

Grand Erie District School Board
Consolidated Financial Statements
August 31, 2022



Grand Erie District School Board
Index to Consolidated Financial Statements
August 31, 2022

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	2
INDEPENDENT AUDITOR'S REPORT	3 - 4
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations and Accumulated Surplus	6
Consolidated Statement of Cash Flow	7
Consolidated Statement of Change in Net Debt	8
Notes to Consolidated Financial Statements	9 - 27



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements for the Grand Erie District School Board (the board) are the responsibility of the board's management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act as described in Note 1 to the consolidated financial statements.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and board policies 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 Millard, Rouse and Rosebrugh 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.



JoAnna Roberto, Director of Education



Rafal Wyszynski, Superintendent of
Business & Treasurer

Brantford, Ontario
November 21, 2022



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Grand Erie District School Board

Opinion

We have audited the consolidated financial statements of Grand Erie District School Board (the board), which comprise the consolidated statement of financial position as at August 31, 2022, and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the financial statements).

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. As a result, the financial statements may not be suitable for another purpose.

Other Matter

We draw our attention to Note 22 of the financial statements, which describes the effects of the novel coronavirus (COVID-19) on the board. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of 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 relating 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.

(continues)

Independent Auditor's Report to the Board of Trustees of Grand Erie District School Board (*continued*)

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 these financial statements.

As part of an audit, in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the board to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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.

November 21, 2022
Simcoe, Ontario

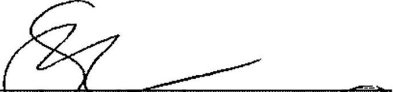
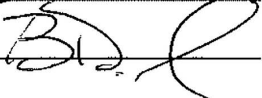
Millard, Rouse + Rosebrugh LLP

Millard, Rouse & Rosebrugh LLP
Chartered Professional Accountants
Licensed Public Accountants

Grand Erie District School Board
Consolidated Statement of Financial Position
As at August 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents	\$ 17,182,062	\$ 14,117,328
Accounts receivable (Note 2)	18,821,037	25,869,657
Accounts receivable - Government of Ontario (Note 3)	80,203,106	88,266,131
	\$ 116,206,205	\$ 128,253,116
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 26,208,778	\$ 30,161,457
Deferred revenue (Note 5)	10,110,473	10,586,398
Deferred capital contributions (Note 6)	217,593,025	210,207,909
Net debenture debt and capital loans (Note 7)	66,205,954	70,701,011
Employee benefits payable (Note 9)	17,928,906	22,383,437
	338,047,136	344,040,212
Net debt	(221,840,931)	(215,787,096)
Non-financial assets		
Prepaid expenses	1,996,768	619,639
Inventories of supplies	1,983,751	442,443
Tangible capital assets (Note 10)	232,689,415	225,682,299
	236,669,934	226,744,381
Accumulated surplus (Note 11)	\$ 14,829,003	\$ 10,957,285

ON BEHALF OF THE BOARD


 _____ Chair of the Board

 _____ Vice-Chair of the Board

See accompanying notes



Grand Erie District School Board
Consolidated Statement of Operations and Accumulated Surplus
Year ended August 31, 2022

	Budget 2022	2022	2021
REVENUES			
Grants for student needs <i>(Note 12)</i>	\$ 320,886,376	\$ 326,598,885	\$ 318,354,197
Provincial grants - other	8,838,257	15,889,446	16,480,811
School generated funds	8,083,298	4,746,901	1,320,490
Federal grants and fees	6,572,391	7,782,692	6,735,214
Other revenue from school boards	210,000	291,409	289,052
Other fees and revenue	1,836,570	2,079,754	1,864,098
	346,426,892	357,389,087	345,043,862
Expenses <i>(Note 13)</i>			
Instruction	263,266,128	267,203,639	258,213,792
Administration	8,276,685	8,033,338	8,572,996
Transportation	14,359,619	14,996,054	12,948,172
Pupil accommodation	47,007,903	46,875,288	45,816,842
School generated funds	8,083,298	4,604,341	1,543,091
Other	5,192,313	11,804,709	12,307,679
	346,185,946	353,517,369	339,402,572
Annual surplus	240,946	3,871,718	5,641,290
Accumulated surplus - beginning of year	7,513,783	10,957,285	5,315,995
ACCUMULATED SURPLUS - END OF YEAR	\$ 7,754,729	\$ 14,829,003	\$ 10,957,285

See accompanying notes



Grand Erie District School Board

Consolidated Statement of Cash Flow

Year ended August 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Annual surplus for the year	\$ 3,871,718	\$ 5,641,290
Items not affecting cash:		
Amortization of tangible capital assets	17,206,296	17,403,552
Revenue recognized from deferred capital contributions	(16,628,781)	(16,759,007)
Loss on disposal of tangible capital assets	78,330	-
Revenue recognized from deferred capital contributions for disposal of non-pooled and unrestricted assets	(78,330)	-
	4,449,233	6,285,835
Sources (uses):		
Accounts receivable	7,048,620	9,524,153
Accounts payable and accrued liabilities	(3,952,409)	(9,971,791)
Deferred revenue - operating	1,935,584	1,679,947
Employee benefits payable	(4,454,531)	(2,191,972)
Prepaid expenses	(1,377,129)	2,150,096
Inventory	(1,541,308)	(252,443)
	(2,341,173)	937,990
Cash flow from operating activities	2,108,060	7,223,825
CAPITAL ACTIVITY		
Cash used to acquire tangible capital assets	(24,291,742)	(27,281,462)
FINANCING ACTIVITIES		
Accounts receivable - Government of Ontario	7,385,190	(2,067,055)
Increase (decrease) in deferred revenue - capital	(2,411,779)	1,271,233
Additions to deferred capital contributions	24,770,062	28,226,930
Debt repayments	(4,495,057)	(4,308,447)
Cash flow from financing activities	25,248,416	23,122,661
Net change in cash and cash equivalents during the year	3,064,734	3,065,024
Cash and cash equivalents - beginning of year	14,117,328	11,052,304
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 17,182,062	\$ 14,117,328

See accompanying notes

7



Grand Erie District School Board
Consolidated Statement of Change in Net Debt
Year ended August 31, 2021

	Budget 2022	2022	2021
Annual surplus for the year	\$ 240,946	\$ 3,871,718	\$ 5,641,290
Tangible capital asset activity			
Acquisition of tangible capital assets	(30,604,500)	(24,291,742)	(27,281,462)
Amortization of tangible capital assets	18,995,753	17,206,296	17,403,552
Loss on disposal of tangible capital assets	-	78,330	-
	(11,608,747)	(7,007,116)	(9,877,910)
Other non-financial asset activity			
Acquisition of supplies inventories	-	(4,487,376)	(1,141,896)
Consumption of supplies inventories	-	2,946,068	889,453
Acquisition of prepaid expenses	-	(2,713,809)	(591,356)
Use of prepaid expenses	-	1,336,680	2,741,452
	-	(2,918,437)	1,897,653
Increase in net debt	(11,367,801)	(6,053,835)	(2,338,967)
Net debt - beginning of year	(215,787,096)	(215,787,096)	(213,448,129)
NET DEBT - END OF YEAR	\$ (227,154,897)	\$ (221,840,931)	\$ (215,787,096)

See accompanying notes



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are prepared by management in accordance with the basis of accounting described below.

Basis of accounting

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

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

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

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards, which require that;

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

As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

(continues)



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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, which are controlled by the board, are reflected in the consolidated financial statements.

Transportation consortium, which include the board's pro-rata share of assets, liabilities, revenues, and expenses of the consortium, which are controlled unilaterally by the participating boards, are reflected in the consolidated financial statements.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of changes in value, and have a short maturity term of less than 90 days.

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.

Deferred capital contributions

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

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

(continues)



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, dental benefits, retirement gratuity, worker's compensation, and long-term disability benefits (long-term disability is available; however, premiums are paid by employees).

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: ETFO and OSSTF. The following were established in 2017-18: CUPE and ONE-T for non-unionized employees, including principals and vice-principals.

The ELHTs provide health, life, and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations, and the Government of Ontario. The board is no longer responsible to provide certain benefits to ETFO, OSSTF, CUPE, and non-unionized employees including principals and vice-principals, effective June 1, 2018.

Upon transition of the employee groups' health, dental, and life benefit plans to the ELHTs, school boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), additional ministry funding in the form of a Crown contribution, as well as Stabilization Adjustment.

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

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

- (a) 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 August 31, 2012, and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

For self-insured retirement and other employee future benefits that vest or 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 pro-rated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

(continues)



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

- (b) 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.
- (c) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

Trust funds

Trust funds and their related operations administered by the board are not included in the consolidated financial statements as they are not controlled by the board.

Government transfers

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criterion 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.

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.

Education property tax revenue

Under public sector accounting standards, the entity that determines and sets the tax levy records the revenue in the financial statements, which in the case of the board, is the Province of Ontario. As a result, education property tax revenue received from the municipalities is recorded as part of grants for student needs, under education property tax.

(continues)



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

Tangible capital assets are recorded at historical, cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset, as well as interest related to financing during construction. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

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

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

Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years
Furniture and equipment	5-15 years
Computer hardware	3 years
Capital leased assets	10 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 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 financial statements.

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.

(continues)



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement uncertainty

The preparation of financial statements in conformity with the basis of accounting described earlier in this note 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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The most significant estimates in these financial statements include the useful life of tangible capital assets and the determination of retirement and other employee future benefits.

Future changes in significant accounting policies

The following accounting standards have been issued by the Chartered Professional Accountants of Canada (CPA Canada) but are not yet effective for the board. 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 board has not adopted any new accounting standards for the year ended August 31, 2022.

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

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.

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

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

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.



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

2. ACCOUNTS RECEIVABLE

	2022	2021
Municipalities	\$ 8,712,053	\$ 7,801,179
Province of Ontario	4,557,012	6,622,977
Government of Canada	4,360,776	10,572,286
Other school boards	619,833	352,015
Other	571,363	521,200
	\$ 18,821,037	\$ 25,869,657

3. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

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

The board has an account receivable from the Province of Ontario of \$80,203,106 as at August 31, 2022, (2021 - \$88,266,131) 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 \$1,956,685 (2021 - \$1,440,974).

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
Trade	\$ 25,228,163	\$ 29,175,603
Teachers wage deferral plan payable	459,008	505,135
Province of Ontario	521,607	480,719
	\$ 26,208,778	\$ 30,161,457



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

5. DEFERRED REVENUE

Revenues received and that have been set aside for specific purposes by legislation, regulation, or agreement are included in deferred revenue. Deferred revenue for specific purposes by legislation, regulation, or agreement as at August 31, 2022, is comprised of:

	Balance as at August 31, 2021	Revenue received and interest earned	Revenue recognized in the period	Transfers to deferred capital contributions	Balance as at August 31, 2022
Provincial - operating	\$ 3,483,017	\$ 58,549,016	\$ (56,602,669)	\$ -	\$ 5,429,364
Third party - operating	29,086	411,889	(422,382)	-	18,593
Provincial - capital	5,900,513	18,278,744	(13,721,823)	(7,507,374)	2,950,060
Third party - capital	1,173,782	1,506,640	(801,116)	(166,850)	1,712,456
	\$ 10,586,398	\$ 78,746,289	\$ (71,547,990)	\$ (7,674,224)	\$ 10,110,473

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. The contributions are amortized into revenue over the life of the asset acquired.

	2022	2021
Balance - beginning of year	\$210,207,909	\$198,739,986
Additions	24,770,062	28,226,930
Revenue recognized	(16,628,781)	(16,759,007)
Disposal of non-pooled and unrestricted assets	(78,330)	-
Adjustment for land	(677,835)	-
Balance - end of year	\$217,593,025	\$210,207,909



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

7. NET DEBENTURE DEBT AND CAPITAL LOANS

	2022	2021
Royal Bank of Canada - Demand loan payable, bearing interest at 3.31%, repayable in blended monthly principal and interest payments of \$22,073, due January 10, 2025.	\$ 596,744	\$ 837,520
Royal Bank of Canada - Demand loan payable, bearing interest at 3.18%, repayable in blended monthly principal and interest payments of \$22,042, due July 8, 2025.	735,921	972,997
Royal Bank of Canada - Demand loan payable, bearing interest at 3.39%, repayable in blended monthly principal and interest payment of \$22,390, due December 23, 2025.	845,939	1,081,578
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 4.76%, repayable in blended semi-annual principal and interest payments of \$529,236, due November 15, 2029.	6,610,406	7,328,350
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 4.56%, repayable in blended semi-annual principal and interest payments of \$399,470, due November 15, 2031.	6,104,310	6,607,617
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 4.9%, repayable in blended semi-annual principal and interest payments of \$331,482, due March 3, 2033.	5,507,153	5,886,279
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 5.23%, repayable in blended semi-annual principal and interest payments of \$659,390, due April 13, 2035.	12,264,909	12,916,316
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 4.83%, repayable in blended semi-annual principal and interest payments of \$129,343, due March 11, 2036.	2,586,076	2,715,083
Ontario Financing Authority - Debenture for Good Places to Learn, prohibitive to repair and capital priorities expenditures, bearing interest at 3.799%, repayable in blended semi-annual principal and interest payments of \$1,290,173, due March 19, 2038.	30,500,112	31,882,254

(continues)



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

7. NET DEBENTURE DEBT AND CAPITAL LOANS (continued)

	2022	2021
Ontario Financing Authority - Debenture for Good Places to Learn, prohibitive to repair and capital priorities expenditures, bearing interest at 4.003% repayable in blended semi-annual principal and interest payments of \$18,692, due March 11, 2039.	454,384	473,017
	\$ 66,205,954	\$ 70,701,011

Principal repayment terms are approximately:

2023	\$ 4,698,000
2024	4,880,000
2025	4,915,000
2026	4,534,000
2027	4,703,000
Thereafter	42,475,954
	\$ 66,205,954

8. DEBT CHARGES AND CAPITAL LOAN INTEREST

The debt charges and capital loan interest charges includes principal and interest payments as follows:

	2022	2021
Principal payments on debenture debt and capital loans	\$ 4,495,057	\$ 4,308,447
Interest payments on debenture debt and capital loans	3,018,584	3,205,193
	\$ 7,513,641	\$ 7,513,640



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

9. EMPLOYEE BENEFITS PAYABLE

Retirement and other employee future benefit liabilities:

	2022	2021
Accrued employee future benefit obligations		
Retirement gratuity plan	\$ 13,208,690	\$ 15,439,877
Retirement life insurance and health care benefits	319,242	1,479,472
Workplace Safety and Insurance Board obligations	4,053,467	5,126,020
Sick leave top-up benefits	347,507	338,068
Total employee future benefit liability at August 31	17,928,906	22,383,437

Retirement and other employee future benefit expenses:

Current year benefit cost		
Sick leave top-up benefits	347,507	338,068
Workplace Safety and Insurance Board obligations	(516,007)	204,676
	(168,500)	542,744
Interest on accrued benefit obligation		
Retirement gratuity plan	266,627	242,535
Retirement life insurance and health care benefits	25,811	20,679
Workplace Safety and Insurance Board obligations	86,481	74,477
	378,919	337,691
Plan amendment		
Retirement life insurance and health care benefits	-	83,684
Recognition of unamortized actuarial (gain) loss		
Retirement gratuity plan	164,764	212,370
Retirement life insurance and health care benefits	(1,094,933)	(63,038)
Sick leave top-up benefits	25,204	111,964
	(904,965)	261,296
Total employee future benefit expenses	\$ (694,546)	\$ 1,225,415

(continues)



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

9. EMPLOYEE BENEFITS PAYABLE (continued)

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2022 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2022, and based on updated average daily salary and banked sick days as at August 31, 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:

	2022	2021
	%	%
Inflation		
Retirement gratuity plan	2	1.5
Retirement life insurance and health care benefits	5	5
Workplace Safety and Insurance Board obligations	2.7	2
Insurance and health care cost escalation		
Health costs	n/a	7
Dental costs	n/a	4.5
Workplace Safety and Insurance Board obligations	4	4
Discount on accrued benefit obligations		
Retirement gratuity plan	3.9	1.8
Retirement life insurance and health care benefits	3.9	1.8
Workplace Safety and Insurance Board obligations	3.9	1.8

Retirement benefits

Ontario Teachers' Pension Plan

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

Ontario Municipal Employees Retirement System

Qualifying 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 \$4,219,853 (2021 - \$4,147,179) to the 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.

(continues)



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

9. EMPLOYEE BENEFITS PAYABLE (continued)

Retirement gratuities

The board provides retirement gratuities to certain groups of employees hired prior to specified dates. The board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the board's consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012.

Life insurance benefits

The board sponsors a separate plan for retirees to provide life insurance benefits. The board is responsible for the payment of life insurance premiums under this plan, however all or a portion of the cost are recovered from the employees as specified in their collective agreement. The premiums are based on the board's experience and retirees' premiums may be subsidized by the board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, will no longer qualify for board subsidized premiums or contributions.

Health care and dental benefits

The board sponsors a separate plan for retirees to provide group health care and dental benefits. The board is responsible for the payment of health care premiums under this plan, however all or a portion of the cost is recovered from the employees as specified in their collective agreement once a certain time period has been reached. Benefits provided by the board are provided through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the board's consolidated financial statements.

Other employee future benefits

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. Plan changes in 2012 require school boards 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 previously negotiated collective agreement included such provision.

(continues)



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

9. EMPLOYEE BENEFITS PAYABLE (continued)

Long-term disability life insurance and dental and health care benefits

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

Sick leave top-up benefits

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the financial statements are \$347,507 (2021 – \$338,068).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2022 and was based on the most recent two full years of board carry-over sick leave experience (September 1, 2020 to August 31, 2022).

10. TANGIBLE CAPITAL ASSETS

COST	2021	Additions	Disposals & Transfers	2022
Land	\$ 4,808,982	\$ -	\$ -	\$ 4,808,982
Land improvements	22,493,952	1,466,506	-	23,960,458
Buildings	377,589,695	20,862,608	194,340	398,257,963
Portable structures	3,260,388	512,659	-	3,773,047
Furniture and equipment	4,653,477	308,635	466,642	4,495,470
Computer hardware	2,754,737	898,139	1,042,173	2,610,703
Pre-acquisition costs	9,443	114,733	-	124,176
Capital leased assets	534,779	-	-	534,779
Vehicles	907,469	128,462	-	1,035,931
	\$417,012,922	\$ 24,291,742	\$ 1,703,155	\$ 439,601,509



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

10. TANGIBLE CAPITAL ASSETS (continued)

AMORTIZATION	2021	Amortization	Disposals	2022
Land improvements	\$ 8,644,643	\$ 1,552,845	\$ -	\$ 10,197,488
Buildings	176,637,927	13,972,673	116,010	190,494,590
Portable structures	1,299,172	175,836	-	1,475,008
Furniture and equipment	2,333,226	447,403	466,642	2,313,987
Computer hardware	1,164,132	970,963	1,042,173	1,092,922
Capital leased assets	534,779	-	-	534,779
Vehicles	716,744	86,576	-	803,320
	\$191,330,623	\$ 17,206,296	\$ 1,624,825	\$206,912,094

NET BOOK VALUE	2022	2021
Land	\$ 4,808,982	\$ 4,808,982
Land improvements	13,762,970	13,849,309
Buildings	207,763,373	200,951,768
Portable structures	2,298,039	1,961,216
Furniture and equipment	2,181,483	2,320,251
Computer hardware	1,517,781	1,590,605
Pre-acquisition costs	124,176	9,443
Vehicles	232,611	190,725
	\$232,689,415	\$225,682,299

11. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2022	2021
Surplus (deficit):		
Invested in non-depreciable tangible capital assets	\$ 4,808,982	\$ 4,808,982
Employee future benefits	(3,101,179)	(3,342,125)
School generated funds	3,634,631	3,492,071
Accumulated surplus	9,486,569	5,998,357
	\$ 14,829,003	\$ 10,957,285



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

12. 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 tax. The provincial government sets the education property tax rate. Municipalities in which the board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas.

	2022	2021
Provincial legislative grants	\$260,233,484	\$249,495,068
Education property tax	66,365,401	68,859,129
	\$326,598,885	\$318,354,197

13. EXPENSES BY OBJECT

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

	2022 Budget	2022 Actual	2021 Actual
Salary and wages	\$228,428,648	\$232,472,495	\$226,587,661
Employee benefits	38,843,027	39,968,537	37,622,149
Staff development	1,037,207	943,740	826,623
Supplies and services	29,031,783	28,020,055	20,625,519
Interest charges on capital	3,196,284	3,018,585	3,205,193
Rental expenses	146,000	102,785	86,621
Fees and contract services	22,902,617	21,322,941	21,519,896
Amortization and loss on disposal of tangible capital assets and assets held for sale	18,995,753	17,284,626	17,403,550
Transfer to other boards	-	106,578	66,985
Other	511,747	23,971	644,092
Provision for contingencies	3,092,880	10,253,056	10,814,283
	\$346,185,946	\$353,517,369	\$339,402,572

14. TRUST FUNDS

Trust funds administered by the board amounting to \$1,325,163 (2021 - \$1,318,823) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

15. EDUCATIONAL SERVICES TRANSFERS

Grand Erie District School Board has education services agreements with Indigenous Services Canada (ISC) and The Mississaugas of the Credit First Nations (MCFN). The agreements provide accommodation, instruction, and special services for Indigenous pupils. Revenues earned by the board during the year are as follows:

	2022	2021
Indigenous Services Canada (Six Nations)		
Educational services - secondary	\$ 4,399,345	\$ 4,427,620
Educational services - reciprocal education agreement	109,440	53,940
Special services agreement - educational counsellor/native advisor	510,806	470,084
Special services agreement - high cost special secondary	700,000	700,000
Other	304,447	228,039
	6,024,038	5,879,683
The Mississaugas of the Credit First Nations		
Educational services - secondary	473,615	451,621
Special services agreements	71,136	6,562
	544,751	458,183
Jordan's Principle		
Educational services	160,620	57,622
Marten Falls		
Educational services - secondary	-	6,884
Total	\$ 6,729,409	\$ 6,402,372

16. 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. Liability insurance is available to a maximum of \$27,000,000 per occurrence.



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

17. CONTRACTUAL OBLIGATIONS

The board has ongoing commitments under operating leases and efficiency services agreements. Anticipated payments over the next five years are as follows:

2022	\$ 4,771,000
2023	4,224,000
2024	3,933,000
2025	3,914,000
2026	3,958,000

\$ 20,800,000

The board had \$582,000 in letters of credit outstanding with the bank as at August 31, 2022 (2021 - \$611,625), which were required for security on some of the construction projects.

18. PARTNERSHIP IN TRANSPORTATION CONSORTIUM

	2022		2021	
	Total	Board portion	Total	Board portion
Financial position:				
Financial assets	\$ 452,819	\$ 452,819	\$ 269,346	\$ 269,346
Liabilities	(452,819)	(452,819)	(269,346)	(269,346)
Accumulated surplus	-	-	-	-
Operations:				
Revenues	22,601,667	15,293,756	19,268,092	13,099,278
Expenses	(22,601,667)	(15,293,756)	(19,268,092)	(13,099,278)
Annual surplus	\$ -	\$ -	\$ -	\$ -

Transportation consortium

On October 14, 2010, Student Transportation Services of Brant Haldimand Norfolk was incorporated under the Corporations Act of Ontario. On September 1, 2011, the board entered into an agreement with Brant Haldimand Norfolk Catholic District School Board and CSC MonAvenir in order to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the boards. Under the agreement, decisions related to the financial and operating activities of Student Transportation Services of Brant Haldimand Norfolk 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 student.

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 approximately 68% (2021 – 68%). The above provides condensed financial information, which is reported net of harmonized sales tax.



Grand Erie District School Board
Notes to Consolidated Financial Statements
Year ended August 31, 2022

19. REPAYMENT OF “THE 55 SCHOOL BOARD TRUST” FUNDING

On June 1, 2003, the board received \$3,520,453 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.

20. RELATED PARTY TRANSACTIONS

The board is related through common ownership to all Province of Ontario ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities are considered to be in the normal course of operations and are recorded at the exchange amount.

The Ontario Financing Authority provides financing to the board for capital projects. There were no new loans provided during the year. Repayments totaling \$6,715,573 representing interest of \$2,934,008 and principal of \$3,781,565 are funded by the Ministry of Finance.

21. 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 transfers is \$3,052,646 (2021 - \$889,453) with expenses based on use of \$3,052,646 (2021 - \$889,453) for a net impact of \$NIL.

22. IMPACT OF COVID-19

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since this time, the pandemic has had a significant financial, market and social impacts, due to government imposed lockdowns and social distancing requirements. The board has experienced physical closure of schools based on public health recommendations, implemented temporary virtual schooling, implemented mandatory working from 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.

