



REPORT TO

REGULAR BOARD

## REVISED CRITERIA FOR NOT-FOR-PROFIT YOUTH SPORTS ORGANIZATIONS FEE REDUCTIONS

*“For my thoughts are not your thoughts, neither are your ways my ways,” declares the Lord. Isaiah 55:8 / NIV /*

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A. DiMondo, Senior Manager Community Use of Schools  
 M. Loberto, Senior Coordinator Development Services  
 M. Silva, Comptroller Planning and Development Services

### 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.*



R. McGuckin  
 Associate Director of Academic Affairs

A. Sangiorgio  
 Associate Director of Planning and Facilities

C. Jackson  
 Executive Superintendent of Business Services and Chief Financial Officer

Angela Gauthier  
 Director of Education

## **A. EXECUTIVE SUMMARY**

Arising from concerns received from not-for-profit youth sports group regarding the revised permit fee structure, on February 15, 2017, the Board approved criteria for eligible organizations who have claimed financial hardship to apply for a reduction in permit fees by submitting the documents outlined below:

- Copy of Letters Patent;
- Audited Fiscal Financial Statement;
- Affidavit from the Executive Director (or equivalent) confirming status as a not-for-profit organization;
- List of postal codes and age of participants; and
- Percentage of TCDSB students in the program

Since the approval of the permit fee reduction application process for Category B2 youth sport organizations, staff have received feedback regarding the onerous costs associated with securing audited financial statements in order to meet the Board approved criteria.

Following consultation with Business Services staff, it has been determined that a copy of the organization's most recent T2 Corporation Income Tax Return form supported by unaudited financial statements provides sufficient information to assist with the determination of eligibility for permit fee reductions. Furthermore, the criteria have also been revised to include the requirement of the organization's most recent Notice of Assessment.

As such, this report recommends that Category B2 youth sports organizations permit holders who have claimed financial hardship be invited to apply for a fee reduction as outlined in this report.

## **B. BACKGROUND**

1. On October 15, 2015, the Corporate Affairs, Strategic Planning, and Property Committee approved a new per-hour fee structure and rate schedule in order to fully recover the costs associated with permitting Board facilities. This new

rate structure replaces the former “per-use” rate structure, with the new rates applying to all permits occurring after May 1, 2016.

2. These changes were required due to the combination of the increased number of permit bookings and the fixed Ministry funding amount resulting in grants depleting sooner, reducing the amount of funding available to address increasing operational and maintenance costs.
3. Since its implementation in May 2016, new rates have been effective in successfully recovering costs associated with permitting out TCDSB facilities. However, the Community Use of Schools department has received complaints from 12 Category B2 not-for-profit youth sports organizations regarding the impact of the increased permit rates on their operations.
4. Given youth sports organizations positive effect on school communities, staff reviewed potential options to accommodate not-for-profit groups experiencing financial duress. On February 15, 2017, The Corporate Services, Strategic Planning, and Property Committee approve a fee reduction application process for impacted permit holders, which included the requirement for audited fiscal financial statements.
5. Since the approval of these fee reduction requirements, staff have received a number of complaints regarding the costs associated with providing audited financial statements to be eligible for a fee reduction.

## **C. EVIDENCE/RESEARCH/ANALYSIS**

1. Based on discussion with representatives of not-profit sports organizations, the average cost of an audited financial statements is approximately \$5,000, which is cost prohibitive for these groups, and impacts their ability to deliver services.
2. Upon further investigation and consultation with the Finance department, it has been determined that a copy of the organization’s most recent T2 Corporation Income Tax Return form supported by unaudited financial statements provides sufficient information to assist with the determination of eligibility for permit fee reductions.

This would replace the need for audited financial statements, and does not create an undue burden on the organizations, as the T2 is a requirement of their annual income tax filing.

3. In addition, the organization's most recent Notice of Assessment will also be required to be submitted as part of the application for permit fee reductions.
4. The TCDSB fee reduction form approved by Board on February 15, 2017 will now require the following mandatory documents in order to be eligible for fee reduction (Appendix 'A'):
  - Copy of Letters Patent;
  - **T2 Return Form and Unaudited Financial Statement;**
  - **Notice of Assessment;**
  - Affidavit from the Executive Director (or equivalent) confirming status as a not-for-profit organization;
  - List of postal codes and age of participants; and
  - Percentage of TCDSB students in the program.
5. Once completed, the form will be submitted to the attention of the Community Use of Schools department, who will review the documents in collaboration with Business Services for eligibility.
6. Permit holders eligible for fee reduction will receive a rebate in the form of a credit for Permits booked on, and after January 1, 2017. This rebate can be used for any future permit needs at their newly assigned rate. This fee reduction must be requested annually.

## **B. STAFF RECOMMENDATION**

That Category B2 youth sports organizations Permit holders who have claimed financial hardship be invited to apply for a fee reduction as outlined in this report.