



## REPORT TO

## REGULAR BOARD

## 2020-2021 AUDITED FINANCIAL STATEMENTS

*"I urge, then, first of all, that petitions, prayers, intercession and thanksgiving be made for all people—for kings and all those in authority, that we may live peaceful and quiet lives in all godliness and holiness."*

*1 Timothy 2:1-2*

Created, Draft	First Tabling	Review
November 9, 2021	November 18, 2021	
R. Putnam, Chief Financial Officer and Treasurer D. Bilenduke, Senior Coordinator, Finance G. Sequeira, Coordinator, Budget Services D. De Souza, Coordinator, Revenue and Ministry Reporting C. Giambattista, Senior Manager, Accounting Services T. Sanza, Senior Manager, Capital Budget and Reporting		

## RECOMMENDATION REPORT

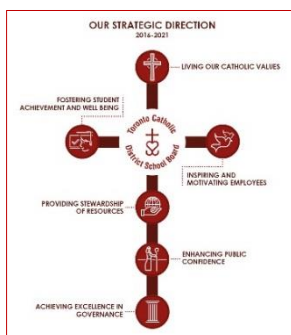
**Vision:**

*At Toronto Catholic we transform the world through witness, faith, innovation and action.*

**Mission:**

*The Toronto Catholic District School Board is an inclusive learning community uniting home, parish and school and rooted in the love of Christ.*

*We educate students to grow in grace and knowledge to lead lives of faith, hope and charity.*



Brendan Browne, PhD  
Director of Education

A. Della Mora  
Associate Director of  
Academic Affairs and  
Chief Operating Officer

D. Boyce  
Associate Director of  
Facilities, Business and  
Community Development

R. Putnam  
Chief Financial Officer and  
Treasurer

## **A. EXECUTIVE SUMMARY**

The 2020-2021 Financial Statements were presented to the Audit Committee on November 16, 2021 in conjunction with the External Auditors Report in which Deloitte LLP provided an unqualified (clean) opinion and report.

The financial result for the 2020-2021 fiscal year of a \$19M deficit is consistent with the forecast last presented to Corporate Services in September 2021 (2020-2021 Financial Status Update #3) based on third quarter results wherein a deficit of \$22M was forecast.

The year end financial position enables the Board to meet its commitments and obligations for the 2021-2022 budget as per the most recent update presented at Corporate Services in October 2021 (2021-2022 Budget Update #2) inclusive of additional COVID and enrolment decline offsets/investments.

Lastly, the year end result achieves the objective of maximizing Ministry funding with respect to supplemental COVID related funding (both operational and potential reserve top-up funds) as discussed at the September and October 2021 Corporate Services meetings.

## **B. PURPOSE**

Consistent with legislation, policy and best practice the Audit Committee reviewed the 2020-2021 Audited Financial Statements on November 16, 2021 after which a motion was passed recommending approval by the Board of Trustees prior to submission to the Ministry of Education.

## **C. BACKGROUND**

1. Deloitte LLP audited the attached 2020-2021 Financial Statements based on the audit plan presented to the Audit Committee in September 2021.
2. The Auditors presented their findings and recommendations to the Audit Committee on November 16, 2021 citing an unqualified (clean) opinion.
3. The Board's Chief Financial Officer and Treasurer presented the overall financial results to the Audit Committee on November 16, 2021.

## **D. EVIDENCE/RESEARCH/ANALYSIS**

1. **The 2020-2021 operating deficit is \$19M.** This result is consistent with the year end forecast as provided to Corporate Services in September 2021 as part of the 2020-2021 Financial Update #3 (based on third quarter results). This result will enable to the Board to meet its planned budget obligations, commitments and investments in the 2021-2022 Revised Estimates.
2. **Liability protection is maintained.** As per the most recent Legal Claims Update (reviewed at the September 2021 Audit Committee meeting) the Board has accrued for potential legal claims and grievance settlements.
3. **School GSN budgets have been maintained.** Unspent 2020-2021 school block budgets have been carried forward to the 2021-2022 budget including any remaining Equity and Indigenous Education funds from previous years.
4. **Ministry funding has been maximized.** All COVID related funding for 2020-2021 has been fully utilized and the year end result ensures the Board will be entitled to further COVID related supplemental funding in 2021-2022.
5. **Enrolment risk has been mitigated.** Following discussion with the Auditors and Ministry the multi-year amortization of the Retirement Gratuity Liability (a fully funded Employee Future Benefit) was strategically accelerated from 5 years to 2 years in order to create capacity in the base operating budget (by freeing up future amortization payments) as a hedging measure against further potential enrolment decline in 2022-2023 and beyond. This strategy is necessitated by the depletion of the operating contingency reserve in the 2021-2022 budget due to significant COVID related financial impacts and provides protection against unfunded inflationary cost pressures in future budgets.

## **E. STAFF RECOMMENDATION**

That the Board of Trustees approve the 2020-2021 Financial Statements as recommended by the Audit Committee.