

Consolidated Financial Statements of

**CATHOLIC DISTRICT
SCHOOL BOARD OF
EASTERN ONTARIO**

Year ended August 31, 2022

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Catholic District School Board of Eastern Ontario are the responsibility of Board management and have been prepared in compliance 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 judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The Audit Committee of the Board meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

The consolidated financial statements have been audited by 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.

Director of Education

(date)

Associate Director & Treasurer



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Catholic District School Board of Eastern Ontario

We have audited the accompanying consolidated financial statements of the Catholic District School Board of Eastern Ontario, which comprise:

- the consolidated statement of financial position as at August 31, 2022
- the consolidated statements 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, comprising a summary of significant accounting policies and other explanatory information.

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2022, and its consolidated results of operations, its consolidated change in net debt and its consolidated cash flows for the year then ended in accordance with the basis of accounting described in note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility 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 ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Financial Reporting Framework

We draw attention to note 1 in the consolidated financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements.



As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibility 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 Canadian accounting standards for not-for-profit organizations, 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.

Auditor's 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 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 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 risk 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, internal omissions, misrepresentations, or the override of internal control.



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

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

November 2, 2022

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Consolidated Statement of Financial Position

August 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|---|---------------|---------------|
| Financial assets: | | |
| Cash | \$ 18,977,598 | \$ 19,589,153 |
| Amounts receivable: | | |
| Municipalities | 2,148,893 | 1,200,858 |
| Other | 19,118,816 | 13,344,612 |
| Approved capital funding - Government of Ontario (note 2) | 44,638,629 | 51,214,074 |
| Total financial assets | 84,883,936 | 85,348,697 |
| Liabilities: | | |
| Temporary borrowing (note 3(b)) | 5,050,000 | 1,081,000 |
| Accounts payable and accrued liabilities | 15,105,066 | 20,363,070 |
| Net long-term liabilities (note 3(a)) | 39,693,438 | 44,020,516 |
| Deferred revenue (note 4) | 11,216,377 | 7,676,628 |
| Employee future benefits liability (note 5) | 3,597,852 | 3,892,649 |
| Deferred capital contributions (note 6) | 158,114,629 | 155,314,196 |
| Total financial liabilities | 232,777,362 | 232,348,059 |
| Net debt | (147,893,426) | (146,999,362) |
| Non-financial assets: | | |
| Prepaid expenses | 5,267,689 | 5,324,319 |
| Inventories of supplies (note 7) | 1,023,218 | 368,868 |
| Tangible capital assets (note 8) | 162,006,395 | 159,208,376 |
| Total non-financial assets | 168,297,302 | 164,901,563 |
| Commitments and contingent liabilities (note 12) | | |
| Impact of Coronavirus COVID-19 pandemic (note 17) | | |
| Accumulated surplus | \$ 20,403,876 | \$ 17,902,201 |

See accompanying notes to consolidated financial statements.

On behalf of the Board:

_____ Chair of the Board

_____ Director of Education

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2022, with comparative information for 2021

| | 2021-2022 Budget | 2021-2022 Actual | 2020-2021 Actual |
|---|---------------------|----------------------|----------------------|
| Revenues: | | | |
| Government of Ontario grants: | | | |
| Grants for student needs | \$ 167,105,092 | \$ 167,756,307 | \$ 164,270,606 |
| Provincial legislative grant | 18,972,139 | 16,074,878 | 16,973,326 |
| Other | 3,690,835 | 8,751,551 | 11,152,033 |
| Ontario Youth Apprenticeship Program | 210,516 | 177,696 | 156,494 |
| Amortization of deferred capital contributions (note 6) | 8,517,479 | 10,093,628 | 10,845,279 |
| Investment income | 10,500 | 150,864 | 83,577 |
| Federal grant and fees | - | - | 38,187 |
| Other – school boards | - | 5,640 | 6,140 |
| Revenue recovery on land disposal | - | - | - |
| Other fees and revenue | 791,201 | 2,033,141 | 2,039,387 |
| School generated funds (note 14) | 2,885,369 | 2,171,370 | 959,795 |
| Total revenue | 202,183,131 | 207,215,075 | 206,524,824 |
| Expenses (note 10): | | | |
| Instruction | 147,435,288 | 146,893,911 | 142,554,135 |
| Administration | 5,110,293 | 4,924,585 | 4,400,435 |
| Transportation | 19,411,692 | 20,331,262 | 18,824,012 |
| Pupil accommodation | 26,890,762 | 28,586,805 | 29,307,284 |
| Other | 382,827 | 1,924,626 | 799,817 |
| School generated funds (note 14) | 2,570,406 | 2,052,211 | 1,286,198 |
| Total expenses | 201,801,268 | 204,713,400 | 197,171,881 |
| Annual surplus | 381,863 | 2,501,675 | 9,352,943 |
| Accumulated surplus, beginning of year | 8,267,693 | 17,902,201 | 8,549,258 |
| Accumulated surplus, end of year (note 13) | \$ 8,649,556 | \$ 20,403,876 | \$ 17,902,201 |

See accompanying notes to consolidated financial statements.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Consolidated Statement of Change in Net Debt

Year ended August 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|---|------------------|------------------|
| Annual surplus | \$ 2,501,675 | \$ 9,352,943 |
| Tangible capital assets: | | |
| Acquisition of tangible capital assets | (12,894,061) | (13,306,915) |
| Amortization of tangible capital assets | 10,096,042 | 9,210,628 |
| Write-down of tangible capital assets | – | 1,637,064 |
| | (2,798,019) | (2,459,223) |
| Prepaid expenses: | | |
| Acquisition of supplies inventory | (2,190,362) | (788,234) |
| Acquisition of prepaid expenses | (4,909,947) | (5,410,596) |
| Consumption of supplies inventory | 1,536,012 | 419,366 |
| Use of prepaid expenses | 4,966,577 | 4,631,056 |
| | (597,720) | (1,148,408) |
| Decrease (increase) in net debt | (894,064) | 5,745,312 |
| Net debt, beginning of year | (146,999,362) | (152,744,674) |
| Net debt, end of year | \$ (147,893,426) | \$ (146,999,362) |

See accompanying notes to consolidated financial statements.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Consolidated Statement of Cash Flows

Year ended August 31, 2022, with comparative information for 2021

| | 2022 | 2021 |
|---|---------------|---------------|
| Operating transactions: | | |
| Annual surplus | \$ 2,501,675 | \$ 9,352,943 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 10,096,042 | 9,210,628 |
| Write-down of tangible capital assets | - | 1,637,064 |
| Amortization of deferred capital contributions | (10,093,628) | (10,845,279) |
| Change in non-cash assets and liabilities: | | |
| Decrease in temporary investments | - | 28,002 |
| Increase in amounts receivable | | |
| - municipalities and other | (6,722,239) | (6,995,072) |
| Decrease (increase) in prepaid expenses | 56,630 | (779,540) |
| Increase in inventory of supplies | (654,350) | (368,868) |
| Increase (decrease) in accounts payable and accrued liabilities | (5,258,004) | 5,982,656 |
| Increase in deferred revenue | 3,539,749 | 1,966,194 |
| Decrease in employee future benefits liability | (294,797) | (656,768) |
| Cash provided by operating transactions | (6,828,922) | 8,531,960 |
| Capital transactions: | | |
| Cash used to acquire tangible capital assets | (12,894,061) | (13,306,915) |
| Cash applied to capital transactions | (12,894,061) | (13,306,915) |
| Financing transactions: | | |
| Increase in temporary borrowing | 3,969,000 | 626,000 |
| Net debt principal repayments and sinking fund contributions (note 9) | (4,327,078) | (4,099,447) |
| Decrease (increase) in amounts receivable - approved capital funding | 6,575,445 | (261,693) |
| Additions to deferred capital contributions | 12,894,061 | 13,306,915 |
| Cash provided by financing transactions | 19,111,428 | 9,571,775 |
| Increase (decrease) in cash | (611,555) | 4,796,820 |
| Cash, beginning of year | 19,589,153 | 14,792,333 |
| Cash, end of year | \$ 18,977,598 | \$ 19,589,153 |

See accompanying notes to consolidated financial statements.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements

Year ended August 31, 2022

1. Significant accounting policies:

The consolidated financial statements of the Catholic District School Board of Eastern Ontario (the "Board") are prepared by management in accordance with the basis of accounting described below. The consolidated financial statements contain the following significant accounting policies:

(a) Basis of accounting:

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

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

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the statement of operations and accumulated surplus over the periods during which the asset is used to provided 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 amortization, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions included 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, Government Transfers;
- 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, Restricted Assets and Revenues; and

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510, Tax Revenue.

As a result, revenue recognized in the statement of operations and accumulated surplus 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.

The consolidated financial statements include the following organizations:

- (i) Student Transportation of Eastern Ontario ("STEO"): STEO is accounted for using the proportionate consolidation method of accounting and reporting, whereby the Board's pro-rata share of each of the assets, liabilities, revenues and expenses is combined on a line-by-line basis in the financial statements. The Board is a member of STEO with the Upper Canada District School Board. STEO is a not-for-profit organization separately incorporated without share capital under the laws of Ontario. STEO's principal activity is to facilitate, organize and deliver safe, effective and efficient school transportation services to students in the eastern Ontario area on behalf of the member school boards.
- (ii) School generated funds: the assets, liabilities, revenues, expenses, and fund balances of various organizations that exist at the school level and which are deemed to be controlled by the Board, have been reflected in the consolidated financial statements.

Inter-departmental and inter-organizational transactions and balances are eliminated in these consolidated financial statements.

(c) Investment income:

Investment income is reported as revenue in the period earned.

Investment income earned on externally appropriated funds such as pupil accommodation, special education, energy efficient schools capital and proceeds of disposition, when required by the funding government or related Act, is added to the fund balance and forms part of the respective deferred revenue balances.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

(d) Temporary 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. Investments are recorded at cost which approximates market value. In prior years, temporary investments had interest rates that ranged from 0.25% to 0.75%.

(e) 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. The Board does not capitalize interest paid on debt used to finance the construction of tangible capital assets. When historical cost records were not available, other methods were used to estimate the cost and accumulated amortization.

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

| Rate | Estimated Useful Lives |
|-------------------------------------|------------------------|
| Land improvements with finite lives | 15 years |
| Buildings | 40 years |
| Portable structures | 20 years |
| Other buildings | 20 years |
| First-time equipping of schools | 10 years |
| Furniture | 10 years |
| Equipment | 5 to 15 years |
| Computer hardware | 3 years |
| Computer software | 5 years |
| Vehicles | 5 to 10 years |

Assets under construction 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 net realizable value. 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. Cost includes amounts for improvements to prepare the land for sale or servicing. Other assets permanently removed from service cease to be amortized and the carrying value is written down to the residual value.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

(e) Tangible capital assets (continued):

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.

(f) Deferred revenue:

The Board receives amounts pursuant to legislation, regulation or agreement that may only be used for 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.

(g) 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 the purchase or development of tangible capital assets are recorded as deferred capital contributions as described in note 1(h).

(h) 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 of depreciable tangible capital assets received or receivable for use in providing services, are recorded as deferred capital contributions when the asset is acquired as required under Ontario Regulation 395/11 of the Financial Administration Act. Amounts are recognized into revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

- Government transfers received or receivable for capital purpose
- Other restricted contributions received or receivable for capital purpose

(i) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, retirement gratuity, service awards, and worker's compensation. The Board accrues its obligation for these employee benefits.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

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

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with principals and vice-principals associations, Employee Life and Health Trusts (ELHTs) were established between 2016 and 2018 for all employee groups. Additionally, retirees belonging to the Principal/Vice Principal and Non-union employee groups have transitioned to the ELHT in 2017-18. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. School boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN) and additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. After retirees transitioned, the Board continues to be responsible for its share of cost of benefits based on the cost sharing arrangement prior to the transition to the ELHT.

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, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities are actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining services life of the employee group.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

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

(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.

(j) Accumulated surplus - available for compliance, internally appropriated:

Certain amounts, as approved by the Board trustees, are set aside as internally appropriated funds for future operating and capital purposes. Transfers to and/or from internally appropriated funds are an adjustment to the respective fund when approved.

(k) Budget figures:

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

The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model.

The Board approves its budget annually. The approved operating budget for 2021-2022 is reflected on the Consolidated Statement of Operations and Accumulated Surplus, the budget was approved on June 15, 2021.

(l) Long-term debt:

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

(m) 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, property tax revenue received from the municipalities is recorded as part of Grants for Student Needs, under Education Property tax.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

(n) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in note 1 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. Significant estimates include assumptions used in performing actuarial valuations of employee future benefit liabilities.

These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

2. Accounts receivable - approved capital funding - 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 receives this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

The Board has an account receivable from the Province of Ontario of \$44,638,629 (2021 - \$51,214,074) as at August 31, 2022 with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2022 is \$13,869,276 (2021 - \$8,736,925).

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

3. Long-term debt:

(a) Net long-term liabilities:

Net long-term liabilities reported on the Consolidated Statement of Financial Position consists of the following:

| | 2022 | 2021 |
|------------|----------------------|----------------------|
| Debentures | \$ 18,420,168 | \$ 21,003,937 |
| Loans | 21,273,270 | 23,016,579 |
| | \$ 39,693,438 | \$ 44,020,516 |

The respective interest rates on the loan and debentures range from 3.5% to 7.2% and the respective maturity dates on the loans and debentures range from 2025 to 2038.

Principal payments relating to the net long-term liabilities outstanding as at August 31, 2022 are due as follows:

| | Principal | Interest | Total |
|------------|----------------------|----------------------|----------------------|
| 2022-2023 | \$ 4,567,497 | \$ 2,060,904 | \$ 6,628,401 |
| 2023-2024 | 4,821,914 | 1,806,478 | 6,628,392 |
| 2024-2025 | 5,090,924 | 1,537,459 | 6,628,383 |
| 2025-2026 | 4,091,667 | 1,268,382 | 5,360,049 |
| 2026-2027 | 4,069,115 | 1,052,730 | 5,121,845 |
| Thereafter | 17,052,321 | 2,889,872 | 19,942,193 |
| | \$ 39,693,438 | \$ 10,615,825 | \$ 50,309,263 |

(b) Temporary borrowing:

The Board has credit facilities available to a maximum of \$33,075,000 to address operating requirements and to bridge capital expenditures.

Interest on the operations facilities is charged at the bank's prime lending rate minus 0.7% or the banker's acceptance rate plus 0.2%. All loans are unsecured, due on demand.

As at August 31, 2022, the amount drawn on the credit facility was \$5,050,000 (2021 - \$1,081,000).

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

4. Deferred revenue:

Deferred revenue consists of amounts received by the Board that are restricted for specific purposes by the funder and amounts that are required to be set aside by the Board for specific purposes by legislation, regulation or agreement.

Deferred revenue is comprised of:

| | 2022 | 2021 |
|--|----------------------|---------------------|
| By legislation, regulation or agreement: | | |
| School Renewal | \$ 881,575 | \$ 472,291 |
| Specialized Equipment per Pupil Amount (SEA) | 931,149 | 863,520 |
| Targeted Student Supports | 566,734 | 366,390 |
| Indigenous Education | 487,016 | 376,709 |
| Proceeds on Disposition | 841,646 | 841,646 |
| Special Education | 4,943,953 | 3,212,899 |
| Experiential Learning | 171,943 | 211,499 |
| Special Education – ASSD Funding | 19,314 | – |
| Mental Health Workers | 68,985 | – |
| | <u>8,912,315</u> | <u>6,344,954</u> |
| Amounts restricted by external funder | 2,304,062 | 1,331,674 |
| | <u>\$ 11,216,377</u> | <u>\$ 7,676,628</u> |

(a) School Renewal:

The Province provides specific funding to address the costs of repairing and renovating schools.

(b) Specialized Equipment Per Pupil Amount (SEA):

Specific funding is provided by the Province to support computers, software, computer-related devices and required supporting furniture identified for use by students with special education needs as well as all training and technician costs for all SEA equipment.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

4. Deferred revenue (continued):

(c) Targeted Student Support:

Four components of the student achievement allocations in the Learning Opportunities Grant are enveloped as a group:

- (i) Literacy and Math Outside the School Day Allocation
- (ii) Student Success, Grade 7 to 12 Allocation
- (iii) Grade 7 & 8 Literacy and Numeracy and Student Success Teachers Allocation
- (iv) Tutoring Allocation

These allocation components are associated with improving student achievement. The enveloping applies to the sum of the four allocations, not to each allocation separately.

(d) Indigenous Education:

The province provides specific funding to be spent on expenses that support Indigenous education objectives.

(e) Proceeds on disposition:

The gains on disposition of deferred revenue are composed of gains generated from the sale of Board facilities. The Board intends to use this amount to fund future capital costs related to Board facilities.

(f) Special Education

Specific funding is provided by the Province to support the incremental expenditures for special education.

(g) Experiential Learning

Starting in 2020-21, three components in the Learning Opportunities Grant are enveloped as a group:

- (i) Specialist High Skills Major (SHSM) Allocation
- (ii) Outdoor Education Allocation
- (iii) Experiential Learning Allocation

These allocation components are associated with student experiential learning opportunities. The enveloping applies to the sum of the three allocations, not to each allocation separately.

(h) Special Education – ASSD Funding

Starting in 2021-22, the funding for the ASSD program is enveloped through the GSN. This funding is provided to support additional targeted skills development opportunities, outside the instructional day to better equip students with ASD for classroom success.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

4. Deferred revenue (continued):

(i) Mental Health Workers Allocation

Funding is provided for regulated mental health workers in secondary schools for specific roles.

5. 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 and health care benefits, retirement gratuity, service awards, worker's compensation and long-term disability benefits.

(a) 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 a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

(ii) Ontario Municipal Employees Retirement System:

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2022, the Board contributed \$2,323,120 (2021 - \$2,244,015) 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 gratuity benefits:

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 based on their salary, accumulated sick days, and years of service at August 31, 2012.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

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

(a) Retirement benefits (continued):

(iii) Retirement gratuity benefits (continued):

In 2016, OECTA ratified agreements at the local and central level, which included a voluntary retirement gratuity early payout provision. The provision provided OECTA members the option of receiving discounted frozen retirement gratuity benefit payments by August 31, 2016. This provision was also made available to all non-unionized school board employees, including principals and vice-principals. All payments were accrued at August 31, 2016.

(b) Other employee future benefits:

(i) Workplace Safety and Insurance Board (WSIB) 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. Plan changes made in 2012 require the Board to provide a salary top-up to a maximum of 4½ years for employees receiving payments from the Workplace Safety and Insurance Board, where previously negotiated collective agreements included such provision.

(ii) Sick leave top-up benefits:

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 consolidated financial statements are \$185,141 (2021 - \$231,942).

The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as at August 31, 2022. This actuarial valuation is based on assumptions about future events.

(iii) Long-term disability life insurance and health care benefits:

ELHTs were established for all employee groups. There are no employee groups remaining for which the Board is responsible for providing Health, dental and Life insurance benefits as at August 31, 2022, and as a result, the liability for this benefit has been eliminated.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

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

(b) Other employee future benefits (continued):

(iv) Post-employment life insurance and health care benefits:

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the age of 65. The premiums are based on the Board's experience and retirees' premiums are 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, will no longer qualify for board subsidized premiums or contributions.

(c) Accrued benefit liability:

The accrued benefit obligations for employee future benefit plans as at August 31, 2022 are based on the most recent actuarial valuation completed for accounting purposes as at August 31, 2022. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

| | 2022 | 2021 |
|----------------------------|---|---|
| Discount rate | 3.9% | 1.8% |
| Salary growth | 0.00% | 0.00% |
| Dental benefits escalation | 5.0% for 2021/22 remaining at a flat rate each year | 4.50% for 2020/21 remaining at a flat rate each year |
| Health benefits escalation | 5.0% for 2021/22 remaining at a flat rate each year | 7.00% for 2020/21 reducing by ¼% in each year to an ultimate rate of 4.50% |

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

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

(c) Accrued benefit liability (continued):

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

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Accrued benefit liability, beginning of year | \$ 3,892,649 | \$ 4,549,417 |
| Expense recognized for the year: | | |
| Current service cost | 358,482 | (131,696) |
| Amortization of actuarial gains and losses | 56,151 | 84,714 |
| Interest cost | 63,789 | 59,283 |
| | <u>4,371,071</u> | <u>4,561,718</u> |
| Benefits paid for the year | (773,219) | (669,069) |
| Accrued benefit liability, end of year | <u>\$ 3,597,852</u> | <u>\$ 3,892,649</u> |

Accrued benefit obligation:

| | 2022 | 2021 |
|---|---------------------|---------------------|
| Retirement gratuity | \$ 1,437,791 | \$ 1,773,432 |
| Sick leave top-up benefits | 184,051 | 183,317 |
| Post-employment benefits | 136,577 | 190,146 |
| WSIB | 1,819,838 | 1,874,565 |
| Accrued benefit obligation, end of year | <u>3,578,257</u> | <u>4,021,460</u> |
| Net unamortized actuarial gain (loss) | 19,595 | (128,811) |
| Accrued benefit liability, end of year | <u>\$ 3,597,852</u> | <u>\$ 3,892,649</u> |

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

6. Deferred capital contributions:

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with regulation 395/11 that have been expended by year end. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

| | 2022 | 2021 |
|--|----------------|----------------|
| Opening balance, September 1 | \$ 155,314,196 | \$ 152,852,560 |
| Additions to deferred capital contributions | 12,894,061 | 13,306,915 |
| Revenue/adjustments recognized in the period | (10,093,628) | (10,845,279) |
| Ending balance, August 31 | \$ 158,114,629 | \$ 155,314,196 |

7. 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 \$2,190,362 with expenses based on use of \$1,536,012 for a net impact of \$654,350 which the Board has approved to be transferred to an Internally Appropriated Accumulated Surplus.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

8. Tangible capital assets:

| Cost | Balance at August 31, 2021 | Additions | Disposals, write-offs and adjustments | Balance at August 31, 2022 |
|------------------------------------|----------------------------------|----------------------|---|----------------------------------|
| Land | \$ 3,845,837 | \$ – | \$ – | \$ 3,845,837 |
| Land improvements | 4,909,616 | 309,922 | – | 5,219,538 |
| Buildings | 257,263,962 | 5,879,068 | 21,716 | 263,164,746 |
| Construction-in-progress | 983,033 | 5,821,403 | (21,716) | 6,782,720 |
| Portable structures | 8,382,383 | 147,618 | – | 8,530,001 |
| First-time equipping of schools | 599,247 | – | (186,842) | 412,405 |
| Furniture | 345,614 | – | (55,442) | 290,172 |
| Equipment | 480,960 | 143,310 | (24,443) | 599,827 |
| Computer hardware | 434,518 | 592,740 | (384,080) | 643,178 |
| Computer software | 1,842 | – | – | 1,842 |
| Vehicles | 448,185 | – | – | 448,185 |
| Total | \$ 277,695,197 | \$ 12,894,061 | \$ (650,807) | \$ 289,938,451 |

| Accumulated amortization | Balance at August 31, 2021 | Amortization | Disposals, write-offs and adjustments | Balance at August 31, 2022 |
|------------------------------------|----------------------------------|----------------------|---|----------------------------------|
| Land | \$ – | \$ – | \$ – | \$ – |
| Land improvements | 2,129,344 | 463,183 | – | 2,592,527 |
| Buildings | 109,885,237 | 8,805,342 | – | 118,690,579 |
| Construction-in-progress | – | – | – | – |
| Portable structures | 4,956,552 | 430,085 | – | 5,386,637 |
| First-time equipping of schools | 477,393 | 50,583 | (186,842) | 341,134 |
| Furniture | 176,897 | 31,789 | (55,442) | 153,244 |
| Equipment | 178,888 | 71,686 | (24,443) | 226,131 |
| Computer hardware | 317,662 | 206,566 | (384,080) | 140,148 |
| Computer software | 1,657 | – | – | 1,657 |
| Vehicles | 363,191 | 36,808 | – | 399,999 |
| Total | \$ 118,486,821 | \$ 10,096,042 | \$ (650,807) | \$ 127,932,056 |

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

8. Tangible capital assets (continued):

| | Net book value August 31, 2022 | Net book value August 31, 2021 |
|---------------------------------|-----------------------------------|-----------------------------------|
| Land | \$ 3,845,837 | \$ 3,845,837 |
| Land improvements | 2,627,011 | 2,780,272 |
| Buildings | 144,474,167 | 147,378,725 |
| Construction-in-progress | 6,782,720 | 983,033 |
| Portable structures | 3,143,364 | 3,425,831 |
| First-time equipping of schools | 71,271 | 121,854 |
| Furniture | 136,928 | 168,717 |
| Equipment | 373,696 | 302,072 |
| Computer hardware | 503,030 | 116,856 |
| Computer software | 185 | 185 |
| Vehicles | 48,186 | 84,994 |
| Total | \$ 162,006,395 | \$ 159,208,376 |

Included in the disposals, write-offs and adjustments column are adjustments of \$650,807 (2021 - \$1,685,706) for the deemed disposal of assets.

In the prior year, a fire caused damaged to a building. During the current year, CDSBEO determined a write-down of \$Nil (2021 - \$1,578,761) was required due to the damages. There was also a write-down of \$Nil (2021 - \$58,303) for computer hardware.

9. Debt charges and capital loans interest:

The payments made for debt charges and capital loans include principal and interest payments as follows:

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Debt principal repayments and sinking fund contributions | \$ 4,327,078 | \$ 4,099,447 |
| Interest payments on long-term liabilities | 2,301,548 | 2,529,179 |
| | \$ 6,628,626 | \$ 6,628,626 |

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

10. Expenses by object:

The following is a summary of the expenses reported on the “Consolidated Statement of Operations and Accumulated Surplus” by object:

| | 2021-2022 Budget | 2021-2022 Actual | 2020-2021 Actual |
|---|-----------------------|-----------------------|-----------------------|
| Expenses by object: | | | |
| Salary and wages | \$ 130,998,238 | \$ 129,624,015 | \$ 124,802,813 |
| Employee benefits | 21,844,049 | 22,165,442 | 20,841,983 |
| Staff development | 649,939 | 683,393 | 331,404 |
| Supplies and services | 13,508,471 | 13,881,465 | 14,166,922 |
| Interest | 2,232,118 | 2,352,756 | 2,496,123 |
| Rental expenses | 61,815 | 48,446 | 55,124 |
| Fees and contract services | 23,466,534 | 23,410,796 | 22,618,305 |
| Other | 520,093 | 2,451,045 | 1,011,515 |
| Amortization of tangible capital assets | 8,520,011 | 10,096,042 | 10,847,692 |
| | <u>\$ 201,801,268</u> | <u>\$ 204,713,400</u> | <u>\$ 197,171,881</u> |

Included in the amortization of tangible capital assets is the write-down of capital assets.

11. Ontario School Board Insurance Exchange (OSBIE):

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general liability, property damage and certain other risks.

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 contract was renewed and will expire December 31, 2026.

Premiums paid to OSBIE for the policy year ending December 31, 2021 amounted to \$214,288 (2020 – 203,632).

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

12. Commitments and contingent liabilities:

(a) Litigation:

The Board is involved with pending litigation and claims which arose in the normal course of operations. In the opinion of the administration, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the Board. Any adjustments, arising from these matters, will be provided for in future years.

(b) Guarantees:

The Board has guaranteed work relating to their capital projects with the respective municipalities in the amount of \$Nil (2021 - \$Nil).

(c) Contractual obligations:

The Board has a total of \$1,529,442 of contractual obligations at year end relating to the construction or renovation of buildings.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

13. Accumulated surplus:

Accumulated surplus consists of the following:

| | 2022 | 2021 |
|---|---------------|---------------|
| Available for compliance - unappropriated | | |
| Total operating accumulated surplus | \$ 6,472,495 | \$ 5,852,421 |
| Available for compliance - internally appropriated | | |
| ICT hardware | 4,250,000 | 3,350,000 |
| HR, Payroll, Finance Reporting Software | 2,000,000 | 1,500,000 |
| Workers' Safety Insurance Board (WSIB) | 296,467 | 296,467 |
| School budget carryover | 873,685 | 1,009,150 |
| Assistive technology | 17,589 | 17,589 |
| Assessment | 7,853 | 7,853 |
| Educational support professional development | 36,501 | 40,584 |
| Sinking Fund Interest – committed | 45,572 | 48,104 |
| Special Incidence Portion – Special Education | 280,162 | 280,162 |
| Student Support – OECTA | – | 244,618 |
| Religion Digital Resources | 273,580 | 273,580 |
| Student Support – P/VP | 25,108 | – |
| PPE Inventory | 1,023,218 | 368,868 |
| Total accumulated surplus available for compliance | 9,129,735 | 13,289,396 |
| Unavailable for compliance | | |
| Interest to be accrued | (628,558) | (698,240) |
| School generated funds (note 14) | 1,584,367 | 1,465,208 |
| Revenue recognized for land | 3,845,837 | 3,845,837 |
| Total accumulated surplus unavailable for compliance | 4,801,646 | 4,612,805 |
| Total accumulated surplus | \$ 20,403,876 | \$ 17,902,201 |

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

14. School generated funds:

| | 2021-2022 Budget | 2021-2022 Actual | 2020-2021 Actual |
|---|---------------------|---------------------|---------------------|
| Revenues: | | | |
| School fundraising and other | \$ 959,795 | \$ 2,171,370 | \$ 959,795 |
| Expenses: | | | |
| School funded activities | 1,286,198 | 2,052,211 | 1,286,198 |
| Annual surplus (deficit) | (326,403) | 119,159 | (326,403) |
| Opening accumulated surplus - school generated funds | 1,465,208 | 1,465,208 | 1,791,611 |
| Closing accumulated surplus - school generated funds | \$ 1,138,805 | \$ 1,584,367 | \$ 1,465,208 |

15. Transportation consortium:

The Board is a member of the Student Transportation of Eastern Ontario ("STEO") consortium with the Upper Canada District School Board, effective February 1, 2012. The consortium will provide joint governance and administration of student transportation services provided to students registered with the two member boards.

Related party transactions and balances with STEO include the following:

- (i) The Board paid STEO \$21,130,664 (2021 - \$19,762,839) for student transportation services in the year.
- (ii) The Board has a payable to STEO of \$233,920 (2021 - \$47,214) for student transportation services.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

15. Transportation consortium (continued):

STEO's assets, liabilities, revenue, expenses and surplus for the year ended August 31, 2022 are as follows:

| | 2022 | 2021 |
|-----------------------|--------------|--------------|
| Financial assets | \$ 3,305,759 | \$ 3,286,590 |
| Financial liabilities | 3,410,632 | 3,362,048 |
| Net debt | (104,873) | (75,458) |
| Non-financial assets | 104,873 | 75,458 |
| Accumulated surplus | \$ — | \$ — |

| | 2022 | 2021 |
|----------------|---------------|---------------|
| Revenue | \$ 51,665,435 | \$ 46,785,070 |
| Expenses | 51,665,435 | 46,785,070 |
| Annual deficit | \$ — | \$ — |

16. Repayment of "55 School Board Trust" funding:

On June 1, 2003, the Board received \$5,138,566 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.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

17. Impact of Coronavirus COVID-19 pandemic:

On March 11, 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 recommendations, 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.