



REPORT TO

REGULAR BOARD

## 2014-2015 DRAFT AUDITED FINANCIAL STATEMENTS

*"A generous man will himself be blessed, for he shares his food with the poor."*  
Proverbs 22:9

Created, Draft	First Tabling	Review
November 12, 2015	November 19, 2015	<a href="#">Click here to enter a date</a>

D. Bilenduke, Senior Coordinator of Finance  
P. De Cock, Comptroller of Business Services & Finance

### 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 rooted in the love of Christ. We educate students to grow in grace and knowledge and to lead lives of faith, hope and charity.*



G. Poole  
Associate Director of Academic Affairs

A. Sangiorgio  
Associate Director of Planning and Facilities

Angela Gauthier  
Director of Education

## **A. EXECUTIVE SUMMARY**

This report provides the Board of Trustees with the 2014-15 Draft Audited Financial Statements for approval. The 2014-15 Financial Statements report an in-year Public Sector Accounting Board (PSAB) Surplus of \$22.6 million and an accumulated PSAB Surplus of \$145.3M.

The in-year operating deficit for Ministry reporting is (\$6.2) million and an accumulated deficit of (\$14.6) million. The actual financial results for 2014-15 is better than forecast by the amount of \$2.3M.

## **B. PURPOSE**

1. The attached draft financial statements for the fiscal year 2014-15 have been audited by KPMG following their Audit Plan presented to and approved by the Audit Committee during the meeting held on September 8<sup>th</sup> 2015.
2. The Auditors gave an in-depth presentation of their findings and fielded questions from the Audit Committee members at their meeting held on November 18<sup>th</sup> 2015.
3. Committee members were given the opportunity to question staff as well as the Auditors with and without staff present.

## **C. BACKGROUND**

1. Per Section 9 of Ontario Regulation 361(10), the Audit Committee reviews the draft annual financial statements before they are presented to Board of Trustees for approval.

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

1. The 2014-15 Draft Audited Financial Statements for the Toronto Catholic District School Board are attached to this report in Appendix C. The 2014-15 Draft Financial Statements report an in-year Public Sector Accounting Board (PSAB) surplus of \$22.6M and an accumulated surplus of \$145.3M. (Appendix A)

2. The in-year operating deficit for Ministry reporting purposes is (\$6.2) million resulting in an accumulated deficit of (\$14.6) million. The operating deficit for 2014-15 is \$2.3M less than forecast. An analysis of the PSAB surplus and the calculated Operating Deficit appears in Appendix B.
3. The operating deficit for 2014-15 is \$2.3M less than forecast as shown in the table below:

	Accumulated Deficit Balance at Sept. 1 2014	In-Year Deficit	Accumulated Deficit Balance at Sept. 1 2015
<b>2014-15 Revised Estimates</b>	<b>\$ (7,414,730)</b>	<b>\$ (9,459,761)</b>	<b>\$ (16,874,491)</b>
<b>2014-15 Actuals:</b>			
2014-15 Operating Deficit (before Prior Period Adjustment)	\$ (7,414,730)	\$ (7,159,418)	\$ (14,574,148)
Prior Period Adjustment	\$ (900,513)	\$ 900,513	\$ -
2014-15 Operating Deficit (Restated)	<b>\$ (8,315,243)</b>	<b>\$ (6,258,905)</b>	<b>\$ (14,574,148)</b>
<b>Difference</b>			<b>\$ (2,300,343)</b>

4. The Ministry of Education Financial Statements and Schedules (EFIS) for the 2014-15 fiscal year have been finalized and were submitted to the Ministry of Education on November 12<sup>th</sup> to meet the deadline in order to avoid a 50% monthly cash flow penalty. Any changes that may arise from Board of Trustees' approval of the financial statements will result in the resubmission of the EFIS financial statements and schedules without a cash flow penalty.
5. In consultation with Ministry of Education Finance staff, a prior period adjustment of \$900,513 was made to the Opening Accumulated Deficit balance to offset the funding committed for capital upgrades. This amount is internally reserved for the future amortization of Capital Upgrades to the Catholic Education Centre, i.e. Elevator Replacements. There is no net impact to the overall accumulated deficit balance at August 31<sup>st</sup> 2015.

## **E. STAFF RECOMMENDATION**

That the Board of Trustees approve the 2014-15 Audited Financial Statements as recommended by the Audit Committee.