



**York Catholic District School Board
Consolidated Financial Statements
Year ended August 31, 2022**



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Management Report

Management's Responsibility for the Consolidated Financial Statements

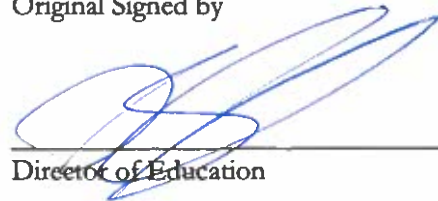
The accompanying consolidated financial statements of the York Catholic District School Board are the responsibility of the Board management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 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



Director of Education

Original Signed by



Chief Financial Officer

November 8, 2022

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, 2022, 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 Canadian public sector accounting standards, 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 a 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.

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 Board and the organizations it controls 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Toronto, Canada
November 8, 2022

Chartered Professional Accountants
Licensed Public Accountants



York Catholic District School Board
Consolidated Statement of Financial Position

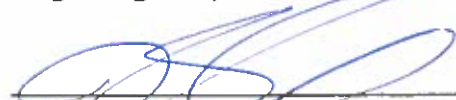
As at August 31

	2022	2021
	(\$000's)	(\$000's)
Financial assets		
Cash and cash equivalents	58,679	62,114
Accounts receivable	9,847	4,723
Accounts receivable – Government of Ontario (Note 2)	294,584	328,199
Accounts receivable – Municipalities	22,815	23,078
Other financial assets	<u>120</u>	<u>340</u>
Total financial assets	<u>386,045</u>	<u>418,454</u>
Liabilities		
Accounts payable and accrued liabilities	42,947	51,699
Accounts payable – Government of Ontario	-	1,491
Deferred revenue (Note 3)	95,293	88,429
Other liabilities	3,189	2,933
Deferred capital contributions (Note 4)	659,551	653,386
Retirement and other employee future benefits (Note 5)	16,531	18,349
Net long-term debt and capital lease (Note 6)	<u>208,813</u>	<u>238,895</u>
Total liabilities	<u>1,026,324</u>	<u>1,055,182</u>
Net debt	(640,279)	(636,728)
Non-financial assets		
Tangible capital assets (Note 11)	<u>918,682</u>	<u>912,514</u>
Accumulated surplus (Note 12)	<u>278,403</u>	<u>275,786</u>

Contractual obligations and contingent liabilities (Note 14)

Signed on behalf of the Board:

Original Signed by



Director of Education

Original Signed by



Chair of the School Board



York Catholic District School Board Consolidated Statement of Operations

For the Year Ended August 31

2022

2022

2021

	Budget (\$000's)	Actual (\$000's)	Actual (\$000's)
Revenues			
Provincial grants (Note 9)	591,250	591,798	592,072
Deferred capital contribution revenue	<u>35,847</u>	<u>36,011</u>	<u>35,966</u>
Provincial grants – grants for student needs	627,097	627,809	628,038
Provincial grants – other (Note 17)	14,490	29,853	31,551
School generated funds	13,000	12,189	3,260
Investment income	500	576	552
Other fees and revenues	<u>8,633</u>	<u>19,114</u>	<u>53,264</u>
Total revenues	<u>663,720</u>	<u>689,541</u>	<u>716,665</u>
Expenses (Note 10)			
Instruction	512,879	527,114	519,800
Administration	17,263	17,109	17,329
Transportation	22,042	20,642	19,378
Pupil accommodation	108,235	104,949	108,302
School generated funds	13,000	10,896	6,000
Other (Note 17)	<u>224</u>	<u>6,214</u>	<u>7,015</u>
Total expenses	<u>673,643</u>	<u>686,924</u>	<u>677,824</u>
Annual (deficit) surplus	(9,923)	2,617	38,841
Accumulated surplus at beginning of year	<u>275,015</u>	<u>275,786</u>	<u>236,945</u>
Accumulated surplus at end of year	<u>265,092</u>	<u>278,403</u>	<u>275,786</u>



York Catholic District School Board
Consolidated Statement of Cash Flows

For the Year Ended August 31

	2022	2021
	(\$000's)	(\$000's)
Operating transactions		
Annual (deficit) surplus	2,617	38,841
Sources and (uses)		
Non-cash items including:		
Amortization, write downs, and gain on disposal	36,011	35,966
Deferred capital contributions amortization (Note 4)	(36,011)	(35,966)
(Increase) decrease in accounts receivable	(4,861)	59,544
Decrease (Increase) in accounts receivable – Delayed Grant Payment (Note 2)	8,665	(10,109)
Decrease in other financial assets	220	345
Decrease in accounts payable and accrued liabilities	(10,243)	(45,803)
Increase in deferred revenue – operating (Note 3)	1,827	773
Decrease in retirement and other employee future benefits	(1,818)	(595)
Increase (Decrease) in other liabilities	<u>256</u>	<u>(1,527)</u>
Cash applied to operating transactions	<u>(3,337)</u>	<u>41,469</u>
Capital transactions		
Cash used to acquire tangible capital assets	<u>(42,179)</u>	<u>(64,108)</u>
Cash applied to capital transactions	<u>(42,179)</u>	<u>(64,108)</u>
Investing transactions		
(Purchase) Sale of investments	<u>-</u>	<u>30,000</u>
Cash provided by investing transactions	<u>-</u>	<u>30,000</u>
Financing		
Decrease in accounts receivable – Government of Ontario	24,950	17,337
Additions to deferred capital contributions (Note 4)	42,176	29,102
Increase (Decrease) in deferred revenue – Capital (Note 3)	5,037	(29,862)
Debt repayment and sinking fund contributions (Note 8)	<u>(30,082)</u>	<u>(28,493)</u>
Cash provided by financing transactions	<u>42,081</u>	<u>(11,916)</u>
Change in cash and cash equivalents	<u>(3,435)</u>	<u>(4,555)</u>
Opening cash and cash equivalents	<u>62,114</u>	<u>66,669</u>
Closing cash and cash equivalents	<u>58,679</u>	<u>62,114</u>

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

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.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

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) 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.

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 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

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

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 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 self-insured retirement and other employee future benefits that vest or accumulated over the periods of service provided by employees, such as 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.
- 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.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

g) 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.

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, 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:

<u>Asset</u>	<u>Estimated Useful Life in Years</u>
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 \$269 (2021 - \$1,471).

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.

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

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

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) Long-term Debt and Capital Leases

Long-term debt is recorded net of related sinking fund asset balances.

l) 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.

m) 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.

n) 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.

o) 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.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

2. 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.

	<u>2022</u>	<u>2021</u>
	\$	\$
Account receivable – capital grant	232,052	257,002
Account receivable – delayed grant payments	<u>62,532</u>	<u>71,197</u>
Closing balance	<u>294,584</u>	<u>328,199</u>

3. 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.

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2022 is comprised of:

	<u>Balance as at August 31, 2021</u>	<u>Externally restricted revenue and investment income</u>	<u>Transfers (to)/from Deferred Capital Contributions</u>	<u>Revenue Recognized and adjustments in the period</u>	<u>Balance as at August 31, 2022</u>
Legislative Grants - operating	5,448	79,268	-	(77,031)	7,686
Other Ministry of Education	1,109	14,601	-	(15,368)	342
Third Party	286	1,396	-	(1,371)	311
Other Provincial Grants	-	457	-	(457)	-
Deferred revenue – operating	<u>6,843</u>	<u>95,722</u>	<u>-</u>	<u>(94,227)</u>	<u>8,338</u>
Legislative Grants – capital	9,328	35,227	(8,479)	(29,231)	6,845
Other Ministry of Education	-	1,141	(168)	(973)	-
Proceeds of disposition	65,283	-	(2,269)	(10,095)	52,919
Education development charges	6,975	20,297	-	(81)	27,191
Third party	-	543	-	(543)	-
Deferred revenue – capital	<u>81,586</u>	<u>57,208</u>	<u>(10,916)</u>	<u>(40,923)</u>	<u>86,955</u>
Total deferred revenue	<u>\$88,429</u>	<u>\$152,930</u>	<u>(\$10,916)</u>	<u>(\$135,150)</u>	<u>\$95,293</u>

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

4. 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.

	<u>2022</u>	<u>2021</u>
	\$	\$
Opening balance	653,386	660,250
Additions to deferred capital contributions	42,176	29,102
Revenue recognized in the period	<u>(36,011)</u>	<u>(35,966)</u>
Closing balance	<u>659,551</u>	<u>653,386</u>

York Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

5. Retirement and other employee future benefits

Retirement and other employee future benefits liabilities and expense as of August 31, 2022 is comprised of:

	<u>August 31, 2022</u>		
	<u>Retirement Benefits</u>	<u>Other Employee Future Benefits</u>	<u>Total Employee Future Benefits</u>
Accrued employee future benefit obligations	\$ <u>7,981</u>	\$ <u>8,550</u>	\$ <u>16,531</u>
Current year benefit cost	\$ 8	\$ 1,353	\$ 1,361
Change due to data correction	-	-	-
Amortization of actuarial gains/(losses)	70	(125)	(55)
Interest on accrued benefit obligation	<u>154</u>	<u>138</u>	<u>292</u>
Employee future benefits expenses	\$ <u>232</u>	\$ <u>1,366</u>	\$ <u>1,598</u>

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

	<u>August 31, 2021</u>		
	<u>Retirement Benefits</u>	<u>Other Employee Future Benefits</u>	<u>Total Employee Future Benefits</u>
Accrued employee future benefit obligations	\$ <u>8,992</u>	\$ <u>9,357</u>	\$ <u>18,349</u>
Current year benefit cost	\$ 28	\$ 2,440	\$ 2,468
Change due to data correction	-	-	-
Amortization of actuarial gains/(losses)	47	813	860
Interest on accrued benefit obligation	<u>147</u>	<u>113</u>	<u>260</u>
Employee future benefits expenses	\$ <u>222</u>	\$ <u>3,366</u>	\$ <u>3,588</u>

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

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

5. Retirement and other employee future benefits (continued)

(a) Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2022 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2022. Actuarial probabilities were determined and based on updated average daily salary and banked sick days as at August 31, 2022. The economic assumptions used in these valuations are the Board's best estimates of expected rates as follows:

	<u>2022</u>	<u>2021</u>
	%	%
Inflation		
Workplace Safety and Insurance Boards Obligation ("WSIB")	2.7	2.0
General inflation for all benefits	2.0	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	5.0	7.0
Dental benefit care escalation	5.0	4.5
Discount on accrued benefit obligation		
WSIB obligation	3.9	1.8
Sick leave benefits, life insurance, health care and long-term disability	3.9	1.8

(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, 2022, the Board contributed \$8,686 (2021 - \$8,858) 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.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

5. 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, 2022 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, 2022 are based on actuarial valuations for accounting purposes as at August 31, 2022. 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.

York Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

5. 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 \$993 (2021 - \$1,908).

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, 2022 and is based on the average daily salary, and banked sick days of employees as at August 31, 2022.

6. 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:

(BNY – BNY Trust Company of Canada, OFA – Ontario Financing Authority)

Debenture/Loan	Interest	Maturity	2022 \$	2021 \$
BNY - #179	7,200	09-Jun-25	11,506	14,830
BNY - #182	6,550	19-Oct-26	10,457	12,397
BNY - #186	5,800	07-Nov-28	9,981	11,214
BNY - #188	4,789	08-Aug-30	24,195	26,625
OFA - #189	4,560	15-Nov-31	5,372	5,815
BNY - #190	5,376	25-Jun-32	34,694	37,255
OFA - #191	4,900	03-Mar-33	11,069	11,831
OFA - #192	5,347	15-Nov-33	4,000	4,246
OFA - #193	5,062	13-Mar-34	2,431	2,578
OFA - #196	5,047	15-Nov-34	24,815	26,210
OFA - #197	5,232	13-Apr-35	823	867
OFA - #198	3,942	19-Sep-25	23,022	29,335
OFA - #199	4,833	11-Mar-36	1,037	1,089
OFA - #200	2,425	15-Nov-21	-	482
OFA - #201	3,564	09-Mar-37	12,721	13,363
OFA - #202	3,799	19-Mar-38	8,537	8,924
OFA - #203	4,037	30-Oct-28	7,684	8,706
OFA - #204	4,003	11-Mar-39	9,022	9,392
OFA - #206	2,993	09-Mar-40	154	161
OFA - #207	3,242	15-Mar-41	6,147	6,381
			207,667	231,701
Capital lease	10,000	01-May-22	1,146	7,194
Balance as at August 31			208,813	238,895

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

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

Principal and interest payments relating to net debenture debt, capital loans and leases of \$208,813 outstanding as at August 31, 2022 are due as follows:

	<u>Principal</u>	<u>Interest Payments</u>	<u>Capital Lease Payments</u>	<u>Total</u>
2023	\$ 24,762	\$ 9,836	\$ 5,422	\$ 40,020
2024	26,040	8,558	-	34,598
2025	27,386	7,211	-	34,597
2026	19,552	5,876	-	25,428
2027	16,538	4,959	-	21,497
Thereafter	<u>93,389</u>	<u>16,504</u>	<u>-</u>	<u>109,893</u>
Total	\$ <u>207,667</u>	\$ <u>52,944</u>	\$ <u>5,422</u>	\$ <u>266,033</u>

Interest on long-term debt amounted to \$11,611 (2021 - \$13,299).

The Capital lease for the Catholic Education Centre (CEC) will expire on May 31, 2023. The lease contains an option to purchase the CEC at the end of the term for \$15,000. The Board has a Deposit Agreement with Canada Life Assurance Company which is coterminous with the Capital lease. Upon expiration of the lease, the Board will receive the Deposit funds and will then use those funds to exercise the option of \$15,000 with Canada Life.

7. Temporary borrowing

The Board has lines of credit available to a maximum of \$75,000 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.

8. Debt charges and capital loans and leases interest

	<u>2022</u>	<u>2021</u>
	\$	\$
Principal payments on long-term liabilities	30,082	28,493
Interest payments on long-term liabilities	10,745	11,932
Capital lease interest	<u>866</u>	<u>1,367</u>
Balance as at August 31	<u>41,693</u>	<u>41,792</u>

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

9. 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 location 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. 86% (2021 – 83%) 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:

	<u>2022</u>	<u>2021</u>
	\$	\$
Provincial Legislative Grants	400,634	396,509
Education Property Tax	<u>191,164</u>	<u>195,563</u>
Grants for Student Needs	<u>591,798</u>	<u>592,072</u>

10. Expenses by object

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

	<u>2022</u>	<u>2022</u>	<u>2021</u>
	Budget	Actual	Actual
Salary and wages	467,876	478,662	471,714
Employee benefits	79,193	79,554	79,954
Staff development	739	408	233
Supplies and services	44,305	42,771	39,061
Interest charges on capital	11,611	11,611	13,299
Rental expenses	555	413	487
Fees and contract services	32,855	30,897	29,338
Amortization and write-downs of tangible capital assets	35,847	36,011	35,966
Other	<u>662</u>	<u>6,597</u>	<u>7,772</u>
Total expenses	<u>673,643</u>	<u>686,924</u>	<u>677,824</u>

York Catholic District School Board Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

11. Tangible capital assets

<u>Cost</u>	<u>Balance at August 31, 2021</u>	<u>Additions and Transfers</u>	<u>Disposals, write-offs, Adjustments</u>	<u>Balance August 31, 2022</u>
Land	\$ 259,128	\$ 3	\$ -	\$ 259,131
Land improvements	41,302	7,019	-	48,321
Buildings	1,046,439	19,961	(91)	1,066,309
Furniture and equipment	16,604	807	(2,729)	14,682
Construction in progress	4,456	14,389	-	18,845
Capital lease assets	<u>23,454</u>	<u>-</u>	<u>-</u>	<u>23,454</u>
Total cost	\$ <u>1,391,383</u>	\$ <u>42,179</u>	<u>(\$ 2,820)</u>	\$ <u>1,430,742</u>

<u>Accumulated Amortization</u>	<u>Balance at August 31, 2021</u>	<u>Additions and Transfers</u>	<u>Disposals, write-offs, Adjustments</u>	<u>Balance August 31, 2022</u>
Land improvements	\$ 16,715	\$ 3,016	\$ -	\$ 19,731
Buildings	437,730	29,341	(91)	466,980
Furniture and equipment	8,826	2,971	(2,729)	9,068
Capital lease assets	<u>15,598</u>	<u>683</u>	<u>-</u>	<u>16,281</u>
Total amortization	\$ <u>478,869</u>	\$ <u>36,011</u>	<u>(\$ 2,820)</u>	\$ <u>512,060</u>

<u>Net book value</u>	<u>2022</u>	<u>2021</u>
Land	\$ 259,131	\$ 259,128
Land improvements	28,590	24,587
Buildings	599,328	608,709
Furniture and equipment	5,614	7,777
Construction in progress	18,845	4,456
Capital lease assets	<u>7,174</u>	<u>7,857</u>
Total net book value	\$ <u>918,682</u>	\$ <u>912,514</u>

a) Assets under construction

Assets under construction having a value of \$18,845 (2021 - \$4,456) 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 (2021 - \$nil).

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

12. Accumulated surplus	<u>2022</u>	<u>2021</u>
	\$	\$
Accumulated surplus consists of the following:		
Invested in non-depreciable tangible capital assets	259,131	259,128
Employee future benefits to be covered in the future	(4,556)	(4,556)
Interest accrual	(2,495)	(2,803)
School Generated Funds	7,876	6,583
Unrestricted	<u>18,447</u>	<u>17,434</u>
Total accumulated surplus	<u>278,403</u>	<u>275,786</u>

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. The school board renewed this agreement on January 1, 2022.

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

The 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, 2026.

Premiums paid to OSBIE for the policy year ending December 31, 2022 amounted to \$1,595 (2011 - \$1,571).

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, 2022 is \$25,500.

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.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

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.

Each board participates in the shared costs associated with this service for the transportation of their respective students through Student Transportation Services of York Region. 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. The board's pro-rata share for 2022 is 50.0% (2021 – 50.1%). The transportation consortium has no assets, liabilities or revenue for 2022 and 2021. Inter-organizational transactions and balances have been eliminated.

The following summarizes the School Board's share of expenses:

	2022	2022	2021	2021
	<u>Total</u>	<u>Board</u>	<u>Total</u>	<u>Board</u>
	\$	\$	\$	\$
Expenses	<u>1,751</u>	<u>875</u>	<u>1,650</u>	<u>826</u>

16. Repayment of "55 school board trust" funding

On June 1, 2003, the Board received \$3,008 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 (2021 - \$224).

17. Related party disclosures

The Ontario Financing Authority (OFA) provides financing to various public bodies on direction from the Province. These loans are included in the Province's consolidated financial statements.

The Board has principal amounts payable to OFA of \$116,834 (2021 - \$129,380). These loans bear interest ranging from 2.425% to 5.347% and mature from 2025 to 2041. Details of the loans are disclosed under Note 6.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

18. 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 for these transfers, recorded in Provincial grants - other, is \$5,920 with expenses based on use of \$5,920 for a net impact of \$nil.

19. Impact of COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since that time, the pandemic has had a 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, implemented temporary virtual schooling, implemented mandatory working from requirements for those able to do so, and cancelled fundraising events and other programs.

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.

20. 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.

York Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

(All amounts in thousands of dollars)

20. Future Accounting Standard Adoption (continued)

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 ended 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.

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.

21. Comparative Figures

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