Dufferin-Peel
Catholic District
School Board

Consolidated financial statements of Dufferin-Peel Catholic District School Board

August 31, 2022

Extraordinary lives start with a great Catholic education

Dufferin-Peel Catholic District School Board

Management Report

August 31, 2022
Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Dufferin-Peel Catholic District School Board (the Board) are the responsibility of the board's management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act as described in Note 1(a) to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Audit Committee of the board meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the board's approval of the consolidated financial statements.

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

Marianne Mazzorato
M. Mazzorato, Ed. D.
Director of Education

J. Cherepacha, CPA, CGA
Executive Superintendent, Finance,
Chief Financial Officer and Treasurer

B. Hester, CPA, CA
Superintendent, Financial Services

December 8, 2022

Tel: (289) 881-1111
Fax: (905) 845-8615
www.bdo.ca

BDO Canada LLP
360 Oakville Place Drive
Oakville, Ontario
L6H 6K8

Independent Auditor's Report

To the Board of Trustees of the Dufferin-Peel Catholic District School Board

Opinion

We have audited the consolidated financial statements of Dufferin-Peel Catholic District School Board ("the Board"), which comprise the consolidated statement of financial position as at August 31, 2022, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Board as at and for the year ended August 31, 2022 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1(a) to the financial statements.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

Management is responsible for the preparation of these consolidated financial statements in accordance with the basis of accounting described in Note 1(a) to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Tel: (289) 881-1111
Fax: (905) 845-8615
www.bdo.ca

BDO Canada LLP
360 Oakville Place Drive
Oakville, Ontario
L6H 6K8

Independent Auditor's Report (continued)

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
December 8, 2022

Dufferin-Peel Catholic District School Board

Consolidated statement of financial position

As at August 31, 2022

(In thousands of dollars)

	Notes	2022	2021
		$	$
Financial assets			
Cash and cash equivalents		8,790	47,852
Accounts receivable – other		35,230	32,486
Accounts receivable – Province of Ontario	2	44,311	11,770
Accounts receivable – Province of Ontario – Approved Capital	2	232,740	256,735
		321,071	348,843
Financial liabilities			
Temporary Borrowing	8	56,482	-
Accounts payable and accrued liabilities		48,883	88,109
Accounts payable – Province of Ontario		2,186	10,789
Deferred revenue	4	73,841	36,749
Obligation under capital leases	15	1,871	1,028
Net long-term debt	7	210,745	238,137
Retirement and other employee future benefits payable	6	10,030	11,087
Deferred capital contributions	5	897,796	909,269
		1,301,834	1,295,168
Net debt		(980,763)	(946,325)
Non-financial assets			
Prepaid expenses		5,486	3,708
Inventories of supplies		10,098	3,166
Tangible capital assets	12	1,216,210	1,220,895
Total non-financial assets		1,231,794	1,227,769
Accumulated surplus		251,031	281,444

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

Marianne Mazzorato, Director of Education

Luz del Rosario, Chair of the Board

Dufferin-Peel Catholic District School Board

Consolidated statement of operations

Year ended August 31, 2022

(In thousands of dollars)

	Notes	Budget $	2022 Actual $	2021 Actual $
Revenue				
Provincial grants				
Grants for Student Needs	10	617,777	640,659	643,156
Other	10	15,932	61,070	40,999
Education Property Tax	10	263,961	234,219	256,845
Deferred capital contributions recognized	5	48,975	46,931	47,953
School generated funds		7,200	9,510	1,354
Federal grants and fees		324	1,708	223
Investment income		250	152	478
Other fees and revenues		17,050	17,538	9,726
		971,469	1,011,787	1,000,734
Expenses	11			
Instruction		774,666	807,437	828,823
Administration		26,522	26,265	26,103
Transportation		25,752	24,486	24,078
School operations/pupil accommodation		155,732	156,503	157,298
School generated funds		7,200	8,497	3,785
Other		5,456	19,012	13,630
		995,328	1,042,200	1,053,717
Annual deficit		(23,859)	(30,413)	(52,983)
Accumulated surplus, beginning of year		281,444	281,444	334,427
Accumulated surplus, end of year	13	257,585	251,031	281,444

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

Dufferin-Peel Catholic District School Board

Consolidated statement of change in net debt

Year ended August 31, 2022

(In thousands of dollars)

	Budget $	2022 Actual $	2021 Actual $
Annual deficit	(23,859)	(30,413)	(52,983)
Tangible capital asset activities			
Acquisition of tangible capital assets	(56,300)	(45,326)	(57,462)
Amortization and write downs of tangible capital assets	50,000	47,987	48,994
Proceeds on sale of tangible capital assets	-	20,000	-
Gain on sale of tangible capital asset	-	(17,976)	-
Total tangible asset activities	(6,300)	4,685	(8,468)
Other non-financial asset activities			
Acquisition of prepaid expenses	-	(5,486)	(3,708)
Acquisition of inventories of supplies	-	(10,098)	(3,166)
Consumption of Supplies inventories	-	3,166	-
Use of prepaid expenses	-	3,708	2,926
Total other non-financial asset activities	-	(8,710)	(3,948)
Increase in net debt	(30,159)	(34,438)	(65,399)
Net debt, beginning of year	(946,325)	(946,325)	(880,926)
Net debt, end of year	(976,484)	(980,763)	(946,325)

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

Dufferin-Peel Catholic District School Board

Consolidated statement of cash flows

Year ended August 31, 2022

(In thousands of dollars)

	Notes	2022	2021
		$	$
Operating transactions			
Annual deficit		(30,413)	(52,983)
Items not involving cash			
Deferred capital contributions recognized as revenue	5	(46,931)	(47,953)
Amortization and write downs of tangible capital assets	3/12	47,987	48,994
Deferred gain on disposal of tangible capital asset		(17,976)	-
Change in non-cash assets and liabilities			
Accounts receivable – other		(2,744)	61,666
Accounts receivable – Province of Ontario		(32,541)	(593)
Accounts payable and accrued liabilities		(39,226)	30,883
Accounts payable – Province of Ontario		(8,603)	(64,638)
Deferred revenue		7,538	4,994
Retirement and other employee future benefits payable		(1,057)	2,037
Prepaid expenses		(1,778)	(782)
Inventories of supplies		(6,932)	(3,166)
Net change in cash from operating activities		(132,676)	(21,541)
Capital transactions			
Proceeds on sale of tangible capital assets		20,000	-
Acquisition of tangible capital assets		(45,326)	(57,462)
Net change in cash from capital activities		(25,326)	(57,462)
Financing transactions			
Increase in temporary borrowing		56,482	-
Debt principal repaid	9	(27,392)	(27,178)
Increase (decrease) obligations under capital lease		843	(98)
Increase in deferred revenue – capital		29,554	17,611
Deferred capital contributions received and change in accounts receivable – Province of Ontario		59,453	85,826
Net change in cash from financing activities		118,940	76,161
Change in cash		(39,062)	(2,842)
Cash, beginning of year		47,852	50,694
Cash, end of year		8,790	47,852

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

1. Significant accounting policies

The consolidated financial statements are prepared by management in accordance with the basis of accounting described below.

(a) *Basis of accounting*

The consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act.

The Financial Administration Act requires that the consolidated financial statements be prepared in accordance with the accounting principles determined by the relevant Ministry of the Province of Ontario. A directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Canadian public sector accounting standards commencing with their year ended August 31, 2004 and that changes may be required to the application of these standards as a result of regulation.

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the consolidated statement of operations over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than depreciation, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which requires that:

- Government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- Externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- Property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

As a result, revenue recognized in the consolidated statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards (“PSAS”).

(b) *Reporting entity*

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the board and which are controlled by the board.

School generated funds, which include the assets, liabilities, revenues and expenses of various organizations that exist at the school level and which are controlled by the board are reflected in the consolidated financial statements.

1. Significant accounting policies (continued)

(b) Reporting entity (continued)

The reporting entity is comprised of:

- The Dufferin-Peel Catholic District School Board
- School Generated Funds

All material interdepartmental and inter-organizational transactions and balances between these organizations are eliminated on consolidation.

(c) Trust funds

Trust funds and their related operations administered by the board amounting to $2,227 ($2,817 in 2021) are not included in the consolidated financial statements. Specifically, the Trust Funds include both student scholarships and awards and deferred salary leaves.

(d) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits and investments which are highly liquid, subject to insignificant risk of changes in value and have a short-term maturity of less than 90 days.

(e) Deferred revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related qualifying expenses are incurred or services are performed.

(f) Deferred capital contributions

Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions in the form of depreciable tangible assets received or receivable for use in providing services, shall be recognized as deferred capital contributions as defined in Ontario Regulation 395/11 of the Financial Administration Act. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

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

1. Significant accounting policies (continued)

(g) *Retirement and other employee future benefits*

The board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care, dental benefits, retirement gratuity, worker's compensation, accumulated sick leave and long-term disability benefits.

Employee Life and Health Trusts

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-18: Canadian Union of Public Employees (CUPE), Education Workers' Benefits Trust (EWBT), Educational Workers' Alliance of Ontario (EWAO), Ontario Council of Educational Workers (OCEW) and Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff) and other school board staff. Currently, ONE-T ELHT also provide benefits to individuals who retired prior to the Board's participation date in the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by the following associations: Principals and Vice-Principals and Non-Union employees.

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

(i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee is actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

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

(iii) For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation and long-term

1. Significant accounting policies (continued)

(g) *Retirement and other employee future benefits (continued)*

disability, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(iv) The Board's contribution to multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are recorded in the period in which they become payable.

(v) The costs of insured benefits for active employees reflected in these consolidated financial statements are the Board's portion of insurance premiums owed for coverage of employees during the period.

(h) *Tangible capital assets*

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, design, construction, development or betterment of the asset, as well as interest related to financing during construction. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Tangible capital assets, except land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset class	Estimated useful life in years
Land improvements	15
Building and building improvements	40
Portable structures	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Leased equipment	Over the lease term
Computer hardware	3
Computer software	5
Vehicles	5-10
Leasehold improvements	Over the lease term

Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use. One-half of the annual amortization is charged in the year of acquisition and the year of disposal.

1. Significant accounting policies (continued)

(h) Tangible capital assets (continued)

Land permanently removed from service and held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

Buildings permanently removed from service cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as “assets held for sale” on the consolidated statement of financial position.

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

(i) Government transfers

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. If government transfers contain stipulations which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

Government transfers for capital are deferred as required by Regulation 395/11, recorded as deferred capital contributions (DCC) and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

(j) Investment income

Investment income is reported as revenue in the period earned.

When required by the funding government or related Act, investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education forms part of the respective deferred revenue balances.

(k) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. Given differences between the funding model and the basis of accounting used by the school board in the preparation of the financial statements, the budget figures have been adjusted to conform with this basis of accounting as it is used to prepare the consolidated financial statements.

1. Significant accounting policies (continued)

(l) Use of estimates

The preparation of financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates. Estimates are reviewed periodically by management, and as adjustments become necessary, they are reported in the period in which they become known. Accounts subject to significant estimates include allowance for doubtful accounts receivable, retirement and other employee future benefits payable, long-term disability benefits payable, liability for contaminated sites and the useful life of tangible capital assets.

(m) Education Property tax revenue

Under Canadian Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the financial statements, which in the case of the board, is the Province of Ontario. As a result, education property tax revenue received from the municipalities is recorded as part of Grants for Student Needs under Education Property Tax.

(n) Contaminated sites

The Board is required to record a liability in the consolidated financial statements if the Board has a contaminated site that meets the requirements as set out in the Canadian public sector accounting standard PS 3260 Liability for Contaminated Sites (the “standard”). Based on the Board’s review of its sites, no liability has been identified in respect of this standard.

2. Accounts receivable - Province of Ontario

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays part of the grant payment to the Board where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments from the Government of Ontario included in the Accounts receivable – Province of Ontario balance at August 31, 2022 is $6,269 (2021 - $6,269).

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. The board received a one-time grant that recognized capital debt as of August 31, 2010 that is supported by the capital programs existing at the time. The board will receive this grant in cash over the remaining term of the existing capital debt instruments. The board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

The board has reported receivable from the Province of Ontario, as Accounts receivable – Province of Ontario – Approved Capital, of $232,740 as at August 31, 2022 (2021 - $256,735) with respect to capital grants.

(In thousands of dollars)

3. Assets held for sale

As at August 31, 2022, there was $Nil (2021 - $Nil) assets held for sale.

During the year, one piece of land was sold (2021 – None). Net proceeds of $20,000 were received on the sale of this property, which had a carrying value of $2,024, resulting in a gain of $17,976. The gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.

4. Deferred revenue

(i) Deferred revenue externally restricted for specific purposes by legislation, regulation or agreement as at August 31 is comprised of the following:

	2022 $	2021 $
Proceeds from disposition	24,171	6,270
Deferred revenue – other		
Restricted Provincial capital grants received	8,329	3,157
Restricted Provincial operating grants received	14,547	6,934
Other – tuition fees, permits	26,794	20,388
	73,841	36,749

(ii) The continuity of deferred revenue of the Board is summarized below:

	2022 $	2021 $
Balance, beginning of year	36,749	14,144
Increase in deferred revenue	236,480	210,597
Interest earned	17	18
Transferred to deferred capital contributions	(5,621)	(19,900)
Deferred revenue recognized in the year	(193,784)	(168,110)
Balance, end of year	73,841	36,749

5. Deferred capital contributions

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

	2022 $	2021 $
Balance, beginning of year	909,269	899,762
Deferred capital contributions received	35,458	57,460
Revenue recognized in the year	(46,931)	(47,953)
Balance, end of year	897,796	909,269

(In thousands of dollars)

6. Retirement and other employee future benefits

Retirement and other employee future benefit liabilities

	Retirement gratuity	Other employee future benefits	2022 Total	2021 Total
	$	$	$	$
Accrued employee future benefit obligations at August 31	76	9,952	10,028	11,082
Unamortized actuarial gains at August 31	2	-	2	5
Employee future benefits liability at August 31	78	9,952	10,030	11,087

Retirement and other employee future benefit expense (recovery)

	Retirement gratuity	Other employee future benefits	2022 Total	2021 Total
	$	$	$	$
Current year benefit	-	2,036	2,036	4,441
Amortization of actuarial (gains) losses	(4)	(14)	(18)	728
Change due to plan amendment	-	-	-	110
Interest on accrued benefit obligation	3	157	160	128
Employee future benefits (recovery) expense *	(1)	2,179	2,178	5,407

* Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2022 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2022. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the board's best estimates of expected rates of:

	2022	2021
	%	%
Wage and salary escalation	2.0	2.0
Insurance and health care cost escalation	5.0	5.0
Dental care cost escalation	5.0	5.0
Discount on accrued benefit obligation	3.9	1.8

6. Retirement and other employee future benefits (continued)

Retirement benefits

(i) Retirement Gratuities

The Board provides retirement gratuities to certain groups of employees. The academic staff is the largest group. Employee eligibility is determined based on the date the individual commenced employment with the board. Employees commencing employment after December 31, 1979 are not eligible for the retirement gratuity. The benefit costs and liabilities related to this plan are included in the board's consolidated financial statements.

The benefit costs recovered in these consolidated financial statements are $1 ($9 recovered in 2021). Based on the actuarial estimate, the liability for retirement gratuities of $78 ($215 in 2021) is included in retirement and other employee future benefits in the consolidated statement of financial position.

(ii) Retirement Life Insurance and Health Care Benefits

The board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until age 65. The premiums are based on the board experience and retirees' premiums are subsidized by the board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, do not qualify for board subsidized premiums or contributions, unless specified by contractual obligations.

The coverage is provided for various terms up to a maximum age of 65. The benefit costs recovered in the consolidated financial statements are $7 ($56 expensed in 2021).

Based on the actuarial valuation for accounting purposes as at August 31, 2022, the total liability of all post-retirement benefits accrued to-date is $219 ($316 in 2021) and is included in retirement and other employee future benefits in the consolidated statement of financial position.

Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations ("WSIB")

The board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The board does not fund these obligations in advance of payments made under the Act. The liability for payments under WSIB are recognized at the time the event obligating the board to pay occurs. The benefit costs and liabilities related to this plan are included in the board's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision. At August 31, 2022 the board has a liability of $8,804 ($9,389 in 2021) in respect of WSIB obligations. The benefit costs expensed during the year in the consolidated financial statements are $1,260 ($3,394 in 2021).

As at August 31, 2022, the board has a Workers' Safety Insurance Board reserve of $790 ($790 in 2021).

6. Retirement and other employee future benefits (continued)

Other employee future benefits (continued)

(ii) Sick Leave Top-Up Benefits

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illness paid through the short-term leave and disability plan in that year. The benefit costs expensed in the statement of operations are $927 ($1,966 in 2021) and included as a liability in retirement and other employee future benefits in the consolidated statement of financial position are $929 ($1,167 in 2021).

The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as of August 31, 2022. This actuarial valuation is based on assumptions about future events determined as at August 31, 2022 and is based on the average daily salary and banked sick days of employees as at August 31, 2022.

Additional Retirement Benefits

(i) Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the board's consolidated financial statements.

(ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The board contributions equal the employee contributions to the plan. During the year ended August 31, 2022, the board contributed $13,808 ($12,272 in 2021) to the plan. As this is a multi-employer pension plan, these contributions are the board's pension benefit expenses. No pension liability for this type of plan is included in the board's consolidated financial statements.

Each year, an independent actuary determines the funding status of OMERS Primary Pension by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted as at December 31, 2021. The results of this valuation disclosed total actuarial liability as at that date of $120,796 in respect of benefits accrued for service with actuarial assets as at that date of $117,665 indicating an actuarial deficit of $3,131. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employers. As a result, the board does not recognize any share of the OMERS pension deficit.

(In thousands of dollars)

7. Net long-term debt

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

Debenture	Interest rate %	Maturity	2022 $	2021 $
OSBFC By-Law #99	7.20	June 9, 2025	13,982	18,021
OSBFC By-Law #103	6.55	October 19, 2026	27,066	32,087
OSBFC By-Law #111	5.48	November 26, 2029	58,403	64,549
OSBFC By-Law #113	4.79	August 8, 2030	11,933	13,132
OFA By-Law #124	3.94	September 19, 2025	12,862	16,389
OFA By-Law #116	4.56	November 15, 2031	6,828	7,391
OSBFC By-Law #118	5.38	June 25, 2032	66,197	71,084
OFA By-Law #120	4.90	March 3, 2033	2,908	3,108
OFA By-Law #123	5.23	April 13, 2035	10,566	11,127
OFA By-Law #126	2.43	November 15, 2021	-	1,249
Balance as at August 31			210,745	238,137

(b) Payments relating to net long-term debt of $210,745 outstanding as at August 31, 2022 are due as follows:

	Principal $	Interest $	Total $
2022/2023	27,646	11,379	39,025
2023/2024	29,237	9,639	38,876
2024/2025	30,623	7,955	38,578
2025/2026	24,294	6,051	30,345
Thereafter	98,945	15,463	114,408
Net long-term debt	210,745	50,487	261,232

8. Temporary borrowing

In accordance with Section 243(1) of the Education Act, the Board has two resolutions to authorize the borrowing, by way of promissory note, bankers' acceptance or operating overdraft, up to a maximum of $150,000 (2021 - $150,000) for operating purposes and $65,000 (2021 - $Nil) for capital purposes. The outstanding amount at any given time would substantially represent the unreceived or uncollected balance of the estimated revenues and the outstanding capital expenditure grant payments.

The Board has two available credit facilities which include a $60,000 (2021 - $60,000) general operating facility and a $60,000 (2021 - $Nil) capital facility to provide interim funding for capital projects pending receipt of the Ministry of Education capital grants. At year-end, the general operating facility had $56,482 outstanding (2021 - $Nil) and the capital facility had no outstanding borrowings (2021 - $Nil). The interest on temporary borrowings, when drawn, would be at the bank's prime lending rate minus 0.75%, or bankers' acceptance facility at the bankers' acceptance rate plus 0.75%. Any temporary borrowings would be unsecured and due on demand.

The Board also has $121 (2021 - $121) in renewable, irrevocable standby letters of credit with a Canadian chartered bank. The letters of credit provide security for capital construction being done on behalf of the Board. There is an annual service fee of 1.0% until they are either utilized or cancelled upon completion of the project.

(In thousands of dollars)

9. Debt charges

Debt charges for the year include principal and interest payments as follows:

	2022 $	2021 $
Principal payments on long-term debt	27,392	27,178
Interest payments on long-term debt	12,757	14,235
Total	40,149	41,413

10. Grants for Student Needs

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. 92.5 percent (2021 – 94 percent) of the consolidated revenues of the board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2022 $	2021 $
Provincial grants		
Grants for Student Needs	640,659	643,156
Other	61,070	40,999
Education Property Tax	234,219	256,845
Total provincial grants	935,948	941,000

(In thousands of dollars)

11. Expenses by object

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

	Budget $	2022 Actual $	2021 Actual $
Operating expenses			
Salary and wages	680,190	689,607	684,572
Employee benefits	143,635	158,405	189,596
Staff development	2,132	1,296	757
Supplies and services	49,973	58,806	52,778
Interest charges on capital	12,364	12,410	13,836
Rental expenses	3,096	1,407	1,329
Fees and contractual services	40,399	46,447	45,896
School generated funds	7,200	8,497	3,785
Other	6,339	17,338	12,174
Amortization of tangible capital assets	50,000	47,987	48,994
	995,328	1,042,200	1,053,717

12. Tangible Capital Assets

	Cost				Accumulated amortization					
	Opening September 1, 2021 $	Transfer/ Additions $	Disposals/ Deemed Disposals $	Closing August 31, 2022 $	Opening September 1, 2021 $	Amortization $	Disposals/ Deemed Disposals $	Closing August 31, 2022 $	Net book value 2022 $	Net book value 2021 $
Land	296,182	9,632	1,984	303,830	-	-	-	—	303,830	296,182
Land improvements	41,059	5,747	—	46,806	22,503	2,312		24,815	21,991	18,556
Building and building improvements	1,525,282	24,819	-	1,550,101	646,826	36,931		683,757	866,344	878,456
Portable structures	4,485	277	-	4,762	890	156		1,046	3,716	3,595
First time equipping	4,789	-	1,112	3,677	3,351	423	1,112	2,662	1,015	1,438
Furniture	578	183	86	675	316	63	86	293	382	262
Equipment 5 years	509	551	41	1,019	173	153	41	285	734	336
Equipment 10 years	9,551	70	72	9,549	2,454	955	72	3,337	6,212	7,097
Equipment 15 years	213	333	-	546	35	25	-	60	486	178
Computer hardware	18,534	1,473	3,168	16,839	5,017	6,110	3,168	7,959	8,880	13,517
Computer software	348	-	152	196	254	54	152	156	40	94
Vehicles <10,000	93	-	17	76	51	17	17	51	25	42
Vehicles >10,000	141	-	-	141	77	14	-	91	50	64
Pre-acquisition cost - land	70	-	40	30	-	-		—	30	70
Pre-acquisition cost - Building	—	635	-	635	-	-		—	635	—
Leased tangible capital assets	1,782	1,606	492	2,896	774	774	492	1,056	1,840	1,008
Total	1,903,616	45,326	7,164	1,941,778	682,721	47,987	5,140	725,568	1,216,210	1,220,895

(In thousands of dollars)

13. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
	$	$
Invested in non-depreciable tangible capital assets	303,861	296,253
School generated funds	8,175	7,162
Employee future benefits	(18,279)	(18,279)
Interest accrual	(3,492)	(3,896)
Accumulated deficit – unappropriated	(60,159)	(22,489)
Accumulated surplus – internally appropriated	13,254	14,326
Sinking fund interest	7,671	8,367
Accumulated surplus	251,031	281,444

14. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received $45,226 from the "55 School Board Trust" for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The "55 School Board Trust" was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms to the agreement, the "55 School Board Trust" repaid the board's debt in consideration for the assignment by the board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

The flow-through of $3,369 (2021 - $3,369) in grants in respect of the above agreement is recorded in these consolidated financial statements.

15. Obligation under capital leases

The Board has obligations under various capital leases with expiries ranging from 2022 to 2025 and interest rates ranging from 1.55% to 2.66%. Principal and interest payments relating to capital lease obligations of $1,871 ($1,028 in 2021) outstanding as at August 31 are due as follows:

	Principal payment	Interest	Total
	$	$	$
2022/2023	608	41	649
2023/2024	469	28	497
2024/2025	467	17	484
2025/2026	327	7	334
	1,871	93	1,964

(In thousands of dollars)

16. Ontario School Board Insurance Exchange (OSBIE)

The board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. The school board entered into this agreement on January 01, 2022. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of $27,000 per occurrence.

The premiums over a five year period are based on the reciprocal's and the board's actual claims experience. Periodically, the board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five year term expires December 31, 2026.

Premiums paid to OSBIE for the policy year ending December 31, 2022 amounted to $3,479 (2021 - $3,136), of which $3,365 (2021 - $2,911) was expensed.

17. Commitments and contingent liabilities

(a) The Board enters into contracts for the capital construction and renovation of various new and existing schools. The following summarizes the Board's commitment under these contracts as at August 31, 2022:

	Contract value	Incurred to date	Amount remaining
	$	$	$
Construction of schools	10,995	10,504	491

(b) The Board is committed to various operating leases for premises and equipment expiring in fiscal 2028/2029. The aggregate minimum lease payments are as follows:

	Minimum lease payments
	$
2022/2023	1,814
2023/2024	543
2024/2025	529
2025/2026	529
Thereafter	504
Total	3,919

(c) The Board has committed to two contracts to purchase natural gas into the future. The two contracts end on August 31, 2023 and have a minimum daily purchase volume of 304 and 608 gigajoules (GJ) of gas at the Twin Eagle Resource Management of Canada LLC. Arithmetic Average price per GJ, plus $3.430 and $9.295 per GJ respectively for transportation.

(In thousands of dollars)

18. Partnership in Student Transportation of Peel Region (STOPR) Transportation Consortium

On December 14, 2007, the Board entered into an agreement with the Peel District School Board in order to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery, efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of the STOPR Transportation Consortium are shared. Neither Board is in a position to exercise unilateral control.

The Board's consolidated financial statement reflects its share of the Ministry transportation grants and related expenses.

The following provides condensed financial information:

	2022		2021	
	Total	Board portion	Total	Board portion
	$	$	$	$
Revenue	74,735	22,740	68,032	20,764
Expenses	80,700	24,480	78,433	22,468
Annual deficit	(5,965)	(1,740)	(10,401)	(1,704)

The Board is also a member of Wellington-Dufferin Student Transportation Services Consortia. The Board is not actively involved in the management of this consortia. For the 2022 fiscal year, transportation costs of $2,219 (2021 - $2,069) have been expensed in the consolidated financial statements.

19. In-kind transfers from the Ministry of Public and Business Service delivery

The board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the board's records. The in-kind revenue recorded for these transfers is $12,984 (2021 - $8,330) with expenses based on use of $12,984 (2021 - $8,330) for a net impact of $Nil (2021 - $Nil).

20. Impact of COVID-19

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since this time, the pandemic has had significant financial, market and social impacts, due to government imposed lockdowns and social distancing requirements. The board has experienced physical closure of schools based on public health recommendations, experienced increased staff and student absenteeism, implemented temporary virtual schooling, implemented mandatory working from home requirements for those able to do so, and cancelled fundraising events and other programs.

The board has an employer paid long-term disability (LTD) plan. The COVID-19 pandemic has significantly impacted the LTD plan costs.

The duration and ongoing impact of the COVID-19 pandemic remains unclear at this time. Although all 2021-22 financial impacts were managed, the full extent of the financial impact on the financial position and results of the board for future periods is not possible to reliably estimate.

21. Future Accounting Standard adoption

The board is in the process of assessing the impact of the upcoming new standards and the extent of the impact of their adoption on its financial statements.

While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in PS 1201 *Financial Statement Presentation,* PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments* must be implemented at the same time. The board has not adopted any new accounting standards for the year ended August 31, 2022.

i. Standards applicable for fiscal years beginning on or after April 1, 2022 (in effect for the board as of September 1, 2022 for the year ending August 31, 2023):

PS1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

PS 3401 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* will no longer apply.

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

ii. Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the board for as of September 1, 2023 for the year ending August 1, 2024):

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

21. Future Accounting Standard (continued)

PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 *Public Private Partnerships (P3s)* provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

22. Comparative Figures

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.