

Consolidated Financial Statements of

**ALGONQUIN AND LAKESHORE
CATHOLIC DISTRICT SCHOOL
BOARD**

Year ended August 31, 2022

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Algonquin and Lakeshore Catholic District School Board (the "board") are the responsibility of board management and have been prepared in compliance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004: B2 and Ontario Regulation 395/11 of the Financial Administration Act as described in note 1 to the consolidated financial statements.

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

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

The audit committee of the board meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the board's approval of the consolidated financial statements.

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



Director of Education



Superintendent of Finance and
Business Services

November 14, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Algonquin and Lakeshore Catholic District School Board

Opinion

We have audited the consolidated financial statements of Algonquin and Lakeshore Catholic District School Board (the "Entity"), which comprise:

- the consolidated statement of financial position as at August 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial 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 Entity as at August 31, 2022, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004: B2 and Ontario Regulation 395/11 of the Financial Administration Act.

Basis for Opinion

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

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

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



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Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 1 to the financial statements which describes the applicable financial reporting framework and the purpose of the financial statements.

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

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

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

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

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.



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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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

November 14, 2022

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

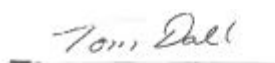
Consolidated Statement of Financial Position

August 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash	\$ 11,678,848	\$ 9,860,661
Accounts receivable:		
Municipalities	2,450,370	2,825,835
Province of Ontario – approved capital (note 3)	32,615,435	34,913,781
Province of Ontario – delayed grant payment (note 3)	13,287,511	11,277,366
Province of Ontario – other	2,598,541	3,321,254
Other accounts receivable	2,066,518	3,037,370
Total financial assets	64,697,223	65,236,267
Financial liabilities:		
Accounts payable and accrued liabilities	15,670,528	15,616,625
Net long-term liabilities (note 7)	22,128,277	23,552,516
Deferred revenue (note 4)	11,714,149	10,075,662
Employee benefits payable (note 6)	4,726,407	5,326,153
Deferred capital contributions (note 5)	130,367,794	124,454,788
Total financial liabilities	184,607,155	179,025,744
Net financial debt	(119,909,932)	(113,789,477)
Non-financial assets:		
Tangible capital assets (note 17)	139,894,297	133,858,050
Inventory of supplies (note 18)	1,596,879	810,808
Total non-financial assets	141,491,176	134,668,858
Commitments (notes 11 and 12)		
Contingent liabilities (notes 13 and 14)		
Accumulated surplus (note 8)	\$ 21,581,244	\$ 20,879,381

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:

 Chair

 Director of Education

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Operations and Accumulated Surplus

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

	2022 Budget	2022 Actual	2021 Actual
Revenues:			
Grants for student needs (note 9):			
Provincial legislative grants	\$ 128,518,624	\$ 132,269,630	\$ 127,310,556
Education property tax	21,032,032	17,151,729	18,500,967
Provincial grants – other	3,335,727	7,776,474	7,771,866
Federal grants and fees	394,109	798,480	469,225
Other fees and revenues from school boards	73,404	73,404	81,445
Investment income	130,000	109,817	104,890
Other	988,500	1,191,205	966,910
School generated funds	1,358,518	2,648,802	1,642,616
Amortization of deferred capital contributions	9,784,009	10,708,180	9,998,226
	<u>165,614,923</u>	<u>172,727,721</u>	<u>166,846,701</u>
Expenses (note 10):			
Instruction	122,671,982	123,437,466	121,067,229
Administration	5,852,906	5,912,313	6,208,508
Transportation (note 16)	12,611,693	12,906,053	11,696,391
Pupil accommodation	23,774,358	25,000,098	22,908,081
Other	191,347	2,021,325	958,008
School generated funds expenses	1,358,518	2,748,603	1,699,738
	<u>166,460,804</u>	<u>172,025,858</u>	<u>164,537,955</u>
Annual surplus	(845,881)	701,863	2,308,746
Accumulated surplus, beginning of year	20,879,381	20,879,381	18,570,635
Accumulated surplus, end of year (note 8)	<u>\$ 20,033,500</u>	<u>\$ 21,581,244</u>	<u>\$ 20,879,381</u>

The accompanying notes are an integral part of these consolidated financial statements.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Financial Debt

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

	2022	2021
Annual surplus	\$ 701,863	\$ 2,308,746
Acquisition of tangible capital assets	(17,211,750)	(16,571,507)
Amortization of tangible capital assets	10,768,412	10,058,462
Disposal of tangible capital assets	407,091	-
Acquisition of inventory of supplies	(786,071)	(810,808)
	(6,822,318)	(7,323,853)
Change in net financial debt	(6,120,455)	(5,015,107)
Net financial debt, beginning of year	(113,789,477)	(108,774,370)
Net financial debt, end of year	\$ (119,909,932)	\$ (113,789,477)

The accompanying notes are an integral part of these consolidated financial statements.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

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

	2022	2021
Operating transactions:		
Annual surplus	\$ 701,863	\$ 2,308,746
Non-cash items including:		
Amortization of tangible capital assets	10,768,412	10,058,462
Amortization of deferred capital contributions	(10,708,180)	(9,998,226)
Increase in inventory of supplies provided in-kind	(786,071)	(810,808)
Change in non-cash assets and liabilities:		
Decrease in accounts receivable - municipalities	375,465	4,871,421
Increase in accounts receivable - Province of Ontario - delayed grant payment	(2,010,145)	(3,794,491)
Decrease (increase) in accounts receivable - Province of Ontario - other	722,713	(3,062,989)
Decrease (increase) in other accounts receivable	970,852	(832,120)
Increase (decrease) in accounts payable and accrued liabilities	53,903	(958,926)
Increase in deferred revenue	1,638,487	2,868,911
Decrease in employee benefits payable	(599,746)	(958,052)
Cash provided by (used in) operating transactions	1,127,553	(308,072)
Capital transactions:		
Cash used to acquire tangible capital assets	(17,211,750)	(16,571,507)
Loss on disposal of land	333	-
Cash provided by capital transactions	(17,211,417)	(16,571,507)
Financing transactions:		
Net long-term liabilities repayment	(1,424,239)	(1,365,626)
Decrease (increase) in accounts receivable - Province of Ontario - approved capital	2,298,346	(5,814,435)
Additions to deferred capital contributions	17,027,944	16,571,507
Cash provided by financing transactions	17,902,051	9,391,446
Increase (decrease) in cash	1,818,187	(7,488,133)
Cash, beginning of year	9,860,661	17,348,794
Cash, end of year	\$ 11,678,848	\$ 9,860,661

The accompanying notes are an integral part of these consolidated financial statements.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2022

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:

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

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

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the consolidated 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.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

As a result, revenue recognized in the consolidated 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:

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 Algonquin and Lakeshore Catholic District School Board (the “board”) and which are controlled by the board.

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

(c) Trust funds:

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

(d) 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.

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

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

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

(d) Tangible capital assets (continued):

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

Land permanently removed from service and held for resale is recorded at the lower of cost and 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. Other assets permanently removed from service cease to be amortized and the carrying value is written down to the residual 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.

(e) Deferred revenue:

Certain amounts are received pursuant to legislation, regulation or agreement that 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 capital assets received or receivable for use in providing services, shall be recognized as deferred capital contributions as defined in Ontario Regulation 395/11 of the Financial Administration Act. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

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

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

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, and worker's compensation. The board accrues its obligation for these employee 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 Trust (ELHT) was established in 2016-17: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-18: Canadian Union of Public Employees (CUPE) Education Workers' Benefits Trust (EWBT) 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 ELHT also provides 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 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 retired individuals that were previously represented by the following: OECTA and CUPE.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

(g) 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 and health care costs 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 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, 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 ("OMERS"), 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.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

(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 and recognized as revenue in the consolidated statement of operations at the same rate 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.

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

(k) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Significant estimates include assumptions used in performing actuarial valuations of employee benefits payable.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

1. Significant accounting policies (continued):

(l) Education property tax revenue:

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

2. Temporary borrowing:

The board has lines of credit available to the maximum amount of \$59,520,492 (2021 - \$34,316,920) to address operating requirements and to bridge capital expenditures.

Interest on the operating facilities ranges from the bank's prime lending rate to the prime lending rate minus 0.5%, while banker's acceptance facilities range from 0.75% to 0.95%. All loans are unsecured, due on demand and are in the form of banker's acceptance notes and bank overdrafts.

The lines of credit are undrawn as at August 31, 2022 (2021 - undrawn).

3. Accounts receivable - Government of Ontario:

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

The board has an account receivable from the Province of \$32,615,435 (2021 - \$34,913,781) with respect to capital grants.

The Ministry of Education (the "Ministry") introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Province of Ontario at August 31, 2022 is \$13,287,511 (2021 - \$11,277,366).

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

4. Deferred revenue:

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

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

	Balance as at August 31, 2021	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions	Balance as at August 31, 2022
Education development charges	\$ –	\$ 246,634	\$ (246,634)	\$ –	\$ –
Proceeds of disposition	2,094,636	15,291	–	–	2,109,927
Improved access for special education	45,409	331	–	–	45,740
School renewal	3,053,620	2,237,710	(182,406)	(1,220,412)	3,888,512
Retrofitting school space for childcare	347,933	–	–	–	347,933
Restricted grant revenue	3,855,481	31,314,765	(28,667,759)	(1,753,181)	4,749,306
Other	678,583	314,889	(420,741)	–	572,731
Total deferred revenue	\$ 10,075,662	\$ 34,129,620	\$(29,517,540)	\$ (2,973,593)	\$ 11,714,149

(a) Education development charges:

Education development charges (“EDC’s”) are used to fund the acquisition of school sites, and site related costs to accommodate growth-related pupil places. EDC’s are collected by the Corporation of the City of Kingston on behalf of the board.

(b) Proceeds of disposition:

The proceeds of disposition deferred revenue is composed of proceeds generated from the sale of schools. The board intends to use this amount to fund future capital costs related to board facilities.

(c) Improved access for special education:

The Province has provided specific funds to be used for improved access for special education.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

4. Deferred revenue (continued):

(d) School renewal:

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

(e) Retrofitting school space for childcare:

Amounts received for future capital investments to repurpose existing childcare spaces or space not required for instructional purposes in schools to serve children aged 0 to 3.8 years.

(f) Restricted grant revenue:

Restricted grant revenue includes specific program amounts, both capital and operating, from the Ministry of Education.

5. Deferred capital contributions:

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

	2022	2021
Balance, beginning of year	\$ 124,454,788	\$ 117,881,507
Additions to deferred capital contributions	17,027,944	16,571,507
Revenue recognized in the period	(10,708,180)	(9,998,226)
Disposal of deferred capital contributions	(406,758)	-
Balance, end of year	\$ 130,367,794	\$ 124,454,788

6. Retirement and other employee future benefits:

The board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuity, service awards, worker's compensation and long-term disability benefits. The most recent valuation of the employee future benefits was completed as at August 31, 2021.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

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

(a) Retirement benefits:

(i) Ontario Teacher's Pension Plan:

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

(ii) Ontario Municipal Employees Retirement System:

All non-teaching employees of the board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The board contributions equal the employee contributions to the plan. During the year ended August 31, 2022, the board contributed \$2,258,862 (2021 - \$2,267,191) to the plan. As this is a multi-employer pension plan, these contributions are the board's pension benefit expenses. No pension liability for this type of plan is included in the board's consolidated financial statements.

(iii) Retirement life insurance and health care benefits:

The board provides life insurance, dental and health care benefits to certain employee groups after retirement until the member reaches 65 years of age. The premiums are based on the board's experience and retirees' premiums may be subsidized by the board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the board's consolidated financial statements.

(iv) Retirement gratuities and benefits:

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 gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service up to August 31, 2012.

The board has a liability related to these retirement gratuities and benefits. At August 31, 2022, the board's accrued benefit liability relating to retirement gratuities and benefits is \$2,548,286 (2021 - \$3,017,272).

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

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

(b) Other employee future benefits:

(i) Workplace Safety and Insurance Board obligations:

The board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the board's consolidated financial statements. School boards are required to provide a salary top-up to a maximum of 4½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

(ii) 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 recovered in the consolidated financial statements are \$5,501 (2021 - \$70,139 expensed).

For accounting purposes, the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2022 and is based on the average daily salary and banked sick days of employees as at August 31, 2022.

(iii) Vacation pay:

The amount of unused vacation days accrued as of August 31, 2022 is \$893,160 (2021 - \$891,562). Vacation pay is included in accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

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

(b) Other employee future benefits (continued):

The accrued benefit obligations for employee future benefit plans as at August 31, 2022 are based on actuarial assumptions about future events determined for accounting purposes as at August 31, 2022 and based on updated average daily salary and banked sick days as at August 31, 2022. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the board's best estimates of expected rates of:

	2022	2021
	%	%
Health care cost escalation	5.00	7.00
Dental cost escalation	5.00	4.50
Discount on accrued benefit obligations	3.90	1.80
Inflation rate	2.00	1.50

	2022			2021	
	Retirement gratuity benefits	Other post- retirement benefit expenses	Carry-over sick leave benefits	Total retirement and post- retirement benefits	Total retirement and post- retirement benefits
Accrued benefit liability					
September 1	\$ 3,017,272	\$ 522,109	\$ 131,172	\$ 3,670,553	\$ 4,584,071
Current year benefit cost	-	-	125,671	125,671	162,688
Net amortization of actuarial losses (gain)	180,862	(46,671)	411	134,602	273,742
Interest on accrued benefit obligation	55,446	8,709	-	64,155	62,986
Benefit payments	(705,294)	(76,501)	(131,583)	(913,378)	(1,412,934)
Accrued benefit liability August 31	2,548,286	407,646	125,671	3,081,603	3,670,553
Net employee future benefit (recovery)	\$ (468,986)	\$ (114,463)	\$ (5,501)	\$ (588,950)	\$ (913,518)

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

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

(b) Other employee future benefits (continued):

Retirement and other employee future benefit liabilities are comprised of:

	2022	2021
Retirement gratuity benefits	\$ 2,548,286	\$ 3,017,272
Post-retirement benefits	407,646	522,109
Carry-over sick leave benefit	125,671	131,172
	<u>3,081,603</u>	<u>3,670,553</u>
Workplace safety and insurance	1,644,804	1,655,600
	<u>\$ 4,726,407</u>	<u>\$ 5,326,153</u>
	2022	2021
Accrued employee future benefit obligations at August 31	\$ 4,754,773	\$ 5,741,841
Unamortized actuarial losses at August 31	(28,366)	(415,688)
Employee future benefits liability at August 31	\$ 4,726,407	\$ 5,326,153

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

7. Net long-term liabilities:

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

	2022	2021
Ontario Financing Authority Issue #1, maturing November 2031	\$ 2,041,674	\$ 2,210,012
Ontario Financing Authority Issue #2, maturing March 2033	1,017,955	1,088,034
Ontario Financing Authority Issue #3, maturing April 2035	619,347	652,241
Ontario Financing Authority Issue #4, maturing March 2037	4,764,808	5,005,358
Ontario Financing Authority Issue #5, maturing June 2038	245,121	256,116
Ontario Financing Authority Issue #6, maturing March 2039	3,020,722	3,144,604
Ontario Financing Authority Issue #7, maturing March 2040	4,597,819	4,790,725
Ontario School Boards Financing Corporation Debentures, maturing August 2030	5,820,831	6,405,426
	\$ 22,128,277	\$ 23,552,516

Principal and interest payments relating to net long-term liabilities of \$22,128,277 (2021 - \$23,552,516) outstanding as at August 31, 2022 are due as follows:

	Principal	Interest	Total
2022-2023	\$ 1,485,435	\$ 875,842	\$ 2,361,277
2023-2024	1,549,331	811,946	2,361,277
2024-2025	1,616,049	745,228	2,361,277
2025-2026	1,685,715	675,562	2,361,277
2026-2027	1,758,464	602,813	2,361,277
Thereafter	14,033,283	2,604,839	16,638,122
	\$ 22,128,277	\$ 6,316,230	\$ 28,444,507

The respective interest rates on the debentures range from 3% to 5.2% and the respective maturity dates on the debentures range from 2030 to 2040.

Interest on long-term debt in fiscal 2022 amounted to \$925,664 (2021 - \$984,749).

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

8. Accumulated surplus:

Accumulated surplus consists of the following:

	2022	2021
Available for compliance - unappropriated:		
Operating accumulated surplus	\$ 1,154,024	\$ 946,613
Available for compliance - internally appropriated:		
School renewal	71,612	1,285,860
Other purposes - operating:		
School expenses	594,440	781,438
Technology	2,500,000	2,500,000
Workplace Safety Insurance Board	800,000	800,000
Declining enrolment	1,300,000	1,300,000
Program and service enhancements	1,100,000	1,100,000
Other purposes - capital:		
Committed - capital projects	1,937,108	1,813,534
Administrative capital	400,000	500,000
Construction and renovation - furniture, equipment and technology	2,000,000	1,500,000
St. Joseph construction commitment	1,214,248	-
	<u>13,071,432</u>	<u>12,527,445</u>
Unavailable for compliance:		
Interest to be accrued	(197,996)	(209,372)
School generated funds	1,623,945	1,723,746
Revenue recognized for land	7,083,863	6,837,562
	<u>8,509,812</u>	<u>8,351,936</u>
	<u>\$ 21,581,244</u>	<u>\$ 20,879,381</u>

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

9. Grants for student needs:

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. 86.5% (2021 – 87.4%) of the consolidated revenues of the board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2022	2021
Provincial legislative grants	\$ 132,269,630	\$ 127,310,556
Education property tax	17,151,729	18,500,967
Grants for student needs	\$ 149,421,359	\$ 145,811,523

10. Expenses by object:

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

	2022 Budget	2022 Actual	2021 Actual
Expenses:			
Salary and wages	\$ 105,878,228	\$ 107,198,508	\$ 105,572,751
Employee benefits	19,332,077	19,572,959	19,090,361
Staff development	658,276	607,104	416,018
Supplies and services	10,654,215	10,424,498	9,892,107
Interest on long-term debt	937,038	925,664	984,749
Rental expenses	551,021	737,240	587,504
Fees and contract services	16,944,656	16,417,440	14,913,547
Amortization, write-downs and loss on disposal	9,844,242	10,768,412	10,058,462
Other	302,533	2,625,430	1,322,718
	\$ 165,102,286	\$ 169,277,255	\$ 162,838,217
School activities	\$ 1,358,518	\$ 2,748,603	\$ 1,699,738
Total expenses	\$ 166,460,804	\$ 172,025,858	\$ 164,537,955

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

11. Lease commitments:

The board is committed under certain operating lease agreements to minimum lease payments as follows:

2022-2023	\$	660,276
2023-2024		382,684
2024-2025		155,180
2025-2026		153,050
2026-2027		153,050
	\$	1,504,240

12. Commitments:

(a) Repayment of "55 School Board Trust" Funding:

On June 1, 2003, the board received \$10,286,245 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. An amount of \$116,347 (2021 - \$116,347) funded by the province is reflected on the Consolidated Statement of Operations and Accumulated Surplus.

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.

(b) Kingston West Catholic Elementary School:

The board has been approved for the construction of a new elementary school in Kingston, Ontario. The Ministry of Education has approved a total budget of \$20,939,736 and has agreed to fund \$16,097,030. The remaining costs will be funded by Education Development Charges of \$2,759,268 and Proceeds of Disposition of \$2,083,438. The board has entered into an architectural services contract for \$1,312,165 plus HST and a construction contract for \$17,933,000 plus HST. As at August 31, 2022, \$5,832,244 (2021- \$1,053,364) had been spent on this project. The new school is anticipated to open in September 2023.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

12. Commitments (continued):

(c) St. Joseph Catholic Elementary School:

The board has been approved for a renovation and addition to the existing St. Joseph Catholic Elementary School in Belleville, Ontario. The Ministry of Education has approved a total budget of \$19,766,134 and has agreed to fund \$14,051,886. The remaining costs will be funded using school condition improvement funding of \$4,500,000 and accumulated surplus of \$1,214,248. The board has entered into an architectural services contract for \$1,400,000 plus HST and a construction contract for \$16,990,000 plus HST. As at August 31, 2022, \$3,634,110 (2021 - \$917,308) had been spent on this project. The renovations and addition are anticipated to be complete in January 2024.

(d) Our Lady of Mount Carmel Catholic School:

The board has been approved for a replacement school on the existing school site of Our Lady of Mount Carmel Catholic School in Amherstview, Ontario. The Ministry of Education has approved a total budget of \$12,112,308. The board has entered into architectural services contract for \$726,738 plus HST. As at August 31, 2022, \$96,515 (2021 - \$Nil) had been spent on this project. The replacement school is anticipated to open in September 2025.

(e) St. Gregory Catholic School:

The board has been approved for a replacement St. Gregory Catholic School on a new school site in Picton, Ontario. The Ministry of Education has approved a total budget of \$8,736,381. The board is currently working on a contract for architectural services. The replacement school is anticipated to open in September 2025.

(f) J. J. O'Neill Catholic School:

The board has been approved for a rapid build pilot project at J.J O'Neill Catholic School in Napanee, Ontario. The Ministry has approved a total budget of \$9,900,658. The board is in early stages of planning for this school site enhancement.

13. 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.

The ultimate premiums over a five-year period are based on the reciprocals 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 December 31, 2026.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

14. Contingent liabilities:

(a) Litigation:

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

(b) Letters of credit:

The board has provided security in the form of letters of credit, on behalf of various parties. As of the year end date, the total balances outstanding were \$2,212,017 (2021 - \$1,451,106).

15. Trust funds:

(a) As at August 31, 2022, the board was the trustee for \$421,840 (2021 - \$501,458) held for employee's self-funded leave plans. These amounts are not included in the consolidated financial statements.

(b) As at August 31, 2022, the board held certain trust and donated funds amounting to \$672,848 (2021 - \$683,435). These amounts are not included in the consolidated financial statements.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

16. Related entities:

Tri-Board Student Transportation Services:

The board has a one-third economic interest in Tri-Board Student Transportation Services ("Tri-Board"). Tri-Board's principal activity is to provide student transportation for three school boards including, Algonquin and Lakeshore Catholic District School Board. Related party transactions with Tri-Board Student Transportation Services during the year, not separately disclosed in the consolidated financial statements, include the following:

- (a) The board purchased student transportation services totalling \$12,848,932 (2021 - \$11,513,322).

Tri-Board's assets, liabilities, revenue, expenses and accumulated surplus for the year ended August 31, are as follows:

	2022	2021
Financial assets	\$ 533,861	\$ 4,239,311
Financial liabilities	(600,016)	(4,428,830)
Net debt	(66,155)	(189,519)
Non-financial assets	71,325	194,687
Accumulated surplus	\$ 5,170	\$ 5,168

	2022	2021
Revenue	\$ 46,888,222	\$ 41,919,330
Expenses	46,888,220	41,977,132
Annual surplus (deficit)	\$ 2	\$ (57,802)

Ontario Financing Authority:

- (a) The board has a loan agreement effective November 15, 2006 with the Ontario Financing Authority in the amount of \$3,961,730 (\$2,041,674 outstanding as at August 31, 2022) to finance capital improvement projects under the Ministry's Good Places to Learn initiative. The loan has a fixed interest rate of 4.56% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of \$133,609. The loan will be fully repaid by November 17, 2031.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

16. Related entities (continued):

Ontario Financing Authority (continued):

- (b) The board has a loan agreement effective March 3, 2008 with the Ontario Financing Authority in the amount of \$1,747,906 (\$1,017,955 outstanding as at August 31, 2022) to finance capital improvement projects under the Ministry's Good Places to Learn initiative. The loan has a fixed interest rate of 4.900% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of \$61,272. The loan will be fully repaid by March 3, 2033.
- (c) The board has a loan agreement effective April 14, 2010 with the Ontario Financing Authority in the amount of \$921,214 (\$619,347 outstanding as at August 31, 2022) to finance capital improvement projects under the Ministry's Good Places to Learn initiative. The loan has a fixed interest rate of 5.232% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of \$33,297. The loan will be fully repaid by April 13, 2035.
- (d) The board has a loan agreement effective March 2012 with the Ontario Financing Authority in the amount of \$6,827,335 (\$4,764,808 outstanding as at August 31, 2022) to finance capital improvement projects under the Ministry's New Pupil Places and Prohibitive to Repair Capital Priorities Program initiative. The loan has a fixed interest rate of 3.564% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of \$208,408. The loan will be fully repaid by March 9, 2037.
- (e) The board has a loan agreement effective June 2013 with the Ontario Financing Authority in the amount of \$327,004 (\$245,121 outstanding as at August 31, 2022) to finance capital improvement projects under the Ministry's Good Places to Learn initiative. The loan has a fixed interest rate of 3.663% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of \$10,138. The loan will be fully repaid by June 25, 2038.
- (f) The board has a loan agreement effective May 12, 2014 with the Ontario Financing Authority in the amount of \$3,886,971 (\$3,020,722 outstanding as at August 31, 2022) to finance capital improvement projects under the Ministry's Good Places to Learn initiative. The loan has a fixed interest rate of 4.003% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of \$124,267. The loan will be fully repaid by March 11, 2039.
- (g) The board has a loan agreement effective March 11, 2015 with the Ontario Financing Authority in the amount of \$5,835,202 (\$4,597,819 outstanding as at August 31, 2022) to finance capital improvement projects for St. Peter's new school. The loan has a fixed interest rate of 2.993% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of \$167,430. The loan will be fully repaid by March 9, 2040.

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

16. Related entities (continued):

Ontario School Boards Financing Corporation:

The board has a loan agreement effective August 8, 2005 with the Ontario School Boards Financing Corporation in the amount of \$12,811,000 (\$5,820,831 outstanding as at August 31, 2022) to finance capital improvements. The loan has a fixed interest rate of 4.789% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of \$442,217. The loan will be fully repaid by August 8, 2030.

17. Tangible capital assets:

Amortization is calculated on a straight-line basis over the estimated useful life of the tangible capital assets as follows:

Cost	Balance at August 31, 2021	Additions	Disposals, write-downs and adjustments	Balance at August 31, 2022
Land	\$ 7,589,729	\$ –	\$ (333)	\$ 7,589,396
Land improvements	6,594,491	891,971	–	7,486,462
Buildings	191,476,196	6,798,769	(1,850,470)	196,424,495
Portable structures	4,669,692	219,027	–	4,888,719
First-time equipping of schools	353,739	–	(36,804)	316,935
Furniture	1,288,045	136,362	(11,050)	1,413,357
Equipment	978,945	–	(50,227)	928,718
Computer hardware	3,503,422	1,527,892	(933,590)	4,097,724
Computer software	1,887,873	–	(66,092)	1,821,781
Vehicles	336,641	35,748	–	372,389
Pre-acquisition costs	1,970,672	312,024	(2,186,181)	96,515
Construction in progress	–	9,476,138	–	9,476,138
Total	\$ 220,649,445	\$ 19,397,931	\$ (5,134,747)	\$ 234,912,629

Accumulated amortization	Balance at August 31, 2021	Amortization	Disposals, write-offs and adjustments	Balance at August 31, 2022
Land improvements	\$ 2,216,082	\$ 468,249	\$ –	\$ 2,684,331
Buildings	78,894,573	8,148,516	(1,443,712)	85,599,377
Portable structures	1,866,414	237,838	–	2,104,252
First-time equipping of schools	231,498	33,686	3,019	268,203
Furniture	485,177	135,544	(11,050)	609,671
Equipment	630,473	78,278	(90,050)	618,701
Computer hardware	1,268,557	1,261,886	(933,590)	1,596,853
Computer software	983,594	380,165	(66,092)	1,297,667
Vehicles	215,027	24,250	–	239,277
Total	\$ 86,791,395	\$ 10,768,412	\$ (2,541,475)	\$ 95,018,332

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

17. Tangible capital assets (continued):

	Net book value August 31, 2021	Net book value August 31, 2022
Land	\$ 7,589,729	\$ 7,589,396
Land improvements	4,378,409	4,802,131
Buildings	112,581,623	110,825,118
Portable structures	2,803,278	2,784,467
First-time equipping of schools	122,241	48,732
Furniture	802,868	803,686
Equipment	348,472	310,017
Computer hardware	2,234,865	2,500,871
Computer software	904,279	524,114
Vehicles	121,614	133,112
Pre-acquisition costs	1,970,672	96,515
Construction in progress	-	9,476,138
Total	\$ 133,858,050	\$ 139,894,297

(a) Assets under construction and pre-acquisition costs:

Assets under construction and pre-acquisition costs having a total value of \$9,572,653 (2021 - \$1,970,672) have not been amortized. Amortization of these assets will commence when the asset is put into service.

18. In-Kind Transfers from the Ministry of Public and Business Service Delivery:

The board has recorded entries, both revenue and expenses, associated with centrally procured in-kind transfer of personal protective equipment ("PPE") and critical supplies and equipment ("CSE") received from the Ministry of Public and Business Service Delivery ("MPBSD"). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the board's records. The in-kind revenue recorded for these transfers is \$1,739,020 (2021 - \$1,151,965) with expenses based on use of \$1,739,020 (2021 - \$1,151,965) for a net impact of \$Nil (2021 - \$Nil).

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

19. Impact of COVID-19:

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

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

20. Future accounting standard adoption:

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

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

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

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

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

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2022

20. Future accounting standard adoption (continued):

i Continued:

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

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

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

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

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

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

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