



**DURHAM CATHOLIC  
DISTRICT SCHOOL BOARD**  
*Learning and Living in Faith*

## Memorandum

To: Board of Trustees  
From: Tracy Barill, Director of Education  
Date: January 23, 2023  
Subject: **Financial Reporting**  
Origin: Marie Hammond, Chief Financial Officer

## Recommendation

Moved by \_\_\_\_\_, seconded by \_\_\_\_\_

“THAT the Durham Catholic District School Board approve the Schedule of Financial Reports to the Board of Trustees as outlined in this report.”

## Background

As part of the regular review process, the Ministry of Education performs risk assessments on school boards to assess its financial position. A major component of this assessment is based on the remaining accumulated surplus or operating reserve a Board has to address any unforeseen situations and associated costs. In general, the Ministry has a benchmark of an available accumulated surplus equivalent to two percent or greater of its annual operating allocation to maintain a low risk status. For the Durham Catholic District School Board that would require an accumulated surplus of approximately \$5.0 million.

Over the past two years, the Board utilized all of its accumulated surplus to address Covid-19 related costs and filed its 2021/2022 financial statements with a zero-balance remaining. During the 2022/2023 Revised Estimates cycle, the Board was able to start the process of replenishing the accumulated surplus with a provision to accumulated surplus of \$266,064. With little to no operating reserves, the Board will continue to be assessed as a high-risk board. As such, the Ministry will continue to require a monthly financial report from the Board. The Board has been filing these reports on a monthly basis since January 2022 when the Board moved from medium to high risk.

## Next Steps

Staff will continue to submit monthly interim reports based on existing Ministry templates. In keeping with past practice, a comprehensive review of actual results will be compiled at the mid-year mark and will be brought to the Board of Trustees in April 2023. This report has two functions: to facilitate any budget reallocations necessary to prevent deterioration of the Board's financial position; and, to inform the budget process for potential risks and opportunities. In addition, as part of the regular budget cycle, staff will review its cost and revenue structures with a focus on a balanced budget and opportunities to replenish its accumulated surplus.

Staff plans to bring the following financial related reports to the Board of Trustees during the calendar year 2023:

<b>Date</b>	<b>Report to the Board of Trustees</b>
February 2023	2023/2024 Budget Process
March/April 2023	Ministry of Education Funding Announcement
April 2023	2022/2023 Second Quarter Budget Status Report
May 2023	2023/2024 Budget Update
June 2023	2023/2024 Final Budget Report
November 2023	2022/2023 Audited Financial Statements
December 2023	2023/2024 Revised Estimates Report

TB/MH/II