various new and existing schools. At August 31, 2016 there is Nil.

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, 2016

15. 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.

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. Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information.

	<u>2016</u> <u>Total</u>	<u>2016</u> <u>Board</u> <u>portion</u>	<u>2015</u> <u>Total</u>	<u>2015</u> <u>Board</u> <u>portion</u>
Expenses	\$ <u>1,654,615</u>	\$ <u>827,308</u>	\$ <u>1,644,505</u>	\$ <u>821,761</u>

16. Repayment of "55 school board trust" funding

On June 1, 2003, the Board received \$3,007,847 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.

Related to this capital debt, the Board has recorded revenues from the Province of Ontario and the corresponding interest expense of \$224,087 (2015 - \$224,087).

**2015-16
YEAR END FINANCIAL REPORT**

November 8, 2016

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

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





AGENDA

1. 2015-16 Financial Results

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

2. Audited Consolidated Financial Statements

3. Auditors' Report to Audit Committee

4. Overview & Recommendations

5. Appendices

- A: Capital Trends
- B: Risks & Opportunities



2015-16 Financial Results

FINANCIAL COMPLIANCE RESULTS



2015-16 YEAR END FINANCIAL REPORT

2015-16 Financial Operating Results

OVERVIEW

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



2015-16 YEAR END FINANCIAL POSITION SUMMARY

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



2015-16 YEAR END FINANCIAL REPORT

2015-16 Financial Operating Results

OVERVIEW

➤ Comparative using Revised Estimates:

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

➤ From Compliance to Consolidated Financial Statements

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



- Total perspective: Consolidated Financial Statements



2015-16 YEAR END FINANCIAL REPORT

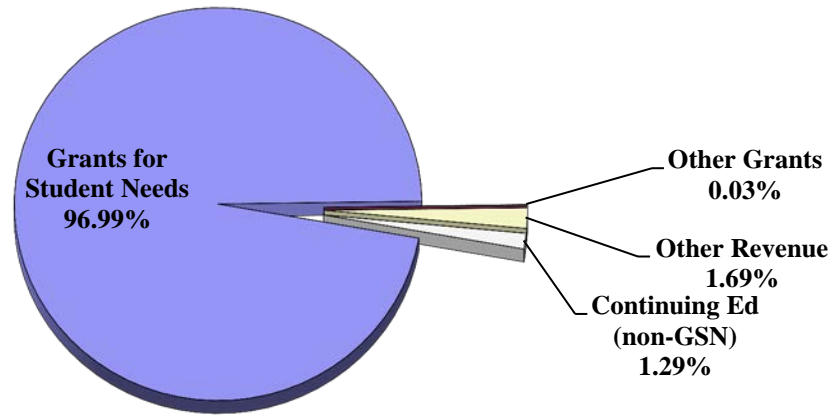
2015-16 Annual Compliance Operating Results

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

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



Operating Revenues 2015-16 Actual



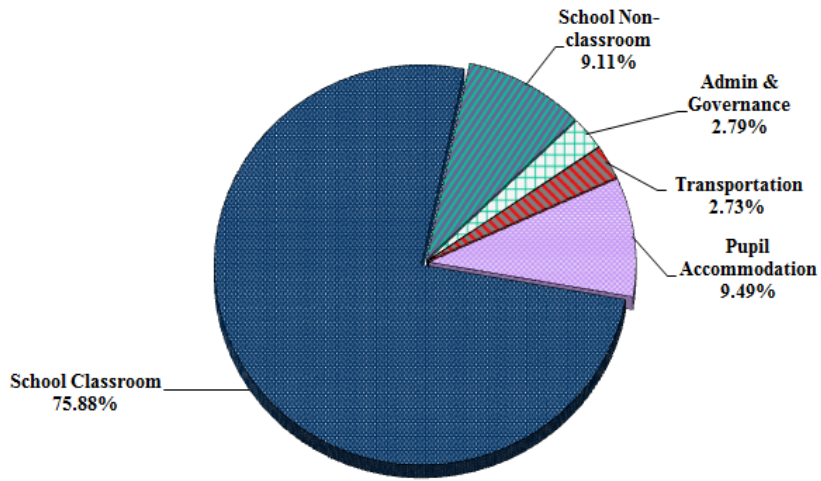
■ Grants for Student Needs
■ Other Grants

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



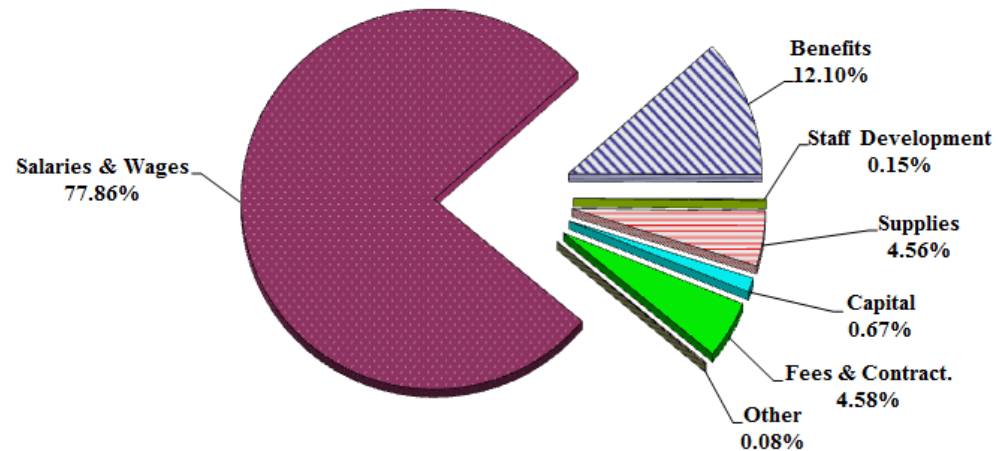
2015-16 Operating Expenses Expenses by Function & Object

BY FUNCTION



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

BY OBJECT



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



2015-16 YEAR END FINANCIAL REPORT

2015-16 Financial Compliance Results

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



2015-16 YEAR END FINANCIAL REPORT

2015-16 Ministry Compliance Position

Accumulated Surplus / Deficit 2015-16

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



2015-16 YEAR END FINANCIAL REPORT

CUMULATIVE RESULTS



2015-16 YEAR END FINANCIAL REPORT

Cumulative Results

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



2015-16 YEAR END FINANCIAL REPORT

2015-16 Deferred Revenue (Ministry Required)

Deferred Revenue - Ministry Required 2015-16

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



2015-16 YEAR END FINANCIAL REPORT

2015-16 Accumulated Surplus/Deficit: Total Perspective

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

Board Operating Focus

Mandatory Committed Funds

Ministry Compliance

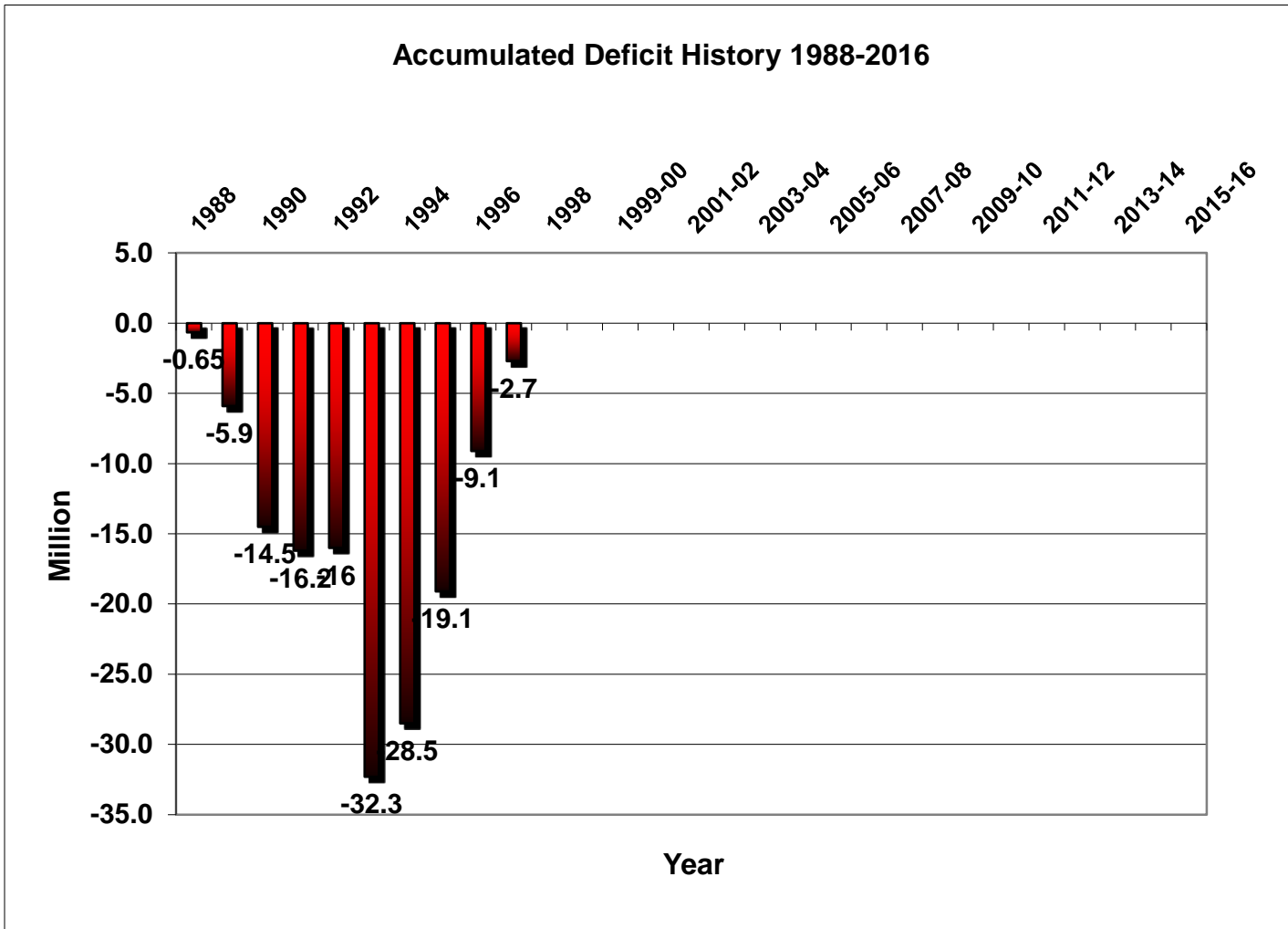
Future Board responsibility over EARSL

Potential Future Board responsibility



2015-16 YEAR END FINANCIAL REPORT

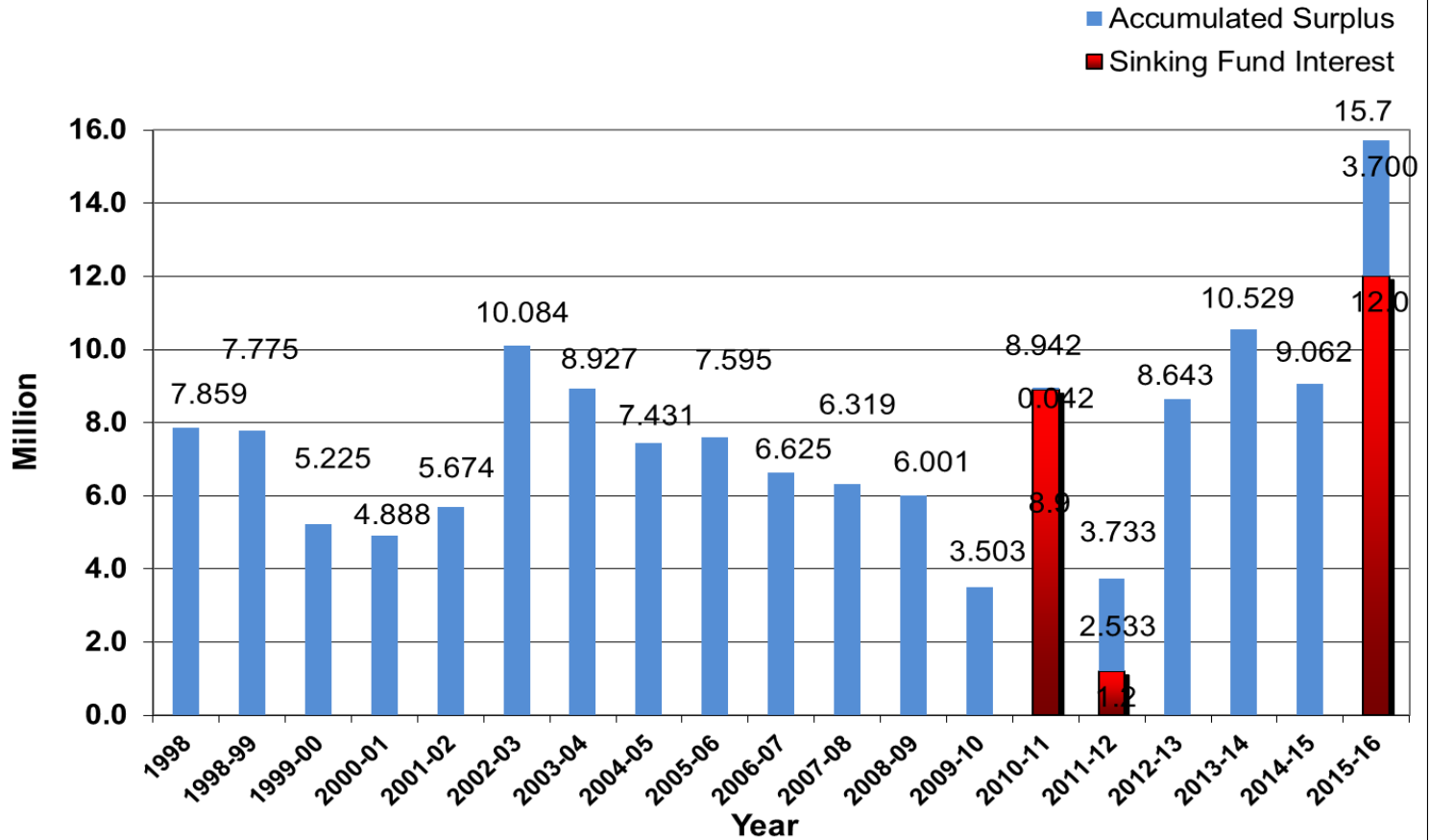
Operating Accumulated Deficit History 1988 - 2016





2015-16 YEAR END FINANCIAL REPORT

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

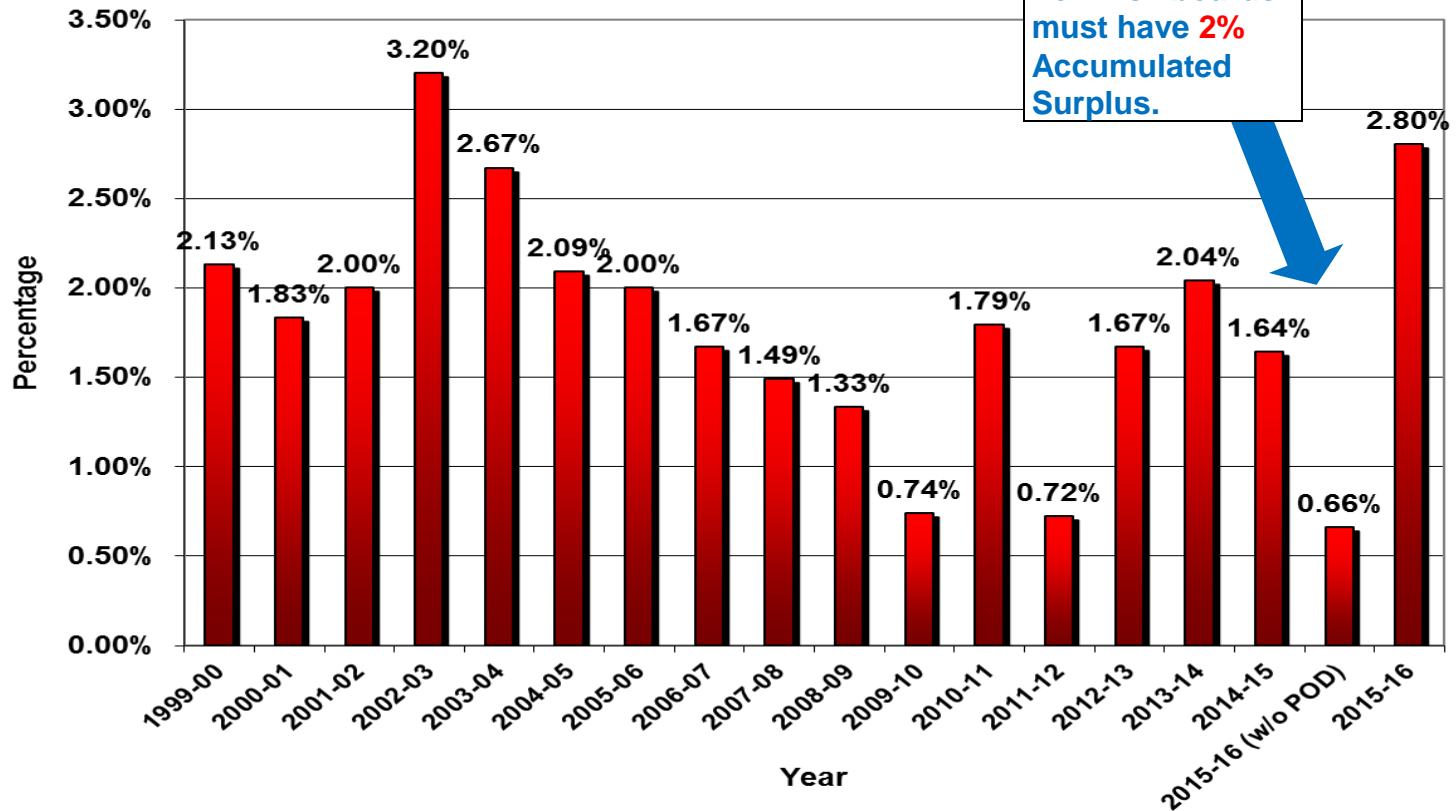


. Note: Sinking fund interest impacts in **Red**



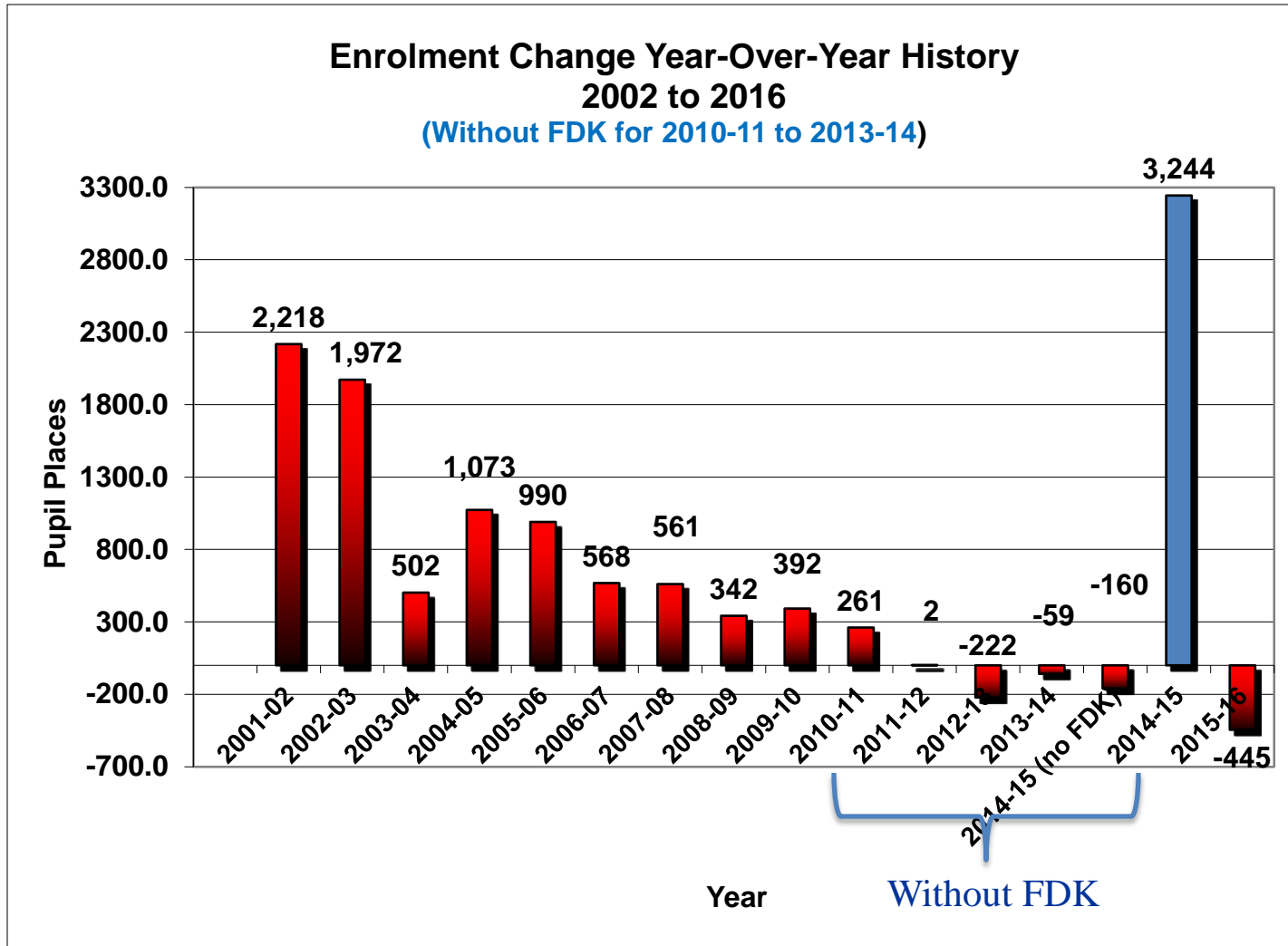
2015-16 YEAR END FINANCIAL REPORT

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



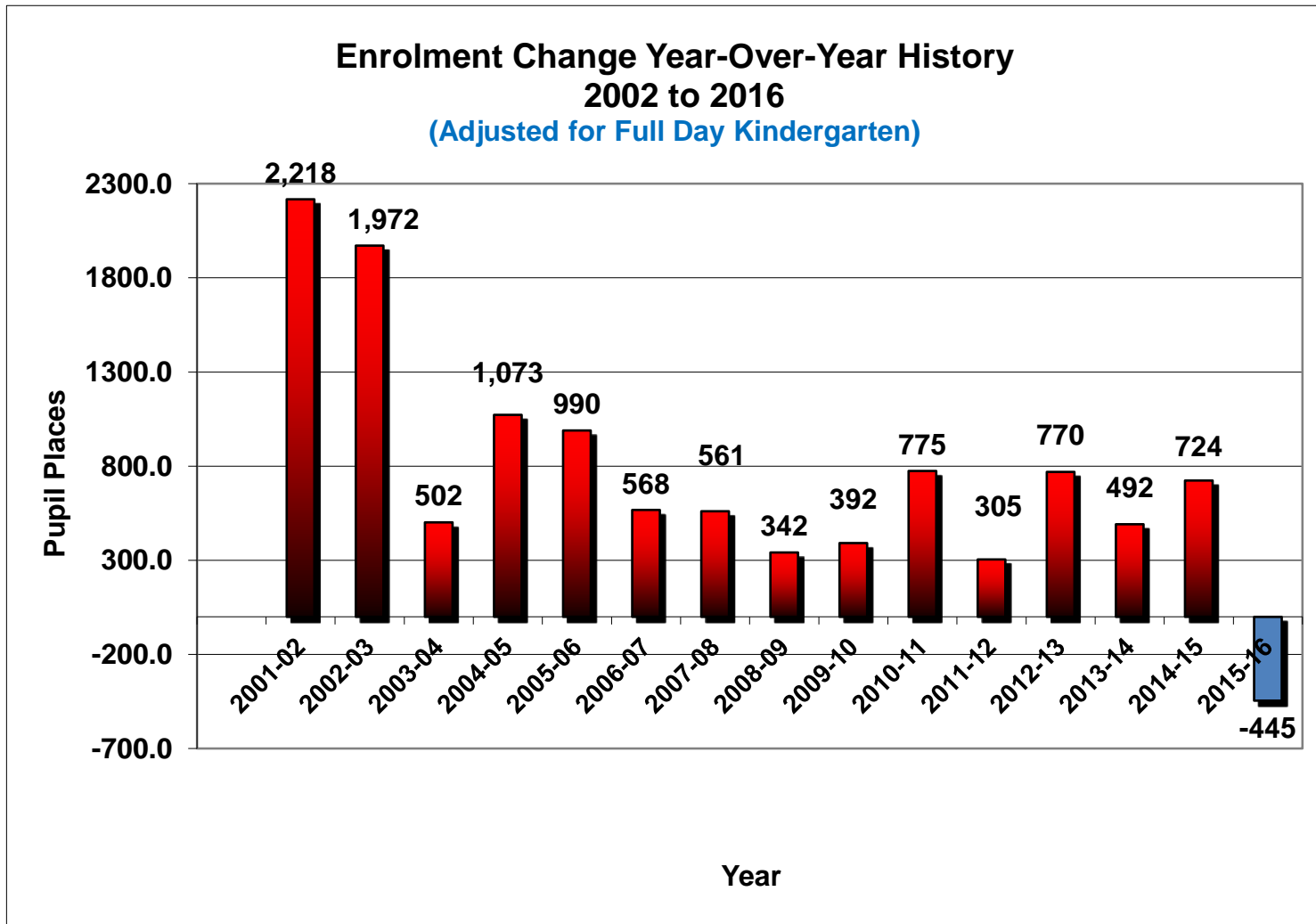


2015-16 YEAR END FINANCIAL REPORT





2015-16 YEAR END FINANCIAL REPORT



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



2015-16 YEAR END FINANCIAL REPORT

Accumulated Surplus: Unavailable for Compliance

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



2015-16 YEAR END FINANCIAL REPORT

Accumulated Surplus/Deficit – Unavailable for Compliance

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



2015-16 YEAR END FINANCIAL REPORT

Future Employee Benefits Payable (PSAB)

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

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

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



2015-16 YEAR END FINANCIAL RESULTS

RECONCILIATION: Operating Revenue & Expenses To Consolidated Revenue & Expenses



2015-16 YEAR END FINANCIAL REPORT

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



2015-16 YEAR END FINANCIAL REPORT

RECONCILIATION: OPERATING EXPENSES TO CONSOLIDATED FINANCIAL STATEMENTS	
OPERATING POSITION	581,037,226
Expense with Revenue/Grant Offsets	
Expense with Revenue/Grant Offsets	6,911,343
	<hr style="width: 100%; border: 0.5px solid black;"/>
	6,911,343
DCC & TCA activities	
Minor TCA (Tsf to DCC)	(1,179,500)
Amortization TCA	29,926,393
	<hr style="width: 100%; border: 0.5px solid black;"/>
	28,746,893
"Capital" funded operating items:	
Capital Fund Operating Grants	2,704,028
Debt Charges Grant	19,904,047
NPF Debt Grant	224,087
EDC Operating Costs	59,598
	<hr style="width: 100%; border: 0.5px solid black;"/>
	22,891,760
PSAB items:	
Schools & Registered Charity Expenses	25,742,806
Decrease in unfunded liabilities (PSAB-Debenture interest)	(154,455)
Decrease in unfunded liabilities (PSAB-EFB) ⁽¹⁾	-
	<hr style="width: 100%; border: 0.5px solid black;"/>
	25,588,351
CONSOLIDATED EXPENSES FOR FINANCIAL STATEMENTS	665,175,573
<i>(1) Effective 2015-16 YE, PSAB-EFB will be incorporated into Operating position.</i>	



2015-16 FINANCIAL RESULTS

AUDITED CONSOLIDATED FINANCIAL STATEMENTS



2015-16 YEAR END FINANCIAL REPORT

Audited Consolidated Financial Statements

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



2015-16 YEAR END FINANCIAL REPORT

Audited Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

INDEPENDENT AUDITORS' REPORT

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



2015-16 YEAR END FINANCIAL REPORT

Audited Financial Statements

Statement of Financial Position

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

Statement of Operations

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



2015-16 YEAR END FINANCIAL REPORT



York Catholic District School Board Consolidated Statement of Financial Position

As at August 31,

2016

2015

Financial assets

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

Total financial assets

452,058,439 454,159,972

Liabilities

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

Total liabilities

1,140,052,863 1,142,175,962

Net debt

(687,994,424) (688,015,990)

Non-financial assets

Tangible capital assets (Note 11)	<u>905,103,473</u>	<u>900,309,406</u>
-----------------------------------	--------------------	--------------------

Accumulated surplus (Note 12)

\$ 217,109,049 \$ 212,293,416



2014-15 YEAR END FINANCIAL REPORT



York Catholic District School Board Consolidated Statement of Operations

For the year ended August 31

2016

2016

2015

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



2015-16 YEAR END FINANCIAL REPORT

Notes for 2015-16

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

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

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



2015-16 FINANCIAL RESULTS

AUDITOR'S REPORT TO AUDIT COMMITTEE



2015-16 YEAR END FINANCIAL REPORT

AUDITOR'S REPORT TO AUDIT COMMITTEE

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



2015-16 YEAR END FINANCIAL REPORT

AUDITORS' REPORT TO AUDIT COMMITTEE

REPRESENTATION LETTER

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



2015-16 FINANCIAL RESULTS

OVERVIEW & RECOMMENDATIONS



2015-16 YEAR END FINANCIAL REPORT

2015-16 Financial Cumulative Results

OVERVIEW

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



2015-16 YEAR END FINANCIAL REPORT

RECOMMENDATIONS

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

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



2015-16 FINANCIAL RESULTS

APPENDIX A: CAPITAL TRENDS



2015-16 YEAR END FINANCIAL REPORT

Capital Trends

Capital Expenditures are dependent on Ministry funding:

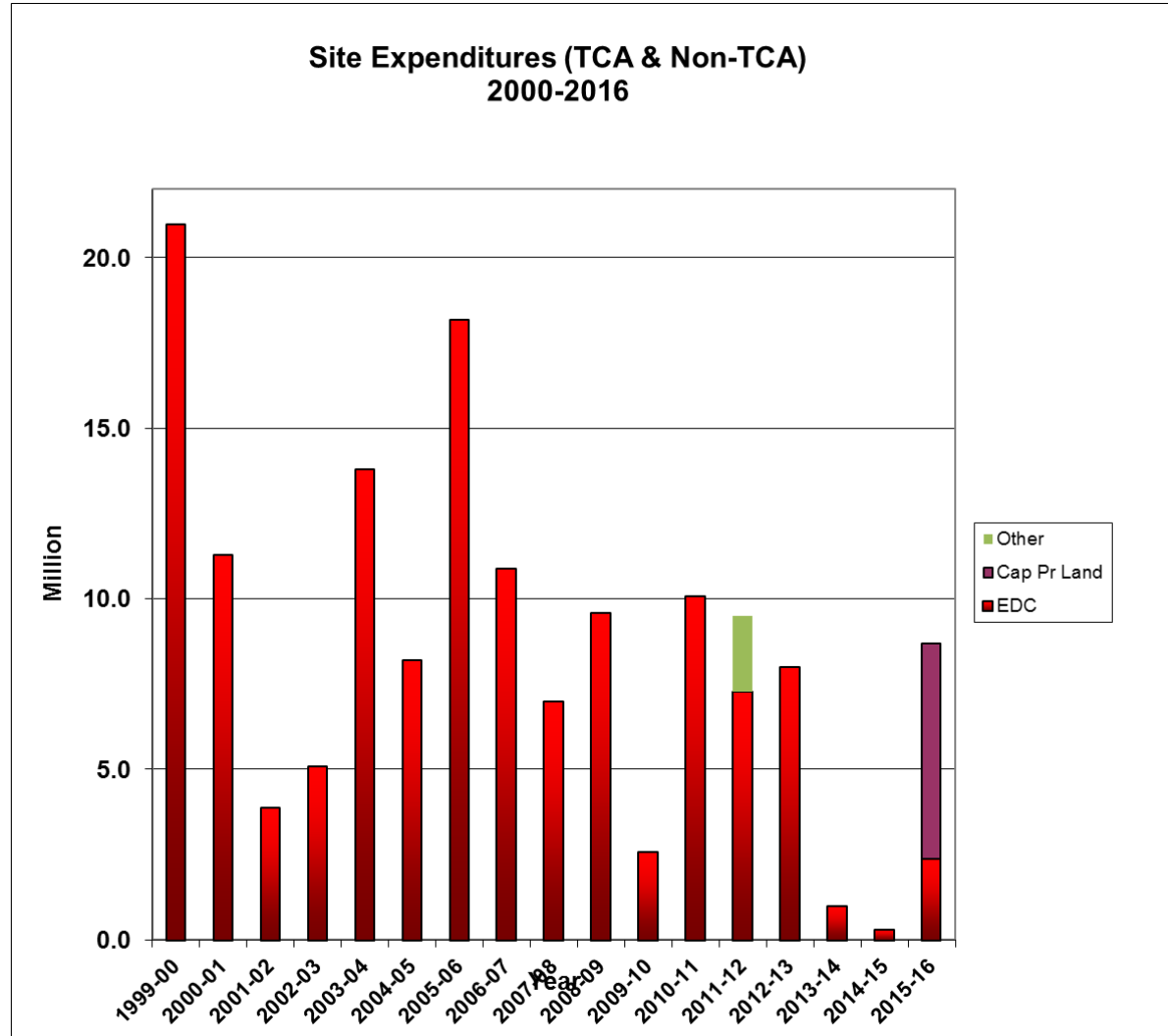
The following charts will provide some trend analysis for period 2000-2016:

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

Also provided NPF Year end Balance Summary

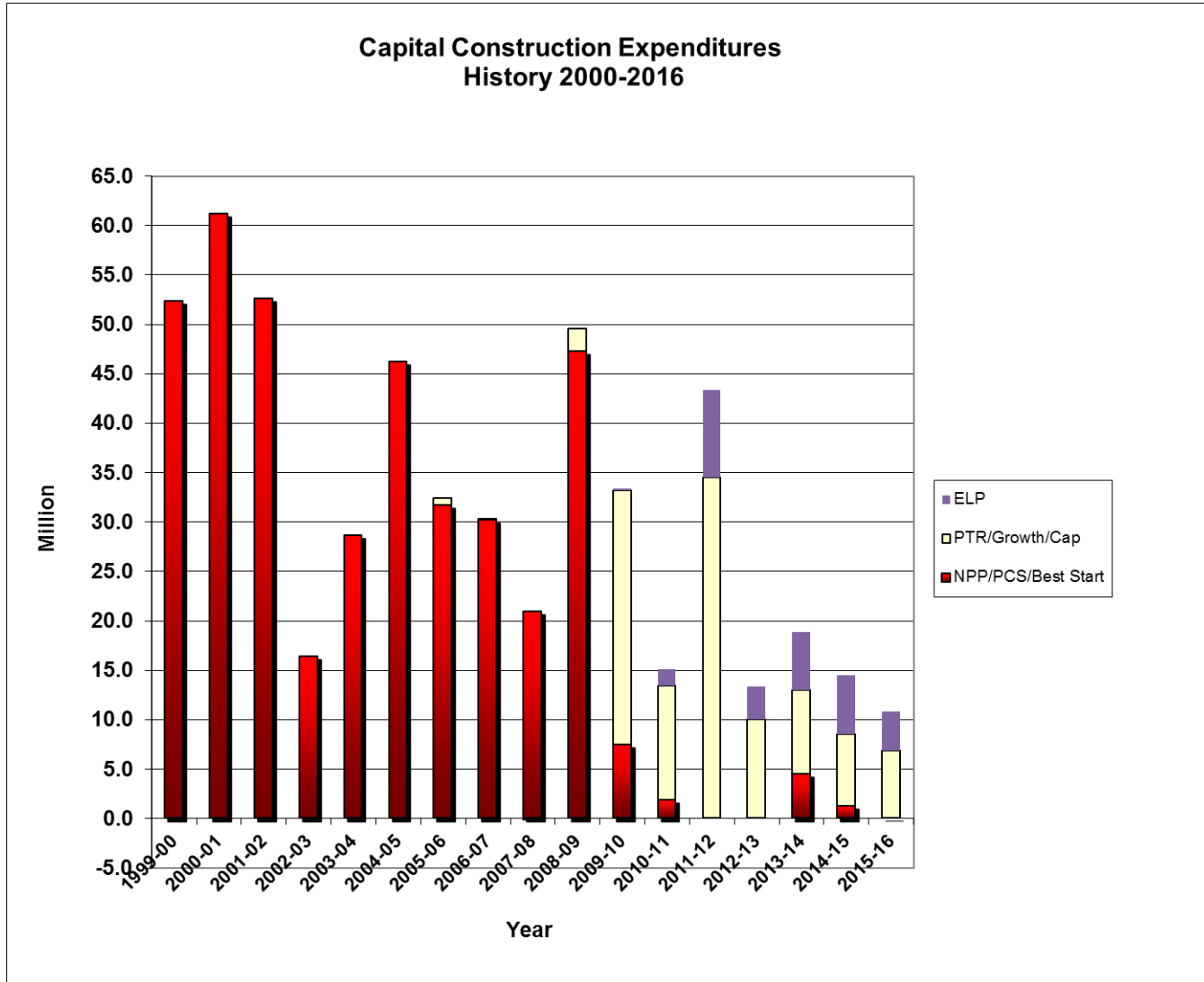


2015-16 YEAR END FINANCIAL REPORT



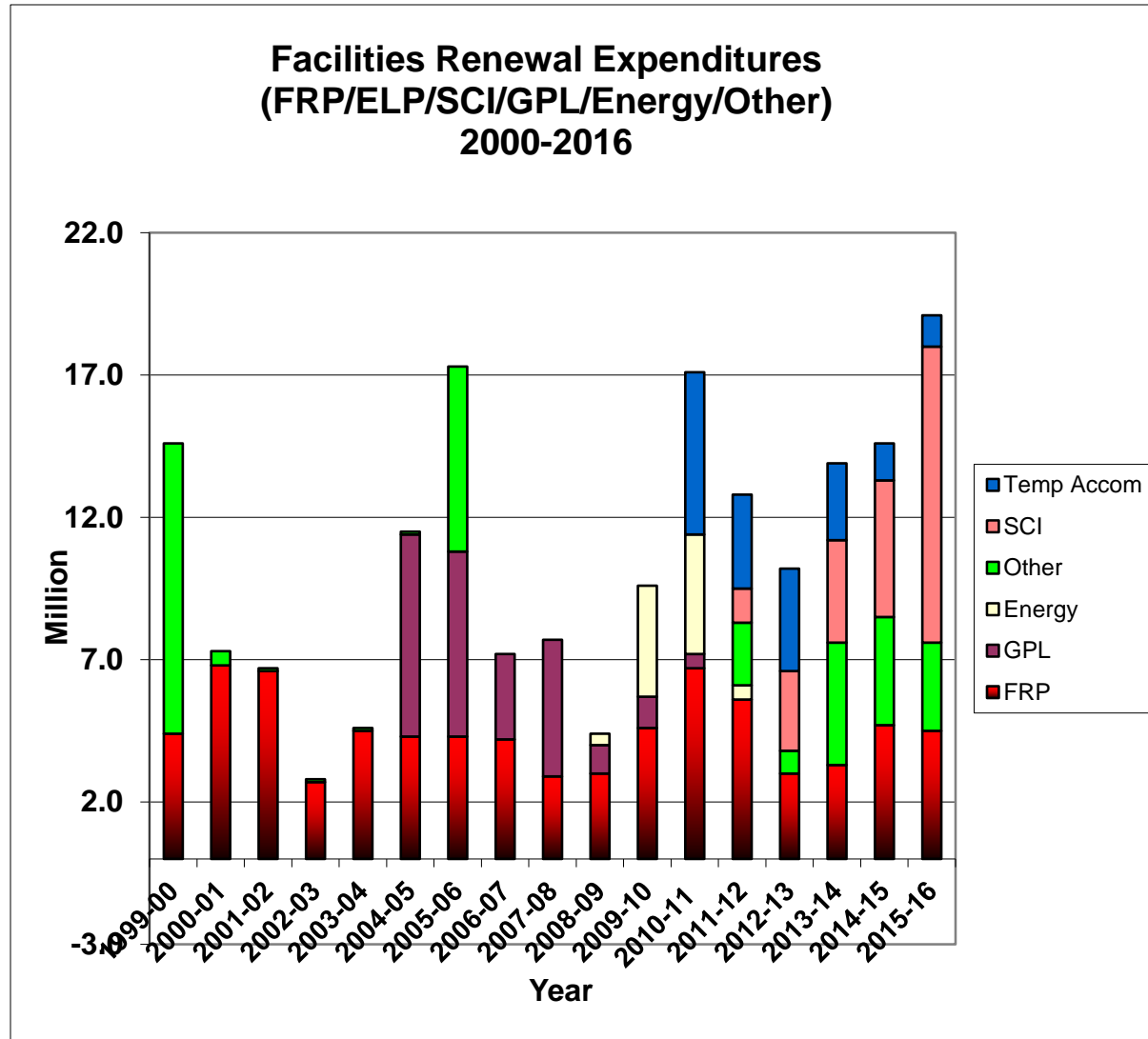


2015-16 YEAR END FINANCIAL REPORT





2015-16 YEAR END FINANCIAL REPORT





2015-16 YEAR END FINANCIAL REPORT

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



2015-16 FINANCIAL RESULTS

APPENDIX B: RISKS & OPPORTUNITIES



2015-16 YEAR END FINANCIAL REPORT

Risks & Opportunities

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

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



2015-16 YEAR END FINANCIAL REPORT

Risks & Opportunities (Cont'd)

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

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



2015-16 YEAR END FINANCIAL REPORT



Questions

York Catholic District School Board

Report

Report To: Audit Committee
From: Administration
Date: November 8, 2016
Subject: Approval of 2015-16 Audited Financial Statements

EXECUTIVE SUMMARY

The purpose of this report is to present for action, the motions necessary to approve and publish the 2015-16 Audited Financial Statements.

BACKGROUND

Included as part Agenda Item #9 of the Regular Session of the Audit Committee was a detailed review and presentation of the 2015-16 Year-End Financial results and associated Financial Statements.

Included as part of Agenda Item #8 of the In Camera Session of the Audit Committee was a presentation from the External Auditor on their year-end audit results. Also included as part of the In Camera agenda (Agenda Item #9) was an opportunity for the Audit Committee to meet in private with the External Auditors relating to the year-end audit process.

Based on the satisfactory review of the above, the following recommendations are presented for Audit Committee approval:

RECOMMENDATION

1. **THAT the Board approve the 2015-16 Consolidated Financial Statements of the York Catholic District School Board as audited by Grant Thornton LLP, Chartered Accountants.**
2. **THAT the Board publish a notice in local newspapers that the 2015-16 Audited Consolidated Financial Statements of the York Catholic School Board, together with the Auditors' Report, will be made available, as part of the Board's regular publications and posted on the Board's website.**

Prepared and Submitted by: Anna Chan, Chief Financial Officer and Treasurer of the Board
Endorsed by: Patricia Preston, Director of Education

York Catholic District School Board

REPORT

Report To: Audit Committee

From: Administration

Date: November 8, 2016

Report: Auditor's Report: **EDUCATION DEVELOPMENT CHARGES**

EXECUTIVE SUMMARY

The purpose of this report is to present for action the motion to approve the 2015-16 Education Development Charges (EDC) Financial Statements for York Catholic District School Board.

BACKGROUND INFORMATION

Attached are the draft audited August 31, 2016 Financial Statements as audited by Grant Thornton LLP and summaries of Education Development Charges (EDC) for the York Catholic District School Board and for the York Region District School Board. These represent the collection and distribution of EDC's for:

- BY-LAW #6 (officially as noted in the summaries as B/L#205 for YCDSB) for the period commencing July 1, 2014 and ending August 31, 2016.

EDC's are collected and distributed jointly between the Boards. Each month, EDC collections are distributed to each Board.

On July 1, 2014, a new EDC By-Law #6 came into effect. The following shows B/L #6 rates for Education Development Charges:

By-Law		Combined	York Catholic District School Board	York Region District School Board
#6	Residential Development per dwelling unit	\$4,340	\$991	\$3,349
#6	Non-Residential Development per square foot of GFA	\$0.75	\$0.17	\$0.58

HIGHLIGHTS

The following is a summary of E.D.C. collections for B/L #6 collected from July 1, 2014 to August 31, 2016 and for all By-Laws since the inception of E.D.C. in 1992 (See *Appendix A* for details):

	Total	York Catholic District School Board	York Region District School Board	French Boards
By-Law #6	\$72,067,025	\$16,445,361	\$55,621,664	n/a
By-Law #1 to # 6 (1992 to 2016)	\$576,629,027	\$189,172,313	\$386,871,459	\$585,255

Note: For 2015-16, EDC collections were sufficient to fund all EDC eligible site purchases and the residual collections of \$6,098,514 were reflected as Deferred Revenues in the Board's audited 2015-16 Financial Statements. Up to 2014-15, there was an EDC deficit which was reported under Accumulated Surplus – Not Available for Compliance representing “not-permanently-financed” (NPF) site purchases (2014-15 - \$2 million).

RECOMMENDATION

THAT the Board approve the Education Development Charge Financial Statements for the York Catholic District School Board for the period ended August 31, 2016 as audited by Grant Thornton LLP.

Prepared by: Carol Recine, Manager, Purchasing Services
Submitted & Endorsed by: Anna Chan, Chief Financial Officer and Treasurer of the Board



Grant Thornton

Summary Schedule of Education Development Charges of

York Catholic District School Board

August 31, 2016

DRAFT

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DRAFT

Independent Auditor's Report

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

To the Trustees of
York Catholic District School Board

We have audited the accompanying Summary Schedule of Education Development Charges (“summary schedule”) of York Catholic District School Board for the year ended August 31, 2016, and the summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial information

Management is responsible for the preparation of the Summary Schedule of Education Development Charges 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 Schedule of Education Development Charges that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this Summary Schedule of Education Development Charges based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Summary Schedule of Education Development Charges is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Summary Schedule of Education Development Charges, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation of the Summary Schedule of Education Development Charges 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Summary Schedule of Education Development Charges.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Summary Schedule of Education Development Charges of York Catholic District School Board for the year ended August 31, 2016 presents fairly, in all material respects, the revenue and distributions of Education Development Charges of York Catholic District School Board in accordance with Canadian public sector accounting standards.

Toronto, Canada
November 8, 2016

Chartered Professional Accountants
Licensed Public Accountants

DRAFT

York Catholic District School Board
By-Law # 6
Summary Schedule of Education Development Charges

Year ended August 31	2016	2015	2014	Cumulative Total
Revenue, collected				
Residential	\$ 7,901,344	\$ 7,168,565	\$ 308,913	\$ 15,378,822
Non-residential	<u>413,430</u>	<u>641,980</u>	<u>19,938</u>	<u>1,075,348</u>
	<u>8,314,774</u>	<u>7,810,545</u>	<u>328,851</u>	<u>16,454,170</u>
Interest earned	3,765	5,164	-	8,929
Bank charges	<u>(82)</u>	<u>(106)</u>	<u>-</u>	<u>(188)</u>
	<u>8,318,457</u>	<u>7,815,603</u>	<u>328,851</u>	<u>16,462,911</u>
Distributions				
Refunds	8,227	9,321	-	17,548
York Catholic District School Board	<u>8,310,230</u>	<u>7,806,282</u>	<u>328,851</u>	<u>16,445,363</u>
	<u>8,318,457</u>	<u>7,815,603</u>	<u>328,851</u>	<u>16,462,911</u>
Under (over) distribution of education development charges	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

York Catholic District School Board

Notes to the Summary Schedule of Education Development Charges

August 31, 2016

1. Nature of operations

Education Development charges are imposed by the York Catholic District School Board 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 schedule represents Education Development Charges for By-Law #205 for the period July 1, 2014 to August 31, 2016.

2. Summary of significant accounting policies

Basis of presentation

The summary schedule has been prepared on the accrual basis of accounting.

Use of estimates

In preparing the summary schedule, 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 schedule and reported amounts of revenue and distributions during the period. Actual results could differ from these estimates.



Summary Schedule of Education Development Charges of

York Region District School Board

August 31, 2016

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DRAFT

Independent Auditor's Report

Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4
T (416) 366-0100
F (905) 360-4949
www.GrantThornton.ca

To the Trustees of
York Region District School Board

We have audited the accompanying Summary Schedule of Education Development Charges (“summary schedule”) of York Region District School Board for the year ended August 31, 2016, and the summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial information

Management is responsible for the preparation of the Summary Schedule of Education Development Charges 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 Schedule of Education Development Charges that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this Summary Schedule of Education Development Charges based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Summary Schedule of Education Development Charges is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Summary Schedule of Education Development Charges, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation of the Summary Schedule of Education Development Charges 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Summary Schedule of Education Development Charges.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Summary Schedule of Education Development Charges of York Region District School Board for the year ended August 31, 2016 presents fairly, in all material respects, the revenue and distributions of Education Development Charges of York Region District School Board in accordance with Canadian public sector accounting standards.

Markham, Canada
December 13, 2016

Chartered Professional Accountants
Licensed Public Accountants

DRAFT

York Region District School Board
By-Law # 6
Summary Schedule of Education Development Charges

Year ended August 31,	2016	2015	2014	Cumulative Total
Revenue, collected				
Residential	\$ 26,708,136	\$ 24,231,195	\$ 1,044,187	\$ 51,983,518
Non-residential	<u>1,410,259</u>	<u>2,189,867</u>	<u>68,009</u>	<u>3,668,135</u>
	28,118,395	26,421,062	1,112,196	55,651,653
Interest earned	12,738	17,469	-	30,207
Bank charges	<u>(288)</u>	<u>(359)</u>	-	<u>(647)</u>
	28,130,845	<u>26,438,172</u>	<u>1,112,196</u>	<u>55,681,213</u>
Distributions				
Refunds	27,855	31,695	-	59,550
York Region District School Board	<u>28,102,990</u>	<u>26,406,477</u>	<u>1,112,196</u>	<u>55,621,663</u>
	28,130,845	<u>26,438,172</u>	<u>1,112,196</u>	<u>55,681,213</u>
Under (over) distribution of education development charges	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

York Region District School Board

Notes to the Summary Schedule of Education Development Charges

August 31, 2016

1. Nature of operations

Education Development charges are imposed by the York Region District School Board 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 schedule represents Education Development Charges for By-Law #6 for the period July 1, 2014 to August 31, 2016.

2. Summary of significant accounting policies

Basis of presentation

The summary schedule has been prepared on the accrual basis of accounting.

Use of estimates

In preparing the summary schedule, 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 schedule 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 8, 2016
Subject: **Annual Audit Committee Report to the Ministry of Education**

Executive Summary:

Attached is the Annual Audit Committee Report for submission to the Ministry of Education as required by Regulation 361/10.

Per the Ministry in Memorandum 2015:SB30 “*2014-15 Audit Committee Annual Report to the Ministry*” (attached as Appendix B), the intent of the report is twofold:

- A list of work performed by the internal auditors in the fiscal year provides a report to the Ministry on the use of the internal audit funding allocation; and
- A list of planned enrolment audits for upcoming fiscal year allows better coordination of enrolment audits performed by the Ministry of Education and the regional internal auditors.

The report (attached as Appendix A) gives a brief overview of the audit activity for the Regional Internal Audit Team as the report includes both audits conducted over the reporting period and audits that may be underway. The annual report is required to be signed by the Audit Committee Chair, presented to the Board by November 30 and submitted to the Ministry by January 15, 2017.

Prepared by: Jackie Porter, Coordinating Manager of Budget & Audit Services
Endorsed by: Anna Chan, CFO and Treasurer of the Board

**Annual Report to the Board of Trustees and Forwarded
To the Ministry of Education
For the year ended August 31, 2016**

November 5, 2016

Fiscal Year: 2015/16

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

During the 2015/16 fiscal year, the following audit(s) were completed and presented to the Audit Committee.

Audit Type	Date	Completed	Presented
Payroll/Human Resource	June 2016	June 2016	September 2016
Information Systems-Asset Management	June 2016	October 2016	November 2016

Further, YCDSB Manager's comments for the following audits were discussed to ensure timelines are being met.

- Repairs and Maintenance Audit
- Broader Public Sector Procurement Compliance Review
- Construction
- Information Technology
- Special Education

Based on the Multi-Year Internal Audit Plan, YCDSB is not expecting any Enrolment Audits to be performed in the 2016/17 fiscal year.

Date

Signature
Carol Cotton, Audit Committee Chair

Ministry of Education

School Business Support Branch
19th Floor, Mowat Block
900 Bay Street
Toronto ON M7A 1L2

Ministère de l'Éducation

Direction du soutien aux activités
scolaires
19^e étage, Édifice Mowat
900, rue Bay
Toronto ON M7A 1L2



2015: SB30

MEMORANDUM TO: Senior Business Officials

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: October 8, 2015

SUBJECT: 2014-15 Audit Committee Annual Report to the
Ministry

I am writing to provide you with details concerning the reporting requirements outlined in Ontario Regulation 361/10, "Audit Committees", as it applies to the 2014-15 fiscal year.

Under the Regulation, there is a requirement to report to the Ministry of Education in each fiscal year on or before a date specified by the Minister. The intent of the reporting to the Ministry of Education is twofold:

- A list of the work performed by the internal auditors in the fiscal year provides a report to the Ministry on the use of the internal audit funding allocation; and
- A list of planned enrolment audits for upcoming fiscal years allows better coordination of enrolment audits performed by the Ministry of Education and the regional internal audit teams.

A suggested template for the report to the Ministry is included in Appendix C of the [Guideline on Audit Committee Reporting](#).

The audit committee should present the report for the 2014-15 fiscal year, signed by the audit committee chair, to the Board of Trustees no later than November 30, 2015. The Board of Trustees should submit the report to the Ministry by January 15, 2016. The audit committee does not need to hold a formal meeting to develop this report.

Page 1 of 2

Please submit the report to:

Paula Hatt
Senior Analyst, Audit
School Business Support Branch
19th Floor, Mowat Block
900 Bay Street
Toronto ON M7A 1L2

Given the recent change to the reporting requirements in the Regulation (see 2015: SB19), please do not send the Ministry your audit committee's Annual Report to the Board of Trustees (Appendix B of the Guideline). This report contains information that is not required by the Ministry.

For any questions relating to the audit committee annual report, please contact Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca or 416-326-1170.

Original signed by:

Cheri Hayward
Director
School Business Support Branch

cc: Directors of Education
Regional Internal Audit Managers
Dan Duszczyszyn, Regional Internal Audit Coordinator

Appendix C - Sample Ministry Report

Annual Report to the Board of Trustees and Forwarded To the Ministry of Education For the year ended August 31, 20XX

District School Board Name: xxx

Fiscal Year: 20XX/XX

Re: Annual audit committee report to the Ministry of Education as per Ontario Regulation 361/10

(Where no internal audits were started or completed by August 31, XX)

During the 20X/XX fiscal year, there were no internal audits started or completed. The internal auditors worked on the (*update/completion*) of the risk assessment (*if applicable*). The status of the risk assessment as of August 31, 20XX is xxx.

OR

(Where internal audits were started and/or completed by August 31, 20XX)

During the 20XX/XX fiscal year, the following internal audits were started but not completed by August 31st:

- Internal audit # 1
- Internal audit # 2

In addition to those listed above, the following audits were completed in the XXXX/XX fiscal year:

- Internal audit # 1

AND

Based on the multi-year internal audit plan, we are expecting enrolment audits to be performed in the 20XX/XX fiscal year.

OR

Based on the multi-year internal audit plan, we are not expecting any enrolment audits to be performed.

Date

Signature

Audit Committee Chair
Title

V4, July 10, 2015

Page 8 of 8

Report

Memo To: Audit Committee
From: Administration
Date: November 5, 2016
Subject: Updates on Regional Internal Audit Consistency Measures

Executive Summary:

The Ministry has updated a number of processes in order to promote more consistency amongst Regional Internal Audit Teams (RIAT). The Ministry has updated three main areas:

- Regional Internal Audit Performance Review
- Regional Internal Audit Mandate
- Regional Internal Audit Coordinator

This report reflects only the Ministry's Memorandum 2016: SB31. Further work is required before implementation of the Regional Internal Audit Performance Reviews.

Overview:

Ministry Memo 2016: SB31 "Update on Regional Internal Audit Consistency Measures" (Appendix A) provides an update on measures being taken to promote more consistency among Regional Internal Audit Teams (RIAT). Due to the unique structure of RIAT, it is difficult for Host Boards to assess the performance of both the operations and the staff. The new Ministry evaluation process will assist with this issue and will ensure that RIATs operate under similar standards and align to the best practices of the Institute of Internal Audit.

Regional Internal Audit Performance Review:

The Regional Internal Audit Evaluation Process Guideline was updated effective September 1, 2016 to include the updated performance review process and provide the tools for boards and audit committees to complete the annual evaluation which are required to commence in September 2017 and will be based on the 2016/17 objectives and actual performance of the RIA.

The Performance Evaluation will be comprised of assessments from three different sources:

1. Evaluation of Regional Internal Audit - Audit Committee checklist (Appendix B):
 - Each audit committee member completes the checklist based on their interaction with the regional internal audit staff. This is discussed with the Regional Internal Audit Manager (RIAM) at the September Audit Committee meeting. The Host Board will use the completed checklist as part of the annual evaluation.
2. Evaluation of Internal Audit – Management checklist (Appendix C & D):
 - Each Superintendent of Business (SBO) completes the checklist based on their interaction with the regional internal auditors and their observation of the auditors at audit committee meetings. A review of the post-audit client surveys, if available will also be reviewed. The SBO will collect the checklist from all the boards and prepare an overall evaluation form to provide to the RIAM.
 - The full checklist will need to be completed every three years starting with the 2016/17 performance

Update on Regional Internal Audit Consistency Measures

3. Evaluation of Internal Audit – Self Assessment (Appendix E)

- At the beginning of the year the RIAM sets a number of Key Performance Objectives for the year which are reviewed with the Host Board.
- At year end, the RIAM is required to complete the self-assessment checklist based on the feedback received from the above sources, tying the assessment in with the Key Performance Objectives set and the achievement of these objectives. The self-assessment is submitted to the SBO.

The SBO meets with the RIAM to discuss the self-assessment, taking into account the evaluations from the other parties. Once the assessment has been agreed upon, the Host Board SBO and the RIAM sign the self-assessment and the overall management evaluation.

The RIAM conducts a similar self-assessment process for the evaluation of the other members of RIAT. The review of the Key Performance Objectives, post client surveys, and the self-assessment serve as the documents included in the review.

The Performance Review documents are included in this agenda as information for the Audit Committee to review with detail discussion to occur at the next meeting.

The Regional Internal Audit Performance Review documents are included in this agenda as information for the Audit Committee to review with detailed discussion to occur in future. The information will require discussion with the Toronto Area Regional Internal Audit Coordinating and Steering Committee (TA-RIA-CSC) as well as at the Board.

Regional Internal Audit Mandate:

The Regional Internal Audit mandate has been updated. This mandate (Appendix F) defines the purpose, authority and responsibility of the regional internal audit function. The last time the mandate was revised was in 2010.

The mandate was updated to be consistent with the standards of the Institute of Internal Audit. A number of areas have been removed (Accountability, Conflict Resolution, and Assessment). The Mandate updates and clearly defines the authority for RIAT, clearly outlines the responsibility for the Board's Audit Committee as it related to the regional internal audit function, and outlines the responsibility of RIAT.

The mandate will be presented to the Audit Committee annually for review and sign-off.

Regional Internal Audit Coordinator:

The Council of Ontario Directors of Education (CODE) has extended the Regional Internal Audit Coordinator (RIAC) position up to June 30, 2017. This position is the point person between the RIAM, the Boards, and the Ministry. This position was developed to support the RIATs in working with the Boards and the Ministry and still keeping their independence.

The RIAC success to date includes increase the knowledge level within the sector, offer annual training session and create an environment for sharing best practices.

Ministry of Education

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**2016: SB31**

MEMORANDUM TO: Directors of Education
Senior Business Officials

FROM: Cheri Hayward
Director
School Business Support Branch

DATE: September 26, 2016

SUBJECT: Update on Regional Internal Audit Consistency
Measures

The purpose of this memorandum is to provide an update on measures being taken to promote more consistency amongst Regional Internal Audit Teams (RIAT), as outlined in 2016: B10.

Regional Internal Audit Performance Review

The regional internal audit performance review process and tools are now available. The annual evaluation of regional internal audit, as represented by the Region Internal Audit Manager (RIAM), consists of evaluation forms completed by the following:

- Each audit committee in the region
- Each senior business official in the region
- A self-assessment by the RIAM

Each category of respondent has a different form to complete. Forms are compiled by the host board senior business official and used to provide an overall evaluation.

The Regional Internal Audit Evaluation Process Guideline has been updated to outline this process in greater detail. The guideline also outlines the performance review process for other regional internal audit staff, which includes a post-audit client satisfaction survey. The guideline is effective September 1, 2016, with the first

evaluations taking place in September 2017 based on 2016-17 objectives and actual performance.

The guideline, evaluation forms and client satisfaction survey are available on the SBSB [website](#).

I would like to thank Dan Duszczyzyn, Regional Internal Audit Coordinator (RIAC), for leading the development of the evaluation documents, as well as the host board senior business officials and RIAMs for providing feedback.

Regional Internal Audit Mandate

As part of the effort to increase consistency, the regional internal audit mandate was updated by the RIAMs. The internal audit mandate formally defines the purpose, authority and responsibility of the regional internal audit function.

This is the first provincial update to the mandate since it was released in 2010 and was made in response to subsequent changes issued by the Institute of Internal Auditors.

All school boards in the province should adopt the updated version of the mandate in 2016-17. Further, the mandate should be presented to the audit committee annually and re-signed in any year there is a change in the signatories so that all parties are aware of and approve the mandate.

The updated mandate can be found on the SBSB [website](#).

Regional Internal Audit Coordinator

I am pleased to announce that Dan Duszczyzyn's contract with the Council of Ontario Directors of Education (CODE) has been extended until June 30, 2017. This extension to the RIAC role reflects Dan's success in addressing some of the concerns with the regional internal audit structure and allows him to continue to assist in efforts to increase consistency. Further, it also demonstrates CODE's endorsement of Dan's role and the regional internal audit initiative.

Notable RIAC accomplishments to date include the performance review process; increasing the auditors' sector knowledge through the annual professional development conference and other formal and informal training opportunities; coordinating the RIAT branding initiative; and attending the audit committee training in 2015.

Key responsibilities under the contract extension are as follows:

- Organize meetings to bring the RIAMs together to continue standardization efforts;
- Facilitate knowledge sharing between auditors;

- Coordinate the development of a regional internal audit quality assurance and improvement program;
- Organize the annual internal audit professional development conference;
- Provide support and advice to the RIATs; and
- Mediate any disputes related to internal audit.

Contacts

If you have any questions regarding the performance review process or require assistance in implementing this process, please contact Dan Duszczyzyn by phone at 519-835-0212 or by email at danduszczyzyn@gmail.com.

For all other questions relating to regional internal audit, please contact Paula Hatt, Senior Analyst, Audit at paula.hatt@ontario.ca or 416-326-1170.

I encourage you to share this memo with your audit committee members.

Original signed by

Cheri Hayward
Director
School Business Support Branch

cc: Regional Internal Audit Managers
Dan Duszczyzyn, Regional Internal Audit Coordinator

EVALUATION OF REGIONAL INTERNAL AUDIT – AUDIT COMMITTEE

This checklist should be completed by the audit committee annually prior to feedback from other areas of the Board.

Understanding:

How well does internal audit demonstrate that it:

- Recognizes its accountability to the audit committee;
- Understands the responsibilities and operation of the audit committee;
- Understands the expectations of the audit committee and the chair;
- Understands the Board's operations and risk environment?

Strong	Adequate	Needs Improvement

Comments:

Experience:

Evaluate internal audit's independence from the activities it audits.

How would you assess the committee's confidence in internal audit?

Has internal audit presented its mandate in the last two years?

Does the regional internal audit team demonstrate consistency in quality of service to the Board?

Strong	Adequate	Needs Improvement
N/A	Yes	No

Comments:

Communication:

Has internal audit attended all the audit committee meetings scheduled to attend?

Has internal audit made itself available for consultation outside of audit committee meetings?

N/A	Yes	No

Evaluate internal audit's frankness and candour with the committee.
 Evaluate internal audit's handling of difficult or contentious issues.
 Evaluate the usual level of preparation for audit committee meetings demonstrated by internal audit.
 Evaluate the quality of internal audit reports tabled with the audit committee. Consider relevance and clarity.

Strong	Adequate	Needs Improvement
N/A	Yes	No

Have reports been received from internal audit on a sufficiently timely basis?
 If not, has an explanation been provided?

Comments:

Performance:

Assess the quality of the annual audit plan in terms of:
 Comprehensiveness, clarity and timeliness,
 Coverage of priority and high risk areas.

Strong	Adequate	Needs Improvement
N/A	Yes	No
N/A	Yes	No

Did the current internal audit plan leave any significant issues of concern to the audit

Was it clear from its reporting to the committee that internal audit:

- Delivered the services outlined in the plan,
- Were in accordance with the agreed timetable?

Do you consider that internal audit has added value* to the organization?

In what way has internal audit added value* to the organization?

"VALUE" is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.

How would you assess internal audit's overall performance?

Strong	Adequate	Needs Improvement

Comments:

Name: _____
Position: _____
 Audit Committee Chair

Signed: _____
Date: _____

EVALUATION OF INTERNAL AUDIT – MANAGEMENT

This checklist is to be completed by all Superintendents of Business/CFOs based on direct interaction with regional internal audit and observation at audit committee meetings, with input from post-audit satisfaction surveys (as available). The Host Board Superintendent will compile responses into an overall evaluation form.

The full checklist should be completed every three years, starting with 2016-17. For the intervening years, please provide the following update:

- * I have no issues to report on the RIAM's performance.
- * I have some concerns with the RIAM's performance detailed below:

Planning:

- Is the regional internal audit mandate sufficiently communicated to key members of management and the Board?
- Was there sufficient pre-planning and coordination by the internal auditors before internal audits and/or special projects commenced?
- Did internal audit discuss its approach and major areas of audit focus with you?
- Did you raise any major areas of concern that were not reviewed by the internal audit team?

N/A	Yes	No

Comments:

Skill and Experience:

- Do you consider the internal audit team have sufficient professional experience, project management, inter-personal skills to effectively carry out the work required?
- Do you consider the internal audit team have sufficient experience in the functional specializations (eg IT, risk assessment, program delivery) to effectively carry out the work that was required?
- Assess the strength of internal audit's understanding of the Board and its risk involvement. To what level did the members of the internal audit team demonstrate an appreciation of the key risks and issues of the areas audited?
- Did members of the internal audit team consistently demonstrate objectivity in all deliberations?
- Do you believe the members of the internal audit team are independent of the activities they audit?
- Were members of the internal audit team adequately supervised?

N/A	Yes	No
Strong	Adequate	Needs Improvement
N/A	Yes	No

Skill and Experience:

Comments:

Work Programme:

Was effective cooperation achieved between the internal auditors and departments including the avoidance of undue disruption to normal activities?
 Did internal audit keep you up to date with the progress of your audits/projects?
 Did internal audit provide early identification and advise of contentious issues, problem area and delays?
 Did internal audit suggest how such issues could be resolved?
 Were suggestions realistic and presented clearly and on a timely basis?

N/A	Yes	No

Were internal audit reports:
 Relevant, clear and constructive;
 Sufficiently detailed to enable effective management action;
 Issued on a timely basis?
 Were internal audit findings discussed with you prior to being tabled with audit committee?
 Did internal audit follow up on recommendations to see if they had been implemented?
 Do you have any unresolved disagreements with internal audit?
 Did internal audit add value* to the Board? *"Board" meaning corporate entity.*

N/A	Yes	No

In what way did internal audit add value*?

"VALUE" is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.

Overall Performance:

Overall, we are pleased with the performance of the Regional Internal Audit Manager.

N/A	Yes	No

Comments:

Name: _____

Signed: _____

Position: _____

Date: _____

Board Superintendent of Business/CFO

Regional Internal Audit Team – Client Satisfaction Survey

Please complete the following survey regarding the recent audit of your area. The survey is designed to obtain feedback on client satisfaction with the audit process and identify opportunities for improvement. The results of this survey will be used to determine whether any corrective action is required for the team or audit methodology in order to increase the effectiveness of future audit engagements and to aid in the continuous improvement of services.

Please email completed surveys to (_____), Regional Internal Audit Manager with a copy to Board Superintendent responsible for department/area audited.

Board					
Name					
Date					
Audit Name					
Auditors Involved					
	Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
Audit Planning					
1. The audit purpose, objectives and scope were clearly communicated to me before the start of the engagement.					
2. I was given the opportunity to provide input on the scope and objectives.					
Conduct and Communication					
<i>The Auditor(s):</i>					
3. Provided updates on the audit's progress.					
4. Communicated findings promptly.					
5. Demonstrated technical proficiency in the area audited.					
6. Presented the results objectively and fairly.					
7. Were courteous and professional.					
8. Were responsive to my questions and concerns.					
Audit Report					
9. Audit findings were accurate, fair and meaningful.					
10. The audit report was easily understood, organized and well written.					
Client Service					
11. The audit, including report issuance, was completed in a reasonable time.					
12. There was minimal disruption to daily activities.					
13. Internal Audit carried out work in accordance with agreed upon scope and objectives.					
14. Overall, the audit added value* to my area.					
Please provide specific comments on your experience and/or suggestions to improve the audit process:					

*VALUE is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.

EVALUATION OF INTERNAL AUDIT – SELF ASSESSMENT

This checklist should be completed by the regional audit manager annually (self assessment).

Understanding:

Evaluate the regional internal audit team's understanding of:

- The RIAT's responsibilities and responsibilities of the audit committee,
- The Boards' operations,
- The Boards' risk environments.

Strong	Adequate	Needs Improvement

Comments:

Structure:

Assess the structure of internal audit in terms of enhancing its:

- Objectivity
- Understanding of Board operational issues,
- Ability to respond to issues honestly.

Strong	Adequate	Needs Improvement

Comments:

Communication:

Evaluate internal audit's frankness and candour with the committee.

Evaluate internal audit's handling of difficult or contentious issues.

Evaluate internal audit's process to monitor the status of open matters/recommendations.

Strong	Adequate	Needs Improvement

Comments:

Regional Internal Audit Mandate – York Catholic District School Board

PURPOSE AND DEFINITION

The purpose of the regional internal audit team is to provide independent, objective assurance and consulting services designed to add value and improve the district school boards' operations in the Toronto and area region. It helps the district school boards accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

ROLE

The regional internal audit activity is established by the Ministry of Education through the annual Grants for Student Needs funding. The oversight role of the Audit Committee of the Board of Trustees over the regional internal audit activity is established by Regulation 361/10.

PROFESSIONALISM

The regional internal audit activity will adhere to the Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the regional internal audit activity's performance.

AUTHORITY

The regional internal audit activity, with strict accountability for confidentiality and the safeguarding of records and information is authorized full, free and unrestricted access to any and all of the district school boards' records, physical properties, and personnel pertinent to carrying out any engagement. All school board employees are requested to assist the regional internal audit team in fulfilling its responsibilities. The regional internal audit team will also have free and unrestricted access to school board leaders and to the Audit Committee of the Board of Trustees.

ORGANIZATION

The internal audit function follows a regional model. The function consists of a Regional Internal Audit Senior Manager responsible to district school boards in one of the eight regions in the province of Ontario as identified by the Ministry of Education. The Regional Internal Audit Senior Manager will report functionally to their regional audit committees of the Boards of Trustees and administratively are supported by a host school board Senior Business Official. Every effort is made to adequately staff the internal audit function, within available financial resources, in order to perform its audit activities.

Each Audit Committee of the Board of Trustees will for their Board:

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

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

INDEPENDENCE AND OBJECTIVITY

The regional internal audit activity will remain free from interference by any element in the district school board including matters of audit selection, scope, procedures, frequency, timing or report content to permit maintenance of a necessary independent and objective mental attitude.

Regional internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair judgment.

Regional internal auditors will exhibit the highest standards of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Auditors will make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments.

The Regional Internal Audit Senior Manager will confirm to the Audit Committee of the Board of Trustees, at least annually, the organizational independence of the internal audit activity.

RESPONSIBILITY

The scope of work of the regional internal audit team encompasses but is not limited to:

- Evaluating risk exposure relating to the achievement of the district school board's strategic objectives;
- Evaluating the reliability and integrity of information and the means used to identify measure, classify and report information;
- Evaluating the systems which ensure compliance with policies, procedures, applicable laws and regulations which impact the district school board;
- Evaluating whether resources are acquired economically, used efficiently, and are adequately protected;
- Evaluating operations and processes to ascertain whether results are consistent with established objectives and whether processes are functioning as planned;
- Performing consulting and advisory services or assessments of specific operations as requested by the Audit Committee of the Board of Trustees or district school board management as appropriate;
- Evaluating the effectiveness of the district school board's risk management and governance processes;
- Reporting periodically on the regional internal audit performance against plans; and
- Reporting significant risk exposures and control issues, including fraud risks, governance issues and other matters requested by the Audit Committee of the Board of Trustees.

INTERNAL AUDIT PLAN

On a three-year basis, the Regional Internal Audit Senior Manager will submit to district school board management and to the Audit Committee of the Board of Trustees an internal audit plan for

recommendation to their Board of Trustees for approval. If there are any resource limitations or interim changes, these will be communicated.

The internal audit plan will be developed based on a prioritization of the internal audit universe using a risk based methodology which includes input of district school board management. The Regional Internal Audit Senior Manager will review and adjust the plan as required in response to changes in the risk profile. Any significant deviation from the approved internal audit plan will be communicated through periodic status reports. The Regional Internal Audit Senior Manager or any of his or her team may initiate and conduct any other audit or review deemed necessary for potential illegal acts, fraud, abuse, or misuse of funds. Reasonable notice shall be given to appropriate personnel of intent to audit in their areas except when conditions warrant an unannounced audit.

REPORTING AND MONITORING

Opportunities for improving internal control may be identified during audits. A written report will be issued by the Regional Internal Audit Senior Manager at the conclusion of each audit and will be distributed according to the school board's requirements. (This could include the head of the audited activity or department, the director of education, the audit committee and the external auditor of the district school board.)

Each report will describe opportunities to strengthen district school board risk, internal control and governance processes and conclude on the adequacy and effectiveness of the processes. The district school board management will provide action plans and timelines to address each opportunity (observation). The regional internal audit team is responsible to perform appropriate follow-up procedures to attest to the completion of action plans. Significant observations will remain in an open issue status until cleared.

QUALITY ASSURANCE

The regional internal audit team will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity and conformance with the International Standards for the Professional Practice of Internal Auditing.

The Regional Internal Audit Senior Manager will communicate to district school board management and the Audit Committee of the Board of Trustees on the internal audit activity's quality assurance and improvement program, including the results of ongoing internal assessments and external assessments conducted as appropriate, usually on a five year cycle.

Regional Internal Audit Senior Manager

York Catholic District School Board Audit Committee Chair

York Catholic District School Board Director of Education

Dated

DEFINITION OF SELECTED TERMS

Add Value	Value is provided by improving opportunities to achieve organizational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.
Advisory/Consulting Services	Advisory and related client service activities, the nature and scope of which are agreed to with the client and which are intended to add value and improve a school board's governance, risk management and control processes without the regional internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.
Assurance	An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Results can be relied upon for supporting informed decision making.
Board of Trustees	A legislative body that has overall responsibility and accountability for the district school board. For purposes of this Mandate, this also includes committees that support the Board of Trustees including the audit committee.
Compliance	Conformity and adherence to policies, plans, procedures, laws, regulations, contracts or other requirements.
Control Environment	The attitude and actions of the Board of Trustees and district board management regarding the significance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements: <ul style="list-style-type: none"> <input type="checkbox"/> Integrity and ethical values. <input type="checkbox"/> Management's philosophy and operating style. <input type="checkbox"/> Organizational structure. <input type="checkbox"/> Assignment of authority and responsibility. <input type="checkbox"/> Human resource policies and practices. <input type="checkbox"/> Competence of personnel.
Control/Internal Controls	Any action taken by district board management and other parties to enhance risk management and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved. The system of management controls (business plans, capturing and analyzing data, performance reporting, code of conduct, etc.) that are implemented within a school board to ensure that assets (human, physical and information) are protected and to provide reasonable assurance that its objectives can be achieved.
Control Processes	The policies, procedures and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.
Fraud	Any illegal acts characterized by deceit, concealment or violation of trust. These acts are not dependent upon the application of threat of violence or of physical force. Frauds are perpetrated by parties and organizations to obtain money, property or services; to avoid payment or loss of services; or to secure personal or business advantage.
Governance	The combination of processes and structures implemented by the Board of Trustees in order to inform, direct, manage and monitor the activities of the organization toward the achievement of its objectives.
In-camera	A separate discussion between members of the Audit Committee and the Regional Internal Audit Senior Manager promoting open communication and

	discussion of any sensitive issues or problems.
Independence	The freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional and organizational levels.
Objectivity	An unbiased mental attitude that allows regional internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires regional internal auditors to not subordinate their judgment on audit matters to that of others.
Risk	Effect of uncertainty on objectives or outcomes.
Risk Management	A structured and disciplined approach aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing the risks an organization faces. Overall, it is about choices made under conditions of uncertainty, balanced by acceptable levels of risk.