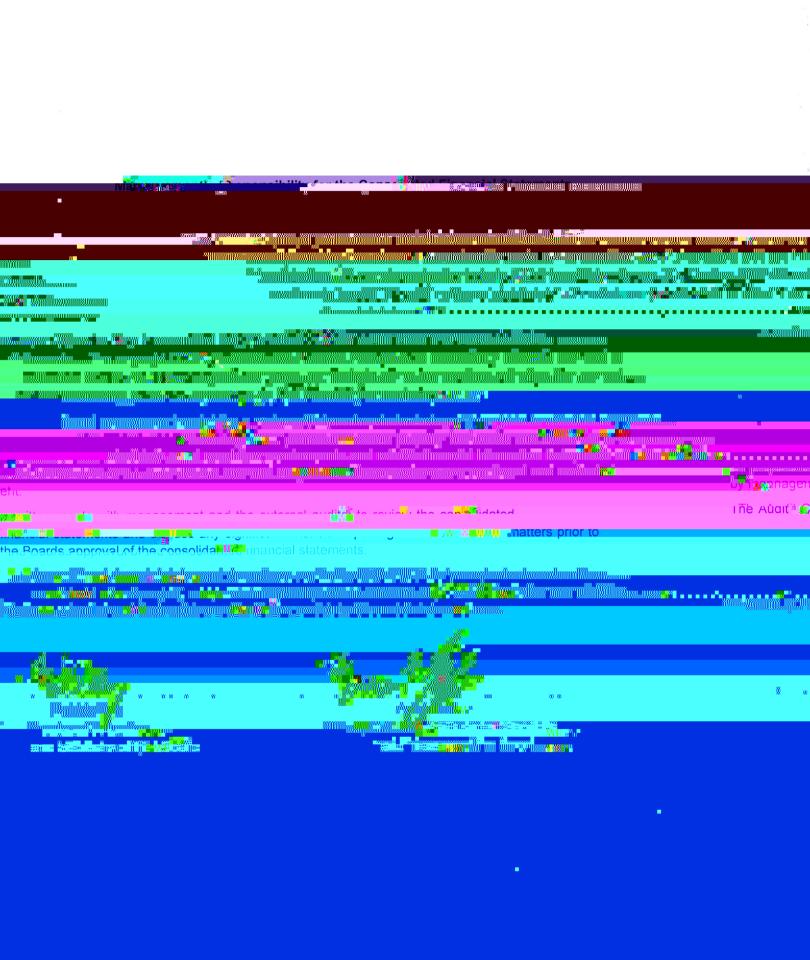
Consolidated Financial Statements of

HALTON CATHOLIC DISTRICT SCHOOL BOARD

And Independent Auditors' Report hereon

Year ended August 31, 2021





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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the Halton Catholic District School Board:

Opinion

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

the consolidated statement of financial position as at August 31, 2021

the consolidated statement of operations for the year then ended

the consolidated statement of changes in net debt for the year then ended

the consolidated statement of cash flows and 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 financial position of the Entity as at August 31, 2021, and the results of its operations and its cash flows for the year then ended 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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' 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 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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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 basis of accounting as described in Note 1 to the financial statements, and for such internal control as management determines is necessary



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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 audit evidence regarding the financial information of the entities or business activities within the 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.



Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

November 16, 2021



Consolidated Statement of Change in Net Debt

For the year ended August 31, 2021, with comparative information for 2020

	2021 Budget	2021 Actual	2020 Actual
Annual surplus	\$ 7,512,689	\$ 20,853,865	\$ 12,746,517
Acquisition of tangible capital assets Amortization of tangible capital assets	(12,866,443) 19,155,162	(44,558,774) 19,481,115	(43,262,949) 17,603,003

Consolidated Statement of Cash Flows

For the year ended August 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating Activities: Annual surplus Items not involving cash:	\$ 20,853,865	\$ 12,746,517

Notes to Consolidated Financial Statements

Year ended August 31, 2021

1. Significant accounting policies:

The consolidated financial statements of the Halt

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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 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.

Consolidated entities:

School Generated Funds

Proportionately consolidated entities:

Halton Student Transportation Services

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 these funds are not controlled by the Board.

(d) Cash and cash equivalents:

Cash and cash equivalents comprise of cash on hand 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 legi

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

1. Significant accounting policies (continued):

(f) Deferred capital contributions:

Contributions received or receivable for the purpose of acquiring or developing depreciable tangible capital assets for use in providing services, or any contributions of depreciable tangible assets received or receivable for use in providing services, are recorded as deferred capital contributions when the asset has been acquired as required by Ontario Regulation 395/11. Amounts are recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the related asset is amortized.

(g) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits. As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-2017: OECTA. The following ELHTs were established in 2017-2019: EWAO, CUPE, 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 are retired prior to the Board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the Board provides health, dental and life insurance benefits for retired individuals that were previously represented by the following unions/federations: OECTA and CUPE.

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

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

1. Significant accounting policies (continued):

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

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. In prior years, the cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee were actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. As a result of the plan change, the cost of retirement gratuities were 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. The changes resulted in a plan curtailment and any unamortized actuarial gains and losses were recognized as at August 31, 2012. 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.

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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 Buildings Furniture and equipment Computer hardware Computer software Vehicles	15 years 40 years 5 to 15 years 3 years 5 years 5 to 10 years		
Leasehold improvements	Over the lease term		

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

The useful life for computer hardware was revised from five years to three years based on new information related to the actual life of the assets. As such, additional amortization has occurred for these assets as needed to bring the net book

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

1. Significant accounting policies (continued):

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

3. Long-term receivable - Government of Ontario:

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

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

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

7. Net long-term liabilities:

	2021	2020
OSBFC (2000) – F10, repayable in semi-annual		
installments of \$959,133 plus interest at 7.20%		
per annum, maturing June 9, 2025	\$ 6,565,557	\$ 7,936,641
OSBFC (2001) - A3, repayable in semi-annual		
installments of \$2,515,121 plus interest at 6.55%		
per annum, maturing October 19, 2026	22,920,968	26,283,800
OFA (2003) – A2, repayable in semi-annual		
installments of \$189,051 plus interest at 5.80%		
per annum, maturing November 7, 2028	2,273,291	2,509,230
OFA (2006) – repayable in semi-annual installments		
of \$23,381 plus interest at 4.56% per annum,	200 754	444.044
maturing November 15, 2031	386,751	414,911
OFA (2007) – A1, repayable in semi-annual installments of \$1,117,034 plus interest at 5.38%		
per annum, maturing June 25, 2032	19,259,625	20,515,438
OFA (2008) – F02, repayable in semi-annual	10,200,020	20,010,400
installments of \$17,597 plus interest at 4.90%		
per annum, maturing March 3, 2033	312,473	331,648
OFA (2008) – F03, repayable in semi-annual		
installments of \$26,107 plus interest at 4.83%		
per annum, maturing March 3, 2033	465,378	494,072
OFA (2009) – repayable in semi-annual installments		
of \$908,987 plus interest at 5.06% per annum,	40.000.540	
maturing March 13, 2034	16,996,512	17,918,957
OFA (2009) – A3, repayable in semi-annual		
installments of \$61,119 plus interest at 5.06% per annum, maturing March 13, 2034	1,142,818	1,204,842
OFA (2010) – F02, repayable in semi-annual	1,142,010	1,204,042
installments of \$738,166 plus interest at 5.23%		
per annum, maturing April 13, 2035	14,459,429	15,151,951
OSBFC (2010) – repayable in semi- annual	,, -	-, - ,
installments of \$1,294,708, plus interest at 3.94%		
per annum, maturing September 19, 2025	10,254,292	12,376,536
OFA (2011) – repayable in semi-annual installments		
of \$719,169 plus interest at 2.43% per annum,		
maturing November 15, 2021	710,553	2,106,226
OFA (2012) – F02, repayable in semi-annual		
installments of \$357,767 plus interest at 3.56%	9 502 521	9 001 142
per annum, maturing March 9, 2037 OFA (2014) – F02, repayable in semi-annual	8,592,531	8,991,142
installments of \$1,068,719 plus interest at 4.00%		
per annum, maturing on March 11, 2039	27,044,250	28,068,262
OFA (2015) – repayable in semi-annual installments	27,011,200	20,000,202
of \$53,072 plus interest at 2.99% per annum,		
maturing on March 9, 2040	1,518,575	1,577,933
	\$ 132,903,003	\$ 145,881,589

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

7. Net long-term liabilities (continued):

Principal payments relating to net debt of \$132,903,003 are due as follows:

	Principal	Interest	Total
2021/22 2022/23	\$ 12,932,950 12,899,025	\$ 6,554,146 5,868,902	\$ 19,487,096 18,767,927
2023/24 2024/25 2025/26	13,615,031 14,372,806 11,528,616	5,152,895 4,395,121 3,629,964	18,767,926 18,767,927 15,158,580
Thereafter	67,554,575	15,732,464	83,287,039
	\$ 132,903,003	\$ 41,333,492	\$ 174,236,495

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

	2021	2020
Principal payments on long-term liabilities Interest payments on long-term liabilities	\$ 12,978,586 7,227,705	\$ 12,340,857 7,865,408
	\$ 20,206,291	\$ 20,206,265

8. 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 life of the asset acquired.

	2021	2020
Opening balance, September 1	\$ 455,074,415	\$ 435,239,109
Additions to deferred capital contributions	22,100,309	18,133,096
Transfer from deferred revenue (note 5)	10,662,640	17,985,734
Amortization of deferred capital contributions	(18,096,644)	(16,283,524)
Ending balance, August 31	\$ 469,740,720	\$455,074,415

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

Tangible capital asset	s:
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Year ended August 31, 2021

Cost	Accumulated Amortization	
Transfers,	Transfers, Ne	book Net book

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

9. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction having a value of \$6,407,566 (2020 - \$20,692,902) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$Nil (2020 - \$Nil).

10. Accumulated surplus:

Accumulated surplus consists of the following:

	2021	2020
Available for compliance - unappropriated	4.400.400	A 4007.450
Total operating surplus	\$ 1,106,422	\$ 1,097,153
Available for compliance – internally appropriated		
Retirement gratuities	839,785	4,060,660
WSIB	3,008,936	_
Operating reserve	11,943,549	7,943,549
School budgets	1,182,928	1,043,445
Facility capital reserve	10,447,764	9,105,113
Capital capacity planning	70,533	70,533
Committed capital interest earned	1,214,463	1,290,845
Committed capital projects	11,597,491	12,770,436
Other programs	1,741,059	1,741,057
	43,152,930	39,122,791
Unavailable for compliance		
Employee future benefit	(2,845,157)	(3,303,376)
Interest accrual	(1,935,940)	(2,132,854)
School generated funds	2,462,564	3,763,538
Revenues recognized for land	137,852,720	120,383,153
	135,534,187	118,710,461
Balance, end of year	\$ 178,687,117	\$157,833,252

11. Provincial legislative grants:

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

12. Expenses:

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

	2021 Budget	2021	2020
	Note 1(k)	Actual	Actual
Salary and wages Employee benefits Staff development	\$ 301,960,595	\$ 303,616,610	\$ 284,886,672
	51,465,485	51,018,086	48,195,050
	1,281,364	1,173,845	735,155
Supplies and services	36,976,951	33,118,671	30,291,275
Interest	7,030,782	7,030,782	7,679,039

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2021

Contractual obligations and contingent liabilities (continued):

- L The Board was contingently liable under letters of credit issued to municipalities with respect to construction projects in the amount of \$2,841,356 (2020 \$3,329,853).
- L The nature of the Board activities is such that there is usually litigation pending or in the prospect at any time. With respect to claims at August 31, 2021, management believes that the Board has valid defenses and appropriate insurance coverage in place. In the event claims are successful, management believes that such claims are not expected to have a material effect on the Board's financial position.
- L The Board, in the normal course of business, enters into commodities contracts, in order to fix the price of commodities to be acquired in the future. The Board has entered into these contracts in conjunction with two consortiums which includes other school boards.

Budget data:

The budget data presented in these consolidated financial statements is based upon the 2021 original budget approved by the Board on July 29, 202.

Repayment of "55 School Board Trust" funding:

On June 1, 2003, the Board received \$635,000 from The 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed ("NPF") debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, the 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is not reflected in the Board's financial position.

In-kind transfers from the Ministry of Government and Consumer Services:

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment ("PPE") and critical supplies and equipment ("CSE") received from the Ministry of Government and Consumer Services ("MGCS"). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the Board's records. The in-kind revenue recorded for these transfers is \$3,098,766 with expenses based on use of \$3,098,766 for a net impact of \$Nil.