Consolidated Financial Statements of

HALTON CATHOLIC DISTRICT SCHOOL BOARD

And Independent Auditors' Report hereon

Year ended August 31, 2021

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Halton 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.

A summary of the significant accounting policies are 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 meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Boards approval of the consolidated financial statements.

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

Patrick Daly Director of Education and Secretary of the Board	Aaron Lofts Superintendent of Business Services and Treasurer of the Board

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Halton Catholic District School Board:

Opinion

We have audited the consolidated financial statements of the Halton Catholic District School Board (the "Entity"), which comprise:

- the consolidated statement of financial position as at August 31, 2021
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows and for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at August 31, 2021, and the results of its operations and its cash flows for the year then ended 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 ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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.

KPMG

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

November 16, 2021

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

As at August 31, 2021, with comparative information for 2020

	2021	2020
Financial Assets		
Cash and cash equivalents	$ 27,624,936	$ 25,434,512
Accounts receivable (notes 2 and 18)	22,796,963	45,031,161
Long-term receivable - Government of Ontario (note 3)	166,717,068	174,475,245
Total financial assets	217,138,967	244,940,918
Financial Liabilities		
Temporary borrowing (note 4)	73,000,000	74,000,000
Accounts payable and accrued liabilities (note 18)	33,870,309	57,356,496
Deferred revenue (note 5)	22,365,790	22,899,613
Retirement and other employee future benefits payable (note 6)	6,693,878	7,364,036
Net long-term liabilities (note 7)	132,903,003	145,881,589
Deferred capital contributions (note 8)	469,740,720	455,074,415
Total financial liabilities	738,573,700	762,576,149
Net debt	(521,434,733)	(517,635,231)
Non-Financial Assets		
Prepaid expenses	33,151	457,443
Tangible capital assets (note 9)	700,088,699	675,011,040
Total non-financial assets	700,121,850	675,468,483
Accumulated surplus (note 10)	$ 178,687,117	$ 157,833,252

Contractual obligations and contingent liabilities (note 15)
Impact of COVID-19 (note 19)

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

Patrick Daly,
Director of Education and
Secretary of the Board

Patrick Murphy,
Chair of the Board

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Operations

For the year ended August 31, 2021 with comparative information for 2020

	2021 Budget	2021 Actual	2020 Actual
	(note 16)		
Revenues:			
Provincial legislative grants (note 11)	$ 405,928,032	$ 401,790,189	$ 384,029,644
Provincial grants – other (note 18)	3,493,082	17,670,805	4,420,078
	409,421,114	419,460,994	388,449,722
Federal grants and fees	3,008,562	2,314,074	2,484,462
Other fees and revenues	13,329,800	23,483,890	14,576,135
Investment income	650,000	217,780	716,527
School fundraising	10,000,000	2,414,187	8,175,096
Amortization of deferred capital contributions (note 8)	17,760,260	18,096,644	16,283,524
Total revenues	454,169,736	465,987,569	430,685,466
Expenses:			
Instruction	347,575,816	349,427,191	326,436,642
Administration	12,052,929	12,820,596	12,221,392
Transportation	9,554,859	10,529,296	8,891,123
Pupil accommodation	63,958,915	63,570,430	60,602,109
Other	3,514,528	5,071,030	1,838,159
School funded activities	10,000,000	3,715,161	7,949,524
Total expenses (note 12)	446,657,047	445,133,704	417,938,949
Annual surplus	7,512,689	20,853,865	12,746,517
Accumulated surplus, beginning of year	157,833,252	157,833,252	145,086,735
Accumulated surplus, end of year (note 10)	$ 165,345,941	$ 178,687,117	$ 157,833,252

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

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Debt

For the year ended August 31, 2021, with comparative information for 2020

	2021 Budget	2021 Actual	2020 Actual
Annual surplus	$ 7,512,689	$ 20,853,865	$ 12,746,517
Acquisition of tangible capital assets	(12,866,443)	(44,558,774)	(43,262,949)
Amortization of tangible capital assets	19,155,162	19,481,115	17,603,003
Use (receipt) of prepaid expenses	–	424,292	(141,330)
Change in net debt	13,801,408	(3,799,502)	(13,054,759)
Net debt, beginning of year	(517,635,231)	(517,635,231)	(504,580,472)
Net debt, end of year	$ (503,833,823)	$ (521,434,733)	$ (517,635,231)

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

HALTON CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

For the year ended August 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating Activities:		
Annual surplus	$ 20,853,865	$ 12,746,517
Items not involving cash:		
Amortization of tangible capital assets	19,481,115	17,603,003
Change in employee future benefits	(670,158)	1,422,316
Amortization of deferred capital contributions	(18,096,644)	(16,283,524)
Change in non-cash assets and liabilities:		
Accounts receivable	22,234,198	(26,829,096)
Accounts payable and accrued liabilities	(23,486,187)	24,691,995
Deferred revenue	(533,823)	(11,901,372)
Prepaid expenses	424,292	(141,330)
Net change in cash from operating activities	20,206,658	1,308,509
Capital Activities:		
Cash used to acquire tangible capital assets	(44,558,774)	(43,262,949)
Net change in cash from capital activities		
Financing Activities:		
Increase to deferred capital contributions	32,762,949	36,118,830
Decrease (increase) in long-term receivable - Government of Ontario	7,758,177	(3,146,536)
Debt principal repayments	(12,978,586)	(12,340,857)
Net change in cash from financing activities	27,542,540	20,631,437
Net change in cash and cash equivalents	3,190,424	(21,323,003)
Cash and cash equivalents, beginning of year	(48,565,488)	(27,242,485)
Cash and cash equivalents, end of year	$ (45,375,064)	$(48,565,488)

The components of cash and cash equivalents are as follows:

	2021	2020
Cash and cash equivalents	$ 27,624,936	$ 25,434,512
Temporary borrowings	(73,000,000)	(74,000,000)
	$ (45,375,064)	$(48,565,488)

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

1. Significant accounting policies:

The consolidated financial statements of the Halton Catholic District School Board (the “Board”) are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the Board are as follows:

(a) Basis of accounting:

The consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education (the “Ministry”) 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 requires that:

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

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

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

(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.

Consolidated entities:

- School Generated Funds

Proportionately consolidated entities:

- Halton Student Transportation Services

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 these funds are not controlled by the Board.

(d) Cash and cash equivalents:

Cash and cash equivalents comprise of cash on hand 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.

1. Significant accounting policies (continued):

(f) Deferred capital contributions:

Contributions received or receivable for the purpose of acquiring or developing depreciable tangible capital assets for use in providing services, or any contributions of depreciable tangible assets received or receivable for use in providing services, are recorded as deferred capital contributions when the asset has been acquired as required by Ontario Regulation 395/11. Amounts are recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the related asset is amortized.

(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 2016-2017: OECTA. The following ELHTs were established in 2017-2019: EWAO, CUPE, ONE-T for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), and other school board staff. Currently ONE-T ELHT also provides benefits to individuals who are retired prior to the Board's participation date in 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 provides health, dental and life insurance benefits for retired individuals that were previously represented by the following unions/federations: OECTA and CUPE.

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

1. Significant accounting policies (continued):

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

The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. In prior years, the cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee were actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. As a result of the plan change, the cost of retirement gratuities were 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. The changes resulted in a plan curtailment and any unamortized actuarial gains and losses were recognized as at August 31, 2012. 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 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.

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

(ii) 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.

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	15 years
Buildings	40 years
Furniture and equipment	5 to 15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5 to 10 years
Leasehold improvements	Over the lease term

Annual amortization is charged in the year of acquisition and in the year of disposal. 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 in estimates is $1,434,944.

Land permanently removed from service and held for sale 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 sale 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.

(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 and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the tangible capital asset is amortized.

1. Significant accounting policies (continued):

(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 Board of Trustees (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 amount 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. Actual results could differ from these current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in net expenses in the periods in which they become known. Significant estimates include assumptions used in estimating the collectability of accounts receivable to determine the allowance for doubtful accounts, in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits liabilities.

(m) Property tax revenue:

Under Canadian Public Sector Accounting Standards, the Board 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. Accounts receivable:

Accounts receivable consists of the following:

	2021	2020
Government of Canada	$ 3,404,011	$ 3,279,194
Government of Ontario	2,926,924	1,823,752
Local governments	14,343,749	37,378,965
Other	2,122,279	2,549,250
	$ 22,796,963	$ 45,031,161

3. Long-term receivable - Government of Ontario:

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

The Board has an account receivable from the Province of Ontario of $140,473,593 as at August 31, 2021 (2020 - $148,855,335) with respect to this capital grant.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry of Education 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. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2021 is $26,243,475 (2020 - $25,619,910).

4. Temporary borrowing:

To address operating requirements and to bridge capital expenses, the Board has an operating line of credit and short-term loans.

The operating line of credit bears interest at the bank's prime lending rate less 0.85%, is unsecured, is due on demand, and has a maximum limit of $175,000,000. As at August 31, 2021, the amount drawn under the operating line of credit was $Nil (2020 - $Nil).

The short-term loans bear interest ranging from 1.11% to 1.12%, are unsecured, and are due on dates ranging from September 9, 2021 to October 12, 2021. As at August 31, 2021, the Board has short-term loans of $73,000,000 (2020 - $74,000,000).

5. 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:

	Balance as at August 31, 2020	Externally restricted revenue and investment income	Revenue recognized in the period	Transfer to deferred capital contributions (note 8)	Balance as at August 31, 2021
Special education	$ 700,882	$ 49,571,191	$ (49,560,069)	$ –	$ 712,004
Mental Health Leader	–	307,666	(300,543)	–	7,123
Proceeds of disposition	15,100,094	95	–	(539,756)	14,560,433
Retrofit for childcare	1,032,200	–	–	–	1,032,200
School renewal	1,824,504	4,854,066	(897,000)	(4,600,508)	1,181,062
International students' tuition	1,971,389	1,120,254	(1,886,354)	–	1,205,289
Other	2,270,544	56,720,718	(49,801,207)	(5,522,376)	3,667,679
	$ 22,899,613	$112,573,990	$(102,445,173)	$(10,662,640)	$ 22,365,790

6. Retirement and other employee future benefits:

Retirement and other employee future benefit liabilities	Retirement benefits	Other employee future benefits	2021 Total employee future benefits	2020 Total employee future benefits
Accrued employee future benefit obligations at August 31	$ 1,726,438	$ 4,986,591	$ 6,713,029	$ 7,541,840
Less: unamortized actuarial loss at August 31	(19,151)	–	(19,151)	(177,804)
Employee future benefits liability at August 31	$ 1,707,287	$ 4,986,591	$ 6,693,878	$ 7,364,036

6. Retirement and other employee future benefits (continued):

Retirement and other employee future benefit expenses	Retirement benefits	Other employee future benefits	2021 Total employee future benefits	2020 Total employee future benefits
Current year benefit expense	$ (267,590)	$ 1,300,089	$ 1,032,499	$ 2,763,483
Interest on accrued benefit obligation	32,238	65,055	97,293	130,762
Employee future benefits expenses	$ (235,352)	$ 1,365,144	$ 1,129,792	$ 2,894,245
Total payments made during the year	$ (303,048)	$ (1,496,902)	$ (1,799,950)	$ (1,471,929)

Included in the current year benefit expense is a loss of $275,965 (2020 - income of $31,687) for amortization of net actuarial losses. The unamortized actuarial loss is amortized over the expected average remaining service life of 9.20 years (2020 - 9.54 years) other than sick leave benefits which are amortized in the year. The actuarial loss for the year was $117,312 (2020 - gain of $58,681).

Retirement benefits:

(i) Ontario Teacher's Pension Plan:

Teachers and related employee groups are eligible to be members of Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are the 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 and support staff employees of the Board are eligible to be members of the Ontario Municipal Employees' Retirement System ("OMERS"), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2021, the Board contributed $5,835,135 (2020 - $4,961,113) 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 employee future benefits (continued):

Retirement benefits (continued):

(ii) Ontario Municipal Employees Retirement System (continued):

The OMERS pension plan had a deficit as at December 31, 2020 based on the actuarial valuation of the pension benefit obligation resulting in the plan being 97.0% funded (2020 - 97.0% funded). Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

(iii) Gratuity benefits:

The Board provides 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 is based on their salary, accumulated sick days, and years of service up to 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.

The premiums are based on the Board experience and retirees' premiums may be subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, do not qualify for board subsidized premiums or contributions.

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 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.

6. Retirement and other employee future benefits (continued):

Other employee future benefits (continued):

(ii) Long-term disability salary compensation:

The Board provides long-term disability benefits including partial salary compensation during the period an employee is unable to work or until their normal retirement date. 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.

(iii) Sick leave benefits:

As a result of new changes made in 2013 to the short-term sick leave and disability plan, a maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the 2021 consolidated financial statements as a result of the change in the benefits was $769,961 (2020 - $155,258).

The accrued benefit obligations for employee future benefit plans as at August 31, 2021 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2021. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2021	2020
Inflation	1.5%	1.5%
Wage and salary escalation	0.0%	0.0%
Insurance and health care cost escalation	7% decreasing by ¼% each year to 4.5%	7.5% decreasing by ¼% each year to 4.5%
Dental cost escalation	4.5% increase per annum	4.5% increase per annum
Discount on accrued benefit obligations	1.8%	1.4%

7. Net long-term liabilities:

	2021	2020
OSBFC (2000) – F10, repayable in semi-annual installments of $959,133 plus interest at 7.20% per annum, maturing June 9, 2025	$ 6,565,557	$ 7,936,641
OSBFC (2001) – A3, repayable in semi-annual installments of $2,515,121 plus interest at 6.55% per annum, maturing October 19, 2026	22,920,968	26,283,800
OFA (2003) – A2, repayable in semi-annual installments of $189,051 plus interest at 5.80% per annum, maturing November 7, 2028	2,273,291	2,509,230
OFA (2006) – repayable in semi-annual installments of $23,381 plus interest at 4.56% per annum, maturing November 15, 2031	386,751	414,911
OFA (2007) – A1, repayable in semi-annual installments of $1,117,034 plus interest at 5.38% per annum, maturing June 25, 2032	19,259,625	20,515,438
OFA (2008) – F02, repayable in semi-annual installments of $17,597 plus interest at 4.90% per annum, maturing March 3, 2033	312,473	331,648
OFA (2008) – F03, repayable in semi-annual installments of $26,107 plus interest at 4.83% per annum, maturing March 3, 2033	465,378	494,072
OFA (2009) – repayable in semi-annual installments of $908,987 plus interest at 5.06% per annum, maturing March 13, 2034	16,996,512	17,918,957
OFA (2009) – A3, repayable in semi-annual installments of $61,119 plus interest at 5.06% per annum, maturing March 13, 2034	1,142,818	1,204,842
OFA (2010) – F02, repayable in semi-annual installments of $738,166 plus interest at 5.23% per annum, maturing April 13, 2035	14,459,429	15,151,951
OSBFC (2010) – repayable in semi- annual installments of $1,294,708, plus interest at 3.94% per annum, maturing September 19, 2025	10,254,292	12,376,536
OFA (2011) – repayable in semi-annual installments of $719,169 plus interest at 2.43% per annum, maturing November 15, 2021	710,553	2,106,226
OFA (2012) – F02, repayable in semi-annual installments of $357,767 plus interest at 3.56% per annum, maturing March 9, 2037	8,592,531	8,991,142
OFA (2014) – F02, repayable in semi-annual installments of $1,068,719 plus interest at 4.00% per annum, maturing on March 11, 2039	27,044,250	28,068,262
OFA (2015) – repayable in semi-annual installments of $53,072 plus interest at 2.99% per annum, maturing on March 9, 2040	1,518,575	1,577,933
	$ 132,903,003	$ 145,881,589

7. Net long-term liabilities (continued):

Principal payments relating to net debt of $132,903,003 are due as follows:

	Principal	Interest	Total
2021/22	$ 12,932,950	$ 6,554,146	$ 19,487,096
2022/23	12,899,025	5,868,902	18,767,927
2023/24	13,615,031	5,152,895	18,767,926
2024/25	14,372,806	4,395,121	18,767,927
2025/26	11,528,616	3,629,964	15,158,580
Thereafter	67,554,575	15,732,464	83,287,039
	$ 132,903,003	$ 41,333,492	$ 174,236,495

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

	2021	2020
Principal payments on long-term liabilities	$ 12,978,586	$ 12,340,857
Interest payments on long-term liabilities	7,227,705	7,865,408
	$ 20,206,291	$ 20,206,265

8. Deferred capital contributions:

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

	2021	2020
Opening balance, September 1	$ 455,074,415	$ 435,239,109
Additions to deferred capital contributions	22,100,309	18,133,096
Transfer from deferred revenue (note 5)	10,662,640	17,985,734
Amortization of deferred capital contributions	(18,096,644)	(16,283,524)
Ending balance, August 31	$ 469,740,720	$ 455,074,415

9. Tangible capital assets:

Year ended August 31, 2021

	Cost				Accumulated Amortization					
	Balance at August 31, 2020	Additions and transfers	Transfers, disposals and write-offs	Balance at August 31, 2021	Balance at August 31, 2020	Amortization	Transfers, disposals and write-offs	Balance at August 31, 2021	Net book value August 31, 2021	Net book value August 31, 2020
Land	$ 196,379,042	$ 12,466,086	$ –	$ 208,845,128	$ –	$ –	$ –	$ –	$ 208,845,128	$ 196,379,042
Land improvements	22,164,733	1,459,269	96,616	23,720,618	10,963,358	1,554,345	–	12,517,703	11,202,915	11,201,375
Buildings	633,688,879	11,152,270	28,385,930	673,227,079	191,380,896	15,502,179	–	206,883,075	466,344,004	442,307,983
Construction in progress	20,692,902	14,100,594	(28,385,930)	6,407,566	–	–	–	–	6,407,566	20,692,902
Furniture and equipment	7,407,543	1,069,140	(928,932)	7,547,751	4,679,466	767,432	(928,932)	4,517,966	3,029,785	2,728,077
Computer hardware	2,635,265	4,246,194	(1,434,944)	5,446,515	1,277,099	1,603,143	(1,434,944)	1,445,298	4,001,217	1,358,166
Vehicles	289,958	–	(39,756)	250,202	152,483	54,016	(39,756)	166,743	83,459	137,475
Pre-acquisition costs	206,020	65,221	(96,616)	174,625	–	–	–	–	174,625	206,020
	$ 883,464,342	$ 44,558,774	$ (2,403,632)	$ 925,619,484	$ 208,453,302	$ 19,481,115	$ (2,403,632)	$ 225,530,785	$ 700,088,699	$ 675,011,040

9. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of $6,407,566 (2020 - $20,692,902) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Write-down of tangible capital assets:

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

10. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Available for compliance - unappropriated		
Total operating surplus	$ 1,106,422	$ 1,097,153
Available for compliance – internally appropriated		
Retirement gratuities	839,785	4,060,660
WSIB	3,008,936	–
Operating reserve	11,943,549	7,943,549
School budgets	1,182,928	1,043,445
Facility capital reserve	10,447,764	9,105,113
Capital capacity planning	70,533	70,533
Committed capital interest earned	1,214,463	1,290,845
Committed capital projects	11,597,491	12,770,436
Other programs	1,741,059	1,741,057
	43,152,930	39,122,791
Unavailable for compliance		
Employee future benefit	(2,845,157)	(3,303,376)
Interest accrual	(1,935,940)	(2,132,854)
School generated funds	2,462,564	3,763,538
Revenues recognized for land	137,852,720	120,383,153
	135,534,187	118,710,461
Balance, end of year	$ 178,687,117	$ 157,833,252

11. Provincial legislative grants:

Under Public Sector Accounting Standards the entity that determines and sets the tax levy records the revenue in their consolidated financial statements. As a result, property tax revenue received from the municipalities is recorded as part of Provincial legislative grants in the amount of $91,903,643 (2020 - $94,264,521).

12. Expenses:

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

	2021 Budget Note 1(k)	2021 Actual	2020 Actual
Salary and wages	$ 301,960,595	$ 303,616,610	$ 284,886,672
Employee benefits	51,465,485	51,018,086	48,195,050
Staff development	1,281,364	1,173,845	735,155
Supplies and services	36,976,951	33,118,671	30,291,275
Interest	7,030,782	7,030,782	7,679,039
Rental expense	4,495,381	3,069,187	4,772,541
Fees and contract services	21,333,010	21,110,266	20,537,260
Other	2,958,317	5,515,142	3,238,954
Amortization of tangible capital assets	19,155,162	19,481,115	17,603,003
	$ 446,657,047	$ 445,133,704	$ 417,938,949

13. Partnership in Halton Student Transportation Services:

On September 1, 2007, the Board entered into an agreement with Halton District School Board, Le Conseil scolaire de district Catholique due Centre-Sud and Le Conseil scolaire de district due Centre-Sud-Ouest to provide common administration of student transportation services. On February 10, 2009, Service de Transport des Eleves de Halton/Halton Student Transportation Services (HSTS) was incorporated under the Corporations Act of Ontario. A revised agreement dated April 17, 2009 was created in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the School Boards. Each Board participates in the shared costs associated with this service for the transportation of their respective students through HSTS.

Effective September 1, 2013, two school boards have left the partnership and the partnership is supplying services exclusively to Halton District School Board and the Board.

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

13. Partnership in Halton Student Transportation Services (continued):

The following provides condensed financial information:

	2021 Total	2021 Board portion	2020 Total	2020 Board portion
Financial Position:				
Financial assets	$ 778,985	$ 294,625	$ 236,365	$ 87,470
Financial liabilities	(794,525)	(300,502)	(259,244)	(95,936)
Non-financial assets	16,300	6,165	23,639	8,748
Accumulated surplus	$ 760	$ 288	$ 760	$ 282
Operations:				
Revenues	$ 30,451,648	$10,532,222	$ 24,027,244	$ 8,891,550
Expenses	(30,451,648)	(10,532,222)	(24,027,244)	(8,891,550)
Accumulated surplus	$ –	$ –	$ –	$ –

14. Ontario School Board Insurance Exchange (OSBIE):

The school 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 per occurrence.

The ultimate premiums over a one-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 one-year term expires January 1, 2022.

15. Contractual obligations and contingent liabilities:

(i) The Board has obligations under operating leases that require annual lease payments in the following amounts:

2021/22	$ 3,990,565
2022/23	2,725,643
2023/24	2,042,495
2024/25	1,426,478
2025/26 and thereafter	336,001

15. Contractual obligations and contingent liabilities (continued):

(ii) The Board was contingently liable under letters of credit issued to municipalities with respect to construction projects in the amount of $2,841,356 (2020 - $3,329,853).

(iii) The nature of the Board activities is such that there is usually litigation pending or in the prospect at any time. With respect to claims at August 31, 2021, management believes that the Board has valid defenses and appropriate insurance coverage in place. In the event claims are successful, management believes that such claims are not expected to have a material effect on the Board’s financial position.

(iv) The Board, in the normal course of business, enters into commodities contracts, in order to fix the price of commodities to be acquired in the future. The Board has entered into these contracts in conjunction with two consortiums which includes other school boards.

16. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2021 original budget approved by the Board on July 29, 2020.

17. Repayment of “55 School Board Trust” funding:

On June 1, 2003, the Board received $635,000 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 not reflected in the Board’s financial position.

18. 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 $3,098,766 with expenses based on use of $3,098,766 for a net impact of $Nil.

19. Impact of COVID-19:

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") a global pandemic. This resulted in the Province mandating that all Boards close their schools and administrative buildings on March 13, 2020 and moving to online/learn-from-home education format for the remainder of the 2019-2020 school year based on recommendations from Public Health Ontario. For the 2020-2021 school year the schools reopened to students, effective September 2020, with enhanced public health protocols, or the option to continue with online education and at-home distance learning. The Board continues to monitor the situation and plan for potential changes during the fiscal 2021 school year and beyond.

As a result of the pandemic, the Board may experience increased risk exposure in several areas. This includes an increased credit risk exposure on accounts receivable where the risk of default on contractual obligations may increase and continued reduction in international tuition fees.

The Board is actively monitoring cash flow forecasts and budget. Due to the response to COVID-19, the Province of Ontario extended the deadlines for municipalities to pay Education Property Tax ("EPT") amounts to the Board in 2020. This amount for the Board was $Nil (2020 - $36,053,320) and has been included in accounts receivable on the statement of financial position. This amount was recovered fully by the Board in the 2020-21 school year. To mitigate the financial impact of this deferral, the Province adjusted its cash flow through the School Board Operating Grant in July 2020 to pay an additional amount equal to about 25% of the annual education property tax amount as forecasted by the Board in the 2019-20 Revised Estimates. This amount for the Board was $Nil (2020 - $24,072,106) and is included in accounts payable and accrued liabilities on the statement of financial position. This amount was recovered by the Province in 2021.