

**Windsor-Essex Catholic  
District School Board  
Consolidated Financial  
Statements**

**For the year ended August 31, 2023**

**Windsor-Essex Catholic District School Board**  
**Consolidated Financial Statements**  
For the year ended August 31, 2023

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## MANAGEMENT REPORT

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

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

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

Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and 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 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 BDO Canada LLP, independent external auditors appointed by the Board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

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

  
\_\_\_\_\_  
Executive Superintendent of Business

November 28, 2023



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## Independent Auditor's Report

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To the Board of Trustees of the Windsor-Essex Catholic District School Board

### Opinion

We have audited the consolidated financial statements of Windsor-Essex Catholic District School Board and its controlled entities ("the Board"), which comprise:

- the consolidated statement of financial position as at August 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Board as at and for the year ended August 31, 2023 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

### Basis for Opinion

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

We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the 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.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 in the financial statements, which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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

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

### **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 Board's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Windsor, Ontario  
November 28, 2023

# Windsor-Essex Catholic District School Board

## Consolidated Statement of Financial Position

	(Notes 2 and 20)	
	(restated)	
<u>August 31,</u>	<u>2023</u>	<u>2022</u>
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	\$ 24,620,968	\$ 28,649,820
Accounts receivable (Note 4)	40,004,795	31,576,770
Accounts receivable capital - Government of Ontario (Note 4)	95,501,444	115,985,091
	<u>160,127,207</u>	<u>176,211,681</u>
<b>Financial liabilities</b>		
Temporary borrowing (Note 9)	-	4,639,441
Accounts payable and accrued liabilities	23,196,941	25,365,553
Net debenture debt (Note 8)	82,752,836	91,727,408
Deferred revenue (Note 5)	14,125,046	14,960,864
Employee benefits payable (Note 7)	36,417,263	38,444,417
Deferred capital contributions (Note 6)	226,794,775	212,701,638
Asset retirement obligation (Notes 2 and 11)	7,092,217	6,218,516
	<u>390,379,078</u>	<u>394,057,837</u>
<b>Net debt</b>	<u>(230,251,871)</u>	<u>(217,846,156)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Notes 2 and 22)	257,500,062	243,402,850
Prepaid expenses	2,680,572	2,329,116
Inventories of supplies (Note 23)	1,594,537	1,859,310
	<u>261,775,171</u>	<u>247,591,276</u>
<b>Accumulated surplus (Note 15)</b>	<u>\$ 31,523,300</u>	<u>\$ 29,745,120</u>

Signed on Behalf of The Board

  
Director of Education

  
Chair for the Board

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

## Windsor-Essex Catholic District School Board

### Consolidated Statement of Operations

For the year ended August 31,	(Note 25) Restated Budget 2023	2023	(Notes 2 and 20) (restated) 2022
<b>Revenues</b>			
Grants for student needs (Note 13)			
Provincial legislative grants	\$ 229,545,278	\$ 236,615,481	\$ 222,012,116
Education property tax	27,648,904	27,532,511	27,594,195
Amortization of deferred capital contributions including disposals (Note 6)	17,584,360	17,198,215	16,634,131
Provincial grants - other	3,819,812	4,051,976	9,869,900
School generated funds	8,595,000	8,629,191	4,121,699
Other fees and revenues	2,749,611	3,708,519	2,720,908
Investment income	230,000	950,279	282,567
Federal grants and fees	-	-	117,631
	290,172,965	298,686,172	283,353,147
<b>Expenses (Note 14)</b>			
Instruction	209,666,551	216,712,202	204,171,763
Pupil accommodation	47,350,046	48,094,440	46,899,516
Transportation	10,393,229	11,433,753	10,732,125
Administration	6,955,591	7,832,440	6,310,023
School generated funds	8,235,000	8,381,627	4,143,150
Other	6,622,057	4,453,530	3,970,643
	289,222,474	296,907,992	276,227,220
<b>Annual surplus</b>	950,491	1,778,180	7,125,927
<b>Accumulated surplus, beginning of year</b>	30,311,010	29,745,120	26,848,015
<b>Accumulated surplus, PSAS adjustments (Note 2)</b>	(4,384,286)	-	(4,228,822)
<b>Accumulated surplus, beginning of year, restated</b>	25,926,724	29,745,120	22,619,193
<b>Accumulated surplus, end of year</b>	\$ 26,877,215	\$ 31,523,300	\$ 29,745,120

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



# Windsor-Essex Catholic District School Board

## Consolidated Statement of Cash Flows

	2023	(Notes 2 and 20) (restated) 2022
<b>For the year ended August 31,</b>		
<b>Operations</b>		
Annual surplus	\$ 1,778,180	\$ 7,125,927
Sources and (uses):		
Non-cash items including:		
Amortization, write downs and gain/loss on disposal	17,951,288	17,387,204
Amortization of TCA - ARO (Note 11)	164,564	155,463
Deferred capital contributions revenue	(17,198,215)	(16,634,131)
Accounts receivable - other	(351,354)	(3,539,388)
Accounts receivable - delayed grant payment	(8,076,671)	(2,530,838)
Accounts payable and accrued liabilities	(2,168,607)	(834,485)
Deferred revenues - operating	513,376	1,571,848
Employee benefits payable	(2,027,154)	(3,618,482)
Prepaid expenses	(351,456)	(1,214,480)
Inventories of supplies	264,773	(782,083)
	<u>(9,501,276)</u>	<u>(2,913,445)</u>
<b>Capital transactions</b>		
Cash used to acquire tangible capital assets	(31,339,367)	(42,033,615)
<b>Financing</b>		
Decrease in temporary borrowing	(4,639,441)	(840,000)
Debt repaid	(8,974,573)	(8,530,813)
Change in accounts receivable capital - Government of Ontario	20,483,647	(3,118,041)
Net additions to deferred capital contributions	31,291,352	41,992,870
Increase (decrease) in deferred revenues - capital	(1,349,194)	1,975,654
	<u>36,811,791</u>	<u>31,479,670</u>
<b>Change in cash and equivalents</b>	(4,028,852)	(13,467,390)
<b>Cash and equivalents, beginning of year</b>	<u>28,649,820</u>	<u>42,117,210</u>
<b>Cash and equivalents, end of year</b>	<u>\$ 24,620,968</u>	<u>\$ 28,649,820</u>

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

## Windsor-Essex Catholic District School Board

### Consolidated Statement of Change in Net Debt

	2023	(Notes 2 and 20) (restated) 2022
<b>For the year ended August 31,</b>		
<b>Annual surplus</b>	<b>\$ 1,778,180</b>	<b>\$ 7,125,927</b>
<b>Tangible capital asset activity</b>		
Amortization of tangible capital assets including ARO	18,115,852	17,542,667
Acquisition of tangible capital assets	(31,339,367)	(42,033,615)
Change in estimate of Asset Retirement Obligation (Note 11)	(873,701)	-
	<u>(14,097,216)</u>	<u>(24,490,948)</u>
<b>Other non-financial asset activity</b>		
Acquisition of supplies inventories	(54,434)	(2,307,308)
Acquisition of prepaid expenses	(2,680,567)	(2,329,116)
Use of supplies inventories	319,207	1,525,223
Use of prepaid expenses	2,329,115	1,114,652
	<u>(86,679)</u>	<u>(1,996,549)</u>
<b>Change in net debt</b>	<u>(12,405,715)</u>	<u>(19,361,570)</u>
<b>Net debt, beginning of year</b>	<b>(217,846,156)</b>	<b>(192,266,070)</b>
PSAS adjustments to net financial assets (Note 2)	-	(6,218,516)
<b>Restated net debt, beginning of year</b>	<u>(217,846,156)</u>	<u>(198,484,586)</u>
<b>Net debt, end of year</b>	<u><b>\$ (230,251,871)</b></u>	<u><b>\$ (217,846,156)</b></u>

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

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 1. Significant accounting policies

The consolidated financial statements are prepared by the management of Windsor-Essex Catholic District School Board in accordance with the basis of accounting described below.

#### (a) Basis of accounting

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

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

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

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian Public Sector Accounting Standards which 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 PS 3410;
- 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 PS 3100; and
- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS 3510.

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.

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 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 Windsor-Essex Catholic District School Board ("the Board") and which are controlled by the Board.

Consolidated entities:

1. School Generated Funds  
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.
2. Windsor-Essex Student Transportation Services  
Windsor-Essex Student Transportation Services is jointly controlled and the Board accounts for its interest in this entity using proportionate consolidation (Note 18).

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

#### (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, with the exception of bursaries funds held in trust as noted in Note 3.

#### (d) Cash and cash equivalents

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 expenses are incurred or services 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 contributions as defined in Ontario Regulation 395/11 of the Financial Administration Act.

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 1. Significant accounting policies (continued)

#### (f) Deferred capital contributions (continued)

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

#### (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 gratuities, 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 Trust (ELHT) was 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. Employees represented by UNIFOR were transferred to the OECTA ELHT as of November 1, 2018. 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 into 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 retired individuals that were previously represented by the following unions/federations: CUPE and UNIFOR.

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

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 1. Significant accounting policies (continued)

#### (g) Retirement and other employee future benefits (continued)

(i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimates 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), 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 benefit lifetime of the group.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average remaining benefit lifetime of the 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 pension, are the employer's contributions due to the plan in the period.

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

#### (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 of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 1. Significant accounting policies (continued)

#### (h) Tangible capital assets (continued)

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

Asset	Estimated useful life in Years
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.

#### (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.

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 1. Significant accounting policies (continued)

#### (i) Government transfers (continued)

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 estimates

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 budget figures presented have been adjusted to reflect the same accounting policies that were used to prepare the consolidated financial statements.

#### (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. Accounts subject to estimates include employee future benefits. In addition, estimates have been made of the historical cost and useful lives of certain tangible capital assets as a result of the implementation of Section 3150 of the Public Sector Accounting Handbook. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$7,092,217. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates and the allocation of costs between required and discretionary activities.

#### (m) Education property tax revenue

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



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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 1. Significant accounting policies (continued)

#### (n) Financial instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Cost
Accounts receivable	Cost
Temporary borrowing	Amortized Cost
Accounts payable	Cost
Long-term debt	Amortized Cost

#### Amortized Cost

Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate.

#### Cost

Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 2. Changes in accounting policies - adoption of new accounting standards

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 organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on September 1, 2022 on a modified retroactive basis with prior period restatement.

In the past, the Board has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset once the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance, and monitoring that are an integral part of the retirement of the tangible capital asset (if applicable). When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from Board buildings. The Board reports liabilities related to the legal obligations where the Board is obligated to incur costs to retire a tangible capital asset.

The Board's ongoing efforts to assess the extent to which designated substances exist in the Board's assets, and new information obtained through regular maintenance and renewal of the Board's assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to the estimated cost to fulfill the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in increases to the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis.

As a result of applying this accounting standard, an asset retirement obligation of \$7,092,217 (2022 - \$6,218,516) was recognized as a liability in the Consolidated Statement of Financial Position. These obligations represent estimated retirement costs for the Board owned buildings and equipment, including tanks, and restoration costs related to leasehold improvements. The Board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, and amortization expense for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The associated DCC, DCC revenue were not restated. The associated TCA gross book value, TCA accumulated amortization and TCA amortization expense were restated. The adoption of PS 3280 ARO was applied to the comparative period as follows:

## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

August 31, 2023

**2. Changes in accounting policies - adoption of new accounting standards (continued)**

	2022 As previously reported	Adjustments	2022 As Restated
<b>Statement of Financial Position</b>			
Tangible capital assets including ARO	241,566,447	1,836,403	243,402,850
Asset retirement obligation liability	-	6,218,516	6,218,516
Accumulated surplus, end of year	34,053,010	(4,307,890)	29,745,120
<b>Statement of Change in Net Debt</b>			
Annual surplus	7,205,014	(79,087)	7,125,927
Amortization of TCA (including TCA ARO)	17,387,204	155,463	17,542,667
Net debt, beginning of year	192,266,070	6,218,516	198,484,586
Change in net debt	(19,435,761)	74,191	(19,361,570)
<b>Statement of Operations</b>			
Amortization of TCA (including TCA ARO)	17,387,204	155,463	17,542,667
Surplus for the year	7,205,014	(79,087)	7,125,927
Accumulated surplus, beginning of year	26,848,015	(4,228,822)	22,619,193
Accumulated surplus, end of year	34,053,010	(4,307,890)	29,745,120

**3. Cash and cash equivalents**

Cash and cash equivalents include the following:

	<u>2023</u>	<u>2022</u>
Cash in bank	\$21,298,051	\$ 25,584,285
School funds	2,904,124	2,656,559
Bursary funds, in trust	389,819	380,000
Petty cash	28,975	28,975
	<u>\$24,620,968</u>	<u>\$ 28,649,820</u>

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## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

August 31, 2023

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#### 4. Accounts receivable

##### (i) Accounts receivable capital - Government of Ontario

The Province of Ontario (Province) replaced variable capital funding with a one-time debt support grant in 2009-10. The Board received a one-time grant that recognized capital debt as of August 31, 2010 that was 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 \$95,501,444 as at August 31, 2023 (2022 - \$115,985,091) with respect to capital grants.

##### (ii) Accounts receivable

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry will delay a portion 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 the delayed grant payments included in accounts receivable at August 31, 2023 is \$25,277,473 (2022 - \$17,200,802).

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## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

**August 31, 2023**

#### 5. 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, 2023 is comprised of:

	(Note 20) (restated) Balance as at August 31, 2022	Externally restricted revenue received	Revenue recognized in the period	Transfers (to) deferred capital contributions in the period	Balance as at August 31, 2023
Legislative grants operating	\$ 105,341	\$ 33,753,961	\$ (33,603,804)	-	\$ 255,498
Restricted operating grants	15,447	4,731,804	(4,676,332)	-	70,919
Third party operating grants	3,305,663	2,001,107	(1,693,360)	-	3,613,410
Restricted capital grants	5,952,703	15,932,936	(10,947,290)	(5,602,484)	5,335,865
Proceeds of disposition Minister Exemptions	2,015,687	957,060	-	(732,356)	2,240,391
Proceeds of disposition - regular	3,566,023	(957,060)	-	-	2,608,963
Federal ICIP Ventilation improvements in schools	-	268,005	-	(268,005)	-
School generated capital funds	-	31,019	-	(31,019)	-
Other third party	-	67,000	-	(67,000)	-
<b>Total deferred revenue</b>	<b>\$ 14,960,864</b>	<b>\$ 56,785,832</b>	<b>\$ (50,920,786)</b>	<b>\$ (6,700,864)</b>	<b>\$ 14,125,046</b>

## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

**August 31, 2023**

#### 6. Deferred capital contributions

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

	2023	(Note 20) (restated) 2022
Balance, beginning of year	\$ 212,701,638	\$ 187,342,899
Additions to deferred capital contributions	31,291,352	41,992,870
Revenue recognized in the period - amortization and write-downs	(17,198,215)	(16,634,131)
Balance, end of year	\$ 226,794,775	\$ 212,701,638

#### 7. Retirement and other employee future benefits

##### Retirement and other employee future benefit liabilities

	2023		2022	
	Retirement benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Accrued employee future benefit obligations	\$ 23,295,123	\$ 2,073,406	\$ 25,368,529	\$ 28,157,602
Unamortized actuarial (gain) loss	(11,048,734)	-	(11,048,734)	(10,286,815)
Employee future benefits liability	\$ 34,343,857	\$ 2,073,406	\$ 36,417,263	\$ 38,444,417

# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

7. Retirement and other employee future benefits (continued)

Retirement and other employee future benefit expenses

	<u>2023</u>		<u>2022</u>	
	<u>Retirement benefits</u>	<u>Other employee future benefits</u>	<u>Total employee future benefits</u>	<u>Total employee future benefits</u>
Current year benefit cost	\$ 2,105	\$ 373,588	\$ 375,693	\$ (330,965)
Interest on accrued benefit obligation	971,768	69,552	1,041,320	718,138
Recognition of unamortized actuarial losses (gain)	<u>(782,371)</u>	<u>(120,601)</u>	<u>(902,972)</u>	<u>(627,550)</u>
Employee future benefit expenses <sup>1</sup>	<u>\$ 191,502</u>	<u>\$ 322,539</u>	<u>\$ 514,041</u>	<u>\$ (240,377)</u>

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

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 7. Retirement and other employee future benefits (continued)

#### Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on the most recent actuarial valuations of future events determined for accounting purposes as at August 31, 2023 and based on updated average daily salary and banked sick days (if applicable) as at August 31, 2023. These valuations take into account plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2023 (%)	2022 (%)
Long-term Inflation	2.0	2.0
Wage and salary escalation	0	0
Insurance and health care cost escalation	3.0 - 5.0	3.0 - 5.0
Discount on accrued benefit obligations	4.4	3.9

#### Retirement benefits

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

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

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

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rate of pay. The Board does not have direct access to information regarding the deficit calculation of the fund nor its impact on the contribution rates, except as disclosed periodically by OMERS. As of December 31, 2022 the funded ratio for the OMERS plan was 95% (2022 - 97%). The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2023, the Board contributed \$4,024,919 (2022 - \$3,507,688) 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.



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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 7. Retirement and other future employee benefits (continued)

#### (iii) Retirement Gratuities

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

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

The Board provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age and for certain employee groups for life. The premiums are based on the Board experience and retirees' premiums are subsidized by the Board. The benefit costs and liabilities related to the plan are included in the Board's consolidated financial statements.

#### 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 salary top-up to a maximum of 4.5 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such provision.

#### (ii) Long-term Disability Salary Compensation

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

#### (iii) Sick Leave Top-up Benefits

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the financial statements are \$121,100 (2022 - \$195,285). 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, 2023, and is based on the average daily salary and banked sick days of employees as at August 31, 2023.

# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

### 8. Net debenture debt

Net debenture debt reported on the Consolidated Statement of Financial Position is comprised of the following:

	2023	2022
BNY Trust Company of Canada Debenture #06-01; 5.07%; maturing April 2031	\$20,801,658	\$ 22,863,735
Ontario Financing Authority (OFA) Debenture #09-10; 4.947%; maturing May 2035	18,727,063	19,846,955
BNY Trust Company of Canada Debenture #03-05; 5.800%; maturing November 2028	10,993,417	12,646,678
BNY Trust Company of Canada Debenture #02-01; 5.900%; maturing October 2027	9,667,321	11,493,199
OFA Debenture #13-02; 4.037%; maturing October 2028	8,317,757	9,654,016
OFA Debenture #06-03; 4.560%; maturing November 2031	3,811,561	4,171,355
OFA Debenture #12-01; 3.564%; maturing March 2037	3,222,804	3,400,658
OFA Debenture #09-01; 5.062%; maturing March 2034	3,214,225	3,432,565
OFA Debenture #10-01; 5.232%; maturing April 2035	1,645,566	1,743,018
OFA Debenture #11-01; 3.97%; maturing November 2036	1,347,281	1,421,462
OFA Debenture #13-01; 3.799%; maturing March 2038	1,004,183	1,053,767
	<b>\$82,752,836</b>	<b>\$ 91,727,408</b>
Net debenture debt		

Principal and interest payments relating to net debenture liabilities of \$82,752,836 outstanding as at August 31, 2023 are due as follows:

	Debenture principal payments	Debenture interest payments	Total
2023-24	\$ 9,441,838	\$ 4,034,102	\$ 13,475,940
2024-25	9,933,874	3,542,066	13,475,940
2025-26	10,452,014	3,023,926	13,475,940
2026-27	10,997,666	2,478,275	13,475,941
2027-28	10,333,594	1,903,628	12,237,222
Thereafter	31,593,850	4,652,942	36,246,792
	<b>\$ 82,752,836</b>	<b>\$ 19,634,939</b>	<b>\$ 102,387,775</b>

Interest on debenture debt amounted to \$4,349,339 (2022 - \$4,800,168).

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## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

August 31, 2023

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#### 9. Temporary borrowing

Temporary borrowing consists of the following:

	<u>2023</u>	<u>2022</u>
Demand capital expenditure credit bearing loan interest at the lower of prime minus 0.25% (2022 - prime minus 0.25%) or bankers acceptance plus 0.75% (2022 - 0.75%) stamping fee. Repaid during the year.	\$ -	\$ 4,639,441

The Board has lines of credit available to the maximum of \$18 million (2022 - \$18 million) to address operating requirements which is unused at year end. The demand capital expenditure credit bearing loan for long-term capital projects was repaid in full on May 19, 2023 (\$4.1 million).

The Board has four additional capital bridge credit loans available for use with loan interest at lower of prime minus 0.25% or bankers acceptance plus 0.75% stamping fee. At year end the loans were not in use.

All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts.

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#### 10. Debt charges and interest

The expenditure for debt charges includes principal and interest payments as follows:

	<u>2023</u>	<u>2022</u>
Principal payments on long-term liabilities	\$ 8,974,573	\$ 8,530,813
Interest payments on long-term liabilities	4,349,339	4,800,168
	<u>\$13,323,912</u>	<u>\$ 13,330,981</u>

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## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

August 31, 2023

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#### 11. Asset retirement obligation (ARO)

The Board has recorded ARO as of the September 1, 2022 implementation date on a modified retroactive basis, with a simplified restatement of prior year amounts.

The Board discounts significant obligations where there is a high degree of confidence on the amount and timing of cash flows and the obligation will not be settled for at least five years from the reporting date. The discount and inflation rate is reflective of the risks specific to the asset retirement liability.

As at August 31, 2023, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

	<u>2023</u>	<u>2022</u>
Liabilities for Asset Retirement Obligations at beginning of year	6,218,516	-
Opening adjustments for PSAS adjustment	-	6,218,516
Increase in liabilities reflecting changes in the estimate of liabilities (Note 12)	<u>873,701</u>	-
Liabilities for Asset Retirement Obligation, at end of year	<u>\$ 7,092,217</u>	<u>\$ 6,218,516</u>

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#### 12. Revaluation of asset retirement obligations liability

As a result of recent high levels of inflation, liability balances based on previous cost estimates, the Board has made an inflation adjustment increase in estimates of 14.05% as at March 31, 2023, in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index (CBCPI) survey from October 1, 2021 to September 30, 2022 and is the rate being used to update costs assumptions in the costing models in order to be reflective of March 31, 2023 costs.

The Board assessed the ARO liability balance at August 31, 2023, and determined no further inflation adjustment is required.

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

### 13. 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. 88.4% 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:

	2023	(Note 20) (restated) 2022
Provincial legislative grants	\$236,615,481	\$222,012,116
Education property tax	27,532,511	27,594,195
Grants for student needs	\$264,147,992	\$249,606,311

### 14. Expenses by object

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

	Budget 2023	Actual 2023	(Note 20) (restated) Actual 2022
<b>Expenses</b>			
Salary and wages	\$ 186,633,348	\$ 192,056,033	\$ 184,587,837
Employee benefits	32,271,349	33,899,913	30,460,079
Supplies and services	24,937,476	27,811,173	21,239,949
Amortization of TCA and TCA-ARO	18,501,998	18,115,852	17,542,667
Fees and contractual services	14,182,672	15,010,269	12,979,795
Interest charges on capital	4,436,074	4,500,520	4,896,251
Other	6,906,025	4,239,470	3,534,376
Rental expenditures	751,582	749,499	689,698
Staff development	601,950	525,263	296,568
	\$ 289,222,474	\$ 296,907,992	\$ 276,227,220

# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

**15. Accumulated surplus**

Accumulated surplus consists of the following:

	2023	(Notes 2 and 20) (restated) 2022
Non-designated surplus	\$ 14,489,504	\$ 17,147,081
Amounts restricted for future use of the Board:		
Benefit plan	1,077,713	1,072,446
Committed sinking fund interest earned	774,956	838,476
Committed for employee future benefit phase-in	5,000,000	5,000,000
Committed for capital projects	4,761,342	2,203,651
Committed for post retirement liability final phase-in	5,145,461	5,145,461
School renewal program	171,786	171,786
	<b>16,931,258</b>	<b>14,431,820</b>
Amounts to be covered in the future:		
Retirement health, dental, life insurance plans	(13,411,863)	(15,065,143)
Employee future benefits - other than retirement gratuity	(3,556,452)	(3,556,452)
Interest accrual	(1,367,526)	(1,519,552)
	<b>(18,335,841)</b>	<b>(20,141,147)</b>
Other:		
School generated funds	2,888,263	2,640,699
Asset retirement obligation	(4,548,850)	(4,384,285)
Revenues recognized for land	20,098,966	20,050,952
	<b>18,438,379</b>	<b>18,307,366</b>
	<b>\$ 31,523,300</b>	<b>\$ 29,745,120</b>

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 16. Ontario School Board Insurance Exchange (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2023 were \$462,048 (2022 - \$445,136). There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the Board.

Any school board wishing to join OSBIE must execute a reciprocal insurance exchange agreement whereby every member commits to a five-year subscription period, the current one of which will end on December 31, 2026.

OSBIE exercises stewardship over the assets of the reciprocal, including the guarantee fund. While no individual school board enjoys any entitlement to access the assets of the reciprocal, the agreement provides for two circumstances when a school board, that is a member of a particular underwriting group, may receive a portion of the accumulated funds of the reciprocal:

- 1) In the event that the Board of Directors determines, in its absolute discretion, that the exchange has accumulated funds in excess of those required to meet the obligations of the Exchange, in respect of claims arising in prior years in respect of the underwriting group, the Board of Directors may reduce the actuarially determined rate for policies of insurance or may grant premium credits or policyholder dividends for that underwriting group in any subsequent underwriting year.
- 2) Upon termination of the exchange of reciprocal contracts of insurance within an Underwriting Group, the assets related to the Underwriting Group, after payment of all obligations, and after setting aside an adequate reserve for further liabilities, shall be returned to each Subscriber in the Underwriting Group according to its subscriber participation ratio and after termination the reserve for future liabilities will be reassessed from time to time and when all liabilities have been discharged, any remaining assets returned as the same basis upon termination.

In the event that a Board or other Board organization ceases to participate in the exchange of contracts of insurance within an Underwriting Group or within the Exchange, it shall continue to be liable for any Assessment(s) arising during or after such ceased participation in respect of claims arising prior to the effective date of its termination of membership in the Underwriting Group or in the exchange, unless satisfactory arrangements are made with the Board of Directors to buy out such liability.

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## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

August 31, 2023

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#### 17. Contractual obligations and contingent liabilities

(a) Contractual obligations:

The Board has ongoing commitments as follows:

2023-24	\$ 2,401,321
2024-25	1,287,821
2025-26	347,987
2026-27	289,242
2027-28	250,416
Thereafter	<u>1,001,664</u>
	<u>\$ 5,578,451</u>

As at August 31, 2023, the Board is committed to capital expenditures in the amount of \$9,222,879 (2022 - \$15,793,127).

(b) Contingent liabilities:

In the normal course of operations, the Board becomes involved in various claims and legal proceedings. The final outcome with respect to claims and legal proceedings pending at August 31, 2023 cannot be predicted with certainty, nor is it possible to reasonably estimate liability for certain claims.

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

### 18. Transportation

On July 18, 2013, Service de Transport Des Eleves - Windsor-Essex Student Transportation Services (WESTS) was incorporated under the Corporations Act of Ontario. On August 26, 2013, the Board entered into an agreement with Greater Essex County District School Board, Conseil scolaire catholique Providence and Conseil scolaire Viamonde 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 created at the time WESTS was established, decisions related to financial and operating activities of WESTS are shared. No partner is in a position to exercise unilateral control.

Each board participates in the shared costs associated with this service for the transportation of their respective students through WESTS. This entity is proportionately consolidated in the Board's consolidated financial statements whereby they include the assets it controls, the liabilities it has incurred, and its pro-rata share of revenues and expenses of the consortium. The Board's pro-rata share for 2023 is 31.3% (2022- 31.3%). Inter-organizational transactions and balances have been eliminated.

	2023		2022	
	Total	Board portion	Total	Board portion
Financial position:				
Financial assets	\$ 549,522	\$ 148,023	\$ 843,929	\$ 473,183
Financial liabilities	549,522	148,023	843,929	473,183
Accumulated (deficit) surplus	\$ -	\$ -	\$ -	\$ -
Operations:				
Revenues	\$33,056,933	\$10,354,572	\$ 30,914,669	\$ 9,684,785
Expenses	33,056,933	10,354,572	30,914,669	9,684,785
Annual surplus	\$ -	\$ -	\$ -	\$ -

### 19. Financial instruments

(a) Interest rate risk:

Interest rate risk represents the risk to the Board's operations that arises from fluctuations in interest rates and the degree of volatility of these rates. The Board is exposed to interest rate risk since the interest on the bank short-term borrowings is at variable rates.

(b) Fair value:

Fair values approximate amounts at which financial assets and liabilities would be exchanged between willing parties based on current markets for instruments of the same risk and materiality. The fair value of financial assets and liabilities approximate their carrying values.

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## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

August 31, 2023

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#### 20. Comparative figures

Certain of the prior year figures, provided for the purpose of comparison, have been reclassified to conform with the current year presentation.

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#### 21. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received \$21,647,375 from the 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30 year agreement 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 in respect of the NPF debt. As a result of this agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position. The flow-through of \$1,612,745 (2022-\$1,612,745) in grants in respect of the above agreement for the year ended August 31, 2023, is recorded in these consolidated financial statements.

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## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

August 31, 2023

#### 22. Tangible capital assets

Cost	(Notes 2 and 20) (restated)			Balance at August 31, 2023
	Balance at August 31, 2022	Additions, revaluations and transfers	Disposals and transfers	
Land	\$ 20,050,952	\$ 48,014	\$ -	\$ 20,098,966
Land improvements	19,152,637	4,135,356	-	23,287,993
Buildings (Note 11)	362,158,968	12,348,064	30,878,537	405,385,569
Other buildings	374,981	-	-	374,981
Portable structures	5,220,334	368,377	-	5,588,711
Construction in progress	23,731,206	12,784,871	(30,878,537)	5,637,540
Leasehold improvements	76,120	-	-	76,120
First time equipping	730,086	569,632	(143,273)	1,156,445
Furniture	158,987	17,898	-	176,885
Equipment	616,914	124,499	(12,208)	729,205
Computer software and hardware	5,289,654	1,704,220	(2,377,424)	4,616,450
Vehicles	924,603	112,137	(88,298)	948,442
	<b>\$ 438,485,442</b>	<b>\$ 32,213,068</b>	<b>\$ (2,621,203)</b>	<b>\$ 468,077,307</b>

Accumulated amortization	(Notes 2 and 20) (restated)			Balance at August 31, 2023
	Balance at August 31, 2022	Amortization and transfers	Disposals and transfers	
Land improvements	\$ 13,310,391	\$ 1,178,847	\$ -	\$ 14,489,238
Buildings (Note 11)	175,468,103	14,662,773	-	190,130,876
Other buildings	81,904	18,913	-	100,817
Portable structures	1,735,473	411,034	-	2,146,507
Leasehold improvements	76,120	-	-	76,120
First time equipping	518,827	94,327	(143,273)	469,881
Furniture	77,663	17,355	-	95,018
Equipment	218,962	71,651	(12,208)	278,405
Computer software and hardware	3,011,083	1,529,916	(2,377,424)	2,163,575
Vehicles	584,069	131,037	(88,298)	626,808
	<b>\$ 195,082,595</b>	<b>\$ 18,115,853</b>	<b>\$ (2,621,203)</b>	<b>\$ 210,577,245</b>

## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

**August 31, 2023**

#### 22. Tangible capital assets (continued)

Net book value	(Notes 2 and 20) (restated) Balance at August 31, 2022	Balance at August 31, 2023	Change
Land	\$ 20,050,952	\$ 20,098,966	\$ 48,014
Land improvements	5,842,246	8,798,755	2,956,509
Buildings (Note 11)	186,690,865	215,254,693	28,563,828
Other buildings	293,077	274,164	(18,913)
Portable structures	3,484,861	3,442,204	(42,657)
Construction in progress	23,731,206	5,637,540	(18,093,666)
Leasehold improvements	-	-	-
First time equipping	211,259	686,564	475,305
Furniture	81,324	81,867	543
Equipment	397,952	450,800	52,848
Computer software and hardware	2,278,571	2,452,875	174,304
Vehicles	340,537	321,634	(18,903)
	<b>\$ 243,402,850</b>	<b>\$ 257,500,062</b>	<b>\$ 14,097,212</b>

(i) Construction in progress

Construction in progress having a value of \$5,637,540 (2022 - \$23,731,206) has not been amortized. Amortization of these assets will commence when the assets are put in service.

(ii) Write-down of tangible capital assets

The write-down of tangible capital assets during the year was \$nil (2022 - \$nil).

#### 23. In-Kind Transfers from the Ministry of Public and Business Service Delivery

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the Board's records. The in-kind revenue recorded for these transfers is \$319,207 with expenses based on use of \$319,207. Additionally, in-kind deferred revenue was recorded in the amount of \$1,594,537 with an equal offset amount in PPE/CSE supply inventory on hand.

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# Windsor-Essex Catholic District School Board

## Notes to Consolidated Financial Statements

August 31, 2023

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### 24. Related party disclosures

The Board pays semi-annual debenture payments to the Ontario Financing Authority (OFA) comprised of the principal of \$3,433,358 (2022 - \$3,285,314) and the interest of \$2,006,550 (2022 - \$2,154,593). Further details relating to OFA debentures are disclosed on Note 8.

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### 25. 2022-23 budget reconciliation

The audited budget data presented in these consolidated financial statements is based upon the 2022-2023 budgets approved by the Board. The budget was prepared prior to the implementation of the PS 3280-Assets Retirement Obligations (ARO) standard.

The chart below reconciles the approved budget to the budget figures reported in the Consolidated Statement of Operations.

Where amounts were not budgeted for (ARO amortization), the actual amounts for 2023 were used to adjust the budget numbers to reflect the same accounting policies that were used to report the actual results.

The adjustments do not represent a formal amended budget as approved by the Board. This is an amendment to make the 2022-2023 budget information more comparable.

	2022-23 Budget	Change	2022-23 Budget Restated
Revenues	290,172,965	-	290,172,965
Expenses	289,057,910	-	289,057,910
Amortization of TCA ARO	-	164,564	164,564
Annual surplus (deficit)	1,115,055	(164,564)	950,491
Accumulated surplus, beginning of year	30,311,010	-	30,311,010
Accumulated surplus, PSAS adjustment	-	-	(4,384,286)
Adjusted accumulated surplus, beginning of year	30,311,010	-	25,926,724
Accumulated (deficit) surplus, end of year	\$ 31,426,065	\$ (164,564)	\$ 26,877,215

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## Windsor-Essex Catholic District School Board

### Notes to Consolidated Financial Statements

August 31, 2023

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#### 26. Future accounting standard adoptions

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.

- i. 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 31, 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.

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