



Audit Committee Agenda

AC:001A

Monday, December 7, 2020

4:00 p.m.

Electronic Meeting

Trustee Members

Michelle Aarts, James Li, Robin Pilkey, David Smith

External Members

Mark Hughes, Ian MacKay, Mary Preece

Pages

1. **Call to Order and Acknowledgement of Traditional Lands**
2. **Declarations of Possible Conflict of Interest**
3. **Election of Committee Chair**
4. **Approval of the Agenda**
5. **Approval of Meeting Minutes of September 21, 2020** 1
6. **Delegations**
To be presented
7. **Staff Update**
 - 7.1. **Proposed Audit Committee Meeting Dates for Calendar 2021 [3984]** 7
8. **Annual Reports**
 - 8.1. **Fiscal Year 2019-20 Audited Financial Statements [3985]** 9

9.	Management Updates	
9.1.	School Re-Opening: Infection Prevention and Control Measures [3986]	91
10.	TDSB Internal Audit	
10.1.	Internal Audit Department Status and Engagement Update [3988]	105
11.	Regional Internal Audit Team: Engagement Status Update [3989]	111
12.	Audit Committee O. Reg 361/10 Requirements - Work Tracker [3990]	115
13.	Update on External Member Recruitment	
	Oral Update	
14.	Update on COVID-19 Related Training	
	Oral Update	
15.	Private Matters	
	Separate Document (AC:001B)	
16.	Adjournment	

Regular Meeting October 21, 2020	Page 1	Board Services Agenda Record AC:029A Agenda Item 4.
-------------------------------------	------------------	--

Audit Committee

Draft Minutes

21 September 2020

An electronic meeting of the Audit Committee was convened at 4:10 p.m. on Monday, 21 September 2020, with James Li presiding.

The following committee members were present: Trustees James Li (Chair), Michelle Aarts, Chris Mammolitti, and Robin Pilkey.

The following external members were present: Mark Hughes, Ian MacKay, and Mary Preece

The following individuals were present in the audience: Daniel Nortes, Craig Snider, Mun Shu Wong, Tyler Raponi, Elsie Ikhariale, Wasif Hussain, Estamir Hernandez, Rita Simmons, Rosalee Bender, Leola Pan, Peter Chang, Paula Hatt, Sandy Spyropoulos, Kathy Witherow, Marla Fowler, Manon Gardner, Andrew Gold, Marisa Chiu, Uton Robinson, Carlene Jackson, Alexander Brown, Trixie Doyle

1. Approval of the Agenda

With the permission of the meeting and on motion of Trustee Aarts & 2nd by Mark Hughes the agenda was amended to include an item – Election of the Committee Chair

The motion was carried

Trustee Pilkey moved & 2nd by Mark Hughes: **That the amended agenda be approved**

The motion was carried.

2. Declarations of Possible Conflict of Interest

No conflicts were declared.

3. Chairs Update

With the Chair remarked that two of the current Trustee members are coming up for renewal, and appointment to the committee. The Chair also indicated that training is currently being planned for members in the fall. The Chair also extended a welcome to Mary Preece as this meeting marked her first as a member of the Audit Committee.

4. Election of the Chair

Trustee Pilkey moved & 2nd by Ian Mackay that James Li remain as Chair of the Audit Committee until the Organizational Meeting of the Board on November 16, 2020

The motion was carried.

5. Approval of Meeting Minutes

Regular Meeting October 21, 2020	Page 2	Board Services Agenda Record AC:029A Agenda Item 4.
-------------------------------------	------------------	--

Ian Mackay moved & 2nd by Mary Preece approval of the meeting minutes of **June 22, 2020**
The motion was carried.

6. Annual Audit Committee Report to the Board of Trustees and Ministry of Education as per Ontario Regulation 361/10 and Committee Self-Assessment [3949]

The Committee considered a report from staff (see AC:054A, page 7) presenting an update on the Annual Audit Committee Report per Ontario Regulation 361/10 and Committee Self-Assessment. This item was presented to the committee by the following staff: Wasif Hussain. The Committee heard and discussed:

- A question to staff was asked about the implications of an excursion form being returned mean in terms of risk. Staff remarked that an electronic approval process has been launched to capture the paperwork associated with excursions. Staff indicated that previously such a process was not possible.

Trustee Aarts moved & 2nd by Mark Hughes: **That the Annual Audit Committee Report to the Board of Trustees and Ministry of Education as per Ontario Regulation 361/10, 2019-20 be received.**

The motion was carried.

7. Annual Educational Partnership Update [3951]

The Committee considered a report from staff (see AC:054A, page 25) presenting a status update on Education Partnerships. This item was presented to the committee by the following staff: Uton Robinson & Rosalee Bender. The Committee heard and discussed:

- A question was asked about the approach and methodology taken to secure data associated with partnership participants. In response staff indicated that the privacy, cyber safety, and legal departments have all been consulted in developing associated processes that are being followed. A secure link and parent/guardian consent is required prior to engaging.
- Committee asked about what process there is for the review by the school prior to an engagement. Staff indicated that as these are approved providers via the TDSB partnership office, that there is no direct requirement currently needed to seek further approval - decision making is at the school level.

Trustee Pilkey moved & 2nd by Trustee Aarts: **That the presentation of the TDSB Educational Programming Partnerships be received.**

The motion was carried.

8. External Audit Committee Member: Recruitment [3954]

Regular Meeting October 21, 2020	Page 3	Board Services Agenda Record AC:029A Agenda Item 4.
-------------------------------------	------------------	--

The Committee considered a report from staff (see AC:054A, page 45) presenting the Audit Committee external member recruitment. This item was presented to the committee by the following staff: Craig Snider. The Committee heard and discussed:

- There was no direct discussion of this item.

Mary Preece moved & 2nd by Trustee Aarts; **That the Board approve the recruitment of an external member to the Audit Committee for a three-year term beginning 31 January 2021.**

The motion was carried.

9. Annual Compliance Program Update [3950]

The Committee considered a report from staff (see AC:054A, page 47) presenting a status update on the Audit Compliance Program. This item was presented to the committee by the following staff: Kathy Witherow, Andrew Gold, and Rita Simmons. The Committee heard and discussed:

- Staff were asked to outline what happens when an employee simply does not complete their compliance training. In response staff remarked that the biggest challenge is with casual workers as opposed to the permanent workforce. It was further remarked that until all mandatory training is completed – the employee cannot work.
- A question was asked as to whether the employee participation rate; year over year has increased. Staff stated that the rate has increased year over year. It was indicated that follow-up efforts have made a large difference. The new learning management system has taken out the manual process for supervisory staff to follow-up with their staff, further supporting compliance efforts.
- The committee asked what they would attribute the categories where permanent staff compliance is below 70%. Staff remarked that part of the explanation relates to in person training that is carried out; but the employee following the training neglects to affirm they have completed it. This is then reported as non-compliance.
- The committee asked if COVID training compliance is also being measured. Staff responded and confirmed that COVID training is also being tracked for compliance.

Ian MacKay moved & 2nd by Mark Hughes; **That the Annual Compliance Program update be received.**

AND

Ian MacKay moved & 2nd by Trustee Aarts; **That enforcement of strict compliance measures be followed as it relates to COVID-19 compliance training requirements.**

The motion was carried.

Regular Meeting October 21, 2020	Page 4	Board Services Agenda Record AC:029A Agenda Item 4.
-------------------------------------	------------------	--

10. Annual Whistleblower Update [3953]

The Committee considered a report from staff (see AC:054A, page 65) presenting the TDSB Whistleblower Program. This item was presented to the committee by the following staff: Andrew Gold & Marla Fowler. The Committee heard and discussed:

- The committee asked for staff to comment on how the public is informed about the whistleblower hotline. Staff indicated that the link to the hotline has been moved to the public website landing page.
- A question was asked about whether other boards have a whistleblower policy and how do our numbers compare. Staff indicated that other boards do have a process in place, but staff were unable to comment about the specifics of their systems or how TDSB numbers compare to other school boards.
- The committee asked if staff would undertake in future reports to present substantiated cases as a percentage. Staff agreed to do this in future reports.
- The committee remarked that it seems that a significant amount of cases are partially substantiated or not substantiated. Staff indicated that in cases where substantiation cannot be established it is because the complainant has not provided adequate information. Follow-up for more information takes place if the whistleblower provides a method to contact them.

Ian MacKay moved & 2nd by Mark Hughes; **That the presentation of the TDSB Whistleblower Program be received**

The motion was carried.

11. Internal Audit Department and Engagement Status Update [3947]

The Committee heard an update from staff (see AC:054A, page 111 on the Internal Audit Department and Engagement Status. This item was presented to the committee by the following staff: Wasif Hussain. The Committee heard and discussed:

- Staff were asked if the value for money audit was on track for reporting to the committee at its December meeting. In response staff indicated that management will be providing the committee with an update at the December meeting.
- A comment was made as to the material value of further p-card audits given the small dollar value associated with purchasing cards.

Ian MacKay moved & 2nd by Mark Hughes; **That the Internal Audit Department and Engagement Status Update, September 2020 be received.**

The motion was carried.

Regular Meeting October 21, 2020	Page 5	Board Services Agenda Record AC:029A Agenda Item 4.
-------------------------------------	------------------	--

12. Regional Internal Audit Team (RIAT) Update [3940]

The Committee considered a report from staff (see AC:054A, page 125 on the Regional Internal Audit Team. This item was presented to the committee by the following staff: Paula Hatt. The Committee heard and discussed:

- The committee asked whether the TCDSB had responded yet about the transportation audit. Staff indicated that to date there had not yet been a response received. With respect to scope of the audit, staff indicated that efforts continue to follow up with the TCDSB.

Mary Preece moved & 2nd by Mark Hughes; **That the Regional Internal Audit Team (RIAT) Engagement and Status Update be received.**

The motion was carried.

13. Audit Committee O. Reg 361/10 Requirements – Work Tracker [3948]

The Committee considered a report (see AC:054A, page 129) presenting the work tracker checklist of the O. Reg 361/10 requirements; to assist with the planning of Audit Committee activities and meeting agendas. This item was presented to the committee by the following staff: Wasif Hussain. The Committee heard and discussed:

- There was no direct discussion of this matter

Ian MacKay moved & 2nd by Mark Hughes: **That the Audit Committee RECOMMENDS that the Audit Committee O.Reg 361/10 Requirements – Work Tracker report be received.**

The motion was carried.

14. Consideration of Private Items

At 6:21 p.m. Trustee Aarts moved & 2nd by Trustee Pilkey: **That the meeting be moved into PRIVATE.**

The motion was carried.

James Li
Chair

Agenda Page 6

Regular Meeting October 21, 2020	Page 6	Board Services Agenda Record AC:029A Agenda Item 4.
-------------------------------------	------------------	--

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Proposed Audit Committee Meeting Dates for Calendar 2021

To: Audit Committee

Date: 7 December, 2020

Report No.: 11-20-3984

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the Proposed Audit Committee Meeting Dates for Calendar 2021 be received.

Context

O.Reg 361/10 requires that Audit Committees meet a minimum of three times every school year. In the December meeting, Management proposes meeting dates for the following calendar year for Committee receipt and consideration. Once dates are agreed upon, the meetings are scheduled with TDSB Board Services.

The proposed meeting dates for calendar 2021 are:

- 2020-2021 School Year: Monday March 22 and Monday June 21, 2021.
- For the remainder of calendar 2021: Monday September 20 and Monday December 13, 2021.

Action Plan and Associated Timeline

For reporting purposes only.

Resource Implications

No internal resource implications.

Communications Considerations

Included in public Audit Committee minutes.

Board Policy and Procedure Reference(s)

O.Reg 361/10 is applicable.

From

Wasif Hussain, Internal Audit Manager, at wasif.hussain@tdsb.on.ca or 416-393-0491.



Fiscal Year 2019-20 Audited Financial Statements

To: Audit Committee

Date: 7 December, 2020

Report No.: 11-20-3985

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs
- Provide Equity of Access to Learning Opportunities for All Students
- Create a Culture for Student and Staff Well-Being
- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

Recommendation

It is recommended that the:

- audited consolidated financial statements of the Toronto District School Board for the fiscal year ending 31 August 2020 be approved;
- audited financial statements of the Trust Funds for the fiscal year ending 31 August 2020 be approved; and,
- internally restricted funds be applied as reported in Appendix B, be approved.

Context

The Education Act requires an annual audit of school boards' financial statements by an independent external auditor appointed by the Board. Deloitte LLP was appointed as the Toronto District School Board's (TDSB) external auditor for the 2019-20 financial statements audit. The financial statements are to be submitted to the Ministry after Board approval on 9 December 2020.

The attached financial statements are presented in draft format, pending legal and subsequent event confirmation up to the date of Board approval. The legal letter confirmation is expected to be received within five days of Board approval of the

financial statements. Once the draft financial statements are approved by Board, they will be published in final format.

The 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.

Significant accounting policies, information on specific assets, liabilities, other required statutory information and disclosures are outlined in the notes to the financial statements.

The financial results of the TDSB's operations for the year ended 31 August 2020 are presented in the audited consolidated financial statements in Appendix D.

Below is a summary of significant matters relating to the financial statements and results of operations for the 2019-20 fiscal year:

The Auditor's Report – Year End

Consistent with the past two years, Deloitte LLP has provided an unqualified opinion on the TDSB consolidated audited financial statements, which means that the financial statements are prepared in all material respects, in accordance with the basis of accounting described in Note 1(a) of the consolidated financial statements.

Also consistent with prior years, Deloitte LLP has provided a qualified opinion on the Trust funds financial statements, due to the scope limitation around verifying the completeness of revenues from contributions and donations. This opinion is common with many not-for-profit organizations.

Statement of Operations and Year End Position 2019-20

A summarized Consolidated Statement of Operations for the fiscal year ending 31 August 2020 is provided below. Due to accounting reporting requirements, the budget amounts represent the initial budget approved by the Board. This statement summarizes the main revenue and expense classifications of the Board.

Agenda Page 11
Statement of Operations

(\$ 000's)	2019-20 Budget (\$)	2019-20 Actuals (\$)	2018-19 Actuals (\$)
Revenue			
Grants for Student Needs	2,908,146	2,907,545	3,008,224
Other Provincial Grants	41,002	48,646	60,904
Federal Grants and Fees	22,000	19,900	21,911
Other Fees and Revenues	106,125	93,236	117,990
School Fundraising	40,000	24,018	44,115
Amortization of Deferred Capital Contributions	209,409	221,175	189,800
	3,326,682	3,314,520	3,442,944
Expenses			
Instruction	2,559,028	2,511,763	2,616,891
Administration	81,116	86,454	83,812
Transportation	67,282	62,577	67,950
School Operations and Maintenance	319,806	315,819	321,211
Pupil Accommodation	251,516	287,551	264,742
Other Programs	6,625	3,050	5,973
School Funded Activities	40,000	21,138	42,883
	3,325,372	3,288,352	3,403,462
Annual Surplus (Deficit)	1,311	26,168	39,482

As of 31 August 2020, the TDSB had an operating surplus of \$26.2M under PSAB accounting standards.

After appropriating funds to internally restricted reserves and reserves required for compliance purposes, the Board's net position is an operating deficit of \$12.5M offset by use of working fund reserves. This leaves the TDSB with a working fund reserve of \$16.8M to be applied to offset expenditures in the 2020-21 budget, and any unanticipated cost pressures the Board may experience.

Agenda Page 12
2019-20 Year End Position (in \$millions)

	Balance August 31, 2019	In Year Changes	Balance August 31, 2020
Working Funds	\$29.3	\$(12.5)	\$16.8
Internally Appropriated Funds	147.8	12.1	159.9
Restricted Funds Unavailable for Compliance	(178.7)	26.6	(152.1)
Total Accumulated Surplus/ (Deficit)	\$(1.6)	26.2	24.6

Working funds: \$16.8M

Working funds are unrestricted and are available for the Board to use when required. The Board's 2019-20 operating results include an in-year deficit of \$12.5M. Details are explained in Appendix A. The final accumulated surplus at year end is a surplus of \$16.8M.

Internally appropriated funds: \$159.9M

Internally appropriated funds for the Board traditionally include benefit funds set aside to support the employee benefit plan liabilities; unspent balances of school budgets; artificial turf fund; sinking fund interest and the environmental legacy fund. Details of the internally appropriated funds are outlined in Appendix B.

Restricted Funds: (\$152.1M)

Restricted funds unavailable for compliance include the amount of employee future benefit liabilities; school generated funds; and the revenue received specifically for land transactions. Detailed descriptions can be found in Appendix B.

Trust Financial Statements

The Trust financial statements (Appendix F) reflect funds contributed in trust as well as income earned on those funds. These amounts are used to provide scholarships for eligible students or to provide support for expenditures for specifically designated purposes.

Action Plan and Associated Timeline

Not applicable.

Resource Implications

Not applicable.

Communications Considerations

Once approved by the Board, the 2019-20 audited consolidated financial statements will be posted on the TDSB's external website.

Board Policy and Procedure Reference(s)

Not applicable.

Appendices

- Appendix A: Details of Working Funds Variances
- Appendix B: Details of the Accumulated Surplus/Deficit
- Appendix C: Details of Capital Expenditures
- Appendix D: Draft Financial Statements 2019-20
- Appendix E: TDSB Year End Communication
- Appendix F: Draft Trust Fund Financial Statements 2019-20

From

Craig Snider, Interim Associate Director, Business Operations and Service Excellence at craig.snider@tdsb.on.ca, or at 416-395-8469.

Marisa Chiu, Interim Executive Officer, Finance at marisa.chiu@tdsb.on.ca at 416-395-3563.

Sabrina Wang, Comptroller of Budget & Financial Reporting at sabrina.wang@tdsb.on.ca at 416-395-3562.

APPENDIX A

2019-20 Year End Financial Position and Working Fund Balance			
(\$ Millions)			
Type	Description	Amount	Comments
		\$	
Budgeted In-Year Operating Result - Surplus/(Deficit)		(27.4)	Per 2019-20 1st Quarter Interim Report (Jan 22, 2020 FBEC)
Grant Increases/(Decreases):			
	Grants for Student Needs (GSN) increase	12.6	\$6M increase in GSN due to higher e-learning enrolment and \$6.6M increase due to higher teacher qualification and experience (Q&E).
	Transportation grant reduction	(1.5)	Transportation grant reduction due to school closures.
	Subtotal	11.1	
Labour-Related Savings/(Costs):			
	School-based staff	15.0	Savings in school-based support staff costs as a result of delays in hiring due to pandemic and lower supply costs.
	Supply teachers	13.7	Savings in supply teacher costs due to COVID-19 related school closures.
	Principals/Vice principals	(2.3)	Cost higher than budget. Includes \$2.2M in Principal/VP overtime payments.
	Teachers	(5.4)	Higher teacher cost due to e-learning enrolment and teacher Q&E.
	Central department	4.6	Net savings in Central departments due to timing differences in filling positions.
	Facilities Services	2.3	Net savings in Facilities department due to timing differences in filling positions.
	Maintenance trades	(1.2)	Maintenance costs were higher than budgeted.
	Future employment benefit	(2.0)	Expenses higher than anticipated due to lower discount rate in actuarial valuation.
	Subtotal	24.7	
Savings/(Costs) from Changes in Revenues and Expenses:			
	Student Success funding	1.9	Grant utilized to support Outdoor Education.
	International student	(1.5)	Net revenue decreased due to enrolment impact from the pandemic.
	Nutrition services	(0.7)	Net revenue decreased due to pandemic and cafeteria closures.
	Transportation	4.3	Transportation contract cost savings due to COVID-19 related school closures.
	Renewal project	(10.3)	Overspending resulting from suspension of construction projects due to pandemic. Pending Ministry approval to use Proceeds of Disposition to offset these costs.
	Extended day program	(0.4)	Additional program deficit due to low enrolment resulting from the pandemic. Total operating deficit \$1.2M. City of Toronto mandated closure and extended closure funding to be received in 2020-21 to address 2019-20 deficit.
	Facilities revenue reduction	(6.9)	Revenues from permits, pools, parks & recreation decreased due to the pandemic.
	Utilities	13.9	Savings in utilities and Facilities operating costs due to systemwide shut down.
	Maintenance	(7.3)	Maintenance costs could not be charged to renewal projects.
	Interest income	(1.7)	Interest income less than budgeted due to declining interest rate.
	Covid-19 related costs	(10.3)	IT costs of \$7.4M to support virtual school and \$2.9M in PPE supplies costs not budgeted.
	Targeted in-year savings	(1.9)	In-year savings of \$9.2M was not achieved.
	Subtotal	(20.9)	
	Variances to Budget total	14.9	
	Actual in-year operating result	(12.5)	
	Prior Year Working Fund Balance as at Aug 31, 2019	29.3	
	Working Fund Balance as at Aug 31, 2020	16.8	

APPENDIX B

**TORONTO DISTRICT SCHOOL BOARD
DETAILS OF ACCUMULATED SURPLUS/(DEFICIT)
As at August 31, 2020**

	2020	2019
OPERATING FUNDS		
This represents the Boards accumulated unrestricted working funds Reserve	\$ 16.8 M	\$ 29.3 M
INTERNALLY APPROPRIATED FUNDS		
Benefit Funds on Deposit		
The Board maintains funds to support the liabilities of the employee benefit plans including health, dental, group life and long term disability plans. The funds on deposit are held to secure the estimated liabilities.	\$ 106.2 M	\$ 105.6 M
School Supports		
This reserve represents the unspent balance of school support funds including regular day school and other unspent IT projects due to timing	\$ 34.9 M	\$ 21.5 M
Environmental Legacy Fund		
This reserve represents restricted funds the Board received from Carbon Credit payments.	\$ 2.7 M	\$ 2.9 M
Artificial Turf Fund		
Permit revenue from artificial turf field reserved for future replacement cost.	\$ 0.4 M	\$ 0.7 M
Sinking Fund Interest		
Interest income on sinking fund debenture, which is restricted to offset either future interest losses and amortization of unsupported assets.	\$ 15.7 M	\$ 17.1 M
	<u>\$ 159.9 M</u>	<u>\$ 147.8 M</u>
RESTRICTED FUNDS UNAVAILABLE FOR COMPLIANCE		
Accrued Interest		
The interest accrual represents the portion of interest expense incurred but not paid as of August 31 st .	\$ (4.8) M	\$ (5.1) M
Future Employee Benefits		
Future Employee Benefits represents the provision for unfunded liabilities associated with employee benefits that accrue during the working lives of staff, and the post-retirement benefits.	\$ (280.5) M	\$ (303.9) M
School Generated Non-Public Funds		
This represents the amount of non-public funds held by both the schools and school councils as of August 31 st .	\$ 23.5 M	\$ 20.6 M
Revenue recognized for land		
This represents the revenue recognized for transactions related to land. This amount is restricted for compliance purposes.	\$ 110.7 M	\$ 110.7 M
Liability for Contaminated Sites		
This represents an estimated liability for contaminations at two sites. (2014-15 liability has been re-stated).	\$ (1.0) M	\$ (1.0) M
Total	<u>\$ (152.1) M</u>	<u>\$ (178.7) M</u>
Grand Total	<u>\$ 24.6 M</u>	<u>\$ (1.6) M</u>

APPENDIX C
TORONTO DISTRICT SCHOOL BOARD
CAPITAL REVENUE & EXPENDITURES
(In Thousands)

	2019-20	2018-19
Capital Surplus/(Deficit)_ Opening Balance (A)	147,074	88,061
Capital Revenue and Grants		
Ministry Capital Funding (Note 1)	179,264	306,265
Net Proceeds of Disposition (POD)	44,785	77,828
Other 3rd Party Funding	33,779	26,259
Total Capital Revenue and Grants (B)	257,828	410,351
Capital Expenditures		
Ministry Funded Projects (C)	179,264	306,265
Full Day Learning (FDK)	690	1,685
School Conditions Improvement (SCI)	153,983	235,086
Green Gas Reduction Funding (GGRF)	-	9,459
Capital Priority Grant	22,763	49,816
Temporary Accommodation	779	1,066
Childcare Capital	1,049	2,052
Community Hub	0	7,100
POD funded Projects (D)	14,369	18,815
School Facilities Revitalization Master Plan (SFRMP)	-	13
Site Preparation for Disposition, Land Acquisition & Other	39	8
Portable Move/Program Accom./Emerg. Renewal (CAT)	3,586	6,686
Facility Renewal Projects & ARC Projects	4,130	6,474
Pupil Accommodation for FDK	460	-
Major Capital Projects - Board Portion (Note 2)	6,154	5,634
Other 3rd Party Funded Projects (E)	33,779	26,259
Leased Premises Renewal	1,320	1,342
Railway Lands (Block 31) - New School	3,509	8,627
Site Funded Improvements	4,383	3,933
City Child Care	551	6,539
Section 37 & Other	24,016	5,818
Total Capital Expenditures (F=C+D+E)	227,411	351,339
In- Year Net Capital Surplus/(Deficit) (G=B-F)	30,417	59,013
Capital Surplus/(Deficit) (H=A+G)	177,491	147,074

Note 1: Ministry capital funding revenue recognition aligns with the actual in-year expenditures and doesn't represent total funding announced. Please see in-year Ministry funding announcement

School Conditions Improvement (SCI)	244,765	227,107
Green Gas Reduction Funding (GGRF)	-	-
Capital Priority & Child Care Capital Grant/EarlyON	13,930	3,747
Temporary Accommodation	673	870
Total Ministry Funding Announced_In Year	259,369	231,724

Note 2: Major Capital projects funded by POD

George Webster ES - New School	494	912
Avondale - New School	603	4,712
Alvin Curling, Lawrence Midland & Other	5,057	10
Total	6,154	5,634

Consolidated financial statements of Toronto District School Board

August 31, 2020

Management Report	1
Independent Auditor's Report	2-3
Consolidated statement of financial position	4
Consolidated statement of operations	5
Consolidated statement of change in net debt	6
Consolidated statement of cash flows	7
Notes to the consolidated financial statements	8-28

Management Report

Year ended August 31, 2020

Re: Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Toronto District School Board (the "Board") are the responsibility of the Board's 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(a) 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 management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to recommending approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Board of Trustees. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

[DATE]

Dr. Kathy Witherow
Interim Director of Education

Craig Snider
Interim Associate Director,
Business Operations and Service Excellence

Independent Auditor's Report

To the Board of Trustees of
Toronto District School Board

Opinion

We have audited the consolidated financial statements of Toronto District School Board (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2020, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements of the Board for the year ended August 31, 2020 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1(a) to the consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) of the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 1(a) 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.

In preparing the consolidated financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Board to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Licensed Public Accountants

[DATE]

Toronto District School Board

Consolidated statement of financial position

As at August 31, 2020

(In thousands of dollars)

	Notes	2020 \$	2019 \$
Financial assets			
Cash	1(i)	391,085	125,195
Temporary investments		731	204,517
Due from City of Toronto	3	667,700	228,362
Accounts receivable (net of allowance of \$6,058 (\$6,087 in 2019))		28,028	42,192
Accounts receivable - Province of Ontario	2	578,903	589,836
Funds on deposit	5(f)	107,087	106,506
Properties held for sale	6	3,009	11,303
Restricted cash	18	111	2,589
		1,776,654	1,310,500
Liabilities			
Short-term borrowing	7	150,000	185,000
Accounts payable and accrued liabilities		252,504	286,336
Due to Province of Ontario	4	553,435	30,909
Accrued vacation pay		19,029	15,128
Deferred revenue	8	232,791	219,769
Deferred capital contributions	9	2,492,990	2,472,629
Retirement and other employee future benefits payable	5	334,338	339,874
Net long-term debt	10	362,127	381,818
		4,397,214	3,931,463
Net debt		(2,620,560)	(2,620,963)
Non-financial assets			
Tangible capital assets	11	2,619,414	2,600,442
Prepaid expenses and supplies		25,712	18,919
		2,645,126	2,619,361
Accumulated surplus (deficit)	12	24,566	(1,602)

The accompanying notes are an integral part of the consolidated financial statement.

Approved by the Board

_____, Interim Director of Education

_____, Chair of the Board

Toronto District School Board
Consolidated statement of operations

Year ended August 31, 2020
(In thousands of dollars)

	Notes	Budget \$	2020 \$	2019 \$
Revenue				
Provincial grants				
Grants for student needs	16	2,908,146	2,907,545	3,008,224
Other		41,002	48,646	60,904
Federal grants and fees		22,000	19,900	21,911
Other fees and revenues		106,125	93,236	117,990
School fundraising		40,000	24,018	44,115
Amortization of deferred capital contributions	9	209,409	221,175	189,800
		3,326,682	3,314,520	3,442,944
Expenses				
Instruction	15	2,559,028	2,511,763	2,616,891
Administration		81,116	86,454	83,812
Transportation		67,281	62,577	67,950
School operations and maintenance		319,806	315,819	321,211
Pupil accommodation		251,516	287,551	264,742
Other programs		6,625	3,050	5,973
School funded activities		40,000	21,138	42,883
		3,325,372	3,288,352	3,403,462
Annual surplus		1,311	26,168	39,482
Accumulated deficit, beginning of year		(14,577)	(1,602)	(41,084)
Accumulated surplus (deficit), end of year		(13,266)	24,566	(1,602)

The accompanying notes are an integral part of the consolidated financial statement.

Toronto District School Board

Consolidated statement of change in net debt

Year ended August 31, 2020

(In thousands of dollars)

	Notes	2020 \$	2019 \$
Annual surplus		26,168	39,482
Acquisition of tangible capital assets	11	(242,995)	(370,265)
Amortization of tangible capital assets	11	222,602	191,227
Net book value of tangible capital asset disposals	11	1,421	16,513
Net book value of tangible capital assets reclassified as properties held for sale during the year	6	—	7,420
		7,196	(115,623)
Acquisition of inventories of supplies		(10,936)	(9,420)
Acquisition of prepaid expenses		(13,575)	(16,038)
Consumption of inventories of supplies		9,371	9,103
Use of prepaid expenses		8,347	7,433
Change in net debt		403	(124,545)
Net debt, beginning of year		(2,620,963)	(2,496,418)
Net debt, end of year		(2,620,560)	(2,620,963)

The accompanying notes are an integral part of the consolidated financial statement.

Toronto District School Board

Consolidated statement of cash flows

Year ended August 31, 2020

(In thousands of dollars)

	Notes	2020 \$	2019 \$
Operating activities			
Annual surplus		26,168	39,482
Items not involving cash			
Amortization	11	222,602	191,227
Net book value of tangible capital assets reclassified as properties held for sale during the year (excluding land)	6	—	(7,364)
Disposal of properties held for sale	6	8,294	1,869
Deferred capital contributions recognized	9	(221,175)	(189,800)
Changes in non-cash assets and liabilities			
Due from City of Toronto		(439,338)	(2,022)
Accounts receivable		14,164	(16,202)
Accounts receivable - Province of Ontario			
Operating		(91,447)	(38,354)
Prepaid expenses and supplies		(6,793)	(8,922)
Accounts payable and accrued liabilities and accrued vacation pay		(29,931)	(609)
Due to Province of Ontario		522,526	(9,427)
Deferred revenues - Operating		(2,935)	(3,044)
Retirement and other employee future benefits payable		(5,536)	(7,963)
		(3,401)	(51,129)
Capital activity			
Acquisition of tangible capital assets	11	(242,995)	(370,265)
Investing activities			
Temporary investments		203,786	11,242
Funds on deposit		(581)	(4,261)
		203,205	6,981
Financing activities			
Capital grant contributions	9	242,957	349,384
Deferred revenue - Capital		15,957	53,640
Accounts receivable - Province of Ontario Capital		102,380	52,206
Short-term borrowing - net		(35,000)	35,000
Long-term debt repayments		(19,691)	(18,797)
Decrease in restricted cash	18	2,478	6,394
		309,081	477,827
Net increase in cash		265,890	63,414
Cash, beginning of year		125,195	61,781
Cash, end of year		391,085	125,195

The accompanying notes are an integral part of the consolidated financial statement.

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

1. Significant accounting policies

The consolidated financial statements are the representations of management and are prepared in accordance with the basis of accounting as described in Note 1(a) below.

Significant accounting policies adopted are as follows:

(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 consolidated statement of operations over the periods during which the tangible capital asset is used to provide service at the same rate that amortization is recognized in respect of the related tangible capital 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 Ontario Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which require that:

- Government transfers, including amounts previously recognized as tax revenue, 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 Canadian public sector accounting standard PS 3410; and
- 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 Canadian public sector accounting standard PS 3100.

As a result, revenue recognized in the consolidated statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

(b) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity includes all organizations which are controlled by the Toronto District School Board (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 included in the consolidated financial statements.

Toronto District School Board
Notes to the consolidated financial statements

August 31, 2020

(Tabular amounts in thousands of dollars)

1. Significant accounting policies (continued)

(b) Reporting entity (continued)

The Board established the Toronto Lands Corporation ("TLC") in 2008, a wholly owned subsidiary. Its mandate is to manage designated real estate holdings of the Board to maximize rental income and dispose of surplus sites. This entity which is controlled by the Board is included in the consolidated financial statements.

The Board is a unit owner in Toronto Standard Condominium Corporation No. 2234, which was established for the management of common elements (consisting of the separation walls, sprinkler system, and fire alarm system) of the property located at 840 Coxwell and 555 Mortimer Avenues, which is jointly owned by the Board and Toronto East Health Network. The Board's share of activities relating to this entity is included in the consolidated financial statements.

All inter-departmental and inter-entity transactions and balances between these organizations are eliminated on consolidation.

(c) Trust funds

Trust funds and their related operations administered by the Board amounting to \$12.90 million (\$12.90 million in 2019) are not included in the consolidated financial statements.

(d) 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 will be recognized as revenue in the fiscal year the related qualifying expenditures are incurred or services are performed.

(e) 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 for use in providing services, is recognized as deferred capital contributions as defined in Ontario Regulation 395/11 of the Financial Administration Act. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

- Government transfers received or receivable for capital purposes;
- Other restricted contributions received or receivable for capital purposes; and
- Amounts previously recognized as property taxation revenues which were historically used to fund capital assets.

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

1. Significant accounting policies (continued)

(f) Retirement and other employee future benefits

Employee life and health trusts

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, a number of Employee Life and Health Trusts (ELHTs) were established: The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), and other school board staff starting with a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario.

The Board's employees belong to the following Union groups ELHTs:

- Elementary Teachers' Federation of Ontario (ETFO);
- Ontario Secondary School Teachers' Federation (OSSTF);
- OSSTF Education Workers (OSSTF EW);
- Canadian Union of Public Employees (CUPE);
- Ontario Council of Education Workers (OCEW) (which includes Maintenance & Construction Skilled Trades Council (MCSTC));
- non-unionized employees; and
- Principals and Vice Principals.

The Board is no longer responsible to provide certain benefits to employees who are part of the ELHTs as of June 1, 2018.

Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. School boards are required to remit the negotiated amount per full-time equivalency (FTE) on a monthly basis.

Depending on prior arrangement and the employee group, the Board provides health, dental and life insurance benefits for retired individual and continues to have a liability for payment of benefits for those who are on long-term disability and for some who are retired under these plans.

Defined retirement and other future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, health, sick leave credit gratuity, workers' compensation and long-term disability benefits.

Toronto District School Board
Notes to the consolidated financial statements

August 31, 2020

(Tabular amounts in thousands of dollars)

1. Significant accounting policies (continued)

(f) Retirement and other employee future benefits (continued)

Defined retirement and other future benefits (continued)

The Board has adopted the following policies with respect to accounting for these employee benefits:

- (i) 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 and health care cost trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities are actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group, which averages 8.36 years.

For self-insured retirement and other employee future benefits that vest and accumulate over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group, which averages 1.0 year.

- (ii) For self-insured workers' compensation benefit obligations that arise from specific events that occur from time to time, the cost is recognized immediately in the period the events occur. Actuarial gains and losses that are related to obligations for workers' compensation are recognized immediately in the period they arise. For long-term disability, life insurance and health care benefits for those on disability leave, actuarial gains and losses are amortized over the expected average service life of the employee group, which averages 5.41 years.
- (iii) The Board's contributions to multiemployer defined benefit pension plans, such as the Ontario Municipal Employees Retirement System (OMERS) pensions, are recorded in the period in which they become payable.
- (iv) The costs of insured benefits for active employees reflected in these consolidated financial statements are the Board's portion of insurance premiums owed for coverage of employees during the period.

(g) Tangible capital assets

Tangible capital assets are recorded at cost which includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development.

Leases which transfer substantially all of 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.

Toronto District School Board
Notes to the consolidated financial statements

August 31, 2020

(Tabular amounts in thousands of dollars)

1. Significant accounting policies (continued)

(g) Tangible capital assets (continued)

Tangible capital assets, except land, are amortized on a straight-line basis over the estimated useful life of the assets. Amortization rates are as follows:

Asset class	Estimated useful life
Buildings	40 years
Other buildings	20 years
Portable structures	20 years
Land improvements with finite lives	15 years
First time equipping of schools	10 years
Furniture	10 years
Equipment	5-15 years
Computer hardware	5 years
Computer software	5 years
Vehicles	5-10 years
Leasehold improvements	Over the lease term

Assets under construction are not amortized until the asset is available for productive use.

Land permanently removed from service (PRFS) is recorded at the lower of cost and net realizable value. Cost includes amounts to prepare the land for sale or servicing. Buildings permanently removed from service cease to be amortized and are recorded at the lower of carrying value and net realizable value. Land and building permanently removed from service that meet the criteria for inventory held for resale are recorded as "properties held for sale" on the consolidated statement of financial position. Those that do not meet these criteria continue to be recorded as part of "tangible capital assets" on the consolidated statement of financial position.

Works of art and historic artifacts are not recorded as assets in these consolidated financial statements.

(h) 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, all 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 and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the related tangible capital asset is amortized.

(i) Interest and investment income

Interest and investment income is reported as revenue in the period earned.

Interest income earned on monies invested specifically for externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balances.

Interest income also includes interest earned on cash balances held with a Canadian Chartered Bank, which accrues interest income at a rate of prime minus 1.45% as at August 31, 2020.

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

1. Significant accounting policies (continued)

(j) Long-term debt

Long-term debt includes debentures and Ontario Financing Authority ("OFA") loans which were arranged for financing the Board's capital projects or high priority renewal projects.

(k) Property tax revenue

Under Canadian Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the financial statements, which in the case of the Board, is the Province of Ontario. As a result, Education Property Tax revenue received from the City of Toronto is recorded as part of Provincial grants for student needs.

(l) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Trustees on June 19, 2019. 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.

(m) 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. Estimates are reviewed periodically by management and, as adjustments become necessary, they are reported in the period in which they became known. Accounts subject to estimates include allowance for doubtful accounts receivable, certain accrued liabilities including legal claims and pay equity accruals, liability for contaminated sites, employee future benefits, useful lives of tangible capital assets, the recognition of deferred amounts related to capital contributions, and deferred revenue. Actual results could differ from these estimates.

2. Accounts receivable - Province of Ontario

The accounts receivable from the Province of Ontario are comprised primarily of amounts related to capital grants in the amount of \$449.10 million (\$551.48 million as at August 31, 2019) and delayed capital grant payments of \$116.05 million (\$38.35 million as at August 31, 2019).

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-2010. The Board recorded a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board will receive this grant in cash over the remaining term of the existing capital debt instruments. The Board may also be entitled to yearly capital grants to support capital programs which would be reflected in this account.

Effective September 1, 2018, the Ministry of Education ("Ministry") introduced a cash management strategy. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry.

Toronto District School Board
Notes to the consolidated financial statements

August 31, 2020

(Tabular amounts in thousands of dollars)

3. Due from City of Toronto

Due to the response to COVID-19, the Province of Ontario extended the deadlines for municipalities to pay Education Property Tax (EPT) amounts to the Board. This amount for the Board was \$664.79 million, and has been included in Due from City of Toronto on the consolidated statement of financial position. This amount will be recovered fully by the Board in the following school year.

4. Due to Province of Ontario

In June 2020, the Province of Ontario announced a 90-day deferral of quarterly remittance of EPT from the municipalities to school boards, to extend payment of the June 30, 2020 instalment to September 30, 2020. To mitigate the financial impact of this deferral, the Province adjusted its cash flow through the School Board Operating Grant in July 2020 to pay an additional amount equal to approximately 25% of the annual EPT amount as forecasted by the Board in the 2019-20 Revised Estimates. This amount for the Board was \$499.26 million and has been included in the Due to Province of Ontario on the consolidated statement of financial position. The amount is gradually repaid through monthly operating grant payment adjustments, upon receipt of the EPT payments from the City of Toronto and will be recovered by the Province in 2021.

5. Retirement and other employee future benefits

(a) *A brief overview of the Board's benefit plans is set out below:*

Pension benefits

(i) *Supplementary War Veterans Allowance*

The Supplementary War Veterans Allowance Plan (the "Plan") consists of allowances to be paid to retired employees of the former Board of Education for the City of Toronto. The Plan is closed to new members. The Plan includes survivor benefits of 66 2/3% for the surviving spouse. The pension is subject to indexing at 100% of the increase in CPI. This Plan is unfunded. The benefit costs and liability related to this plan are recorded in the Board's consolidated financial statements.

Retirement benefits

(i) *Sick leave credit gratuities*

The Board provides retirement sick leave credit gratuities to certain groups of employees hired prior to specific dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are recorded 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.

(ii) *Retirement life insurance and health care benefits*

All of the Board's benefit plans for active employees have transitioned to provincial ELHTs. As a result, the Board is no longer providing benefits to employees who retired after the transition dates. The Board, however, continues to provide benefits to ETFO, OSSTF, OSSTF EW, CUPE, and OCEW (which includes MCSTC) members who were enrolled in the Board's retiree benefit plans prior to the transition dates.

For the retired, non-unionized Principals and Vice Principals members who were transitioned to their applicable ELHTs, former Board cost arrangements were maintained.

Toronto District School Board
Notes to the consolidated financial statements

August 31, 2020

(Tabular amounts in thousands of dollars)

5. Retirement and other employee future benefits (continued)

(a) *A brief overview of the Board's benefit plans is set out below: (continued)*

Retirement benefits (continued)

(ii) *Retirement life insurance and health care benefits (continued)*

Employees who retired after the transition dates are not eligible to participate in the ELHT benefit programs, with the exception of Senior Officials, who will be eligible to participate in the retiree benefit plans until December 31, 2020. These Senior Officials will continue to receive the premium subsidy from the Board.

Other benefits

(i) *Workplace safety and insurance board obligations*

The Board is a Schedule II 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 actuarially determined liabilities related to this plan based on management's best estimate are recorded in the Board's consolidated financial statements. Plan changes made in 2012 require school boards 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.

(ii) *Long-term disability benefits*

The Board provides long-term disability insurance coverage for non-teaching employees. The benefit costs and actuarially determined liabilities related to this plan are included in the Board's consolidated financial statements. The Board has an internally restricted reserve, as disclosed in Note 12, and funds held on deposit, as disclosed in Note 5(f)(iii), to fund these liabilities.

Teaching staff have their own long-term disability plans through their Federations and are responsible for the entire cost. Accordingly, no costs or liabilities related to these plans are included in the Board's consolidated financial statements.

As of August 31, 2018, there are no active employee groups remaining for which the Board is responsible for providing health, dental and life insurance benefits.

(iii) *Sick leave top up benefits*

A maximum of 11 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.

(b) *Retirement and other employee future benefits liabilities*

	Pension benefits	Retirement benefits	Other benefits	2020 Total
	\$	\$	\$	\$
Unfunded accrued benefit obligation	1,819	218,106	175,850	395,775
Unamortized net actuarial losses	—	(38,829)	(22,608)	(61,437)
Accrued benefit liability	1,819	179,277	153,242	334,338

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

5. Retirement and other employee future benefits (continued)

(b) Retirement and other employee future benefits liabilities (continued)

	Pension benefits \$	Retirement benefits \$	Other benefits \$	2019 Total \$
Unfunded accrued benefit obligation	2,064	225,126	163,477	390,667
Unamortized net actuarial losses	—	(36,950)	(13,843)	(50,793)
Accrued benefit liability	2,064	188,177	149,634	339,874

(c) Retirement and other employee future benefits expenses

	Pension benefits \$	Retirement benefits \$	Other benefits \$	2020 Total \$
Current year benefit costs	—	134	32,504	32,638
Interest on accrued benefit obligation	38	4,328	3,206	7,572
Recognition of actuarial losses	34	4,188	3,436	7,658
Employee future benefits expenses	72	8,650	39,146	47,868

	Pension benefits \$	Retirement benefits \$	Other benefits \$	2019 Total \$
Current year benefit costs	—	123	34,287	34,410
Interest on accrued benefit obligation	61	6,357	4,284	10,702
Recognition of actuarial losses	75	2,840	2,406	5,321
Employee future benefits expenses	136	9,320	40,977	50,433

These amounts are included in the respective expense categories on the consolidated statement of operations.

The amount of benefits paid during the year were \$0.32 million (\$0.38 million in 2019) for pension benefits, \$17.55 million (\$24.66 million in 2019) for retirement benefits, and \$35.53 million (\$33.36 million in 2019) for other employee future benefits.

(d) Actuarial assumptions

The accrued benefit obligations for the retirement and employee future benefit plans as at August 31, 2020 are based on an extrapolation report completed for accounting purposes as at August 31, 2020. The most recent full actuarial valuation for accounting purposes was completed as at August 31, 2018.

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

5. Retirement and other employee future benefits (continued)

(d) Actuarial assumptions (continued)

These valuations take into account any plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2020 %	2019 %
Estimated inflation		
Health	7.25	7.50
Dental	4.50	4.50
War veterans	1.50	1.50
WSIB	4.00	2.00
LTDI	1.50	1.00
Wages and salary calculation	2.00	2.00
Discount on accrued benefit obligations		
Sick leave credit gratuities	1.40	2.00
Life, health and dental	1.40	2.00
War veterans	1.40	2.00
WSIB	1.40	2.00
LTDI	1.40	2.00
Sick leave top up	N/A	N/A

(e) Multi-employer pension plans

(i) Ontario Teachers' Pension Plan

Employees who are Teacher-certified, regardless of the capacity in which they work, are required to be members of Ontario Teachers' Pension Plan, a multi-employer pension plan. 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)

Non-teaching employees of the Board are eligible to be members of OMERS, a multi-employer pension plan (the "Plan"). The Plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board's contributions equal the employees' contributions to the Plan. During the year ended August 31, 2020, the Board contributed \$ 52.98 million (\$53.40 million in 2019) to the Plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses and are included in the respective expense categories on the consolidated statement of operations. No pension liability for this type of plan is included in the Board's consolidated statement of financial position.

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

5. Retirement and other employee future benefits (continued)

(e) Multi-employer pension plans (continued)

(ii) Ontario Municipal Employees Retirement System (OMERS) (continued)

Each year, an independent actuary determines the funding status of OMERS Primary Pension by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted as at December 31, 2019. The results of this valuation disclosed total actuarial liabilities as at that date of \$107.69 billion in respect of benefits accrued for service with actuarial assets as at that date of \$104.29 billion indicating an actuarial deficit of \$3.40 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employers. As a result, the Board does not recognize any share of the OMERS pension deficit.

(f) Funds held on deposit for employee benefit plans are represented by the following:

(i) Health and dental funds on deposit

The Board has funds held on deposit with Sun Life and Manulife to fund current liabilities for the health and dental plans administered by the Board in the amount of \$4.68 million (\$4.67 million as at August 31, 2019). These funds primarily cover estimated current period claims yet to be submitted by employees. The Board is still responsible for providing coverage to some retiree employee groups until they transition to their applicable ELHT.

(ii) Group Life Funds on deposit

The Board has funds held on deposit with Canada Life to fund current liabilities for the group life insurance plans of the Board in the amount of \$13.78 million (\$12.86 million as at August 31, 2019). The Board is still responsible for providing coverage to some retiree employee groups until they transition to their applicable ELHT.

(iii) Long-term disability funds on deposit

The Board has funds held on deposit with Sun Life and a Canadian Chartered Bank to fund the long-term disability plan of the Board in the amount of \$88.67 million (\$89.02 million as at August 31, 2019). These funds primarily cover the actuarially determined liabilities of the long-term disability plan and cover reduced Board premiums otherwise required by the long-term disability plan.

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

6. Properties held for sale

As of August 31, 2020, \$3.01 million (\$11.30 million in 2019) related to buildings and nil (\$0.10 million in 2019) related to land were recorded as properties held for sale. The net book value of properties reclassified to properties held for sale during the year was nil (\$7.42 million in 2019). Net proceeds of \$45.10 million (\$80 million in 2019) were received on the sale of these properties, which had a carrying value of \$8.29 million (\$1.87 million in 2019), resulting in a gain on sale of \$36.80 million (\$78.13 million in 2019).

The proceeds from the sale of properties held for sale and from tangible capital asset have been used to fund in-year capital projects, as well as \$0.35 million (\$2.37 million in 2019) recognized as revenue mainly to fund sale costs and land purchase, with an amount remaining in deferred revenue of \$177.49 million (\$147.07 million in 2019), in accordance with Ontario Regulation 193/10 (See Note 8).

7. Short-term borrowing

	2020	2019
	\$	\$
62 day Bankers Acceptances bearing interest at 1.01% (2.5% in 2019) maturing on September 24, 2020 (September 26, 2019 in 2019)	150,000	185,000

The Board has a \$300 million credit facility with a Canadian chartered bank for operating and capital improvement purposes. The amount outstanding as at August 31, 2020 was \$150. million (\$185 million in 2019) and was used to support the Board's capital projects. Upon maturity on September 24, 2020, the credit facility was renewed at an amount of \$205 million, with a new maturity date of November 24, 2020. Subsequent to November 24, 2020, the credit facility was renewed at an amount of \$250 million, with a new maturity date of February 24, 2021. In addition, the Board has outstanding letters of credit in the amount of \$3.10 million as at August 31, 2020 (\$3.60 million as at August 31, 2019).

The Ministry funds the interest cost incurred on the short-term borrowing. For Ministry arranged permanent financing under a long-term financing arrangement see Note 10 (c), (d), (e), (f), (g), (h), (i), (j) and (k)).

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

8. Deferred revenue

The continuity of deferred revenue including those set aside for specific purposes by legislation, regulation or agreement as at August 31, 2020 is as follows:

	Balance, August 31, 2019 \$	Externally restricted revenue and investment income \$	Revenue recognized during the year \$	Transfer to deferred capital contributions \$	Balance, August 31, 2020 \$
Special Education	3,994	344,693	(340,578)	—	8,109
Other Ministry of Education grants	359	36,457	(36,457)	—	359
Other Provincial grants	3,088	32,636	(31,780)	—	3,944
Tuition fees	28,788	23,273	(30,417)	—	21,644
Other (operating)	10,684	30,034	(30,796)	—	9,922
Minor tangible capital assets	—	73,194	(65,537)	(7,657)	—
School renewal	4,464	47,155	(35,867)	(10,288)	5,464
Temporary accommodation	106	673	—	(779)	—
Retrofitting school space for child care	1,426	—	—	—	1,426
Renewable energy	196	—	—	—	196
Proceeds of disposition	147,074	45,096	(350)	(14,330)	177,490
Properties held for sale	11,247	—	(8,238)	—	3,009
Developer contributions (Note 18)	4,103	—	—	(3,509)	594
Other	4,240	26,969	(479)	(30,096)	634
	219,769	660,180	(580,499)	(66,659)	232,791

9. 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 spent by year end. The contributions are amortized into revenue at the rate used to amortize the related asset over its useful life.

	2020 \$	2019 \$
Balance, beginning of year	2,472,629	2,336,922
Additions to deferred capital contributions	242,957	349,384
Revenue recognized during the year	(221,175)	(189,800)
Write-offs due to tangible capital asset disposals	(1,421)	(16,513)
Transfers to deferred revenue relating to properties held for sale (excluding land)	—	(7,364)
Balance, end of year	2,492,990	2,472,629

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

10. Net long-term debt

- (a) Net long-term debt reported in the consolidated statement of financial position is comprised of the following:

		Interest rate %	Maturity date	2020 \$	2019 \$
Critical renewal debenture	Note 10(b)	5.07	December 17, 2024	12,756	15,221
Ontario Financing Authority	Note 10(c)	4.56	November 15, 2031	64,479	68,662
Ontario Financing Authority	Note 10(d)	4.90	March 3, 2033	68,209	71,966
Ontario Financing Authority	Note 10(e)	5.06	March 13, 2034	61,835	64,863
Ontario Financing Authority	Note 10(f)	5.23	April 13, 2035	39,935	41,668
Ontario Financing Authority	Note 10(g)	4.83	March 11, 2036	36,943	38,469
Ontario Financing Authority	Note 10(h)	3.59	March 9, 2037	18,627	19,425
Ontario Financing Authority	Note 10(i)	3.66	June 25, 2038	30,852	32,035
Ontario Financing Authority	Note 10(j)	4.00	March 11, 2039	15,665	16,214
Ontario Financing Authority	Note 10(k)	2.99	March 9, 2040	12,826	13,295
Balance as at August 31				362,127	381,818

- (b) On December 17, 2004 the Board issued a \$40 million debenture to fund an equivalent amount of major renovation projects. The debenture bears interest at 5.07% and has a 20 year amortization with semi-annual interest and principal payments of \$1.60 million. The annual debt service of \$3.21 million is funded from the annual Facility Renewal Grant.
- (c) On November 15, 2006, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$107.74 million of the GPL program. The loan is repayable by semi-annual installments of principal and interest of \$3.63 million based on a 25-year amortization schedule and bears interest of 4.56%. The annual principal and interest costs are funded by the Ministry of Education.
- (d) On March 3, 2008, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$103.24 million (GPL of \$93.92 million and PCS of \$9.32 million). The loan is repayable by semi-annual installments of principal and interest of \$3.62 million based on a 25-year amortization schedule and bears interest of 4.90%. The annual principal and interest costs are funded by the Ministry of Education.
- (e) On March 13, 2009, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$88.10 million (GPL of \$81.10 million and PCS of \$7 million). The loan is repayable by semi-annual installments of principal and interest of \$3.14 million based on a 25-year amortization schedule and bears interest of 5.06%. The annual principal and interest costs are funded by the Ministry of Education.
- (f) On April 14, 2010, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$53.83 million (GPL of \$51.73 million and PCS of \$2.10 million). The loan is repayable by semi-annual installments of principal and interest of \$1.95 million based on a 25-year amortization schedule and bears interest of 5.23%. The annual principal and interest costs are funded by the Ministry of Education.
- (g) On March 11, 2011, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$48.38 million (GPL of \$33.92 million and PCS of \$14.46 million). The loan is repayable by semi-annual installments of principal and interest of \$1.68 million based on a 25-year amortization schedule and bears interest of 4.83%. The annual principal and interest costs are funded by the Ministry of Education.

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

10. Net long-term debt (continued)

- (h) On March 9, 2012, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$24.28 million (GPL of \$23.88 million and PCS of \$0.40 million). The loan is repayable by semi-annual installments of principal and interest of \$0.74 million based on a 25-year amortization schedule and bears interest of 3.59%. The annual principal and interest costs are funded by the Ministry of Education.
- (i) On June 26, 2013, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$37.83 million (GPL of \$21.23 million and Capital Enveloping (ARC) of \$16.60 million). The loan is repayable by semi-annual installments of principal and interest of \$1.17 million based on a 25-year amortization schedule and bears interest of 3.66%. The annual principal and interest costs are funded by the Ministry of Education.
- (j) On March 12, 2014, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$18.66 million (Prohibit to Repair of \$14.06 million and Capital Priority Program of \$4.60 million). The loan is repayable by semi-annual installments of principal and interest of \$0.60 million based on a 25-year amortization schedule and bears interest of 4.00%. The annual principal and interest costs are funded by the Ministry of Education.
- (k) On March 11, 2015, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$15.03 million (Primary Class Size of \$3.60 million and Capital Priority Program of \$11.43 million). The loan is repayable by semi-annual installments of principal and interest of \$0.43 million based on a 25-year amortization schedule and bears interest of 2.99%. The annual principal and interest costs are funded by the Ministry of Education.
- (l) Principal and interest payments relating to net long-term debt of \$495.53 million (\$532.66 million as at August 31, 2019) outstanding as at August 31, 2020 are due as follows:

	Principal payments \$	Interest \$	Total \$
2021	20,627	16,500	37,127
2022	21,609	15,518	37,127
2023	22,637	14,489	37,126
2024	23,716	13,411	37,127
2025	23,243	12,281	35,524
Thereafter	250,295	61,208	311,503
	362,127	133,407	495,534

- (m) Interest on long-term debt amounted to \$17.15 million (\$18.08 million in 2019).

Toronto District School Board
Notes to the consolidated financial statements

August 31, 2020

(Tabular amounts in thousands of dollars)

11. Tangible capital assets

(a) *Opening and closing balances with activities for the year ended August 31, 2020*

	Balance at September 1, 2019	Balance at August 31, 2020	Balance at September 1, 2019	Balance at August 31, 2020	Disposals	Transfers between Asset Class	Transfers to Held for Sale	Transfers between Asset Class	Transfers to Held for Sale	Disposal write-offs	Balance at August 31, 2020	Balance at August 31, 2020	Net book value
\$ in 000's	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	110,688	39	—	—	—	—	—	—	—	—	—	—	110,727
Land improvements	217,726	23,495	—	—	—	—	—	—	—	—	—	—	140,508
Buildings (40 years)	3,907,761	177,199	51,233	96,969	43,539	—	—	—	—	—	—	—	100,713
Buildings (20 years)	70	33	—	—	—	—	—	—	—	—	—	—	2,302,203
Portable structures	39,018	1,782	—	—	—	—	—	—	—	—	—	—	91
Construction-in-progress (CIP)	70,886	30,846	(51,233)	—	—	—	—	—	—	—	—	—	22,528
Equipment (5 years)	136	29	—	—	—	—	—	—	—	—	—	—	50,499
Equipment (10 years)	3,748	307	—	—	(18)	—	—	—	—	(18)	82	65	1,991
Equipment (15 years)	5,515	17	—	—	(242)	—	—	—	—	(242)	1,822	2,338	2,338
First time equipping (10 years)	7,852	1,357	—	—	—	—	—	—	—	—	—	—	4,101
Furniture (10 years)	898	56	—	—	(1,055)	—	—	—	—	(1,055)	4,053	434	434
Computer hardware	29,190	5,471	—	—	(157)	—	—	—	—	(157)	363	14,700	14,700
Computer software	2,412	842	—	—	(5,450)	—	—	—	—	(5,450)	14,511	1,344	1,344
Vehicles (< 10,000 pounds)	2,495	—	—	—	(1,039)	—	—	—	—	(1,039)	871	150	150
Vehicles (> 10,000 pounds)	9,614	1,498	—	—	—	—	—	—	—	—	2,345	5,219	5,219
Leasehold improvements – building	7,342	24	—	—	—	—	—	—	—	—	5,893	1,503	1,503
Leasehold improvements – land	1,328	—	—	—	—	—	—	—	—	—	5,863	808	808
Buildings (PRFS)	4,893	—	—	—	(4,893)	—	—	—	—	(3,472)	520	—	—
Total	4,421,572	242,995	—	—	(12,854)	—	—	—	—	(11,433)	2,032,299	2,619,414	

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

11. Tangible capital assets (continued)

(b) Assets permanently removed from service

Included in the tangible capital assets balance in 2019 is one building which has been permanently removed from service as of August 31, 2019 with net book value of \$1.42 million. In 2020, the building has been disposed. In addition, the related deferred capital contribution of \$1.42 million was recognized as at August 31, 2020.

(c) Works of art and historic artifacts

TDSB has an art collection in its possession with an insured value of \$7.40 million (\$7.40 million in 2019). In addition, TDSB also has a number of historic artifacts. In accordance with Canadian public sector accounting standards, these works of art and historic artifacts are not recorded as an asset in these consolidated financial statements.

12. Accumulated surplus (deficit)

Accumulated surplus (deficit) consists of the following:

	2020	2019
	\$	\$
Accumulated surplus (deficit)		
Working funds	16,744	29,325
Internal reserves and reserve funds	159,938	147,813
Employee future benefits	(280,513)	(303,989)
Interest accrual	(4,832)	(5,116)
School generated funds	23,527	20,647
Capital grants used on land purchases	110,727	110,743
Liability for contaminated sites	(1,025)	(1,025)
	24,566	(1,602)

Internal reserves and reserve funds set aside for specific purposes by the Board of Trustees consist of the following:

	2020	2019
	\$	\$
Employee benefit plans	106,190	105,570
School support	34,920	21,513
Committed sinking fund interest earned	15,699	17,126
Other	3,129	3,604
	159,938	147,813

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

13. Contractual obligations and commitments

(a) Capital, facility renewals and renovations

The Board's commitments for approved capital and facility renewal programs as at August 31, 2020 amounted to \$78.10 million (\$111.69 million as at August 31, 2019).

(b) Other significant obligations

- (i) The Board awarded contracts for student transportation ending August 31, 2022 with two one-year extensions. The estimated annual commitment under these contracts is \$62.99 million (\$59.60 million in 2019).
- (ii) The Board is committed to purchase natural gas including transportation through supply contracts with various expiry dates; the latest contract expires on October 31, 2022. The estimated outstanding costs of these contracts are \$8.52 million (\$11.51 million in 2019).
- (iii) The Board is committed to a Wide Area Network contract which expires in August 2022. The estimated annual commitment under this contract is \$5.38 million (\$5.38 million in 2019).
- (iv) The Board is committed to a Multi-Functional Devices contract which expires in June 2021. The estimated remaining commitment under the contract to its expiry date is \$2.45 million (\$0.49 million in 2019).

14. Contingent liabilities

Legal claims

The Board has been named as the defendant in certain legal actions, in which damages have been sought. Any losses arising from these actions are recorded in the year that the related litigation is settled or when any likely amounts are measurable. Where the outcomes of actions are not determinable as at August 31, 2020, no provision is made in the consolidated financial statements.

Pay equity

The Board is continuing to negotiate several pay equity claims with employee groups. Management records any future pay equity settlements in the year in which the claim is settled, or earlier, if the amount is determined to be likely and the liability is measurable.

Toronto District School Board
Notes to the consolidated financial statements
 August 31, 2020
 (Tabular amounts in thousands of dollars)

15. Expenses by object

The following is a summary of the expenses reported on the consolidated statement of operations by object:

	2020	2019
	\$	\$
Expenses		
Salary and wages	2,312,981	2,382,960
Employee benefits	408,446	420,037
Staff development	1,274	3,391
Supplies and services	143,273	185,793
Interest	21,041	23,239
Rental expenses	14,707	13,449
Fees and contract services	138,306	127,013
Other	4,584	13,470
Amortization of tangible capital assets	222,602	191,227
School funded activities	21,138	42,883
	3,288,352	3,403,462

16. Grants for student needs

Included in grants for student needs is an amount of \$1.719 billion (\$1.701 billion in 2019) raised through local property taxation by the Province and allocated to the Board.

17. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received \$275.10 million 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.

The flow-through of \$20.50 million (\$20.50 million in 2019) in grants in respect of the above agreement for the year ended August 31, 2020, is not recorded in these consolidated financial statements.

Toronto District School Board
Notes to the consolidated financial statements

August 31, 2020

(Tabular amounts in thousands of dollars)

18. Financial contribution agreements

During 2001 - 2002, the Board established three joint trust accounts with the Toronto Catholic District School Board pertaining to Education Development Levy Agreements. These Agreements pertain to building developments that pre-date the passing of the Education Development Charges provisions of the Education Act. As at August 31, 2020, the total levy amount in these joint trust accounts is \$34 million (\$37.10 million in 2019). The Board's current share of this amount is \$0.11 million (\$2.59 million in 2019) as reflected in the consolidated statement of financial position. The Board's financial interest in the remaining un-apportioned balance in the joint trust accounts has not been reflected in the consolidated statement of financial position.

The funds in the joint trust accounts must be used for construction of school facilities in specific designated areas of the City of Toronto.

As at August 31, 2020, the joint account has allotted a total of \$40.48 million (\$40.48 million in 2019) for construction of school facilities at Block 31 Railway Land with \$20.85 million (\$20.85 million in 2019) representing the Board's share of the approved project costs.

During fiscal 2020, payments related to construction cost for both school boards totalled \$4.84 million (\$16.38 million in 2019). Of this, \$2.48 million (8.59 million in 2019) represents the Board's payment of project costs and has been reflected in the Board's consolidated statement of financial position as follows: \$2 million (\$7.08 million in 2019) has been capitalized for a total of \$20.26 million (\$16.75 million in 2019), and \$0.48 million (\$1.51 million in 2019) has been recorded as prepaid expenses.

19. Transportation agreement

In 2011, the Board entered into an agreement with the Toronto Catholic District School Board in order to provide common administration of student transportation in the City of Toronto. 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 Toronto Transportation group are shared. No partner is in a position to exercise unilateral control.

The Board's portion of transportation expenses has been included in the consolidated statement of operations.

20. Liability for contaminated sites

As at August 31, 2020, the Board has a liability for contaminated sites of \$1.03 million (\$1.03 million in 2019). The liability relates to contamination at two Board properties that are no longer in productive use, and was estimated based on a baseline phase II environmental site assessment performed by an environmental consulting firm. No recoveries are expected.

Toronto District School Board
Notes to the consolidated financial statements

August 31, 2020

(Tabular amounts in thousands of dollars)

21. Sale of Bloor and Dufferin property

On December 7, 2016, the Board entered into a Purchase and Sale Agreement with a developer to sell 7.3 acres of land for a multi-use development at the corner of Bloor and Dufferin. The gross sale proceeds of the land is \$121.50 million.

Further, a Memorandum of Understanding was signed on December 15, 2016, committing the developer to build a 30,000 square feet community hub conditional on cost recoverable funding from the Province and City. The Provincial contribution of \$7 million towards a childcare component of the hub was previously announced and will be flowed from the Ministry of Education to the Board, and in turn to the developer upon construction.

As of August 31, 2020, the sale continues to be subject to severance and the applicable planning and zoning approvals from the City of Toronto. The developer has submitted a Site Plan Application along with rezoning and official plan amendments. The developer is working through this process with City officials.

22. Comparative information

Certain prior year's comparative amounts have been reclassified to conform to the current year's presentation. Accounts reclassified in the current year include Accounts receivable – Province of Ontario and Due to Province of Ontario.

23. Significant event

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the consolidated financial results and condition of the Board in future periods.



Toronto District School Board
Report to the Audit Committee on
the results of the audit of the
consolidated financial statements for
the fiscal year ended August 31, 2020

For presentation on December 7, 2020

December 3, 2020

Private and confidential

To the Chair and Members of the
Audit Committee of Toronto District School Board
5050 Yonge Street
Toronto ON M2N 5N8

**Report on audited consolidated financial statements for the fiscal year ended
August 31, 2020**

Dear Audit Committee members:

We are pleased to submit this report on the results of our audit of the consolidated financial statements of the Toronto District School Board (the "School Board" or "TDSB") for the fiscal year ended August 31, 2020. This report summarizes the scope of our audit, our findings and reviews certain other matters that we believe to be of interest to you.

As agreed in our Master Services Agreement for Professional Services dated April 3, 2019, we have performed an audit of the consolidated financial statements of the Toronto District School Board as at, and for the year ended August 31, 2020, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS") and expect to issue our Independent Auditor's Report thereon dated December 9, 2020, upon approval of the financial statements by the Board of Trustees and completion of outstanding audit procedures.

Our audit has been conducted in accordance with the audit service plan that was presented to the Audit Committee at the meeting on June 22, 2020.

This report is intended solely for the information and use of the Audit Committee (the "Committee"), the Board of Trustees, management and others within the School Board and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to express our appreciation for the cooperation we received from employees of the School Board with whom we work during the performance of our audit engagement.

We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,



Chartered Professional Accountants
Licensed Public Accountants

Table of contents

Our audit explained	1
Significant event	4
Audit risks	5
Significant accounting practices, judgements and estimates	8
Other reportable matters	10
Revised CAS 540, Auditing Accounting Estimates and Related Disclosures	12
Appendix 1 – Communication requirements	14
Appendix 2 – Independence matters	16
Appendix 3 – New and revised Canadian Public Sector Accounting Standards	18
Appendix 4 – Summary of uncorrected financial statement misstatements and summary of disclosure items passed	19
Appendix 5 – Draft management representation letter	20
Appendix 6 – Management letter comments	27

Our audit explained

This report summarizes the main findings arising from our audit.

Audit scope and terms of engagement

We have been engaged to perform an audit of the School Board's consolidated financial statements (the "consolidated financial statements") prepared in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11, Accounting Policies and Practices Public Entities ("Regulation 395/11") of the Financial Administration Act as at, and for the fiscal year ended August 31, 2020.

Our audit was conducted in accordance with Canadian Generally Accepted Auditing Standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the Master Services Agreement for Professional Services dated April 3, 2019.

Audit risks

Through our risk assessment process, we have identified the audit risks. These risks of material misstatement and related audit responses are discussed in the Audit Risks section of this report.



Materiality

We are responsible for providing reasonable assurance that the School Board's Consolidated Financial Statements as a whole are free from material misstatement.

Our materiality level was based on professional judgment using approximately 1.0% of consolidated expenses as a reference point for its determination. Our materiality for the year ended August 31, 2020 was \$30 million (2019 - \$30 million).

We have informed the Committee of all uncorrected misstatements greater than a clearly trivial amount of 5% of materiality (\$1,500,000) and any misstatements that are, in our judgement, qualitatively material.

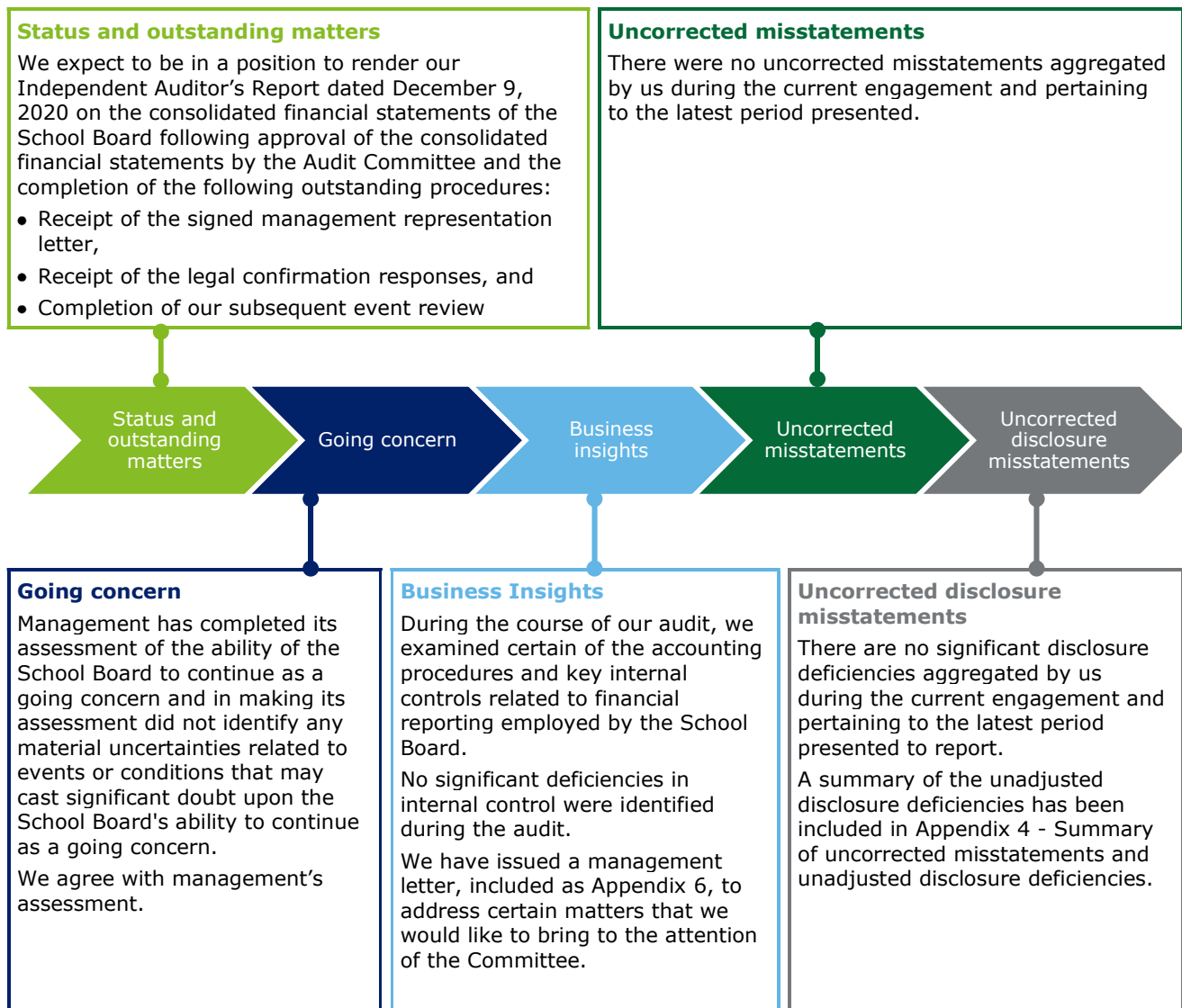
In accordance with Canadian GAAS, we asked that any misstatements be corrected.

Group audit

As the group auditor of the Consolidated Financial Statements of the School Board, we also conducted the audit of the financial statements of Toronto Lands Corporation, a component of the School Board.

We have reported the results of our audit of the financial statements of Toronto Lands Corporation to their Audit Committee on November 23, 2020.

Further details relating to the group audit are included on page 11.



Fraud risk

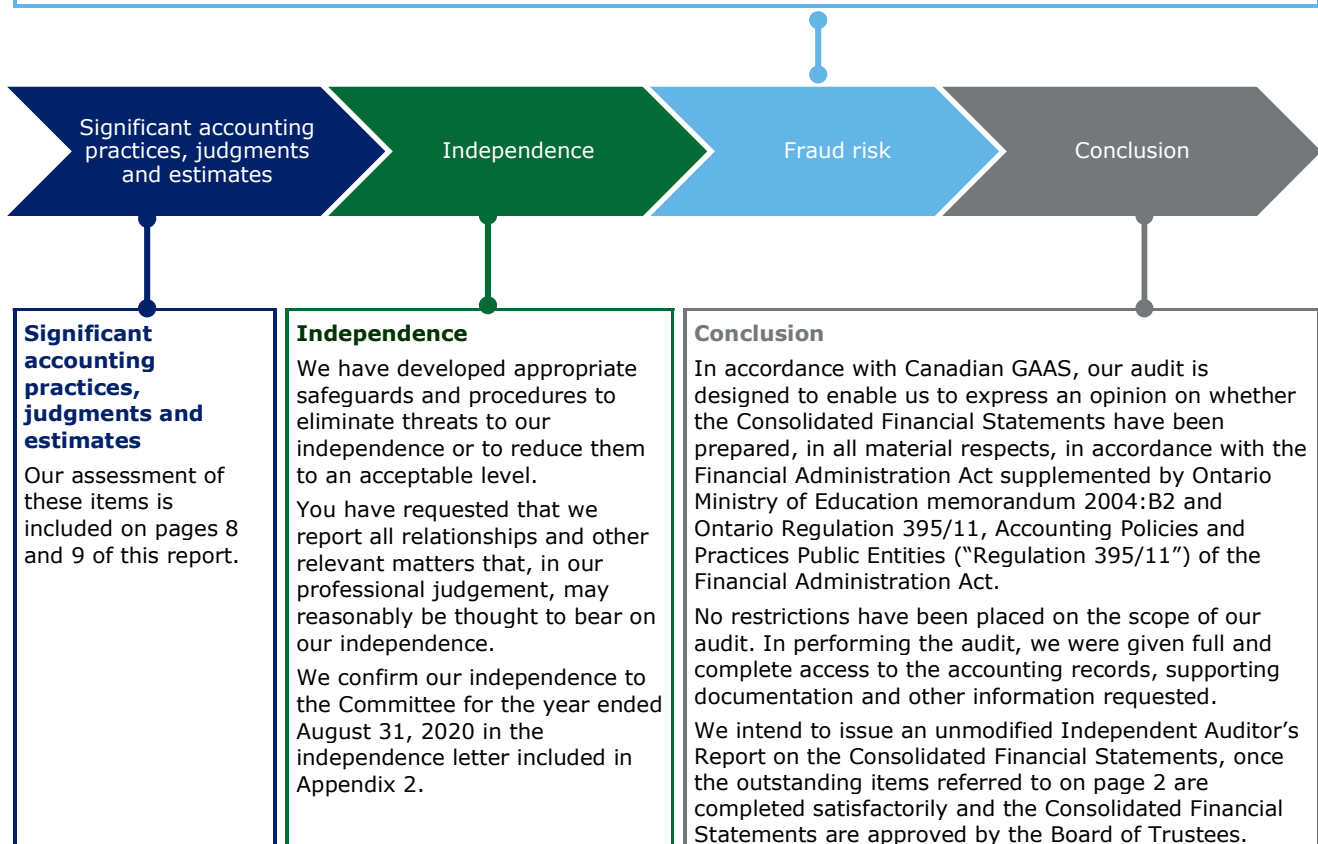
As discussed with you when we presented our Audit Service Plan, we developed our audit strategy to address the assessed risks of material misstatement due to fraud. Developing this strategy involved:

1. Enquiry of those involved in the financial reporting process about inappropriate or unusual activity.
2. Testing a sample of journal entries throughout the period as well as adjustments made at the end of the reporting period.
3. Identifying and obtaining an understanding of the business rationale for significant or unusual transactions that are outside the normal course of business.
4. Evaluating whether the School Board's accounting policies may be indicative of fraudulent financial reporting resulting from management's effort to manage results.
5. Evaluating whether the judgements and decisions related to management estimates indicate a possible bias.
6. Incorporating an element of unpredictability in selecting our audit procedures.

In addition, we asked the Committee for their views about the risk of fraud, whether they knew of any actual or suspected fraud affecting the School Board and their role in the oversight of management's anti-fraud programs.

A summary of the results of our audit procedures designed to address the risk of material misstatement in the financial statements relating to fraud is provided in the Audit risks section of this report. We identified a risk of material misstatement relating to fraud in the areas of both revenue recognition and management override of controls.

Based on the audit evidence obtained, our assessment of the risks of material misstatement due to fraud remain appropriate.



Significant event











The design of our audit plan began with a reassessment of risk areas from last year's audit. We have identified an additional significant development since our prior year risk assessment. This is an overview of how this additional development impacted our audit plan.

Developments in your business/industry/economy in which you operate	Impact on our 2020 audit
COVID-19	<p>On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the School Board in future periods.</p> <p><i>Impact on our risk assessment</i></p> <p>To assess the impact these economic events may have on our audit, we:</p> <ul style="list-style-type: none"> • Asked management about the impact of recent economic conditions on their financial results or future financial results, such as: <ul style="list-style-type: none"> • Changes in Ministry funding allocated towards COVID-19 • Changes in expenditures associated with COVID-19 response and preparation for school recommencement, and also decreases in supplies and services obtained as a result of school closures commencing in March 2020 • Changes in school instruction and staffing levels as a result of school closures commencing in March 2020 • Impact on school generated funds revenue and expenses • Given physical distancing and remote working, assess whether there have been any changes to internal controls and processes, and whether sufficient segregation of duties and other measures continue to be in place. • Considered the effect of recent events on our risk assessment and planned audit procedures <ul style="list-style-type: none"> • Our audit procedures were adjusted to reflect any changes in revenues and expenses as noted above • For any changes in internal controls and processes as a result of pandemic physical distancing measures, we performed testing to ensure that the changes in internal controls are properly designed and implemented and have not resulted in any control deficiencies. <p><i>Impact on our audit logistics</i></p> <p>Our audit typically occurs over two on-site visits in June (for interim procedures) and October (for year end procedures). Additionally, we also conduct one week of school visits in October.</p> <p>All audit procedures, including the school visits were conducted virtually with the assistance of school financial services staff, including the observation of any physical access internal controls.</p>

Audit risks

The audit risks identified as part of our risk assessment, together with our planned responses and conclusions, are described below.

Significant risk dashboard

Audit risk	Fraud risk	Assessment of the design and implementation of internal controls	Results of the testing of the operating effectiveness of internal controls	Results of the substantive testing	Results of the use of experts	Overall conclusion
Management override of controls						Satisfactory
Revenue recognition						Satisfactory



Addressed during the audit



An issue was identified



Not applicable

Revenue recognition *

Audit risk – Significant

Appropriate recognition of revenue in accordance with Canadian Public Sector Accounting Standards supplemented by Ontario Government regulations.

We understand that as a result of the COVID-19 pandemic, that there will be changes to certain revenue streams (for example, lease rentals and permit revenues) that will be affected.

Our audit response

- Testing of Government transfers received through confirmation with the Ministry of Education
- Detailed substantive testing of revenue supplemented by analytical review procedures
- Review of grant stipulations
- Review any modifications in previous agreements as a result of COVID-19 (such as permit and rental cancellations) and ensure they have been properly reflected in the financial statements.
- Review of related disclosure

Audit results

We obtained sufficient audit evidence in this area and are satisfied with the results of the audit procedures performed.

Management override of controls*

Audit risk - Significant

Management override of controls is a presumed area of risk in a financial statement audit due to management's ability to override controls that otherwise appear to be operating effectively.

Our audit response

- Our audit tests the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the consolidated financial statements.
- We obtain an understanding of the business rationale for significant transactions that we become aware of that are outside of the normal course of business, or that otherwise appear to be unusual given our understanding of the Board and its environment.
- We review accounting estimates for bias and evaluate whether the circumstances producing the bias, if any, represented a risk of material misstatement.
- In addition, experienced Deloitte personnel will be assigned to the testing and review of journal entries and areas of estimates that require management judgements and assumptions.
- Professional skepticism will be maintained throughout the audit.

Audit results

Our audit testing did not identify any instances of management override of controls.

Payroll

Audit risk

Significance and volume of transactions

Our audit response

- Review and test the design, implementation and operating effectiveness of internal controls related to the payroll cycle.
- Detail test payroll transactions for appropriate pay in accordance with employment agreements and other relevant documentation.
- Overall analytical review of payroll amounts.

Audit results

We obtained sufficient audit evidence in this area and are satisfied with the results of the audit procedures performed.

Accounting for Government Transfers in accordance with Ministry directives and Ontario government regulations as it relates to capital contributions

Audit risk

Requires certain accounting which has been prescribed by the Ministry and can be complex given the significance of transactions and balances impacted at TDSB.

Our audit response

- Review materials prepared in conjunction with Ministry training for school business officials and auditors to understand any new directives and reporting requirements.
- Detailed testing of transactions and balances impacted and determine that TDSB has accounted for these transactions in accordance with regulations and relevant policies.
- Ensure adequate disclosure of the basis of accounting in the notes to the consolidated financial statements.

Audit results

We obtained sufficient audit evidence in this area and are satisfied with the results of the audit procedures performed.

***Area of significant audit risk**

Significant accounting practices, judgements and estimates

Significant accounting policies are those that are most important to the portrayal of the School Board's financial condition and financial performance.

In the course of our audit of the Consolidated Financial Statements, we considered the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability and understandability of the information included in the Consolidated Financial Statements.

Significant accounting policies

In our judgement, the significant accounting policies, selected and applied by management are, in all material respects, acceptable under the basis of accounting described in Note 1(a) to the consolidated financial statements and the reporting framework is acceptable given the particular circumstances of Ontario school boards.

During the year, management advised us that there have been no changes to significant accounting policies adopted by the School Board.

We noted that the School Board does not capitalize interest incurred during the construction period of tangible capital assets, as is required by the Ministry of Education's School Board Tangible Capital Assets Guide, due to the fact that the interest amounts are not material and would also require an allocation to numerous capital projects creating an administrative burden.

Management judgement and accounting estimates

The following areas were impacted by management's use of estimates and have been addressed during our audit:

Accounting Estimate	Description
Employee future benefits liability	Employee Future Benefits liabilities in the amount of \$334.3 million (2019 - \$339.9 million) were estimated with the assistance of the School Board's Independent Actuaries and are assessed as reasonable.
Incurred but not reported claims liability	<p>Annually, the School Board records a liability for health and dental claims incurred but not yet reported by employees as at the fiscal year end. We have reviewed management's estimate for this liability and noted the assumptions and methodology used and consider them to be reasonable.</p> <p>We noted that with the transition of all active employee groups into the Employee Life and Health Trusts (ELHTs) has significantly reduced this liability in the past few years.</p>

Accounting Estimate	Description
Pay equity	<p>The School Board continues to negotiate a number of pay equity claims with certain employee groups. Management believes that a settlement is likely and is continuing the process of estimating the range of possible settlement. The School Board records a pay equity liability in the fiscal year in which the liability is settled, or earlier, if the amount is determined to be likely and the liability is measurable.</p> <p>In the 2014 fiscal year, an estimated accrual was recorded relating to employee groups for which pay equity negotiations were ongoing. For the 2015 through to 2020 fiscal years, the provision for pay equity has been increased annually to reflect the passing of each additional year prior to any settlement taking place.</p> <p>We have assessed the assumptions and methodology used in management's estimate and consider them to be reasonable.</p>
Legal claims	<p>The School Board has recorded an accrual in the consolidated financial statements for a legal claim related to a particular incident. The estimate was based on an assessment by internal legal counsel related to the likelihood of payout. This estimate also considered the insurance coverage during the time of the incident. We relied on representations from management (including internal legal counsel) in terms of the measurement of this contingent liability.</p> <p>We have assessed the assumptions and methodology used in management's estimate and consider them to be reasonable.</p>
Accrued wages and vacation pay	<p>An accrual of approximately \$36.2 million (2019 - \$14.9 million) was made for accrued wages and \$19.0 million (2019 - \$15.0 million) for accrued vacation pay. The accounting estimates based primarily on payroll calculations were assessed as reasonable.</p>
Other accounts requiring management judgement and accounting estimates	
Allowance for doubtful accounts receivable	<p>The estimate of the allowance in the amount of \$6.1 million (2019 - \$6.1 million) used pertinent information and is considered to be reasonable in the circumstances.</p>
Tangible capital assets	<p>The estimate of useful lives of tangible capital assets was applied consistently in accordance with the School Board's accounting policy. Total amortization in the year was \$222.6 million (2019 - \$191.2 million).</p>
Deferred capital contributions	<p>Deferred capital contributions are recognized as revenue over the period during which the tangible capital asset is used to provide service at the same rate that amortization is recognized in respect of the related tangible capital asset. Total deferred capital contributions recognized in the year was \$221.2 million (2019 - \$189.8 million). This accounting policy was consistently applied.</p>

Other reportable matters

The following summarizes the status and findings of key aspects of our audit. In the appendices to this report, we have provided additional information related to certain matters we committed to report to the Audit Committee as part of the audit service plan.

	Comment						
Changes to the audit plan	The audit was conducted in accordance with our audit service plan, which was communicated to the Audit Committee. We confirm that there have been no significant amendments to the audit scope and approach communicated in the audit plan.						
Use of the work of specialists and experts	<p>As planned, Deloitte specialists and experts assisted in the audit to the extent we considered necessary:</p> <table> <tr> <td>Deloitte IT specialists:</td><td>Participated in evaluating internal controls and in using our computerized audit applications</td></tr> <tr> <td>Board's actuarial expert</td><td>We used the work of the School Board's independent actuarial experts in the audit of the employee future benefits liabilities and expenses.</td></tr> <tr> <td>Board's external legal counsel</td><td>We used the work of the School Board's legal counsel with respect to the assessment of claims and possible claims against the Board. There have been no changes from the audit service plan in this area.</td></tr> </table>	Deloitte IT specialists:	Participated in evaluating internal controls and in using our computerized audit applications	Board's actuarial expert	We used the work of the School Board's independent actuarial experts in the audit of the employee future benefits liabilities and expenses.	Board's external legal counsel	We used the work of the School Board's legal counsel with respect to the assessment of claims and possible claims against the Board. There have been no changes from the audit service plan in this area.
Deloitte IT specialists:	Participated in evaluating internal controls and in using our computerized audit applications						
Board's actuarial expert	We used the work of the School Board's independent actuarial experts in the audit of the employee future benefits liabilities and expenses.						
Board's external legal counsel	We used the work of the School Board's legal counsel with respect to the assessment of claims and possible claims against the Board. There have been no changes from the audit service plan in this area.						
Significant difficulties encountered in performing the audit	We did not encounter any significant difficulties while performing the audit. There were no significant delays in receiving information from management required for the audit nor was there an unnecessarily brief timetable in which to complete the audit. Refer to page 4 for the impact of COVID-19 in the performance of our audit.						
Related party transactions	<p>Entities within the School Board's reporting entity are disclosed in Note 1(b) to the consolidated financial statements.</p> <p>The School Board's related parties also include the Province of Ontario and its controlled entities as well as key management personnel as defined in <i>PS 2200 Related Party Disclosures</i>.</p> <ul style="list-style-type: none"> We have not identified any related party transactions that were not in the normal course of operations and that involved significant judgements by management concerning measurement or disclosure. 						
Disagreements with management	In the course of our audit, we did not encounter any disagreements with management about matters that individually or in the aggregate could be significant to the consolidated financial statements.						
Consultation with other accountants	Management has informed us that the School Board has not consulted with other accountants about auditing or accounting matters.						
Legal and regulatory compliance	<p>Management is responsible for ensuring that the School Board's operations are conducted in accordance with the laws and regulations applicable to the School Board. The responsibility for preventing and detecting non-compliance rests with management. The auditor is not and cannot be held responsible for preventing non-compliance with laws and regulations.</p> <p>Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the School Board.</p>						

	Comment
Subsequent events	Management is responsible for assessing subsequent events up to the date of the release of the consolidated financial statements. At the date of this report we are not aware of any subsequent events that would impact the consolidated financial statements (including disclosure requirements) for the year ended August 31, 2020 that have not already been taken into consideration by management in the preparation of the consolidated financial statements.
Significant accounting policies	<p>The School Board's significant accounting policies are set out in Note 1 to the August 31, 2020 consolidated financial statements.</p> <p>We believe management's selection of accounting policies to be appropriate under the basis of accounting indicated in Note 1(a) of the consolidated financial statements. Our views on the significant quantitative and qualitative aspects of these accounting policies are presented on pages 8 and 9 of this report.</p>
Management judgement and accounting estimates	<p>Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based on management's current judgements. These judgements are normally based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.</p> <p>Our views on the significant quantitative and qualitative aspects of the judgements and estimates made by the School Board's management are presented on pages 8 and 9 of this report.</p>
Group audit	<p>As the group auditor of the consolidated financial statements of the School Board, we also conducted the audit of the financial statements of Toronto Lands Corporation, a component of the School Board. The same audit team was used to complete the audit of both entities and there have been no restrictions placed on the scope of our group audit.</p> <p>The School Board is considered to be a significant component of the Province of Ontario's consolidated financial statements. In this respect, we may be required to complete certain required communications with the Office of the Auditor General of Ontario (OAGO) in accordance with <i>CAS 600 Group Audits</i>. When requested, we are required to address and respond to enquiries from the OAGO in connection with our audit of the School Board's Consolidated Financial Statements.</p>

Revised CAS 540, Auditing Accounting Estimates and Related Disclosures

Drivers for the Revised Standard

- Changes in financial reporting frameworks and standards include a greater focus on complex accounting estimates, which highlights the importance of fostering professional skepticism
- Need to improve communication and transparency between auditors and those charged with governance on complex accounting estimates



What can you expect from your auditor?

Management

- Greater focus in assessing how management understands the nature, extent, risks, and controls associated with accounting estimates
- Varying audit procedures to drive work efforts based on assessed risk levels including consideration to adopt a control reliance approach to auditing accounting estimates.
- More interaction with management's experts
- Specific written management representations

Communication with The Audit Committee Members

- The Audit Committee can expect to have enhanced dialogue on accounting estimates. This may include the auditor's views and assessment of:
 - significant qualitative aspects of the School Board's accounting practices relating to accounting estimates and related disclosures;
 - indicators of management bias;
 - appropriateness of management's methods, assumptions and data used; and
 - significant deficiencies in internal controls around accounting estimates

Appendix 1 – Communication requirements

Required communication	Reference	Refer to this report or document described below
Audit Service Plan		
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the consolidated financial statements	CAS ¹ 260.14	Master Services Agreement for Professional Services dated April 3, 2019
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> a. Timing of the audit b. Significant risks, including fraud risks c. Nature and extent of specialized skill or knowledge needed to perform the planned audit procedures related to significant risk 	CAS 260.15	Audit service plan communicated on June 22, 2020
3. Significant transactions outside of the normal course of business, including related party transactions	CAS 260 App. 2, CAS 550.27	None noted
Enquiries of those charged with governance		
4. How those charged with governance exercise oversight over management's process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	CAS 240.21	Refer to 'Fraud Risk' section on page 3 of this report
5. Any known suspected or alleged fraud affecting the School Board	CAS 240.22	None noted
6. Whether the School Board is in compliance with laws and regulations	CAS 250.15	No non-compliance with laws and regulations noted
Year End Communication		
7. Fraud or possible fraud identified through the audit process	CAS 240.40-.42	None noted
8. Significant accounting policies, practices, unusual transactions, and our related conclusions	CAS 260.16 a.	Refer to Note 1(a) of the Consolidated Financial Statements and pages 8 and 9 of this report for significant Accounting practices, judgements and estimates

¹ CAS: Canadian Auditing Standards – CAS are issued by the Auditing and Assurance Standards Board of CPA Canada

Required communication	Reference	Refer to this report or document described below
9. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	CAS 260.16 a.	None
10. Matters related to going concern	CAS 570.25	No going concern issues noted
11. Management judgments and accounting estimates	CAS 260.16 a.	Refer to pages 8 and 9 of this report for significant Accounting practices, judgements and estimates
12. Significant difficulties, if any, encountered during the audit	CAS 260.16 b.	No significant difficulties to report.
13. Material written communications between management and us, including management representation letters	CAS 260.16 c.	Master Services Agreement for Professional Services dated April 3, 2019 and Management representation letter – Appendix 5
14. Other matters that are significant to the oversight of the financial reporting process	CAS 260.16e	None noted
15. Modifications to our Independent Auditor's Report	CAS 260.A21	We intend to issue an unmodified report
16. Our views of significant accounting or auditing matters for which management consulted with other accountants and about which we have concerns	CAS 260.A22	No such consultations noted.
17. Significant matters discussed with management	CAS 260.A.22	No such consultations noted.
18. Illegal or possible illegal acts that come to our attention	CAS 250.23	None noted
19. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the consolidated financial statements	CAS 265	No significant deficiencies to report. Refer to Appendix 6 for our management letter comments.
20. Uncorrected misstatements and disclosure items	CAS 450.12-13	Refer to Appendix 4.
21. Any significant matters arising during the audit in connection with the Board's related parties	CAS 550.27	None noted outside the normal course of business.

Appendix 2 – Independence matters

December 3, 2020

Private and confidential

The Members of the Audit Committee
Toronto District School Board
5050 Yonge Street
Toronto ON M2N 5N8

Dear Audit Committee Members:

We have been engaged to audit the consolidated financial statements of the Toronto District School Board and the financial statements of Toronto District School Board Trust Funds (collectively referred to as the "School Board") for the year ended August 31, 2020.

You have requested that we communicate in writing with you regarding our compliance with relevant ethical requirements regarding independence as well as all relationships and other matters between the School Board, our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. You have also requested us to communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

In determining which relationships to report, we have considered relevant rules and related interpretations prescribed by the appropriate provincial regulator/ordre and applicable legislation, covering such matters as:

1. Holding a financial interest, either directly or indirectly, in a client.
2. Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client.
3. Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client.
4. Economic dependence on a client.
5. Provision of services in addition to the audit engagement.

We confirm to you that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since December 2, 2019, the date of our last letter.

We are not aware of any relationships between the Deloitte Entities and the School Board and its affiliates, or persons in financial reporting oversight roles at the School Board and its affiliates, that, in our professional judgment, may reasonably be thought to bear on independence, that have occurred from December 2, 2019 to December 3, 2020.

In addition to audit services, we continue to provide CRA indirect tax litigation support to a number of Ontario school boards including Toronto District School Board.

In the previous year, we were awarded a 3-year retainer contract to provide non-audit services related to e-Security.

We are also the auditors of Toronto Lands Corporation and reported on our independence to their Audit Committee in a letter dated November 16, 2020. We did not perform any non-audit services for Toronto Lands Corporation during the period.

We hereby confirm that we are independent with respect to the School Board in accordance with the Rules of Professional Conduct of Chartered Professional Accountants of Ontario as of December 3, 2020.

This letter is intended solely for the information and use of the Audit Committee, the Board of Trustees, management, and others within the School Board and is not intended to be and should not be used for any other purposes.

We look forward to discussing with you the matters addressed in this letter at your upcoming meeting on December 7, 2020.

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Licensed Public Accountants

Appendix 3 – New and revised Canadian Public Sector Accounting Standards

The following is a summary of certain new or revised Canadian Public Sector Accounting standards that will become effective in 2021 and beyond.

Canadian Public Sector Accounting Standards

Title	Description	Effective Date
Section PS 3450 - Financial Instruments	This Section establishes standards on how to account for and report all types of financial instruments including derivatives.	The transitional provisions have been amended to extend the effective date by one further year to fiscal years beginning on or after April 1, 2022.
Section PS 2601 - Foreign Currency Translation	This Section establishes standards on how to account for and report transactions that are denominated in a foreign currency government financial statements.	The transitional provisions have been amended to extend the effective date by one further year to fiscal years beginning on or after April 1, 2022.
Section PS 3041 - Portfolio investments	This Section establishes standards on how to account for and report portfolio investments in government financial statements.	Effective in the period that Section PS 2601, Foreign Currency Translation and Section PS 3450, Financial Instruments, are adopted. The transitional provisions have been amended to extend the effective date by one further year to fiscal years beginning on or after April 1, 2022.
Section PS 3280 - Asset retirement obligations	This Section establishes standards on how to account for and report on the legal obligations associated with the retirement of tangible capital assets.	Due to COVID-19, the effective date of the standard has been deferred by one year from April 1, 2021, to fiscal years beginning on or after April 1, 2022.
Section PS 3400 - Revenue	This Section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.	Due to COVID-19, the effective date of the standard has been deferred by one year from April 1, 2021, to fiscal years beginning on or after April 1, 2023.

Appendix 4 – Summary of uncorrected financial statement misstatements and summary of disclosure items passed

Summary of disclosure items passed

Authoritative literature reference	Title	Description of omitted or unclear disclosure
PS3390.08	Contractual obligations	Information about a government's contractual obligations that are significant in relation to the current financial position or future operations should be disclosed in the notes or schedules to the consolidated financial statements and should include descriptions of their nature and extent and the timing of the related expenditures. TDSB does not include property lease commitments in the total contractual obligations disclosed in Note 13 to the consolidated financial statements.
PS1201	Cash flow information	Certain cash flows are not reflected separately at their gross amount (i.e. proceeds from disposition of properties held for sale) but rather included in other line items within the cash flow statement. Certain non-cash items are not presented in the cash flow statement such as tangible capital asset acquisitions acquired through accounts payable and recognition of previously deferred amounts.
PS1201.098	Statement of change in net debt	Budget numbers have not been provided on this statement as is required under Public Sector Accounting Standards.
PS 1201.055	Properties held for sale	The sale of assets classified as properties held for sale is not anticipated to be completed within one year from the financial statement date as a result of COVID-19, and therefore do not meet the criteria for classification as properties held for sale under PSAS.

Appendix 5 – Draft management representation letter

[School Board letterhead]

December 9, 2020

Private and confidential

Deloitte LLP
400 Applewood Crescent
Vaughan ON L4K 0C3

Dear Sir/Madam:

Subject: Consolidated financial statements of Toronto District School Board for the year ended August 31, 2020

This representation letter is provided in connection with the audit by Deloitte LLP ("Deloitte" or "you") of the consolidated financial statements of Toronto District School Board (the "School Board" or "we" or "us") for the year ended August 31, 2020 and a summary of significant accounting policies and other explanatory information (the "Consolidated Financial Statements") for the purpose of expressing an opinion as to whether the Consolidated Financial Statements are prepared, in all material respects, in accordance with the basis of accounting disclosed in Note 1(a) to the Consolidated Financial Statements.

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the Consolidated Financial Statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities as set out in the Master Services Agreement for Professional Services between the School Board and Deloitte dated April 3, 2019 for the preparation of the Consolidated Financial Statements in accordance with the basis of accounting disclosed in Note 1(a) to the Consolidated Financial Statements.

In particular, the consolidated statement of financial position of the School Board as at August 31, 2020 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, are prepared in accordance with the basis of accounting disclosed in Note 1(a) to the Consolidated Financial Statements.

2. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Consolidated Financial Statements in accordance with the basis of accounting disclosed in Note 1(a) to the Consolidated Financial Statements, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with the basis of accounting as disclosed in Note 1(a) to the Consolidated Financial Statements. The School Board has appropriately disclosed in the Consolidated Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Consolidated Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with the basis of accounting disclosed in Note 1(a) to the Consolidated Financial Statements and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the School Board. No events have occurred subsequent to August 31, 2020 that require adjustment to the estimates and disclosures included in the Consolidated Financial Statements.

There are no changes in management's method of determining significant estimates in the current year.

3. We have determined that the Consolidated Financial Statements are complete as of the date of this letter as this is the date when there are no changes to the Consolidated Financial Statements (including disclosures) planned or expected. The Consolidated Financial Statements have been approved in accordance with our process to finalize financial statements.
4. We have completed our review of events after August 31, 2020 and up to the date of this letter.
5. The Consolidated Financial Statements are free of material errors and omissions.

As a result of our evaluation process, we identified certain disclosures that, although required by the basis of accounting disclosed in Note 1(a) to the Consolidated Financial Statements, have been omitted from our Consolidated Financial Statements. Those omitted disclosures that are more than inconsequential are attached as Appendix A. We believe the effects of the omitted disclosures are quantitatively and qualitatively immaterial, both individually and in the aggregate, to the Consolidated Financial Statements as a whole.

Internal controls

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
7. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies in internal control over financial reporting.

Information provided

8. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the Consolidated Financial Statements, such as records, documentation and other matters.
 - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit; and,
 - c. Unrestricted access to persons within the School Board from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of the meetings of Trustees and committees of Trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant Trustee and committee actions are included in the summaries.

9. We have disclosed to you the results of our assessment of the risk that the Consolidated Financial Statements may be materially misstated as a result of fraud.
10. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the School Board and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the Financial Statements.
11. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting the School Board.
12. We have disclosed to you all communications from regulatory agencies concerning non-compliance with or deficiencies financial reporting practices and all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Consolidated Financial Statements.
13. We have disclosed to you the identities of the School Board's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration and participation in a defined benefit plan that shares risks between group entities.

Independence matters

For purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

14. Prior to the School Board having any substantive employment conversations with a former or current Deloitte engagement team member, the School Board has held discussions with Deloitte and obtained pre-approval from the Audit Committee.
15. We have ensured that all non-audit services provided to the School Board have been pre-approved by the Audit Committee in accordance with the applicable pre-approval requirements. Further, we have adhered to all regulatory requirements regarding the provision of non-audit services by Deloitte to the School Board in accordance with applicable laws, regulations and rules that apply to the School Board, including the Audit Committee pre-approval requirements.
16. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by the Audit Committee in accordance with its established approval policies and procedures.

Other matters

Work of management's experts

17. We agree with the work of management's experts in evaluating the School Board's Retirement and Other Employee Future Benefits Liability and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Consolidated Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to management's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.
18. We have disclosed to you any intentions of terminating any of our pension plans or withdrawing from multi-employer plan(s), or taking any other action that could result in an effective termination or reportable event for any of the plans.

Plans or intentions affecting carrying value/classification of assets and liabilities

19. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Consolidated Financial Statements.

Receivables

20. The School Board is responsible for determining the appropriate carrying value of accounts receivable, as well as estimates used to determine such amounts. Management believes that the carrying values recorded and disclosed are appropriate, and that any allowance recorded is adequate to absorb currently estimated bad debts in the account balances.

Environmental liabilities/contingencies

21. We have considered the effect of environmental matters on the School Board and have disclosed to you all liabilities, provisions or contingent liabilities arising from environmental matters. All liabilities, provisions, contingent liabilities and commitments arising from environmental matters, and the effect of environmental matters on the carrying values of the relevant assets are recognized, measured and disclosed, as appropriate, in the Consolidated Financial Statements.

Liabilities for contaminated sites

22. We have identified Bridgeport Drive, Scarborough and Humberline Drive, Etobicoke as contaminated sites. We have recorded a liability because the contamination of the site exceeds the Ministry of the Environment, Conservation and Parks (MOECC) Table 3 Site Condition Standards, the School Board is responsible for the remediation and we believe it is expected that remediation will be required. The estimated liability is \$1,025,000, and is included in accounts payable and accrued liabilities in the consolidated statement of financial position. We believe that the estimate of the liability is reasonable and is our best estimate of the amount required to remediate the site.

Contingent liabilities

23. The consolidated financial statements reflect the recording of two significant contingent liabilities – one for a pay equity accrual and the other a likely liability for a related group of legal claims. We have assessed these liabilities to be likely and we have measured these liabilities based on our best estimates (after consulting with both the School Board's Human Resources Division and internal legal counsel respectively), as well as reasonable and supportable assumptions and projections, as at the date of this letter. We have reviewed PS 3300, Contingent Liabilities, and in accordance with the standards, settlement is likely, and the amount can be reasonably estimated. We have properly recorded and adequately disclosed this in the Financial Statements.

Employee benefits

24. Employee benefit costs, assets, liabilities and obligations have been properly recorded and adequately disclosed in the Financial Statements including those arising under defined benefit and defined contribution plans as well as termination arrangements.
25. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, obligations, liabilities and costs for financial accounting purposes are appropriate in the circumstances. We have identified and disclosed all those actuarial assumptions that we consider to be significant as required by PS 3250 and PS 3255.
26. The School Board has identified and accounted for not only its legal obligation for defined benefit plans but also for any constructive obligation arising from the informal practices of the School Board.

Investments

27. The School Board does not hold any investments in Master Asset Vehicle notes (which replaced third party non-bank asset backed commercial paper). In addition, any securities held on behalf of the School Board are invested in accordance with regulation 438/97- Eligible Investments.

Other

28. Net lease revenue has been used to fund eligible capital related expenditures in accordance with Regulation 193/10.

29. With respect to properties held for sale, the School Board believes that these properties will be sold within one fiscal year from the year end date.
30. We believe that the provision recorded against the goods receipt/invoices received accounts payable account is appropriate and reflects our best estimate of historical exceptions that should be reversed and should not form part of the account balance.

Various matters

31. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Consolidated Financial Statements:
 - a. Economic dependence on another party;
 - b. Losses arising from sale and purchase commitments;
 - c. Losses arising from onerous contracts;
 - d. Agreements to buy back assets previously sold;
 - e. Provisions for future removal and site restoration costs;
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements;
 - g. All impaired loans receivable and investments;
 - h. Loans and notes receivable that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.

Except where otherwise stated below, immaterial matters less than \$1,500,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the Consolidated Financial Statements.

32. All transactions have been properly recorded in the accounting records and are reflected in the Consolidated Financial Statements.
33. The School Board has identified all related parties in accordance with Section PS 2200, *Related Party Disclosures* ("PS 2200"). Management has made the appropriate disclosures with respect to its related party transactions in accordance with PS 2200. This assessment is based on all relevant factors, including those listed in paragraph 16 of PS 2200.
34. There are no instances of identified or suspected noncompliance with laws and regulations.
35. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Consolidated Financial Statements. As appropriate, these items have been disclosed and accounted for in the Consolidated Financial Statements in accordance with the basis of accounting disclosed in Note 1(a) to the Consolidated Financial Statements.
36. All events subsequent to the date of the Consolidated Financial Statements and for which with the basis of accounting disclosed in Note 1(a) to the Consolidated Financial Statements requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Consolidated Financial Statements that are impacted by subsequent events have been appropriately adjusted.
37. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Consolidated Financial Statements.

38. We have disclosed to you, and the School Board has complied with all aspects of contractual agreements that could have a material effect on the Consolidated Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
39. The School Board has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Consolidated Financial Statements all assets that have been pledged as collateral.

Yours truly,

Toronto District School Board

Craig Snider
Interim Associate Director, Business Operations and Service Excellence

Marisa Chiu
Interim Executive Officer, Finance

Draft

Appendix A

Toronto District School Board
Summary of disclosure items passed
Year ended August 31, 2020

Authoritative literature reference	Title	Description of omitted or unclear disclosure
PS3390.08	Contractual obligations	Information about a government's contractual obligations that are significant in relation to the current financial position or future operations should be disclosed in the notes or schedules to the consolidated financial statements and should include descriptions of their nature and extent and the timing of the related expenditures. TDSB does not include property lease commitments in the total contractual obligations disclosed in Note 13 to the consolidated financial statements.
PS1201	Cash flow information	Certain cash flows are not reflected separately at their gross amount (i.e. proceeds from disposition of properties held for sale) but rather included in other line items within the cash flow statement. Certain non-cash items are not presented in the cash flow statement such as tangible capital asset acquisitions acquired through accounts payable and recognition of previously deferred amounts.
PS1201.098	Statement of change in net debt	Budget numbers have not been provided on this statement as is required under Public Sector Accounting Standards.
PS 1201.055	Properties held for sale	The sale of assets classified as properties held for sale is not anticipated to be completed within one year from the financial statement date as a result of COVID-19, and therefore do not meet the criteria for classification as properties held for sale under PSAS.

Appendix 6 – Management letter comments

December 3, 2020

Private and confidential

Audit Committee Members
Toronto District School Board
5050 Yonge Street
Toronto ON M2N 5N8

Dear Audit Committee Members:

We have recently completed our examination of the consolidated financial statements of the Toronto District School Board ("TDSB" or "the School Board") for the fiscal year ended August 31, 2020. In addition to our Independent Auditor's Report on the consolidated financial statements, we would like to provide the enclosed management letter for your consideration.

As part of our audit examination, we are required to obtain an understanding of the School Board and its environment, including internal controls, sufficient to identify and assess the risk of material misstatements in the consolidated financial statements, and sufficient to design and perform further audit procedures. The scope of our review of internal controls is not sufficient to express an opinion as to the effectiveness or efficiency of the School Board's internal controls; however, we do undertake to report any matters that come to our attention during the audit. We have reviewed our comments with management and their responses to our recommendations are included in the attached report.

We would like to compliment management, internal audit and the audit committee on the work that was accomplished in fiscal 2020 in terms of effectively addressing the requirements of Regulation 361/10 -Audit Committees.

The letter is intended solely for the information and use of management, the Audit Committee and the Board of Trustees and is not intended for and should not be used by anyone other than the specified parties. Accordingly, we disclaim any responsibility to any other party who may rely on it.

Yours very truly,



Chartered Professional Accountants
Licensed Public Accountants

- c. Dr. Kathy Witherow, Interim Director of Education
Mr. Craig Snider, Interim Associate Director, Business Operations and Service Excellence

1. School Generated Funds

Observation

We continue to note improvement based on our audit work on school generated funds. In the current year, we have the following observations:

- We noted some instances where accounting records for school councils were not maintained on the schools' accounting software, KEV School Cash Online.
- We noted instances where deposit logs were not being used consistently by teachers and office administrators when cash was submitted for deposit. In addition, principals were not reviewing the deposit logs on a consistent basis. As well, in the current year, it was observed that one school council did not maintain a separate deposit log from the school deposit log.
- We noted that school councils do not currently follow the School Generated Funds Financial Guide issued by the School Board, including but not limited to the preparation of bank reconciliations on a monthly basis. As an example, in the current year, bank reconciliations are not prepared monthly for three schools selected.
- We noted that oversight by the school principal over school councils could be improved at several of the schools selected for testing in the current fiscal year. Specifically, principals can become more involved in the process of approving expenditures, signing cheques, and reviewing and tracking of deposit slips.
- We noted that several school administrators have expressed a lack of familiarity and comfort using the KEV School Cash Online system, and faced difficulty producing the required documentation during the school visits.
- We noted an instance where there is no formal documentation for the approval of expenditures as the expenditures were approved through meetings.

Recommendation

We understand that in most cases it may not be feasible to obtain optimum segregation of duties over school generated funds at the school site level. We recommend the continued training for all individuals responsible for record keeping for school generated funds and the review of school generated funds on a rotational basis by the internal audit group.

A number of the observations we have made in the current and previous years relate to cash receipts. We understand that with the cashless schools initiative, such issues will be largely eliminated. We recommend that management continue to promote the use of the School Cash Online system to increase user adoption rates and minimize cash handling at the school level.

With respect to school council funds, we recognize the challenges specific to these accounts due to the reliance on parent and community volunteers. We recommend that the School Board provide support to school council treasurers by consolidating administrative and accounting duties for these funds with the school generated funds, to ensure that consistent procedures are adhered to. We also recommend that the principals at each school consider increasing their involvement over the control environment at each school.

We also recommend that additional training courses should be offered to school and school council administrators and treasurers to increase familiarity and functionality with the KEV system.

Management response

TDSB continues to engage in marketing strategies to increase user adoption rates to promote online collections and tracking through this centralized system. All school councils have the option to use the TDSB School Cash Online system, either by redirecting collections to their school council bank account or depositing them into the school's bank account. However, TDSB does not mandate school councils to use this system.

School generated funds are monitored through routine audits conducted by the Internal Audit Team, and regular financial review by the TDSB Finance Support Team. Majority of TDSB schools currently bank with PACE Credit Union. PACE Credit Union has mechanisms in place to flag any cheques with unauthorized signatories or with only one signature, and detect any suspicious or fraudulent transactions. During the COVID-19 school closure period in 2020, cheques with one signature were temporarily accepted by PACE Credit Union and the electronic fund transfer function was also made available to schools, with added account approval controls. PACE Credit Union also provides a monthly discrepancy report to TDSB outlining account signatory changes and deposit count errors and would escalate issues to TDSB management immediately as they arise.

Business training will continue to be provided to staff around cash handling, especially logging and counting of cash and cheque received. These requirements will also be incorporated into Internal audit testing to ensure Principals are enforcing these controls. TDSB has always encouraged the use of deposit logs by both the school and school council, to allow for better tracking and segregation of funds awaiting deposit.

TDSB has also released an online training module for school councils in December 2019. The online school council webinar provides training around school generated funds policies and procedures and the use of KEV School Cash Online. The TDSB Business Help Desk and Finance Support Officers also provide year-round support to schools and school councils.

2. Windows network password parameters

Observation

Password parameters on the Windows network have not been configured to enforce password complexity (i.e., requiring alphanumeric and special characters).

Implication

Passwords are used in many ways to protect data and systems as well as authenticating users of the network, operating systems, applications, hardware and remote access privileges. The lack of strong password parameter configurations based on leading security practices, may result in unauthorized users gaining access to data and systems.

Recommendation

We recommend that management review its password parameter configurations to ensure that they are aligned with policies and procedures as well as leading security practices. Where necessary, separate password setting objects could be used to segment the level of password policies depending on the level of access provided to groups of users (i.e., separation of school board staff, teachers, students, etc.). If a lower security password policy is used for less sensitive users, consideration should be made to segregate the network to reduce the exposure of vital network assets to less secure accounts.

Management Response

TDSB management will review and update its Board password procedure PR573 and incorporate the recommendation for enforcing password complexity by August 2021.

Financial statements of Toronto District School Board Trust Funds

August 31, 2020

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations and changes in net assets	4
Statement of cash flows	5
Notes to the financial statements	6-9

Independent Auditor's Report

To the Board of Trustees of
Toronto District School Board

Qualified Opinion

We have audited the financial statements of Toronto District School Board Trust Funds (the "Trust Funds"), which comprise the statement of financial position as at August 31, 2020, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at August 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Trust Funds derive revenue from the general public in the form of donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Trust Funds and we were not able to determine whether any adjustments might be necessary to donations revenue, the excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended August 31, 2020 and 2019, current assets as at August 31, 2020 and 2019, and net assets as at September 1 and August 31 for both the 2020 and 2019 fiscal years. Our audit opinion on the financial statements for the year ended August 31, 2019 was modified accordingly because of the possible effects of this scope limitation.

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants
Licensed Public Accountants
Date of the report

Toronto District School Board Trust Funds

Statement of financial position

As at August 31, 2020

	Notes	Endowment Fund \$	Restricted (donations/ scholarship) Fund \$	2020 Total \$	Endowment Fund \$	Restricted (donations/ scholarship) Fund \$	2019 Total \$
Assets							
Cash and cash equivalents	8	4,373,082	8,416,172	12,789,254	4,364,482	10,426,373	14,790,855
Investments		—	61,105	61,105	—	67,820	67,820
Accounts receivable	6	—	70,835	70,835	—	37,278	37,278
		4,373,082	8,548,112	12,921,194	4,364,482	10,531,471	14,895,953
Liabilities and net assets							
Accounts payable and accrued liabilities		—	18,868	18,868	—	9,100	9,100
Due to Toronto District School Board	7	—	4,395	4,395	—	1,990,861	1,990,861
		—	23,263	23,263	—	1,999,961	1,999,961
Net assets externally restricted		4,373,082	8,524,849	12,897,931	4,364,482	8,531,510	12,895,992
		4,373,082	8,548,112	12,921,194	4,364,482	10,531,471	14,895,953

The accompanying notes are an integral part of the financial statements.

Approved by the the Board of Trustees

_____, Director

_____, Director

Toronto District School Board Trust Funds
Statement of operations and changes in net assets
Year ended August 31, 2020

	Notes	Endowment Fund \$	Restricted (donations/ scholarship) Fund \$	2020 Total \$	Endowment Fund \$	Restricted (donations/ scholarship) Fund \$	2019 Total \$
Revenue							
Donations		8,600	149,867	158,467	145,550	3,265,112	3,410,662
Investment income and other contributions	2	—	308,834	308,834	—	348,849	348,849
Unrealized (loss) gain on investments		—	(6,715)	(6,715)	—	10,628	10,628
		8,600	451,986	460,586	145,550	3,624,589	3,770,139
Expenses	3						
Scholarships and student awards		—	433,543	433,543	—	464,737	464,737
Educational programs/facilities		—	25,104	25,104	—	2,441,086	2,441,086
		—	458,647	458,647	—	2,905,823	2,905,823
Excess (deficiency) of revenue over expenses		8,600	(6,661)	1,939	145,550	718,766	864,316
Net assets, beginning of year		4,364,482	8,531,510	12,895,992	4,220,932	7,810,744	12,031,676
Inter-fund transfer	4	—	—	—	(2,000)	2,000	—
Net assets, end of year		4,373,082	8,524,849	12,897,931	4,364,482	8,531,510	12,895,992

The accompanying notes are an integral part of the financial statements.

Toronto District School Board Trust Funds

Statement of cash flows

Year ended August 31, 2020

	2020	2019
	\$	\$
Operating activities		
Excess of revenue over expenses for the year	1,939	864,316
Item not affecting cash		
Unrealized loss (gain) on investments	6,715	(10,628)
	8,654	853,688
Changes in non-cash working capital balances related to operations		
Accounts receivable	(33,557)	(18,166)
Accounts payable and accrued liabilities	9,768	3,450
Due to Toronto District School Board	(1,986,466)	1,990,861
	(2,001,601)	1,976,145
(Decrease) increase in cash and cash equivalents	(2,001,601)	2,829,833
Cash and cash equivalents, beginning of year	14,790,855	11,961,022
Cash and cash equivalents, end of year	12,789,254	14,790,855

The accompanying notes are an integral part of the financial statements.

Toronto District School Board Trust Funds

Notes to the financial statements

August 31, 2020

These financial statements report the Trust Funds of the Toronto District School Board (the "Trust Funds").

1. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations published by CPA Canada using the restricted fund method of accounting for contributions. The more significant of the accounting policies are outlined below.

Fund accounting

- (a) The Restricted (donations/scholarship) Fund reports donor-restricted resources, including interest earned on the endowment fund that is to be used to provide scholarships and student awards as well as educational programs and facilities, as directed by their related agreements.
- (b) The Endowment Fund has restrictions placed by the donors on the maintenance of the capital of the fund.

Financial instruments

The Trust Funds has selected the following classifications and measurements for its financial assets and liabilities:

<u>Asset/liability</u>	<u>Measurement</u>
Cash and cash equivalents	Fair value
Investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets and financial liabilities are initially recognized at fair value when the Trust Funds become a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, with the exception of cash and cash equivalents and investments which are measured at fair value. Changes in fair value are recorded in the Statement of operations and changes in net assets.

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the Statement of operations and changes in net assets.

Publicly traded securities are valued based on the latest bid prices. Transactions are recorded on a trade date basis.

Realized investment income, which consists of interest, dividends and realized gains and losses, is recorded in investment income and other contributions in the Statement of operations and changes in net assets when earned. The change in unrealized gains and losses from investments during the year is recorded in the Statement of operations and changes in net assets.

Revenue recognition

Restricted expendable contributions are recognized as revenue of the Restricted (donations/scholarship) Fund when received. Contributions for endowments are recorded as revenue in the Endowment Fund when received.

Toronto District School Board Trust Funds

Notes to the financial statements

August 31, 2020

1. Significant accounting policies (continued)

Revenue recognition (continued)

Investment income earned on externally restricted expendable funds is a resource that must be spent on scholarship and student awards as well as educational programs and facilities needs as defined by the donor and is recognized as revenue in the Restricted (donations/scholarship) Fund. Investment income earned on the endowment fund is recognized as revenue of the Restricted (donations/scholarship) Fund.

Donated services

Donated services are not recorded.

Scholarships and student awards

Scholarships and student awards are recorded in the period the awards are approved to be paid.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. Investment income and other contributions

Investment income and other contributions reported in the Restricted (donations/scholarship) Fund of \$308,834 (\$348,849 in 2019) includes interest earned and other investment income received for Endowment Funds totaling \$96,768 (\$102,176 in 2019). The breakdown of investment income and other contributions is as follows:

	2020 \$	2019 \$
Interest income earned on		
Endowment Fund	96,768	100,618
Restricted (donations/scholarship) Fund	181,827	241,003
	278,595	341,621
Other contributions received for		
Endowment Fund	—	1,558
Restricted (donation/scholarship) Fund	30,239	5,670
	30,239	7,228
	308,834	348,849

Toronto District School Board Trust Funds
Notes to the financial statements
 August 31, 2020

3. Expenses

Expenses reported in the Restricted (donations/scholarship) Fund of \$458,647 (\$2,905,823 in 2019) include expenses related to income earned on Endowment Funds of \$64,566 (\$52,505 in 2019) as follows:

	2020 \$	2019 \$
Scholarship and student awards		
Endowment Fund	64,407	51,005
Restricted (donations/scholarship) Fund	369,136	413,730
	433,544	464,736
Educational programs/facilities		
Endowment Fund	159	1,500
Restricted (donation/scholarship) Fund	24,945	2,439,586
	25,104	2,441,086
	458,647	2,905,821

4. Inter-fund transfer

An inter-fund transfer between the Endowment and Restricted Funds was recorded in the amount of nil (\$2,000 in 2019) to properly reflect the allocation between the Funds in accordance with requests made by donors.

5. Financial instruments

Price risk

Price risk is the risk that changes in the prices of the Trust Funds' investments will affect the Trust Funds' income or the value of its financial instruments because of changes in market prices, whether those changes are caused by factors specific to the individual investments or factors affecting similar investments traded in the markets. The Trust Funds' equity investments are directly exposed to price risk.

Interest rate risk

The Trust Funds are exposed to interest rate risk as a result of its GIC investment held. The value of fixed income securities will generally risk if interest rates fall and fall if interest rates rise. The Trust Funds limit their exposure to these risks by investing in GICs that are cashable within a short-term horizon and issued by companies that have strong performance and are stable.

6. Accounts receivable

Included in Accounts receivable is an amount of \$2 (\$342 in 2019) representing amounts due from the government, accrued interest of \$70,833 (\$30,936 in 2019), and donations receivable of \$Nil (\$6,000 in 2019).

7. Due to Toronto District School Board

Included in the Due to Toronto District School Board ("TDSB") balance is \$1,984,113 as at August 31, 2019 were amounts that TDSB had paid on behalf of a Trust account for a field revitalization project at a TDSB secondary school. This amount was reimbursed in full from Trust Funds in the current fiscal year.

Toronto District School Board Trust Funds

Notes to the financial statements

August 31, 2020

8. Cash and cash equivalents

Included in cash and cash equivalents is a cashable GIC totaling \$10,000,000 (nil in 2019). The GIC is held at an investment firm, pays interest at a rate of 1.7% annually, and is cashable without penalties for early redemption after 90 days from the date of purchase.

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School Re-Opening: Infection Prevention and Control Measures

To: Audit Committee

Date: 7 December, 2020

Report No.: 11-20-3986

Strategic Directions

- Create a Culture for Student and Staff Well-Being

Recommendation

It is recommended that the School Re-Opening: Infection Prevention and Control Measures report be received.

Context

The COVID-19 pandemic has introduced many challenges with respect to safely re-opening schools. Working in conjunction with Toronto Public Health, the Toronto District School Board Health and Safety Team within the Facilities Department are enforcing existing and newly developed controls to help schools operate safely.

The Infection Prevention and Control Measures (IPAC) presentation included as Appendix A outlines controls in key risk areas such as: arrival/departures, crowd management, hygiene, physical distancing, enhanced cleaning, transportation and protocols when positive cases are identified.

Action Plan and Associated Timeline

Action plans have been implemented and will continue until the City and Province advise otherwise.

Resource Implications

There are increased costs and human resource associated with managing the pandemic and have been allocated to various departmental budgets.

Communications Considerations

Included in public Audit Committee minutes and communicated to all TDSB locations.

Board Policy and Procedure Reference(s)

- P048 Occupational Health and Safety;
- P078 Community Engagement.

Appendices

- Appendix A: School Re-Opening – TPH IPAC Measures

From

Patrick Mohammed, Senior Manager, Occupational Health and Safety at patrick.mohammed@tdsb.on.ca or 416-397-3210 or Maia Puccetti, Executive Officer, Facilities and Planning at Maia.Puccetti@tdsb.on.ca or 416-393-8780.

SCHOOL RE-OPENING TPH-IPAC MEASURES



Arrival and Departure

All staff/students to self-assess prior to leaving home.

Consider staggered entry/exit times.

Establish parent pick up/drop off protocols.

Staff/students screened before entry.

Limit visitors to schools to essential only.



Circulation

Determine traffic flow in hallways/stairs.

Floor markings for travel and distancing

One way travel where possible.

Set capacity limits for washrooms and elevators and other common spaces.

Signage to reinforce safety protocols,

Consider use of barriers to ensure physical distancing.

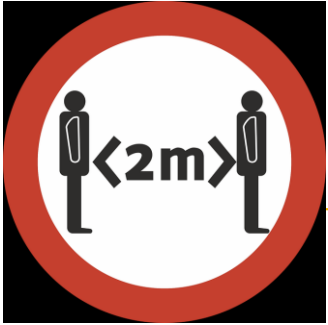


Hygiene Practices

Handwashing breaks throughout the school day for staff/students.



Physical Distancing



Classroom cohorts.

Classrooms organized to maximum space between students.

Utilize any surplus space for instructional purposes.

No assemblies/staff meetings or any other group gatherings.

Consider virtual meetings/work offsite.

Visual cues to reinforce physical distancing requirements.

Use of face masks/other PPE if physical distancing is not possible.

Facilities

Perform routine cleaning of general facilities throughout the day.

Increased frequency of cleaning of high touch surfaces

Mechanical HVAC system adjusted to increase the amount of fresh air.

Open windows to increase natural ventilation.

Washroom/hand washing fixtures checked and operational.

Drinking fountains off limits
HEPA filtration devices

Positive Covid-19 cases

Anyone with symptoms should get tested.

If symptoms appear while on site, students should be isolated and picked up; staff should be sent home.

Sick students/staff kept in a designated isolation room until picked up.

- Room to be disinfected after pick up.

Track student and staff absenteeism.

Toronto Public Health conducts contact tracing.



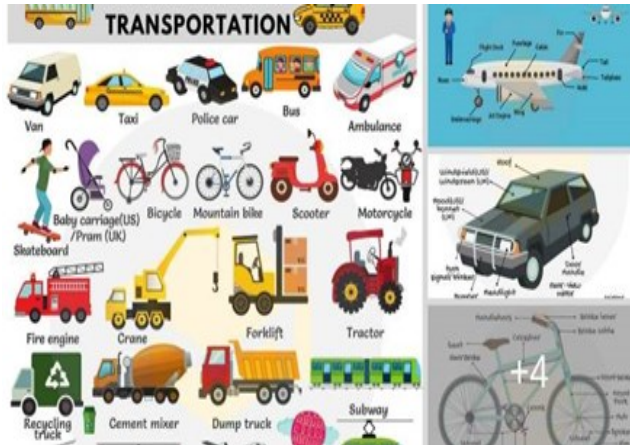
Transportation

Limited number of bus passengers..

Perform routine cleaning of bus between runs.

Focus on cleaning of high touch surfaces.

Face masks for all passengers and drivers.



General

Close cafeterias/kitchenettes.

Only provide pre-packaged food.

Lunch eaten in classrooms and garbage taken home.

No sharing of food/beverages.

Single use utensils only.

Physical distancing during recess/lunch.



Other Measures

- **New Hires**
 - 2 Term Positions
 - Work refusals
- **Team Approach**
 - Positive cases tracking
 - CovidOHSReporting email
 - 7/days/week
 - Support P & SO
- **JHSC**
 - Regular/Daily update/Consultation
 - Extension of committee structure to June 2021
 - Covid advisory notices TDSB
 - Extra/Extend meetings
 - Development of Protocol Guidelines – i.e Admin Sites

Other Measures

- Daily Reporting/Chick-in
 - Fact check – EDU – LEAD
- TPH – Testing Coordination
 - Included expanded
- TPH – Lead
 - Webinars
- Covid Liaison Nurse
 - Audits
 - Education/outreach
- Establish Wellness Rooms
- TDSB Covid 19 Case Management Plan
 - Collaborate with other departments on Covid19 Screening apps

Thank you





Internal Audit Department Status and Engagement Update – December 2020

To: Audit Committee

Date: 7 December, 2020

Report No.: 11-20-3988

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the Internal Audit Department Status and Engagement Update – December 2020 report be received.

Context

The Toronto District School Board's Internal Audit Management provides internal assurance, advisory, consulting and investigative services primarily at the school and internal process level. Attached is an update of departmental projects for the fiscal year, as of December 2020.

Action Plan and Associated Timeline

For reporting purposes only.

Resource Implications

No internal resource implications.

Communications Considerations

Included in public Audit Committee minutes.

Board Policy and Procedure Reference(s)

N/A – O.Reg 361/10 is applicable.

Appendices

- Appendix A: Internal Audit: Department and Engagement Update

From

Wasif Hussain, Internal Audit Manager at wasif.hussain@tdsb.on.ca or 416-393-0491.

Appendix A – TDSB Internal Audit Management: Department and Engagement Update

A. TDSB Internal Audit Management

The FY2020-21 TDSB Internal Audit Plan was presented to the Audit Committee in the September 2020 meeting, addressing risks presented by the pandemic. Internal Audit Management is in the process of working on the engagements proposed for the first semester with Occupational Health & Safety, under Facility Services, presenting School Re-Opening protocols developed in conjunction with Toronto Public Health. School audits will be conducted remotely and will focus on school banking, finances and enrolment; fulsome school audits will resume when operations normalize.

B. Items External to TDSB Internal Audit (OAGO, RIAT, Ministry etc.)

Office of the Auditor General of Ontario

OAGO IT Value For Money Audit

- The Office of the Auditor General of Ontario performed a follow up audit of the 2018 Value for Money audit report relating to information technology at the school level, from late spring to early fall 2020. The follow up focused on the nine recommendations directed to School Boards from the original report. Of the nine school board recommendations, six recommendations have been or are in the process of being fully implemented. Three recommendations have been partially implemented due to budgetary constraints. Two of the three recommendations relate to IT disaster recovery and business continuity plans. Although the Board has data back-up protocols and a redundant site at TCDSB, having a dedicated datacentre for DRP is cost prohibitive. One recommendation related to monitoring electronic communications for cyber-bullying. Currently the Board can track cyber-bullying incidents after it has been reported, however the cost of software which will proactively monitor all electronic communications is cost prohibitive. The Board stated that it supports EDU procuring a solution at the provincial level. A partial draft report was sent to the Board, with final reporting anticipated to be released to the public in mid to late December 2020.

OAGO Curriculum Value For Money Audit

- In February 2020, the OAGO began a value-for-money audit of the Ministry of Education on curriculum with TDSB being selected as one of the school boards to be visited. Audit fieldwork and draft reporting have been completed; OAGO provided TDSB a partial draft in November, with only two recommendations applicable to school boards (enhancing learning plan reviews to include sample lesson plans and assessing textbook purchases at the school level to determine if system wide purchasing would reduce overall textbook acquisition costs). TDSB is developing responses to be submitted and we anticipate the final report will be issued in Spring 2021.

GTA Regional Internal Audit Team Update:

- The RIAT, had the following engagements conducted for the prior fiscal year (FY2018/19):
 - Professional Development Audit – in reporting phase
 - Programming & Staff Utilization (Benchmarking) – in reporting phase
- The RIAT has planned the following engagements over the next three fiscal years:
 - Transportation Audit – FY19/20
 - Construction Management – FY 20/21
 - AP & Expenses – FY 20/21
 - Strategic Work Force, phase 1 – FY21/22
 - Strategic Work Force, phase 2 – FY21/22

C. September 2020 to August 2021 TDSB internal audits in process, completed & planned

Engagement	Description	File Status
Mobile Device Usage Monitoring Process Review	With 4,100+ mobile devices being owned by the Board, the review will focus on procedures, monitoring and oversight	<u>Status Update:</u> IAM completed the draft report in 2019 and submitted it to Management for responses. Several opportunities for improvement were recommended including consolidation and updating of usage guidelines and system monitoring reports. Management initially indicated responses would be provided in Summer 2020 after the RFP process for a new provider was completed. As of November 2020, Management has indicated that additional time is required as many devices have yet to switched to the new provider.
One Time Vendor Audit	Engagement will focus on all “one time vendor” categories including process and controls in place to ensure this class of vendor is being used as intended.	<u>Completed:</u> IAM reviewed one-time trade vendor transactions from September 2018 to February 2020. One-time trade vendor spend accounted for 1.1% of total spend during the period under review. The greatest risk in using One-Time trade vendors is that due diligence procedures are not conducted, which may result in goods / services being delivered to students by vendors who do not meet qualifications, clearances or insurance requirements. It should be noted that in many situations, the transaction with vendors not on approved lists were initiated by the cost centre owner and the good / service was often delivered prior to AP or PS involvement.
FY2019-20 PCard Usage	Management requested a broader scope PCard audit to capture all cardholders for FY2019-20 to help	<u>Status Update:</u> Downloaded all cardholder statements from September 2019 to May 2020. There has

	determine if controls are working effectively.	been an overall decrease in PCard usage from \$7.5M in 2017/18 to \$3M in 2019/20 (YTD Mar 2020). School (52%) and Facility (39%) issued PCards account for over 90% of total PCard spend. Engagement is in draft reporting and anticipated to be completed in Winter 2020.
TPH & TDSB Re-Opening Presentation	Given the operational risks associated with operating a public facility during a pandemic, IA worked with TDSB Occupational Health & Safety to summarize controls implemented at the school level.	<u>Completed:</u> Presented to the Committee in December 2020. Presentation summarizes infection prevention and control measures in place, working in conjunction with Toronto Public Health.
School Bank Account Analysis	In lieu of School Operational Audits Reports, given the current environment, Internal Audit will review school banking transactions.	<u>Status Update:</u> Transactional information has been obtained and compiled. Internal Audit is in the process of analyzing the data with preliminary reporting expected to be completed by Winter 2020.
Enrolment Audit	In lieu of School Operational Audits Reports, given the current environment, Internal Audit will be conducting enrolment audits, specifically focusing on virtual schools.	<u>Status Update:</u> Engagement scheduled to being February 2021.
School Cash Online Review	In lieu of School Operational Audits Reports, given the current environment, Internal Audit will be conducting a review of School Cash Online with a focus on school generated funds and utilization thereof.	<u>Status Update:</u> Engagement scheduled to being February 2021.
Student Issued Device Management Review	In lieu of School Operational Audits Reports, given the current environment, Internal Audit will be reviewing the controls in place for student issued device management.	<u>Status Update:</u> Engagement scheduled to being February 2021.

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Regional Internal Audit Team (RIAT) Engagement and Status Update

To: Audit Committee

Date: 7 December, 2020

Report No.: 11-20-3989

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the Regional Internal Audit Team (RIAT) Engagement and Status Update report be received.

Context

The Greater Toronto and Area Regional Internal Audit Team (GTA RIAT) provides internal audit services to the six district school boards in the GTA with a focus on enterprise level activities. The appendix provides status updates to scheduled engagements and follow-up reports as of December 2020.

Action Plan and Associated Timeline

For reporting purposes only.

Resource Implications

Not applicable.

Communications Considerations

Included in public Audit Committee minutes.

Board Policy and Procedure Reference(s)

O.Reg 361/10 is applicable.

Appendices

- Appendix A: GTA RIAT December 2020 Update

From

Paula Hatt, Senior Manager, Regional Internal Audit Team at paula.hatt@ycdsb.on.ca
or 416-937-2544.

Regional Internal Audit Team (RIAT) Update for TDSB

2018-19 Audit Plan Update

Engagement	Status	Fieldwork Start Date	Report Date	Date Tabled at Audit Committee
Professional Development	Complete	Dec-19	Nov-20	Dec-20

The final engagement outstanding from the 2018-19 Regional Internal Audit plan is the Professional Development Audit. This audit report has been issued and will be presented at the December 2020 Audit Committee meeting.

2019-20 Audit Plan Update

Engagement	Status	Fieldwork Start Date	Report Date	Date Tabled at Audit Committee
Programming and Staff Utilization Review (Benchmarking)	Fieldwork	Apr-20	TBD	TBD
Transportation	See below	TBD	TBD	TBD
Follow-up Activities	Planning	TBD	TBD	TBD

- Programming and Staff Utilization Review – The majority of the information requested from the four participating Boards (TDSB, Peel DSB, York Region DSB and Dufferin-Peel Catholic DSB) has been received. The RIAT is currently reviewing this data and compiling the metrics into a draft report.
- Follow-up Activities – The RIAT has compiled a list of audit findings from all RIAT reports issued to the Board. As a next step, the RIAT will reach out to management to obtain the status of these findings (i.e. all findings that have not previously been confirmed closed through follow-up testing). Future follow-up work will be determined based on this update.

Status of Transportation Audit:

At the request of the TDSB Audit Committee, the RIAT reached out to the Toronto Catholic District School Board (TCDSB) to explore the possibility of concurrent transportation audits covering both Boards and the consortium. A discussion took place at the TCDSB Audit Committee meeting on September 30, 2020. However, the TCDSB Audit Committee declined to make changes to their approved audit plan as it captured other areas of higher risk / priority.

The consortium agreement was then reviewed to determine if a Right-to-Audit clause was included that would allow an audit to proceed. However, no such clause was included.

Given the above, a transportation audit would be limited to TDSB-specific activities. As the Audit Committee did not feel that a one-sided audit would be of sufficient value, the RIAT recommends that the transportation audit be cancelled and replaced by an audit of another area.

In selecting and approving a replacement audit, the following options should be considered:

- In December 2019, a list of eight potential audits for inclusion in the RIAT three-year audit plan was presented to the Audit Committee, ranked based on feedback from other Board Committees. The six engagements approved by the Audit Committee (two per year) were items ranked from one to six on this list. The two audits not selected were Privacy (ranked 7th) and IT Cloud Strategy (ranked 8th), one of which could be chosen at this time. Privacy audits are being conducted at the other five Boards in the Toronto & Area Region over the next two years.
- There is also an opportunity to select another functional area that has emerged as a higher risk since the risk assessment was presented in December 2019.

RIAT Recommendation: The RIAT recommends that the Audit Committee approve a privacy audit given increased risk due to a remote workforce and virtual learning. In addition, multiple privacy audits will allow the RIAT to share observations and leading practices throughout the region.

The timing of the audit selected will be discussed with the Audit Committee (i.e. 2020-21 or 2021-22).

2020-21 Audit Plan

Engagement	Status	Fieldwork Start Date	Report Date	Date Tabled at Audit Committee
Accounts Payable & Expense	Planning	Jan-21	TBD	TBD
Construction Management	Not Started	TBD	TBD	TBD
Follow-up Audit - TBD	Not Started	TBD	TBD	TBD

- Accounts Payable and Expense Audit – The RIAT is currently planning this engagement. Fieldwork is expected to begin in January 2021.
- Construction Management – This audit is tentatively planned for spring 2021.
- Follow-up – Follow-up audit will be selected based on the status update of previous audit findings. This engagement is tentatively planned for June 2021.



Audit Committee O.Reg 361/10 Requirements – Work Tracker

To: Audit Committee

Date: 7 December, 2020

Report No.: 11-20-3990

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that the Audit Committee O.Reg 361/10 Requirements – Work Tracker report be received.

Context

This work tracker is a standing item on all Audit Committee agendas. It aims to provide Audit Committee members with a checklist of the O.Reg 361/10 requirements and to assist with the planning of Audit Committee activities and meeting agendas.

Action Plan and Associated Timeline

For reporting purposes only.

Resource Implications

Not applicable.

Communications Considerations

Included in public Audit Committee minutes.

Board Policy and Procedure Reference(s)

O.Reg 361/10 is applicable.

Appendices

- Appendix A: Audit Committee O.Reg 361/10 Requirements – Work Tracker 20/21

From

Wasif Hussain, Internal Audit Manager, at wasif.hussain@tdsb.on.ca or 416-393-0491.

Appendix A: 2020-21 Fiscal Year Proposed Audit Committee Meeting Schedule & Agenda Topics

Category	Audit Committee Agenda Items	Meeting Date				Comments
		Sept 21/20	Dec 7/20	Mar 22/21	June 21/21	
	Ministry Amendments					
Ministry	Audit Committee Regulation 361/10 Amendments	✓	✓			No changes to regulation
	External Reports					
Deloitte	Year End Audited Financial Statements - FY2018/19		✓			To be presented Dec 2020
Deloitte	7 Month Accountants Report					To be presented Jun 2021
OAGO	Auditor General of Ontario IT Value for Money Audit - Education Sector	✓	✓			Follow Up Apr 2020, awaiting OAGO reporting
OAGO	Auditor General of Ontario Curriculum Value for Money Audit - Education Sector					Audit in progress - Updates to be provided Mar 2021
	Regional Internal Audit Team					
RIAT	Regional Internal Audit Team Status and Audit Plan Updates	✓	✓			
	TDSB Internal Audit Department					
TDSB IA	Internal Audit Department and Audit Plan Updates	✓	✓			
TDSB IA	One Time Vendor Audit		✓			Presented Dec 2021
TDSB IA	FY2019-20 PCard Usage					To be presented Mar 2021
TDSB IA	FY2019-20 School Banking Analysis					To be presented Mar 2021
TDSB IA	Mobile Device Usage Monitoring Process Review					To be presented Jun 2021
TDSB IA	Construction Contractor Spend Analysis	✓				
TDSB IA	Engagement & Investigations Update	✓	✓			Presented in Private
	Review of Policies and Procedures					
Ethics & Compliance	Overview of Whistleblower Program and related statistics	✓				
Ethics & Compliance	Overview of Compliance program and related statistics	✓				

Appendix A: 2020-21 Fiscal Year Proposed Audit Committee Meeting Schedule & Agenda Topics

Category	Audit Committee Agenda Items	Meeting Date				Comments
		Sept 21/20	Dec 7/20	Mar 22/21	June 21/21	
	Other					
Admin	Election of Committee Chair	✓	✓			Motion to extend PY Chair with election after Organizational Board
Annual Report	2019-2020 Audit Committee Annual Report to the Ministry	✓				
Annual Report	Educational Partnership Annual Update	✓				
Annual Report	Insurance & Risk Update	✓				
Training & Education	Audit Committee New Member Orientation / Refresher		✓			To be presented Dec 2020
Training & Education	Audit Committee Professional Development & Continuing Education					PSAS Update session to be provided June 2021

The purpose of this schedule is to provide Audit Committee members with an overview of O.Reg 361/10 requirements and to assist them with planning their annual activities and meeting agendas.

O Reg. 361/10 Ref	Action / Responsibility	Meeting Date				Comments
		Sept 21/20	Dec 7/20	Mar 22/21	June 21/21	
s.3	Composition of an Audit Committee/Eligibility of Members					
s.3 (1)	Shall consist of four board members and three persons who are not board members.	✓	✓			External Member term expiring, motion to initiate search submitted
s.5 (1)	Each board shall have a selection committee for purpose of identifying non-board members as potential candidates for appointment to the audit committee.		✓			Selection Committee in place, new external member required Jan 2021
s.6	Chair of the audit committee					
s.6(1)	(1) At the first meeting of the Audit Committee in each fiscal year, the members of the committee shall elect the chair for the fiscal year from among members appointed to the committee.	✓	✓			Motion to extend PY Chair with election after Organizational Board
s.7	Term of appointment					

Appendix A: 2020-21 Fiscal Year Proposed Audit Committee Meeting Schedule & Agenda Topics

Category	Audit Committee Agenda Items	Meeting Date				Comments
		Sept 21/20	Dec 7/20	Mar 22/21	June 21/21	
s.7(1)	(1) Are board members appointed in accordance with the bylaws.	✓	✓			
s.7(2)	(2) Are non board members appointed for a period not exceeding three years.	✓	✓			
s.9	Duties of an Audit Committee					
s.9 (1)	Financial Reporting:					
	(1) Review with the director of education, a senior business official and the external auditor the board's financial statements regarding:					Presented Dec 2020
	i. Relevant accounting and reporting practices and issues.		✓			
	ii. Complex or unusual financial and commercial transactions of the board.		✓			
	iii. Material judgments and accounting estimates of the board.		✓			
	iv. Departures from the accounting principles published from time to time by the Canadian Institute of Chartered Accountants that are applicable to the board.		✓			
	(2) Before the annual external audit results are submitted to the board, has the audit committee reviewed with the director of education, a senior business official and the external auditor:					Presented Dec 2020
	i. the results of the annual external audit,		✓			
	ii. difficulties encountered in the course of the external auditor's work, including any restrictions or limitations on the scope of the external auditor's work or on the external auditor's access to required information,		✓			No difficulties encountered
	iii. significant changes the external auditor made to the audit plan in response to issues that were identified during the audit, and		✓			
	iv. significant disagreements between the external auditor and the director of education or a senior business official and how those disagreements were resolved.		✓			No disagreements noted
	3. To review the board's annual financial statements and consider whether they are complete, consistent with any information known to the audit committee members and reflect accounting principles applicable to the board.		✓			
	4. Has the audit committee considered it appropriate to recommend, that the board approves the annual audited financial statements.		✓			
	5. Review with the director of education, a senior business official and the external auditor all matters that the external auditor is required to communicate to the audit committee under generally accepted auditing standards.		✓			
	6. Review with the external auditor material written communications between the external auditor and the director of education or a senior business official.		✓			

Appendix A: 2020-21 Fiscal Year Proposed Audit Committee Meeting Schedule & Agenda Topics

Category	Audit Committee Agenda Items	Meeting Date				Comments
		Sept 21/20	Dec 7/20	Mar 22/21	June 21/21	
	7. To ask the external auditor about whether the financial statements of the board's reporting entities, if any, have been consolidated with the board's financial statements.		✓			
	8. To ask the external auditor about any other relevant issues. O. Reg. 361/10, s. 9 (1).		✓			Private session held with external auditors
s. 9 (2)	Internal Controls:					
	(1) Review the overall effectiveness of the board's internal controls.	✓	✓			9/20: Annual reports received from Whistleblower, Compliance, Educational Partnerships; 12/20: Infection Prevention Control Measures
	(2) Review the scope of the internal and external auditor's reviews of the board's internal controls, any significant findings and recommendations by the internal and external auditors and the responses of the board's staff to those findings and recommendations.	✓	✓			
	(3) Discuss with the board's officials the board's significant financial risks and the measures the officials have taken to monitor and manage these risks.	✓	✓			
s. 9 (3)	Duties to internal auditor:					
	1. Review the internal auditor's mandate, activities, staffing and organizational structure with the director of education, a senior business official and the internal auditor.	✓				
	2. Make recommendations to the board on the content of annual or multi-year internal audit plans and on all proposed major changes to plans.	✓				TDSB IA 20/21 audit plan - presented Sept 2020. RIAT 2019/20-2021/22 draft audit plan presented May 2019, finalized Dec 2019
	3. Ensure there are no unjustified restrictions or limitations on the scope of the annual internal audit.	✓	✓			No restrictions or limitations to scope encountered in the year
	4. Review at least once in each fiscal year the performance of the internal auditor and provide the board with comments regarding his or her performance.	✓				Reviewed TDSB IA performance Sept 2020
	5. Review the effectiveness of the internal auditor, including the internal auditor's compliance with the document <i>International Standards for the Professional Practice of Internal Auditing</i> , as amended from time to time, published by The Institute of Internal Auditors and available on its website.	✓				TDSB IA assessment by the AC conducted in Sept 2020
	6. Meet on a regular basis with the internal auditor to discuss any matters that the audit committee or internal auditor believes should be discussed.	✓	✓			Teleconference with Chair of Committee / designate prior to every meeting

Appendix A: 2020-21 Fiscal Year Proposed Audit Committee Meeting Schedule & Agenda Topics

Category	Audit Committee Agenda Items	Meeting Date				Comments
		Sept 21/20	Dec 7/20	Mar 22/21	June 21/21	
	7. Review with the director of education, a senior business official and the internal auditor,					
	i. significant findings and recommendations by the internal auditor during the fiscal year and the responses of the board's staff to those findings and recommendations,	✓	✓			Audit status, recommendations and Mgmt responses are summarized at each meeting.
	ii. any difficulties encountered in the course of the internal auditor's work, including any restrictions or limitations on the scope of the internal auditor's work or on the internal auditor's access to required information, and					No restrictions or limitations to scope encountered in the year
	iii. any significant changes the internal auditor made to the audit plan in response to issues that were identified during the audit.	✓				FY2020-21 Audit Plan reflects environmental changes
s. 9 (4)	Duties to external auditor:					
	1 Review at least once in each fiscal year the performance of the external auditor and make recommendations to the board on the appointment, replacement or dismissal of the external auditor and on the fee and fee adjustment for the external auditor.					Service Plan to be presented in Jun 2021
	2. Review the external auditor's audit plan, including,					
	i. the external auditor's engagement letter,		✓			
	ii. how work will be co-ordinated with the internal auditor to ensure complete coverage, the reduction of redundant efforts and the effective use of auditing resources, and	✓				Work performed is coordinated with TDSB IA every Fall.
	iii. the use of independent public accountants other than the external auditor of the board.					Not used to date
	2.1 To make recommendations to the board on the content of the external auditor's audit plan and on all proposed major changes to the plan.					Service Plan to be presented in Jun 2021
	3. Review and confirm the independence of the external auditor.		✓			
	4. Meet on a regular basis with the external auditor to discuss any matters that the audit committee or the external auditor believes should be discussed.	✓	✓			External Auditors attend meetings & have ability to meet in Private
	5. Resolve any disagreements between the director of education, a senior business official and the external auditor about financial reporting.					No disagreements noted to date
	6. Recommend to the board a policy designating services that the external auditor may perform for the board and, if the board adopts the policy, to oversee its implementation.					Policy P089 in place
s. 9 (5)	Board's Compliance Matters:					

Appendix A: 2020-21 Fiscal Year Proposed Audit Committee Meeting Schedule & Agenda Topics

Category	Audit Committee Agenda Items	Meeting Date				Comments
		Sept 21/20	Dec 7/20	Mar 22/21	June 21/21	
	1. Review the effectiveness of the board's system for monitoring compliance with legislative requirements and with the board's policies and procedures, and where there have been instances of non-compliance, to review any investigation or action taken by the board's director of education, supervisory officers or other persons employed in management positions to address the non-compliance.	✓				Presented by Compliance Team
	2. Review any significant findings of regulatory entities, and any observations of the internal or external auditor related to those findings.					No material findings encountered
	3. Review the board's process for communicating any codes of conduct that apply to board members or staff of the board to those individuals and the board's process for administering those codes of conduct.					Code communicated to all Trustees as part of orientation & AC member orientation - Dec 2020
	4. Obtain regular updates from the director of education, supervisory officers and legal counsel regarding compliance matters.	✓				Presented by Compliance Team & General Counsel as required
	5. Obtain confirmation by the board's director of education and supervisory officers that all statutory requirements have been met.	✓				Presented by Compliance Team
s. 9 (6)	Board's risk management:					
	1. Ask the board's director of education, a senior business official, the internal auditor and the external auditor about significant risks, to review the board's policies for risk assessment and risk management and to assess the steps the director of education and a senior business official have taken to manage such risks, including the adequacy of insurance for those risks.	✓				9/20: Annual Insurance & Risk report ERM Initiative presented Jun 2020
	2. Perform other activities related to the oversight of the board's risk management issues or financial matters, as requested by the board.					Not exercised to date
	3. Initiate and oversee investigations into auditing matters, internal financial controls and allegations of inappropriate or illegal financial dealing.	✓				See IA Private update for list of investigations
s. 9 (7)	(7) Duty to report to the board annually (and at any other time that the board may require), on the committee's performance of its duties.	✓				AC Board Report Sept 2020
s. 9 (8)	(8) Make all reasonable efforts to ensure that a copy of this Regulation is posted on the board's website.					Reference to the Regulation is included in the Boards Website
s. 10	Powers of an audit committee					
	Has the audit committee exercised any of the following powers:					
	(a) with the prior approval of the board, retain counsel, accountants or other professionals to advise or assist the committee;					Not exercised to date

Appendix A: 2020-21 Fiscal Year Proposed Audit Committee Meeting Schedule & Agenda Topics

Category	Audit Committee Agenda Items	Meeting Date				Comments
		Sept 21/20	Dec 7/20	Mar 22/21	June 21/21	
	(b) meet with or require the attendance of board members, the board's staff, internal or external auditor or legal counsel or representatives from a reporting entity of the board at meetings of the committee, and require such persons or entities to provide any information and explanation that may be requested;	✓	✓			
	(c) where the committee determines it is appropriate, meet with the board's external or internal auditor, or with any staff of the board, without the presence of other board staff or board members, other than board members who are members of the committee;	✓	✓			In Camera sessions held with the Internal & External Auditor as well as with Staff to discuss sensitive items
	(d) require the board's internal or external auditor to provide reports to the committee; and	✓	✓			
	(e) have access to all records of the board that were examined by the internal or external auditor.	✓	✓			
s. 11	Meetings					
s. 11 (1)	(1) An audit committee of a board shall meet at least three times in each fiscal year at the call of the chair of the committee, and at such other times as the chair considers advisable.	✓	✓			
s. 11 (2)	(2)The first meeting of the audit committee in each fiscal year after the 2011 year shall take place no later than September 30.	✓				
s. 11 (3)	(3) Each member of the audit committee has one vote.	✓	✓			
s. 11 (4)	(4) The audit committee shall make decisions by resolution.	✓	✓			
s. 11 (5)	(5) In the event of a tie vote, the chair is entitled to cast a second vote.					No tie votes noted
s. 11 (6)	(6) A majority of the members of the audit committee that includes at least one member who is not a board member constitutes a quorum for meetings of the committee.	✓	✓			
s. 11 (7)	(7) The chair of the audit committee shall ensure that minutes are taken at each meeting and provided to the members of the committee before the next meeting.	✓	✓			
s. 12	Codes of Conduct					
	Any code of conduct of the board that applies to board members also applies to members of the audit committee who are not board members in relation to their functions, powers and duties as members of the committee.		✓			Included in Training Session - Dec 2020.
s.13	Remuneration and compensation					

Appendix A: 2020-21 Fiscal Year Proposed Audit Committee Meeting Schedule & Agenda Topics

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		Sept 21/20	Dec 7/20	Mar 22/21	June 21/21	
s.13(1)	(1) A person shall not receive any remuneration for serving as a member of the audit committee.	✓				
s.13(2)	(2) Subsection (1) does not preclude payment of an honorarium under section 191 of the Act that takes into account the attendance of a board member at an audit committee meeting.					Policy P074 in place
s.13(3)	(3) A board shall establish policies respecting the reimbursement of members of its audit committee for expenses incurred as members of the committee.					Policy P016 in place
s.13(4)	(4) A board shall reimburse members of its audit committee for expenses incurred as members of the committee in accordance with the policies referred to in subsection (3).					Policy P016 in place
s. 14	Declaration of conflicts					
s.14(1)	(1) Has each audit committee member submitted a written declaration to the chair declaring whether he or she has a conflict of interest (as described in subsection 4 (2)), when he or she was appointed for the first time and at the first meeting of the committee in each fiscal year.	✓	✓			In the first meeting of fiscal year and first meeting after Org Board, any conflicts are documented in the meeting minutes
s.14(2)	(2) A member of an audit committee who becomes aware after his or her appointment that he or she has a conflict of interest, as described in subsection 4 (2), shall immediately disclose the conflict in writing to the chair.					No conflicts declared to date
s.14(3)	(3) If a member or his or her parent, child or spouse could derive any financial benefit relating to an item on the agenda for a meeting, the member shall declare the potential benefit at the start of the meeting and withdraw from the meeting during the discussion of the matter and shall not vote on the matter.					No conflicts declared to date
s.14(4)	(4) If no quorum exists for the purpose of voting on a matter only because a member is not permitted to be present at the meeting by reason of subsection (3), the remaining members shall be deemed to constitute a quorum for the purposes of the vote.					No conflicts declared to date
s.14(5)	(5) If a potential benefit is declared under subsection (3), a detailed description of the potential benefit declared shall be recorded in the minutes of the meeting.					No conflicts declared to date
s.15	Reporting					
s. 15(1)	(1) The audit committee shall submit to the board on or before a date specified by the board an annual report that includes,					
	(a) any annual or multi-year audit plan of the board's regional internal auditor;	✓				2019/20 Annual Report submitted to the Board in Sept 2020

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	(b) a description of any changes made to a plan referred to in clause (a) since the last report of the committee;					No changes
	(c) a summary of the work performed by the regional internal auditor since the last annual report of the committee, together with a summary of the work the auditor expected to perform during the period, as indicated in the plan referred to in clause (a); and	✓				
	(d) a summary of risks identified and findings made by the regional internal auditor.	✓				
	(e) a summary of enrolment audits planned by internal auditor.	✓				2019/20 - 16 Enrolment audits completed, presented in June 2020
s. 15(2)	(2) A board who receives a report under subsection (1) shall submit a copy of it to the Minister in each fiscal year on or before a date specified by the Minister.	✓				Issued to the Board Sept 2020, to issued to EDU in Oct 2020.
s. 15(3)	(3) An audit committee of a board shall submit a report to the board in each fiscal year on or before a date specified by the board, and at any other time as may be requested by the board, that includes					
	(a) a summary of the work performed by the committee since the last report;	✓				Issued to the Board Sept 2020; issued to EDU in Oct 2020.
	(b) an assessment by the committee of the board's progress in addressing any findings and recommendations that have been made by the internal or external auditor;	✓				
	(c) a summary of the matters addressed by the committee at its meetings;	✓				
	(d) the attendance record of members of the committee; and	✓				
	(e) any other matter that the committee considers relevant.	✓				

Acknowledgement of Traditional Lands

We acknowledge we are hosted on the lands of the Mississaugas of the Anishinaabe (A NISH NA BEE), the Haudenosaunee (HOE DENA SHOW NEE) Confederacy and the Wendat. We also recognize the enduring presence of all First Nations, Métis and Inuit peoples.

Reconnaissance des terres traditionnelles

Nous reconnaissons que nous sommes accueillis sur les terres des Mississaugas des Anichinabés (A NISH NA BAY), de la Confédération Haudenosaunee (HOE DENA SHOW NEE) et du Wendat. Nous voulons également reconnaître la pérennité de la présence des Premières Nations, des Métis et des Inuit."

Committee Mandate

To ensure compliance with the Ministry of Education Act 253.1 (1) and Ontario Regulation 361/10 and to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, risk management and the audit processes, including internal audits, external audits and the annual financial audit.



Our Mission

To enable all students to reach high levels of achievement and well-being and to acquire the knowledge, skills and values they need to become responsible, contributing members of a democratic and sustainable society.

We Value

- Each and every student's interests, strengths, passions, identities and needs
- A strong public education system
- A partnership of students, staff, family and community
- Shared leadership that builds trust, supports effective practices and enhances high expectations
- The diversity of our students, staff and our community
- The commitment and skills of our staff
- Equity, innovation, accountability and accessibility
- Learning and working spaces that are inclusive, caring, safe, respectful and environmentally sustainable

Our Goals

Transform Student Learning

We will have high expectations for all students and provide positive, supportive learning environments. On a foundation of literacy and math, students will deal with issues such as environmental sustainability, poverty and social justice to develop compassion, empathy and problem solving skills. Students will develop an understanding of technology and the ability to build healthy relationships.

Create a Culture for Student and Staff Well-Being

We will build positive school cultures and workplaces where mental health and well-being is a priority for all staff and students. Teachers will be provided with professional learning opportunities and the tools necessary to effectively support students, schools and communities.

Provide Equity of Access to Learning Opportunities for All Students

We will ensure that all schools offer a wide range of programming that reflects the voices, choices, abilities, identities and experiences of students. We will continually review policies, procedures and practices to ensure that they promote equity, inclusion and human rights practices and enhance learning opportunities for all students.

Allocate Human and Financial Resources Strategically to Support Student Needs

We will allocate resources, renew schools, improve services and remove barriers and biases to support student achievement and accommodate the different needs of students, staff and the community.

Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

We will strengthen relationships and continue to build partnerships among students, staff, families and communities that support student needs and improve learning and well-being. We will continue to create an environment where every voice is welcomed and has influence.