



Consolidated financial statements of Dufferin Peel Catholic District School Board

August 31, 2021

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Management Report

August 31, 2021

Management's Responsibility for the Consolidated Financial Statements

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

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

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



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Dufferin-Peel Catholic District School Board
Consolidated statement of financial position
As at August 31, 2021
(In thousands of dollars)

	Notes	2021 \$	2020 \$
Financial assets			
Cash and cash equivalents		47,852	50,694
Accounts receivable – other		32,486	94,152
Accounts receivable – Province of Ontario	2	11,770	11,177
Accounts receivable – Province of Ontario – Approved Capital	2	256,735	285,101
		348,843	441,124
Financial liabilities			
Accounts payable and accrued liabilities		88,109	57,226
Accounts payable – Province of Ontario		10,789	75,427
Deferred revenue	3	36,749	14,144
Obligation under capital leases	5	1,028	1,126
Net long-term debt	7	238,137	265,315
Retirement and other employee future benefits payable	9	11,087	9,050
Deferred capital contributions	4	909,269	899,762
		1,295,168	1,322,050
Net debt		(946,325)	(880,926)
Non-financial assets			
Prepaid expenses		3,708	2,926
Inventories of supplies		3,166	-
Tangible capital assets	14	1,220,895	1,212,427
Total non-financial assets		1,227,769	

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1. Significant accounting policies

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

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 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 depreciation, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

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

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

Externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100, and

Property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

As a result, revenue recognized in the consolidated statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards ("PSAS").

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 ad (ass i ed M er

1. Significant accounting policies (continued)

The reporting entity is comprised of:

The Dufferin-Peel Catholic District School Board
School Generated Funds

All material interdepartmental and inter-organizational transactions and balances between these organizations are eliminated on consolidation.

Trust funds and their related operations administered by the Board amounting to \$2,817 (\$2,333 in 2020) are not included in the consolidated financial statements. Specifically, the Trust Funds include both student scholarships and awards and deferred salary leaves.

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

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Dufferin-Peel Catholic District School Board

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Notes to consolidated financial statements
August 31, 2021
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3. Deferred revenue

Deferred revenue externally restricted for specific purposes by legislation, regulation or agreement as at August 31 is comprised of the following:

	2021 \$	2020 \$
Proceeds from disposition	6,270	6,270
Deferred revenue - other		
Restricted Provincial capital grants received	3,157	2,259
Restricted Provincial operating grants received	6,934	1,673
Other - tuition fees, permits	20,388	3,942
	36,749	14,144

The continuity of deferred revenue of the Board is summarized below:

	2021 \$	2020 \$
Balance, beginning of year	14,144	13,884
Increase in deferred revenue	210,597	172,971
Interest earned	18	
Transferred to deferred capital contributions	(19,900)	(12,662)
Deferred revenue recognized in the year	(168,110)	(160,049)
Balance, end of year	36,749	14,144

4. Deferred capital contributions

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

	2021 \$	2020 \$
Balance, beginning of year	899,762	900,295
Deferred capital contributions received	57,460	46,280
Revenue recognized in the year	(47,953)	(46,813)
Balance, end of year	909,269	899,762

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(In thousands of dollars)

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9. Retirement and other employee future benefits

			2021	2020
	Retirement gratuity	Other employee future benefits	Total	Total
	\$	\$	\$	\$
Accrued employee future benefit obligations at August 31	210			

9. Retirement and other employee future benefits (continued)

A maximum of 11 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 illness paid through the short-term leave and disability plan in that year. The benefit costs expensed in the statement of

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10. Expenses by object

The following is a summary of the expenses reported on the consolidated statement of financial operations by object, in accordance with the reporting requirements of the Ministry of Education, Training and Skills Development.

	Budget \$	2021 Actual \$	2020 Actual \$
Operating expenses			
Salary and wages	703,429	684,572	670,448
Employee benefits	121,225	189,596	129,398
Staff development	2,188	757	1,044
Supplies and services	49,506	52,778	49,744
Interest charges on capital	13,817	13,836	15,276
Rental expenses	2,523	1,329	1,486
Fees and contractual services	40,957	45,896	40,829
School generated funds	18,220	3,785	12,292
Other	7,509	12,174	3,869
Amortization of tangible capital assets	45,000	48,994	47,897
	1,004,374	1,053,717	972,251

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12. Commitments and contingent liabilities

- (a) The Board enters into contracts for the capital construction and renovation of various new and existing schools. The following summarizes the Board's commitment under these contracts as at August 31, 2021:

	Contract value \$	Incurred to date \$	Amount remaining \$
Construction of schools	10,820	10,442	378

- (b) The Board is committed to various operating leases for premises and equipment expiring in fiscal 2028/2029. The aggregate minimum lease payments are as follows:

	Minimum lease payments \$
2021/2022	2,003

Dufferin-Peel Catholic District School Board

Notes to consolidated financial statements

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Dufferin-Peel Catholic District School Board

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17. Partnership in Student Transportation of Peel Region (STOPR) Transportation Consortium

On December 14, 2007, the Board entered into an agreement with the Peel District School Board in order to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery, efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of the STOPR Transportation Consortium are shared. Neither Board is in a position to exercise unilateral control.

The Board's consolidated financial statement reflects its share of the Ministry transportation grants and related expenses.

The following provides condensed financial information:

	2021		2020	
	Total	Board portion	Total	Board portion
	\$	\$	\$	\$
Revenue	68,032	20,764	68,972	21,031
Expenses	78,433	22,468	76,102	22,742
Annual (deficit) surplus	(10,401)	(1,704)	(7,130)	(1,711)

The Board is also a member of Wellington-Dufferin Student Transportation Services Consortia. The Board is not actively involved in the management of this consortia. For the 2021 fiscal year; transportation costs of \$2,069 (\$2,034 in 2020) have been expensed in the consolidated financials. For the