

**PETERBOROUGH VICTORIA NORTHUMBERLAND AND
CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD**

CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2021

**PETERBOROUGH VICTORIA NORTHUMBERLAND AND
CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD**

CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2021

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PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

For The Year Ended August 31, 2021

MANAGEMENT REPORT

The accompanying consolidated financial statements of Peterborough Victoria Northumberland and Clarington Catholic District School Board are the responsibility of 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(a) 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.

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

The Audit Committee meets with 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 Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the School Board. Baker Tilly KDN LLP has full and free access to the Board of Trustees.



Director of Education / Secretary
Treasurer



Superintendent of Business and
Finance

November 23, 2021

Baker Tilly KDN LLP
272 Charlotte St.
Peterborough, ON
Canada K9J 2V4

INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees of Peterborough Victoria
Northumberland and Clarington Catholic District School
Board**

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Opinion

We have audited the consolidated financial statements of Peterborough Victoria Northumberland and Clarington Catholic District School Board (the School Board), which comprise the consolidated statement of financial position as at August 31, 2021, the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the School Board as at August 31, 2021, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the School Board in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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Peterborough

Courtice

Lindsay

Cobourg

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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 School 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 School 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 consolidated 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 School Board to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the School Board to express an opinion on the consolidated 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
November 30, 2021

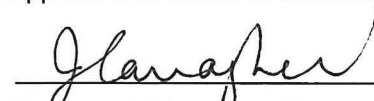
**PETERBOROUGH VICTORIA NORTHUMBERLAND
AND CLARINGTON CATHOLIC DISTRICT SCHOOL
BOARD**



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At August 31, 2021

| | 2021 \$ | 2020 \$ |
|--|----------------------|----------------------|
| FINANCIAL ASSETS | | |
| Cash | 19,703,467 | 24,204,392 |
| Accounts receivable | | |
| Government of Ontario - Approved Capital (note 2) | 41,441,031 | 38,489,451 |
| Local government | 2,652,759 | 7,867,682 |
| Other (note 3) | 6,324,277 | 5,075,964 |
| TOTAL FINANCIAL ASSETS | 70,121,534 | 75,637,489 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 11,418,227 | 15,411,945 |
| Long term debt (note 6) | 33,823,928 | 37,090,082 |
| Deferred revenue (notes 5 and 8) | 5,934,988 | 4,358,437 |
| Deferred capital contributions (note 4) | 172,222,002 | 169,910,090 |
| Retirement and other employee future benefits (note 9) | 9,413,442 | 10,794,332 |
| TOTAL LIABILITIES | 232,812,587 | 237,564,886 |
| NET DEBT | (162,691,053) | (161,927,397) |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (note 17) | 193,617,845 | 190,753,633 |
| Prepaid expenses and other non-financial assets (note 5) | 1,613,474 | 765,591 |
| TOTAL NON-FINANCIAL ASSETS | 195,231,319 | 191,519,224 |
| ACCUMULATED SURPLUS (note 13) | 32,540,266 | 29,591,827 |

Approved on behalf of the Board:


Director of Education / Secretary Treasurer


Chair of School Board

The accompanying notes are an integral part of these financial statements

**PETERBOROUGH VICTORIA NORTHUMBERLAND
AND CLARINGTON CATHOLIC DISTRICT SCHOOL
BOARD**



CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended August 31, 2021

| | Budget 2021 \$ (Unaudited) | Actual 2021 \$ | Actual 2020 \$ |
|--|-------------------------------------|----------------------|----------------------|
| REVENUES | | | |
| Provincial legislative grants | 180,420,067 | 179,190,909 | 172,971,817 |
| Provincial grants - other | 2,697,901 | 9,847,064 | 2,390,245 |
| Federal grants and fees | 221,513 | 1,304,332 | 260,852 |
| Investment income | 200,000 | 197,405 | 377,279 |
| Other fees and revenues | 970,679 | 925,287 | 1,369,081 |
| School generated funds | 4,600,000 | 721,760 | 2,815,128 |
| Amortization of deferred capital contributions | 8,769,248 | 9,061,226 | 8,534,922 |
| Education development charges | - | 23,135 | 88,214 |
| TOTAL REVENUES | 197,879,408 | 201,271,118 | 188,807,538 |
| EXPENSES | | | |
| Instruction | 147,649,416 | 150,178,266 | 140,177,978 |
| Administration | 5,331,815 | 5,066,134 | 5,280,577 |
| Transportation | 13,033,253 | 11,893,905 | 11,679,523 |
| Pupil accomodation | 26,705,567 | 28,995,898 | 24,986,710 |
| School generated funds | 4,600,000 | 1,061,221 | 2,373,942 |
| Other | 750,000 | 1,127,255 | 104,055 |
| TOTAL EXPENSES | 198,070,051 | 198,322,679 | 184,602,785 |
| ANNUAL SURPLUS/(DEFICIT) | (190,643) | 2,948,439 | 4,204,753 |
| ACCUMULATED SURPLUS - beginning of year | 25,293,188 | 29,591,827 | 25,387,074 |
| ACCUMULATED SURPLUS - end of year | 25,102,545 | 32,540,266 | 29,591,827 |

The accompanying notes are an integral part of these financial statements

**PETERBOROUGH VICTORIA NORTHUMBERLAND
AND CLARINGTON CATHOLIC DISTRICT SCHOOL
BOARD**



CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2021

| | Budget 2021 \$ (Unaudited) | Actual 2021 \$ | Actual 2020 \$ |
|---|-------------------------------------|----------------------|----------------------|
| ANNUAL SURPLUS/(DEFICIT) | (190,643) | 2,948,439 | 4,204,753 |
| Amortization of tangible capital assets | 9,082,318 | 9,317,996 | 8,726,774 |
| Purchase of tangible capital assets | (6,709,818) | (12,182,208) | (8,023,250) |
| Gain on disposal of tangible capital assets | - | (2,120) | (62,956) |
| Proceeds on sale of tangible capital assets | - | 2,120 | 62,956 |
| Change in prepaid expenses and other non-financial assets | - | (847,883) | 205,536 |
| CHANGE IN NET FINANCIAL DEBT | 2,181,857 | (763,656) | 5,113,813 |
| NET DEBT - beginning of year | (161,927,397) | (161,927,397) | (167,041,210) |
| NET DEBT - end of year | (159,745,540) | (162,691,053) | (161,927,397) |

The accompanying notes are an integral part of these financial statements

**PETERBOROUGH VICTORIA NORTHUMBERLAND
AND CLARINGTON CATHOLIC DISTRICT SCHOOL
BOARD**



CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2021

| | 2021 | 2020 |
|---|---------------------|--------------------|
| | \$ | \$ |
| CASH PROVIDED BY (USED IN) | | |
| OPERATING ACTIVITIES | | |
| Annual surplus | 2,948,439 | 4,204,753 |
| Items not involving cash | | |
| Amortization of tangible capital assets | 9,317,996 | 8,726,774 |
| Gain on disposal of tangible capital assets | (2,120) | (62,956) |
| Amortization of deferred capital contributions | (9,061,226) | (8,534,922) |
| Change in non-cash assets and liabilities | | |
| Accounts receivable | 3,966,610 | (3,790,591) |
| Prepaid expenses and other non-financial assets | (847,883) | 205,536 |
| Accounts payable and accrued liabilities | (3,993,718) | 4,539,747 |
| Deferred revenue | 569,595 | 588,946 |
| Retirement and other employee future benefits | (1,380,890) | (709,109) |
| Net change in cash from operating activities | 1,516,803 | 5,168,178 |
| CAPITAL ACTIVITIES | | |
| Purchase of tangible capital assets | (12,182,208) | (8,023,250) |
| Proceeds on disposal of tangible capital assets | 2,120 | 62,956 |
| Net change in cash from capital activities | (12,180,088) | (7,960,294) |
| FINANCING ACTIVITIES | | |
| Debt repayments | (3,266,154) | (3,062,125) |
| Government of Ontario - approved capital | (2,951,580) | 3,937,203 |
| Additions to deferred capital contributions | 11,373,138 | 6,421,840 |
| Deferred revenues - capital | 1,006,956 | (779,378) |
| Net change in cash from financing activities | 6,162,360 | 6,517,540 |
| NET CHANGE IN CASH | (4,500,925) | 3,725,424 |
| CASH - beginning of year | 24,204,392 | 20,478,968 |
| CASH - end of year | 19,703,467 | 24,204,392 |

The accompanying notes are an integral part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

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 amortization, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(b) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the School Board and which are controlled by the School Board.

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

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

(c) Trust Funds

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

(d) Cash

Cash and cash equivalents comprise 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.

(e) Deferred Revenue

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

(f) 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; and
- Property taxation revenues which were historically used to fund capital assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Retirement and Other Employee Future Benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-2017: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees (CUPE), and Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals.

The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), and other school board staff. Currently ONE-T ELHTs also provide benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario.

Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for individuals who retired prior to August 31, 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, 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 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 (if applicable) 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 accumulated over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Tangible Capital Assets

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

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

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 |
| Buildings and building improvements | 40 |
| Portable structures | 20 |
| Other buildings | 20 |
| First-time equipping of schools | 10 |
| Furniture | 10 |
| Equipment | 5-15 |
| Computer hardware | 3 |
| Computer software | 5 |
| Vehicles | 5-10 |
| Leasehold improvements | Over the lease term |

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

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

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

In 2021, 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 recorded in these consolidated financial statements for these assets as needed to bring the net book value in line with this new policy. The impact of this change in estimates is \$396,468.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Government Transfers

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

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

(j) Investment Income

Investment income is reported as revenue in the period earned.

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

(k) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model.

(l) Use of Estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the reported 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. The principal estimates used in the preparation of these financial statements are the determination of the liability for post-retirement benefits and the estimated useful life of tangible capital assets. Actual results could differ from these estimates, as additional information becomes available in the future.

(m) Property Tax Revenue

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(n) Measurement Uncertainty

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the School Board's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the entity's operations. The extent of the impact of this outbreak and related containment measures on the School Board's operations cannot be reliably estimated at this time.

As an emerging risk, the duration and full financial effect of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions, and other mitigating measures. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 pandemic may materially and adversely affect the School Board's operations, financial results and condition in future periods are also subject to significant uncertainty. Therefore, uncertainty about judgements, estimates, and assumptions made by management during the preparation of the School Board's financial statements related to potential impacts of the COVID-19 outbreak on revenue, expenses, assets, liabilities, and note disclosures could result in a material adjustment to the carrying value of the asset or liability affected.

2. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO APPROVED CAPITAL

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. Peterborough Victoria Northumberland and Clarington Catholic 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 School Board receives this grant in cash over the remaining term of the existing capital debt instruments. The School Board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

The School Board has an account receivable from the Province of Ontario of \$41,441,031 as at August 31, 2021 (2020 - \$38,489,451) with respect to capital grants.

3. ACCOUNTS RECEIVABLE - OTHER

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the grant payment to school boards where 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 Accounts Receivable - other at August 31, 2021 is \$3,705,025 (2020 - \$3,026,945).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

4. 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 | 169,910,090 | 172,023,176 |
| Additions to deferred capital contributions | 11,373,138 | 6,421,836 |
| Revenue recognized in the period | (9,061,226) | (8,534,922) |
| | 172,222,002 | 169,910,090 |

5. IN-KIND TRANSFERS FROM THE MINISTRY OF GOVERNMENT AND CONSUMER SERVICES

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Government and Consumer Services (MGCS). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the Board's records. The in-kind revenue recorded for these transfers is \$1,022,170 with expenses based on use of \$1,022,170 for a net impact of \$Nil. Included in prepaid expenses and other non-financial assets and deferred revenue operating - other is \$850,000 of PPE and CSE that were on hand at August 31, 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

6. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

| | 2021 \$ | 2020 \$ |
|---|------------|------------|
| Debenture payable - Bylaw #117 - for permanent improvements, 7.342% per annum, repayable \$292,226 per month principal and interest, due July 2026, redeemable in whole but not in part of the principal amount outstanding, at the option of the School Board on any date prior to July 2026 | 14,435,783 | 16,788,034 |
| Ontario Financing Authority term installment loans, for permanent improvements, 3.564% - 5.232% per annum, repayable \$885,762 semi-annually principal and interest, due November 2031 - March 2039 | 19,388,145 | 20,302,048 |
| | 33,823,928 | 37,090,082 |

- (b) The long term debt reported in (a) of this note is repayable as follows:

| | Principal \$ | Interest \$ | Total \$ |
|---------------------------|-----------------|----------------|-------------|
| 2022 | 3,484,472 | 1,793,772 | 5,278,244 |
| 2023 | 3,718,111 | 1,560,133 | 5,278,244 |
| 2024 | 3,968,182 | 1,310,062 | 5,278,244 |
| 2025 | 4,235,875 | 1,042,369 | 5,278,244 |
| 2026 | 4,230,243 | 755,774 | 4,986,017 |
| 2027 and subsequent years | 14,187,045 | 3,427,407 | 17,614,452 |
| | 33,823,928 | 9,889,517 | 43,713,445 |

7. DEBT CHARGES AND CAPITAL LOAN INTEREST

| | 2021 \$ | 2020 \$ |
|---|------------|------------|
| Principal payments on long-term liabilities | 3,266,154 | 3,062,125 |
| Interest payments on long-term liabilities | 2,012,090 | 2,216,118 |
| | 5,278,244 | 5,278,243 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

8. DEFERRED REVENUE

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

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

| | Balance August 31, 2020 \$ | Externally Restricted Revenue and Investment Income 2021 \$ | Revenue Recognized in the Period 2021 \$ | Transferred to DCC 2021 \$ | Balance August 31, 2021 \$ |
|--------------------------------------|-------------------------------------|---|--|-------------------------------------|-------------------------------------|
| Capital | | | | | |
| School Renewal | 478,439 | 2,253,509 | - | 2,155,659 | 576,289 |
| Minor Tangible Capital Assets | - | 4,451,003 | 3,200,689 | 1,250,314 | - |
| Proceeds of Disposition | 570,157 | - | - | - | 570,157 |
| Education Development Charges | 1,784,715 | 712,226 | 23,135 | - | 2,473,806 |
| Retrofit for Child Care | 183,851 | - | - | - | 183,851 |
| Temporary Accommodation | - | 94,498 | - | 94,498 | - |
| Interest on Capital | - | 2,023,681 | 2,023,681 | - | - |
| Other | 50,925 | 1,395,870 | - | 1,413,060 | 33,735 |
| | 3,068,087 | 10,930,787 | 5,247,505 | 4,913,531 | 3,837,838 |
| Operating | | | | | |
| Special Education | 664,842 | 24,711,801 | 24,834,122 | - | 542,521 |
| Targeted Students Supports | 150,963 | 586,280 | 538,658 | - | 198,585 |
| Rural and Northern Education Fund | - | 371,530 | 371,530 | - | - |
| Experiential Learning Envelope | 319,344 | 426,374 | 508,513 | - | 237,205 |
| Other (Note 5) | 155,201 | 1,475,691 | 512,053 | - | 1,118,839 |
| | 1,290,350 | 27,571,676 | 26,764,876 | - | 2,097,150 |
| | 4,358,437 | 38,502,463 | 32,012,381 | 4,913,531 | 5,934,988 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

| Liability | Retirement Gratuities \$ | Retirement Benefits \$ | Other Employee Future Benefits \$ | 2021 Total \$ | 2020 Total \$ |
|---|--------------------------------|------------------------------|---|---------------------|---------------------|
| Accrued employee benefit obligations at August 31 | 9,638,989 | 210,918 | 1,175,110 | 11,025,017 | 12,655,698 |
| Unamortized actuarial gains (losses) at August 31 | (1,611,575) | - | - | (1,611,575) | (1,861,366) |
| | 8,027,414 | 210,918 | 1,175,110 | 9,413,442 | 10,794,332 |

| Change in liability | Retirement Gratuities \$ | Retirement Benefits \$ | Other Employee Future Benefits \$ | 2021 Total \$ | 2020 Total \$ |
|--|--------------------------------|------------------------------|---|---------------------|---------------------|
| Current year benefit cost (recovery) | - | - | (162,893) | (162,893) | 912,653 |
| Interest on accrued benefit obligation | 139,895 | 4,057 | 17,695 | 161,647 | 254,355 |
| Amortization of actuarial (gains) losses | 390,648 | (94) | 71,336 | 461,890 | 317,790 |
| Benefit payments ¹ | (1,268,606) | (198,332) | (390,877) | (1,857,815) | (2,193,907) |
| | (709,109) | (194,369) | (464,739) | (1,397,171) | (709,109) |

1 Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS, continued

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2020 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2019. The economic assumptions used in these valuations are the School Board's best estimates of expected rates of:

| | 2021 | 2020 |
|---|-------------|-------------|
| Inflation | 1.5% | 1.5% |
| Wage and salary escalation | n/a | n/a |
| Insurance and health care cost escalation | 4.5 - 7.00% | 4.5 - 7.25% |
| Discount on accrued benefit obligations | 1.8% | 1.4% |

Retirement Benefits

(a) Ontario Teacher's 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 School Board's consolidated financial statements.

(b) Ontario Municipal Employees Retirement System

All non-teaching employees of the School Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The OMERS Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. OMERS provides pension services to over 500,000 active and retired members and approximately 1,000 employers.

Each year an independent actuary determines the funding status of the OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2020. The results of this valuation disclosed total actuarial liabilities of \$113,955 million in respect of benefits accrued for service with actuarial assets at that date of \$109,844 million indicating an actuarial deficit of \$3,211 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. During the year ended August 31, 2021, the School Board contributed \$2,765,034 (2020 - \$2,482,657) to the plan.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021**

9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS, continued

(c) Retirement Gratuities

The School Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The School Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the School 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. As of August 31, 2021 the Board has restricted a portion of its accumulated surplus for retirement gratuities amounting to \$Nil (2020 - \$934,050).

(d) Retirement Life Insurance and Health Care Benefits

The School Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums for certain classes of retirees are based on the School Board's experience and retirees' premiums may be subsidized by the School Board. The premiums for retiree groups that have transitioned to the One-T ELHT are based on the trust retiree premium and may be subsidized by the School Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the School Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, will no longer qualify for School Board subsidized premiums or contributions.

Other Employee Future Benefits

(a) Workplace Safety and Insurance Board Obligations

The School 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 School 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 School Board's consolidated financial statements. Plan changes made in 2012 require school boards 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 previously negotiated collective agreement included such provision. As at August 31, 2021 the liability included in employee future benefits for this obligation is \$1,004,150 (2020 - \$1,541,338).

(b) Sick Leave Top-Up Benefits

A maximum of eleven unused sick days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are \$242,296 (2020 - \$66,070).

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

**PETERBOROUGH VICTORIA NORTHUMBERLAND
AND CLARINGTON CATHOLIC DISTRICT SCHOOL
BOARD**



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

10. TEMPORARY BORROWINGS

The School Board has an authorized line of credit of \$10,000,000 which bears interest at prime. At August 31, 2021 the School Board had not drawn on this credit facility (2020 - \$NIL).

11. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

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

The ultimate premiums over a five year period are based on the reciprocal's and the School Board's actual claims experience. Periodically, the School 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 December 31, 2021.

12. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

| | Budget 2021 \$ (Unaudited) | Actual 2021 \$ | Actual 2020 \$ |
|----------------------------|-------------------------------------|----------------------|----------------------|
| Salaries | 129,643,754 | 132,832,523 | 123,663,737 |
| Benefits | 24,264,385 | 24,606,067 | 23,032,143 |
| Staff development | 663,617 | 320,881 | 348,652 |
| Supplies and services | 14,392,430 | 10,890,683 | 10,745,799 |
| Interest | 1,991,936 | 1,991,934 | 2,197,060 |
| Rental | 24,906 | 20,004 | 21,023 |
| Fees and contract services | 17,067,290 | 17,033,921 | 15,584,822 |
| Other | 939,415 | 1,308,670 | 282,775 |
| Amortization | 9,082,318 | 9,317,996 | 8,726,774 |
| | 198,070,051 | 198,322,679 | 184,602,785 |

**PETERBOROUGH VICTORIA NORTHUMBERLAND
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

13. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

| | 2021 \$ | 2020 \$ |
|---|-------------------|-------------------|
| Available for Compliance - Unappropriated | | |
| Operating accumulated surplus | 6,987,156 | 6,274,550 |
| Available for Compliance - Internally Appropriated | | |
| Retirement gratuities | - | 934,050 |
| School activities | 544,765 | 815,437 |
| Program capital | 523,625 | 523,625 |
| Committed capital projects | 3,554,886 | 3,002,589 |
| Facilities and sites | 871,952 | 1,681,022 |
| IT infrastructure and software | 500,000 | 500,000 |
| Joint field agreement | 30,000 | - |
| Total Internally Appropriated | 6,025,228 | 7,456,723 |
| Unavailable for Compliance | | |
| Invested in tangible capital assets | 17,845,215 | 17,845,210 |
| School generated funds | 1,799,956 | 2,139,424 |
| Interest to be accrued | (117,289) | (137,440) |
| Employee future benefits | - | (3,986,640) |
| Total Unavailable for Compliance | 19,527,882 | 15,860,554 |
| Total Accumulated Surplus | 32,540,266 | 29,591,827 |

14. TRUST FUNDS

Trust funds administered by the School Board amounting to \$222,202 (2020 - \$225,069) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

15. CONTINGENCIES

The School Board has an excess of loss (catastrophe) Workplace Safety and Insurance Board (WSIB) insurance policy of \$27,000,000 per accident, per employee, aggregate for disease, with a \$1,000,000 deductible per employee, per accident. The School Board brings this deductible down to \$500,000 by participating in the School Boards' Cooperative Assistance Program.

Due to the nature of the School Board's operations, the organization is periodically subject to litigation. In the opinion of management, the resolution of any current litigation would not have a material effect on the financial position or results of operations, as the School Board has valid defences and appropriate insurance coverages in place.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021

**16. STUDENT TRANSPORTATION SERVICES OF CENTRAL ONTARIO TRANSPORTATION
CONSORTIUM**

On March 30, 2007, the School Board entered into an agreement with Kawartha Pine Ridge District School Board and Conseil Scolaire De District Catholique Centre-Sud 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 Central Ontario are shared. No partner is in a position to exercise unilateral control.

The following provides condensed financial information:

| | 2021 | | 2020 | |
|----------|------------|------------|------------|------------|
| | Total | Board | Total | Board |
| | \$ | Portion | \$ | Portion |
| | | \$ | | \$ |
| Expenses | 34,417,807 | 10,641,681 | 32,820,685 | 10,384,936 |

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended August 31, 2021**

17. TANGIBLE CAPITAL ASSETS

| | Cost | | | | Accumulated Amortization | | | | Net Book Value | |
|----------------------------------|--------------------------|-----------------|-----------------|--------------------------|--------------------------|--------------------|--|--------------------------|----------------|-------------|
| | Opening Balance \$ | Additions \$ | Disposals \$ | Closing Balance \$ | Opening Balance \$ | Amortization \$ | Disposals, Write-offs & Other Adjustments \$ | Closing Balance \$ | 2021 \$ | 2020 \$ |
| Tangible Capital Assets | | | | | | | | | | |
| Land | 17,840,961 | - | - | 17,840,961 | - | - | - | - | 17,840,961 | 17,840,961 |
| Land Improvements | 12,602,209 | 3,123,090 | - | 15,725,299 | 5,129,349 | 905,427 | - | 6,034,776 | 9,690,523 | 7,472,860 |
| Buildings | 265,908,680 | 5,323,041 | - | 271,231,721 | 109,978,844 | 6,574,526 | - | 116,553,370 | 154,678,351 | 155,929,836 |
| Portable Structures | 7,053,840 | 1,497,253 | - | 8,551,093 | 970,799 | 390,123 | - | 1,360,922 | 7,190,171 | 6,083,041 |
| Other Buildings | 108,430 | 83,989 | - | 192,419 | 35,964 | 7,685 | - | 43,649 | 148,770 | 72,466 |
| Computer Hardware | 1,806,368 | 1,275,945 | 1,468,050 | 1,614,263 | 1,096,299 | 828,438 | 1,468,050 | 456,687 | 1,157,576 | 710,069 |
| Computer Software | 243,462 | 113,653 | 94,518 | 262,597 | 154,263 | 50,606 | 94,518 | 110,351 | 152,246 | 89,199 |
| Equipment - 5 year | 13,647 | 80,160 | - | 93,807 | 2,949 | 10,746 | - | 13,695 | 80,112 | 10,698 |
| Equipment - 10 year | 3,618,263 | 403,181 | 461,815 | 3,559,629 | 1,681,310 | 358,895 | 461,815 | 1,578,390 | 1,981,239 | 1,936,953 |
| Equipment - 15 year | 555,927 | 32,078 | - | 588,005 | 502,232 | 13,835 | - | 516,067 | 71,938 | 53,695 |
| Furniture | 341,261 | 22,020 | 32,670 | 330,611 | 177,867 | 33,594 | 32,670 | 178,791 | 151,820 | 163,394 |
| First-time Equipping | 1,223,003 | - | 230,133 | 992,870 | 915,439 | 110,794 | 230,133 | 796,100 | 196,770 | 307,564 |
| Vehicles | 283,698 | - | - | 283,698 | 200,801 | 33,327 | - | 234,128 | 49,570 | 82,897 |
| | 311,599,749 | 11,954,410 | 2,287,186 | 321,266,973 | 120,846,116 | 9,317,996 | 2,287,186 | 127,876,926 | 193,390,047 | 190,753,633 |
| Assets Under Construction | | | | | | | | | | |
| Buildings | - | 227,798 | - | 227,798 | - | - | - | - | 227,798 | - |
| | - | 227,798 | - | 227,798 | - | - | - | - | 227,798 | - |
| Total | 311,599,749 | 12,182,208 | 2,287,186 | 321,494,771 | 120,846,116 | 9,317,996 | 2,287,186 | 127,876,926 | 193,617,845 | 190,753,633 |