

**WATERLOO REGION DISTRICT SCHOOL BOARD
NOTICE AND AGENDA**

A Committee of the Whole meeting of the Waterloo Region District School Board will be held in the Board Room, Building 2, 51 Ardel Avenue, Kitchener, Ontario, on **Monday, December 12, 2022, at 7:00 p.m.**

AGENDA

Call to Order

O Canada

Approval of Agenda

Declarations of Pecuniary Interest

Celebrating Board Activities/Announcements

Delegations

Justin Buhr - International Holocaust Remembrance Alliance (IHRA) Definition of Anti-Semitism
Anita Bromberg, CAEF - IHRA Definition of Anti-Semitism
Beisan Zubi - IHRA Definition of Anti-Semitism
Lauren Weinberg - IHRA Definition of Anti-Semitism
James Kafieh - IHRA Definition of Anti-Semitism
Sameh Salah - IHRA Definition of Anti-Semitism
Dr. Sheryl Nestel - IHRA Definition of Anti-Semitism
Irene O'Toole - IHRA Definition of Anti-Semitism

Staff Follow Up

Policy and Governance

Reports

01	2021-22 Audited Financial Statements	G. Shantz / N. Landry
32	2021-22 Final Financial Report	N. Landry
47	2021-22 Trustee Expenses	N. Landry

Rise and Reconvene to Special Board Meeting

Board Reports

49	Motion: International Holocaust Remembrance Alliance Definition of Anti-Semitism	Trustee M. Ramsay
51	Motion: Requesting Masks for Staff, Students, and Visitors in Our Buildings	Trustee M. Snyder

Question Period (*10 minutes*)

Future Agenda Items (*Notices of Motion to be referred to Agenda Development Committee*)

Adjournment

Questions relating to this agenda should be directed to
Stephanie Reidel, Manager of Corporate Services
519-570-0003, ext. 4336, or Stephanie_Reidel@wrdsb.ca



Report to Committee of the Whole

December 12, 2022

Subject: 2021-22 Audited Financial Statements

Recommendation

The Waterloo Region District School Board approve the Audited Financial Statements for the year ended August 31, 2022, as recommended by the Board Audit Committee.

Status

The draft 2021-2022 Waterloo Region District School Board (WRDSB) Consolidated Financial Statements are attached as Appendix A. Melanie Dugard, Principal at Grant Thornton LLP, will be present (virtually) during the meeting to elaborate on the audited statements.

Background

Pursuant to Regulation 361/10 of the Education Act, one of the duties of the Board Audit Committee after reviewing the Financial Statements is, "To recommend, if the Audit Committee considers it appropriate to do so, that the Board of Trustees (Board) approve the Annual Audited Financial Statements." The Board Audit Committee consists of three trustees and two external members with financial expertise.

The draft 2021-2022 Audited Financial Statements were presented at the Board Audit Committee meeting on December 7, 2022. After reviewing the statements, the Board Audit Committee passed a motion recommending that the Board approve the Audited Financial Statements.

Financial implications

No financial implications.

Communications

After approval of the Financial Statements by the Board, the Financial Statements will be published as per Section 252(2) of the Education Act by posting them on the WRDSB's website.

Prepared by: Nick Landry, Controller, Financial Services & Interim Treasurer,
on behalf of
Trustee Joanne Weston, Chairperson of the Board
Trustee Kathleen Woodcock, Chair of the Board Audit Committee
in consultation with Coordinating Council



Consolidated Financial Statements

Waterloo Region District School Board

August 31, 2022

DRAFT

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Independent auditor's report

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To the Board of Trustees of the
 Waterloo Region District School Board

Opinion

We have audited the consolidated financial statements of Waterloo Region District School Board ("the Board"), which comprise the consolidated statement of financial position as at August 31, 2022, and the consolidated statements of operations, changes in net debt and cash flow 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 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

We draw attention to Note 1 to the consolidated 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.

Other matter

The financial statements of the Board for the year ended August 31, 2021 were audited by another practitioner who expressed an unmodified opinion on those statements on November 25, 2021.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to a 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Board and the organizations it controls 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.

Mississauga, Canada
December •, 2022

Chartered Professional Accountants
Licensed Public Accountants

Waterloo Region District School Board

Consolidated Statement of Financial Position

As at August 31

2022

2021

Financial assets

Cash and cash equivalents	\$ 6,241,056	\$ 46,372,189
Accounts receivable – other (Note 2)	130,946,565	91,346,284
Accounts receivable – Government of Ontario – approved capital (Note 2)	<u>140,188,116</u>	<u>151,821,965</u>
	<u>277,375,737</u>	<u>289,540,438</u>

Liabilities

Accounts payable and accrued liabilities	73,006,197	73,779,259
Net debenture debt and capital loans (Notes 6 and 7)	101,340,681	111,907,987
Deferred revenue (Note 3)	35,357,927	25,613,721
Employees benefits payable (Note 5)	24,038,496	27,182,413
Deferred capital contributions (Note 4)	<u>621,715,007</u>	<u>590,946,259</u>
	<u>855,458,308</u>	<u>829,429,639</u>

Net debt

(578,082,571) (539,889,201)

Non-financial assets

Inventories of supplies	181,897	-
Prepaid expenses	18,810,710	17,965,632
Tangible capital assets (Note 10)	<u>743,683,738</u>	<u>699,527,894</u>
	<u>762,676,345</u>	<u>717,493,526</u>

Accumulated surplus (Note 11)

\$ 184,593,774 \$ 177,604,325

Contractual obligations and contingent liabilities (Note 14)

On behalf of the Board

Director of Education_____
Chair of the Board

Date _____

Date _____

See accompanying notes to the consolidated financial statements.

Waterloo Region District School Board

Consolidated Statement of Operations

Year ended August 31, 2022

	<u>Budget</u> (Note 15)	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Revenues			
Grants for Student Needs (Note 8)			
Provincial Legislative Grants	\$ 528,842,732	\$ 567,804,814	\$ 515,460,605
Education Property Tax	201,000,673	153,803,565	199,667,414
Provincial grants – Other	10,098,818	29,320,973	28,559,787
School generated funds revenue	1,608,000	3,304,277	927,587
Federal grants and fees	-	157,446	1,725
Investment income	609,633	318,227	997,622
Other fees and revenues from Other Sources	28,472,677	27,349,941	18,394,178
Amortization of deferred capital contributions	<u>40,801,583</u>	<u>44,249,153</u>	<u>46,421,988</u>
Total Revenue Category	<u>811,434,116</u>	<u>826,308,396</u>	<u>810,430,906</u>
Expenses (Note 9)			
Total Instruction expenses	634,699,244	634,219,160	625,872,512
Total Administration expenses	19,527,351	18,582,673	18,806,653
Total Transportation expenses	20,826,924	21,365,058	18,723,029
Total Pupil accommodation expenses	116,391,594	117,852,909	114,869,810
Total School generated funds expenses	1,608,000	3,541,944	1,657,856
Other Expenses	<u>10,156,572</u>	<u>23,757,203</u>	<u>19,888,557</u>
Total Expense Category	<u>803,209,685</u>	<u>819,318,947</u>	<u>799,818,417</u>
Annual surplus (Note 11)	8,224,431	6,989,449	10,612,489
Accumulated surplus at beginning of year	<u>177,604,325</u>	<u>177,604,325</u>	<u>166,991,836</u>
Accumulated surplus at end of year	<u>\$ 185,828,756</u>	<u>\$ 184,593,774</u>	<u>\$ 177,604,325</u>

See accompanying notes to the consolidated financial statements.

Waterloo Region District School Board

Consolidated Statement of Cash Flows

Year ended August 31

2022

2021

Sources and uses of cash

Operating transactions

Annual surplus for Consolidated Statement of Cash Flow	\$ 6,989,449	\$ 10,612,489
Non-cash items including:		
Amortization, write downs, (gains) loss on disposal of TAC	45,014,065	47,150,175
Deferred capital contributions revenue	(44,249,153)	(46,421,988)
Decrease (Increase) in accounts receivable - other	(41,496,212)	33,432,629
Decrease (Increase) in accounts receivable – Delayed grant payment	1,895,932	(4,296,903)
Increase (Decrease) in accounts payable and accrued liabilities	(773,063)	(41,433,522)
Increase (Decrease) in deferred revenues-operating	4,035,721	2,488,941
Increase (Decrease) in employee benefits payable	(3,143,917)	(1,866,078)
Decrease (Increase) in prepaid expenses	(845,078)	373,904
Decrease (Increase) in inventories of supplies	(181,897)	-
Cash provided by (applied to) operating transactions	<u>(32,754,153)</u>	<u>39,647</u>

Capital transactions

Cash used to acquire tangible capital assets	(89,169,910)	(66,864,658)
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Financing transactions

Debt repaid and sinking fund contributions	(10,567,306)	(11,331,842)
Decrease (increase) in accounts receivable – Government of Ontario – approved capital	11,633,849	(15,769,855)
Additions to (disposals from) deferred capital contributions	75,017,901	66,304,198
Increase (Decrease) in deferred revenues – Capital	5,708,486	3,428,708
Net increase (Decrease) in cash from financing	<u>81,792,930</u>	<u>42,631,209</u>
Change in cash and cash equivalents	(40,131,133)	(24,193,802)
Opening cash and cash equivalents	<u>46,372,189</u>	<u>70,565,991</u>
Closing cash and cash equivalents	<u>\$ 6,241,056</u>	<u>\$ 46,372,189</u>

See accompanying notes to the consolidated financial statements.

Waterloo Region District School Board

Consolidated Statement of Changes in Net Debt

Year ended August 31

2022

2021

Annual surplus for Consolidated Statement of Changes in Net Debt	\$ <u>6,989,449</u>	\$ <u>10,612,489</u>
Tangible capital asset activity		
Acquisition of tangible capital assets	(89,169,910)	(66,864,658)
Amortization of tangible capital assets	<u>45,014,065</u>	<u>47,150,175</u>
Total tangible capital asset activity	<u>(44,155,845)</u>	<u>(19,714,483)</u>
Other non-financial asset activity		
Acquisition of supplies inventories	(181,897)	-
Acquisition of prepaid expenses	(18,810,709)	(17,965,632)
Use of prepaid expenses	<u>17,965,632</u>	<u>18,339,536</u>
Total other non-financial asset activity	<u>(1,026,974)</u>	<u>373,904</u>
Change in net financial assets (net debt)	(38,193,370)	(8,728,090)
Net financial assets (net debt) at beginning of year	(539,889,201)	(531,161,111)
Net financial assets (net debt) at end of year	<u>\$(578,082,571)</u>	<u>\$(539,889,201)</u>

See accompanying notes to the consolidated financial statements.

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

1. Summary of significant accounting policies

The consolidated financial statements of Waterloo Region District School Board (the “board”) are prepared by management in accordance with the basis of accounting described below.

Basis of accounting

These consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario of Education memorandum 2004:B2 and Ontario Regulations 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 the 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 is 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 P53410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

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

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

1. Summary of significant accounting policies (continued)

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity comprises 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, as well as the Waterloo Education Foundation Inc., that are controlled by the board, are reflected in the consolidated financial statements.

The consolidated financial statements also reflect the board's pro-rata share of assets, liabilities, revenues and expenses of the Student Transportation Services of Waterloo Region Inc. (STSWR), which is a partnership that was formed with Waterloo Catholic District School Board. Inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated.

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.

Cash and short-term investments

Cash and short-term investments comprise of cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, are subject to insignificant risk of changes in value and have a short maturity term of less than 90 days. Short-term investments are recorded at the lower of cost and market value.

Deferred revenue

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

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

1. Summary of significant accounting policies (continued)

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. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

- government transfers received or receivable for capital purpose;
- other restricted contributions received or receivable for capital purpose; and
- property taxation revenues that were historically used to fund capital assets.

Retirement and other employee future benefits

The board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, 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 2016-17: Elementary Teachers' Federation of Ontario (ETFO), Ontario Secondary School Teachers' Federation (OSSTF), Elementary Teachers' Federation of Ontario — Education Workers (ETFO-EW) and Ontario Secondary School Teachers' Federation-Education Workers (OSSTF-EW). The following ELHTs were established in 2017-2018: The Education Workers' Alliance of Ontario (EWAO) Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff) and other school board staff. Currently, ONE-T ELHT also provides benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are 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 ELHT 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.

The board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by the following unions/federations: ETFO, OSSTF and OSSTF-EW.

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

1. Summary of significant accounting policies (continued)

Retirement and other employee future benefits (continued)

In 2012, changes were made to the board's retirement gratuity plan, sick leave plan and retiree health, life and dental plan. The board has adopted the following policies with respect to accounting for these employee benefit:

- i. 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 are 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 or losses are 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.

For self-insured retirement and other employee future benefits that vest or accumulated over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. The changes to the retiree health, life and dental plans resulted in a plan curtailment and any unamortized actuarial gains and losses associated with the employees impacted by the change are recognized as at August 31, 2012.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability and life insurance and health care benefits for those on disability leave, 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. Employer contributions to multi-employer defined pension plans, such as the Ontario Municipal Employees Retirement System pensions, are expensed in the period incurred.
- iii. For retirees, the liability is calculated as the present value of the expected future premium subsidy from the valuation date to the date that the retiree turns 65 or for the remaining lifetime, depending on the date of retirement.

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

1. Summary of significant accounting policies (continued)

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 that 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.

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

Land improvements	15 years
Building and building improvements	40 years
Portable structures	20 years
Other buildings	20 years
Furniture and equipment	5 – 15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5 – 10 years
Leasehold improvements	over the life of the lease

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. Building 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 that 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.

Government transfers

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

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

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

1. Summary of significant accounting policies (continued)

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.

Long-term debt

Long-term debt is recorded net of related sinking fund asset balances.

Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of 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. Given differences between the funding model and the basis of accounting used by the school board in preparation of the financial statements, the budget figures presented have been adjusted to conform with this basis of accounting as it is used to prepare the consolidated financial statements.

Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

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 the Grants for Student Needs under Education Property Tax

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

2. Accounts receivable – Government of Ontario and Other

Government of Ontario

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. The board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The board receives this grant in cash over the remaining term of the existing capital debt instruments. The board may also receive yearly capital grants to support capital programs, which would be reflected in the account receivable balance.

The board has an account receivable from the Province of Ontario of \$140,188,116 with respect to capital grants (2021 - \$151,821,965).

Cash management strategy

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2022 is \$37,467,745 (2021 - \$39,363,678).

3. 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, 2022 comprises:

	Balance at August 31 2021	Externally restricted revenue and investment income 2022	Revenue recognized in the period	Transfers to deferred capital contributions	Balance at August 31 2022
Pupil accommodation	\$ 3,102,108	\$ 36,912,807	\$ 20,244,537	\$ 14,436,345	\$ 5,334,033
Education development charges	4,365,246	17,252,457	12,957,189	-	8,660,514
Proceeds of disposition – minister exemptions and other	959,753	-	-	-	959,753
Proceeds of disposition – regular	2,786,173	-	-	1,159,745	1,626,428
Special education	4,991,207	92,225,143	91,187,414	-	6,028,936
Restricted grants	8,308,409	15,531,564	9,573,400	2,822,505	11,444,068
Other	1,100,825	1,148,542	945,172	-	1,304,195
Total deferred revenue	\$ 25,613,721	\$163,070,513	\$134,904,712	\$ 18,418,595	\$ 35,357,927

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

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.

	<u>2022</u>	<u>2021</u>
Opening balance	\$ 590,946,259	\$ 571,064,049
Additions to deferred capital contributions	75,017,901	66,304,198
Revenue recognized in the period	(44,249,153)	(46,421,988)
Closing balance	\$ <u>621,715,007</u>	\$ <u>590,946,259</u>

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Waterloo Region District School Board Notes to the Consolidated Financial Statements

August 31, 2022

5. Retirement and other employee future benefit liabilities

				<u>2022</u>	<u>2021</u>	
	Retirement gratuities	WSIB benefits	Sick leave benefits	Life insurance benefits	Total employee future benefits	Total employee future benefits
Opening balance accrued employee future benefit obligations at August 31	\$ 19,578,009	\$ 5,112,357	\$ 676,178	\$ 1,815,869	\$ 27,182,413	\$ 29,048,491
Current period benefit cost	-	2,445,345	713,006	-	3,158,351	1,975,408
Interest accrued	366,691	77,095	-	31,824	475,610	429,137
Less: benefit payments	(3,324,970)	(1,658,610)	(788,250)	(107,727)	(5,879,557)	(5,276,380)
Amortization of actuarial loss (gain)	<u>735,538</u>	<u>-</u>	<u>112,141</u>	<u>(1,746,000)</u>	(898,321)	<u>1,005,757</u>
Employee future benefit liability at August 31	<u>\$ 17,355,268</u>	<u>\$ 5,976,187</u>	<u>\$ 713,075</u>	<u>\$ (6,034)</u>	\$ 24,038,496	<u>\$ 27,182,413</u>
				<u>2022</u>	<u>2021</u>	
	Retirement gratuities	WSIB benefits	Sick leave benefits	Life insurance benefits	Total employee future benefits	Total employee future benefits
Current period benefit cost	\$ -	\$ 2,445,345	\$ 713,006	\$ -	\$ 3,158,351	\$ 1,975,408
Interest on accrued benefit obligation	366,691	77,095	-	31,824	475,610	429,137
Recognized actuarial losses (gains)	<u>735,538</u>	<u>-</u>	<u>112,141</u>	<u>(1,746,000)</u>	(898,321)	<u>1,005,757</u>
Employee future benefit expenses*	<u>\$ 1,102,229</u>	<u>\$ 2,522,440</u>	<u>\$ 825,147</u>	<u>\$ (1,714,176)</u>	\$ 2,735,640	<u>\$ 3,410,302</u>

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

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

5. Retirement and other future benefits (continued)

Retirement benefits

Ontario Teacher's Pension Plan

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

Ontario Municipal Employees Retirement System

All non-teaching employees of the board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The board contributions equal the employee contributions to the plan. During the year ended August 31, 2022, the board contributed \$10,241,225 (2021 - \$10,301,780) 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

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

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.

The premiums are based on the board experience and retirees' premiums may be subsidized by the board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the board's consolidated financial statements. Employees retiring on or after September 1, 2013 do not qualify for board subsidized premiums or contributions.

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

5. Retirement and other future benefits (continued)

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2022 are based on actuarial assumptions of future events determined for account purposes as at August 31, 2022 and based on updated average daily salary and banked sick days as at August 31, 2021. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the board's best estimates of expected rates of:

	<u>2022</u>	<u>2021</u>
Inflation	2.0%	1.5%
Discount on accrued benefit obligations	3.9%	1.8%

Workplace Safety and Insurance Board (WSIB) benefits

The board is a Schedule 2 employer under the Workplace Safety and Insurance Act (the "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 4-1/2 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

The Workplace Safety and Insurance Board obligations for employee future benefit plans as at August 31, 2022 are based on actuarial valuations for accounting purposes as at August 31, 2022. These actuarial valuations are based on assumptions about future events. For purposes of these calculations, the economic assumptions used in these valuations are the board's best estimates of expected rates of:

	<u>2022</u>	<u>2021</u>
Inflation	2.7%	2.0%
Discount on accrued benefit obligations	3.9%	1.8%

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 consolidated financial statements are \$713,006 (2021 - \$676,109).

The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as of August 31, 2022.

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

5. Retirement and other future benefits (continued)

Life insurance benefits

Based on the updated triennial Post-Retirement Benefits valuation prepared as at August 31, 2022 and special claims fluctuation reserve (CFR) information provided by the board as at September 1, 2022, the PSAS liability has been set to nil for the Post-Retirement Benefits as at August 31, 2022 to reflect that no future premium is expected to be required to be paid by the board for the life insurance benefits. The current special CFR balance as at September 1, 2022 of \$4.3M exceeds the current life insurance volume with insurance volume decreasing annually due to future required reductions in coverage. The Post-Retirement Benefits valuation has historically valued the expected future claims obligation but has not reflected the board's special claims fluctuation reserve (CFR) arrangement to support the payment of future death benefit amounts and required administration and taxes. In reviewing the extrapolated valuation results for the prior year-end, the special CFR arrangement was noted in the August 31, 2021 report to be reviewed at the next full valuation as at August 31, 2022.

Based on the valuation assumptions, the current special CFR balance combined with the expected future premium payments made by the retirees is expected to be sufficient to cover the future death benefit payments and related administrative expenses and taxes and the board is not expected to be required to make any additional future premium payments to the insurer. The premium held in the special CFR by the insurer is required to be used solely for the payment of future life insurance claims. The insurer will continue to monitor the volumes over time and in the event the death benefit payments are made earlier than expected (i.e. amounts paid at the higher coverage level for certain retirees who have not reached the ultimate coverage amount of \$100,000) and/or the administration costs are higher, the board may be required to make additional premium payments in the future.

Based on the board's past practice of immediately recognizing actuarial gains/losses for the Post-Retirement Benefits plan, the \$1.7M actuarial gain has been recognized immediately in 2021-22. The PSAS liability will be monitored annually to ensure the board's expected future liability continues to be nil.

	<u>2022</u>	<u>2021</u>
Inflation	2.0%	1.5%
Discount on accrued benefit obligations	3.9%	1.8%

Health care and dental benefits

The board sponsors a separate plan for retirees to provide group health care and dental benefits. The premiums are based on the experience or demographics of the group and retirees are required to pay 100% of the premium costs.

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

6. Net long-term debt

Net debenture debt and capital loans reported on the consolidated statement of financial position comprises the following:

	<u>2022</u>	<u>2021</u>
Debenture #CDS 02-45 due on November 21, 2022. Interest payments semi annually at 6.05%.	\$ 2,645,000	\$ 5,149,000
Debenture #CDS 04-49 due on November 29, 2024. Interest payments semi annually at 5.161%.	5,277,804	7,207,726
Debenture #CDS 06-53 due on October 30, 2026. Interest payments semi annually at 4.746%.	5,690,154	6,799,650
Ontario Financing Authority Loan (OFA#1) due on November 17, 2031. Interest payments semi annually at 4.56%.	12,745,664	13,796,556
Ontario Financing Authority Loan (OFA#2) due on March 3, 2033. Interest payments semi annually at 4.90%.	9,086,873	9,712,434
Ontario Financing Authority Loan (OFA#3) due on November 15, 2033. Interest payments semi annually at 5.347%.	7,941,391	8,430,234
Ontario Financing Authority Loan (OFA#4) due on March 13, 2034. Interest payments semi annually at 5.062%.	3,552,552	3,767,506
Ontario Financing Authority Loan (OFA#5) due on November 15, 2034. Interest payments semi annually at 5.047%.	1,045,575	1,104,374
Ontario Financing Authority Loan (OFA#6) due on April 13, 2035. Interest payments semi-annually at 5.232%	6,072,162	6,394,662
Ontario Financing Authority Loan (OFA#7) due on April 13, 2036. Interest payments semi-annually at 4.833%	8,334,640	8,750,417
Ontario Financing Authority Loan (OFA#8) due on November 15, 2036. Interest payments semi- annually at 3.97%	5,196,116	5,456,829
Ontario Financing Authority Loan (OFA#9) due on March 9, 2037. Interest payments semi-annually at 3.564%	11,384,701	11,959,455

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

6. Net Long-term debt (continued)

	<u>2022</u>	<u>2021</u>
Ontario Financing Authority Loan (OFA#10) due on March 19, 2038. Interest payments semi-annually at 3.799%	21,779,419	22,766,375
Ontario Financing Authority Loan (OFA#11) due on November 11, 2039. Interest payments semi-annually at 4.003%	588,630	612,769
	<u>\$ 101,340,681</u>	<u>\$ 111,907,987</u>

Principal and interest payments relating to net long-term liabilities of \$130,961,639 outstanding as at August 31, 2022 are due as follows:

	<u>Principal payments</u>	<u>Interest</u>	<u>Total</u>
2022/23	\$ 11,089,860	\$ 4,392,677	\$ 15,482,537
2023/24	8,844,729	3,912,136	12,756,865
2024/25	8,125,137	3,493,064	11,618,201
2025/26	7,336,777	3,142,760	10,479,537
2026/27	6,963,812	2,806,128	9,769,940
Thereafter	<u>58,980,366</u>	<u>11,874,193</u>	<u>70,854,559</u>
Net long-term liabilities	<u>\$ 101,340,681</u>	<u>\$ 29,620,958</u>	<u>\$ 130,961,639</u>

7. Debt charges and capital loans interest

Expenditures for debt charges, capital loans and interest include principal and interest expense as follows:

	<u>2022</u>	<u>2021</u>
Principal payments on long-term liabilities	\$ 10,567,306	\$ 15,202,430
Sinking fund contributions	-	1,260,622
Interest expense on long-term liabilities	<u>4,930,643</u>	<u>5,622,940</u>
	<u>\$ 15,497,949</u>	<u>\$ 22,085,992</u>

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

8. 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. 87.3% (2021 – 89.0%) 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:

	<u>2022</u>	<u>2021</u>
Provincial Legislative Grants	\$ 567,804,814	\$ 515,460,605
Education Property Tax	<u>153,803,565</u>	<u>199,667,414</u>
Grants for Student Needs	<u>\$ 721,608,379</u>	<u>\$ 715,128,019</u>

9. Expenses by object

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

	<u>Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
Salary and wages	\$ 577,939,543	\$ 576,790,247	\$ 567,994,155
Employee benefits	95,782,863	94,121,675	93,454,836
Staff development	2,085,427	1,564,517	1,339,718
Supplies and services	42,424,328	40,542,084	40,101,718
Interest charges on capital	4,817,743	4,896,106	5,434,098
Rental	1,882,481	2,157,408	1,872,973
Fees and contract services	34,471,167	41,026,496	30,848,468
Other	561,126	9,664,405	9,964,420
Amortization of tangible assets	41,637,007	45,014,065	47,150,175
School funded activities	<u>1,608,000</u>	<u>3,541,944</u>	<u>1,657,856</u>
	<u>\$ 803,209,685</u>	<u>\$ 819,318,947</u>	<u>\$ 799,818,417</u>

Waterloo Region District School Board Notes to the Consolidated Financial Statements

August 31, 2022

10. Tangible capital assets

	<u>Cost</u>			<u>Accumulated amortization</u>			<u>Net book value August 31 2022</u>	<u>Net book value August 31 2021</u>	
	<u>Balance at August 31 2021</u>	<u>Additions and transfers</u>	<u>Disposals</u>	<u>Balance at August 31 2021</u>	<u>Amortization</u>	<u>Disposals, writeoffs and adjustments</u>			
Land	\$ 97,143,710	\$ 12,889,715	\$ -	\$ 110,033,425	\$ -	\$ -	\$ 110,033,425	\$ 97,143,710	
Land improvements	19,096,529	3,899,052	-	22,995,581	7,733,400	2,240,886	9,974,286	11,363,129	
Buildings	922,762,163	57,292,307	-	980,054,470	364,296,861	33,041,030	397,337,891	558,465,302	
Portable structures	7,405,719	-	-	7,405,719	5,572,899	370,286	5,943,185	1,832,820	
Construction in progress	7,559,882	6,090,966	-	13,650,848	-	-	13,650,848	7,559,882	
Pre-acquisition and construction cost	288,862	20,258	-	309,120	-	-	309,120	288,862	
Furniture and equipment	13,930,186	572,377	(2,183,013)	12,319,550	8,059,126	1,317,268	7,193,381	5,871,060	
Computer hardware and software	27,093,834	8,290,826	(7,616,300)	27,768,360	11,939,369	7,679,609	12,002,678	15,154,465	
Vehicles	2,025,435	114,409	-	2,139,844	1,666,205	138,816	1,805,021	359,230	
Leasehold improvements	4,059,084	-	(1,402,015)	2,657,069	2,569,650	226,170	1,393,806	1,489,434	
	<u>\$ 1,101,365,404</u>	<u>\$ 89,169,910</u>	<u>\$ (11,201,328)</u>	<u>\$ 1,179,333,986</u>	<u>\$ 401,837,510</u>	<u>\$ 45,014,065</u>	<u>\$ (11,201,327)</u>	<u>\$ 435,650,248</u>	<u>\$ 743,683,738</u>
								<u>\$ 699,527,894</u>	

Assets under construction

Assets under construction (which include construction in progress and pre-acquisition cost) having a value of \$7,306,198 (2021 - \$7,848,745) have not been amortized.

Writedown of tangible capital assets

The writedown of tangible capital assets during the year was \$nil (2021 - \$nil).

Asset inventories for resale (assets permanently removed from service)

The board has identified no land and no building properties that qualify as "assets permanently removed from service".

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

11. Accumulated surplus

Accumulated surplus consists of the following:

	<u>2022</u>	<u>2021</u>
Accumulated surplus - unappropriated	\$ 54,674,742	\$ 57,947,066
Invested in non-depreciable tangible capital assets (land)	110,342,546	97,432,573
Amounts restricted for future use by Board motion	14,653,820	17,098,891
Other	<u>4,922,666</u>	<u>5,125,795</u>
Total accumulated surplus	<u>\$ 184,593,774</u>	<u>\$ 177,604,325</u>

The annual surplus of \$6,989,449 for 2022 (2021 - \$10,612,489) includes revenues recognized for land of \$12,909,973 (2021 - \$6,423,250), transfers to internally appropriated of \$2,445,071 (2021 - \$3,142,644), transfers (from)/ to externally appropriated of \$(1,101,450) (2021 - \$626,255) and recognized actuarial gain of \$898,321 (2021 - loss of \$1,005,757). The impact of these adjustments is summarized below:

	<u>2022</u>	<u>2021</u>
Annual surplus/(deficit) before the following items	\$ (3,272,324)	\$ 7,711,415
Revenues recognized for land	12,909,973	6,423,250
Transfer (from) internally appropriated	(2,445,071)	(3,142,644)
Transfer (from)/ to externally appropriated	(1,101,450)	626,225
Recognized actuarial gain (loss)	<u>898,321</u>	<u>(1,005,757)</u>
Annual surplus	<u>\$ 6,989,449</u>	<u>\$ 10,612,489</u>

12. Trust funds

Trust funds administered by the board amounting to \$1,905,494 (2021 - \$1,916,037) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

13. Ontario School Board Insurance Exchange (OSBIE)

The board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. The school board entered into this agreement on January 1, 1987. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$20 million per occurrence.

The premiums over a five-year period are based on the reciprocal's and the board's actual claims experience. Periodically, the board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five-year term expires January 1, 2027.

Premiums paid to OSBIE for the policy year ending December 31, 2021 amount to \$1,198,292 (2020 - \$1,161,871).

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

14. Contractual obligations and contingent liabilities

Contractual obligations

The cost to complete construction contracts in progress at August 31, 2022 is estimated to be \$21,089,393 (2021 - \$35,040,549).

Contingent liabilities

The board has various labour related and legal issues that are outstanding. Although the outcome of these matters is not known, management has made an estimate of what it believes represents the minimum amount that will become payable and this estimate has been recorded in these financial statements. The amount of the estimate has not been disclosed, as proceedings relating to these matters are ongoing. Based on the nature of the matters and existing knowledge, it is reasonably possible that changes in future conditions in the near term could require a material change in the recognized amounts. The difference between the recognized amount and the actual amount will be recorded in the period that the settlement of this matter is reached.

Operating lease commitments

The following is a schedule of minimum lease payments under significant operating leases required in each of the following years:

2023	\$ 3,692,069
2024	2,946,833
2025	2,949,791
2026	2,952,790
2027	1,730,313
Thereafter	327,557

15. Budget data

The budget data presented in these consolidated financial statements is based on the 2022 budgets approved by the board on June 16, 2021.

As boards only budget the statement of operations, the budget figures in the consolidated statement of changes in net debt have not been provided.

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

16. Partnership in Student Transportation Services of Waterloo Region Inc.

Transportation consortium

On September 1, 2007, Student Transportation Services of Waterloo Region Inc. ("STSWR") was incorporated. On February 27, 2008, the board entered into an agreement with Waterloo Catholic District School Board in order to provide common administration of student transportation in the Region of Waterloo. 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 STSWR was established, decisions related to the financial and operating activities of STSWR 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 STSWR. This entity is proportionately consolidated in the board's consolidated financial statements, whereby the board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the board's consolidated financial statements. The board's pro-rata share for 2022 is 62.50% (2021 – 60.40%). Inter-organizational transactions and balances between these organizations have been eliminated.

The following provides condensed financial information.

	<u>2022</u>		<u>2021</u>	
	<u>Total</u>	<u>Board portion</u>	<u>Total</u>	<u>Board portion</u>
Financial position				
Financial assets	\$ 1,811,713	\$ 1,380,706	\$ 490,918	\$ 334,651
Liabilities	1,834,800	1,391,552	528,689	354,674
Non-financial assets	<u>23,087</u>	<u>15,979</u>	<u>37,771</u>	<u>25,157</u>
Accumulated deficit	-	<u>5,133</u>	-	5,134
Operations				
Revenues	28,277,930	17,673,706	24,995,419	15,097,233
Expenses	<u>28,277,930</u>	<u>17,673,706</u>	<u>24,995,419</u>	<u>15,097,233</u>
Annual surplus	\$ -	\$ -	\$ -	\$ -

17. Repayment of the "55 School Board Trust" funding

On June 1, 2003, the board received \$1,407,664 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 no longer reflected in the board's financial position.

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

18. Related party disclosures

The Ontario Financing Authority (OFA) provides financing to various public bodies on direction from the Province. These loans are included in the Province's consolidated financial statements.

The board has principal amounts payable to OFA of \$87,727,723 (2021 - \$92,751,611). These loans bear interest ranging from 3.564% to 5.347% and mature from 2031 to 2039. Details of the loans are disclosed under Note 6.

19. 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 (MPBS). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBS and quantity information based on the board's records. The in-kind revenue recorded for these transfers is \$9,231,542 with expenses based on use of \$9,231,542 for a net impact of \$nil.

20. Non-Operating Expenses and disclosures

Impact of COVID-19

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

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

Cybersecurity Incident

In July of 2022, the Waterloo Region District School Board was involved in a cyber incident in which the perpetrators sought to gain unauthorized access to digital systems for the purpose of gaining access to sensitive information, corrupting data and causing operational disruption. The board's security measures detected the attack and systems were taken off-line. As a consequence of the cybersecurity incident, a number of the Board's systems were impacted.

The board retained cyber forensic experts to conduct a comprehensive investigation of the attack, and it was subsequently determined that that personal information of current and past employees was accessed; the investigation also confirmed that certain student information was also accessed. As a result of the incident, the board incurred additional costs related to repairing system damage, providing support services to current and former students, and deploying additional personnel and protection technologies to increase the board's cybersecurity position. These costs are reflected in the consolidated statement of operations.

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

21. Future accounting standard adoption

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

While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS3450 *Financial Instruments* must be implemented at the same time. The board has not adopted any new accounting standards for the year ended August 31, 2022.

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

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

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

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

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

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

- 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 1, 2024):

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

Waterloo Region District School Board

Notes to the Consolidated Financial Statements

August 31, 2022

21. Future accounting standard adoption (continued)

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.

22. Comparative figures

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.

DRAFT



Report to Committee of the Whole

December 12, 2022

Subject: 2021-22 Final Financial Report

Recommendation

This report is for the information of the Board.

Status

The Board of Trustees (Board) approved the 2021-22 operating budget on [June 16, 2021](#), and at that time the expected in-year deficit was \$6.62M, or 0.8% of operating revenues.

The development of the Waterloo Region District School Board's (WRDSB) operating budget includes many underlying assumptions which, over the course of a school year, can change. On a quarterly basis throughout the year, staff have been providing updates to the Board regarding our key assumptions, key risks and planned mitigation strategies. The quarterly updates referenced above were provided to the Board on the following dates:

- [1st Quarter \(Q1\) Report \(September 1, 2021, to November 30, 2021\)- January 24, 2022](#)
- [2nd Quarter \(Q2\) Report \(December 1, 2021, to February 28, 2022\)- March 21, 2022](#)
- [3rd Quarter \(Q3\) Report \(March 1, 2022, to May 31, 2022\)- June 8, 2022](#)

The 2021-22 year-end financial position is an in-year (unappropriated) deficit of \$3.27M; this represents approximately 0.40% of the WRDSB's operating budget for the year and decreases our Accumulated Unappropriated Surplus to \$54.67M as of August 31, 2022. The 2021-22 Final Financial Report, comparing the budget to the actual year-end position is attached as [Appendix A](#).

As indicated in previous updates to the Board, COVID-19 continued to have a material impact on the finances and operations of the WRDSB throughout the 2021-22 school year. These events, and the associated responses by the Ministry (funding) and board (operations), account for the variances noted in this report and our 2021-22 financial statements.

The following comments represent material changes from the 2021-22 budget forecast, which help to explain the year-end results; it should be noted that these items are consistent with information previously presented to the Board throughout the year.

Revenues

- In previous updates provided to the Board, material variances were identified and discussed for the following areas: Extended Day Program Revenues and Other Revenues (Priorities & Partnerships Funding (PPF)) and transfers for COVID-19 Resilience Infrastructure Stream (CVRIS). No further adjustments in these areas have been identified, so they are not addressed within this report.
- Student Enrolment
 - In-year change: Total enrolment was 480 full-time equivalent (FTE) students lower than the budget forecast; a decrease of 0.7%.

- Impact: As part of previous updates to the Board, staff identified lower student enrolment as a significant financial risk. Student enrolment data, which is confirmed through the Ontario Student Information System (OnSIS) on October 31st and March 31st each year, is the primary driver of funding through the Grants for Student Needs (GSN). As such, any material change in student enrolment has an impact on funding to the board; positive or negative.
- Strategy: Staff attribute the decline in enrolment to uncertainty regarding the pandemic, and decisions by parents and caregivers to pursue alternative education options for their children as a result of that uncertainty. Compared to actual enrolment in 2020-21, we realized an increase of 579 FTE year-over-year; an increase of 0.91%. Over the medium to long term, we anticipate continued, positive, growth in both the elementary and secondary panel.
- 2022-23 Outlook: The 2022-23 budget forecast included total enrolment of 64,485 FTE; a decrease of 227 FTE compared to the prior year's budget. While information for October 31st, 2022, has not yet been confirmed, we anticipate that actual enrolment will exceed the budget forecast for 2022-23. If realized, this will have an overall positive effect on board finances in 2022-23.
- Other Grants
 - In-year change: As noted in previous updates to the Board, the Ministry allocated significant resources to school boards through Priorities and Partnerships Funding (PPF) and in-kind contributions to address incremental costs incurred as a result of COVID19; these revenues were \$19.22M higher than budgeted.
 - Impact: PPF grants are used to support targeted Ministry initiatives, such as Focusing on Fundamental Mathematics, and can change from year-to-year based on Ministry priorities and the availability of financial resources. Understandably, the vast majority of PPF allocations in 2021-22 related to stabilization and support for a return to school. Utilization of these funds is reflected in the expenditure summary included in this report. Of note, the board has recognized \$9.23M of in-kind contributions for Personal Protective Equipment (PPE)—Critical Supplies and Equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD), and approximately \$14.59M in direct supports for COVID19.
 - Strategy: Prior to the development of the 2021-22 budget, the Ministry announced \$487.9M in PPF grants to cover extraordinary costs related to COVID-19 and support a safe return to school for students and staff. However, unlike in previous years the Ministry provided explicit direction to school boards to budget for only half of the announced funding (i.e. the Half Year Rule). As per the memorandum released by the Ministry on May 4, 2021, [Planning for the 2021-22 School Year](#):

“At this time, school boards are expected to budget for approximately half of the above resources to support the first half of the school year, including access to one per cent from their reserves.... The ministry will confirm the use of the remaining resources, if needed for the second half of the year, in the Fall, pending vaccine distribution across the province and public health advice” (P3).

On November 18, 2021, the Ministry confirmed that school boards would be allowed to access the remaining 50% of the funding that had been announced; this explains the variance for COVID-19 PPFs noted in this report.

- 2022-23 Outlook: As we look ahead to the remainder of the 2022-23 school year, we anticipate that the pandemic will continue to have an impact on operations. However, as outlined in the [2022-23 budget report](#), the Ministry has once again provided resources (\$14.08M) to support its [Learning Recovery Action Plan](#). Staff will continue to monitor and will provide updates throughout the course of the 2022-23 school year.

Expenditures

- In previous updates to the Board, staff provided information to explain expenditure changes for Classroom Teachers, Early Childhood Educators, Staff Development, Principals and Vice-Principals, Board Administration and School Operations. As such, only a few of these items are touched on below because the actual results varied from previous updates.
- Supply Staff
 - In-year change: Total expenditures on supply costs (Teachers, DECEs and Educational Assistants) were \$1.08M higher than the budget forecast, an increase of 4.7%.
 - Impact: Prior to the onset of the pandemic in March 2020, there had been a consistent upward trend in supply staff costs. The pandemic disrupted this trend and staff noted a significant decline in utilization of short-term sick leave across all employee groups in the latter part of the 2019-20 school year and the entire 2020-21 school year. This disruption continued in the early part of the 2021-22 school year, with initial forecasts indicating we may realize savings in this area of the budget of approximately \$800 thousand, or 3.3%. The fact that our year end position indicates we exceeded our budget for supply costs is an indication that a return to in-person learning will also return the board to the pre-pandemic financial and operational pressures associated with short-term sick leave utilization.
 - 2022-23 Outlook: As we look ahead to the remainder of the 2022-23 school year, we anticipate a return to pre-pandemic sick utilization and staff will need to monitor this trend closely to determine if it represents a financial risk to the organization.
- Library & Guidance
 - In-year change: Total expenditures on Library & Guidance staff were \$547 thousand less than the budget forecast, a decrease of 3.8%.
 - Impact: There was no reduction in budgeted FTE for Library and Guidance. The variance noted relates to savings that accumulated throughout the year as a result of temporary vacancies in the system. The Library and Guidance reporting area is made up entirely of salaries and benefits for Guidance Teachers, Library Teachers and Library Technicians.

- 2022-23 Outlook: As we look ahead to the remainder of the 2022-23 school year, staff do not anticipate a material variance between our budgeted and actual expenditures for this area of the organization.
- Other Non-operating Expenses
 - In-year Change: Total expenditures related to other non-operating items were \$13.6M higher than the budget forecast, an increase of 135.3%.
 - Impact: In accounting terms, other non-operating expenses describe expenses that occur outside of an organization's day-to-day activities and may include one-time or unusual costs. The Ministry Code of Accounts indicates that non-operating expenses may include expenses for material claims or settlements, as well as programs that are non-educational. Prior to the pandemic, most costs included in non-operating related to the provision of the board's Extended Day program. During the course of the 2021-22 fiscal year, there are two items in particular (not including the Extended Day program) which need to be addressed.

Throughout the pandemic, the Ministry of Public and Business Service Delivery (MPBSD) provided school boards with Personal Protective Equipment (PPE) and critical supplies to help keep our students and staff safe. Boards were directed to record an in-kind contribution of revenue associated with these supplies and record the expenses as non-operating. At the time the 2021-22 budget was being developed, there was uncertainty regarding the pandemic and the direction that would be provided by the Ministry regarding PPE requirements in September 2021; as such, no expenditures were included for PPE and critical supplies, and this largely explains the variance noted above.

In July of 2022, the Waterloo Region District School Board was involved in a cyber incident in which the perpetrators sought to gain unauthorized access to digital systems for the purpose of gaining access to sensitive information, corrupting data and causing operational disruption. The board's security measures detected the attack and systems were taken off-line. As a consequence of the cybersecurity incident, a number of the board's systems were impacted.

The board retained cyber forensic experts to conduct a comprehensive investigation of the attack, and it was subsequently determined that personal information of current and past employees was accessed; the investigation also confirmed that certain student information was also accessed. As a result of the incident, the board incurred additional costs related to repairing system damage, providing support services to current and former employees, former students, and deploying additional personnel and protection technologies to increase the board's cybersecurity position. Any costs incurred as a result of the attack are reflected in the non-operating expenses noted above.
 - 2022-23 Outlook: As we look ahead to the remainder of the 2022-23 school year, staff will continue to follow direction provided by the Ministry regarding PPE requirements. Any shipments of PPE and critical supplies received from the Ministry in 2022-23 will be recorded as a non-operating expense. Furthermore, we anticipate continued growth in our Extended Day program as a result of our

participation in the Canada Wide Early Learning and Child Care Program (CWELCC); the associated expenditures will appear as non-operating in 2022-23.

Overall, staff continue to identify ongoing risks and develop mitigation strategies that help ensure the fiscal well-being of the organization. As noted above, the 2021-22 in-year deficit is \$3.27M; this has reduced the WRDSB's Accumulated Surplus (Unappropriated), which is now \$54.67M, or approximately 6.74% of the 2021-22 operating budget.

The Accumulated Surplus (Unappropriated) represents funds that are available on a one-time basis to address strategic priorities, financial pressures and respond to unforeseen circumstances. Ongoing activities to ensure the safety and well-being of both staff and students during the 2022-23 school year may have material financial implications for the Board, which will require us to draw on these funds. Staff will be providing regular updates on these activities, and the associated financial implications, through our quarterly reports in 2022-23.

Background

It is the sole responsibility of the Board to approve the annual operating budget and it is the responsibility of staff to oversee and monitor day-to-day spending within the budget framework. The Board plays a key role in the budget process, ensuring that funding is aligned with the WRDSB's strategic priorities and legislative requirements.

In an effort to support the Board in fulfilling their fiduciary duties, staff provide quarterly financial updates on in-year spending forecasts relative to the budget. These updates identify potential risks and opportunities that may be on the horizon, as well as the strategies staff have in place to address the identified items. These actions are intended to support the Board in making evidence-based decisions and fulfilling their governance responsibilities.

Financial Implications

No Financial implications.

Communications

Financial Services will work with our communications department to ensure that financial information is readily available to the public via our corporate website.

Prepared by: Nick Landry, Controller, Financial Services & Interim Treasurer
Sharon Uttley, Manager of Accounting Services
Wenqi Zhou, Budget Officer
Fabiana Frasher, Budget Officer
in consultation with Coordinating Council

APPENDIX A

2021-22 Final Financial Report (September 1, 2021, to August 31, 2022)

Summary of Financial Results (000s)	Budget	Actual	In-Year Change	
			\$	%
Revenue				
Provincial Grants- GSN	\$745,761	\$740,932	(\$4,828)	(0.6%)
Revenue transferred from/(to) deferred revenue	(41)	(4,880)	(4,839)	11733.1%
Other Grants	10,099	29,321	19,222	190.3%
Other Revenue	29,072	27,818	(1,254)	(4.3%)
School Generated Funds	1,608	3,304	1,696	105.5%
Transferred from DCC**	40,802	44,249	3,448	8.4%
Transferred to DCC**	(15,866)	(14,436)	1,430	(9.0%)
Total Revenue	\$811,434	\$826,308	\$14,874	1.8%
Expenses				
Instruction	\$634,699	\$634,219	(\$480)	(0.1%)
Administration	19,527	18,583	(945)	(4.8%)
Transportation	20,827	21,365	538	2.6%
School Operations & Maintenance	73,379	73,972	593	0.8%
Pupil Accom/Renewal/Debt/Non-operating	53,169	67,638	14,469	27.2%
School Generated Funds	1,608	3,542	1,934	120.3%
Provision for COVID19	-	-	-	-
Total Expenses	\$803,210	\$819,319	\$16,109	2.0%
Surplus/(Deficit)	\$8,224	\$6,989	(\$1,235)	(15.0%)

Changes in Revenue

- Provincial Grants- Net effect of change in enrolment, Teacher/DECE Qualifications and Experience Grant, transportation and declining enrolment grant
- Deferred Revenue- Changes are related to transfers for School Renewal, experiential learning, rural and northern education, Special Education (SEA & ABA), targeted student supports and Indigenous Education
- Other Grants- Increase due to additional Priorities and Partnerships Funding (PPF) announcements following 2021-22 budget submission, and in-kind revenue (PPE & HEPA units provided by Provincial Government)
- Other Revenue- Net effect of a decrease in education development charge revenue recognized for in-year purchases; an increase in International student fees; increase in extended day revenue due to stabilization funding from the Region of Waterloo; a decrease in investment income (lower cash holdings)

Change in Expenditures

- Pupil Accom/Renewal/Debt/Non-Operating- Net PPE in-kind contribution, one time cyber incident expenses, increase in extended day care enrolment and decrease in school renewal
- School Generated Funds - increase due to fundraising activities taking place with return to in-person learning and field trips in second part of the year

**DCC - Deferred Capital Contributions

2021-22 Final Financial Report (September 1, 2021 to August 31, 2022)

DETERMINATION OF ANNUAL OPERATING SURPLUS (000s)	Budget	Actual
PSAB Surplus/(Deficit) (from above)	\$8,224	\$6,989
LESS: Internally Appropriated		
Committed Capital Projects		
Committed capital projects annual amortization	(210)	(708)
Sub-Total: In-Year Appropriations	(\$210)	(\$708)
Previous year one-time initiatives	-	2,292
Commitment of sinking fund interest		
Committed capital projects		129
Total: Internally Appropriated	(\$210)	\$1,713
Less: Unavailable for Compliance		
PSAB Adjustments	(\$15,445)	(\$12,707)
Total Adjustments	(\$15,655)	(\$10,994)
In-year unappropriated Operating Surplus/(Deficit)	(\$7,431)	(\$4,004)
Committed capital projects annual amortization	778	708
Committed sinking fund interest	24	24
ANNUAL Unappropriated Operating Surplus/(Deficit)	(\$6,629)	(\$3,272)

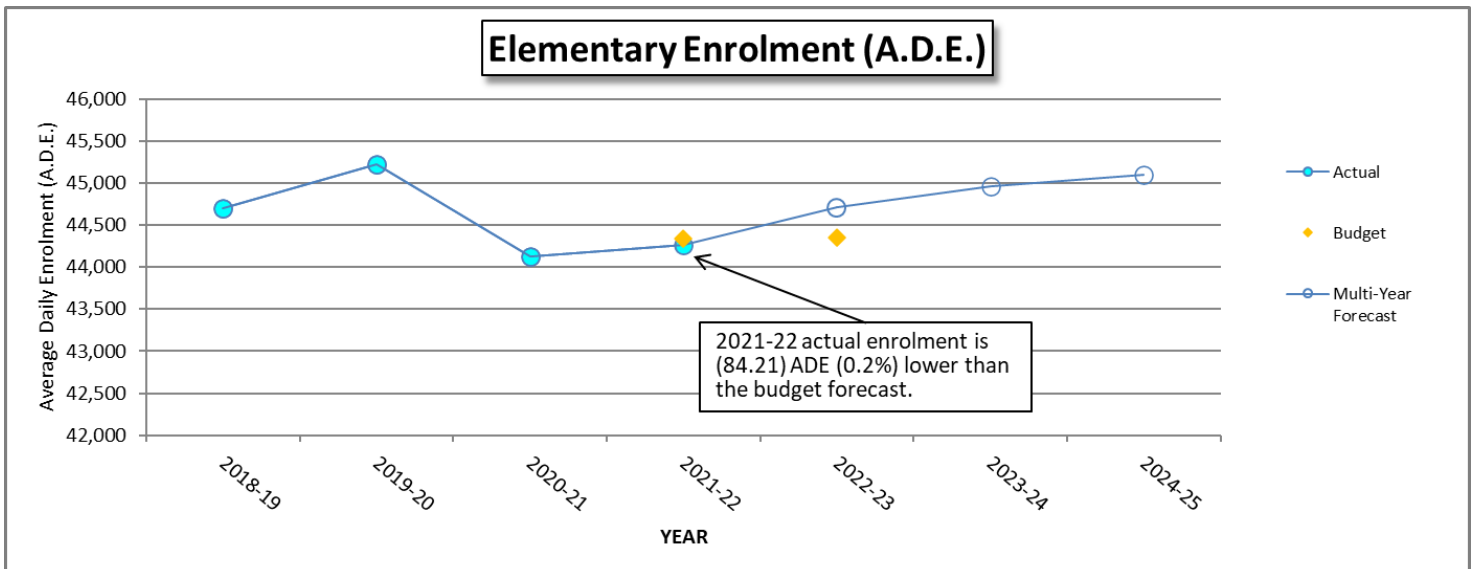
SUMMARY OF CAPITAL TO BE FINANCED (000s)	Budget	Actual
Funding		
New Building and Additions	\$16,057	\$7,703
Child Care Capital	8,087	5,864
Child and Family Centres	1,361	908
School Condition Improvement	26,106	30,117
Full Day Kindergarten	1,710	982
Renewal	8,205	6,268
Education Development Charge (EDC)	2,400	12,910
Proceeds of Disposition	2,824	1,160
Minor Tangible Capital Assets	7,601	8,163
Rural and Northern Education	61	5
Federal Government Resilience Infrastructure Stream (CVRIS)	11,232	11,688
Other	2,243	3,402
Total Capital by Funding Source	\$87,886	\$89,170
Expenditure		
Buildings (new, additions & renewal)	\$76,199	\$63,383
Land	2,400	12,910
Land Improvements	1,025	3,899
Leasehold Improvements	0	0
Moveable Assets	8,261	8,978
Total Capital Expenditure	\$87,886	\$89,170

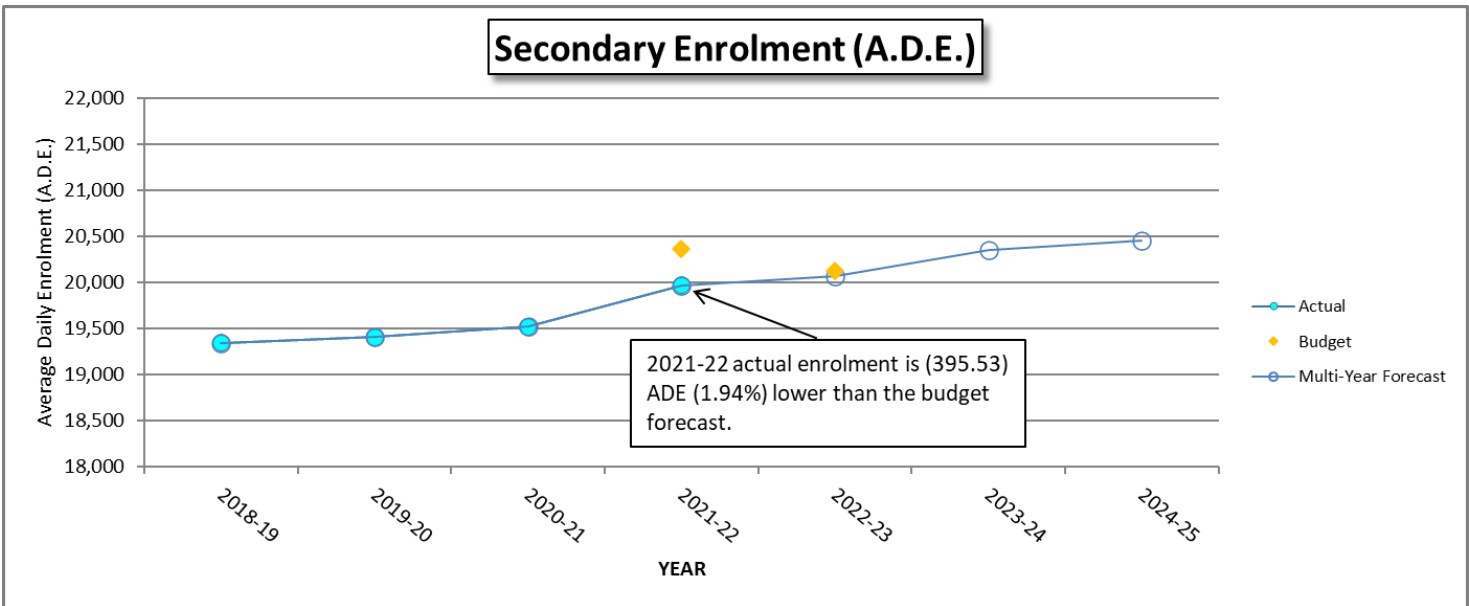
2021-22 Final Financial Report (September 1, 2021 to August 31, 2022)

Summary of Average Daily Enrolment (ADE)	Budget	Actual	In-Year Change	
			#	%
Elementary				
JK	3,940.04	3,877.74	(62.30)	-1.6%
SK	4,316.67	4,240.04	(76.63)	-1.8%
Grade 1-3	13,309.00	13,304.71	(4.29)	0.0%
Grades 4-6	13,540.62	13,593.52	52.90	0.4%
Grades 7-8	9,236.63	9,237.74	1.11	0.0%
Other Pupils (International)	-	5.00	5.00	100.0%
Total Elementary	44,342.96	44,258.75	(84.21)	-0.2%
Secondary				
Pupils of the Board <21	20,307.56	19,899.01	(408.55)	-2.0%
High Credit Pupils	18.59	19.21	0.62	3.3%
Pupils of the Board >21	8.35	8.75	0.40	4.8%
Other Pupils (International)	35.00	47.00	12.00	34.3%
Total Secondary	20,369.50	19,973.97	(395.53)	-1.9%
Total	64,712.46	64,232.72	(479.74)	-0.7%

Highlights of Changes in Enrolment:

- Negative variances in both the elementary and secondary panels are consistent with previous updates, and reflect ongoing impact of the pandemic on parental choices regarding school attendance. Compared to the 2020-21 school year, actual enrolment was up by 577 ADE in 2021-22.
- Staff have used this information to inform the development of our enrolment forecast for the 2022-23 school year.





2021-22 Final Financial Report (September 1, 2021 to August 31, 2022)

Summary of Staffing (FTE)	Budget	Actual	In-Year Change	
			#	%
Instruction			-	
Classroom Teachers	3,891.05	3,883.05	(8.00)	-0.21%
Non-Classroom	2,044.35	2,063.35	19.00	0.93%
Total Instruction	5,935.40	5,946.40	11.00	0.19%
Non-Instruction	861.70	844.10	(17.60)	-2.04%
Total	6,797.10	6,790.50	(6.60)	-0.10%

Highlights of Changes in Staffing:

- Staffing numbers exclude permanent positions which were vacant on Oct 31 or March 31.

2021-22 Final Financial Report (September 1, 2021 to August 31, 2022)

OTHER GRANT REVENUE- INCLUDING PROGRAM AND PARTNERSHIPS FUNDING (PPF)	2021-22 Budget	Actual	Variance
Non-Covid PPFs			
Anti-Sex Trafficking	\$0	\$6,000	\$6,000
Broadband Modernization Plan	0	193,367	193,367
DECE Professional Development	0	392,725	392,725
De-streaming Implementation Supports	0	67,865	67,865
De-streaming Math & Literacy Support	0	17,057	17,057
Educators Autism AQ Subsidy	13,300		(13,300)
EWAO Investment in System Priorities	0	801,412	801,412
Excellence in Administration	0	66,404	66,404
Guidance & Career Education AQ Subsidy	0	30,360	30,360
Human Rights and Equity Advisors	175,100	164,957	(10,143)
Identity-Based Data Collection, Analysis & Use	0	14,928	14,928
Keeping Students in School	0	30,678	30,678
Learn and Work Bursary	28,000	24,000	(4,000)
Learning and Innovation Fund for Teachers	63,000	27,104	(35,896)
Math AQ Subsidy	0	50,098	50,098
Math Strategy	1,196,000	1,330,370	134,370
NTIP-TLLP	0	24,655	24,655
Parents Reaching Out Grants	68,900	40,230	(28,670)
Professional Assessments	0	195,874	195,874
Skills Trade Bursary	0	33,000	33,000
Specialist High Skills Major	285,000	317,959	32,959
Staff Well-Being	0	24,437	24,437
Supporting Schools-Recreational Cannabis	0	27,309	27,309
Transportation and Stability Supports for Children and Youth in Care	0	100,329	100,329
Ukrainian Student Supports	0	118,639	118,639
Well-Being and Mental Health Bundle	77,400	52,003	(25,397)
Sub-total	\$1,906,700	\$4,151,760	\$2,245,060
COVID-19 PPFs			
Additional School Operatings Support	\$431,618	\$863,236	\$431,618
Additional Staffing Support	4,461,433	8,922,865	4,461,432
Connectivity Supports for Remote Learning	0	962	962
Mental Health Supports	250,299	295,024	44,725
Re-Engaging Students and Reading Assessment Supports	610,144	610,784	640
Special Education & Mental Health Supports	186,461	187,917	1,456
Summer Learning	0	224,618	224,618
Transportation	579,950	1,159,900	579,950
Tutoring Supports Program	0	2,328,280	2,328,280
Sub-total	\$6,519,905	\$14,593,586	\$8,073,681
Total PPF Grants	\$8,426,605	\$18,745,346	\$10,318,741
Other Grants			
Canada-Ontario Agreement on Minority Language Education and Second Official Language Instruction (FSL)	\$183,710	\$158,131	(\$25,579)
Literacy & Basic Skills (LBS)	370,900	367,851	(3,049)
MGCS-In-Kind Grant - PPE/SCE/HEPA	0	9,231,542	9,231,542
Ontario Youth Apprenticeship Program (OYAP)	316,191	279,054	(37,137)
Other EDU Grants- Amounts from Deferred Revenue	801,412	2,071,038	1,269,626
PPF prior year paybacks	0	(314,225)	(314,225)
Prior year Financial Statement Adjustments	0	(1,217,764)	(1,217,764)
Total Other Grants	\$10,098,818	29,320,973	\$19,222,155

2021-22 Final Financial Report (September 1, 2021 to August 31, 2022)

DETAIL OF PSAB ACCUMULATED SURPLUS (DEFICIT)	Sept 1, 2021 Balance	2021-22 In-Year Change	August 31, 2022 Balance	Notes
Available for Compliance - Unappropriated				
OPERATING SURPLUS/(DEFICIT)	\$57,947,066	(\$3,272,324)	\$54,674,742	
Available for Compliance - Internally Appropriated				
One-time Initiatives	\$3,280,810	(\$1,748,535)	\$1,532,275	1
Carryover Accounts	187,529	62,849	250,378	2
International Bacculaureate Program (Cumulative Deficit)	(21,767)	(42,363)	(64,130)	3
CHIRP (Infrastructure Replacement)	341,653	(70,436)	271,217	4
WREPNET	465,156	180,376	645,532	5
Director's Emergency Fund	300,000	(300,000)	-	6
Other Capital	1,697,771	(374,195)	1,323,576	7
Committed Sinking Fund Interest	223,615	(24,045)	199,570	8
Committed Capital Projects	10,618,991	(128,722)	10,490,269	9
Equity in Transportation Consortium	5,133		5,133	10
TOTAL INTERNALLY APPROPRIATED	\$17,098,891	(\$2,445,071)	\$14,653,820	
Unavailable for Compliance				
School Generated Fund Balances	\$6,508,442	(\$237,667)	\$6,270,775	11
Interest Accruals	(1,382,647)	34,538	(1,348,109)	12
Revenues Recognized for Land	97,432,573	12,909,973	110,342,546	13
TOTAL EXTERNALLY APPROPRIATED	\$102,558,368	\$12,706,844	\$115,265,212	
Total PSAB Accumulated Surplus/(Deficit)	\$177,604,325	\$6,989,449	\$184,593,774	

1. One time operating (non-capital) approved new initiatives - student information system, French Immersion review, ERP
2. Approved program carryovers (contractual PD)
3. International Bacculaureate cumulative deficit (CHC and GPS)
4. Carry over of budget allocation not spent in year on CHIRP
5. Carry over of budget allocation not spent in year on WREPNET
6. Carry over of budget allocation has been eliminated; funds would be accessible through operating or Board motion
7. Carryover of balance allocated for Education Centre (non-committed capital) and school based projects
8. Interest on board sinking fund debentures
9. One-time capital new-initiatives funded through accumulated surplus (i.e. Ed Centre renovations, Tech Revitalization equipment, Jean Steckle & Groh childcare, science room upgrades)
10. Arising from the change in Employee Future Benefits (EFB) in 2010-2011 and the asset recognition change (i.e. 2008-2009- 60.4%, whereas in 2010-11 - 67%)
11. Accumulated surplus from consolidating School Funds, SAC, WEFI into the Boards general ledger
12. Interest accrual on Long term debt (Ontario Financing Authority and Region of Waterloo) - ties to Schedule 10ADJ
13. Represents revenues recognized for all board owned lands- recently acquired land, vacant lands, administrative buildings

2021-22 Final Financial Report (September 1, 2021 to August 31, 2022)

Public Sector Accounting Board (PSAB) Revenues by Ministry Category	Budget	Actual	\$ Increase (Decrease)	% Increase (Decrease)	Material Variance Note
Provincial Grants for Student Needs					
Pupil Foundation-Elementary	\$247,195,196	\$246,539,106	(\$656,090)	(0.27%)	1
Pupil Foundation-Secondary	118,991,132	116,597,254	(2,393,878)	(2.01%)	1
School Foundation	45,560,344	45,879,236	318,892	0.70%	1
Special Education	92,780,033	92,225,143	(554,890)	(0.60%)	1
French as a Second Language	9,471,572	9,377,975	(93,597)	(0.99%)	
English as a Second Language	12,760,873	12,766,543	5,670	0.04%	
Remote and Rural Allocation	60,639	60,699	60	0.10%	
Learning Opportunities	8,350,557	8,471,849	121,292	1.45%	1
Continuing Education	1,943,468	1,619,514	(323,954)	(16.67%)	1
High Credit	66,701	69,002	2,301	3.45%	
Teacher Q&E	71,006,570	72,158,217	1,151,647	1.62%	4
New Teacher Induction Program (NTIP)	314,842	140,050	(174,792)	(55.52%)	
ECE Q&E	4,200,268	4,047,626	(152,642)	(3.63%)	4
Transportation	18,776,898	19,947,609	1,170,711	6.23%	2
Admin and Governance	17,813,596	17,892,899	79,303	0.45%	
Trustees' Association Fee	57,394	57,394	-	0.00%	
School Operations	63,856,133	63,339,364	(516,769)	(0.81%)	1
Community Use of Schools	853,711	853,711	-	0.00%	
Declining Enrolment	310,229	636,480	326,251	100.00%	1
Temporary accommodation - relocation and leasing	1,768,875	1,768,875	-	0.00%	
Indigenous Education	1,857,018	1,951,390	94,372	5.08%	
Mental Health and Well-Being	2,087,035	2,076,916	(10,119)	(0.48%)	
School Renewal	10,348,515	10,282,945	(65,570)	(0.63%)	
Approved Debt	104,872	104,872	-	0.00%	
Debt Charges-Interest Portion	5,254,601	5,148,996	(105,605)	(2.01%)	
Supports for Students Fund	6,099,255	6,099,255	-	0.00%	
Program Leadership Grant	999,389	948,398	(50,991)	(5.10%)	
Restraint Savings	(129,030)	(129,030)	-	0.00%	
Teacher Job Protection Funding	-	-	-	0.00%	
COVID-19 Resilience Infrastructure Steam (CVRIS)-Operating	3,000,000	-	(3,000,000)	100.00%	5
Total Provincial Grants for Student Needs (GSN)	\$745,760,686	\$740,932,288	(\$4,828,398)	(0.65%)	
Amortization of Deferred Capital Contributions	\$40,801,583	\$44,249,153	\$3,447,570	8.45%	
Legislative Grants transferred from/(to) Deferred Revenue	(\$41,244)	(\$4,880,429)	(\$4,839,185)		
Other Grants	\$10,098,818	\$29,320,973	\$19,222,155	190.34%	6
Non Grant Revenue					
Fees	\$664,300	\$943,850	\$279,550	42.08%	3
Transportation Recoveries	135,250	157,294	22,044	16.30%	
Rental Revenue	1,277,500	1,284,485	6,985	0.55%	
Education Development Charges	15,332,490	12,957,189	(2,375,301)	(15.49%)	
Other Revenue	11,662,770	12,475,661	812,891	6.97%	7
Non Grant Revenue	\$29,072,310	\$27,818,479	(\$1,253,831)	(4.31%)	
School Generated Funds Revenue	\$1,608,000	\$3,304,277	\$1,696,277	105.49%	
Grants Transferred to Deferred Capital Contributions	(\$15,866,037)	(\$14,436,345)	\$1,429,692	(9.01%)	
Total PSAB Revenues	\$811,434,116	\$826,308,396	\$14,874,280	1.83%	

EXPLANATIONS OF MATERIAL GRANT VARIANCES

- 1 Impact on various grants due to decline in enrolment; partially offset by the declining enrolment grant
- 2 Additional PPF grant received related to COVID19 for additional cleaning and routes
- 3 Increase in international student enrolment as a result of the border reopening
- 4 Impact of enrolment decline and placement on grid of additional Teachers/DECEs (experience factor) hired due to COVID19
- 5 All funding went directly to support capital expenditures for CVRIS
- 6 Additional PPF grants announced after budget submission - includes COVID PPF's
- 7 Increase in extended day revenue due to stabilization funding from the Region of Waterloo; decrease in interest income

2021-22 Final Financial Report (September 1, 2021, to August 31, 2022)

Public Sector Accounting Board (PSAB)- Expenses by Ministry Category	Budget	Actual	\$ Increase (Decrease)	% Increase (Decrease)	Material Variance Note
OPERATING					
Classroom					
Classroom Teachers	\$421,633,652	\$419,882,367	(\$1,751,285)	(0.4%)	1
Supply Staff	22,990,100	24,066,680	1,076,580	4.7%	2
Teacher Assistants	38,035,984	37,312,022	(723,962)	(1.9%)	
Early Childhood Educator	17,535,400	18,745,566	1,210,166	6.9%	3
Textbooks and Classroom Supplies	14,064,773	12,168,952	(1,895,821)	(13.5%)	4
Computers	8,549,700	7,842,111	(707,589)	(8.3%)	5
Professionals & Paraprofessionals	33,069,025	33,068,823	(202)	(0.0%)	
Library & Guidance	14,346,779	13,799,443	(547,336)	(3.8%)	
Staff Development	3,415,783	2,834,980	(580,803)	(17.0%)	6
Department Heads	1,483,900	1,475,145	(8,755)	(0.6%)	
Principal and Vice-Principals	30,669,917	31,577,128	907,211	3.0%	
School Secretaries & Office Supplies	17,045,548	16,706,844	(338,704)	(2.0%)	
Teacher Consultants	11,551,295	11,681,168	129,873	1.1%	
Continuing Education	2,493,907	3,415,911	922,004	37.0%	7
Instruction-Amortization and write downs (instructional furniture & equipment)	5,030,981	6,180,418	1,149,437	22.8%	
Less: GSN Funded Tangible Capital Assets	(7,217,500)	(6,538,398)	679,102	(9.4%)	
Sub-Total Instruction Expenses	\$634,699,244	\$634,219,160	(\$480,084)	(0.1%)	
Other Expenses					
Board Administration	\$19,069,782	\$18,478,033	(\$591,749)	(3.1%)	
School Operations	73,690,661	72,992,570	(698,091)	(0.9%)	
Transportation	20,817,380	21,355,881	538,501	2.6%	
Amortization	538,813	1,954,910	1,416,097	262.8%	
Less: GSN Funded Tangible Capital Assets	(383,200)	(861,520)	(478,320)	124.8%	
Sub-Total Other Expenses	\$113,733,436	\$113,919,875	\$186,439	0.2%	
TOTAL OPERATING EXPENSE	\$748,432,680	\$748,139,036	(\$293,644)	(0.0%)	
NON-OPERATING					
Pupil Accommodation/Renewal/Debt					
School Renewal	\$10,332,175	\$8,374,419	(\$1,957,756)	(18.9%)	8
Debt Charges	4,817,743	4,896,106	78,363	1.6%	
Other Non-Operating Expenses	10,051,700	23,652,331	13,600,631	135.3%	9
School Board 55 Trust	104,872	104,872	0	0.0%	
Loss on Disposal of TCA and Assets	0	0	0	0.0%	
Amortization	36,067,213	36,878,737	811,524	2.3%	
Less: GSN Funded Tangible Capital Assets	(8,204,698)	(6,268,498)	1,936,200	(23.6%)	
Total Pupil Accommodation Expense	\$53,169,005	\$67,637,967	\$14,468,962	27.2%	
School Generated Funds	\$1,608,000	\$3,541,944	\$1,933,944	120.3%	
TOTAL EXPENSES	\$803,209,685	\$819,318,947	\$16,109,262	2.0%	

EXPLANATIONS OF MATERIAL EXPENDITURE VARIANCES

1 Less staff added due to decline in enrolment

2 Increase in short-term sick utilization (not exclusive to COVID19)

3 Increase is due to additional staff hired to support remote learning and reduce class sizes; funded through Covid staffing support

4 Lower in-school expenses due to school closures and supply chain challenges

5 Unable to obtain computer hardware due to supply chain challenges

6 Limited Professional Development opportunities due to a pause on PD (fail-to-fill pressures and COVID-19)

7 Additional expenses offset by PPF's for summer learning and tutoring supports

available time period. This reduced spending of School Renewal; unspent School Renewal funds will carry forward as deferred revenue for 2022-23.

9 Personal Protective Equipment (PPE) and critical supplies from the Ministry of Public and Business Service Delivery (MPBSD) in-kind contribution, increase in extended day costs due to increased enrolment and one-time costs related to cyber incident



Report to Committee of the Whole

December 12, 2022

Subject: 2021-22 Trustee Expenses

Recommendation

This report is for the information of the Board.

Status

The Schedule of Trustee Expenses attached (Appendix A) is for the period September 1, 2021, to August 31, 2022. Trustee expenses have been reviewed by our external auditors, Grant Thornton LLP, and the scope of their review was to:

- Ensure all trustee reports listed were approved by the Chairperson of the Board and the Chairperson's reports were approved by the Vice-Chairperson as required by Board policy.
- Ensure that all trustee mileage and expenses reimbursed were appropriate with reference to [Board Policy 3001](#), [Administrative Procedure 4380](#) and [Administrative Procedure 4400](#).
- Agreed the total expenses on the Schedule of Trustee Expenses to the amounts recorded in the Waterloo Region District School Board's (WRDSB) records. Any items that were not correctly classified in the WRDSB's accounting records have been reclassified to agree to the amounts disclosed in the attached appendix.

Background

[Board Policy 3001 Travel, Meals, Hospitality – Trustees](#) directs staff to present, annually, a public report regarding Trustee expenses that were reimbursed during the previous fiscal year. Staff are required to present the report in November as part of our year-end financial reporting process.

Financial Implications

No financial implications.

Communications

Staff will continue to present annual updates to the Board of Trustees and make available, through our corporate website, the annual report on Trustee Expenses.

Prepared by: Nick Landry, Controller, Financial Services & Interim Treasurer
in consultation with Coordinating Council

Schedule of Trustee Expenses for Professional Development and Travel
September 1, 2021, to August 31, 2022

	Travel	Professional Development	Total Expenses
Student Trustees	\$ 643	\$ 4,762	\$ 5,405
Jayne Herring	-	220	220
Karen Meissner	-	154	154
Carol Millar	108	626	734
Scott Piatkowski	756	2,314	3,070
Mike Ramsay	-	118	118
Kathi Smith	592	1,479	2,071
Laurie Tremble	523	1,948	2,471
Cindy Watson	-	118	118
Joanne Weston	-	662	662
Crystal Whetham	26	169	195
Kathleen Woodcock	156	2,198	2,354
Group Professional Development- November 1, 2021	-	1,500	1,500
Grand Total		\$ 19,072	\$ 19,072



Report to Committee of the Whole

December 12, 2022

Subject: Motion: IHRA Definition of Anti-Semitism

Recommendation

That the Waterloo Region District School Board adopts and recognizes the International Holocaust Remembrance Alliance (IHRA) Working Definition as its operative definition of antisemitism, guiding its staff in the administration of its operational policies, including its human rights and equity policies.

Status

IHRA Working Definition:

"Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities."

This Notice of Motion was served at the September 26, 2022, Board meeting by Trustee M. Ramsay with support from Trustee C. Watson.

Background

The following recitals were included by Trustee M. Ramsay to serve as a Background for this motion:

Whereas, The International Holocaust Remembrance Alliance ("IHRA") is an international intergovernmental organization composed of the governments of 35 member countries, including Canada, the United States, the United Kingdom, Australia, France, Germany, Argentina, Spain, Norway, Sweden, Finland, with 10 additional observer countries including Brazil, Turkey, El Salvador, New Zealand and Uruguay, and, the Organization of American States (OAS), and

Whereas, the Working Definition ("WD") of antisemitism published by the IHRA ("IHRA WD") was endorsed as the official policy of the Government of Canada on June 27, 2019, and

Whereas the IHRA WD was adopted by the Government of Ontario on October 26, 2020 and also by the Governments of British Columbia, Quebec, New Brunswick, and Alberta.

Whereas the IHRA WD does not restrain criticism of the policies or actions of the State of Israel, the advocacy for the human rights and national aspirations of Palestinian people.

Financial implication

The financial implications are not known at this time.

Communications

There is no communication plan at this time.

Prepared by: Stephanie Reidel, Manager of Corporate Services
for Trustee M. Ramsay in consultation with Coordinating Council



Report to Committee of the Whole

December 12, 2022

Subject: Motion: Requesting Masks for Staff, Students, and Visitors in Our Buildings Whenever Possible

Recommendation

That the Waterloo Region District School Board request all staff, students, and visitors wear a mask, if they can and whenever they can, until the Region of Waterloo Public Health is no longer recommending masks be worn inside public buildings; and

That this request is routinely shared with all staff and students at WRDSB locations, which could look like a regular morning announcement that says, "We're asking all staff and student to please mask whenever you can"; and

That our communication platforms are used to help circulate factual information to the WRDSB community, from the Region of Waterloo Public Health, about the benefits of wearing well-fitting masks; and

That the policy to request masks be worn will take effect on the first school day after this motion is ratified by the Board of Trustees.

Status

This Notice of Motion was served at the November 28, 2022, Board meeting by Trustee M. Snyder with support from Trustee S. Piatkowski.

Background

The following recitals were included by Trustee M. Snyder to serve as a Background for this motion:

WHEREAS a board mask mandate is not supported by our local Medical Officer of Health, and could potentially create hostility and divisiveness in our schools;

WHEREAS there has been a significant increase of Covid-19 cases, influenza, RSV, and other serious respiratory and airborne diseases in the Region of Waterloo, as demonstrated by the levels of hospital admissions in the region, the extended wait times for access to the emergency room, and inconsistent access to emergency vehicles in our region;

AND, WHEREAS recent statements from the Dr. Kieran Moore, Ontario's Chief Medical Officer of Health strongly recommends wearing well-fitting masks, and the Region of

Waterloo Public Health strongly advises masks "in any indoor space other than your home" to curb the spread of respiratory viruses that are having a damaging effect on our community members, and that the Government of Canada recognizes that over 30% of all Covid-19 cases are carriers without symptoms, which means we can feel healthy but still be spreading this virus;

Financial implication

The financial implications are not known at this time.

Communications

If approved, communications would occur as outlined in the motion.