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Ontario Ministry of Education

Investigation Report Regarding
The Ottawa-Carleton District School Board

Prepared by PwC

June 10, 2025

Private and confidential

Table of Contents

Terms of reference

Our services were performed and this Report was developed in accordance with our Agreement dated May 7, 2025, and are subject to the terms and conditions included therein.

Our role is advisory only. The Ontario Ministry of Education (or “the Ministry”) is responsible for decisions relating to this engagement, including establishing and maintaining internal controls, evaluating and accepting the adequacy of the scope of the Services in addressing Ministry’s needs and making decisions regarding whether to proceed with recommendations. The Ministry is also responsible for the results achieved from using the Services or deliverables. The Ottawa-Carleton District School Board (“OCDSB”, “the Board”, or “Management”) is responsible for all management functions related to the Board operations.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through June 9, 2025. Accordingly, changes in circumstances after this date could affect the findings outlined in this Report. We are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us.

In preparing this report, PwC has relied upon information provided by OCDSB Management and the Ministry. Except where specifically stated, PwC has not sought to establish the reliability of the sources of information presented to them by reference to independent evidence. In our analysis, all references to periods in years (e.g. 2023-24) relate to school years except when specified. The financial analyses presented in this Report are based on estimates and assumptions, and projections of uncertain future events. Accordingly, actual results may vary from the information provided in this Report, and even if some or all of the assumptions materialize, such variances may be significant as a result of unknown variables.

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1. Executive summary

The scope of this investigation included an assessment of the financial affairs of the Ottawa-Carleton District School Board, an analysis of the underlying causes of its deteriorating financial position, a review of proposed savings measures and Management's plan to eliminate the existing deficit, an evaluation of the Board's compliance with the Broader Public Sector Executive Compensation Act (BPSECA), and a recommendation on whether supervision of the OCDSB is warranted under the conditions outlined in subsection 257.30(6) of the *Education Act*.

Deficit magnitude assessment

Although OCDSB's in-year deficit improved from $(12.1) million to $(4.2) million from 2023-24 to 2024-25, it is important to note that the figures for the 2024-25 school year are based on revised estimates and not actuals, which are subject to change when the audited financial statements reflecting actual results will be made available in November 2025. While OCDSB improved its in-year deficit by approximately $7.9 million when comparing the two school years, the 2024-25 in-year result, based on revised estimates, remains negative which further increases the accumulated deficit.

OCDSB's accumulated deficit available for operations, after removing committed capital amounts, deteriorated from $(5.9) million in 2023-24 actuals to a projected $(9.2) million in 2024-25 based on revised estimates, representing a $3.4 million decline over that period.

Financial position deterioration

As shown in Table 1 below, OCDSB's financial position, reflected by its in-year surplus (deficit) for compliance purpose, deteriorated in 2023-24 compared to the balanced budget projected in both the estimates and revised estimates, ending the period with a $(12.1) million in-year deficit for compliance purpose. OCDSB experienced a decline in enrolment of 177 pupils of the board from the 2023-24 revised estimates to actuals, which reduced revenue. Management indicated that the timing of Bill 124 retroactive payments, starting in August 2024, resulted in a negative $19.3 million financial impact during the actuals period, which mostly contributed to the $(12.1) million in-year deficit. Additionally, OCDSB incurred unfunded employee benefits expenses related to Bill 124 salary adjustments, impacting employee benefit rates. Apart from the Bill 124-related expenses in 2023-24, OCDSB faced a $4.1 million increase in expenses related to supplies and services from revised estimates to actuals, primarily due to rising school and operational maintenance costs driven by inflation and increased carbon taxes that impacted utility expenses.

There was also a $1.1 million increase in expenses from revised estimates to actuals related to bank service charges, interest payments, and legal costs. Some of these costs were offset by savings measures listed in Table 2 below.

Similarly, in 2024-25, OCDSB presented a balanced budget with no in-year deficit in its estimates but reported a $(4.2) million in-year deficit in its revised estimates for the period. While Management was unable to precisely quantify the impact of underfunding from Bill 124 in the 2024-25 revised estimates due to benchmark updates, OCDSB estimated that there was an underfunding impact of approximately $8 million related to salaries and employee benefits. According to Management, this underfunding significantly contributed to the $(4.2) million in-year deficit for compliance purposes, although the information provided was insufficient to confirm the $8 million estimate. As of the writing of this report, the actual financial statements for the 2024-25 school year were not yet available as the school year had not ended. Management estimates that there is a possibility that its in-year deficit may improve due to additional in-year savings measures implemented and an increase in enrolment of 626[1] pupils of the board at March 31, 2025, compared to the revised estimates figures, which could lead to increased revenue by year-end.

[1] Management provided actual enrolment figures as of March 31, 2025, indicating an increase of 626 pupils of the board compared to revised estimates figures. Refer to appendix 6.2 for March 31, 2025, enrolment figures. These numbers have not yet been audited as of the writing of this report.

Table 1 - OCDSB Revenue, Expenses, In-Year Surplus (Deficit) and Enrolment, 2023-24 and 2024-25

	2023-24			2024-25			
	Estimates	Revised Estimates	Actuals	Estimates	Revised Estimates	Avg. Proportion[2]	Growth Rate[3]
1. Total Revenue	**$1,122,103,814**	**$1,149,466,272**	**$1,295,129,932**	**$1,199,936,753**	**$1,247,615,123**	**100.0%**	**-3.7%**
1.a. Grants (Provincial and Federal)	$691,903,034	$689,146,702	$829,574,749	$748,026,121	$769,976,727	61.9%	-7.2%
1.b. Education Property Tax	$282,002,250	$290,449,444	$291,825,775	$285,713,838	$293,525,897	24.1%	0.6%
1.c. Deferred Capital Contributions	$76,459,318	$80,839,224	$80,694,321	$82,402,823	$87,986,718	6.8%	9.0%
1.d. School Generated Funds	$17,668,933	$17,506,296	$21,481,542	$17,506,296	$21,481,542	1.6%	0.0%
1.e. Other (Investment Income and Other Sources)	$54,070,279	$71,524,606	$71,553,545	$66,287,675	$74,644,239	5.6%	4.3%
2. Total Expenses	**$1,112,834,108**	**$1,123,010,995**	**$1,282,878,414**	**$1,192,703,351**	**$1,238,249,929**	**100.0%**	**-3.5%**
2.a. Instruction	$805,763,890	$804,466,365	$945,574,715	$859,500,005	$896,145,543	72.4%	-5.2%
2.b. Pupil Accommodation	$174,381,949	$184,821,427	$200,144,240	$197,432,100	$203,940,068	16.2%	1.9%
2.c. Transportation	$49,627,594	$51,823,475	$49,839,516	$53,379,814	$51,766,593	4.3%	3.9%
2.d. Administration	$23,119,289	$24,841,162	$30,867,074	$27,778,439	$29,154,486	2.3%	-5.5%
2.e. School Generated Funds	$17,668,933	$16,455,125	$22,261,684	$16,455,125	$22,261,684	1.6%	0.0%
2.f. Other	$42,272,453	$40,603,441	$34,191,185	$38,157,868	$34,981,555	3.2%	2.3%
3. Revenue minus Expenses	**$9,269,706**	**$26,455,277**	**$12,251,518**	**$7,233,402**	**$9,365,194**	**N/A**	**N/A**
4. Compliance Adjustment to In-Year Surplus (Deficit)	**$(9,269,705)**	**$(26,455,275)**	**$(24,347,928)**	**$(7,233,402)**	**$(13,578,750)**	**N/A**	**-44.2%**
5. In-Year Surplus (Deficit) for Compliance Purpose	**$ 1**	**$ 2**	**$(12,096,410)**	**$ -**	**$(4,213,556)**	**N/A**	**65.2%**
6. Pupils of the Board Enrolment[4]	**76,753**	**76,059**	**75,883**	**76,574**	**75,996**	**N/A**	**-0.1%**

[2] The average proportion is calculated from the data presented over 2023-24 estimates, revised estimates and actuals, as well as 2024-25 estimates and revised estimates.

[3] The growth rate is calculated using the actual figures from 2023-24 and the revised estimates for 2024-25.

[4] Enrolment levels are based on pupils of the board enrolment derived from EFIS financial statements.

Proposed savings measures

In response to a deteriorating financial position, OCDSB introduced a range of savings measures during the 2023-24 and 2024-25 school years aiming to achieve a balanced budget. Table 2 provides an overview of both the savings measures that were adopted and those that were rejected, along with the corresponding in-year and accumulated deficits.

The savings measures for each period are classified as either formally approved by the Board of Trustees (categorized as Trustee Approved), executed under Management's discretionary authority which permits adjustments to certain expenditures throughout the year (categorized as "In-Year" if already implemented, or "In Progress" if still being implemented as reported by Management).

Each measure was classified as either an ongoing or one-time savings, based on the expected duration of its financial impact. Notably, the majority of adopted measures were Ongoing savings, reflecting the Board's emphasis on long-term financial sustainability. In total, savings of $27.4 million were reported to have been adopted in 2023-24 and $17.2 million in 2024-25, compared to $0.8 million and none, respectively, in rejected measures.

Table 2 - Summary of Proposed Savings Measures

Savings Measure Type	2023-24	2024-25
Adopted Savings Measures Not Requiring Trustee Approval - In-Year		
Adopted Savings Measures - In-Year (Ongoing)	$8,686,887	$3,527,121
Adopted Savings Measures - In-Year (One-time)	$12,204,750	$7,946,897
Total Adopted Savings Measures - In-Year	**$20,891,637**	**$11,474,018**
Adopted Savings Measures - Trustee Approved		
Adopted Savings Measures - Trustee Approved (Ongoing)	$5,597,976	$2,878,409
Adopted Savings Measures - Trustee Approved (One-time)	$934,441	$ -
Total Adopted Savings Measures - Trustee Approved	**$6,532,417**	**$2,878,409**
Adopted Savings Measures Not Requiring Trustee Approval - In-Progress		
Adopted Savings - In-Progress (Ongoing)	$ -	$2,050,000
Adopted Savings Measures - In-Progress (One-time)	$ -	$760,000
Total Adopted Savings Measures - In Progress	**$ -**	**$2,810,000**

Savings Measure Type	2023-24	2024-25
Total Adopted Savings Measures (Ongoing)	**$14,284,863**	**$8,455,530**
Total Adopted Savings Measures (One-time)	**$13,139,191**	**$8,706,897**
Total Adopted Savings Measures	**$27,424,054**	**$17,162,427**
Rejected Savings Measures	**$760,000**	**$ -**
In-year Surplus (Deficit) for Compliance Purpose	**$(12,096,409)**	**$(4,213,556)**
Accumulated Surplus (Deficit) Available for Operations	**$(5,856,401)**	**$(9,245,644)**

In response to the Board of Trustees' rejection of certain proposed savings initiatives, OCDSB developed alternative savings measures to limit further deterioration of its financial position. These alternative measures, which are reported to have generated a total financial impact of $0.6 million, included reductions to operating budgets, deferred minor capital equipment purchases, and realignment of salary benchmarks.

Table 3 presents a breakdown of the approved and rejected savings measures along with their reported financial impact. A significant portion of the initiatives - 74% in 2023-24 and 83% in 2024-25 by dollar value - were implemented during the fiscal year without requiring direct approval from the Board of Trustees due to the fact that the Management holds the authority to pursue cost-saving measures by identifying operational efficiencies across the organization.

Table 3 - Summary of Savings Measures

Savings Measures Type	2023-24	2023-24 % of Total	2024-25	2024-25 % of Total
Number of Savings Measures				
No Approval Required	10	67%	12	86%
Approved by Trustees	4	27%	2	14%
Rejected by Trustees	1	6%	0	0%
Total	**15**	**100%**	**14**	**100%**
Financial Impact ($)				
No Approval Required	$20,891,637	74%	$14,284,018	83%
Approved by Trustees	$6,532,417	23%	$2,878,409	17%
Rejected by Trustees	$760,000	3%	$0	0%
Total	**$28,184,054**	**100%**	**$17,162,427**	**100%**

Overall, this analysis demonstrates that Management has implemented viable cost-saving strategies, resulting in a reported total estimated financial impact of $27.4 million in 2023-24 and $17.2 million in 2024-25. While these measures have contributed to improved financial stability for OCDSB, other external and structural cost pressures continue to create financial pressures on the deficit and should be considered in the assessment of the Board's financial position.

According to Management, OCDSB faces key structural cost pressures that are not all funded by the Ministry. These pressures historically have been partially managed by the Board's accumulated surplus, but it has depleted its surplus to a deficit position. In this report, fiscal pressures faced by the Board are identified in the review. These pressures include issues that are unique to school boards, such as school closure moratoria, as well as broader economic pressures, such as inflation. The effect of the Province's approach to funding, as well as the fiscal criteria reviewed, is that all school boards are expected to manage these pressures and maintain a funding surplus over time.

Current deficit elimination plan

While a deficit elimination plan was not readily available during the review, OCDSB prepared a plan for 2025-26 with savings measures, while working on its 2025-26 budget and assessing the impact of the new Core Education funding announced by the Ministry on May 23, 2025.

OCDSB's deficit elimination plan reported $20.7 million in potential savings measures for 2025-26, related to staff reductions, special education, a review of activities and services, and other improvements to the operating budget. While Management has indicated that it cannot guarantee that the savings measures will be approved by the Board of Trustees as part of the 2025-26 budget approval targeted to be completed in June 2025, Management stated that it is confident that it can present options for a balanced budget that eliminate the in-year deficit for compliance purpose. Management highlighted that some of the savings measures related to staff reductions have already been approved by the Trustees during the 2024-25 school year; however, a motion related to special education summer learning programs was rejected by the Trustees during a Board of Trustees meeting on May 27, 2025. In addition to the potential savings measures proposed by OCDSB, Management indicated that it could receive additional funding related to an increase in actual pupil enrolment of 626 students as of March 31, 2025, when compared to revised estimates. If this were to occur, it could lead to an improved in-year 2024-25 deficit for compliance purpose, which could also improve the 2024-25 accumulated deficit available for operations ending balance, ultimately affecting the opening balance of the accumulated deficit available for operations in 2025-26 and OCDSB's deficit elimination plan.

In 2024-25, OCDSB identified $8.7 million in one-time savings as part of measures to reduce the in-year deficit, which are not expected to recur in future years potentially leading to increased financial pressure. Additionally, OCDSB utilized a $9.1 million Special Equipment Allocation (SEA) to help address a $14 million funding shortfall in special education, but these funds will not be available in the 2025-26 school year. Consequently, Management will need to implement additional savings measures to offset these impacts. Moreover, external factors such as inflation and any one-time costs related to savings initiatives could further exacerbate OCDSB's financial challenges.

Even if OCDSB was able to eliminate its in-year deficit for compliance purpose and reach a balanced in-year budget for 2025-26 (which is contingent upon the approval of the potential savings measures proposed by Management in its deficit elimination plan), Management has indicated that to eliminate and replenish its accumulated deficit available for operations of $(9.2) million as of the 2024-25 revised estimates, OCDSB would likely require approval of Proceeds of Disposition (POD) exemptions from some of its excess properties to reverse the $(9.2) million accumulated deficit and rebuild a surplus.

Compensation assessment

In the executive compensation framework for the education sector, OCDSB is a Level 5 school board. OCDSB's executive compensation salary grid, approved by the Board of Trustees, is based on the Level 5 salary ranges. In the 2017-18 school year, OCDSB updated its executive compensation grid to reflect the 5% maximum rate of increase allowed for that school year. In 2022, OCDSB underwent a bona fide restructuring of its executive team as confirmed by a legal opinion. As a result, OCDSB implemented a new executive compensation grid effective September 1, 2022. BPSECA allows for bona fide restructuring. The Board had discretion to determine executive salaries due to the restructuring, resulting in increases to base salary ranging from 12% to 25% for each active employee on September 1, 2022. Ultimately, the Board is accountable for prudent stewardship and decision-making.

Within the scope of this review, we did not note any material instances of non-compliance from the 2016-17 to the 2024-25 school years with BPSECA.

Recommendation on Ministry charge and control

We have considered whether any of the criteria in subsection 257.30(6) of the Education Act have been met based on our analysis; specifically, whether there is any evidence of financial default or probable financial default, of an accumulated deficit or a probable accumulated deficit or of serious financial mismanagement.

As a result of OCDSB's accumulated deficit in 2023-24 and probable accumulated deficit for both the 2024-25 and 2025-26 school years, we consider that one of the criteria for vesting control and charge over the administration of the affairs of the Board has been met. We recommend that supervision of the Board is warranted based on the Board having met a condition in subsection 257.30 (6) of the *Education Act*.

2. Introduction and background

OCDSB has been experiencing financial challenges by incurring an in-year deficit for compliance purpose in the past four years primarily driven by structural pressures such as supply staffing needs and contractual obligations and further exacerbated by slowing down enrolment growth following the COVID-19 pandemic. As a result of consecutive in-year deficits, the Board depleted its accumulated surplus in the 2023-24 school year, reporting an accumulated deficit available for operations. As a result, the Board has been assessed as high-risk by the Ministry of Education.

After excluding committed capital amounts, OCDSB reported an accumulated deficit available for operations of $(5.9) million in 2023-24 and a projected accumulated deficit of $(9.2) million for 2024-25. OCDSB's in-year deficit for compliance purpose improved from $(12.1) million in 2023-24 actuals to $(4.2) million in 2024-25 revised estimates. This improvement is attributed to savings measures proposed by the Board in an effort to achieve a balanced budget. However, the budget for 2024-25, based on revised estimates, still does not reflect a balanced in-year position[5]. If measures are not taken to achieve a balanced in-year budget and put the Board on a path to rebuild its accumulated surplus from a deficit position, OCDSB's financial situation would likely continue to deteriorate, increasing the risk of not meeting its financial obligations.

As a result of the accumulated deficits in 2023-24 actuals and 2024-25 revised estimates and increased risk of not meeting its financial obligations, the Ministry has appointed PwC to assess OCDSB's financial position, as described under Section 257.30(6) of the *Education Act*.

[5] It should be noted that these preliminary estimates were made prior to the 2025-26 Core Education Funding announcement.

3. Scope and approach

This investigation began on May 7, 2025, and was conducted over a period of 4 weeks, with fieldwork completed on June 9, 2025. At the time of writing this report, the 2024-25 school year is still underway, and therefore the audited financial statements for this period are also unavailable ahead of the August 31, 2025, fiscal year end. As a result, our work reflects the 2024-25 revised estimates provided by Management and produced as of December 15, 2024.

The investigation comprised of two main sections; 1) an assessment of the Board's financial position (Financial assessment); and 2) an assessment of the Board's compliance with the *Broader Public Sector Executive Compensation Act, 2014*, (BPSECA) (Compensation assessment).

3.1. Financial assessment

The financial assessment was conducted to assess OCDSB's financial position, as the Board's 2023-24 financial statements indicate an accumulated deficit for the year, excluding committed capital amounts. It was comprised of three sections: deficit magnitude assessment, proposed savings measures assessment, and assessment of the current deficit elimination plan.

The deficit magnitude assessment was intended to quantify the magnitude of the Board's in-year surplus (deficit) for compliance purpose and accumulated surplus (deficit) available for compliance for the 2023-24 and 2024-25 school years. The figures for the 2023-24 school year were derived from the Education Finance Information System (EFIS) financial statements, while the 2024-25 numbers were derived from EFIS revised estimates submitted in December 2024, as the 2024-25 school year was not yet completed at the time of writing this report.

The quantification process involved analyzing data from the EFIS reports to identify key trends over the period under review and assessing the magnitude of the deficit for the specified years. Further, interviews with OCDSB Management were conducted and additional information was received from OCDSB's Management team to gain a deeper understanding of the in-year and year-over-year changes in revenue and expense categories. The accumulated surplus (deficit) available for operations represent the amounts available after excluding committed capital amounts, indicating the funds that are available to the Board to utilize within its operating budget.

Following the assessment of the in-year surplus (deficit) for compliance purpose and accumulated surplus (deficit) available for compliance, analysis was conducted on the savings measures identified by OCDSB staff to achieve a balanced budget for both the 2023-24 and 2024-25 school years.

The objective of the proposed savings measures assessment was to confirm whether staff brought forward viable savings options to balance the budget during the 2023-24 and 2024-25 school years.

The analysis also included confirming whether and how the Trustees considered or approved these measures based on Board meeting minutes and quantifying the residual shortfall. Where rejected, context to Trustees' rationale for rejecting was provided where available. Alternative savings measures to those that were rejected were also reviewed. Trustee meeting minutes and agendas from the in-scope years were reviewed to identify the approved, rejected, and alternative savings measures, and we collaborated with Management to gain a clearer understanding of the proposed savings measures and rationale behind each savings option. While the savings measures were reviewed, additional analysis was not conducted, such as independently quantifying the financial impact or conducting sensitivity analysis.

OCDSB's financial position was also examined by reviewing whether its in-year deficit for compliance purpose deteriorated from the approved budget to revised estimates and finally to the financial statements in both school years.

In addition to the proposed savings measures assessment, an evaluation of whether OCDSB staff developed a current deficit elimination plan based on these savings measures was performed. The assessment involved reviewing the plan developed by OCDSB staff, assessing the potential viability and quantification of the impact of these initiatives on deficit elimination. Additionally, OCDSB staff involved in the development of the plan were interviewed to gain insight into how the savings measures proposed and approved by the Board of Trustees were incorporated into the budget, and how the deficit reduction plan will be executed by the Board with the Trustees' support. However, it should be noted that additional analysis to quantify the financial impact of the items in the deficit elimination plan was not performed and the Trustees were not interviewed during the investigation.

3.2. Compensation assessment

The compensation assessment is intended to assess OCDSB's compliance with the BPSECA in the periods from the 2016-17 school year to the 2024-25 school year by evaluating the annual salaries of designated executives and their direct reports.

This involved an iterative process of data analysis and interviews with OCDSB and the Ministry to understand the requirements under BPSECA, its regulations, and resulting compensation frameworks during the period under assessment.

This investigation included an analysis of the BPSECA, OCDSB organizational charts, compensation policies and structures, and OCDSB annual executive salaries and additional compensation as provided by OCDSB. Subsequent interviews with both OCDSB and the Ministry provided relevant insights on executive compensation and exceptions to the frameworks if any to be noted in this final report.

4. Assessment findings

4.1. Financial assessment findings

4.1.1. Deficit magnitude

This section quantifies the magnitude of OCDSB's in-year deficit for compliance purpose and accumulated surplus (deficit) available for compliance and for operations for the 2023-24 and 2024-25 school years. To accurately reflect the accumulated surplus (deficit) available for compliance, the committed capital amounts have been excluded from the total, as OCDSB has committed to use these funds for capital projects. The financial data for the 2023-24 school year reflects the actual EFIS financial statements, while the 2024-25 school year figures are based on revised estimates from EFIS. As outlined in Table 4 below, the $8,078,580 ending balance of the accumulated surplus for 2023-24 does not match the $7,885,709 of the 2024-25 beginning balance for 2024-25. This discrepancy is attributed to a reduction to the 2024-25 opening accumulated surplus of $192,861 due to adjustments related to committed capital projects in EFIS, which brings the 2024-25 beginning balance down to $7,885,709.

As shown in Table 4 below, OCDSB's in-year deficit improved from $(12.1) million to $(4.2) million from 2023-24 to 2024-25; however, it is important to note that the figures for the 2024-25 school year are based on revised estimates and not actuals, which are subject to change when the audited financial statements reflecting actual results will be made available in November 2025. While OCDSB improved its in-year deficit by approximately $7.9 million when comparing the two periods, the 2024-25 in-year result, based on revised estimates, remains negative, which further increases the accumulated deficit.

Furthermore, the accumulated deficit available for compliance, after removing committed capital amounts, as shown in the table below, has deteriorated from $(5.9) million in 2023-24 to a projected $(9.2) million in 2024-25 at revised estimates, representing a $3.4 million decline in accumulated surplus (deficit) available for compliance.

Table 4 - In-Year & Accumulated Surplus (Deficit) Without Committed Capital Projects

	2023-24 Actuals	2024-25 Rev. Est.
Opening Accumulated Surplus (Deficit) Available for Compliance per Ontario Regulation	$20,174,989	$ 7,885,709
In-Year Surplus (Deficit) for Compliance Purpose	$(12,096,409)	$(4,213,556)
Ending Accumulated Surplus (Deficit) Available for Compliance per Ontario Regulation	**$8,078,580**	**$3,672,153**
Less: Committed Capital Projects	$(13,934,981)	$(12,917,797)
Ending Accumulated Surplus (Deficit) Available for Operations	**$(5,856,401)**	**$(9,245,644)**

While the information presented for 2024-25 in Table 4 reflects 2024-25 revised estimate figures, OCDSB has indicated that it is optimistic about the Board's in-year deficit being materially reduced in its actual financial statements for 2024-25, noting that the school year has not ended as of the writing of this report. The Management team has highlighted the Board's efforts to address the in-year deficit position through measures aimed at favorably aligning the current figures to a balanced in-year position. These savings measures proposed by the Board are detailed in the following section. Additionally, March 31, 2025, enrolment was higher than at revised estimates by 626, meaning that the Board could receive additional funding (see Appendix 6.2 for March 31, 2025 enrolment).

4.1.2. Financial position deterioration

This section highlights OCDSB's financial position with a focus on the deterioration of its in-year surplus (deficit) for compliance purpose for both the 2023-24 and 2024-25 school years. The 2023-24 school year includes EFIS data from estimates, revised estimates and actuals, and the 2024-25 school contains EFIS data from estimates and revised estimates only, given that actuals were not available as of the writing of this report.

Table 5 below shows the revenue, expenses, compliance adjustments to in-year surplus (deficit), in-year surplus (deficit) for compliance purpose, pupils of the board enrolment, and their average proportion and growth rate.

Table 5 - OCDSB Revenue, Expenses, In-Year Surplus (Deficit) and Enrolment, 2023-24 and 2024-25

	2023-24			2024-25			
	Estimates	Revised Estimates	Actuals	Estimates	Revised Estimates	Avg. Proportion[6]	Growth Rate[7]
1. Total Revenue	**$1,122,103,814**	**$1,149,466,272**	**$1,295,129,932**	**$1,199,936,753**	**$1,247,615,123**	**100.0%**	**-3.7%**
1.a. Grants (Provincial and Federal)	$691,903,034	$689,146,702	$829,574,749	$748,026,121	$769,976,727	61.9%	-7.2%
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1.c. Deferred Capital Contributions	$76,459,318	$80,839,224	$80,694,321	$82,402,823	$87,986,718	6.8%	9.0%
1.d. School Generated Funds	$17,668,933	$17,506,296	$21,481,542	$17,506,296	$21,481,542	1.6%	0.0%
1.e. Other (Investment Income and Other Sources)	$54,070,279	$71,524,606	$71,553,545	$66,287,675	$74,644,239	5.6%	4.3%
2. Total Expenses	**$1,112,834,108**	**$1,123,010,995**	**$1,282,878,414**	**$1,192,703,351**	**$1,238,249,929**	**100.0%**	**-3.5%**
2.a. Instruction	$805,763,890	$804,466,365	$945,574,715	$859,500,005	$896,145,543	72.4%	-5.2%
2.b. Pupil Accommodation	$174,381,949	$184,821,427	$200,144,240	$197,432,100	$203,940,068	16.2%	1.9%
2.c. Transportation	$49,627,594	$51,823,475	$49,839,516	$53,379,814	$51,766,593	4.3%	3.9%
2.d. Administration	$23,119,289	$24,841,162	$30,867,074	$27,778,439	$29,154,486	2.3%	-5.5%
2.e. School Generated Funds	$17,668,933	$16,455,125	$22,261,684	$16,455,125	$22,261,684	1.6%	0.0%
2.f. Other	$42,272,453	$40,603,441	$34,191,185	$38,157,868	$34,981,555	3.2%	2.3%
3. Revenue minus Expenses	**$9,269,706**	**$26,455,277**	**$12,251,518**	**$7,233,402**	**$9,365,194**	**N/A**	**N/A**
4. Compliance Adjustment to In-Year Surplus (Deficit)	**$(9,269,705)**	**$(26,455,275)**	**$(24,347,928)**	**$(7,233,402)**	**$(13,578,750)**	**N/A**	**-44.2%**
5. In-Year Surplus (Deficit) for Compliance Purpose	**$ 1**	**$ 2**	**$(12,096,410)**	**$ -**	**$(4,213,556)**	**N/A**	**65.2%**
6. Pupils of the Board Enrolment [8]	**76,753**	**76,059**	**75,883**	**76,574**	**75,996**	**N/A**	**-0.1%**

[6] The average proportion is calculated from the data presented over 2023-24 estimates, revised estimates and actuals, as well as 2024-25 estimates and revised estimates.

[7] The growth rate is calculated using the actual figures from 2023-24 and the revised estimates for 2024-25.

[8] Enrolment levels are based on pupils of the board enrolment derived from EFIS financial statements.

As shown in Table 5 above, OCDSB presented a balanced budget in their estimates submission for both 2023-24 and 2024-25 and also presented a balanced budget in the revised estimates for 2023-24.

In August 2024, Bill 124 and collective bargaining agreement settlements, which required one-time payments for retroactive salary adjustments tied to contract negotiation, started to impact OCDSB's financial statements, as expenses and benchmarks were updated that summer. Bill 124, officially known as *the Protecting a Sustainable Public Sector for Future Generations Act*, 2019, was a law in Ontario that aimed to limit public sector salary increases to 1% per year for three years. In November 2022, the Ontario Superior Court of Justice struck down Bill 124 as unconstitutional, a decision upheld by the Court of Appeal for Ontario in February 2024 and the law was repealed. Following the court rulings, retroactive pay increases to compensate for the wage restraint period were made.

In 2023-24, OCDSB experienced a decrease in enrolment of 177 pupils of the board from revised estimates to actuals, which slightly reduced grant revenue. Additionally, the timing of Bill 124 payments required the Board to adjust its actual financial statements for 2023-24, as these payments were not included in the estimates period therefore expenses were underestimated. According to Management, this situation has resulted in a $19.3 million financial impact (refer to Appendix 6.1 for Bill 124 underfunding breakdown), contributing to the $(12.1) million in-year deficit for 2023-24.

For the 2024-25 school year, Bill 124 payments were made after the submission of the estimates in June 2024, and therefore the impact of Bill 124 was not included in OCDSB's estimates for 2024-25 which led to a balanced budget for that period. However, the 2024-25 revised estimates submitted in December 2024 included the impacts of Bill 124 payments, which may have contributed to the $(4.2) million in-year deficit. The key factors contributing to the deficit are detailed in the 2024-25 Deteriorating Factors section below.

2023-24 Deterioration factors

OCDSB's total revenue increased by $27.4 million from 2023-24 estimates to revised estimates, while its total expenses increased by $10.2 million. According to Management, OCDSB was on track to end the 2023-24 school year at a balanced budget or even at surplus, had it not been for the adjustments related to Bill 124 resulting in a $19.3 million financial impact according to Management. From revised estimates to actuals, OCDSB's total revenue increased by $145.7 million, while its total expenses increased by $159.9 million, resulting in a $14.2 million negative difference that contributed to the $(12.1) million in-year deficit in the actuals.

Given the significant increase in expenses during this timeframe, the analysis will focus on the deteriorating factors impacting the deficit from the revised estimates to actuals period.

As shown in Table 5, the expenses that increased from revised estimates to actuals for the 2023-24 school year and contributed to the $(12.1) million deficit at the actuals period were mostly related to (2.a) Instruction, but also to (2.b.) Pupil Accommodation and (2.d.) Administration, which are detailed below. While expenses for (2.e.) School Generated Funds increased, this expense is funded through School Generated Funds revenue. Per regulation, the School Generated Funds revenue/expense is excluded from the calculation of in-year surplus/(deficit) for compliance purpose. For 2023-24 actuals, School Generated Funds recorded a $0.8 million in-year deficit, which was funded through the School Generated Funds accumulated surplus balance of $15.0 million as of September 1, 2023. Given that this expense category is not contributing to the deterioration of the in-year surplus/(deficit) for compliance purpose, it is not detailed in the sections below. Expenses related to (2.c.) Transportation expenses decreased by $2.0 million from estimates to revised estimates, and Management has mentioned that this expense item typically has actuals in-line with estimates and revised estimates; it is therefore not elaborated on further below. (2.f.) Other expenses were down $6.4 million from revised estimates to actuals, mostly due to a $12.5 million provision decrease related to Bill 124 that was reversed when payments were made. Given that this expense item didn’t contribute to the 2023-24 actuals deteriorating deficit, it is also not elaborated upon further below.

<u>2.a. Instruction</u>: In 2023-24, the instruction expenses significantly increased from $804.5 million at revised estimates to $945.6 million at actuals, reflecting an increase of $141.1 million over that period. The increase occurred despite a decrease in enrolment in pupils of the board, which was 177 lower at actuals compared revised estimates. The expense increase is mainly driven by a $135.1 million increase in salaries and wages, along with a $15.0 million increase in employee benefits, which was partially offset by a $8.6 million decrease in supplies and services.

- **Salaries and wages:** The $135.1 million increase in salaries and wages expenses from revised estimates to actuals is primarily driven by a $90.8 million increase in Classroom Teachers' expenses, attributed by Management to Bill 124 salary retroactive payments and annual salary/wage increases , which were reported only at the end of 2023-24.

Additionally, there was a $9.2 million increase in expenses for Principals and Vice-Principals, largely driven by a $7.7 million accrual associated with Bill 124 and annual salary/wage adjustments[9].

Furthermore, there was a $35.2 million increase in expenses related to other instructional positions, including Supply Staff $(7.5) million, early Childhood Educators $(6.7) million, Teacher Assistants $(6.4) million, and other instructional roles $(14.5) million. These additional increases are also tied to Bill 124 and annual salary/wage adjustments, which impacted the actual financial statements reported at the end of the 2023-24 fiscal year. The salaries and wages expenses are projected to show a decline on a comparative basis in 2024-25 actuals following Bill 124 adjustments; however, salaries and wages expenses are expected to continue to increase in the future to reflect across-the-board salary/wage increases.

- **Employee benefits**: The $15.0 million increase in employee benefits expenses from revised estimates to actuals is primarily driven by Classroom Teachers, who account for $11.8 million, or 79.0% of the increase. This increase is related to Bill 124 salaries and wages adjustments, which also impact employee benefit rates. While increases in salaries and wages are mostly funded by the Ministry, the associated expenses for employee benefits, such as CPP and EI, may remain unfunded, adding additional pressure to the deficit.
- **Supplies and services**: The $8.6 million decrease in supplies and services from revised estimates to actuals is primarily attributed to a $7.0 million reduction in expenditures for textbooks and supplies, along with a $1.2 million decrease in computer expenses. According to Management, this decline is a result of the savings measures implemented by the OCDSB in response to its deteriorating financial position in 2023-24.

2.b. Pupil Accommodation: In 2023-24, pupil accommodation expenses increased from $184.8 million at the revised estimates period to $200.1 million at the actuals period. The $15.3 million increase is primarily driven by a $8.1 million increase in salaries and wages, a $4.3 million increase in supplies and services, and a $2.4 million increase in employee benefits.

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[9] The Bill 124 accrual arose from a separate settlement reached between the Ministry of Education and the Principals and Vice-Principals' (PVP) associations after August 31, 2024. As this agreement was distinct from the broader Bill 124 settlement, it was not included in the initial payment. The settlement applies retroactively from the 2020-21 to 2023-24 school years. OCDSB has received funding to offset the financial impact of this accrual.

- **Salaries and wages**: The $8.1 million increase from revised estimates to actuals is primarily attributed to salary adjustments for school operations and maintenance staff, stemming from Bill 124 settlements and annual salary/wage increases. Additional cost pressures arose from the ongoing challenge of covering staff absences, a long-standing concern for the OCDSB. In response, the Board has consistently increased budget allocations in this area. Beyond the impact of Bill 124, rising sick leave usage, reliance on casual staff to uphold cleaning standards, and the inability to dispose of closed school sites have further contributed to budgetary strain. Current provisions are under review to better align with projected costs.
- **Supplies and services**: The $4.3 million increase from revised estimates to actuals is primarily due to rising school operations and maintenance costs, driven by inflation and increased carbon tax, which have significantly impacted utility expenses such as gas, electricity, and water. Persistent inflationary pressures, combined with historically constrained budgets, have contributed to overspending in this area. Traditionally, savings from instructional supplies and services at actuals have been used to offset these additional costs.
- **Employee benefits**: The $2.4 million increase from revised estimates to actuals is driven by higher employee benefits for school operations and maintenance staff, due to Bill 124 and annual salary/wage adjustments, similar to the increases seen for instructional staff.

<u>2.d. Administration</u>: In 2023-24, administration expenses increased from $24.8 million at revised estimates to $30.9 million at actuals. The $6.0 million increase is primarily driven by a $4.2 million increase in salaries and wages, a $0.6 million increase in other expenses, and a $0.5 million increase in fees and contract services.

- **Salaries and wages:** The $4.2 million increase from revised estimates to actuals is primarily attributed to a $3.5 million increase in board administration salary expenses largely related to Bill 124 and annual salary/wage retrospective adjustments. Management noted that $0.5 million of the $3.5 million reflects the addition of new positions during the year.[10] An additional $0.7 million of the $3.5 million is related to Directors and Supervisory Officers, whose increased compensation is a result of the implementation of the salary grids approved in the

[10] The new salary grid came into effect on September 1, 2023, in alignment with collective agreements. Actual results incorporate adjustments related to Bill 124 and retroactive across-the-board salary/wage increases. However, due to the lack of position control within OCDSB's Human Resources and Payroll system, tracking the addition of permanent positions throughout the year is challenging. This limitation contributes to discrepancies between budgeted figures and actual staffing costs.

executive compensation framework, effective September 1, 2022, and for subsequent years. Refer to section 4.2 Compensation Assessment Findings for additional information on executive compensation framework.

- **Other expenses:** The $0.6 million increase from revised estimates to actuals is primarily attributed to higher board administration expenses. These include increased bank service charges and interest payments centrally collected and distributed to the respective schools. These costs are partially offset by corresponding interest earnings.
- **Fees and contract services**: the $0.5 million increase from revised estimates to actuals is primarily due to higher board administration expenses, largely driven by increased legal fees incurred in 2024.

2024-25 Deterioration factors

In 2024-25, from estimates to revised estimates, OCDSB's total revenue increased by $47.7 million, while its total expenses increased by $45.5 million. A compliance adjustment of $(6.3) million primarily due to asset retirement obligations and revenues recognized for land was made from 2024-25 estimates to revised estimates, resulting in a $(4.2) million in-year deficit for compliance purpose at revised estimates. The increase in both revenue and expenses is largely due to increases in salaries and wages related to Bill 124 and annual salary/wage adjustments, which were not included in the 2024-25 estimates, partially explaining the increase in the revised estimates. While Management was not able to precisely quantify the impact of underfunding from Bill 124 for the 2024-25 revised estimates due to benchmark updates, it has indicated with confidence that there was an underfunding impact of $8 million for the 2024-25 revised estimates. There was insufficient information provided to confirm the pressure. It is also important to note that actuals were not available at the time of this report.

As shown in Table 5, the expense items that increased from estimates to revised estimates and contributed to a $(4.2) million deficit at revised estimates are primarily (2.a.) Instruction, (2.b.) Pupil Accommodation, and (2.d.) Administration, which are detailed below. As previously mentioned, (2.e.) School Generated Funds deficit is funded through OCDSB's dedicated accumulated surplus, which is not available for compliance as per regulation, meaning that these funds cannot be used by the Board for other operating expenses. For 2024-25 revised estimates, School Generated Funds recorded a $0.8 million in-year deficit, which was funded through the School Generated Funds accumulated surplus balance of $14.2 million as of September 1, 2024. Given that this expense category is not contributing to the deterioration of the in-year surplus (deficit) for compliance purpose, it is not detailed in the sections below. (2.c.)

Transportation expenses decreased by $1.6 million from estimates to revised estimates; and Management has mentioned that this expense item typically has actuals in-line with estimates and revised estimates; it is therefore not elaborated on further below. (2.f.) Other expenses decreased by $3.2 million from estimates to revised estimates, mostly due to a $7.3 million provision decrease related to Bill 124 that was reversed when payments were made. Given that this expense item didn't contribute to the 2024-25 revised estimates deteriorating deficit, it is also not elaborated upon further below.

2.a. Instruction: In 2024-25, the instruction expenses increased from $859.5 million at estimates to $896.1 million at revised estimates. The $36.6 million increase is largely driven by a $41.0 million increase in salaries and wages and a $2.5 million increase in employee benefits. These increases are partially offset by a $5.7 million decrease in supplies and services.

- **Salaries and wages**: The $41.0 million increase from estimates to revised estimates is primarily driven by a $35.3 million rise in Classroom Teacher expenses, resulting from Bill 124 settlements and retroactive annual salary/wage increases that were not included in the 2024-25 estimates. An additional $3.9 million increase is attributed to Principals and Vice-Principals, reflecting a 10.59% adjustment for remedy and annual salary/wage increases.
- **Employee benefits**: The $2.5 million increase from estimates to revised estimates is primarily driven by a $0.8 million increase in Classroom Teachers' benefits expenses, similarly, related to Bill 124 and annual salary/wage adjustments, as previously mentioned for 2023-24. An additional increase of $1.2 million related to continuing education was reported at revised estimates. However, Management indicated that the benefit ratio for continuing education was overstated in the revised estimates period, with this issue being recognized after the submission of the revised estimates. OCDSB stated that the issue will be resolved in the 2024-25 actual financial statements and the 2025-26 estimates.
- **Supplies and services**: The $5.7 million decrease in supplies and services from estimates to revised estimates is largely attributable to reductions in textbooks and supplies expenditures, as a result of savings measures implemented by OCDSB in response to its deteriorating financial position in 2024-25.

2.b. Pupil Accommodation: In 2024-25, pupil accommodation expenses increased from $197.4 million at estimates to $203.9 million at revised estimates. The $6.5 million increase is entirely attributable to amortization and write-downs, which is offset by an increase in revenue.

OCDSB incurred additional amortization expenses related to two new schools (Maplewood Secondary School and Mino Mikan Elementary School) that were not initially budgeted, which collectively contributed to a $1.7 million increase to this line item. Additionally, Canterbury Secondary School experienced a $0.7 million increase in amortization expense which was also not initially budgeted for at the estimates period. According to Management, the remaining increase is distributed over 183 projects that incurred higher than initially projected amortization expense.

2.d. Administration: In 2024-25, administration expenses increased from $27.8 million to $29.2 million from estimates to revised estimates, resulting in a $1.4 million increase over that period. The increase is largely attributed to a $1.1 million increase in salaries and wages for board administration. The increase is related to Bill 124 and annual salary/wage adjustments, but also reflects salaries based on the new negotiated salary grids for board administration staff. Refer to section 4.2 Compensation Assessment Findings for additional information on the executive compensation framework.

4.1.3. Proposed savings measures

This section presents an overview of the adopted, rejected, and alternative[11] savings measures that have been brought forward by OCDSB's Management in the 2023-24 and 2024-25 school years in response to a deteriorating financial position and the ongoing need to achieve a balanced budget. During the investigation, Management compiled documents detailing the financial impact of the adopted measures on the estimates, revised estimates, and financial statements for both school years. These documents were analyzed and discussed with Management to identify the adopted savings initiatives along with their financial impact. The underlying assumptions and the methodology used to quantify the financial impact of each savings measure by Management were not examined in detail.

Additionally, publicly available meeting minutes and supporting documents were reviewed to identify rejected and alternative savings measures, as well as to verify those that were adopted as provided by OCDSB.

[11] **Adopted savings measures** refer to those that were either formally approved by the Board of Trustees or implemented under Management's authority without requiring Trustee approval.

Rejected savings measures are those proposed by OCDSB Management but not approved by the Board of Trustees, and therefore not implemented.

Alternative savings measures refer to measures developed by Management as revisions in response to an original savings measure that was rejected by the Board of Trustees.

Table 6 below shows a summary of identified savings measures, highlighting the financial impact of approved initiatives, totaling $27.4 million in 2023-24 and $17.2 million in 2024-25. It also outlines the in-year and accumulated deficits for both years for reference. The savings measures for each period are categorized as either formally approved by the Board of Trustees (categorized as “Trustee Approved”), executed under Management’s discretionary authority which permits adjustments to certain expenditures throughout the year (categorized as “In-Year” if already implemented, or “In Progress” if still being implemented as reported by Management).

It is important to note that OCDSB anticipates potential additional revenue to its 2024-25 actual financial statements due to 626[12] additional pupils of the board as of March 31, 2025, when compared to revised estimates, which could contribute to the improvement of the Board’s financial position.

Table 6 - OCDSB Summary of Savings Measures

Savings Measure Type	2023-24	2024-25
Adopted Savings Measures - In-Year	$20,891,637	$11,474,018
Adopted Savings Measures - Trustee Approved	$6,532,417	$2,878,409
Adopted Savings Measures - In Progress	$ -	$2,810,000
Total Adopted Savings Measures	**$27,424,054**	**$17,162,427**
Rejected Savings Measures	**$760,000**	**$ -**
In-year Surplus (Deficit) for Compliance Purpose	**$(12,096,409)**	**$(4,213,556)**
Accumulated Surplus (Deficit) Available for Operations	**$(5,856,401)**	**$(9,245,644)**

Table 7 contains a breakdown of individual savings measures put forward by OCDSB to improve the Board’s financial position and that were implemented in both 2023-24 and 2024-25 school years. The financial impact of each initiative, as reported by OCDSB, reflects the improvements in the Board’s estimates and financial statements since their implementation.

[12] Management provided actual enrolment figures as of March 31, 2025, indicating an increase of 626 pupils of the board compared to revised estimates figures. Refer to appendix 6.2 for March 31, 2025, enrolment figures. These numbers have not yet been audited as of the writing of this report.

Table 7 also presents savings measures proposed by Board Management that were rejected by the Board of Trustees. Since 2023-24, Management has recommended reductions to special education and summer programs that are not mandated by the Ministry of Education. Management has determined these programs to be underfunded, and they continue to place a financial strain on the OCDSB. Consequently, Management proposed related cost-saving measures, which were ultimately rejected by the Board of Trustees in 2023-24.

During the 2023-24 and 2024-25 fiscal years, the majority of savings initiatives were introduced in-year by OCDSB Management without requiring approval from the Board of Trustees as part of normal operations throughout the year in efforts to manage expenses. Management highlighted their capacity to adjust spending on certain areas throughout the year in response to evolving operations and operating financial pressures, which do not always require Trustees' approval.

Additionally, OCDSB's Management has identified several savings measures that are either currently being implemented or are planned to be implemented by the end of the 2024-25 school year (August 31, 2025). These measures are detailed separately in Table 7, and the associated financial impact is expected by Management to be reflected in the financial statements for 2024-25 school year. As these initiatives were implemented in-year, they did not require approval from the Board of Trustees. Furthermore, the Board of Trustees has rejected fewer savings proposals than it has accepted in 2023-24 (two measures rejected as compared to four measures approved).

Table 7 - Summary of Adopted & Rejected Savings Measures

Savings Measure	Description	Financial Impact	Savings Type[13]
2023-24 Adopted Savings Measures - In-Year			
A. Supplies & Services Reduction	Savings were achieved through a review of expenditures on computers and paper textbooks, along with a reduced emphasis on photocopying in schools.	$7,976,875	Ongoing saving

[13] An **ongoing saving** refers to a cost-reduction measure where Management has taken deliberate action to lower expenses, resulting in ongoing savings continued in future years. A **one-time** saving refers to a strategy aimed at improving the in-year surplus (deficit) through one-time initiatives or by optimizing the timing and movement of cash which may not continue in future years.

Savings Measure	Description	Financial Impact	Savings Type[13]
B. Staff Reduction	Management exercised its discretion to adjust staffing levels in order to maintain an optimal teacher-to-student ratio and mitigate the financial impact of lower-than-anticipated enrolment.	$6,165,763	One-time saving
C. Reduced Minor Tangible Capital Asset (MTCA) Spending	MTCA expenditures were reduced, including limitations on technology and software license purchases.	$2,600,000	One-time saving
D. Leveraging Priorities & Partnerships Funding (PPF)	PPF funds were reallocated to support certain discretionary teaching positions and programs.	$2,000,000	One-time saving
E. Special Equipment Amount (SEA) Allocation Deferred Revenues	The SEA allocation was optimized and utilized to cover expenses related to special education.	$1,200,000	One-time saving
F. Reduction in Lunchtime Monitors Resources	The number of Lunchtime Monitors was reduced in response to a decrease in associated funding.	$300,000	Ongoing saving
G. Provisions & Operating Budgets Reduction	Adjustments to the operating budget included savings from teacher salaries, reduced labor contingencies, and lower facilities expenditures.	$238,987	One-time saving
H. Transportation Optimization	The Board introduced measures to limit compassionate transportation use and streamline transportation services, resulting in cost savings.	$218,988	Ongoing saving
I. Childcare Centers Compensation & Operating Expenses Reduction	One of the childcare centers was integrated with the Extended Day Program, resulting in operational savings and the elimination of three full-time equivalent (FTE) positions.	$191,024	Ongoing saving

Savings Measure	Description	Financial Impact	Savings Type[13]
(A+F+H+I) **2023-24 Adopted Savings Measures - In-Year (Ongoing)**		**$8,686,887**	
(B+C+D+E+G) **2023-24 Adopted Savings Measures - In-Year (One-time)**		**$12,204,750**	
2023-24 Total Adopted Savings Measures - In-Year		**$20,891,637**	
2023-24 Adopted Savings Measures - Trustee Approved			
A. Staff Reduction	Management reduced discretionary positions - such as Coaches and Learning Support Teachers.	$2,670,289	Ongoing saving
B. Reductions to Central Departments and School Operating Budgets	The Board implemented several operational changes and encouraged a culture shift related to discretionary spending within the organization, resulting in a more responsible and efficient use of resources.	$2,527,687	Ongoing saving
C. Provisions & Operating Budgets Reduction	Operating budget adjustments included reduced spending on behavioral expertise and the Specialist High Skills Major (SHSM) programs.	$934,441	One-time saving
D. Menstrual Equity Initiative Reduction	The program's budget was reviewed against actual expenditures and reduced by $400,000 to align with current spending levels.	$400,000	Ongoing saving
(A+B+D) **2023-24 Adopted Savings Measures - Trustee Approved (Ongoing)**		**$5,597,976**	
(C) **2023-24 Adopted Savings Measures - Trustee Approved (One-time)**		**$934,441**	
2023-24 Total Adopted Savings Measures - Trustee Approved		**$6,532,417**	
2023-24 Adopted Savings Measures (Ongoing)		**$14,284,863**	
2023-24 Adopted Savings Measures (One-time)		**$13,139,191**	
2023-24 Total Adopted Savings Measures		**$27,424,054**	

Savings Measure	Description	Financial Impact	Savings Type[13]
2023-24 Rejected Savings Measures			
A. Reduction to Summer Programs	The Board of Trustees decided to retain the Autism Spectrum Disorder/Developmental Disabilities (ASD/DD) Summer Learning Program, prompting staff to identify additional savings to maintain a balanced budget. In the past, staff have proposed reductions to special education summer programs; however, this savings measure was rejected due to a motion established in 2016 to keep the program in perpetuity. On May 27, 2025, Trustees voted in favor (7 to 4) to rescind the motion previously established.	$610,000	Ongoing saving
B. Green / Composting Initiative	The proposal to cut funding from the green / composting initiative was rejected by the Board of Trustees. The Trustees considered the investment in the pilot program to be a valuable and important expenditure.	$150,000	Ongoing saving
(A+B) **2023-24 Rejected Savings Measures (Ongoing)**		**$760,000**	
2023-24 Rejected Savings Measures (One-time)		**$0**	
2023-24 Total Rejected Savings Measures		**$760,000**	
2024-25 Adopted Savings Measures - In-Year			
A. Staff Reduction	Management reduced 2.18 discretionary FTE positions, and 43 teaching FTEs based on enrolment projections, aiming to achieve cost savings and prevent overstaffing.	$5,646,897	One-time saving

Savings Measure	Description	Financial Impact	Savings Type[13]
B. Restrained Investments in Information Technology	Savings were realized through reduced spending on computers, projectors, and other IT equipment, as well as by extending the lifecycle of Chromebooks.	$1,700,000	Ongoing saving
C. Transportation Optimization	Transportation-related savings were realized through policy changes and adjustments to the transportation model, such as reducing single riders in special contracted special-purpose vehicles, cancellation of the empty seat program allowing for the consolidation of yellow bus routes, etc.	$1,613,221	Ongoing saving
D. Departmental Savings	Mid-year reductions were made by Management to the Central, Elementary, and Secondary supplies budgets to address budget variances and maintain financial stability.	$1,200,000	One-time saving
E. Additional Staff Reduction	In addition to staff reduction (A), there was an additional staff reduction resulting from in-year decisions relating to teacher staffing subsequent to the revised estimates.	$900,000	One-time saving
F. Elementary Program Review (EPR)	Contractual services were reduced to help offset the costs associated with the EPR.	$213,900	Ongoing saving
G. Reductions to Supplies Budget	Additional minor savings were realized through the optimization of the supplies budget.	$200,000	One-time saving
(B+C+F) 2024-25 Adopted Savings Measures - In-Year (Ongoing)		**$3,527,121**	
(A+D+E+G) 2024-25 Adopted Savings Measures - In-Year (One-time)		**$7,946,897**	
2024-25 Total Adopted Savings Measures - In-Year		**$11,474,018**	
2024-25 Adopted Savings Measures - Trustee Approved			

Savings Measure	Description	Financial Impact	Savings Type[13]
A. Addressing Absenteeism	In 2023-24, OCDSB launched forward-looking initiatives - such as hiring wellness staff and providing Behavioural Management Systems training - with related savings beginning to take effect in 2024-25. Management indicated that they were able to reduce their average employee short term sick leave by 1 day, resulting in an estimated $2.4 million savings, although supporting documentation was not provided.	$2,400,000	Ongoing saving
B. Provisions & Operating Budgets Reduction	The Facilities department conducted a budget review to identify efficiency opportunities, including reductions in custodian staff overtime, cleaning services, and expenditures on computers, cellphones, and software.	$478,409	Ongoing saving
(A+B) **2024-25 Adopted Savings Measures - Trustee Approved (Ongoing)**		**$2,878,409**	
2024-25 Adopted Savings Measures - Trustee Approved (One-time)		**$0**	
2024-25 Total Adopted Savings Measures - Trustee Approved		**$2,878,409**	
2024-25 Adopted Savings Measures - In Progress			
A. Staff Reduction	Management achieved savings by leaving several discretionary non-academic positions unfilled.	$1,800,000	Ongoing saving
B. Reduction of Portable Moves	A reduction in the number of portable classroom relocations, driven by enrolment trends and school space utilization, resulted in lower associated expenses.	$500,000	One-time saving
C. Elimination of Carbon Tax	The Board anticipates cost savings resulting from the elimination of the carbon tax.	$260,000	One-time saving

Savings Measure	Description	Financial Impact	Savings Type[13]
D. Climate Control Savings	Raising the target room temperature in unoccupied buildings during the summer is expected to reduce energy costs associated with air conditioning.	$250,000	Ongoing saving
(A+D) **2024-25 Adopted Savings Measures - In Progress (Ongoing)**		**$2,050,000**	
(B+C) **2024-25 Adopted Savings Measures - In Progress (One-time)**		**$760,000**	
2024-25 Total Adopted Savings Measures - In Progress		**$2,810,000**	
2024-25 Adopted Savings Measures (Ongoing)		**$8,455,530**	
2024-25 Adopted Savings Measures (One-time)		**$8,706,897**	
2024-25 Total Adopted Savings Measures		**$17,162,427**	

In response to the Board of Trustees' rejection of the proposed cuts to one of the summer learning programs, OCDSB developed alternative savings measures to limit further deterioration of its financial position. Table 8 outlines the savings measures subsequently proposed and implemented by OCDSB to continue offering this summer learning program. These savings measures were presented to and approved by the Board of Trustees.

Table 8 - Summary of Alternative Savings Measures

Savings Measure	Description	Financial Impact
2023-24 Alternative Savings Measures - Trustee Approved		
A. Reduction in Minor Tangible Capital Asset (MTCA) Vehicles Spending	Vehicle-related expenses under the MTCA category were reduced to generate additional savings.	$150,000
B. Reduction in Educational Assistants (EAs) Funding	Funding for EAs in summer programs was reduced, resulting in lower overall expenditures.	$150,000

Savings Measure	Description	Financial Impact
C. Limited Replacement of Portables Furniture	Replacement of portable classroom furniture was scaled back to avoid unnecessary spending on items still in good condition.	$100,000
D. Reduction to Professional Development Provision	Professional development spending was reduced to help alleviate further financial pressures.	$90,000
E. Staff Reduction	Reduction of a 0.5 FTE Vice-Principal position responsible for overseeing summer programs.	$70,000
F. Reduced Ottawa-Carleton Virtual (OCV) Laptops Replacement	Fewer laptops used in the OCV virtual education program were replaced, resulting in cost savings.	$50,000
2023-24 Total Alternative Savings Measures		**$610,000**

Overall, Management has presented cost-saving measures that were either directly or indirectly supported by the Board of Trustees and have contributed to improving the organization's financial position. As shown in Table 9, a significant portion of these initiatives - 74% in 2023-24 and 83% in 2024-25 on financial impact basis - were implemented in-year without requiring direct Board approval.

Table 9 - Summary of Savings Measures

Savings Measures Type	2023-24	2023-24 % of Total	2024-25	2024-25 % of Total
Number of Savings Measures				
No Approval Required	10	67%	12	86%
Approved by Trustees	4	27%	2	14%
Rejected by Trustees	1	6%	0	0%
Total	**15**	**100%**	**14**	**100%**

Savings Measures Type	2023-24	2023-24 % of Total	2024-25	2024-25 % of Total
Financial Impact ($)				
No Approval Required	$20,891,637	74%	$14,284,018	83%
Approved by Trustees	$6,532,417	23%	$2,878,409	17%
Rejected by Trustees	$760,000	3%	$0	0%
Total	**$28,184,054**	**100%**	**$17,162,427**	**100%**

Although OCDSB had proposed savings measures for 2023-24 and 2024-25 presented above, as well as proposed for 2025-26 which are presented in the following section as part of the deficit elimination plan, the Board outlined several key structural expenses pressures that they have faced in 2023-24 and 2024-25 which has contributed to the deterioration of its deficit. These pressures include issues that are unique to school boards, such as school closure moratoria, as well as broader economic pressures, such as inflation. The effect of the Province's approach to funding, as well as the fiscal criteria we have reviewed, is that all school boards are expected to manage these pressures and maintain a funding surplus over time.

Table 10 below highlights some of these structural deficit drivers during this period; some of these drivers are related to provincial policy in Ontario (e.g., moratorium), while others are systemic (e.g. inflation), and some may dissipate in subsequent years (e.g., impact of Bill 124). These impacts historically have been partially managed by the Board's accumulated surplus, but it has contributed to depleting its surplus to a deficit position meaning that the Board must utilize other funding sources to cover them. These deficit drivers were derived from the May 28, 2025, Committee of the Whole Budget meeting and other documents provided by Management and were not subject to a review of their underlying quantification assumptions.

Table 10 - Structural Deficit Drivers

Deficit Driver	Description	Est. Financial Impact
1. Maintaining Underused Schools (Moratorium)	A provincial moratorium on pupil accommodation reviews is currently in place (i.e., leading to the closure of schools). Since more than 50% of Core Education Funding is allocated on a per-student basis, under-capacity schools do not receive adequate funding to cover essential operating costs, including heating, cooling, cleaning, snow removal, and maintenance of these underutilized facilities. Consequently, in 2024-25, $20.8 million in costs are incurred from other programs to support these expenses, according to Management.	$ 20,800,000 *(estimate above for 2024-25, recurring deficit driver)*
2. Bill 124	Underfunding from Bill 124 and annual salary/wage increases retroactive payments. Refer to Appendix 6.1 for calculations of the $19.3 million underfunding amount for 2023-24. While Management was not able to precisely quantify the impact of underfunding from Bill 124 for 2024-25 due to benchmark updates, it has indicated with confidence that there was an impact of $8 million for the 2024-25 revised estimates. There was insufficient information provided to confirm the 2024-25 pressure.	$ 19,265,802 *(estimate above for 2023-24)* $8,000,000 *(estimate above for 2024-25)*
3. Absenteeism	OCDSB has spent $31.5 million on replacement costs during 2024-25, showing an improvement from previous years, which can be attributed to investments in wellness programs and return-to-work initiatives. Despite this progress, replacement costs remain one of the largest underfunded expenses. According to Management, the Ministry of Education provides approximately $14.7 million to cover replacement staff, leaving the Board responsible for an additional $16.8 million. Based on the 2023-24 School Boards' Cooperative Inc. (SBCI) Absence Study Report, OCDSB's average sick days was 13.62, 8.5% study average of 14.89.	$ 16,800,000 *(estimate above for 2023-24, recurring deficit driver)*

Deficit Driver	Description	Est. Financial Impact
4. Special Education	Management has identified an unsustainable overspending of approximately $14 million in the special education program, placing considerable financial pressure on the organization and limiting the ability to invest in other key initiatives. While staff have proposed reductions to the program since 2023 to address these challenges, the Board of Trustees has rejected these proposals, demonstrating a strong commitment to maintaining the current level of support for students with special education needs despite the fiscal constraints.	$ 14,000,000 *(estimate above for 2024-25, recurring deficit driver)*
5. Inflation	The province allocates a two percent increase to school boards in certain areas to address inflation; however, this amount has been historically lower than the actual cost increases, as per Management. According to a report presented to Trustees, expenses for cleaning supplies, snow removal, and software contracts have risen by more than 30 to 50 percent over the past two years. OCDSB estimates that the impact of this inflation totals $12 million in 2024-25, necessitating the need to find funding from other areas.	$ 12,000,000 *(estimate above for 2024-25, recurring deficit driver)*
6. Employee Benefits	According to Management, the employer's share of responsibilities has increased in areas such as the Enhanced Canada Pension Plan and the Workplace Safety and Insurance Board, resulting in a financial pressure of approximately $10 million to cover benefits for over 12,000 employees, where benefits account for roughly 23 percent of salary costs.	$ 10,000,000 *(estimate above for 2024-25, recurring deficit driver)*
7. Portables	The construction of new schools has been delayed due to inflation and labor shortages. In some areas, schools have addressed growing student populations and school capacity constraints by using portable classrooms. For 2024-25, OCDSB anticipates incurring $3 million in costs for these portables, but is expected to receive $717,473 in funding, resulting in a deficit of $2.3 million.	$ 2,282,527 *(estimate above for 2024-25, recurring deficit driver)*

4.1.4. Current deficit elimination plan

The scope of the investigation includes an assessment of whether OCDSB has developed a plan that eliminates its accumulated deficit available for compliance, and assess whether the plan is viable and implementable, and to obtain evidence that the plan would be supported by the Board of Trustees.

As previously mentioned in section 4.1.1 Deficit Magnitude, OCDSB has an ending accumulated deficit available for compliance of $(9.2) million and an in-year deficit for compliance purpose of $(4.2) million for the 2024-25 revised estimates period.

While the Ministry did not require OCDSB to prepare a Multi-Year Financial Recovery Plan (MYFRP), the scope of this engagement included assessing whether a deficit elimination plan was developed by the Board to assist in determining whether the Ministry supervision should be waranted.

While a deficit elimination plan was not readily available during the review period, Management prepared a plan for 2025-26. Notably, OCDSB was already working on its 2025-26 budget and had presented savings measures to the Board of Trustees as of April 2025, while also assessing the impact of the new Core Education funding announced by the Ministry on May 23, 2025.

During the review period, OCDSB prepared a deficit elimination plan that identified $20.7 million in potential savings measures for 2025-26. These savings measures include staff reductions, special education savings, a review of activities and services, and improvements to the operating budget. Management indicated that it cannot guarantee that the proposed savings measures will be approved by the Trustees as part of the budget approval in June 2025. However, Management stated they are confident that it can present options for a balanced budget to the Board of Trustees and eliminate its in-year deficit for compliance purpose for the 2025-26 school year.

Some of the savings measures related to staff reductions have already been approved by the Trustees during the 2024-25 school year but will still need to be reapproved for the 2025-26 budget cycle.

Additionally, a savings measure related to special education summer learning programs was rejected in 2023-24, supported by a motion established in 2016 to maintain the program in perpetuity. However, the Board of Trustees voted to rescind this motion on May 27, 2025, with a 7 to 4 vote in favor of its removal, indicating Trustee support to address OCDSB's ongoing financial challenges. In addition to the proposed potential savings measures of $20.7 million, Management has indicated that it could receive additional funding due to an increase in enrolment of 626[14] pupils of the board as of March 31, 2025, compared to the revised estimates (refer to the Appendix 6.2 for details on March 31, 2025 enrolment). If this were to occur, it could lead to an improved in-year 2024-25 deficit for compliance purpose, which could also improve the 2024-25 accumulated deficit available for operations ending balance, ultimately affecting the opening balance of the accumulated deficit available for operations in 2025-26 and OCDSB's deficit elimination plan.

In 2024-25, OCDSB has identified $8.7 million in one-time savings, as presented in section 4.1.3 Proposed Savings MeasuresProposed savings measures. These savings will not necessarily recur in subsequent years, which could result in additional financial pressure. Additionally, OCDSB utilized a $9.1 million Equipment Allocation (SEA) in the 2024-25 school year as one-time payments towards addressing its $14 million funding shortfall in special education.

Since these funds will not be available in the 2025-26 school year, additional savings measures will need to be implemented by Management to offset this funding shortfall. Furthermore, other external and structural pressures, such as inflation or one-time costs associated with implementing savings, could create further financial challenges.

Even if OCDSB was able to eliminate its in-year deficit for compliance purpose and reach a balanced in-year budget for 2025-26, contingent upon the approval of the potential savings measures proposed by Management in its deficit elimination plan, Management has indicated that to eliminate and replenish its accumulated deficit available for operations of $(9.2) million as of the 2024-25 revised estimates, OCDSB would likely require approval of Proceeds of Disposition (POD) exemptions from some of its excess properties[15].

4.2. Compensation assessment findings

4.2.1. Background

The BPSECA came into force on March 16, 2015, to manage compensation frameworks for designated employers and designated executives in the broader public sector. O. Reg. 304/16 (Executive Compensation Framework), made under the BPSECA came into force on September 6, 2016, to set out guidelines for the

[14] The March 31, 2025, enrolment figures are unaudited as of the writing of this report.

[15] OCDSB has currently five properties (three vacant school sites and two parcels of land) that could potentially create POD in the future. Management did not quantify the potential value of these assets, although OCDSB has indicated that it expects to receive fair market value by the end of June 2025 for all five properties.

compensation of designated executives within the broader public sector in Ontario. It aimed to ensure that executive compensation was fair, reasonable, and aligned with the public interest. O. Reg. 304/16 required compensation programs to conform to the terms of the compensation framework set out in the Regulation, which included salary and performance-related pay caps defining limits on the total salary and performance-related pay for designated executive positions and restrictions on certain compensation elements including prohibitions on elements such as signing bonuses, retention bonuses, and cash housing allowances. Designated executive positions at OCDSB include the Director of Education, Associate Directors, Executive Officers, Superintendents, and Supervisory Officers.

Each school board was responsible for developing their own executive compensation program in 2017 based on the government-endorsed sector framework[16]. The sector framework included five core and two non-core factors that determined a school board's level and associated base salary ranges as outlined in the framework; core factors include projected operating budget, number of schools, projected enrolment, number of FTE teachers and number of superintendents, while non-core factors included geographic complexity and community partnerships. Based on these factors, OCDSB was placed as a Level 5 school board, which sets the compensation ranges by position shown in Table 11. Based on the salary ranges established for level 5, OCDSB established a Trustee-approved compensation grid for executive positions, as shown in Table 11.

Table 11 - Level 5 Executive Compensation Ranges

Designated Executive	Minimum	Maximum
Directors	$224,000	$277,000
Associate Director	$213,000	$224,000
Executives[17]	$140,000	$194,000

[16] All 72 publicly funded school boards in Ontario collaboratively developed a comprehensive proposed Executive Compensation Program sector framework in consultation with Mercer (Canada) Limited in 2017.
[17] Executives at OCDSB include the following positions: Executive Superintendent, Executive Officer, Superintendent, System Officer.

Table 12 - OCDSB Executive Compensation Grids (Applicable to the 2016-17 School Year)

Designated Executives	Step 1	Step 2	Step 3	Step 4
Director of Education	$204,994	$213,706	$222,789	$232,258
Supervisory Officer, Superintendent, Executive Officer	$150,386	$157,253	$164,723	

On December 11, 2017, OCDSB received Ministry approval for the program's 5% maximum rate of increase to the executive pay envelope[18], and the comparator organizations to be used in OCDSB's executive compensation program. OCDSB Trustees approved the Board's executive compensation program on November 16, 2017.

School boards could use their 5% maximum rate of increase to their pay envelope to make salary adjustments retroactively to September 1, 2017, as long as they had an approved executive compensation program in place by February 1, 2018. They were not to exceed their envelope (equal to 5% of total salary paid to their executives). Based on OCDSB's pay envelope of $2,169,293, increases available for distribution were capped at $108,464.65. While the overall amount was capped, school boards, along with other designated public sector employers, were provided discretion to determine the distribution of the 5% increase to the pay envelope in 2017. A new salary grid incorporating the increases was put in effect effective September 1, 2017, and added a new grid for the Associate Director position, as shown in Table 13. We note that on the grid shown in Table 12, the Associate Director position was not included. OCDSB the decision to map the one Associate Director that was employed at the beginning of the 2016-17 school year to the Supervisor Officer, Superintendent, Executive Grid, in Table 12.

[18] The pay envelope refers to actual total cash compensation paid to each executive at the designated employer, assuming 12 months of employment for each active executive.

Table 13 - OCDSB Executive Compensation Grids (Applicable to the 2017-18 to the 2021-22 School Years)

Designated Executives	Step 1	Step 2	Step 3
Director of Education	$221,539	$230,999	$240,724
Associate Director	$185,744	$190,388	$195,147
Supervisory Officer, Superintendent, Executive Officer	$155,241	$163,749	$172,534

O. Reg. 304/16 (Executive Compensation Framework) was revoked on August 13, 2018, and replaced with O. Reg. 406/18 (Compensation Framework) under the BPSECA, which came into effect on the same day. The O. Reg. 406/18 compensation framework prohibited new elements of compensation from being implemented after August 13, 2018, and effectively resulted in freezes on salary and all other elements of compensation as of this date.

Two years later, on September 18, 2020, O. Reg. 406/18 was amended to authorize the President of the Treasury Board to exempt designated employers or designated executives from the compensation framework requirements and to set conditions for the exemption. The OCDSB submitted an exemption request to the Ministry in July 2022 which was deferred to the President of Treasury Board in August 2022. The Board did not receive approval to proceed from TBS (Treasury Board Secretariat).

In 2022, OCDSB underwent a bona fide restructuring as confirmed by an external legal opinion. The legal opinion found that OCDSB had undergone a bona fide restructuring as the Board's executive team underwent changes to its structure, in addition to the changes in responsibilities of members of the executive team. The restructuring was approved by the Board of Trustees on February 8, 2022, and put in effect on September 1, 2022. As a result of this restructuring, the executive team was expanded with the creation of an "Associate Director, Business" position, and the creation of an "Executive Officer, Information Technology" position. Along with those additions to the executive team, OCDSB also undertook the following changes: the "Human Resources" position was restructured to create a "Superintendent of People, Culture and Leadership". The "General Counsel and Labour Relations" position was included in the executive team, and Risk Management and Privacy was added to this position's responsibilities. Printing services were reassigned to the Executive Officer, Corporate Services position. The Indigenous Education and The Equity Division portfolios were separated and assigned to two superintendents. The Extended Day Program was reassigned to the Associate Director, Academic, position. The Adolescent Learning and Innovation program was expanded to included additional responsibility for eLearning.

As a result of these changes, a new compensation grid was implemented effective September 1, 2022, as shown in Table 14. BPSECA allows for restructuring for bona fide purposes. The Board had discretion to determine executive salaries due to the restructuring, resulting in increases to base salary ranging from 12% to 25%[19] for each active employee on September 1, 2022. Additionally, all employees were moved to the grid step in line with their tenure. Ultimately, the Board is accountable for prudent stewardship and decision-making.

Table 14 - OCDSB Executive Compensation Grids (Effective September 1, 2022)

Designated Executives	Step 1	Step 2	Step 3
Director of Education	$255,000	$266,000	$277,000
Associate Director	$213,000	$218,500	$224,000
Supervisory Officer, Superintendent, Executive Officer, General Counsel	$167,000	$180,500	$194,000

[19] This range excludes promotions. should we include promotions, the increases would range from 12% to 61%.

4.2.2. Executive salary schedule

The following schedules contain a summary of the base compensation for all OCDSB designated executives under the BPSECA for periods between the 2016-17 to 2024-25 school years.

Table 15 - Director of Education Salary by School Year

Salary Bands	Table 12	Table 13						Table 14		
Executives	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Director of Education[20]	$232,258	$240,724	$240,724						
Director of Education[21]			$240,724	$240,724	240,724$	$240,724	$240,724		
Director of Education[22]							$277,000	$277,000	$277,000
Director of Education[23]							$277,000		

[20] Employment concluded on January 31, 2019.

[21] Employment concluded on January 1, 2023, due to the individual's retirement. The implementation of the new grid took place in June 2023 and only affected active employee, as a result this individual did not qualify.

[22] This Director of Education joined when the new grid was in place and therefore received a greater salary than the incumbent, refer to previous footnote.

[23] Individual held an Executive position between the 2016-17 school year until the 2021-22 school year, at which point they were promoted to the Director of Education position on January 1, 2023, until July 31, 2023. From August 1, 2023, until the conclusion of their employment, the individual held an Executive Officer position once again, and returned to the Executive Officer salary grid.

Table 16 - Associate Director Salary by School Year

Salary Bands	Table 12		Table 13				Table 14		
Executives	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Associate Director[24]	$164,723	$185,744							
Associate Director[25]	$164,723								
Associate Director[26]		$185,744	$185,744	$185,744	$185,744	$185,744	$224,000	$224,000	$224,000
Associate Director[27]							$213,000	$218,500	$218,500

Table 17 - Executive Officer Salary by School Year

Salary Bands	Table 12	Table 13					Table 14		
Executives	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Executive Officer	$164,723	$172,534	$172,534	$172,534	$172,534	$172,534		$194,000	
Executive Officer						$163,749	$194,000	$194,000	$194,000
Executive Officer[28]							$163,749		
Executive Officer[29]							$213,000	$194,000	$194,000
Executive Officer							$180,500	$194,000	$194,000
Executive Officer									$194,000

[24] Employment concluded on December 22, 2017.

[25] Employment concluded on July 31, 2017.

[26] Promoted from a Superintendent of Education Position on September 1, 2017.

[27] Employment commenced on November 14, 2022.

[28] Individual accepted a four-month term assignment assisting with the transition of the finance department team following the retirement of the Chief Financial Officer. While this individual was not part of the executive team, their compensation is under the Executive Officer category and therefore appears in the data.

[29] This individual accepted a term assignment to assist in the transition following the retirement of the Chief Financial Officer and was performing activities aligned with a Director of Education position and therefore received the corresponding salary.

Table 18 - Superintendent / Supervisory Officer Salary by Year

Salary Bands	Table 12	Table 13					Table 14		
Executives	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Superintendent / Supervisory Officer	$157,253	$172,534	$172,534	$172,534	$172,534				
Superintendent / Supervisory Officer	$164,723								
Superintendent / Supervisory Officer	$164,723	$172,534	$172,534	$172,534	$172,534	$172,534			
Superintendent / Supervisory Officer	$150,386	$155,241	$155,241	$155,241	$155,241	$155,241	$194,000	$194,000	$194,000
Superintendent / Supervisory Officer	$164,723	$172,534	$172,534	$172,534					
Superintendent / Supervisory Officer	$157,253	$163,749	$163,749	$163,749	$163,749	$163,749	$194,000	$194,000	$194,000
Superintendent / Supervisory Officer	$164,723	$172,534	$172,534	$172,534	$172,534	$172,534			
Superintendent / Supervisory Officer	$164,723								
Superintendent / Supervisory Officer	$150,386	$155,241	$155,241	$155,241	$155,241	$155,241	$194,000	$194,000	$194,000
Superintendent / Supervisory Officer	$157,253								
Superintendent / Supervisory Officer	$164,723	$172,534	$172,534	$172,534	$172,534	$172,534	$194,000	$194,000	$194,000
Superintendent / Supervisory Officer	$164,723	$172,534	$172,534	$172,534					
Superintendent / Supervisory Officer[30]		$172,534	$172,534		$172,534	$172,534	$172,534		

[30] This individual served as Superintendent of Education from August 31 to December 30, 2022, under the pay rates effective at that time. In June 2023, the Board approved a new pay grid retroactive to September 1, 2022, but only active employees received retroactive pay therefore, this individual did not qualify.

Salary Bands	Table 12	Table 13					Table 14		
Executives	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Superintendent / Supervisory Officer			$155,241	$155,241	$155,241				
Superintendent / Supervisory Officer				$155,241	$155,241	$155,241	$194,000	$194,000	$194,000
Superintendent / Supervisory Officer				$155,241	$155,241	$155,241	$194,000	$194,000	$194,000
Superintendent / Supervisory Officer					155,241	$155,241	$194,000	$194,000	$194,000
Superintendent / Supervisory Officer[31]						$180,000	$180,000		
Superintendent / Supervisory Officer						$155,241	$180,500	$180,500	
Superintendent / Supervisory Officer							$167,000	$180,500	$180,500
Superintendent / Supervisory Officer							$167,000		
Superintendent / Supervisory Officer								$194,000	$194,000
Superintendent / Supervisory Officer								$180,500	$180,500
Superintendent / Supervisory Officer									$194,000
Superintendent / Supervisory Officer									$194,000
Superintendent / Supervisory Officer									$167,000

[31] Employee was on secondment at an organization with a different salary grid for the 2021-22 and 2022-23 school years.

4.2.3. Compliance with framework

Within the scope of this review, we did not note any material instances of non-compliance from the 2016-17 to the 2024-25 school years with BPSECA.

4.2.4. Direct report salary schedule

The following schedules contain the direct report FTE count (Table 19) and base compensation (Table 20) by each supervising executive as of May 22, 2025. For Table 19, the FTE count is presented as Direct Report FTEs including and excluding principals to illustrate the magnitude and size of OCDSB.

Table 19 - FTE Count of Superintendents' Direct Reports as of May 2025

Supervising Executive	Direct Report FTE Count (Incl. Principals)	Direct Report FTE Count (Excl. Principals)
Superintendent, Program Services	6	6
Superintendent, Employee Services	4	4
Superintendent, Learning Support Services	5	5
Superintendent, Education	29	3
Superintendent, Education	25	2
Superintendent, Education	32	1
Superintendent, Education	32	1
Superintendent, Education	19	1
Superintendent, Education	30	1

The compensation of all supervising executives is greater than the compensation of their direct reports. The FTE count of direct reports excluding Principals across these executives ranges from 1 to 6.

Table 20 - Salaries of Superintendents' Direct Reports as of May 2025

Superintendent, Program Services	
Administrative Assistant	Less than $100,000
System Principal, Curriculum Solutions - Innovation and Adolescent Learning	$150,920
System Principal, ESL/ELD	$150,920
System Principal, SEF	$150,920
General Manager, Program Services	$148,300
System Principal, Math Program Services	$150,920

Superintendent, Learning Support Services	
Administrative Assistant	Less than $100,000
General Manager, Learning Support Services	$138,845
Program Manager, Mental Health Lead	-[32]
System Principal, LSS	$150,920
System Principal, LSS	$150,920

Superintendent, Employee Services	
Administrative Assistant	Less than $100,000
General Manager, Employee Services	$164,892
General Manager, Employee Wellness and Safety	-[33]
General Manager, Labour Relations and Senior Legal Counsel	$164,892

Superintendent, Education	
Administrative Assistant	Less than $100,000
System Principal, Student Achievement Through Equity	$147,669
Coordinator, Family and Community Engagement (FACE)	Less than $100,000

[32] Salary is not available in the shared compensation information.
[33] Salary is not available in the shared compensation information.

Superintendent, Education	
Administrative Assistant	Less than $100,000
System Principal, Equity, Inclusion and Anti-Oppression	$141,167

Superintendent, Learning Support Services	
Administrative Assistant	Less than $100,000
General Manager, Learning Support Services	$138,845
Program Manager, Mental Health Lead	-[34]
System Principal, LSS	$150,920
System Principal, LSS	$150,920

Superintendent, Education	
Administrative Assistant	Less than $100,000

Superintendent, Education	
Administrative Assistant	Less than $100,000

Superintendent, Education	
Administrative Assistant	Less than $100,000

Superintendent, Education	
Administrative Assistant	Less than $100,000

[34] Salary is not available in the shared compensation information.

5. Recommended options for future action

5.1. Recommendation on Ministry control and charge over the Board

As per the *Education Act*, R.S.O. 1990, c. E.2, an investigator may not recommend that control and charge over the administration of the affairs of the Board be vested in the Ministry unless the investigation discloses evidence of:

- **Item 1 -** Financial default or probable financial default;
- **Item 2 -** An accumulated deficit or a probable accumulated deficit; or
- **Item 3 -** Serious financial mismanagement

Item 1 - Evidence of financial default or probable financial default

The *Education Act* does not include a specific definition of "financial default or probable financial default", therefore for these purposes, the following indicators were considered be relevant:

- Cash flow and cash position
- Borrowings available

Table 21 - OCDSB Cash Balances at August 31

	2021-22	2022-23	2023-24
Cash per Audited Financial Statements	$38,846,395	$21,953,321	$68,143,853

Based on Table 21, OCDSB has had a cash balance at August 31 ranging from $22.0 million to $68.1 million from the 2021-22 to 2023-24 school years. As of April 30, 2025, Management confirmed that OCDSB had $75,841,739.44 in cash including school generated funds and provided bank statements to support with the Board-managed portion of this balance being $60,777,096.82.

In addition, the Board has credit facilities available to a maximum of $116,000,000 to address operating requirements and to bridge funding of capital expenditures. There was no temporary borrowing as at August 31, 2024 (2023 - $Nil) based on the 2023-24 audited financial statements. The Board continues to have these credit facilities available with no balance drawn at the time of writing this report.

Based on the OCDSB's current cash position and available borrowing sources, we can infer that during the 2024-25 school year OCDSB lacked evidence of financial default. Given that cash forecasts were not reviewed as this analysis was not in-scope for the purposes of this report, we are not able to conclude on the potential for any prospective financial default.

Item 2 - Evidence of an accumulated deficit or a probable accumulated deficit

OCDSB's actual accumulated surplus (deficit) available for operations leveraging the Ministry's approach for calculation for the 2023-24 actual results, is $(5.9) million. In addition, OCDSB's projected accumulated surplus (deficit) available for operations leveraging the Ministry's definition for the 2024-25 revised estimates is $(9.2) million. Based on the 2023-24 actual accumulated deficit of $(5.9) million, even if the Board were to achieve a balanced in-year budget for 2024-25 actuals, an accumulated deficit available for operations would still exist in the 2024-25 school year.

As described in Section 4.1.4. Current Deficit Elimination Plan of this report, OCDSB has prepared a deficit elimination plan, identifying potential savings measures of approximately $20.7 million for the 2025-26 school year. However, there is additional pressure that Management understands the Board will face in 2025-26, including:

- Replacing the gap in the 2025-26 budget for approximately $8.7 million worth of one-time savings measures from the 2024-25 school year
- Replacing the $9.1 million Special Equipment Allocation (SEA) funding that was used to partially address the $14 million shortfall in special education

Offset by the two factors mentioned above, the potential savings of $20.7 million could be reduced to $2.9 million. Although this amount could result in an in-year surplus, it would not be sufficient to replenish OCDSB's projected accumulated surplus (deficit) available for operations of $(9.2) million. In addition, to realize these potential savings measures, OCDSB's Management and Trustees need to fully commit to adopting and implementing these savings measures in a timely manner, including allocating resources to this effort and aligning its other actions consistent with the aim of managing this deficit. Although Management has indicated that they are confident they can achieve a balanced in-year budget in 2025-26, Management has indicated that to eliminate the current accumulated deficit available for operations, OCDSB would likely require approval of POD exemptions. Thus, it is probable that OCDSB will continue to have an accumulated deficit available for operations in the 2025-26 school year.

Item 3 - Evidence of serious financial mismanagement

The Education Act does not include a specific definition of “serious financial mismanagement”, therefore for these purposes, the following indicators were considered to be relevant:

- Recklessness or deliberate wrongdoing
- Lack of financial oversight or governance
- Actions resulting in reputational damage

Throughout the work conducted we did not find any examples of reckless or deliberate wrongdoing, lack of financial oversight or governance or actions resulting in potential reputational damage.

Summary

As a result of OCDSB’s accumulated deficit in 2023-24 and probable accumulated deficit for both the 2024-25 and 2025-26 school years, we consider that one of the criteria for vesting control and charge over the administration of the affairs of the Board has been met. We recommend that supervision of the Board is warranted based on the Board having met a condition in subsection 257.30 (6) of the *Education Act*.

6. Appendix

6.1. 2023-24 Bill 124 and annual salary/wage increases underfunding impact

Table 22 - 2023-24 Bill 124 and Annual Salary/Wage Increases Underfunding Impact[35]

2023-24		2024-25		Difference	
Salaries	**Benefits**	**Salaries**	**Benefits**		
$729,922,681	$126,853,508	$875,565,950	$150,828,619	$ 169,618,380	Actuals minus Estimates
				$(14,000,000)	2023-24 Accrual Adj.
				$ 155,618,380	**Total Salary Increase**
				$(129,332,633)	Ministry Funding
				$(1,670,439)	Secondment Expense Recovery
				$ 24,615,308	**Net Increase**
				$(2,693,869)	WSIB Increase
				$(2,655,637)	Other Increases
				$ 19,265,802	**Underfunding**

[35] Calculations of Bill 124 and annual salary/wage increases underfunding impact for 2023-24 were provided by OCDSB.

6.2. 2023-24 and 2024-25 pupils of the board enrolment

Table 23 - 2023-24 and 2024-25 Pupils of the Board Enrolment[36]

	2023-24			2024-25		
	Estimates	Revised estimates	Actuals	Estimates	Revised estimates	March 31, 2025
Elementary						
Junior Kindergarten	4,487.00	4,397.50	4,382.77	4,300.50	4,073.00	23,988.50 *(JK-3)*
Senior Kindergarten	5,073.00	4,768.50	4,765.00	4,918.00	4,733.50	
Grades 1 to 3	15,569.50	15,379.00	15,347.00	15,604.00	15,413.00	
Grades 4 to 6	16,262.00	16,105.50	16,099.00	16,251.00	16,079.50	26,897.00 *(grade 4-8)*
Grades 7 to 8	10,858.00	10,625.50	10,635.50	10,609.50	10,639.00	
Grades 4 to 8	27,120.00	26,731.00	26,734.50	26,860.50	26,718.50	
Total Elementary Day School	**52,249.50**	**51,276.00**	**51,229.27**	**51,683.00**	**50,938.00**	**50,885.50**
Total Secondary Day School - Grade 9 to 12	**24,503.46**	**24,783.44**	**24,653.63**	**24,891.45**	**25,058.37**	**25,737.11**
Total Pupils of the Board Enrolment	**76,752.96**	**76,059.44**	**75,882.90**	**76,574.45**	**75,996.37**	**76,622.61**

[36] The 2023–24 figures, along with the 2024–25 estimates and revised estimates, were taken from the EFIS statements. The figures as of March 31, 2025, were provided by the OCDSB and have not been audited.