

Renfrew County Catholic District School Board

Consolidated Financial Statements

For the year ended 31 August 2022

MANAGEMENT REPORT

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Management's Responsibility for the Consolidated Financial Statements:

The accompanying consolidated financial statements of the Renfrew County 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.

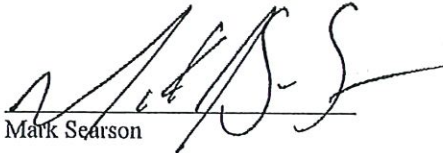
The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely 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 Board of Trustees approval of the consolidated financial statements.

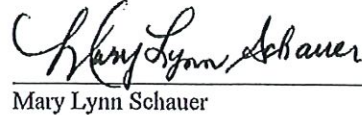
The consolidated financial statements have been audited by MacKillican and Associates, independent external auditors appointed by the Board of Trustees. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated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

Director of Education

Superintendent of Business Services



Mark Searson



Mary Lynn Schauer

9 January 2023.

*We are an inclusive Catholic
learning community called to
love unconditionally and
educate hearts and minds in
the way of Christ.*

Schools to believe in!

Renfrew County Catholic District School Board

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For the year ended 31 August 2022

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**MACKILLICAN
& ASSOCIATES**
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Renfrew County Catholic District School Board.

Opinion

We have audited the consolidated financial statements of the Renfrew County Catholic District School Board (the Board), which comprise:

- the consolidated statement of financial position as at 31 August 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Board as at 31 August 2022, and the results of its consolidated 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 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.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements 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, 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 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 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at *MacKillican's* website at: http://mackillicans.com/PDF/Auditors_Responsibilities.pdf. This description forms part of our auditor's report.

MacKillican & Associates

RENFREW, Ontario.
9 January 2023.

**Chartered Professional Accountants,
Licensed Public Accountants.**

Renfrew County Catholic District School Board

Consolidated Statement of Financial Position

As at 31 August 2022
(with 2021 figures for comparison)

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 6,565,385	\$ 9,001,451
Accounts receivable (Note 2)	3,688,925	3,288,626
Accounts receivable - Government of Ontario (Note 3)	27,441,221	31,954,114
Other	<u>9,793</u>	<u>16,754</u>
	\$ <u>37,705,324</u>	\$ <u>44,260,945</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 5,297,543	\$ 10,882,802
Net long term debt (Note 7)	10,962,402	11,674,254
Deferred revenue (Note 4)	7,966,868	6,955,200
Deferred capital contributions (Note 5)	51,340,818	49,270,179
Employee future benefits (Note 6)	<u>2,470,268</u>	<u>3,031,588</u>
	\$ <u>78,037,899</u>	\$ <u>81,814,023</u>
Net debt	\$ <u>(40,332,575)</u>	\$ <u>(37,553,078)</u>
Non-financial assets:		
Tangible capital assets - net (Notes 1 (j) and 12)	\$ 54,660,314	\$ 52,234,158
Prepaid expenses	<u>231,722</u>	<u>91,291</u>
	\$ <u>54,892,036</u>	\$ <u>52,325,449</u>
Accumulated surplus (Note 13)	\$ <u>14,559,461</u>	\$ <u>14,772,371</u>

Approved on behalf of the Board:

 Director of Education

 Chairperson of the Board

(See accompanying notes)

Renfrew County Catholic District School Board
Consolidated Statement of Operations and Accumulated Surplus
For the year ended 31 August 2022
(with 2022 budget and 2021 actual figures for comparison)

	<u>2022</u> <u>Budget</u>	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Revenue:			
Provincial grants - student needs	\$ 70,558,596	\$ 71,669,167	\$ 69,671,009
- other	1,796,930	4,180,343	4,072,836
Federal grants and fees	136,286	160,954	163,386
Other revenues - school boards		61,342	
Other fees and revenues	593,072	889,171	744,125
Investment income	50,100	36,400	65,683
School fundraising	1,174,000	1,016,656	373,123
Recognition of deferred capital contributions	<u>3,667,892</u>	<u>4,207,926</u>	<u>3,639,738</u>
	<u>\$ 77,976,876</u>	<u>\$ 82,221,959</u>	<u>\$ 78,729,900</u>
Expenses:			
Instruction	\$ 56,017,900	\$ 56,823,370	\$ 55,379,528
Pupil accommodation	11,410,105	12,807,859	12,345,473
Transportation	5,652,019	6,255,547	5,429,763
Administration	3,646,068	3,954,044	3,418,911
Other operating expenses	766,332	1,528,932	1,599,988
School funded activities	<u>1,174,000</u>	<u>1,065,117</u>	<u>524,775</u>
	<u>\$ 78,666,424</u>	<u>\$ 82,434,869</u>	<u>\$ 78,698,438</u>
Surplus (deficit) for the year	\$ (689,548)	\$ (212,910)	\$ 31,462
Accumulated surplus, beginning of year	<u>14,772,371</u>	<u>14,772,371</u>	<u>14,740,909</u>
Accumulated surplus, end of year	<u>\$ 14,082,823</u>	<u>\$ 14,559,461</u>	<u>\$ 14,772,371</u>

(See accompanying notes)

Renfrew County Catholic District School Board

Consolidated Statement of Change in Net Debt

For the year ended 31 August 2022
(with 2021 figures for comparison)

	<u>2022</u>	<u>2021</u>
Surplus (deficit) for the year	\$ <u>(212,910)</u>	\$ <u>31,462</u>
Tangible capital assets:		
Acquisition of tangible capital assets	\$ (6,798,864)	\$ (7,774,276)
Amortization of tangible capital assets	4,372,708	3,804,519
Loss on disposal of tangible capital assets	(18,900)	
Proceeds on disposal of tangible capital assets	<u>18,900</u>	<u> </u>
	\$ <u>(2,426,156)</u>	\$ <u>(3,969,757)</u>
Other non-financial assets:		
Decrease (increase) in inventories of supplies		\$ 193,199
Decrease (increase) in prepaid expenses	\$ <u>(140,431)</u>	<u>41,334</u>
	\$ <u>(140,431)</u>	\$ <u>234,533</u>
Decrease (increase) in net debt	\$ (2,779,497)	\$ (3,703,762)
Net debt, beginning of year	<u>(37,553,078)</u>	<u>(33,849,316)</u>
Net debt, end of year	\$ <u>(40,332,575)</u>	\$ <u>(37,553,078)</u>

(See accompanying notes)

Renfrew County Catholic District School Board

Consolidated Statement of Cash Flows

For the year ended 31 August 2022

(with 2021 figures for comparison)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Surplus (deficit) for the year	\$ (212,910)	\$ 31,462
Add (deduct) items not involving cash:		
Amortization of tangible capital assets	4,372,708	3,804,519
Loss on disposal of tangible capital assets	(18,900)	
Deferred capital contributions revenue net of loss on disposal	(4,207,926)	(3,639,738)
Net change in non cash working capital balances related to operations:		
Decrease (increase) in accounts receivable	(400,299)	(230,147)
Decrease (increase) delayed grant payments	(594,026)	(1,582,843)
Increase (decrease) in accounts payable and accrued liabilities	(5,585,259)	2,213,425
Increase (decrease) in deferred revenue	188,100	(21,423)
Increase (decrease) in employee future benefits	(561,320)	229,372
Decrease (increase) in other assets	6,961	(6,961)
Decrease (increase) in prepaid expenses	(140,431)	41,334
Decrease (increase) in inventories of supplies	<u>193,199</u>	<u>193,199</u>
Cash flows from (used for) operating activities	\$ <u>(7,153,302)</u>	\$ <u>1,032,199</u>
Cash flows used for capital activities:		
Proceeds on disposal of tangible capital assets	\$ 18,900	
Cash used to acquire tangible capital assets	<u>(6,798,864)</u>	\$ <u>(7,774,276)</u>
Cash flows used for capital activities	\$ <u>(6,779,964)</u>	\$ <u>(7,774,276)</u>
Cash flows from financing activities:		
Long term debt repayments	\$ (711,852)	\$ (680,194)
Increase in accounts receivable - Government of Ontario	5,106,919	(4,344,725)
Additions to deferred capital contributions	6,278,565	7,774,279
Increase in deferred revenues - capital	<u>823,568</u>	<u>1,226,973</u>
Cash flows from financing activities	\$ <u>11,497,200</u>	\$ <u>3,976,333</u>
Net increase (decrease) in cash and cash equivalents during the year	\$ (2,436,066)	\$ (2,765,744)
Cash and cash equivalents at the beginning of the year	<u>9,001,451</u>	<u>11,767,195</u>
Cash and cash equivalents at the end of the year	\$ <u><u>6,565,385</u></u>	\$ <u><u>9,001,451</u></u>

(See accompanying notes)

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Renfrew County Catholic District School Board (the Board) are prepared by management in accordance with the basis of accounting described below:

a) Basis of Accounting:

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

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

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

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian Public Sector Accounting Standards which require that:

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

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

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

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 Renfrew County 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.

Consolidated entities:

- School Generated Funds

Proportionately consolidated entities:

- Renfrew County Joint Transportation Consortium

Interdepartmental and interorganizational 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 are comprised of cash on hand, cash in bank and short term investments. Short term investments are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

e) Investments:

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

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

f) Deferred Revenue:

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

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Deferred Capital Contributions:

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

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

h) Employee Future Benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include life insurance, retirement gratuity, workers' safety and insurance benefits, long term disability benefits and sick leave benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: OECTA. The following ELHTs were established in 2017-18: CUPE, OCEW and ONE-T for non-unionized employees including principals, and vice-principals. The ELHTs provide health, life insurance and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual staff) and other school board staff (excluding casual and temporary staff). ONE-T ELHT also provides benefits to individuals who retired prior to the school board's participation dated 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.

The Board continues to provide health, dental and life insurance benefits for certain OECTA retired individuals. The Board has no liability for these plans.

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

- i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care 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 and years of service as at 31 August 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.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

1. SIGNIFICANT ACCOUNTING POLICIES (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 and sick leave, 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 workers' compensation, 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 pensions, 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.

i) Government Transfers:

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

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

j) 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.

Capitalization threshold are as follows:

Land	\$	All
Land improvements		10,000
Buildings, portable structures and other buildings		10,000
Construction projects in progress		10,000
First-time equipping		All
Furniture and equipment		5,000
Computer hardware and software (including certain software licences)		5,000
Vehicles		All
Leasehold improvements - land		All
Leasehold improvements - buildings		10,000
Leasehold improvements - other		5,000

Renfrew County Catholic District School BoardNotes to the Consolidated Financial StatementsFor the year ended 31 August 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Tangible Capital Assets (Continued):

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

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

Buildings and building improvements	40 years
Portable structures	20 years
Land improvements with finite lives	15 years
Furniture	10 years
Equipment	5-15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5 years

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.

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.

k) Investment Income:

Investment income is reported as revenue in the period earned.

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

l) 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. The budget figures are unaudited.

Renfrew County Catholic District School BoardNotes to the Consolidated Financial StatementsFor the year ended 31 August 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Use of Estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 (a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in net expenditures 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, in performing actuarial valuations of employee future benefits liabilities and the estimated useful lives of tangible capital assets.

n) Long Term Debt:

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

o) Education Property Tax Revenue:

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

2. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	<u>2022</u>	<u>2021</u>
Government of Canada	\$ 1,145,049	\$ 1,521,688
Government of Ontario	1,516,742	771,143
Local municipalities	713,044	597,013
Other	<u>314,090</u>	<u>398,782</u>
	<u>\$ 3,688,925</u>	<u>\$ 3,288,626</u>

Renfrew County Catholic District School BoardNotes to the Consolidated Financial StatementsFor the year ended 31 August 2022**3. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO**

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009 - 2010. The Board received a one-time grant that recognizes capital debt as of 31 August 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 long term receivable.

The Board has a long term receivable from the Province of Ontario of \$ 12,933,615 (2021 - \$ 18,040,534) with respect to capital grants. The receivable balance is comprised of School Condition Improvement \$ 918,157 (2021 - \$ 2,670,754), Permanently Financed Debt \$ 10,962,402 (2021 - \$ 11,674,254), Capital Priorities \$ 74,588 (2021 - \$ 5,945), COVID-19 Resilience Infrastructure Stream \$ 978,468 (2021 - \$ 3,494,295) and Climate Action Incentive \$ Nil (2021 - \$ 195,286).

Delayed Grant Payments:

The Ministry of Education introduced a cash management strategy effective 1 September 2018. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of the delayed grant payments included in the receivable balance from the Government of Ontario is \$ 14,507,606 (2021 - \$ 13,913,580).

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.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

4. DEFERRED REVENUE (Continued)

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

	Balance as at 31 August <u>2021</u>	Externally Restricted Revenue and Investment <u>Income</u>	Revenue Recognized in the <u>Period</u>	Transfer to Deferred Capital <u>Contributions</u>	Balance as at 31 August <u>2022</u>
Legislative grants:					
Special Education/SEA formula based funding/ABA	\$ 607,388	\$ 9,835,800	\$ 9,777,650		\$ 665,538
Library Staff		85,287	85,287		
Targeted Student Support Envelope		216,508	216,508		
Indigenous Education	113,312	625,614	570,305		168,621
Mental Health Workers Envelope		144,246	144,246		
School renewal	4,769,194	1,124,951		\$ 5,358	5,888,787
Minor tangible capital assets		1,778,357	1,778,357		
Rural and Northern Education Fund		261,728	261,728		
Interest on capital		546,756	546,756		
Temporary accommodation	591,794	106,903	61,013	234,967	402,717
Experiential Learning Envelope	14,365	280,407	262,907		31,865
	<u>\$ 6,096,053</u>	<u>\$ 15,006,557</u>	<u>\$ 13,704,757</u>	<u>\$ 240,325</u>	<u>\$ 7,157,528</u>
Other Ministry of Education grants:					
PPF - Technological devices		\$ 261,870	\$ 261,870	\$ -	
Misc. EPO	<u>\$ 655,157</u>	<u>3,166,778</u>	<u>3,092,137</u>		<u>\$ 729,798</u>
	<u>\$ 655,157</u>	<u>\$ 3,428,648</u>	<u>\$ 3,354,007</u>	<u>\$ -</u>	<u>\$ 729,798</u>
Third Party grants:					
Operating - Miscellaneous	\$ 65,508				\$ 65,508
Capital - Proceeds of Disposition	<u>138,482</u>	<u>\$ 282,626</u>	<u>\$ 124,448</u>	<u>\$ 282,626</u>	<u>14,034</u>
	<u>\$ 203,990</u>	<u>\$ 282,626</u>	<u>\$ 124,448</u>	<u>\$ 282,626</u>	<u>\$ 79,542</u>
	<u>\$ 6,955,200</u>	<u>\$ 18,717,831</u>	<u>\$ 17,183,212</u>	<u>\$ 522,951</u>	<u>\$ 7,966,868</u>

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

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 Ontario Regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year	\$ 49,270,179	\$ 45,135,638
Additions to deferred capital contributions	6,278,565	7,774,279
Revenue recognized in the year	<u>(4,207,926)</u>	<u>(3,639,738)</u>
Balance at the end of the year	\$ <u>51,340,818</u>	\$ <u>49,270,179</u>

6. EMPLOYEE FUTURE BENEFITS

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, retirement gratuity, workers' compensation and long term disability benefits.

(a) 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 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 qualifying 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 31 August 2022, the Board contributed \$ 979,321 (2021 - \$ 898,520) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

(iii) Retirement Gratuities:

The Board provides retirement gratuities to certain groups of employees hired prior to specific dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is now based on their salary, accumulated sick days and years of service at 31 August 2012. The liability as at 31 August 2022 is \$ 1,801,059 (2021 - \$ 1,929,892) and total payments for the year were \$ 229,284 (2021 - \$ 330,792).

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

6. EMPLOYEE FUTURE BENEFITS (Continued)

(b) 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 1/2 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision. The liability as at 31 August 2022 is \$ 609,361 (2021 - \$ 1,034,249) and total work place and safety payments during the year were \$ 236,204 (2021 - \$ 99,580).

(ii) Sick Leave 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 illness paid through the short-term leave and disability plan in that year. The liability as of 31 August 2022 is \$ 59,848 (2021 - \$ 67,447). The benefit costs expensed in the consolidated financial statements are \$ 43,365 (2021 - \$ 81,641).

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 31 August 2022 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at 31 August 2022.

(iii) Long-term Disability Benefits:

The Board provides long-term disability benefits during the period an eligible 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.

- (c) The accrued benefit obligations for employee future benefit plans as at 31 August 2022 are based on the most recent actuarial valuations completed for accounting purposes as at 31 August 2022 (date actuarial probabilities were determined) and based on updated average daily salary and banked sick days as at 31 August 2022. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	<u>2022</u>	<u>2021</u>
	%	%
Inflation	2.0	1.5
Wages and salary escalation	-	-
Discount on accrued benefit obligations	3.90	1.80

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

6. EMPLOYEE FUTURE BENEFITS (Continued)

Information with respect to the Board's retirement and other employee future benefit obligations is as follows:

Retirement and other
employee future benefit
liabilities:

	2022			2021	
	<u>Sick leave</u>	<u>Retirement Gratuity</u>	<u>WSIB</u>	<u>Total employee future benefits</u>	<u>Total employee future benefits</u>
Accrued employee future benefit obligations	\$ 59,848	\$ 1,943,248	\$ 609,361	\$ 2,612,457	\$ 3,360,352
Unamortized actuarial gains (losses)		(142,189)		(142,189)	(328,764)
Employee future benefit liabilities	<u>\$ 59,848</u>	<u>\$ 1,801,059</u>	<u>\$ 609,361</u>	<u>\$ 2,470,268</u>	<u>\$ 3,031,588</u>

Retirement and other
employee future benefit
expenses:

	2022			2021	
	<u>Sick leave</u>	<u>Retirement Gratuity</u>	<u>WSIB</u>	<u>Total employee future benefits</u>	<u>Total employee future benefits</u>
Current year benefit cost	\$ 59,848		\$ (205,074)	\$ (145,226)	\$ 586,611
Interest on accrued benefit		\$ 38,592	16,490	55,082	49,042
Amortization of interest on accrued actuarial gain (loss)	(16,483)	61,859		45,376	84,671
Employee future benefit expenses	<u>\$ 43,365</u>	<u>\$ 100,451</u>	<u>\$ (188,584)</u>	<u>\$ (44,768)</u>	<u>\$ 720,324</u>

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

6. EMPLOYEE FUTURE BENEFITS (Continued)

	2022			2021	
	Sick leave	Retirement Gratuity	WSIB	Total employee future benefits	Total Employee future benefits
Continuity of liabilities:					
Balance, beginning of year	\$ 67,447	\$ 1,929,892	\$ 1,034,249	\$ 3,031,588	\$ 2,802,216
Expenses for the year	43,365	100,451	(188,584)	(44,768)	720,324
Benefits paid	(50,964)	(229,284)	(236,304)	(516,552)	(490,952)
Balance, end of year	<u>\$ 59,848</u>	<u>\$ 1,801,059</u>	<u>\$ 609,361</u>	<u>\$ 2,470,268</u>	<u>\$ 3,031,588</u>
Continuity of obligations:					
Balance, beginning of year	\$ 67,447	\$ 2,258,656	\$ 1,034,249	\$ 3,360,352	\$ 3,253,771
Actuarial losses (gains)	(16,483)	(124,716)		(141,199)	(38,120)
Current period benefit cost	59,848		(205,074)	(145,226)	590,104
Interest on accrued benefits		38,592	16,490	55,082	45,549
Benefits paid	(50,964)	(229,284)	(236,304)	(516,552)	(490,952)
Balance, end of year	<u>\$ 59,848</u>	<u>\$ 1,943,248</u>	<u>\$ 609,361</u>	<u>\$ 2,612,457</u>	<u>\$ 3,360,352</u>
Continuity of unamortized actuarial losses:					
Balance, beginning of year	\$ -	\$ (328,764)	\$ -	\$ (328,764)	\$ (451,555)
Current year loss (gain)	(16,483)	124,716		108,233	38,120
Amortization actuarial losses	16,483	61,859		78,342	84,671
Balance, end of year	<u>\$ -</u>	<u>\$ (142,189)</u>	<u>\$ -</u>	<u>\$ (142,189)</u>	<u>\$ (328,764)</u>

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

7. NET LONG TERM DEBT

Net long term debt reported on the consolidated statement of financial position comprises of the following:

	<u>2022</u>	<u>2021</u>
Debenture #1 - 5.118%, matures on 6 April 2028	\$ 1,586,442	\$ 1,807,161
Debenture #2 - 4.560%, matures on 15 November 2031	860,299	931,232
Debenture #3 - 4.950%, matures on 3 March 2033	431,038	460,712
Debenture #4 - 5.112%, matures on 13 March 2034	611,718	648,731
Debenture #5 - 5.232%, matures on 13 April 2035	1,627,596	1,714,039
Debenture #6 - 4.833%, matures on 11 March 2036	477,889	501,729
Debenture #7 - 3.799%, matures on 19 March 2038	<u>5,367,420</u>	<u>5,610,650</u>
	<u>\$ 10,962,402</u>	<u>\$ 11,674,254</u>

Principal and interest payments relating to net debenture debt of \$ 10,962,402 outstanding as at 31 August 2022 are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022 - 2023	\$ 745,008	\$ 476,189	\$ 1,221,197
2023 - 2024	779,738	441,459	1,221,197
2024 - 2025	816,116	405,083	1,221,199
2025 - 2026	853,862	367,338	1,221,200
2026 - 2027	893,731	327,468	1,221,199
Thereafter	<u>6,873,947</u>	<u>1,444,344</u>	<u>8,318,291</u>
	<u>\$ 10,962,402</u>	<u>\$ 3,461,881</u>	<u>\$ 14,424,283</u>

8. TEMPORARY BORROWING

The Board has a \$ 9,000,000 unsecured operating line of credit available bearing interest at the prime rate minus 0.5%, of which \$ Nil (2021 - \$ Nil) was drawn at year end.

9. DEBT CHARGES AND CAPITAL LOANS INTEREST

	<u>2022</u>	<u>2021</u>
Principal payments on long term debt	\$ 711,852	\$ 680,194
Interest payments on long term debt	<u>509,346</u>	<u>541,003</u>
	<u>\$ 1,221,198</u>	<u>\$ 1,221,197</u>

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

10. GRANTS FOR STUDENT NEEDS

School Boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property taxes. Municipalities in which the Board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. 87% of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	<u>2022</u>	<u>2021</u>
Provincial Legislative Grants	\$ 65,706,442	\$ 63,228,562
Education Property Taxes	<u>5,962,725</u>	<u>6,442,447</u>
Grants for Student Needs	<u>\$ 71,669,167</u>	<u>\$ 69,671,009</u>

11. EXPENSES BY OBJECT

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

	<u>2021 - 2022</u>	<u>2021 - 2022</u>	<u>2020 - 2021</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		
	(Note 1 (I))		
Expenses by object:			
Salary and wages	\$ 48,704,321	\$ 49,299,718	\$ 47,976,992
Employee benefits	8,592,733	8,484,177	8,945,151
Staff development	642,970	443,595	317,936
Supplies and services	6,891,842	8,438,161	7,649,699
Interest	509,345	509,345	541,003
Rental expenses	50,392	76,945	76,237
Fees and contract services	7,396,013	8,099,826	7,156,596
Other	872,132	1,645,274	1,705,527
School funded activities	1,174,000	1,065,117	524,775
Amortization of tangible capital assets	<u>3,832,676</u>	<u>4,372,711</u>	<u>3,804,522</u>
	<u>\$ 78,666,424</u>	<u>\$ 82,434,869</u>	<u>\$ 78,698,438</u>

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

12. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	<u>Balance at 31 August 2021</u>	<u>Additions</u>	<u>Disposals, write-offs, (transfers) and adjustments</u>	<u>Balance at 31 August 2022</u>
Land	\$ 951,678	\$ 520,298		\$ 1,471,976
Land improvements	5,165,768		\$ 82,127	5,247,895
Buildings	78,122,646		5,794,311	83,916,957
Construction in progress	5,816,196	6,043,599	(5,876,438)	5,983,357
Portable structures	1,382,346	234,967		1,617,313
Furniture	249,221			249,221
First time equipping	170,398			170,398
Equipment	278,835			278,835
Computer hardware	979,781			979,781
Computer software	108,383			108,383
Vehicles	119,160			119,160
Total	<u>\$ 93,344,412</u>	<u>\$ 6,798,864</u>	<u>\$ -</u>	<u>\$ 100,143,276</u>

<u>Accumulated amortization</u>	<u>Balance at 31 August 2021</u>	<u>Amortization</u>	<u>Disposals, write-offs and adjustments</u>	<u>Balance at 31 August 2022</u>
Land improvements	\$ 1,704,204	\$ 365,092	\$ -	\$ 2,069,296
Buildings	37,174,970	3,726,156		40,901,126
Portable structures	912,499	42,007		954,506
Furniture	216,133	11,259		227,392
First time equipping	168,450	1,945		170,395
Equipment	221,843	18,648		240,491
Computer hardware	520,360	183,769		704,129
Computer software	108,383			108,383
Vehicles	83,412	23,832		107,244
Total	<u>\$ 41,110,254</u>	<u>\$ 4,372,708</u>	<u>\$ -</u>	<u>\$ 45,482,962</u>

<u>Net book value</u>	<u>Balance at 31 August 2021</u>	<u>Balance at 31 August 2022</u>
Land	\$ 951,678	\$ 1,471,976
Land improvements	3,461,564	3,178,599
Buildings	40,947,676	43,015,831
Construction in progress	5,816,196	5,983,357
Portable structures	469,847	662,807
Furniture	33,088	21,829
First time equipping	1,948	3
Equipment	56,992	38,344
Computer hardware	459,421	275,652
Vehicles	35,748	11,916
Total	<u>\$ 52,234,158</u>	<u>\$ 54,660,314</u>

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

12. TANGIBLE CAPITAL ASSETS (Continued)

Assets under construction:

Assets under construction having a value of \$ 5,983,357 (2021 - \$ 5,816,196) have not been amortized.

Amortization of these assets will commence when the asset is put into service.

13. ACCUMULATED SURPLUS

In accordance with the Education Act of Ontario, Section 231(1), effective 1 September 2010, there is restriction on the use of the School Board's accumulated surplus equal to the lesser of the available balance of the accumulated surplus from the preceeding year and 1% of a School Board's operating revenue. Operating revenue is defined as operating allocations from the School Board's Grants for Student Needs from the Ministry of Education of Ontario less any strike savings. Any use beyond 1% will require approval by the Ministry.

The portion of the School Board's accumulated surplus which is available to be used for compliance with this legislative requirement has also been defined by the Ministry. Therefore, the School Board's accumulated surplus presented herein has been segregated between available for compliance and unavailable for compliance.

Accumulated surplus consists of the following:	<u>2022</u>	<u>2021</u>
Available for compliance - unappropriated:		
Total operating accumulated surplus	\$ 135,970	\$ 135,978
Available for compliance - internally appropriated:		
Retirement Gratuities	428,642	428,642
Vacation Pay/Transportation/Information Technology	2,131,992	2,122,574
Maintenance, Buildings and grounds	3,654,989	4,007,560
Health and Safety/Miscellaneous	326,243	325,228
CUPE ISP	58,992	58,992
Committed capital projects:		
St. Francis of Assisi	906,192	935,903
Bishop Smith Catholic High School	479,917	538,905
St. John XXIII	108,833	139,927
St. Michael's	119,530	153,682
Our Lady of Sorrows	233,045	243,884
Future capital projects	<u>4,010,940</u>	<u>4,188,758</u>
Total accumulated surplus available for compliance	\$ <u>12,595,285</u>	\$ <u>13,280,033</u>
Unavailable for compliance - externally appropriated:		
School generated funds	\$ 492,199	\$ 540,660
Revenues recognized for land	<u>1,471,977</u>	<u>951,678</u>
Total externally appropriated	\$ <u>1,964,176</u>	\$ <u>1,492,338</u>
Total accumulated surplus	\$ <u><u>14,559,461</u></u>	\$ <u><u>14,772,371</u></u>

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

14. TRUST FUNDS

Trust funds administered by the Board amounting to \$ 803,354 (2021 - \$ 790,530) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

15. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. The School Board entered into this agreement on 26 February 2003. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$ 27,000,000.

The premiums over a five year period are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five-year term expires 31 December 2026. The occurrence of future losses and their impact on future premiums is not determinable. Premiums paid to OSBIE for the policy year ending 31 January 2023, amounted to \$ 90,470 (2021 - \$ 86,740).

16. CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

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 31 August 2022 cannot be predicted with certainty, it is in the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operations.

The Board has commitments with respect to capital projects of \$ 1,844,240 (2021 - \$ 10,565,121). As of 31 August 2022, expenses of \$ 802,793 (2021 - \$ 5,392,172) have been incurred.

17. PARTNERSHIP IN RENFREW COUNTRY JOINT TRANSPORTATION CONSORTIUM

On 23 November 2010, the Renfrew County Joint Transportation Consortium (RCJTC) was incorporated under the Corporations Act of Ontario. On 30 September 2010, the Board entered into an agreement with the Renfrew County District School Board in order to provide common administration of student transportation in the Region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of the Renfrew County Joint Transportation Consortium are shared. No partner is in a position to exercise unilateral control.

Each Board participates in the shared costs associated with this service for the transportation of their respective students through the RCJTC. The Board's consolidated financial 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. The Board's pro-rata share for 2022 is 37.7664% (2021 - 36.7743%). Interorganizational transactions and balances have been eliminated.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

17. PARTNERSHIP IN RENFREW COUNTRY JOINT TRANSPORTATION CONSORTIUM
(Continued)

The following provides condensed financial information:

	<u>2022</u>		<u>2021</u>	
	<u>Total</u>	<u>Board Portion</u>	<u>Total</u>	<u>Board Portion</u>
Financial position:				
Financial assets	\$ 280,326	\$ 101,584	\$ 416,077	\$ 153,009
Liabilities	(331,324)	(120,064)	(483,896)	(177,949)
Non-financial assets	<u>50,998</u>	<u>18,480</u>	<u>67,819</u>	<u>24,940</u>
Accumulated surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Operations:				
Revenues	\$ 15,513,643	\$ 5,858,940	\$ 13,756,034	\$ 5,297,888
Expenses	<u>(15,513,643)</u>	<u>(5,858,940)</u>	<u>(13,756,034)</u>	<u>(5,297,888)</u>
Annual surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

18. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

On 1 June 2003, the Board received \$ 8,891,329 from the 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30 year agreement it entered into with the Trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the Trust. Under the terms of the agreement, the 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the Trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position.

19. RELATED PARTY TRANSACTIONS - ONTARIO FINANCING AUTHORITY

The Board has an existing agreement with the Ontario Financing Authority, a corporation established under the Capital Investment Plan Act, 1993, to provide financing for long-term debt. The first loan agreement came into effect on 15 November 2006. All loans are repayable by semi-annual installments of combined (blended) principal and interest, with the last loan coming due by 19 March 2038. The specific loans pertaining to the agreement outlined in Note 8 Net Long Term Debt, are as follows:

	<u>Principal</u>	<u>Interest (%)</u>	<u>Annual Payment (\$)</u>	<u>Current Balance (\$)</u>
Debenture #2	\$ 1,669,353	4.560%	\$ 112,597	\$ 860,299
Debenture #3	740,125	4.950%	51,889	431,038
Debenture #4	974,468	5.112%	69,389	611,718
Debenture #5	2,420,881	5.232%	175,006	1,627,596
Debenture #6	686,788	4.833%	47,804	477,889
Debenture #7	7,259,466	3.799%	454,090	5,367,420

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

20. IN-KIND TRANSFERS FROM THE MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the Board's records. The in-kind revenue recorded for these transactions is \$ 634,698 with expenses based on use of \$ 634,698 for a net impact of \$ Nil.

21. IMPACT OF COVID-19

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

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

22. FUTURE ACCOUNTING STANDARD ADOPTION

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

While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments*, PS 3280 *Asset Retirement Obligations* and PS 3450 *Financial Instruments* must be implemented at the same time. The Board has not adopted any new accounting standards for the year ended 31 August 2022.

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

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

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

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2022

22. FUTURE ACCOUNTING STANDARD ADOPTION (Continued)

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

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

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

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

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

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

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

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.