Windsor-Essex Catholic District School Board

Consolidated Financial Statements

For the year ended August 31, 2021

Windsor-Essex Catholic District School Board

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Windsor-Essex Catholic District School Board are the responsibility of the Board's management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act, as described in Note 1 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 external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

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

Director of Education

Executive Superintendent of Business

November 23, 2021

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Independent Auditor's Report

To the Board of Trustees of the
Windsor-Essex Catholic District School Board

Opinion

We have audited the consolidated financial statements of Windsor-Essex Catholic District School Board and its controlled entities (the Board), which comprise the consolidated statement of financial position as at August 31, 2021, the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2021, and its consolidated results of operations and its consolidated cash flows for the year then ended 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.

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 – Financial Reporting Framework

We draw attention to Note 1 in the financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements. As a result, the financial statements may not be suitable for another purpose. 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 the 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 Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Windsor, Ontario
November 23, 2021

Windsor-Essex Catholic District School Board

Consolidated Statement of Financial Position

August 31,	2021	(Note 16) (restated) 2020
Financial assets		
Cash and cash equivalents (Note 2)	**$ 42,117,210**	$ 44,173,605
Accounts receivable (Note 3)	**25,506,545**	25,215,354
Accounts receivable capital - Government of Ontario (Note 3)	**112,867,050**	114,378,848
	180,490,805	183,767,807
Financial liabilities		
Temporary borrowing (Note 8)	**5,479,441**	6,319,441
Accounts payable and accrued liabilities	**26,200,040**	28,836,172
Net debenture debt (Note 7)	**100,258,247**	108,367,605
Deferred revenue (Note 4)	**11,413,368**	8,239,717
Employee benefits payable (Note 6)	**42,062,899**	40,845,299
Deferred capital contributions (Note 5)	**187,342,899**	187,991,571
	372,756,894	380,599,805
Net debt	**(192,266,089)**	(196,831,998)
Non-financial assets		
Tangible capital assets (Note 19)	**216,922,207**	216,797,455
Prepaid expenses	**1,114,652**	838,062
Inventories of supplies (Note 20)	**1,077,226**	-
	219,114,085	217,635,517
Accumulated surplus (Note 11)	**$ 26,847,996**	$ 20,803,519

Signed on Behalf of The Board

Emelda Byrne P.K.

Director of Education

F. Valentinis

Chair for the Board

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Operations

For the year ended August 31,	(Unaudited Note 1) Budget 2021	2021	(Note 16) (restated) 2020
Revenues			
Provincial grant - grants for student needs	$ 213,774,639	$ 216,295,075	$ 207,372,292
Local taxation	32,889,385	29,961,572	33,630,987
Amortization of deferred capital contributions including disposals (Note 5)	16,382,970	15,680,500	14,105,829
School generated funds	8,595,000	2,003,427	5,510,755
Provincial grants - other	2,694,682	8,782,120	2,698,467
Other fees and revenues	2,153,214	2,106,257	3,801,018
Investment income	240,000	292,517	492,306
	276,729,890	275,121,468	267,611,654
Expenses (Note 10)			
Instruction	200,320,505	200,068,229	191,730,189
Pupil accommodation	46,845,332	47,256,534	42,875,396
School generated funds	8,235,000	2,108,376	5,475,220
Transportation	9,302,488	9,153,348	8,882,504
Administration	6,873,294	6,797,981	6,574,026
Other	4,714,577	3,692,523	2,565,918
	276,291,196	269,076,991	258,103,253
Annual surplus	438,694	6,044,477	9,508,401
Accumulated surplus, beginning of year	-	20,803,519	11,295,118
Accumulated surplus, end of year	$ -	$ 26,847,996	$ 20,803,519

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Windsor-Essex Catholic District School Board

Consolidated Statement of Cash Flows

For the year ended August 31,	2021	(Note 16) (restated) 2020
Operations		
Annual surplus	$ 6,044,477	$ 9,508,401
Sources and (uses):		
Non-cash items including amortization, write downs and gain/loss on disposal	16,417,751	15,058,963
Deferred capital contributions revenue	(15,680,500)	(14,105,829)
Accounts receivable - other	6,939,680	(10,215,419)
Accounts receivable - delayed grant payment	(7,230,871)	204,801
Assets held for sale	-	211,080
Accounts payable and accrued liabilities	(2,636,133)	11,842,960
Deferred gain on disposal of restricted assets	-	(201,846)
Deferred revenues - operating	1,013,947	(1,006,359)
Employee benefits payable	1,217,600	(240,581)
Prepaid expenses	(276,589)	1,221,214
Inventories of supplies	(1,077,226)	-
	4,732,136	12,277,385
Capital transactions		
Proceeds on sale of tangible capital assets	-	378,702
Cash used to acquire tangible capital assets	(16,542,503)	(10,070,406)
	(16,542,503)	(9,691,704)
Financing		
Decrease in temporary borrowing	(840,000)	(840,000)
Debt repaid	(8,109,358)	(7,709,071)
Decrease in accounts receivable capital - Government of Ontario	1,511,798	13,816,576
Net additions to deferred capital contributions	15,031,828	8,770,102
Increase in deferred revenues - capital	2,159,704	2,756,267
	9,753,972	16,793,874
Change in cash and equivalents	(2,056,395)	19,379,555
Cash and equivalents, beginning of year	44,173,605	24,794,050
Cash and equivalents, end of year	$ 42,117,210	$ 44,173,605

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Change in Net Debt

For the year ended August 31,	2021	(Note 16) (restated) 2020
Annual surplus	$ 6,044,477	$ 9,508,401
Tangible capital asset activity		
Amortization of tangible capital assets	16,417,751	14,827,876
Proceeds on sale of tangible capital assets	-	378,702
Loss (gain) on sale of tangible capital assets - Net	-	231,088
Acquisition of tangible capital assets	(16,542,503)	(10,070,406)
Gain on sale allocated to deferred revenue	-	(201,846)
	(124,752)	5,165,414
Other non-financial asset activity		
Acquisition of supplies inventories	(1,077,224)	-
Acquisition of prepaid expenses	(1,114,652)	(838,060)
Use of prepaid expenses	838,060	2,059,274
	(1,353,816)	1,221,214
Change in net debt	4,565,909	15,895,029
Net debt, beginning of year	(196,831,998)	(212,727,027)
Net debt, end of year	$ (192,266,089)	$ (196,831,998)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

1. Significant accounting policies

The consolidated financial statements are prepared by the management of Windsor-Essex Catholic District School Board 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 PS 3410;
- 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 PS 3100; and
- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS 3510.

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 Windsor-Essex Catholic District School Board ("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.

(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, with the exception of bursaries funds held in trust as noted in Note 2.

(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 expenses are incurred or services performed.

(f) Deferred capital contributions

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

- Government transfers received or receivable for capital purposes;
- Other restricted contributions received or receivable for capital purposes;
- Property taxation revenues which were historically used to fund capital assets.

1. Significant accounting policies (continued)

(g) Retirement and other employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuities, 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 Trust (ELHT) was established in 2016-2017: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees (CUPE) and Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. Employees represented by UNIFOR were transferred to the OECTA ELHT as of November 1, 2018. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff) and other school board staff. Currently ONE-T ELHT also provides benefits to individuals who retired prior to the school board’s participation date into the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by the following unions/federations: CUPE and UNIFOR.

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

(i)The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimates of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days (if applicable), 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.

1. Significant accounting policies (continued)

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

For self-insured retirement and other employee future benefits that vest or accumulate 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 and long-term disability, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(ii)The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pension, are the employer's contributions due to the plan in the period.

(iii)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 of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

1. Significant accounting policies (continued)

(h) Tangible capital assets (continued)

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. The impact of this change is $443,063.

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.

(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.

1. Significant accounting policies (continued)

(i) Government transfers (continued)

If government transfers contain stipulations which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

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

(j) Investment income

Investment income is reported as revenue in the period earned.

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

(k) Budget figures

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

(l) 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 estimates include employee future benefits. In addition, estimates have been made of the historical cost and useful lives of certain tangible capital assets as a result of the implementation of Section 3150 of the Public Sector Accounting Handbook. Actual results could differ from these estimates.

(m) 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.

2. Cash and cash equivalents

Cash and cash equivalents include the following:

	2021	(Note 16) (restated) 2020
Cash in bank	$39,032,409	$ 40,985,288
School funds	2,678,012	2,782,962
Bursary funds, in trust	377,564	376,130
Petty cash	29,225	29,225
	$42,117,210	$ 44,173,605

3. Accounts receivable

(i) Accounts receivable - Government of Ontario

The Province of Ontario (Province) replaced variable capital funding with a one-time debt support grant in 2009-10. The Board received a one-time grant that recognized capital debt as of August 31, 2010 that was 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 Board has an account receivable from the Province of Ontario of $112,867,050 as at August 31, 2021 (2020 - $114,378,848) with respect to capital grants.

(ii) Accounts receivable

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry will delay a portion 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. The balance of the delayed grant payments included in accounts receivable at August 31, 2021 is $14,746,765 (2020 - $7,515,594).

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.

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

	(Note 16) (restated) Balance as at August 31, 2020	Externally restricted revenue received	Revenue recognized in the period	Transfers (to) deferred capital contributions in the period	Balance as at August 31, 2021
Legislative grants operating	$ 29,510	$ 29,960,570	$ (29,951,797)	$ -	$ 38,283
Restricted operating grants	115,624	7,355,344	(7,404,034)	-	66,934
Third party operating grants	695,526	1,872,595	(818,731)	-	1,749,390
Other Ministry of Education Grants - Capital	-	778,230	-	(778,230)	-
Restricted capital grants	1,548,427	15,935,242	(12,897,692)	(734,410)	3,851,567
Proceeds of disposition - regular	5,581,710	(2,015,687)	-	-	3,566,023
Proceeds of disposition - other	268,920	-	(143,436)	-	125,484
Proceeds of disposition Minister Exemptions	-	2,015,687	-	-	2,015,687
School generated capital funds	-	55,779	-	(55,779)	-
Total deferred revenue	$ 8,239,717	$ 55,957,760	$ (51,215,690)	$ (1,568,419)	$11,413,368

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	(Note 16) (restated) 2020
Balance, beginning of year	$187,991,571	$ 193,327,298
Additions to deferred capital contributions	15,031,828	9,178,046
Revenue recognized in the period - amortization and write-downs	(15,680,500)	(14,105,829)
Revenue recognized in the period - disposals	-	(407,944)
Balance, end of year	$187,342,899	$ 187,991,571

6. Retirement and other employee future benefits

Retirement and other employee future benefit liabilities

	2021			(Note 16) (restated) 2020
	Retirement benefits	Other future employee benefits	Total employee future benefits	Total employee future benefits
Accrued employee future benefit obligations	$ 38,734,568	$ 3,015,875	$41,750,443	$ 45,827,885
Unamortized actuarial (gain) loss	(312,456)	-	(312,456)	4,982,586
Employee future benefits liability	$39,047,024	$ 3,015,875	$42,062,899	$ 40,845,299

6. Retirement and other employee future benefits (continued)

Retirement and other employee future benefit expenses

			2021	(Note 16) (restated) 2020
	Retirement benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Current year benefit cost	$ 34,475	$ 660,893	$ 695,368	$ 298,194
Interest on accrued benefit obligation	579,596	38,672	618,268	868,344
Recognition of unamortized actuarial losses (gain) on plan amendments/curtailments	3,461,646	110,027	3,571,673	1,842,946
Employee future benefit expenses [1]	$ 4,075,717	$ 809,592	$ 4,885,309	$ 3,009,484

[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)

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2021 are based on the most recent actuarial valuations of future events determined for accounting purposes as at August 31, 2021 and based on updated average daily salary and banked sick days (if applicable) as at August 31, 2021. These valuations take into account plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2021 (%)	2020 (%)
Inflation	1.5	1.5
Wage and salary escalation	0	0
Insurance and health care cost escalation	4.5 - 7.00	4.5 - 7.25
Discount on accrued benefit obligations	1.80	1.40

Retirement benefits

(i) Ontario Teachers' Pension Plan

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

(ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rate of pay. The Board does not have direct access to information regarding the deficit calculation of the fund nor its impact on the contribution rates, except as disclosed periodically by OMERS. As of December 31, 2020 the funded ratio for the OMERS plan was 97% (2019 - 97%). The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2021, the Board contributed $3,552,042 (2020 - $3,411,234) 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.

6. Retirement and other future employee benefits (continued)

(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 gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012.

(iv) Retirement Life Insurance and Health Care Benefits

The Board provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age and for certain employee groups for life. The premiums are based on the Board experience and retirees' premiums are subsidized by the Board. The benefit costs and liabilities related to the plan are included in the Board's consolidated financial statements.

Other employee future benefits

(i) Workplace Safety and Insurance Board Obligations

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The 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 4.5 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such provision.

(ii) Long-term Disability Salary Compensation

The costs of salary compensation paid to employees on long-term disability leave are fully insured and are not included in the defined benefits plan.

(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 are $398,192 (2020 – $100,110). 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 debenture debt

Net debenture debt reported on the Consolidated Statement of Financial Position is comprised of the following:

	2021	(Note 16) (restated) 2020
Debenture #06-01; 5.070%; maturing April 2031	$ 24,825,109	$ 26,690,699
Debenture #09-10; 4.947%; maturing May 2035	20,913,436	21,929,052
Debenture #03-05; 5.800%; maturing November 2028	14,208,065	15,682,684
Debenture #02-01; 5.900%; maturing October 2027	13,215,936	14,841,358
Debenture #13-02; 4.037%; maturing October 2028	10,937,949	12,171,550
Debenture #06-03; 4.560%; maturing November 2031	4,515,287	4,844,057
Debenture #09-01; 5.062%; maturing March 2034	3,640,258	3,837,825
Debenture #12-01; 3.564%; maturing March 2037	3,572,339	3,738,062
Debenture #10-01; 5.232%; maturing April 2035	1,835,565	1,923,454
Debenture #11-01; 3.97%; maturing November 2036	1,492,783	1,561,355
Debenture #13-01; 3.799%; maturing March 2038	1,101,520	1,147,509
Net debenture debt	$ 100,258,247	$ 108,367,605

Principal and interest payments relating to net debenture liabilities of $100,258,247 outstanding as at August 31, 2021 are due as follows:

	Debenture principal payments	Debenture interest payments	Total
2021-22	$ 8,530,813	$ 4,945,128	$ 13,475,941
2022-23	8,974,573	4,501,367	13,475,940
2023-24	9,441,838	4,034,102	13,475,940
2024-25	9,933,874	3,542,066	13,475,940
2025-26	10,452,014	3,023,926	13,475,940
Thereafter	52,925,135	9,034,845	61,959,980
	$100,258,247	$ 29,081,434	$129,339,681

Interest on debenture debt amounted to $5,221,465 (2020 - $5,633,877).

8. Temporary borrowing

Temporary borrowing consists of the following:

	2021	(Note 16) (restated) 2020
Demand capital expenditure credit bearing loan interest at the lower of prime minus 0.25% (2020 - prime minus 0.25%) or bankers acceptance plus 0.75% (2020 - 0.75%) stamping fee. Repayable in regular monthly payments of $70,000.	$ 5,479,441	$ 6,319,441

The Board has lines of credit available to the maximum of $18 million (2020 - $18 million) to address operating requirements which is unused at year end, and $5.55 million (2020 - $10 million) for long term capital projects, for which $70,000 (2020 - $3.7 million) is unused at year end.

The Board has four additional capital bridge credit loans available for use with loan interest at lower of prime minus 0.25% or bankers acceptance plus 0.75% stamping fee. At year end the loans were not in use.

All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts.

9. Debt charges and interest

The expenditure for debt charges includes principal and interest payments as follows:

	2021	(Note 16) (restated) 2020
Principal payments on long-term liabilities	$ 8,109,358	$ 7,709,071
Interest payments on long-term liabilities	5,221,465	5,633,877
	$13,330,823	$ 13,342,948

10. Expenses by object

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

	(Unaudited) Budget 2021	Actual 2021	(Note 16) (restated) Actual 2020
Expenses			
Salary and wages	$ 179,941,672	$ 179,425,308	$ 173,096,909
Employee benefits	32,074,935	34,071,153	30,726,783
Supplies and services	22,996,463	18,350,316	19,324,394
Amortization of tangible capital assets	17,105,019	16,417,750	15,060,758
Fees and contractual services	12,352,609	11,369,016	10,973,092
Interest charges on capital	5,346,817	5,291,137	5,775,845
Other	5,000,445	3,186,514	2,142,416
Rental expenditures	886,801	755,098	714,602
Staff development	586,435	210,699	288,454
	$ 276,291,196	$ 269,076,991	$ 258,103,253

11. Accumulated surplus

Accumulated surplus consists of the following:

	2021	(Note 16) (restated) 2020
Non-designated surplus	$ 11,592,525	$ 9,630,617
Amounts restricted for future use of the Board:		
Benefit plan	1,050,626	995,961
Committed sinking fund interest earned	901,996	965,516
Committed for employee future benefit phase-in	5,000,000	5,000,000
Committed for capital projects	2,252,631	590,000
Committed for post retirement liability final phase-in	5,145,461	5,145,461
School renewal program	171,786	171,786
	14,522,500	12,868,724
Amounts to be covered in the future:		
Retirement health, dental, life insurance plans	(16,718,423)	(18,371,703)
Employee future benefits - other than retirement gratuity	(3,556,452)	(3,556,452)
Interest accrual	(1,664,511)	(1,809,628)
	(21,939,386)	(23,737,783)
Other:		
School generated funds	2,662,150	2,767,099
Revenues recognized for land	20,010,207	19,274,862
	22,672,357	22,041,961
	$ 26,847,996	$ 20,803,519

12. 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 $27,000,000 (2020 - $27,000,000) per occurrence.

The ultimate premiums over a five year period are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five year term expires December 31, 2021.

13. Contractual obligations and contingent liabilities

(a) Contractual obligations:

The Board has ongoing commitments over the next five years as follows:

2021-22	$ 2,003,925
2022-23	1,846,965
2023-24	964,373
2024-25	411,333
2025-26	289,748
Thereafter	1,481,628
	$ 6,997,971

As at August 31, 2021, the Board is committed to capital expenditures in the amount of $35,429,004 (2020 - $2,240,921).

(b) Contingent liabilities:

In the normal course of operations, the Board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2021 cannot be predicted with certainty, it is the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operation.

14. Transportation

On January 20, 2003, the Board entered into an agreement with the Greater Essex County District School Board and Conseil scolaire catholique Providence in order to provide common administration of student transportation within the district. On September 10, 2009, a new agreement was entered into and included the Conseil scolaire Viamonde. The consortium agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the school boards. Under the formal agreement, decisions related to the financial and operating activities were shared. No partner was in a position to exercise unilateral control.

On July 18, 2013, the Board, along with the three other named school boards, formed a new corporation known as Service de Transport Des Eleves - Windsor-Essex - Student Transportation Services. On August 26, 2013, approval was given for the Board to enter into an agreement with the three other school boards specifying the terms and conditions of the new entity. Transportation services are now provided under the auspices of this corporation.

The Board's consolidated statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses. Total expenses of the corporation at August 31, 2021 were $26,592,886 (2020 - $25,622,889). The Board's pro-rata share of expenses at August 31, 2021 was $9,153,348 (2020 - $8,882,504).

15. Financial instruments

(a) Interest rate risk:

Interest rate risk represents the risk to the Board's operations that arises from fluctuations in interest rates and the degree of volatility of these rates. The Board is exposed to interest rate risk since the interest on the bank short-term borrowings is at variable rates.

(b) Fair value:

Fair values approximate amounts at which financial assets and liabilities would be exchanged between willing parties based on current markets for instruments of the same risk and materiality. The fair value of financial assets and liabilities approximate their carrying values.

16. Comparative figures and prior period adjustment

Certain of the prior year figures, provided for the purpose of comparison, have been restated and/or reclassified to conform with the current year presentation.

17. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received $21,647,375 from the 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30 year agreement 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 in respect of the NPF debt. As a result of this agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position.

18. Impact of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) global pandemic. The pandemic has had a significant impact on the global economy and the education system.

The Ontario Ministry of Education has provided new funding and authorized the redirection of existing funding towards the costs related to implementing safe reopening measures, staffing and procuring personal protective equipment.

For certain periods of time during the 2020/2021 school year education services were moved to a virtual learning platform. Schools were physically reopened in September 2021.

Given the dynamic nature of these circumstances, the duration and the related financial impact cannot be reasonably estimated.

19. Tangible capital assets

Cost	(Note 16) (restated) Balance at August 31, 2020	Additions and transfers	Disposals and transfers	Balance at August 31, 2021
Land	$ 19,274,862	$ 735,345	$ -	$ 20,010,207
Buildings	330,583,275	7,870,530	-	338,453,805
Land improvements	15,000,216	1,114,262	-	16,114,478
First time equipping	1,023,199	-	(106,878)	916,321
Computer software and hardware	5,044,951	1,147,200	(1,714,300)	4,477,851
Portable structures	3,041,265	436,523	(80,600)	3,397,188
Equipment	550,959	5,976	(32,327)	524,608
Vehicles	714,284	-	-	714,284
Other buildings	374,981	-	-	374,981
Furniture	168,566	-	-	168,566
Construction in progress	787,033	5,232,667	-	6,019,700
Leasehold improvements	76,120	-	-	76,120
	$ 376,639,711	$ 16,542,503	$ (1,934,105)	$ 391,248,109

Accumulated amortization	(Note 16) (restated) Balance at August 31, 2020	Additions and transfers	Disposals and transfers	Balance at August 31, 2021
Land improvements	$ 7,900,574	$ 2,631,345	$ -	$ 10,531,919
Buildings	147,083,672	11,413,810	-	158,497,482
Other buildings	44,078	18,913	-	62,991
Portable structures	1,341,751	178,632	(80,600)	1,439,783
Leasehold improvements	76,120	-	-	76,120
First time equipping	704,832	96,976	(106,878)	694,930
Furniture	59,098	17,339	-	76,437
Equipment	150,335	58,856	(32,327)	176,864
Computer software and hardware	2,116,503	1,895,966	(1,714,300)	2,298,169
Vehicles	365,293	105,914	-	471,207
	$ 159,842,256	$ 16,417,751	$ (1,934,105)	$ 174,325,902

19. Tangible capital assets (continued)

Net book value		(Note 16) (restated) Balance at August 31, 2020	Balance at August 31, 2021	Change
Land	$	19,274,862 $	20,010,207 $	735,345
Land improvements		7,099,642	5,582,559	(1,517,083)
Buildings		183,499,603	179,956,323	(3,543,280)
Other buildings		330,903	311,990	(18,913)
Portable structures		1,699,514	1,957,405	257,891
Construction in progress		787,033	6,019,700	5,232,667
Leasehold improvements		-	-	-
First time equipping		318,367	221,391	(96,976)
Furniture		109,468	92,129	(17,339)
Equipment		400,624	347,744	(52,880)
Computer software and hardware		2,928,448	2,179,682	(748,766)
Vehicles		348,991	243,077	(105,914)
	$	216,797,455 $	216,922,207 $	124,752

(i) Construction in progress

Construction in progress having a value of $6,019,700 (2020 - $787,033) has not been amortized. Amortization of these assets will commence when the assets are put in service.

(ii) Write-down of tangible capital assets

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

20. 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 recorded for these transfers is $782,619 with expenses based on use of $782,619. Additionally, in-kind deferred revenue was recorded in the amount of $1,077,226 with an equal offset amount in PPE/CSE supply inventory on hand.