York Catholic District School Board
Consolidated Financial Statements
Year ended August 31, 2021

Grant Thornton

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Management Report

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the York Catholic District School Board are the responsibility of the Board 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 to the consolidated financial statements.

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

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

Original Signed by	Original Signed by
Director of Education	Chief Financial Officer (Interim)

November 9, 2021

Independent Auditor's Report

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To the Board of Trustees of the York Catholic District School Board

Opinion

We have audited the consolidated financial statements of York Catholic District School Board ("the Board"), which comprise the consolidated statement of financial position as at August 31, 2021, and the consolidated statements of operations, change in net debt and cash flow 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 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated 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

We draw attention to Note 1 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 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 Entity'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.

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.

Grant Thornton LLP

Toronto, Canada
November 9, 2021

Chartered Professional Accountants
Licensed Public Accountants

York Catholic District School Board
Consolidated Statement of Financial Position

As at August 31,	2021	2020
Financial assets		
Cash and cash equivalents	**$ 62,113,927**	$ 66,669,371
Temporary investments (Note 2)	-	30,000,000
Accounts receivable	**4,723,401**	13,521,249
Accounts receivable – Government of Ontario (Note 3)	**328,198,754**	335,426,266
Accounts receivable – Municipalities	**23,078,172**	73,823,790
Other financial assets	**339,969**	684,812
Total financial assets	**418,454,223**	520,125,488
Liabilities		
Accounts payable and accrued liabilities	**51,698,881**	40,184,152
Accounts payable – Government of Ontario	**1,491,448**	58,809,475
Deferred revenue (Note 4)	**88,429,361**	117,517,932
Other liabilities	**2,932,686**	4,459,527
Deferred capital contributions (Note 5)	**653,386,487**	660,250,530
Retirement and other employee future benefits (Note 6)	**18,348,570**	18,943,203
Net long-term debt and capital lease (Note 7)	**238,894,625**	267,387,393
Total liabilities	**1,055,182,058**	1,167,552,212
Net debt	**(636,727,835)**	(647,426,724)
Non-financial assets		
Tangible capital assets (Note 11)	**912,514,043**	884,371,706
Accumulated surplus (Note 12)	**$ 275,786,208**	$ 236,944,982

Contractual obligations and contingent liabilities (Note 14)

Signed on behalf of the Board:

Original Signed by

Chief Executive Officer

Original Signed by

Chair of the School Board

York Catholic District School Board
Consolidated Statement of Operations

For the year ended August 31

	2021 Budget	2021 Actual	2020 Actual
Revenues			
Provincial grants	$ 597,580,444	$ 590,264,959	$ 581,925,759
Deferred capital contribution revenue	34,205,210	35,965,720	34,458,481
Provincial grants – grants for student needs	631,785,654	626,230,679	616,384,240
Provincial grants – other (Note 17)	9,173,057	33,504,507	15,981,717
School generated funds	26,400,000	3,260,460	17,584,437
Investment income	950,000	552,087	1,216,398
Other fees and revenues	44,337,388	53,116,986	12,306,071
Total revenues	712,646,099	716,664,719	663,472,863
Expenses (Note 10)			
Instruction	509,527,867	519,800,098	498,449,923
Administration	17,076,995	17,328,646	15,447,934
Transportation	21,188,559	19,378,111	18,129,947
Pupil accommodation	108,440,319	108,301,945	105,215,066
School generated funds	25,900,000	5,999,825	17,306,194
Other (Note 17)	224,087	7,014,868	1,935,225
Total expenses	682,357,827	677,823,493	656,484,289
Annual surplus	30,288,272	38,841,226	6,988,574
Accumulated surplus at beginning of year	231,591,707	236,944,982	229,956,408
Accumulated surplus at end of year	$ 261,879,979	$ 275,786,208	$ 236,944,982

York Catholic District School Board
Consolidated Statement of Cash Flows

For the year ended August 31	2021	2020
Operating transactions		
Annual surplus	**$ 38,841,226**	$ 6,988,574
Sources and (uses)		
Non-cash items including:		
Amortization, write downs, and gain on disposal	**35,965,720**	34,458,481
Deferred capital contributions amortization (Note 5)	**(35,965,720)**	(34,458,481)
(Increase) in accounts receivable	**59,543,466**	(58,457,207)
(Increase) in accounts receivable – Delayed Grant Payment (Note 3)	**(10,108,745)**	(45,531,208)
Decrease (Increase) in other financial assets	**344,843**	150,206
Increase (Decrease) in accounts payable and accrued liabilities	**(45,803,298)**	59,333,865
Increase in deferred revenue – operating (Note 4)	**773,283**	2,118,829
(Decrease) in retirement and other employee future benefits	**(594,633)**	(164,478)
(Decrease) Increase in other liabilities	**(1,526,841)**	(1,323,521)
Cash applied to operating transactions	**41,469,301**	(36,884,940)
Capital transactions		
Proceeds on sale of assets held for sale/tangible capital assets	**-**	20,481,409
Cash used to acquire tangible capital assets	**(64,108,057)**	(21,195,242)
Cash provided by (applied to) capital transactions	**(64,108,057)**	(713,833)
Investing transactions		
(Purchase) Sale of investments	**30,000,000**	(5,000,000)
Cash applied to investing transactions	**30,000,000**	(5,000,000)
Financing		
Decrease in accounts receivable – Government of Ontario	**17,336,257**	30,525,355
Additions to deferred capital contributions (Note 5)	**29,101,677**	21,193,886
(Decrease) Increase in deferred revenue – Capital (Note 4)	**(29,861,854)**	6,426,466
Debt repayment and sinking fund contributions (Note 9)	**(28,492,768)**	(26,578,406)
Cash provided by financing transactions	**(11,916,688)**	31,567,301
Change in cash and cash equivalents	**(4,555,444)**	(11,031,472)
Opening cash and cash equivalents	**66,669,371**	77,700,843
Closing cash and cash equivalents	**$ 62,113,927**	$ 66,669,371

York Catholic District School Board
Consolidated Statement of Changes in Net Debt

For the year ended August 31	**2021**	2020
Annual surplus	**$ 38,841,226**	$ 6,988,574
Non-financial asset activity		
Acquisition of tangible capital assets	**(64,108,057)**	(21,195,242)
Amortization and write downs of tangible capital assets	**35,965,720**	34,458,481
Proceeds on sale of tangible capital assets	**-**	6,391
Less: Gain on sale allocated to deferred revenue	**-**	(6,391)
Total non-financial asset activity	**(28,142,337)**	13,263,239
Decrease in net debt	**10,698,889**	20,251,813
Net debt at beginning of year	**(647,426,724)**	(667,678,537)
Net debt at end of year	**$ (636,727,835)**	$ (647,426,724)

Guided by Gospel Values and Catholic Virtues, in partnership with home and Church, the mission of the York Catholic District School Board ("the Board") is to educate and inspire all students to reach their full potential in a safe and caring environment.

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 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 require 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 statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

1. **Significant accounting policies** (continued)

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.

The Board's consolidated financial statements reflect the proportionate consolidation of the Student Transportation Services - York Region Consortium whereby they include the assets that the Consortium controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

c) Trust Funds
Trust funds and their related operations administered by the Board are not included in the consolidated financial statements as they are not controlled by the Board.

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

e) Investments
Temporary investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition, and are carried on the Consolidated Statement of Financial Position at the lower of cost or market value.

Long-term investments consist of investments that have maturities of more than one year. Long-term investments are recorded at cost, and assessed regularly for permanent impairment.

f) 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 expenditures are incurred or services are performed.

g) 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 contribution 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
- Property taxation revenues which were historically used to fund capital assets

1. Significant accounting policies (continued)

h) 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 benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits.

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: OECTA, CUPE, OSSTF and trust for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals up to a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. The Board is no longer responsible to provide certain benefits to OECTA effective February 1, 2017, OSSTF effective February 1, 2018, CUPE effective March 1, 2018, principals and vice principals effective April 1, 2018 and non-union employees effective June 1, 2018. Upon transition of the employee groups' health, dental and life benefits plans to the ELHT, school boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), additional ministry funding in the form of a Crown contribution as well as Stabilization Adjustment.

Depending on prior arrangements and employee group, the Board provides health, dental and life insurance benefits for retired individuals and for some retirees who are retired under these plans.

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

- 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, health care cost trends, disability recovery rates, long-term inflation rates and discount rates.
- The cost of retirement gratuities are actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.
- For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability and life insurance and health care benefits for those on disability leave, 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.

1. Significant accounting policies (continued)

h) Retirement and Other Employee Future Benefits (continued)

- The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period. The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

i) Tangible Capital Assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, 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 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	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
Other buildings	20
First–time equipping of schools	10
Furniture	10
Equipment	5-15
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.

The useful life for computer hardware was revised from five years to three years based on new information related to the actual life of the assets. As such, additional amortization has occurred for these assets as needed to bring the net book value in line with this new policy. This change in accounting estimate has been applied prospectively. The impact on amortization expense is $1,471,402.

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

1. **Significant accounting policies** (continued)

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

j) 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.

k) 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.

l) Long-term Debt and Capital Leases
Long-term debt is recorded net of related sinking fund asset balances.

m) Budget Figures
Budget figures have been provided for comparison purposes and have been derived from the budget approved by the 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.

n) Use of Estimates
The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to significant estimates include retirement and other future employee benefits and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

o) 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, property tax revenue received from the municipalities is recorded as part of Provincial Legislative Grants.

p) Non Monetary Transactions
Non-monetary transactions include the exchange of non-monetary assets, liabilities or services for other non-monetary assets, liabilities or services with little or no monetary consideration involved. It also includes transactions where non-monetary assets, liabilities or services are transferred without any consideration given in return. Non-monetary transactions that lack commercial substance are measured at their carrying value.

2. Temporary investments

Temporary investments are comprised as follows:

	2021 Cost $	2021 Market Value $	2020 Cost $	2020 Market Value $
Flexible GIC 1.575% (Matured Mar 16, 2021)	-	-	$30,000,000	$30,218,774
	-	-	$30,000,000	$30,218,774

3. Accounts receivable - Government of Ontario

The Province of Ontario (Province) replaced variable capital funding with a one-time debt support grant in 2009-10. York Catholic District School Board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board receives 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 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 school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry.

	2021	2020
Account receivable – capital grant	**$ 257,001,329**	$ 274,337,586
Account receivable – delayed grant payments	**71,197,425**	61,088,680
Closing balance	**$ 328,198,754**	$ 335,426,266

4. Deferred revenue

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

4. Deferred revenue (continued)

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2021 is comprised of:

	Balance as at August 31, 2020	Externally restricted revenue and investment income	Transfers to/ (from) Deferred Capital Contributions	Revenue Recognized and adjustments in the period	Balance as at August 31, 2021
Legislative Grants - operating	$4,020,479	75,518,929		74,091,339	$5,448,069
Other Ministry of Education	1,719,619	16,339,057		16,949,813	1,108,863
Third Party	329,415	1,258,749		1,302,300	285,864
Other Provincial Grants	-	401,440		401,440	-
Deferred revenue – operating	6,069,513	93,518,175		92,744,892	6,842,796
Legislative Grants – capital	9,066,698	36,373,146	9,473,225	26,638,453	9,328,166
Other Ministry of Education	-	1,973,179	657,406	1,315,773	-
Proceeds of disposition	73,329,254		(954,070)	9,000,000	65,283,324
Education development charges	29,052,467	13,017,912		35,095,304	6,975,075
Third party	-				-
Deferred revenue – capital	111,448,419	51,364,237	9,176,561	72,049,530	81,586,565
Total deferred revenue	**$117,517,932**	**$144,882,412**	**$9,176,561**	**$164,794,422**	**$88,429,361**

Property with a carrying value of $nil (2020 - $3,671,864) was sold for net proceeds of $nil (2020 - $20,475,018) resulting in a gain on disposal of $nil (2020 - $16,803,154). The gain on disposal has been deferred in accordance with Ontario Regulation 193/10.

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.

	2021	2020
Opening balance	**$ 660,250,530**	$ 673,515,125
Additions to deferred capital contributions	**29,101,677**	21,193,886
Revenue recognized in the period	**(35,965,720)**	(34,458,481)
Closing balance	**$ 653,386,487**	$ 660,250,530

6. Retirement and other employee future benefits

Retirement and other employee future benefits liabilities and expense as of August 31, 2021 is comprised of:

	August 31, 2021		
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	$ 8,991,922	$ 9,356,648	$ 18,348,570
Current year benefit cost	$ 27,500	$ 2,440,434	$ 2,467,934
Change due to data correction	-	-	-
Amortization of actuarial gains/(losses)	47,328	813,454	860,782
Interest on accrued benefit obligation	146,687	113,049	259,736
Employee future benefits expenses	$ 221,515	$ 3,366,937	$ 3,588,452

Retirement and other employee future benefits liabilities and expense as of August 31, 2020 is comprised of:

	August 31, 2020		
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	$ 10,519,724	$ 8,423,479	$ 18,943,203
Current year benefit cost	$ 30,113	$ 2,301,188	$ 2,331,301
Change due to data correction	16,895	-	16,895
Amortization of actuarial gains/(losses)	162,416	(117,273)	45,143
Interest on accrued benefit obligation	241,677	151,929	393,606
Employee future benefits expenses	$ 451,101	$ 2,335,844	$ 2,786,945

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

6. Retirement and other employee future benefits (continued)

(a) Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2021 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2021. Actuarial probabilities were determined and based on updated average daily salary and banked sick days as at August 31, 2021. The economic assumptions used in these valuations are the Board's best estimates of expected rates as follows:

	2021	2020
	%	%
Inflation		
Workplace Safety and Insurance Boards Obligation ("WSIB")	2.0	2.0
General inflation for all benefits	1.5	1.5
Wage and salary escalation		
Sick leave benefits	2.0	2.0
Insurance and health care cost escalation		
WSIB health care costs	4.0	4.0
Health care cost escalation	7.0	7.25
Dental benefit care escalation	4.5	4.5
Discount on accrued benefit obligation		
WSIB obligation	1.8	1.4
Sick leave benefits, life insurance, health care and long-term disability	1.8	1.4

(b) Retirement Benefits

(i) Ontario Teacher's Pension Plan (OTPP)

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

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

All non-teaching employees of the Board are eligible to be members of the 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, 2021, the Board contributed $8,857,532 (2020 - $8,697,183) 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.

(iii) Retirement Gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012.

6. Retirement and other employee future benefits (continued)

(b) Retirement Benefits (continued)

(iv) Retirement life insurance and health care benefits

The Board provides life insurance, health care and dental benefits to certain employee groups after retirement until the members reach 65 years of age depending on prior arrangements. The premiums are based, on the Board experience for those who have not transitioned to the ELHT, and retiree or active rates for those who have transitioned to the ELHT. Depending on the year of retirement, retiree premiums may be subsidized by the Board as defined by individual service contracts. The benefit costs and liabilities related to the subsidization are included in the Board's consolidated financial statements. In accordance with the Broader Public Sector Executive Compensation Act, 2014, employees with these benefits are no longer eligible for post-retirement benefits under the board's compensation plan except for the transition period (i.e., by the third anniversary of the effective date of the new executive compensation plan). Employees must have retired before August 31, 2019 to be eligible for post-retirement benefits and August 31, 2021 for Designated Executives.

(c) Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations

a. The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act ("WSIB") and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and 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 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

b. The Workplace Safety and Insurance Board obligations for employee future benefit plans as at August 31, 2021 are based on actuarial valuations for accounting purposes as at August 31, 2021. These actuarial valuations were based on assumptions about future events.

(ii) Long-Term Disability

a. The Board provides long-term disability benefits to certain employee groups. The costs of salary compensation paid to employees on long-term disability are fully insured and not included in this plan.

6. Retirement and other employee future benefits (continued)

(iii) Sick Leave Top-up Benefits

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the financial statements relating to this are $1,907,863 (2020 - $305,577).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2021 and is based on the average daily salary, and banked sick days of employees as at August 31, 2021.

7. Net long-term debt and capital lease

Debenture debt, capital loans and obligation under capital leases reported on the Consolidated Statement of Financial Position is comprised of the following:

Debenture/Loan	Interest	Maturity	**2021**	2020
#179	7.200	09-Jun-25	**$ 14,830,178**	$ 17,927,102
#182	6.550	19-Oct-26	**12,396,565**	14,215,318
#186	5.800	07-Nov-28	**11,213,781**	12,377,631
#188	4.789	08-Aug-30	**26,624,690**	28,942,289
#189	4.560	15-Nov-31	**5,814,820**	6,238,212
#190	5.376	25-Jun-32	**37,255,337**	39,684,550
#191	4.900	03-Mar-33	**11,831,127**	12,557,138
#192	5.347	15-Nov-33	**4,245,925**	4,479,478
#193	5.062	13-Mar-34	**2,578,182**	2,718,106
#196	5.047	15-Nov-34	**26,210,104**	27,537,736
#197	5.232	13-Apr-35	**867,328**	908,868
#198	3.942	19-Sep-25	**29,334,477**	35,405,584
#199	4.833	11-Mar-36	**1,088,985**	1,138,315
#200	2.425	15-Nov-21	**482,410**	1,429,962
#201	3.564	09-Mar-37	**13,362,843**	13,982,751
#202	3.799	19-Mar-38	**8,924,343**	9,296,937
#203	4.037	30-Oct-28	**8,705,846**	9,687,710
#204	4.003	11-Mar-39	**9,392,050**	9,747,673
#206	2.993	09-Mar-40	**161,064**	167,360
#207	3.242	15-Mar-41	**6,380,546**	6,606,901
			231,700,601	255,049,621
Capital lease	10.000	01-May-22	**7,194,024**	12,337,772
Balance as at August 31			**$ 238,894,625**	$ 267,387,393

7. Net long-term debt and capital lease (continued)

Principal and interest payments relating to net debenture debt, capital loans and leases of $238,894,625 outstanding as at August 31, 2021 are due as follows:

	Principal	Interest Payments	Capital Lease Payments	Total
2022	$ 24,033,195	$ 11,052,951	$ 6,913,461	$ 41,999,607
2023	24,762,358	9,835,528	5,421,993	40,019,879
2024	26,039,744	8,558,143	-	34,597,887
2025	27,386,711	7,211,176	-	34,597,887
2026	19,551,810	5,875,478	-	25,427,288
Thereafter	109,926,783	21,463,279	-	131,390,062
Total	$ 231,700,601	$ 63,996,555	$ 12,335,454	$ 308,032,610

Interest on long-term debt amounted to $13,299,098 (2020 - $14,848,989).

8. Temporary borrowing

The Board has lines of credit available to a maximum of $75 million on revolving facilities to address operating requirements to bridge capital expenditures.

Interest on the operating facilities range from the bank's prime lending rate minus 0.75%, while banker's acceptance facilities range from the banker's acceptance rate plus 0.75%. All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts.

9. Debt charges and capital loans and leases interest

	2021	2020
Principal payments on long-term liabilities	**$ 28,492,768**	$ 26,578,406
Interest payments on long-term liabilities	**11,932,122**	13,059,919
Capital lease interest	**1,366,976**	1,789,070
Balance as at August 31	**$ 41,791,866**	$ 41,427,395

10. Expenses by object

The following is a summary of the expenses reported on the Consolidated Statement of Operations by object:

	2021 Budget	**2021 Actual**	2020 Actual
Salary and wages	$ 461,704,235	**$ 471,713,663**	$ 452,590,222
Employee benefits	77,154,512	**79,954,008**	77,419,405
Staff development	802,605	**232,686**	247,148
Supplies and services	60,821,238	**39,061,503**	44,908,711
Interest charges on capital	13,299,098	**13,299,098**	14,848,989
Rental expenses	650,642	**487,479**	526,420
Fees and contract services	32,815,944	**29,337,812**	29,318,504
Amortization and write-downs of tangible capital assets	34,205,211	**35,965,720**	34,458,481
Other	904,342	**7,771,524**	2,166,409
Total expenses	$ 682,357,827	**$ 677,823,493**	$ 656,484,289

11. Tangible capital assets

Cost	**Balance at August 31, 2020**	**Additions and Transfers**	**Disposals, write-offs, Adjustments**	**Balance August 31, 2021**
Land	$ 224,121,179	**$ 35,006,380**	**$ -**	**$ 259,127,559**
Land improvements	36,824,197	**4,477,713**	**-**	**41,301,910**
Buildings	1,030,460,259	**16,601,239**	**622,300**	**1,046,439,198**
Furniture and equipment	17,779,616	**4,367,299**	**5,543,493**	**16,603,422**
Construction in progress	800,825	**3,655,426**	**-**	**4,456,251**
Capital lease assets	23,454,316	**-**	**-**	**23,454,316**
Total cost	$ 1,333,440,392	**$ 64,108,057**	**$ 6,165,793**	**$ 1,391,382,656**

Accumulated Amortization	**Balance at August 31, 2020**	**Additions and Transfers**	**Disposals, write-offs, Adjustments**	**Balance August 31, 2021**
Land improvements	$ 12,829,039	**$ 3,885,525**	**$ -**	**$ 16,714,564**
Buildings	410,069,989	**28,282,734**	**622,300**	**437,730,423**
Furniture and equipment	11,255,191	**3,114,274**	**5,543,493**	**8,825,972**
Capital lease assets	14,914,467	**683,187**	**-**	**15,597,654**
Total amortization	$ 449,068,686	**$ 35,965,720**	**$ 6,165,793**	**$ 478,868,613**

11. Tangible capital assets (continued)

Net book value	2021	2020
Land	**$ 259,127,559**	$ 224,121,179
Land improvements	**24,587,346**	23,995,158
Buildings	**608,708,775**	620,390,270
Furniture and equipment	**7,777,450**	6,524,425
Construction in progress	**4,456,251**	800,825
Capital lease assets	**7,856,662**	8,539,849
Total net book value	**$ 912,514,043**	$ 884,371,706

a) Assets under construction

Assets under construction having a value of $4,456,251 (2020 - $800,825) have not been amortized. Amortization of these assets will commence when the assets are put into service.

b) Write-down of Tangible Capital Assets

The write-down of tangible capital assets during the year was $nil (2020 - $nil).

12. Accumulated surplus

	2021	2020
Accumulated surplus consists of the following:		
Invested in non-depreciable tangible capital assets	**$ 259,127,559**	$ 224,121,179
Employee future benefits to be covered in the future	**(4,555,954)**	(11,377,315)
Interest accrual	**(2,802,524)**	(3,095,785)
School Generated Funds	**6,583,071**	9,322,436
Unrestricted	**17,434,056**	17,974,467
Total accumulated surplus	**$ 275,786,208**	$ 236,944,982

13. 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.

OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of $24,000,000 per occurrence.

The ultimate premiums over a five year period are based on the reciprocals 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, 2021.

14. Contractual obligations and contingent liabilities

Contractual obligations

The Board enters into contracts for construction and renovation of various new and existing schools. The Board's commitment under these contracts as at August 31, 2021 is $36,619,655.

Contingent liabilities

The Board is contingently liable with respect to litigation and claims, which arise from time to time in the normal course of business. In the opinion of management, the liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the Board.

15. Transportation consortium

In September 2010, the Board renewed its agreement with York Region 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 Student Transportation Services of York Region Consortium are shared. No partner is in a position to exercise unilateral control.

This entity is proportionately consolidated in the Board's consolidated financial statements whereby the Board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information.

	2021 Total	**2021 Board Portion**	2020 Total	2020 Board Portion
Expenses	**$ 1,650,342**	**$ 826,332**	$ 2,000,939	$ 989,189

16. Repayment of "55 school board trust" funding

On June 1, 2003, the Board received $3,007,847 from The 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, The 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt. As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position.

Related to this capital debt, the Board has recorded revenues from the Province of Ontario and the corresponding interest expense of $224,087 (2020 - $224,087).

17. In-kind transfers from the Ministry of Government and Consumer Services

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 Government and Consumer Services (MGCS). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the board's records. The in-kind revenue for these transfers, recorded in Provincial grants - other, is $6,790,782 with expenses based on use of $6,790,782 for a net impact of $nil.

18. COVID-19

As of March 11, 2020, the World Health Organization declared a global pandemic (the "pandemic") as a result of the spread of COVID-19. Since that time, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Board for future periods.