

Ontario Ministry of Education

Investigation Report Regarding
The Toronto District School Board

Prepared by PwC

June 10, 2025



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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. Toronto District School Board (TDSB, 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 TDSB 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 required the following:

- an assessment of TDSB's in-year and accumulated surplus (deficit) both with and without the use of proceeds of disposition (POD);
- an assessment of the current and forecasted cash flow position;
- an assessment of proposed savings measures;
- an assessment of the Board's reliance on POD to balance the budget;
- an assessment of TDSB's compliance with the *Broader Public Sector Executive Compensation Act, 2014*, (BPSECA); and
- a recommendation if supervision of TDSB is warranted based on the conditions set out in subsection 257.30 (6) of the *Education Act*.

The executive summary findings for each section are outlined below.

Deficit magnitude assessment

This section quantifies the magnitude of TDSB's in-year surplus (deficit) for compliance purpose and accumulated surplus (deficit) available for both compliance and operations with and without POD in the 2023-24 and 2024-25 school years. It examines the impact of POD exemptions approved by the Ministry, considering various scenarios and adjustments. TDSB received approval for the 2023-24 POD exemption of \$15.9 million and conditional approval for a \$28.0 million POD exemption for 2024-25, contingent upon submission and approval of a Multi-Year Financial Recovery Plan (MYFRP).

Three scenarios of accounting for the POD exemptions were considered to illustrate the impact on the accumulated surplus (deficit):

- Scenario 1: With POD exemptions for both years, TDSB improves its position from an in-year deficit of (\$12.4) million in 2023-24 to a balanced budget in 2024-25, maintaining an accumulated surplus of \$16.7 million for operations.
- Scenario 2: Excluding all POD exemptions for both years, TDSB would have had an in-year deficit of \$(28.3) million in 2023-24, and a slightly smaller in-year deficit of (\$28.0) million in 2024-25, resulting in an accumulated surplus (deficit) of (\$27.2) million in 2024-25.

- Scenario 3: If the approved 2023-24 POD exemption is included (as approved) but the 2024-25 POD exemption is excluded, the in-year deficit worsens from (\$12.4) million in 2023-24 to (\$28.0) million in 2024-25, resulting in an accumulated deficit of (\$11.3) million in 2024-25.

Table 1 - Summary of 2024-25 In-Year & Accumulated Surplus (Deficit) Scenario

Scenario	POD Inclusion		2024-25 In-year Surplus (Deficit)	2024-25 Accumulated Surplus (Deficit) Available for Operations
	2023-24	2024-25		
1: Table 5	Included	Included	\$ -	\$16,743,039
2: Table 6	Excluded	Excluded	\$(28,000,000)	\$(27,156,961)
3: Table 7	Included	Excluded	\$(28,000,000)	\$(11,256,961)

Current cash flow position & forecast assessment

Table 2 reflects TDSB’s total cash and cash equivalents as well as investments from 2021-22 to 2023-24. Investments consist of Guaranteed Investment Certificates (GICs), bonds, and treasury bills per the audited financial statements for the stated periods. The reduction in cash and cash equivalents in 2022-23 is offset by an increase in investments, driven by a \$300 million investment in GICs in the school year.

Table 2 - Historical Cash and Cash Equivalents and Investments at Year-End, in thousands of dollars

	2021-22	2022-23	2023-24
Cash & Cash Equivalents	\$474,939	\$19,800	\$214,534
Investments	\$1,306	\$389,413	\$291,129
Total	\$476,245	\$409,213	\$505,663

As of April 30, 2025, the cash balance was reported as \$442.9 million, while the investments balance was \$241.9 million. Levy accounts held in trust, school generated fund accounts and other trust funds are also excluded from this position.

The 2024-25 cash flow forecast predicts an ending cash balance of \$411.8 million and an investment balance of \$241.9 million on August 31, 2025. A cash flow forecast for beyond the 2024-25 fiscal year was not available.

Proposed savings measures assessment

This section summarizes the measures that have been brought forward by TDSB Management during the 2021-22 to 2024-25 school years in response to their worsening financial position and the ongoing need to achieve a balanced budget. Management compiled a summary detailing the approved savings measures and the reported financial impact of each.

Table 3 provides a summary of identified savings measures, highlighting the reported financial impact of adopted initiatives, totaling \$3.8 million in 2021-22, \$9.5 million in 2022-23, \$16.9 million in 2023-24 and \$12.1 million in 2024-25. In addition, it presents savings measured rejected by the Trustees representing nil in 2021-22 and 2022-23, \$11.1 million in 2023-24 and \$13.7 million in 2024-25. For reference, it also presents the in-year and cumulative deficits for the 2023-24 actuals and 2024-25 revised estimates.

Table 3 - Summary of Savings Measures and In-Year Accumulated Deficits

Savings Measure Type	2021-22	2022-23	2023-24	2024-25
Adopted	\$3,800,000	\$9,500,000	\$16,900,000	\$12,100,000
Alternative	\$ -	\$ -	\$ -	\$ -
Total	\$3,800,000	\$9,500,000	\$16,900,000	\$12,100,000
Rejected				
	\$ -	\$ -	\$11,100,000	\$13,700,000
In-year Surplus (Deficit) Available for Compliance Purpose with 2023-24 POD, without 2024-25 POD (Scenario 3)				
			\$(12,386,187)	\$(28,000,000)
Accumulated Surplus (Deficit) Available for Operations with 2023-24 POD, without 2024-25 POD (Scenario 3)				
			\$16,743,039	\$(11,256,961)

Additional initiatives totalling \$16.2 million were implemented in 2023-24 and 2024-25 to balance the Board's budget including increasing Special Incidence Portion (SIP) revenue and enhancing operational efficiencies by adjusting continuing education and permit fees in line with board policy.

Table 4 - Summary of Savings Measures from 2021-22 to 2024-25, in millions of dollars

Savings Measure Type	2021-22 Count	2022-23 Count	2023-24 Count	2024-25 Count	Total Count	Total Count %
Approved	1	6	4	4	15	75%
Rejected	0	0	2	3	5	25%
Total	1	6	6	7	20	100%
Savings Measure Type	2021-22 \$ Impact	2023-23 \$ Impact	2023-24 \$ Impact	2024-25 \$ Impact	Total \$ Impact	Total \$ Impact %
Approved	\$3.8	\$9.5	\$16.9	\$12.1	\$42.3	63%
Rejected	0	0	\$11.1	\$13.7	\$24.8	37%
Total	\$3.8	\$9.5	\$28.0	\$25.8	\$67.1	100%

Overall, Management presented \$67.1 million in total cost-saving measures of which \$42.3 million were approved, either directly or indirectly, by the Board of Trustees and contributed to improving the financial position.

Based on the foregoing analysis for 2023-24 and 2024-25, the total reported financial impact of the rejected measures would have not been enough to eliminate the in-year deficit.

Reliance on proceeds of disposition assessment

TDSB requested POD exemptions of \$15.9 million for 2023-24 and \$28.0 million for 2024-25 to mitigate in-year operating deficits. The 2023-24 exemption was approved, while the 2024-25 exemption was only conditionally approved, contingent on submitting a satisfactory MYFRP, which remains unapproved by Trustees and the Ministry as of the report's date.

POD exemptions were intended by TDSB as short-term solutions to support budget recovery efforts, acknowledging excess capacity costs in under-enrolled schools due to the moratorium in pupil accommodation reviews and additional staffing costs. The 2023-24 POD aimed to offset approximately \$12 million in operating costs.

The 2024-25 POD exemption request contemplated a partial offset of \$22 million to cover for amortization of future employee benefits and other financial pressures such as staffing constraints.

Based on the provided information, TDSB relied on the POD exemption during the 2023-24 school year to improve the financial position, and without the POD exemption in the 2024-25 school year (which as of June 5, 2025, is only conditionally approved), it is probable that the Board will not achieve a balanced budget for 2024-25. It is also important to note that some factors discussed as part of the rationale to use the POD exemption such as underfunded operating expenses due to the moratorium may continue into future school years and contribute to further financial pressures, in addition to factors such as inflation.

Compensation assessment

In the executive compensation framework for the education sector, TDSB is a Level 7 school board. TDSB's executive compensation salary grid approved by the Board of Trustees, is based on the Level 7 salary ranges. The TDSB Board of Trustees approved a motion in 2017 to address compensation related to an employee relations matter and the Board updated its executive compensation grid to reflect the 5% for this grid. In the following school year (2017-18) TDSB then updated its executive compensation grid to reflect the 5% maximum rate of increase allowed for the 2017-18 school year. In 2023, TDSB underwent a bona fide restructuring of its executive team as confirmed by legal opinion. As a result, TDSB implemented a new executive compensation grid effective September 1, 2023. 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 11% to 29% for each active employee on September 1, 2023. 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 except for the following:

- This assessment identified one Executive Officer was placed on the Superintendent / System Officer grid for the 2016-17 school year; however, this error was resolved, and the Executive Officer was placed on the relevant grid the following school year (2017-18).

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 TDSB's 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

TDSB has been reporting in-year deficits from the 2021-22 school year primarily due to pandemic related enrolment decline, staffing pressures, supply costs, Canada Pension Plan (CPP) and Employment Insurance (EI) cost pressures, school renewal and maintenance costs and the inability to right-size the Board's capital footprint, as reported by the Office of the Auditor General of Ontario in December 2024¹. The Board has incurred a total of \$(170.7) million of in-year deficits for compliance purposes from 2021-22 to 2023-24; resulting in an accumulated surplus balance available for compliance deteriorating from \$187.5 million in 2020-21 to \$16.7 million in 2023-24, after excluding committed amounts and including proceeds of disposition (POD).

The Ministry has informed us that it has serious concerns over TDSB's financial health since the financial position has deteriorated whereby reserves are almost fully depleted as of 2024-25 and there has been a reliance on POD exemptions to partially cover deficits. The Board requested POD exemptions of \$15.9 million in 2023-24 and \$28.0 million in 2024-25. TDSB's POD exemption request of \$15.9 million for the 2023-24 school year was approved by the Ministry on August 22, 2023. In addition, TDSB's POD exemption request of \$28.0 million for the 2024-25 school year was approved by the Ministry on June 13, 2024, on the condition that TDSB submitted a multi-year financial recovery plan (MYFRP) to the Ministry for approval by August 15, 2024. This August 15, 2024, deadline was later extended to August 30, 2024.

Excluding these requested POD amounts, the underlying in-year deficits were \$(110.1) million in 2021-22, \$(48.2) million in 2022-23, \$(28.3) million in 2023-24, and \$(28.0) million for 2024-25. This recent reliance on POD to offset an in-year deficit is not sustainable over the long term.

TDSB has produced and submitted a MYFRP on September 30, 2024, however as of June 5, 2025, it has not been approved by the Board of Trustees (the Trustees). Moreover, the Ministry believes this MYFRP provides insufficient detail and relies on the use of a further \$11.0 million of POD in 2025-26. As such, TDSB may not receive the requested 2024-25 POD exemption of \$28.0 million.

¹ Source: Office of the Auditor General
https://www.auditor.on.ca/en/content/annualreports/arreports/en24/pa_TDSB_en24.pdf

After the submission of the MYFRP, the Board's financial situation has also become more challenging as the Board is preliminarily anticipating another in-year deficit of \$(58.0) million in 2025-26, despite including the anticipated impact of the savings measures outlined in the MYFRP².

If action is not taken by the Board to address its in-year deficits and rebuild its accumulated surplus, TDSB's financial position will continue to deteriorate, increasing the risk of not meeting its financial obligations. On April 23, 2025, the Ministry stated that the TDSB's did not produce a trustee approved MYFRP. This, along with the Ministry's concern over the deterioration the Board's financial position and continued reliance on POD, led the Ministry to appoint PwC under Section 257.30(6) to investigate TDSB's financial affairs.

² The Board was anticipating an in-year deficit of \$70.3 million, however this amount was revised with the elimination of the federal consumer carbon tax on April 1, 2025, which reduced the projected 2025-26 deficit by \$12.3 million. Source: TDSB Finance, Budget, and Enrolment Committee. *Proposed Options to Balance the 2025-26 Budget* (2025). It should also be noted that this estimate was made prior to the 2025-26 Core Education Funding announcement by Ontario on May 23, 2025.

3. Scope and approach

This investigation began on May 7, 2025, and was conducted over a period of 4 weeks, with a 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 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 aimed at verifying TDSB's financial position and savings measures from the 2021-22 to 2024-25 school years, employed a multi-step approach involving document reviews, data analysis, and interviews and consultations with key stakeholders from both TDSB and the Ministry. The investigation began with a document review to gather and analyze financial records, POD approval letters, and savings measures reports. This was followed by interviews with staff from TDSB and the Ministry, which helped gain insights and a deeper understanding of the data, operating practices, and financial challenges.

The deficit magnitude assessment was intended to quantify the magnitude of the Board's in-year and accumulated surplus (deficit) for the 2023-24 and 2024-25 school years, both with and without POD. The figures for the 2023-24 school year were derived from the Education Finance Information System (EFIS) financial statements, while the 2024-25 data came from EFIS revised estimates.

The POD amounts were provided in Ministry-reviewed EFIS statements due to a Board reporting error in the 2024-25 Board-submitted revised estimates³. The accumulated deficit figures represent the amounts available for compliance after excluding committed sinking fund interest earned amounts, representing the funds that TDSB can utilize within its operating budget.

³ TDSB confirmed with the Ministry that the correction will be made in the 2024-25 EFIS financial statements.

The cash flow position assessment was intended to confirm the Board's cash flow position, both currently and forecasted for the remainder of the 2024-25 school year. The Board's cash and cash equivalents year end balances from 2021-22 to 2023-24 were analyzed using the EFIS financial statements and the audited financial statements, as well as bank statements and corresponding cash balances as at April 30, 2025, which were received directly from TDSB. In addition, the 2021-22 to 2023-24 audited financial statements and discussions with Management were used to understand the Board's lending facilities.

The objective of the proposed savings measures assessment was to confirm whether staff brought forward viable savings options to balance the budget during the 2021-22 to 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 excluding POD, if any. Where rejected, Management provided available context to Trustees' rationale. Trustee meeting minutes and agendas from the in-scope years were reviewed to identify the approved and rejected savings opportunities, 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 and their reasonability were reviewed, additional analysis was not conducted, such as independently quantifying the financial impact or conducting sensitivity analysis. In addition, the Board's future savings measures were considered by reviewing the provided documentation, however additional analysis was not conducted to quantify the financial impact or assess the reasonability of each.

The reliance on POD assessment was intended to identify the degree to which TDSB has relied on POD to balance the budget during the 2021-22 to 2024-25 school years, and if the Board expects to continue to rely on it in the future. This was evaluated using the Ministry's POD approval letters, TDSB's in-year and accumulated surplus (deficit) with and without POD, and Management commentary.

3.2. Compensation assessment

The compensation assessment is intended to assess TDSB's compliance with the BPSECA and the current restraint measures in place under O. Reg. 406/18 by reviewing the annual salaries of designated executives from the 2016-17 school year to the 2024-25 school year. This involved an iterative process of data analysis and interviews with the TDSB and the Ministry to understand the requirements under BPSECA, its regulations, and resulting compensation frameworks during the period under assessment.

This investigation included reviewing BPSECA, TDSB organizational charts, compensation policies and structures, and TDSB annual executive salaries and additional compensation, as provided by TDSB. Subsequent interviews with both TDSB and the Ministry provided relevant insights on executive compensation and exceptions to the frameworks 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 TDSB's in-year surplus (deficit) available for compliance purpose and accumulated surplus (deficit) available for both compliance and operations with and without POD in the 2023-24 and 2024-25 school years. The analysis was conducted using 2023-24 EFIS financial statements, 2024-25 EFIS revised estimates, and Ministry-reviewed POD amounts. To accurately reflect the accumulated surplus (deficit) available for the Board's operations, the committed sinking fund interest earned has been excluded from the total accumulated surplus (deficit) available, as the TDSB has committed to use these earnings to address the amortization expense for assets purchased with sinking fund debentures.

TDSB's POD exemption request of \$15.9 million for the 2023-24 school year was approved by the Ministry on August 22, 2023. In addition, TDSB's POD exemption request of \$28.0 million for the 2024-25 school year was approved by the Ministry on June 13, 2024, on the condition that TDSB submitted a MYFRP to the Ministry for approval by August 15, 2024, which was later extended to August 30, 2024. TDSB has produced and submitted a MYFRP, however as of June 5, it has not been approved by the Trustees or the Ministry.

In addition, the 2023-24 ending accumulated surplus available for compliance of \$26.7 million per Ontario regulation does not match the 2024-25 opening accumulated surplus available for compliance of \$25.3 million per Ontario Regulation, as seen in Table 5 to Table 7 below⁴. This difference is attributed to a reduction of \$1.4 million to the 2024-25 opening accumulated surplus due to adjustments related to the committed sinking fund interest earned adjustment in EFIS as noted above.

The following tables illustrate three scenarios that quantify TDSB's in-year and accumulated surplus (deficit) for 2023-24 and 2024-25, as follows 1) with 2023-24 & 2024-25 POD exemptions; 2) excluding 2023-24 & 2024-25 POD exemptions; and 3) including 2023-24 POD exemption & excluding 2024-25 POD exemption.

⁴ The 2023-24 ending balance refers to the \$26.7 million ending accumulated surplus available for compliance per Ontario regulation in Table 5 and Table 7, and \$10.8 million in Table 6. The 2024-25 opening balances refer to the \$25.3 million opening accumulated surplus available for compliance per Ontario regulation in Table 5 and Table 7, and \$9.4 million in Table 6.

Table 5 - Scenario 1: In-Year & Accumulated Surplus (Deficit) with 2023-24 & 2024-25 POD Exemptions

	2023-24 Actuals	2024-25 Revised Est.
Opening Accumulated Surplus (Deficit) Available for Compliance per Ontario Regulation	\$39,119,206	\$25,305,879
In-year Surplus (Deficit)	\$(12,386,187)	\$ -
Ending Accumulated Surplus (Deficit) Available for Compliance per Ontario Regulation	\$26,733,019	\$25,305,879
Less: Committed Sinking Fund Interest Earned	\$(9,989,980)	\$(8,562,840)
Ending Accumulated Surplus (Deficit) Available for Operations	\$16,743,039	\$16,743,039

The first scenario, seen in Table 5, quantifies TDSB's in-year and accumulated surplus (deficit) for 2023-24 and 2024-25 with the requested POD exemption amounts of \$15.9 million and \$28.0 million, respectively. In this scenario, TDSB's in-year position improves from an in-year deficit of \$(12.4) million in 2023-24 to an in-year balanced budget in 2024-25. While TDSB estimates that it will improve its in-year operating results in 2024-25 compared to 2023-24, a balanced budget means there would be no net change in the accumulated surplus available for operations, which in this scenario would be anticipated to remain as \$16.7 million in the 2024-25 school year.

This scenario reflects TDSB's perspective on POD exemption approvals at 2024-25 revised estimates, however, as previously stated, the Board has not yet received the necessary Trustee- and Ministry-approvals for the submitted MYFRP to support the Ministry's conditional 2024-25 POD approval reflected in this scenario.

Table 6 - Scenario 2: In-Year & Accumulated Surplus (Deficit) Excluding 2023-24 & 2024-25 POD Exemptions⁵

	2023-24 Actuals	2024-25 Revised Est.
Opening Accumulated surplus (Deficit) Available for Compliance per Ontario Regulation	\$39,119,206	\$9,405,879
In-year Surplus (Deficit)	\$(12,386,187)	\$ -
Less: Proceeds of Disposition	\$(15,900,000)	\$,000,000)
Adjusted In-year Surplus (Deficit)	\$(28,286,187)	\$(28,000,000)
Ending Accumulated Surplus (Deficit) Available for Compliance per Ontario Regulation	\$10,833,019	18,594,121)
Less: Committed Sinking Fund Interest Earned	\$(9,989,980)	\$(8,562,840)
Ending Accumulated Surplus (Deficit) Available for Operations	\$843,039	\$(27,156,961)

The second scenario, seen in Table 6, quantifies TDSB's in-year and accumulated surplus (deficit) for 2023-24 and 2024-25 without the requested POD amounts of \$15.9 million and \$28.0 million, respectively. In this scenario, TDSB's in-year operating result slightly improves from an adjusted in-year deficit of \$(28.3) million in 2023-24 to an adjusted in-year deficit of \$(28.0) million in 2024-25, also reflecting to the Board's base assumption of a balanced budget in 2024-25. While it is anticipated that TDSB would improve its in-year operating results in 2024-25 in this scenario, the accumulated surplus (deficit) available for operations worsens from a surplus of \$0.8 million in 2023-24 to a deficit of \$(27.2) million in 2024-25, because of the removal of the \$28.0 million requested POD in this scenario.

⁵ The 2024-25 opening balance of the accumulated surplus available for compliance per Ontario regulation was reduced by \$15.9 million from \$25.3 million in Table 5 to \$9.4 million in Table 6 to account for the assumed removal of POD from the accumulated surplus amount in 2023-24.

Table 7 – Scenario 3: In-Year & Accumulated Surplus (Deficit) Including 2023-24 POD Exemption & Excluding 2024-25 POD Exemption

	2023-24 Actuals	2024-25 Revised Est.
Opening Accumulated Surplus (Deficit) Available for Compliance per Ontario Regulation	\$39,119,206	\$25,305,879
In-year Surplus (Deficit)	\$(12,386,187)	\$ -
Less: Proceeds of Disposition	\$ -	\$(28,000,000)
Adjusted In-year Surplus (Deficit)	\$(12,386,187)	\$(28,000,000)
Ending Accumulated Surplus (Deficit) Available for Compliance per Ontario regulation	\$26,733,019	\$(2,694,121)
Less: Committed Sinking Fund Interest Earned	\$(9,989,980)	\$(8,562,840)
Ending Accumulated Surplus (Deficit) Available for Operations	\$16,743,039	\$(11,256,961)

The third scenario, seen in Table 7 quantifies TDSB’s in-year and accumulated surplus (deficit) for 2023-24 and 2024-25 with the requested POD amount of \$15.9 million in 2023-24 and without the requested POD amount of \$28.0 million in 2024-25. This scenario 1) reflects the POD exemption request of \$15.9 million for the 2023-24 school year approved by the Ministry, and 2) assumes the conditional approval that TDSB received for its 2024-25 request is not approved given the absence of an approved MYFRP. In this scenario, TDSB’s in-year surplus (deficit) position worsens from a deficit of \$(12.4) million in 2023-24 to a deficit of \$(28.0) million in 2024-25, again reflecting the Board’s base assumption of a balanced budget in 2024-25. TDSB’s accumulated deficit available for operations worsens as a result, moving from a \$16.7 million surplus in 2023-24 to an \$(11.3) million deficit in 2024-25.

Based on the three scenarios with varying inclusion and removal of POD amounts detailed above, the three in-year and accumulated surplus (deficit) scenarios for 2024-25 are summarized below in Table 8.

Table 8 – Summary of 2024-25 In-Year & Accumulated Surplus (Deficit) Scenarios⁶

Scenario	POD Inclusion		2024-25 In-year Surplus (Deficit)	2024-25 Accumulated Surplus (Deficit) Available for Operations
	2023-24	2024-25		
1: Table 5	Included	Included	\$ -	\$16,743,039
2: Table 6	Excluded	Excluded	\$(28,000,000)	\$(27,156,961)
3: Table 7	Included	Excluded	\$(28,000,000)	\$(11,256,961)

With POD included in scenario 1 for both 2023-24 and 2024-25, TDSB anticipates a balanced in-year amount and an accumulated surplus available for operations of \$16.7 million. Scenarios 2 and 3, however, both result in accumulated deficits available for operations of \$(27.2) million and \$(11.3) million in 2024-25, for scenario 2 and 3 respectively.

4.1.2. Cash flow position

To evaluate TDSB’s overall cash flow position, the following factors were reviewed:

- Typical funding sources available to TDSB
- Current cash position (as of April 30, 2025)
- Historic Cash & Cash Equivalents and Investment balances as of August 31 of the 2021-22, 2022-23, and 2023-24 school years
- Current available sources of borrowing
- Projected cash flow for the 2024-25 school year

Management explained that, although preliminary work had been done, the 2025-26 forecasted cash flow was not available due to its reliance on the release of Ministry funding which TDSB received on May 23, 2025, during the period of the investigation.

The following table summarizes the three main sources from which TDSB receives funding:

⁶ The 2024-25 in-year surplus (deficit) amounts in scenarios 2 and 3 refer to the adjusted in-year surplus (deficit) amounts in Table 6 and Table 7.

Table 9 - Typical Funding Sources

Source	Timing	Purpose
a. Ministry of Education	Monthly	To cover operating and capital expenditures.
b. City of Toronto - Education Property Tax	Quarterly	To cover operating and capital expenditures.
c. POD	As Properties are Sold	To cover capital expenditures ⁷ subject to the Ministry's cash withholding under the Cash Management Strategy policy.

Variations in the timing of cash receipts and disbursements throughout the school year led to fluctuations in TDSB's cash balance over the course of the year.

Table 10 - Historical Cash and Cash Equivalents and Investments at Year-End⁸, in thousands of dollars

	2021-22	2022-23	2023-24
Cash & Cash Equivalents	\$474,939	\$19,800	\$214,534
Investments	\$1,306	\$389,413	\$291,129
Total	\$476,245	\$409,213	\$505,663

Table 10 reflects TDSB's total cash and cash equivalents as well as investments from 2021-22 to 2023-24. Investments consist of Guaranteed Investment Certificates (GICs), bonds, and treasury bills per the audited financial statements for the stated periods. The reduction in cash and cash equivalents in 2022-23 is offset by an increase in investments, driven by a \$300 million investment in GICs in the school year⁹.

⁷ According to Ontario Regulation 193/10: Restricted Purpose Revenues (the Regulation), proceeds of disposition should be used to repair, renew, and improve existing school buildings and other infrastructure or for acquiring land and adding school buildings. However, to use POD for purposes outside the scope of School Condition Improvement (SCI) expenditure requirements, school boards are required to request a Minister's exemption under Ontario Regulation 193/10. As such, these one-time transfers are not a sustainable measure to balance the budget into the future.

⁸ Cash and Cash Equivalents and Investments for 2021-22 to 2023-24 are as of August 31 from audited financial statements.

⁹ Per Note 3 of 2022-23 audited financial statements.

TDSB provided a breakdown of the cash balance and accounts held, as well as bank statements to support this information. As at April 30, 2025, the cash balance was reported as \$442.9 million, while the investments balance was \$241.9 million. Levy accounts held in trust, school generated fund accounts and other trust funds are also excluded from this position.

As per the 2023-24 audited financial statements, TDSB had a \$600 million credit facility with a Canadian chartered bank, \$200 million of which is for operating purposes and \$400 million of which is for capital improvement purposes. The amount outstanding on the facility at year end (August 31, 2024) was \$352 million and was used to support the Board's capital projects. Management confirmed that as of June 5, 2025, there is nil drawn on the operating line and \$240 million drawn for capital. Additionally, the Board had outstanding letters of credit in the amount of \$3.62 million as of August 31, 2024. Management confirmed that Board continues to have approximately \$3.6 million in outstanding letters of credit.

Cash flow forecast

The cash flow forecast for the 2024-25 school year provided by TDSB has a projected ending cash balance of \$411.8 million¹⁰ at August 31, 2025, and Management confirmed that the forecasted investment balance for August 31, 2025, is \$241.9 million.

As per TDSB Management, cash flow forecasting is managed using Microsoft Excel with data from SAP. Oversight involves daily management and monthly reviews by senior staff, including budget comparisons. Cash positions are reported to the Trustees and submitted to the Ministry twice annually, with ongoing updates for capital reporting.

4.1.3. Proposed savings measures

This section presents an overview of the savings measures - adopted, rejected, and alternative¹¹ - that have been brought forward by TDSB Management during the 2021-22 to 2024-25 school years in response to a worsening financial position and the ongoing need to achieve a balanced budget. Management compiled a summary detailing the approved savings measures and the financial impact of each.

¹⁰ Ending cash balance was calculated by adding the projected cash flow changes to the actual balance at April 30, 2025, provided by Management

¹¹ **Adopted savings measures** refer to those that were formally approved by the Board of Trustees.

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

Alternative savings measures were developed by Management in response to the Board's rejection of the original proposals.

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 and shared by TDSB. Savings measures were categorized by savings type, implementation timeline, rationale and associated risks and considerations of each measure.

Table 11 provides a summary of identified savings measures, highlighting the financial impact of adopted initiatives, totaling \$3.8 million in 2021-22, \$9.5 million in 2022-23, \$16.9 million in 2023-24 and \$12.1 million in 2024-25. For reference, it also outlines the in-year and cumulative deficits for the 2023-24 and 2024-25 school years.

Table 11 - Summary of Savings Measures and In-year Cumulative Deficits

Savings Measure Type	2021-22	2022-23	2023-24	2024-25
Adopted	\$3,800,000	\$9,500,000	\$16,900,000	\$12,100,000
Alternative	\$ -	\$ -	\$ -	\$ -
Total	\$3,800,000	\$9,500,000	\$16,900,000	\$12,100,000
Rejected				
	\$ -	\$ -	\$11,100,000	\$13,700,000
In-year Surplus (Deficit) Available for Compliance Purpose with 2023-24 POD, without 2024-25 POD (Scenario 3)			\$(12,386,187)	\$(28,000,000)
Accumulated Surplus (Deficit) Available for Operations with 2023-24 POD, without 2024-25 POD (Scenario 3)			\$16,743,039	\$(11,256,961)

It is important to note that the following measures in Table 12 to Table 14 were proposed as part of TDSB’s annual budgeting process and therefore as part of the budget inherently required Trustee approval for implementation. Out of the \$67.1 million proposed savings throughout the 2021-22 to 2024-25 school years, \$34.6 million were actually realized. The Board also realized an additional \$15.6 million of savings over this time period due to other factors such as revenue increases and in-year budget adjustments (e.g. use of carry forwards).

Table 12 contains a detailed breakdown of savings measures put forward by TDSB to improve the Board’s financial position and that were implemented during the 2021-22 to 2024-25 school years. The financial impact of each initiative was reported by TDSB and reflects the Board’s estimates.

Table 12 - TDSB Adopted Savings Measures, 2021-22 through 2024-25 School Years

Savings Measure	Description	Financial Impact	Savings Type¹²
2021-22 Adopted Savings Measures			
A. Targeted In-Year Savings	Staff to identify savings from various areas, such as permits, supply staffing costs, utilities costs, staff gapping, and temporary staffing costs.	\$3,800,000	Ongoing saving
2021-22 Total Adopted Savings Measures		\$3,800,000	
2022-23 Adopted Savings Measures			
A. Program Realignment and Staffing Changes	Service delivery and operational models reviewed to capture cost effective changes. For example, direct professional development training provided to school staff, instead of through central Teachers and coaches. Approximately 18 FTE staff reduction.	\$2,200,000	Ongoing saving
B. School Budget Reductions	A reduction to secondary school budgets of budget approximately 10%, and elementary school budgets of approximately 5%, partially offset by Program Priorities Funding (PPF) and other grants (such as Model Schools, Student Success, etc.) limiting impacts of the reductions.	\$3,000,000	Ongoing saving
C. Central Department Reductions	Through the zero-based budgeting process, budget resources were reallocated based on the Board's strategic budget drivers to align with priorities of the Board.	\$1,500,000	Ongoing saving

¹² 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 ¹²
D. Reduction in Supply Teacher Costs	Based on an assessment of historic supply teacher costs, staff identified a decrease in supply teacher costs compared to the original budget using updated assumptions. The projected savings was for \$2,300,000. Rather than a saving of \$2.3 million, there was actually an increase in costs of \$7.7 million.	\$0 ¹³	This saving measure was intended to be ongoing but was adjusted at revised estimates based on actual costs.
E. Central Staff Gapping ¹⁴	There were planned delays in the hiring of non-critical staff positions, and a reduction in positions that are no longer required, primarily through attrition without impacting current service levels because of process efficiencies gained during the pandemic.	\$2,500,000	Ongoing saving
F. Transfer of School Cash Online Fees	A portion of The KEV Group Inc. (school activity fee management company) annual licensing fees to be charged to school budgets schools starting in 2022-23	\$300,000	Ongoing saving
(A+B+C+F) 2022-23 Adopted Savings Measures (Ongoing)		\$9,500,000	
(D) 2022-23 Adopted Savings Measures (One-time)		\$0	
2022-23 Total Adopted Savings Measures		\$9,500,000	
2023-24 Adopted Savings Measures			
A. Central Staffing Reduction	Staff proposed a reduction of 44.0 FTE central teaching staff and 5.0 centrally assigned Principals. The staff in centrally assigned roles returned to schools and filled roles that were vacant as a result of attrition.	\$5,600,000	Ongoing saving

¹³ No financial impacted noted as savings measure did not come into fruition and instead resulted in a cost increase.

¹⁴ Gapping represents the difference between funding that would be required for full salaries, wages and benefits for the staff complement of a particular staff unit and the actual funding provided. Gapping represents the savings that would be achieved as a result of vacancies or staff turnover not intended to be filled (known gapping) and an allowance for unplanned or unanticipated staff turnover (unknown gapping).

Savings Measure	Description	Financial Impact	Savings Type ¹²
B. Central Department Reductions	Central departments were asked to review their budgets and to reduce discretionary spending by 5%.	\$1,700,000	Ongoing saving
C. Cost-Recovery of General Interest Courses (e.g. Zumba Classes, Pizza Making, Calligraphy) to Adults and Seniors	Staff proposed that general interest courses be offered on a cost recovery model.	\$600,000	Ongoing saving
D. 1:1 Device Deployment	Staff recommended a pause in the 1:1 device 2024-25 budget ¹⁵ as they are purchased the summer before.	\$9,000,000	One-time saving
(A+B+C) 2023-24 Adopted Savings Measures (Ongoing)		\$7,900,000	
(D) 2023-24 Adopted Savings Measures (One-time)		\$9,000,000	
2023-24 Total Adopted Savings Measures		\$16,900,000	
2024-25 Adopted Savings Measures			
A. Reduction in Central Staffing	Based on the multi-year strategic plan, decreased enrolment over time, and a best practice of reviewing positions when people leave the Board, staff are proposing a decrease in central staffing of approximately \$5.0 million. The areas include senior team, other central administration, and central teaching staff.	\$5,000,000	Ongoing saving
B. Reduction in Renewal / Facilities Costs	Staff reviewed ways to decrease spending in this area without impacting the level of service. This included decreasing absenteeism, filling	\$0 ¹⁶	Ongoing saving

¹⁵ Starting in September 2021, TDSB launched a 1:1 Student Device Program for students in Grades 5 and 9. The program offers students a district-owned and managed Chromebook for educational use. This device will be assigned directly to the student and will stay with them over a four-year period, 24/7. Devices are managed through the One2One Manager system.

¹⁶ No financial impacted noted as savings measure did not come into fruition and instead resulted in a cost increase.

Savings Measure	Description	Financial Impact	Savings Type ¹²
	<p>vacancies, and reviewing contracts to find additional savings. For example, during absenteeism of caretakers, caretaker staff are not replaced, leading to present caretakers working overtime.</p> <p>Note that while this was an approved measure, and was proposed to have a \$5,000,000 impact, it did not come into fruition and resulted in a cost increase of \$4,000,000 (\$9,000,000 increase in costs at revised estimates less the original \$5,000,000 in anticipated savings). TDSB notes that the cost of maintaining aging infrastructure, inflation increases and vacancies are some of the reasons that the original projected savings did not come to fruition.</p>		
C. Reduction in Sick Leave Costs	<p>A reduction in employee absences through organizational and process improvements to facilitate early and safe return to work, with a goal to reduce replacement costs by \$7 million. The procedures aimed at reducing teacher absenteeism involve progressive steps within the Attendance Support Program. Trustees passed a motion to increase sick leave savings by an additional \$3.5 million. This was adjusted back to \$6.8 million (from \$10.5 million total) at revised estimates based on actual expenditures.</p>	\$6,800,000	Ongoing saving
D. Transfer of Device Repair Costs	<p>Staff recommended that repairs be paid by students/parents/caregivers rather than being paid from school budgets.</p>	\$300,000	Ongoing saving
2024-25 Total Adopted Savings Measures		\$12,100,000	

Table 13 presents savings measures proposed by TDSB Management that were rejected by the Board of Trustees. These measures pertained mainly to aligning positions with a reduction in the one-time funding received during COVID-19, reduction in certain programming such as outdoor education and continuing education and a cancellation of general interest courses.

Table 13 - TDSB Rejected Savings Measures, 2021-22 through 2024-25 School Years

Savings Measure	Description	Financial Impact	Savings Type ¹⁷
No Rejected Savings Measures for 2021-22			
No Rejected Savings Measures for 2022-23			
2023-24 Rejected Savings Measures			
A. COVID-19 Learning Recovery Fund Positions	Staff had received one-time of funding of \$31.5 million for 522 positions during COVID-19. They proposed to reduce those positions as a result of a decrease in that one- time funding, expecting those positions to decrease as well. Specifically, Staff proposed to remove the unfilled positions 99 COVID-19 learning Recovery Fund positions.	\$10,600,000	Ongoing saving
B. Reduction in Aquatic Instructor Positions	The reduction in aquatic instructors was approved in March 2024 (reduced by the 13 vacancies at that time from 93 to 80, resulting in savings of \$900,000). 6 of these roles were added back (approximately \$400,000) in June 2024 based on trustees asking staff to bring back the minimum number of aquatic instructors required to maintain existing programming. Therefore, a reduction of \$500,000 was achieved.	\$500,000	Ongoing saving

¹⁷ 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 ¹⁷
2023-24 Total Rejected Savings Measures		\$11,100,000	
2024-25 Rejected Savings Measures			
A. Reconsideration of VP and Safety Positions	After staff recommended a reduction in VP and safety positions, Trustees added them back.	\$6,800,000	Ongoing saving
B. Reduction in Programming and Increase in Fees	Staff proposed reductions to continuing education, outdoor education, increases to permit fees and resumption of International Baccalaureate (IB) fees.	\$6,400,000	Ongoing saving
C. Cancellation of General Interest Courses	Staff proposed to stop providing general interest courses as they were not able to increase fees in order to break even. This savings measure was estimated at \$500,000 as opposed to \$600,000 (see adopted savings measure “C. Cost Recovery of General Interest Courses” in 2023-24), with a new assumption of decreased enrolment.	\$500,000	Ongoing saving
2023-24 Total Rejected Savings Measures		\$13,700,000	

It is important to note that Trustees were not interviewed to provide their rationale for rejection of these measures. In response to the Trustees rejecting certain cuts, the Trustees inquired about 1 alternative savings measure to drive cost savings as outlined below; this measure was ultimately never considered.

Table 14 - TDSB Summary of Alternative Savings Measures, 2021-22 through 2024-25 School Years

Savings Measure	Description	Financial Impact	Related to Rejected Measure
2021-22 Alternative Savings Measures			
No alternative savings measures identified in this year			
2022-23 Alternative Savings Measures			
No alternative savings measures identified this year			
2023-24 Alternative Savings Measures			
No alternatives were identified in this year			
2024-25 Alternative Savings Measures			
1. 1:1 Device Repair Fees	Use of fees increase to charge families for 1:1 device repairs. Trustees asked for information about charging fees to families for the 1:1 devices on an annual basis. The information was provided to Trustees but was not considered as an option to balance.	\$0 ¹⁸	Reduction in programming and increase in fees
2024-25 Total Alternative Savings Measures		\$0	

Accepted additional or offsetting factors

In addition to the savings measures identified above, it is important to note the various initiatives taken by TDSB from 2021-22 to 2024-25 to address their deficit and balance their budget. These measures total \$16.2 million and include:

- Increasing SIP (Special incidence portion) revenue by leveraging an extension granted by the Ministry for resubmitting SIP claims, allowing staff to adjust budget allocations based on anticipated approvals and projecting additional revenue; financial impact of \$5.5 million.

¹⁸ No financial impact noted as savings measure did not come into fruition.

- Conducting a thorough review of other grants and exploring possible efficiencies; financial impact of \$4.6 million. Staff members were tasked with ensuring that all eligible expenditures were charged correctly to the grants, maximizing utilization, and evaluating programs where costs exceed revenues to optimize resource use, including possibly consolidating program sites.
- Additionally, staff recommended and the Board decided to limit school budget carry forwards from 100% to 25% created a one-time positive budget impact of \$1.8 million
- Increasing virtual school enrolment following a recent Ministry memo stating that school boards could provide remote learning directly or collaborate with other boards. TDSB, approached by another board to handle remote learning on their behalf, is in discussions that could potentially generate an additional \$300,000 in revenue.
- Focusing on operational efficiencies through adjustments in continuing education and permit fees as part of adhering to board policy; financial impact of \$4 million.

An additional factor impacting TDSB's future budget planning, is the completion of amortization of employee future benefit liability into compliance calculation, which is \$22.8 million in 2024-25. Under Public Sector Accounting Standards, employee future benefit liabilities are to be recognized when the employees provide the service that results in the future benefits. This expense, per regulation, was not included in the calculation of in-year surplus/(deficit) for compliance purpose, resulting in an employee future benefit liability not included in compliance calculation. The Ministry requires this liability to be phased into the calculation of in-year surplus/(deficit) for compliance purpose over the estimated average remaining service life of employees—a process that has been ongoing for 12 to 15 years and is nearly complete. When finalized, it is expected that the expense for compliance calculation will reduce by \$22.8 million in future years. As the unamortized balance is \$13.7 million at the end of 2024-25, it is expected the compliance adjustment will result in a \$9.1 million saving in 2025-26 comparing to the \$22.8 million compliance adjustment in 2024-25.

The process of approving savings measures in the context of the budget committee involves several structured steps. Initially, budget reductions approved by the Trustees are integrated into the budget system, such as SAP, and are continually monitored throughout the year as part of the comprehensive department budget review.

TDSB then submits monthly reports to the Ministry to maintain transparency and accountability¹⁹. Additionally, any significant variances are underscored in quarterly reports and the year-end financial statements' report, which are presented to the Finance, Budget, and Enrolment Committee. To keep trustees informed of progress, updates are provided at different points during the school year. They receive Q1 and Q2 reports at the end of each quarter, although approval is not required with receipt of these reports. Furthermore, Trustees are responsible for annually approving the financial statements, while revised estimates are received by them without requiring approval. These procedures ensure diligent oversight and informed decision-making within the scope of financial management.

Table 15 - Summary of Savings Measures from 2021-22 to 2024-25, in millions of dollars

Savings Measure Type	2021-22 Count	2022-23 Count	2023-24 Count	2024-25 Count	Total Count	Total Count %
Approved	1	6	4	4	15	75%
Rejected	0	0	2	3	5	25%
Total	1	6	6	7	20	100%
Savings Measure Type	2021-22 \$ Impact	2023-23 \$ Impact	2023-24 \$ Impact	2024-25 \$ Impact	Total \$ Impact	Total \$ Impact %
Approved	\$3.8	\$9.5	\$16.9	\$12.1	\$42.3	63%
Rejected	0	0	\$11.1	\$13.7	\$24.8	37%
Total	\$3.8	\$9.5	\$28.0	\$25.8	\$67.1	100%

Overall, Management presented \$ 67.1 million in viable cost-saving measures of which \$42.3 million that were supported, either directly or indirectly, by the Board of Trustees and that contributed to improving the financial position.

Considering the 2023-24 and 2024-25 years only, the total financial impact of the rejected measures would have not been enough to eliminate the in-year deficit.

¹⁹ As of June 5, 2025, TDSB submits reports on a monthly basis given the Ministry's serious concerns over their financial position.

4.1.4. Reliance on proceeds of disposition

As previously described, TDSB requested POD exemptions of \$15.9 million in 2023-24 and \$28.0 million in 2024-25. TDSB's POD exemption request of \$15.9 million for the 2023-24 school year was approved by the Ministry on August 22, 2023. TDSB's POD exemption request of \$28.0 million for the 2024-25 school year was conditionally approved by the Ministry on June 13, 2024, contingent on TDSB submitting a MYFRP to the Ministry for approval by August 15, 2024, which was later extended to August 30, 2024. The MYFRP was submitted to the Ministry on September 30, 2024; however, it was not Trustee-approved. Moreover, according to the Ministry this MYFRP provided insufficient detail and relied on the use of a further \$11.0 million of POD in 2025-26. As such, TDSB has not received the requested 2024-25 POD exemption of \$28.0 million as of the date of this report.

According to POD activity documentation provided by TDSB, both the 2023-24 and 2024-25 POD exemptions were requested to reduce the Board's in-year operating deficit. As per Management, POD exemptions were requested in 2023-24 and 2024-25 as a short-term strategy to support the budget as the Board works to phase in the deficit recovery plan. Management acknowledged in interviews that the use of POD is not a sustainable strategy for achieving a balanced budget and explained that TDSB is moving towards a position that does not rely on POD for operating budget purposes.

The rationale for the 2023-24 requested POD exemption of \$15.9 million is detailed in the Final 2023-24 Budget Estimates report to the Special Finance, Budget and Enrolment Committee, dated June 20, 2023, and provided by Management. In this report, the primary reason for the Board's POD exemption request is described as TDSB's inability to deal with overall excess capacity resulting from schools with low student enrolment as a result of the moratorium on pupil accommodation reviews imposed by the Ministry in 2017 to address concerns about the effects of closing under-enrolled schools²⁰. The budget report states that "The Ministry used to provide boards with top-up funding under the school facility operations and renewal grant. This top-up funding was provided for eligible schools to support the operation and maintenance of facilities where enrolment is less than capacity. The top-up grant for TDSB was approximately \$34 million at its maximum. In 2015-16, it was announced that this funding would be phased out over 3 years. At the same time, the moratorium took away the ability of boards to be able to reduce these costs by closing schools." As a result, TDSB sought permission for a POD exemption to offset operating costs tied to excess capacity, which staff estimated to be \$12 million; in the 2023-24 school year, 155 of

²⁰ As a result, all Ontario school boards are prohibited from merging or closing schools, even those that are underutilized, potentially leading to inefficiencies in maintaining and operating these schools that could otherwise be closed.

TDSB's 581 schools have a utilization rate²¹ below 65%, and Management estimates that TDSB has 63,000 more spaces in schools than there are students²². In addition, the Board requested \$3.7 million to support the addition of 16.0 social workers and 15.0 child and youth counsellors, and \$0.2 million for the 6.0 added aquatic instructors. The report also states, "If any of the other options to balance achieve more savings than estimated, the Board would use less POD."

The rationale for the 2024-25 requested POD amount of \$28.0 million is detailed in the June 13, 2024, report on 2024-25 Budget Estimates to the Finance, Budget and Enrolment Committee of the Board, as provided by Management. The report states that, "Staff does not recommend using POD as a sustainable way of balancing the budget. However, included in the 2024-25 budget is \$22 million related to the amortization of the employee future benefits liability. The liability will be fully amortized halfway through 2025-26 and this will start to free up \$22 million annually in future budgets." The report describes financial challenges related to Responsive Education Funding (REP) and staffing: "In addition, staff assumed that the \$11.1 million REP for staff to support de-streaming and transition to high school would continue in 2024-25 and this staff was distributed to schools through the school-based staffing. This means that it is too late to make the reductions related to funding. Staff was able to offset this expense with a \$5.6 million reduction in the teacher holdback, but this means that there is still \$5.5 million of expenses that will have to be reduced in 2025-26."

As seen in Table 6 in section 4.1.1, without the requested POD exemption in both 2023-24 and 2024-25, (Scenario 2), TDSB's in-year operating result slightly improves from an adjusted in-year deficit of \$(28.3) million in 2023-24 to an adjusted in-year deficit of \$(28.0) million in 2024-25, reflecting the Board's base assumption of a balanced budget in 2024-25. While it is anticipated that TDSB would improve its in-year operating results in 2024-25 in this scenario, the accumulated surplus (deficit) available for operations worsens from a surplus of \$0.8 million in 2023-24 to a deficit of \$(27.2) million in 2024-25 due to the removal of the \$28.0 million requested POD exemption.

Based on the provided information, TDSB relied on the POD exemption during the 2023-24 school year to balance the budget, and without the POD exemption in the 2024-25 school year (which as of June 5, 2025, is only conditionally approved), it is probable that the Board will not achieve a balanced budget.

²¹ Utilization rate is defined as the actual number of students enrolled in a school compared to the school's total capacity.

²² TDSB Finance, Budget, and Enrolment Committee. *Structural Deficit Update: 2025-26 Budget* (2025).

It is also important to note that some factors discussed as part of the rationale to use the POD exemption such as operating expenses due to the moratorium on pupil accommodation reviews may continue into future school years and contribute to further financial pressures, in addition to factors such as inflation and changes in Ministry funding.

4.2. Compensation assessment findings

4.2.1. Background

The BPSECA came into effect 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 effect on September 6, 2016, to set out guidelines for the 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 TDSB include the Director of Education, Associate Directors, Executive Superintendents, Executive Officers, Superintendents, and System Officers.

Each school board was responsible for developing their own executive compensation program in 2017 based on the government-endorsed sector framework.²³ 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 teacher and number of Superintendents, while non-core factors included geographic complexity and community partnerships. Based on these factors, TDSB was placed as a Level 7 school board, which sets the compensation ranges by position shown in Table 16. Based on the salary ranges established for level 7, TDSB has established a compensation grid for executive positions, as shown in Table 17.

²³ 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.

Table 16 - Level 7 Executive Compensation Ranges

Designated Executive	Minimum	Maximum
Director	\$255,000	\$316,000
Associate Director	\$243,000	\$255,000
Executive ²⁴	\$140,000	\$213,000

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

Designated Executives ²⁵	Step 0	Step 1	Step 2	Step 3 ²⁶
Director of Education	\$272,000			
Associate Director	\$235,870			
Executive Superintendent / Executive Officer	\$192,259			
Superintendent / System Officer	\$154,891	\$162,135	\$169,378	\$176,625

On December 20, 2017, TDSB received Ministry approval for the program's 5% maximum rate of increase to the executive pay envelope²⁷, and the comparator organizations to be used in TDSB's executive program. TDSB Trustees approved the Board's executive compensation program on September 28, 2017.

School boards could use their 5% max 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).

²⁴ Executives include the following positions: Executive Superintendent, Executive Officer, Superintendent, System Officer.

²⁵ Due to the absence of requirement to have steps, TDSB has not applied any to the following positions: Director of Education, Associate Director, Executive Superintendent, Executive Officer.

²⁶ Step 3 is applicable only until August 31, 2020. Executives who were previously assigned to this step continue to remain on it.

²⁷ 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.

Based on TDSB’s pay envelope of \$8,960,878, increases available for distribution were capped at \$448,043.90. While the overall amount was capped, school boards, along with other designated public sector employers, had the discretion to determine the distribution of the 5% increase to the pay envelope in 2017.

The TDSB Board of Trustees approved a motion in 2017 to address compensation related to an employee relations matter. This resulted in a change in total spending on executive compensation. A revised calculation of the envelope for the Board’s executive compensation envelope, which increase by \$420,189 was not provided to the Ministry and affected the amount available for increases (5% was based on the envelope amount) and the funding provided. The implementation of this change resulted in increases ranging from 3.4% to 20.7% based on the amounts in Table 18.

Table 18 - TDSB Executive Compensation Grids (Applicable to the 2017-18 until the 2023-24 School Years)

Designated Executives	Step 0	Step 1	Step 2	Step 3
Director of Education	\$293,261			
Associate Director	\$243,904			
Executive Superintendent / Executive Officer	\$201,872			
Superintendent / System Officer	\$162,636	\$170,242	\$177,847	\$185,456

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. TDSB has not submitted an exemption request to the President of Treasury Board. The Board sent a letter of concern to the Minister of Education and the President of Treasury Board on July 18, 2022, requesting a review of executive compensation to address compensation compression issues between executives and Management (i.e. Principals and Vice-Principals) to assist with attracting and retaining skilled executive talent.

In 2023, TDSB underwent a bona fide restructuring as confirmed by a legal opinion and approved by the Board of Trustees on November 1, 2023, which found a total of 19 factors that warranted the restructuring, including a reduction of 3 FTEs and an increase in responsibilities for remaining employees. As a result of the restructuring, the TDSB adjusted its executive compensation grid beyond the maximum salary ranges as outlined in the originally approved sector framework Level 7 compensation program ranges. Refer to Table 19 for the revised compensation grid effective September 1, 2023. 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 11% to 29% for each active employee on September 1, 2023. Ultimately the Board is accountable for prudent stewardship and decision-making.

Table 19 - TDSB Executive Compensation Grid (Effective September 1, 2023)

Designated Executives	Salary Levels
Director of Education	\$337,330
Associate Director	\$272,213
Executive Superintendents / Officers	\$227,378
Superintendent / System Officer	\$209,637

4.2.2. Executive salary schedule

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

Table 20 - Director of Education Salary by School Year

Salary Bands	Table 17	Table 18						Table 19	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Executives									
Director of Education ²⁸	\$272,000	\$293,261	\$293,261	\$293,261					
Director of Education ²⁹					\$293,261				
Director of Education ³⁰					\$293,261	\$293,261	\$293,261	\$337,330	\$337,330
Director of Education ³¹									\$337,330

²⁸ Employment concluded prior to the start of the 2020-21 school year.

²⁹ Promoted from Associate Director to Director of Education on July 15th, 2020, employment was concluded prior to the start of the 2021-22 school year.

³⁰ Promoted from Superintendent to Associate Director on August 13th, 2018, then promoted to Director of Education on August 5th, 2021.

³¹ Employment commenced on February 10th, 2025.

Table 21 - Associate Director Salary by School Year

Salary Bands	Table 17	Table 18						Table 19	
	2016-17 ³²	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Executives									
Associate Director	\$235,870	\$243,904							
Associate Director	\$235,870	\$243,904	\$243,904	\$243,904					
Associate Director	\$235,870								
Associate Director	\$235,870	\$243,904	\$243,904						
Associate Director		\$243,904	\$243,904	\$243,904	\$243,904				
Associate Director		\$243,904	\$243,904	\$243,904					
Associate Director		\$243,904	\$243,904	\$243,904	\$243,904				
Associate Director		\$243,904	\$243,904	\$243,904					
Associate Director		\$243,904	\$243,904	\$243,904	\$243,904				

³² Employee compensation data is based on calendar years and therefore reflects the salaries earned in 2016 for the 2016-17 School year. As a result, Associate Director Compensation is reflective of values prior to the executive compensation program implemented in December 2017.

Salary Bands	Table 17	Table 18						Table 19	
Associate Director			\$243,904	\$243,904	\$243,904	\$243,904	\$243,904		
Associate Director				\$243,904	\$243,904				
Associate Director					\$243,904				
Associate Director					\$243,904	\$243,904	\$243,904		
Associate Director						\$243,904	\$243,904	\$272,213	\$272,213
Associate Director							\$243,904	\$272,213	\$272,213
Associate Director							\$243,904	\$272,213	\$272,213
Associate Director							\$243,904		
Associate Director							\$243,904	\$272,213	\$272,213

Table 22 - Executive Superintendent / Executive Officer Salary by School Year³³

Salary Bands	Table 17	Table 18						Table 19	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Executive Superintendent / Executive Officer	\$192,259	\$201,872	\$201,872						
Executive Superintendent / Executive Officer	\$192,259	\$201,872	\$201,872	\$201,872					
Executive Superintendent / Executive Officer	\$192,259	\$201,872	\$201,872						
Executive Superintendent / Executive Officer	\$192,259	\$201,872	\$201,872						
Executive Superintendent / Executive Officer	\$192,259								
Executive Superintendent / Executive Officer	\$192,259	\$201,872	\$201,872	\$201,872	\$201,872	\$201,872			

³³ The category Executive Superintendent / Executive Officer includes the following positions: Executive Superintendent, Executive Officer, General Counsel, Chief Technology Officer, Executive Officer, and Legal Services.

Salary Bands	Table 17	Table 18						Table 19	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Executive Superintendent / Executive Officer	\$192,259	\$201,872	\$201,872	\$201,872	\$201,872	\$201,872			
Executive Superintendent / Executive Officer	\$192,259	\$201,872	\$201,872	\$201,872	\$201,872	\$201,872	\$201,872	\$227,378	
Executive Superintendent / Executive Officer	\$192,259	\$201,872							
Executive Superintendent / Executive Officer	\$192,259								
Executive Superintendent / Executive Officer ³⁴	\$167,183	\$201,872	\$201,872	\$201,872	\$201,872	\$201,872	\$201,872	\$227,378	\$227,378
Executive Superintendent / Executive Officer	\$192,259	\$201,872	\$201,872	\$201,872	\$201,872	\$201,872	\$201,872	\$227,378	\$227,378
Executive Superintendent / Executive Officer	\$192,259	\$201,872	\$201,872	\$201,872	\$201,872	\$201,872			

³⁴ While an error had been made with this individual's compensation, internal processes allowed for the rectification of this error and the adjustment to the appropriate salary level in the following year (2017-18).

Salary Bands	Table 17	Table 18						Table 19	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Executives									
Executive Superintendent / Executive Officer		\$201,872	\$201,872	\$201,872					
Executive Superintendent / Executive Officer		\$201,872	\$201,872	\$201,872	\$201,872				
Executive Superintendent / Executive Officer ³⁵		\$201,872						\$227,378	\$227,378
Executive Superintendent / Executive Officer			\$201,872	\$201,872					
Executive Superintendent / Executive Officer				\$201,872					
Executive Superintendent / Executive Officer				\$201,872	\$201,872		\$201,872	\$227,378	
Executive Superintendent / Executive Officer				\$201,872	\$201,872	\$201,872	\$201,872	\$227,378	\$227,378

³⁵ Between the school years 2018-19 and 2022-23, this individual occupied an Associate Director position which can be found in Table 21

Salary Bands	Table 17	Table 18						Table 19	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Executives									
Executive Superintendent / Executive Officer				\$201,872	\$201,872	\$201,872	\$201,872		
Executive Superintendent / Executive Officer					\$201,872	\$201,872	\$201,872	\$227,378	
Executive Superintendent / Executive Officer					\$201,872	\$201,872			
Executive Superintendent / Executive Officer					\$201,872	\$201,872			
Executive Superintendent / Executive Officer					\$201,872	\$201,872	\$201,872	\$227,378	\$227,378
Executive Superintendent / Executive Officer						\$201,872	\$201,872	\$227,378	
Executive Superintendent / Executive Officer							\$201,872	\$227,378	\$227,378
Executive Superintendent / Executive Officer							\$201,872	\$227,378	\$227,378

Salary Bands	Table 17	Table 18						Table 19	
Executives	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Executive Superintendent / Executive Officer								\$227,378	
Executive Superintendent / Executive Officer									\$227,378
Executive Superintendent / Executive Officer									\$227,378
Executive Superintendent / Executive Officer									\$227,378
Executive Superintendent / Executive Officer									\$227,378
Executive Superintendent / Executive Officer									\$227,378

Table 23 - Superintendent / System Officer Salary by School Year³⁶

Salary Bands	Table 17	Table 18						Table 19	
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Executives									
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456	\$209,637	
Superintendent / System Officer	\$176,625	\$185,456	\$185,456	\$185,456	\$185,456				
Superintendent / System Officer	\$176,625								
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456	\$185,456				
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456					
Superintendent / System Officer	\$176,625	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456	\$209,637	\$209,637
Superintendent / System Officer	\$154,891	\$170,242	\$170,242	\$170,242	\$170,242				
Superintendent / System Officer	\$169,378	\$185,456	\$185,456	\$185,456	\$185,456				

³⁶ The category Superintendent / System Officer includes the following positions: Superintendent of education, Superintendent, Chief Planning Officer, LSF-Supervisory Officers, System Facilities Officers, Senior Business Officer, LSF Controller, System Planning Officer, Superintendent of Equity, Anti-Racism and Oppression, Superintendent of School Operations, Superintendent of Early Years, LSF-Superintendent of Education, System Superintendent, System Communication Officer, Human Rights System Lead, System Officer - Performance Strategy & Senior Legal Counsel System Officer, System Officer - Performance Strategy Service, and System Officer - People Strategy Service.

Salary Bands	Table 17	Table 18						Table 19	
Executives	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Superintendent / System Officer	\$154,891	\$185,456	\$185,456						
Superintendent / System Officer	\$176,625								
Superintendent / System Officer	\$162,135	\$185,456	\$185,456						
Superintendent / System Officer	\$162,135	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456			
Superintendent / System Officer	\$176,625	\$185,456	\$185,456						
Superintendent / System Officer	\$154,891	\$185,456	\$185,456						
Superintendent / System Officer	\$176,625	\$185,456	\$185,456	\$185,456	\$185,456				
Superintendent / System Officer	\$154,891								
Superintendent / System Officer	\$154,891	\$177,847	\$177,847	\$177,847	\$177,847	\$177,847	\$177,847	\$209,637	\$209,637
Superintendent / System Officer	\$183,867	\$193,060	\$193,060						
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456	\$185,456				
Superintendent / System Officer	\$154,891	\$177,847	\$177,847	\$177,847	\$177,847	\$177,847	\$177,847	\$209,637	

Salary Bands	Table 17	Table 18						Table 19	
Executives	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Superintendent / System Officer	\$154,891	\$170,242	\$170,242	\$170,242	\$170,242				\$209,637
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456					
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456					
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456			
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456	\$185,456				
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456	\$209,637	\$209,637
Superintendent / System Officer	\$162,135	\$185,456	\$185,456	\$185,456					
Superintendent / System Officer ³⁷	\$272,000								
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456					
Superintendent / System Officer	\$183,867	\$193,060							

³⁷ Employee was on secondment to the Ministry of Education as a Director of Education and thus received the appropriate salary.

Salary Bands	Table 17	Table 18						Table 19	
Executives	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Superintendent / System Officer ³⁸	\$162,135								
Superintendent / System Officer ³⁹	\$176,625								
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456	\$185,456	\$209,637	\$209,637
Superintendent / System Officer	\$176,625	\$185,456	\$185,456	\$185,456	\$185,456				
Superintendent / System Officer	\$154,891	\$177,847	\$177,847			\$177,847			
Superintendent / System Officer	\$154,891	\$185,456	\$185,456	\$185,456					
Superintendent / System Officer	\$154,891								
Superintendent / System Officer	\$173,867	\$173,867	\$173,867						
Superintendent / System Officer		\$162,636	\$162,636						
Superintendent / System Officer		\$162,636	\$162,636	\$162,636	\$162,636				

³⁸ This individual was promoted to an Executive Superintendent / Executive Officer position for the 2017-18 school year.

³⁹ This individual was promoted to an Executive Superintendent / Executive Officer position for the 2017-18 school year.

Salary Bands	Table 17	Table 18						Table 19	
Executives	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Superintendent / System Officer			\$162,636	\$162,636	\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer			\$162,636	\$162,636	\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer			\$162,636	\$162,636	\$162,636	\$162,636	\$162,636	\$209,637	
Superintendent / System Officer			\$162,636	\$162,636					
Superintendent / System Officer				\$201,872	\$201,872				
Superintendent / System Officer				\$201,872	\$201,872				
Superintendent / System Officer				\$162,636	\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer				\$162,636	\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer				\$162,636	\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer				\$162,636	\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637

Salary Bands	Table 17	Table 18						Table 19	
Executives	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer ⁴⁰					\$162,636	\$162,636	\$162,636	\$180,000	\$180,000
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	

⁴⁰ Employee was on a secondment to an organization with lower salary grids for the school years 2023-24 and 2024-25.

Salary Bands	Table 17	Table 18						Table 19	
Executives	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Superintendent / System Officer					\$162,636	\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer						\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer						\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer						\$162,636	\$162,636	\$209,637	\$209,637
Superintendent / System Officer							\$170,430	\$209,637	\$209,637
Superintendent / System Officer							\$162,636	\$209,637	\$209,637
Superintendent / System Officer								\$209,637	\$209,637
Superintendent / System Officer								\$209,637	\$209,637
Superintendent / System Officer								\$209,637	\$209,637
Superintendent / System Officer								\$209,637	
Superintendent / System Officer									\$209,637
Superintendent / System Officer									\$209,637

Salary Bands	Table 17	Table 18						Table 19	
Executives	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Superintendent / System Officer									\$209,637
Superintendent / System Officer									\$209,637
Superintendent / System Officer									\$209,637
Superintendent / System Officer									\$209,637

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 except for the following:

- This assessment revealed that one Executive Officer was placed on the Superintendent / System Officer grid for the 2016-17 school year; However, this error was resolved, and the Executive Officer was placed on the relevant grid the following school year (2017-18).

4.2.4. Direct report salary schedule

The following schedules contain the direct reports for each supervising executive, showing the FTE count (Table 24) and base compensation (Table 25) as of April 2025. For Table 24, the FTE count is presented as Direct Report FTEs, including and excluding, to portray the magnitude and size of TDSB.

Table 24 - FTE Count of Superintendents' Direct Reports as of April 2025

Supervising Executive	Number of Direct Reports (Incl. Principals)	Number of Direct Reports (Excl. Principals)
Executive Superintendent	13	13
Superintendent of Education	30	1
Superintendent of Education	25	1
Superintendent of Education	26	1
Superintendent of Education	31	1
Superintendent of Education	31	1
System Superintendent	1	1
Superintendent of Education	11	11
System Superintendent	8	7
Superintendent of Education	25	1
Superintendent of Education	28	1
Superintendent of Education	28	1
Superintendent of Education	31	2
Superintendent of Education	25	1
System Superintendent	5	5

Supervising Executive	Number of Direct Reports (Incl. Principals)	Number of Direct Reports (Excl. Principals)
Superintendent of Education	28	1
Superintendent of Education	23	1
Superintendent of Education	32	2
Superintendent of Education	33	1
Superintendent of Education	27	1
Superintendent of Education	27	1
Superintendent of Education	26	1
Superintendent of Education	25	1
System Superintendent	10	10
Executive Superintendent	12	12
Executive Superintendent	5	5
Executive Superintendent	4	4
Superintendent of Education	26	1
Superintendent of Education	31	1
System Superintendent	6	5
Superintendent of Education	30	1
Executive Superintendent	13	7
Superintendent of Education	27	1

The compensation of all supervising executives is greater than the compensation of their direct reports. Of note, however, is that all Superintendents (System, Education, and Executive) fall within the same salary range, yet the FTE count of direct reports excluding Principals across these Superintendents ranges from 1 to 13.

Superintendents of Education have the lowest direct report FTE count, consisting of an Administrative Liaison SOE.

Executive Superintendent	
Superintendent of Education	\$209,637

Executive Superintendent	
Superintendent of Education	\$209,637
Centrally Assigned Principal	\$156,105
Superintendent of Education	\$209,637
Executive Assistant	\$104,634
Superintendent of Education	\$209,637

Table 25 - Salaries of Superintendents' Direct Reports as of May 2025

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

System Superintendent	
Centrally Assigned Principal	\$163,317

Superintendent of Education	
Manager, Speech-Language Pathology Services	\$140,578
Executive Assistant	Less than \$100,000
Manager, Speech-Language Pathology Services	\$134,195

Superintendent of Education	
Manager, Psychological Services	\$153,365
Manager, Occupational and Physiotherapy	\$153,365
Manager, Psychological Services	\$153,365
Manager, Psychological Services	\$153,365
Manager, Psychological Services	\$153,365
Centrally Assigned Principal	\$163,317
Centrally Assigned Principal	\$163,317
Centrally Assigned Principal	\$163,317

System Superintendent	
Senior Manager, Continuing Education	\$161,727
Centrally Assigned Principal	\$163,317
Administrative Liaison SOE	Less than \$100,000
Centrally Assigned Principal	\$163,317

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

System Superintendent	
Centrally Assigned Principal	\$163,883
Centrally Assigned Principal	\$163,317
Centrally Assigned Principal	\$163,317
Senior Policy Advisor / Manager-Child Care Services	\$153,365
Centrally Assigned Principal	\$163,317

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

System Superintendent	
K-12 Learning Coach, Elementary	\$117,131
K-12 Learning Coach, Secondary	\$117,129
Centrally Assigned Principal	\$163,317
Centrally Assigned Principal	\$163,317
K-12 Learning Coach, Elementary	\$117,131
K-12 Learning Coach, Secondary	\$117,129
K-12 Learning Coach, Secondary	\$117,129
Administrative Liaison SOE	Less than \$100,000
Centrally Assigned Principal	\$163,317
K-12 Learning Coach, Secondary	\$117,129

Executive Superintendent	
Superintendent of Education	\$209,637
Executive Assistant	\$104,634
Superintendent of Education	\$209,637

Executive Superintendent	
Centrally Assigned Principal	\$156,105
Centrally Principal	\$156,105
System Superintendent	\$209,637
Centrally Assigned Principal	\$156,105
Centrally Assigned Principal	\$156,105

Executive Superintendent	
System Superintendent	\$209,637
System Superintendent	\$209,637
System Superintendent	\$209,637
Executive Assistant	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

System Superintendent	
Graduation Coach	Less than \$100,000
Centrally Assigned Principal	\$163,317
Graduation Coach	Less than \$100,000
Administrative Liaison SOE	Less than \$100,000
Graduation Coach	Less than \$100,000

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

Executive Superintendent	
Centrally Assigned Principal	\$156,105
Centrally Assigned Principal	\$156,105
Executive Assistant	\$104,634
Centrally Assigned Principal	\$154,170
Centrally Assigned Principal	\$156,105
System Superintendent	\$209,637
Centrally Assigned Principal	\$156,105

Superintendent of Education	
Administrative Liaison SOE	Less than \$100,000

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

Based on TDSB’s historic and current cash & cash equivalents and investment balances, projected cash balance at August 31, 2025, as well as the Board’s current available temporary borrowing facilities as outlined in Section 4.1.2. Cash Flow Position of this report, we can infer that during the 2024-25 school year TDSB has not shown evidence of financial default. It is important to note that the projected cash flow statement was only reviewed for the period up until August 31, 2025.

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

TDSB’s projected accumulated surplus (deficit) available for operations (leveraging the Ministry’s definition and the 2024-25 revised estimates and excluding the 2024-25 POD exemption) for the 2024-25 school year is \$(11.3) million (Scenario 3). This excludes the requested 2024-25 POD exemption of \$28 million, which was conditional on TDSB submitting a MYFRP to the Ministry for approval by August 15, 2024, which was later extended to August 30, 2024. Although submitted, since the MYFRP was not approved by TDSB’s Trustees, it has been excluded from the 2024-25 projected accumulated surplus (deficit) available for operations in our analysis.

In addition, based on a report that was presented at the Special Finance, Budget and Enrolment Committee (FBEC) meeting on February 27, 2025, the projected deficit for 2025-26 was initially estimated to be \$(65.9) million.

Subsequently, at a FBEC meeting on April 30, 2025, changes to this estimate resulted in an updated projected deficit of \$(58.0) million for 2025-26. At this same meeting on April 30, 2025, several recommendations to balance the budget were outlined, which if approved and achieved in full were estimated at \$59.2 million. While these potential savings measures may help achieve an in-year balanced budget, an accumulated deficit available for compliance would likely still exist without the use of POD.

Based on the 2024-25 revised estimates projected accumulated deficit available for operations, excluding the 2024-25 POD exemption request, it is highly likely that TDSB will end the 2024-25 school year with an accumulated deficit available for operations. For the 2025-26 school year, an accumulated deficit is also probable if TDSB's Management and Trustees do not fully commit to adopting and implementing the savings measures identified in a timely manner, including allocating resources to this effort and aligning its other actions consistent with the aim of managing this deficit.

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 TDSB's 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*.

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