

Consolidated Financial Statements of

**GREATER ESSEX COUNTY  
DISTRICT SCHOOL BOARD**

And Independent Auditors' Report thereon

Year ended August 31, 2021



## **MANAGEMENT REPORT**

### **Management's Responsibility for the Consolidated Financial Statements**

The accompanying consolidated financial statements of the Greater Essex County District School Board are the responsibility of the Board management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act, as described in Note 1 to the consolidated financial statements.

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.

Handwritten signature of Erin Kelly in black ink.

Erin Kelly  
Director of Education

Handwritten signature of Shelley Armstrong in blue ink.

Shelley Armstrong  
Superintendent of Business & Treasurer



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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Greater Essex County District School Board

### ***Opinion***

We have audited the consolidated financial statements of the Greater Essex County District School Board (the Board) which comprise:

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

(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 Board as at August 31, 2021, and its consolidated results of operations, its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

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

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



### ***Emphasis of Matter – Basis of Accounting***

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.

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 financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada  
November 16, 2021

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

## Consolidated Statement of Financial Position


Year ended August 31, 2021, with comparative information for 2020


	2021	2020
<b>Financial assets:</b>		
Cash and short-term investments (note 2)	\$ 54,576,454	\$ 79,858,544
Accounts receivable	15,452,350	30,030,790
Accounts receivable - Government of Ontario (note 3)	191,634,667	181,115,930
Assets held for sale (note 4)	635,000	2,332,700
<b>Total financial assets</b>	<b>262,298,471</b>	<b>293,337,964</b>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	33,223,371	62,186,451
Amounts held in trust (note 5)	5,416,070	4,965,771
Net long-term debt (note 6)	142,777,315	151,402,135
Deferred revenue (note 7)	19,908,831	18,369,588
Employee future benefits (note 8)	55,307,719	59,049,376
Deferred capital contributions (note 9)	448,881,885	414,598,856
<b>Total financial liabilities</b>	<b>705,515,191</b>	<b>710,572,177</b>
<b>Net debt</b>	<b>(443,216,720)</b>	<b>(417,234,213)</b>
<b>Non-financial assets:</b>		
Prepaid expenses	1,221,417	454,479
Inventories of supplies (note 13)	658,046	481,646
Tangible capital assets (note 10)	489,236,971	455,097,978
<b>Total non-financial assets</b>	<b>491,116,434</b>	<b>456,034,103</b>
<b>Accumulated surplus (note 11)</b>	<b>\$ 47,899,714</b>	<b>\$ 38,799,890</b>

Commitments and contingencies (notes 14, 15 and 16)

See accompanying notes to consolidated financial statements.

On behalf of the Board:

  
 \_\_\_\_\_ Director of Education

  
 \_\_\_\_\_ Chair of the School Board

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2021, with comparative information for 2020

	Budget	2021 Actual	2020 Actual
<b>Revenues:</b>			
Municipal grants	\$ 73,512,402	\$ 68,154,569	\$ 73,496,411
Provincial grants - Grants for students needs	383,871,513	383,120,823	371,087,114
Provincial grants - Other	8,279,214	15,028,923	7,091,496
Ministry of Government and Consumer Services (note 13)	-	1,706,552	-
Ministry of Labour, Training and Skills Development - Ontario Youth Apprenticeship Program	234,000	231,790	186,323
Federal grants and fees	-	2,571,488	260,180
Other fees and revenues	4,272,133	3,780,620	6,911,896
Investment income	500,000	498,465	1,008,677
School fundraising and other activities	10,000,000	1,384,324	5,993,458
	<u>480,669,262</u>	<u>476,477,554</u>	<u>466,035,555</u>
<b>Expenses:</b>			
Instruction	363,013,203	368,797,471	343,480,912
Administration	11,105,881	10,907,728	10,459,694
Transportation	14,342,299	13,619,640	13,412,446
Pupil accommodation	68,005,285	65,577,119	63,909,867
Other	10,071,902	6,649,096	6,866,805
School funded activities	10,000,000	1,826,676	5,730,566
	<u>476,538,570</u>	<u>467,377,730</u>	<u>443,860,290</u>
Annual surplus	4,130,692	9,099,824	22,175,265
Accumulated surplus, beginning of year	38,799,890	38,799,890	16,624,625
Accumulated surplus, end of year	<u>\$ 42,930,582</u>	<u>\$ 47,899,714</u>	<u>\$ 38,799,890</u>

See accompanying notes to consolidated financial statements.



# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

## Consolidated Statement of Net Debt

Year ended August 31, 2021, with comparative information for 2020

	2021	2020
Annual surplus	\$ 9,099,824	\$ 22,175,265
Acquisition of tangible capital assets	(60,032,748)	(37,005,547)
Amortization of tangible capital assets	25,893,755	21,841,805
Gain on sale of capital assets	(4,476)	(2,043)
Proceeds on sale of capital assets	4,476	2,043
Transfer of assets held for sale	-	1,697,700
Write-down of tangible capital assets	-	1,300,291
	(25,039,169)	10,009,514
Acquisition of inventories of supplies	(656,578)	(480,984)
Acquisition of prepaid expenses	(937,613)	(114,187)
Consumption of inventories of supplies	480,178	1,336
Use of prepaid expenses	170,675	2,204,676
Change in net debt	(25,982,507)	11,620,355
Net debt, beginning of year	(417,234,213)	(428,854,568)
Net debt, end of year	\$ (443,216,720)	\$ (417,234,213)

See accompanying notes to consolidated financial statements.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

## Consolidated Statement of Cash Flows

Year ended August 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 9,099,824	\$ 22,175,265
Items not involving cash:		
Amortization of tangible capital assets	25,893,755	21,841,805
Transfer to financial assets	-	1,697,700
Write-down on transfer to asset held for sale	-	1,300,291
Gain on sale of capital assets	(4,476)	(2,043)
Decrease in employee future benefits	(3,741,657)	(588,815)
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	4,059,703	(16,784,478)
Decrease (increase) in assets held for sale	1,697,700	(1,697,700)
Increase in inventories of supplies	(176,400)	(479,648)
(Increase) decrease in prepaid expenses	(766,938)	2,090,489
(Decrease) increase in accounts payable and accrued liabilities	(28,963,080)	32,210,786
Increase in amounts held in trust	450,299	612,273
Increase in deferred revenue	1,539,243	4,602,539
Increase in deferred capital contributions	34,283,029	7,113,276
Net change in cash from operating activities	43,371,002	74,091,740
Financing activities:		
Debt repayments	(8,624,820)	(8,224,214)
Net change in cash from financing activities	(8,624,820)	(8,224,214)
Capital activities:		
Proceeds on sale of capital assets	4,476	2,043
Purchase of tangible capital assets	(60,032,748)	(37,005,547)
Net change in cash from capital activities	(60,028,272)	(37,003,504)
Net change in cash and short-term investments	(25,282,090)	28,864,022
Cash and short-term investments, beginning of year	79,858,544	50,994,522
Cash and short-term investments, end of year	\$ 54,576,454	\$ 79,858,544

See accompanying notes to consolidated financial statements.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

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## 1. Significant accounting policies:

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

### (a) Basis of accounting:

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

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

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

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## 1. Significant accounting policies (continued):

### (a) Basis of accounting (continued):

- 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.

### (b) Reporting entity:

These 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 Greater Essex County District School Board (the "Board") and which are controlled by the Board.

School generated funds, which include the assets, liabilities, revenues and expenses of various entities which exist at the school level and which are controlled by the Board are reflected in the consolidated financial statements.

Interdepartmental and inter-organizational transactions and balances between these entities are eliminated.

### (c) Cash and short-term investments:

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.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 1. Significant accounting policies (continued):

### (d) Deferred revenue:

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

### (e) Deferred capital contributions:

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

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

### (f) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to employees of certain employee groups. These benefits include life insurance, health care benefits, dental benefits, retirement/sick plan gratuities, workers' compensation benefits and long-term disability benefits.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 1. Significant accounting policies (continued):

### (f) 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 the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-2017: Elementary Teachers' Federation of Ontario (ETFO) and the Ontario Secondary School Teachers' Federation (OSSTF). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees Education Workers' Benefits Trust (CUPE EWBT) and ONE-T for non-unionized employees including Principals and Vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual staff), and other school board staff. Currently ONE-T ELHTs also provide benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for retired individuals for certain groups and for some retirees who are retired under these plans.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 1. Significant accounting policies (continued):

### (f) Retirement and other employee future benefits (continued):

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

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance, 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 retirement gratuities and 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 workers' compensation and long-term disability, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- (ii) The costs of multi-employer defined pension plans, such as the Ontario Municipal Employees Retirement System pension, are the employer's contributions due to the plan in the period.
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 1. Significant accounting policies (continued):

### (g) 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 and construction in progress, are amortized on a straight line basis over their estimated useful lives as follows:

Assets	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
First-time equipping of schools	10
Furniture and equipment	5 - 15
Computer hardware	3
Computer software	1 - 5
Vehicles	5 - 10

The Board reviews its estimate of the remaining service life of tangible capital assets due to significant betterments and additions during the year. These changes, if any, are applied prospectively. The change in the basis of amortization during the year has had the effect of decreasing amortization expense by \$276,909 (2020 - \$nil).

Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

The useful life for computer hardware was revised from five years to three years based on new information related to the actual life of the assets. As such, additional amortization has been recognized for these assets to approximate the revised net book value in line with this new policy. The impact of this change in estimate is an increase in amortization expense of \$2,068,361 (2020 - \$nil).



# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 1. Significant accounting policies (continued):

### (g) Tangible capital assets (continued):

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the Consolidated Statement of Financial Position.

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

### (h) Government transfers:

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

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

### (i) 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.

### (j) 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.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 1. Significant accounting policies (continued):

### (k) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1a requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to significant estimates include the carrying value of tangible capital assets and employee future benefits. Actual results could differ from these estimates.

### (l) 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, property tax revenue received from the municipalities is recorded as part of the Provincial Legislative Grants.

## 2. Cash and short-term investments:

Cash and short-term investments include the following:

	2021	2020
Non-restricted funds	\$ 46,338,644	\$ 71,421,695
Held in trust:		
Four/five deferred salary plans	3,336,536	2,924,116
School funds	4,901,274	5,403,120
Other	-	109,613
	<u>\$ 54,576,454</u>	<u>\$ 79,858,544</u>

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

### 3. Accounts receivable – Government of Ontario:

Accounts receivable from the Government of Ontario consist of:

	2021	2020
Capital <sup>(1)</sup>	\$ 163,880,447	\$ 159,520,983
Delayed grant payment <sup>(2)</sup>	24,079,315	20,824,891
Other operating <sup>(3)</sup>	3,674,905	770,056
	<u>\$ 191,634,667</u>	<u>\$ 181,115,930</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Other operating grants relate to receivable balances for multiple Priorities and Partnerships Fund (PPF) grants from the Ministry of Education as well as amounts receivable from the Ministry of Children, Community and Social Services and the Ministry of Labour, Training and Skills Development.

### 4. Assets held for sale:

As of August 31, 2021, \$635,000 (2020 - \$2,332,700) relating to Harrow District High School is recorded as assets held for sale. During the year, Leamington District Secondary School and Mill Street Public School were sold. Proceeds of \$1,697,700 (2020 - \$nil) were received on the dispositions, which had an aggregate carrying value of \$1,697,700 (2020 - \$nil). No gain or loss on the sales was recorded.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

## 5. Amounts held in trust:

Amounts held in trust consist of:

	2021	2020
Bequests for scholarships and bursaries	\$ 2,079,534	\$ 2,041,655
Employee four/five plans	3,336,536	2,924,116
	<b>\$ 5,416,070</b>	<b>\$ 4,965,771</b>

## 6. Net long-term debt:

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

	2021	2020
Debenture Bylaw #A2003-001 due October 20, 2023, bearing interest at 6.33% per annum. Blended payments of \$253,216 due semi-annually	\$ 1,154,211	\$ 1,567,842
Debenture Bylaw #B2003-002 due October 20, 2028, bearing interest at 6.42% per annum. Blended payments of \$92,987 due semi-annually	1,093,402	1,203,834
Debenture Bylaw #130100 due May 1, 2026, bearing interest at 5.41% per annum. Blended payments of \$122,412 due monthly	6,140,419	7,244,518
Debenture Bylaw #6 due November 15, 2031, bearing interest at 4.56% per annum. Blended payments of \$678,717 due semi-annually	11,226,630	12,044,069
Debenture Bylaw #7 due July 3, 2032, bearing interest at 5.398% per annum. Blended payments of \$332,485 due semi-annually	5,462,156	5,817,815
Debenture Bylaw #8 due March 3, 2033, bearing interest at 4.9% per annum. Blended payments of \$717,054 due semi-annually	12,733,048	13,514,405
Debenture Bylaw #11 due November 15, 2030, bearing interest at 5.21% per annum. Blended payments of \$447,710 due semi-annually	6,645,243	7,173,708
Debenture Bylaw #12 due March 13, 2034, bearing interest at 5.062% per annum. Blended payments of \$689,939 due semi-annually	12,900,687	13,600,841
Debenture Bylaw #15 due May 15, 2034, bearing interest at 5.384% per annum. Blended payments of \$1,363,757 due semi-annually	25,266,863	26,580,722
Debenture Bylaw #16 due April 13, 2035, bearing interest at 5.232% per annum. Blended payments of \$231,038 due semi-annually	4,525,643	4,742,395

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

## 6. Net long-term debt (continued):

	2021	2020
Debenture Bylaw #17 due March 11, 2036, bearing interest at 4.833% per annum. Blended payments of \$56,278 due semi-annually	1,181,356	1,234,870
Debenture Bylaw #18 due November 15, 2036, bearing interest at 3.97% per annum. Blended payments of \$374,246 due semi-annually	8,602,581	8,997,746
Debenture Bylaw #19 due March 9, 2037, bearing interest at 3.564% per annum. Blended payments of \$449,733 due semi-annually	10,801,286	11,302,362
Debenture Bylaw #20 due March 19, 2038, bearing interest at 3.799% per annum. Blended payments of \$394,992 due semi-annually	9,760,893	10,168,413
Debenture Bylaw #22 due March 11, 2039, bearing interest at 4.003% per annum. Blended payments of \$6,557 due semi-annually	165,919	172,202
Debenture Bylaw #26 due March 9, 2040, bearing interest at 2.993% per annum. Blended payments of \$274,485 due semi-annually	7,853,930	8,160,924
Debenture Bylaw #29 due March 15, 2041, bearing interest at 3.242% per annum. Blended payments of \$593,510 due semi-annually	17,263,048	17,875,469
	<b>\$ 142,777,315</b>	<b>\$ 151,402,135</b>

Principal and interest payments relating to net long-term debt outstanding as at August 31, 2021 are due as follows:

	Principal Payment	Interest	Total
2021/22	\$ 9,044,365	\$ 6,337,987	\$ 15,382,352
2022/23	9,484,998	5,897,362	15,382,360
2023/24	9,694,122	5,435,014	15,129,136
2024/25	9,903,188	4,972,741	14,875,929
2025/26	10,010,828	4,497,868	14,508,696
Thereafter	94,639,814	21,182,865	115,822,679
Total payments in respect of long-term debt	<b>\$ 142,777,315</b>	<b>\$ 48,323,837</b>	<b>\$ 191,101,152</b>

Interest expense on net long-term debt amounted to \$6,624,952 (2020 - \$7,054,234).

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

## 7. Deferred revenue:

Revenues received that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

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

	Balance as at August 31, 2020	Externally restricted additions (dispositions)	Transferred to DCC	Revenue recognized in the period	Balance as at August 31, 2021
Proceeds of Disposition	\$ -	\$ 1,513,286	\$ -	\$ -	\$ 1,513,286
Assets held for Sale	2,243,695	(1,608,695)	-	-	635,000
Education development charges	336,934	1,302,957	-	204	1,639,687
Restricted grants	15,788,959	100,917,969	13,986,483	86,599,587	16,120,858
	<b>\$18,369,588</b>	<b>\$ 102,125,517</b>	<b>\$ 13,986,483</b>	<b>\$ 86,599,791</b>	<b>\$ 19,908,831</b>

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2020 consists of:

	Balance as at August 31, 2019	Externally restricted additions	Transferred to DCC	Revenue recognized in the period	Balance as at August 31, 2020
Proceeds of Disposition	\$ 1,047,902	\$ -	\$ 1,047,902	\$ -	\$ -
Assets held for Sale	635,000	1,608,695	-	-	2,243,695
Education development charges	43,481	1,228,351	-	934,898	336,934
Restricted grants	12,040,666	92,195,678	5,287,010	83,160,375	15,788,959
	<b>\$13,767,049</b>	<b>\$95,032,724</b>	<b>\$ 6,334,912</b>	<b>\$ 84,095,273</b>	<b>\$ 18,369,588</b>

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

## 8. Retirement and other employee future benefits:

The Board provides defined post retirement and other future benefits to employees of certain employee groups. These benefits include post retirement life insurance and health care benefits, dental benefits, retirement/sick plan gratuity benefits, future paid sick leave benefits, and workers' compensation benefits. The liabilities associated with these plans are as follows:

	Retirement health benefits	Retirement gratuities	Sick leave/top-up benefits	Workers' Compensation benefit	2021 Total employee future benefits
Balance at August 31, 2020	\$ 28,709,029	\$ 19,195,150	\$ 239,369	\$ 10,905,828	\$ 59,049,376
Net (gain) expense for the year <sup>(1)</sup>	(760,995)	701,791	693,116	835,314	1,469,226
Less: benefit payments	(1,443,196)	(2,111,654)	(474,487)	(1,181,546)	(5,210,883)
Balance at August 31, 2021	\$ 26,504,838	\$ 17,785,287	\$ 457,998	\$ 10,559,596	\$ 55,307,719

	Retirement health benefits	Retirement gratuities	Sick leave/top-up benefits	Workers' Compensation benefit	2020 Total employee future benefits
Balance at August 31, 2019	\$ 27,755,359	\$ 20,891,076	\$ 208,471	\$ 10,783,285	\$ 59,638,191
Net expense for the year <sup>(1)</sup>	2,373,161	755,043	183,882	1,547,007	4,859,093
Less: benefit payments	(1,419,491)	(2,450,969)	(152,984)	(1,424,464)	(5,447,908)
Balance at August 31, 2020	\$ 28,709,029	\$ 19,195,150	\$ 239,369	\$ 10,905,828	\$ 59,049,376

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

## 8. Retirement and other employee future benefits (continued):

The components of the cost of providing these benefits for the year are as follows:

					2021 Total employee future benefits
	Retirement health benefits	Retirement gratuities	Sick leave/ top-up benefits	Workers' Compensation benefits	
Current year benefit cost	\$ -	\$ -	\$ 457,998	\$ 686,100	\$ 1,144,098
Interest on accrued benefit obligation	391,824	290,205	-	149,214	831,243
	391,824	290,205	457,998	835,314	1,975,341
Amortization of actuarial (gain) loss	(1,152,819)	411,586	235,118	-	(506,115)
Net expense for the year <sup>(1)</sup>	\$ (760,995)	\$ 701,791	\$ 693,116	\$ 835,314	\$ 1,469,226

					2020 Total employee future benefits
	Retirement health benefits	Retirement gratuities	Sick leave/ top-up benefits	Workers' Compensation benefits	
Current year benefit cost	\$ -	\$ -	\$ 239,369	\$ 1,332,263	\$ 1,571,632
Interest on accrued benefit obligation	540,912	438,354	-	214,744	1,194,010
	540,912	438,354	239,369	1,547,007	2,765,642
Amortization of actuarial loss (gain)	1,832,249	316,689	(55,487)	-	2,093,451
Net expense for the year <sup>(1)</sup>	\$ 2,373,161	\$ 755,043	\$ 183,882	\$ 1,547,007	\$ 4,859,093

<sup>(1)</sup> Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan described below.



# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 8. Retirement and other employee future benefits (continued):

### *Actuarial Assumptions*

The accrued benefit obligations for employee future benefit plans as at August 31, 2021, are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2020 and based on updated average daily salary and banked sick days as at August 31, 2021. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2021	2020
Inflation (excluding health care and dental expenses)	1.5%	1.5%
Wage and salary escalation	0.0%	0.0%
Discount on accrued benefit obligations	1.8%	1.4%

Health care costs were assumed to increase by 7.0% for 2020-21, reducing by ¼% in each subsequent year to an ultimate rate of increase of 4.5%. Dental costs were assumed to increase by a flat rate of 4.5% per annum.

The principal benefits provided, the costs and liabilities of which are included in the Board's consolidated financial statements, are as follows:

#### (a) Retirement Life Insurance and Health Care Benefits

The Board provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board experience and retirees' premiums may be subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013 employees retiring on or after this date, do not qualify for board subsidized premiums of contributions.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 8. Retirement and other employee future benefits (continued):

### (b) 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 up to August 31, 2012.

### (c) 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 \$693,116 (2020 - \$183,882).

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, 2020 and is based on the average daily salary and banked sick days of employees as at August 31, 2021.

### (d) Long-term Disability – Life Insurance and Health Care Benefits:

The Board provides life insurance, dental and health care benefits to employees on long-term disability leave to employees who are not yet members of an ELHT. The Board is responsible for the payment of life insurance premiums and the costs of dental and health care benefits under this plan. The Board provides these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in this plan.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 8. Retirement and other employee future benefits (continued):

### (e) Workplace Safety and Insurance Board (WSIB) obligations:

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act (the 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 the payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

### ***Other benefits***

#### (i) Ontario Teachers' Pension Plan

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

#### (ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board's contributions equal the employee contributions to the plan. During the year ended August 31, 2021, the Board contributed \$5,896,410 (2020 - \$5,571,500) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for these arrangements is included in the Board's consolidated financial statements.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 9. Deferred capital contributions:

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

	2021	2020
Balance, beginning of year	\$ 414,598,856	\$ 407,485,580
Additions to deferred capital contributions	59,203,995	30,837,476
Revenue recognized in the period	(24,920,966)	(22,115,505)
Transfers to deferred revenue	-	(1,608,695)
Balance, end of year	\$ 448,881,885	\$ 414,598,856

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

## 10. Tangible Capital Assets:

	Cost					Accumulated Amortization					Net Book Value	
	Balance at August 31, 2020	Additions	Transfers/Reclass	Disposals/Deemed Disposals/Written Down	Balance at August 31, 2021	Balance at August 31, 2020	Amortization Expense	Transfers/Reclass	Disposals/Deemed Disposals/Written Down	Balance at August 31, 2021	Balance at August 31, 2021	
Land	\$ 29,386,409	\$ 57,350	\$ -	\$ -	\$ 29,443,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,443,759	
Land improvements	24,109,067	559,051	-	-	24,668,118	10,292,757	1,599,805	-	-	11,892,562	12,775,556	
Buildings	608,496,467	27,082,248	8,753,481	-	644,332,196	218,114,489	18,225,441	-	-	236,339,930	407,992,266	
Portable structures	9,916,289	11,153	-	-	9,927,442	3,285,059	496,093	-	-	3,781,152	6,146,290	
Buildings 20 Year	-	181,825	-	-	181,825	-	4,546	-	-	4,546	177,279	
Construction in progress	4,450,261	19,827,993	(4,452,135)	-	19,826,119	-	-	-	-	-	19,826,119	
Pre-acquisition costs	1,531,562	4,309,389	(4,301,346)	-	1,539,605	-	-	-	-	-	1,539,605	
Furniture and equipment	1,985,047	54,098	-	(397,853)	1,641,292	1,392,555	149,105	-	(397,853)	1,143,807	497,485	
First time equipping	7,931,308	333,423	-	(1,304,285)	6,960,446	5,227,811	726,442	-	(1,304,285)	4,649,968	2,310,478	
Computer hardware	9,032,972	7,228,452	-	(5,112,201)	11,149,223	4,407,172	4,428,179	-	(5,112,201)	3,723,150	7,426,073	
Computer software	959,522	239,828	-	(275,835)	923,515	227,280	181,520	-	(275,835)	132,965	790,550	
Vehicles	1,372,002	147,938	-	(59,182)	1,460,758	1,125,805	82,624	-	(59,182)	1,149,247	311,511	
Assets Permanently Removed from Service	552,500	-	-	-	552,500	552,500	-	-	-	552,500	-	
<b>Total</b>	<b>\$ 699,723,406</b>	<b>\$ 60,032,748</b>	<b>\$ -</b>	<b>\$ (7,149,356)</b>	<b>\$ 752,606,798</b>	<b>\$ 244,625,428</b>	<b>\$ 25,893,755</b>	<b>\$ -</b>	<b>\$ (7,149,356)</b>	<b>\$ 263,369,827</b>	<b>\$ 489,236,971</b>	

(a) Assets under construction:

Assets under construction having a value of \$21,365,724 (2020 - \$5,981,823) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Deemed disposals of tangible capital assets:

Pooled assets with a gross book value of \$7,149,356 (2020 - \$3,929,937) and a net book value of \$nil (2020 - \$nil) are deemed to be disposed of.

(c) Assets Permanently Removed from Service relates to Sun Parlor Jr. Public School (2011).

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

## 10. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value		
	Balance at August 31, 2019	Additions	Transfers/Reclass	Disposals/Deemed Disposals/Written Down	Balance at August 31, 2020	Balance at August 31, 2019	Amortization Expense	Transfers/Reclass	Disposals/Deemed Disposals/Written Down	Balance at August 31, 2020	Balance at August 31, 2020
Land	\$ 23,470,817	\$ 6,073,992	\$ (89,005)	\$ (69,395)	\$ 29,386,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,386,409
Land improvements	23,769,295	603,724	(263,952)	-	24,109,067	8,893,968	1,577,105	(213,996)	35,680	10,292,757	13,816,310
Buildings	585,115,591	23,380,876	-	-	608,496,467	201,305,116	16,809,373	-	-	218,114,489	390,381,978
Portable structures	9,804,933	111,356	-	-	9,916,289	2,792,028	493,031	-	-	3,285,059	6,631,230
Construction in progress	-	-	4,450,261	-	4,450,261	-	-	-	-	-	4,450,261
Pre-acquisition costs	1,431,170	4,550,653	(4,450,261)	-	1,531,562	-	-	-	-	-	1,531,562
Furniture and equipment	2,100,115	12,398	-	(127,466)	1,985,047	1,351,295	168,726	-	(127,466)	1,392,555	592,492
First time equipping	10,289,625	-	-	(2,358,317)	7,931,308	6,806,869	779,259	-	(2,358,317)	5,227,811	2,703,497
Computer hardware	8,775,831	1,589,747	-	(1,332,606)	9,032,972	3,958,898	1,780,880	-	(1,332,606)	4,407,172	4,625,800
Computer software	520,464	481,211	-	(42,153)	959,522	103,832	165,601	-	(42,153)	227,280	732,242
Vehicles	1,232,978	139,024	-	-	1,372,002	1,057,975	67,830	-	-	1,125,805	246,197
Assets Permanently Removed from Service	7,574,546	62,566	(7,084,612)	-	552,500	4,883,157	-	(5,525,873)	1,195,216	552,500	-
<b>Total</b>	<b>\$ 674,085,365</b>	<b>\$ 37,005,547</b>	<b>\$ (7,437,569)</b>	<b>\$ (3,929,937)</b>	<b>\$ 699,723,406</b>	<b>\$ 231,153,138</b>	<b>\$ 21,841,805</b>	<b>\$ (5,739,869)</b>	<b>\$ (2,629,646)</b>	<b>\$ 244,625,428</b>	<b>\$ 455,097,978</b>

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

## 11. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Surplus:		
Operating	\$ 35,073,609	\$ 29,867,986
Employee future benefits	(31,386,847)	(36,255,455)
Interest accruals	(1,517,254)	(1,649,836)
School generated funds	4,663,880	5,106,232
Revenues recognized for land	29,532,763	29,475,412
Amounts restricted for future use by board motion:		
School budgets	622,210	1,142,838
Campbell Public School	800,214	827,340
LaSalle Public School	2,318,664	2,451,159
Better Places	5,658,025	6,315,935
Administrative buildings – capitalized assets	1,740,286	1,518,279
School buildings	372,574	-
Technology	21,590	-
	\$ 47,899,714	\$ 38,799,890

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 11. Accumulated surplus (continued):

Amounts restricted for future use by board motion – School budgets represents the current year's unspent school allocated budget.

Amounts restricted for future use by board motion – Campbell Public School represents amounts used to pay for the capital costs of Campbell Public School, net of amortization. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – LaSalle Public School represents amounts to be used to pay for the construction cost of LaSalle Public School, net of amortization. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – Better Places represents amounts used to pay for the capital costs of the Better Places renewal initiative, net of amortization. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – Administrative buildings – capitalized assets represent additions to Administrative buildings. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – School buildings represent capitalized additions and betterments to school buildings. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – Technology represent capitalized laptop additions. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.



# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

## 12. Expenses by object:

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

	2021 Budget	2021 Actual	2020 Actual
Current expenses:			
Salary and wages	\$ 322,257,987	\$ 327,384,562	\$ 308,234,339
Employee benefits	54,289,340	52,222,631	52,102,140
Staff development	878,866	864,116	1,152,648
Supplies and services	40,410,864	32,190,687	32,193,682
Interest	6,887,473	6,672,665	7,206,147
Rental expenses	143,710	398,628	386,899
Fees and contract services	19,415,477	16,990,305	17,659,478
Other	7,177,381	4,760,378	1,782,860
Amortization and write downs of tangible capital assets	25,077,472	25,893,758	23,142,097
	<u>\$ 476,538,570</u>	<u>\$ 467,377,730</u>	<u>\$ 443,860,290</u>

## 13. In-kind transfers from the Ministry of Government and Consumer Services (MGCS):

To support school boards in implementing health and safety measures in response to COVID-19, the Ministry, through the Ministry of Government and Consumer Services provided personal protective equipment, critical supplies and equipment to school boards at no cost. For purposes of the financial statements, in-kind transfers are recorded to recognize the value of the contribution. The amounts recorded were calculated based on the weighted average cost of the personal protective equipment and critical supplies and equipment, as determined by the MGCS, and quantities received based on the Board's records. The in-kind revenues and expenses recorded in the Statement of Operations for these transfers totals \$1,706,552 (2020 - \$nil).

Included in the inventory balance of \$658,046 (2020 - \$481,646) in the Statement of Financial Position is \$655,648 (2020 - \$nil) related to supplies and equipment received from MGCS.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## 14. Ontario School Board Insurance Exchange (OSBIE):

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27,000,000 per occurrence.

The ultimate premiums over a five-year period are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five-year term expires in 2026.

## 15. Commitments:

At August 31, 2021, the Board is committed to capital expenditures in the amount of \$45,748,126 (2020 - \$32,394,053) to be funded by Ministry of Education capital grant programs.

## 16. Contingent liabilities:

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

## 17. Transportation consortium:

On January 20, 2003, the Board entered into an agreement with the Windsor-Essex Catholic District School Board and Conseil scolaire catholique Providence, formerly named Conseil Scolaire de district des écoles catholiques du Sud-Ouest, in order to provide common administration of student transportation within the combined jurisdictions of the current member school boards. On September 10, 2009, a new agreement was entered into and included the Conseil scolaire Viamonde. The consortium agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards.

On July 18, 2013 the consortium incorporated and became a separate legal entity known as Service de transport des élèves - Windsor-Essex Student Transportation Services. Under the formal agreement, decisions related to the financial and operating activities are shared. No partner is in a position to exercise unilateral control.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2021

## 17. Transportation consortium (continued):

The Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets it controls, the liabilities that it has incurred, and its pro-rata share of revenue and expenses.

The following provides condensed financial information:

	2021		2020	
	Total	Board Portion	Total	Board Portion
<b>Financial Position:</b>				
Financial assets	\$ 266,789	\$ 2,476	\$ 712,558	\$ 104,917
Financial liabilities	266,789	209,429	712,558	647,939
<b>Accumulated (deficit) surplus</b>				
	-	(206,953)	-	(543,022)
<b>Operations:</b>				
Revenues	26,592,866	14,145,899	25,622,889	13,721,302
Expenses	26,592,866	14,145,899	25,622,889	13,721,302
<b>Annual surplus</b>	\$ -	\$ -	\$ -	\$ -

## 18. Repayment of "55 School Board Trust" Funding:

On June 1, 2003, the Board received \$1,779,682 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.

# GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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## **19. Global Pandemic (COVID-19):**

In March 2020, the World Health Organization declared the outbreak of coronavirus (“COVID-19”) a global pandemic. This resulted in the Province mandating that all school boards close their schools and administrative buildings on March 13, 2020 and moving to online/learn-from-home education format for the remainder of the 2019-2020 school year based on recommendations from Public Health Ontario. For the 2020-2021 school year the schools reopened to students, effective September 2020, with enhanced public health protocols, or the option to continue with online education and at-home distance learning. The Board continues to monitor the situation and plan for potential changes during the fiscal 2022 school year and beyond.

As a result of the pandemic, the Board may experience increased risk exposure in several areas.

During the year, as detailed in note 13, the School Board received personal protective equipment (PPE) and cleaning supplies from the Ministry of Government and Consumer Services for all staff.

As at August 31, 2021, the Board did not have significant adjustments to reflect the possible future impact of COVID-19. Management assessed the impact on the Board and believes there are no significant financial issues as the Board has strong working capital available and access to sufficient liquid resources to sustain operations in the coming year. The outcome and timeframe to a recovery from the current pandemic is highly unpredictable, thus it is not practicable to estimate and disclose its financial effect on future operations at this time.

## **20. Comparative information:**

Certain reclassifications have been made to the prior year’s financial statements to conform to the presentation used in the current year’s financial statements. The changes have no impact on current or prior year’s accumulated surplus.