



*We are a Christ-centered Catholic faith community
that celebrates diversity and fosters spiritual growth,
inspiring all to reach their full potential in mind, body and spirit.*

AGENDA AND MATERIAL

BOARD MEETING

**TUESDAY, NOVEMBER 28, 2023
6:30 P.M.**



*PUBLIC ACCESS LIVE STREAM LINK
<https://niagaracatholic.ca/meetings-livestream/>*

FATHER KENNETH BURNS, C.S.C. BOARD ROOM, CATHOLIC EDUCATION CENTRE, WELLAND, ONTARIO

A. ROUTINE MATTERS

- | | | |
|-----|---|--------|
| 1. | Land Acknowledgement | - |
| 2. | Opening Prayer – Trustee Marino | - |
| 3. | Roll Call | - |
| 4. | Approval of the Agenda | - |
| 5. | Declaration of Conflict of Interest | - |
| 6. | Minutes of the Board Meeting | |
| 6.1 | October 24, 2023 | A6.1 |
| 6.2 | November 21, 2023 | A6.2 |
| 7. | <u>Consent Agenda Items</u> | |
| 7.1 | Unapproved Minutes of the Committee of the Whole Meeting of November 14, 2023 and Consideration of Recommendations | A7.1 |
| | 7.1.1 Community Use of Facilities Policy (800.2) | A7.1.1 |
| | 7.1.2 Admission of Elementary and Secondary Students Policy (301.1) | A7.1.2 |
| | 7.1.3 Attendance Area Review – Blessed Trinity Catholic Elementary and Secondary Family of Schools – Terms of Reference | A7.1.3 |
| 7.2 | Approved Minutes of the Niagara Catholic Parent Involvement Committee (NCPIC) Meeting of May 11, 2023 | A7.2 |
| 7.3 | Approved Minutes of the Growth & Retention Ad Hoc Committee Meeting of May 30, 2023 | A7.3 |
| 7.4 | Approved Minutes of the Audit Committee Meeting of September 22, 2023 | A7.4 |
| 7.5 | In-Camera Agenda Items F1, F2, F3, F4 & F8.1 | - |

B. DELEGATIONS/PRESENTATIONS

C. COMMITTEE AND STAFF REPORTS

- | | | |
|----|---|----|
| 1. | 2022-2023 Contract Expenditures Greater than \$750,000 | C1 |
| 2. | Temporary Relocation of St. Elizabeth Catholic Elementary School to W.E. Brown Public Elementary School | C2 |
| 3. | Audited Consolidated Financial Reports 2022-2023 | C3 |

D. TRUSTEE ITEMS, OPEN QUESTION PERIOD & OTHER BUSINESS

- | | |
|--|------|
| 1. Correspondence | - |
| 2. Report on Trustee Conferences Attended | - |
| 3. General Discussion to Plan for Future Action | - |
| 4. Trustee Information | |
| 4.1 Calendar of Events – December 2023 | D4.1 |
| 4.2 Annual Advent Faith Formation and Luncheon - December 14, 2023 | - |
| 5. Open Question Period | |
| <i>(The purpose of the Open Question Period is to allow members of the Catholic school supporting public to ask about items on that night's public agenda or any previous agendas, and the Board to answer and react.)</i> | |

E. NOTICES OF MOTION

- | | |
|----------------------------------|---|
| 1. Notice of Motion Submission | - |
| 2. Notice of Motion Presentation | - |

F. BUSINESS IN CAMERA**G. REPORT ON IN CAMERA SESSION****H. FUTURE MEETINGS AND EVENTS****I. MOMENT OF SILENT REFLECTION FOR LIFE****J. ADJOURNMENT**

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
BOARD MEETING
NOVEMBER 28, 2023**

PUBLIC SESSION

**TITLE: MINUTES OF THE BOARD MEETING OF
OCTOBER 24, 2023**

RECOMMENDATION

THAT the Niagara Catholic District School Board approve the Minutes of the Board Meeting of October 24, 2023, as presented.



MINUTES OF THE BOARD MEETING

TUESDAY, OCTOBER 24, 2023

Minutes of the Meeting of the Niagara Catholic District School Board, held on Tuesday, October 24, 2023, in the Father Kenneth Burns c.s.c. Board Room, at the Catholic Education Centre, 427 Rice Road, Welland.

The meeting was called to order at 6:30 p.m. by Chair Di Lorenzo.

A. ROUTINE MATTERS

1. Land Acknowledgement

Land Acknowledgement statement was delivered by Student Trustee Johnstone.

2. Opening Prayer

Opening Prayers were led by Trustee Burkholder.

3. Roll Call

Chair Di Lorenzo noted that Trustee Benoit and Student Trustee Geremia asked to be excused.

Chair Di Lorenzo noted that Trustee Bruzzese joined electronically.

| Trustee | Present | Present Electronically | Absent | Excused |
|-------------------------|---------|------------------------|--------|---------|
| Natalia Benoit | | | | ✓ |
| Joseph Bruzzese | | ✓ | | |
| Rhianon Burkholder | ✓ | | | |
| Danny Di Lorenzo | ✓ | | | |
| Larry Huibers | ✓ | | | |
| Doug Joyner | ✓ | | | |
| Jim Marino | ✓ | | | |
| Paul Turner | ✓ | | | |
| Student Trustees | | | | |
| Charlotte Johnstone | ✓ | | | |
| Emilio Geremia | | | | ✓ |

The following staff were in attendance:

Camillo Cipriano, Director of Education; **Lee Ann Forsyth-Sells, Kimberly Kinney, Gino Pizzoferrato, Pat Rocca, Domenic Massi, Joseph Zaroda**, Superintendents of Education; **Giancarlo Vetrone**, Superintendent of Business & Financial Services; **Clark Euale**, Controller of Facilities Services; **Julia Tiessen**, Executive Officer of Human Resources; **Anna Pisano**, Recording Secretary/Administrative Assistant, Corporate Services

4. **Approval of the Agenda**

Moved by Trustee Marino
Seconded by Trustee Huibers

THAT the Niagara Catholic District School Board approve the Agenda of the Board Meeting of October 24, 2023, as presented.

CARRIED

5. **Declaration of Conflict of Interest**

No Declaration of Conflict of Interest were declared with any items on the Agenda.

6. **Approval of Minutes of the Board Meeting of September 26, 2023**

Moved by Trustee Joyner
Seconded by Trustee Burkholder

THAT the Niagara Catholic District School Board approve the Minutes of the Board Meeting of September 26, 2023, as presented.

CARRIED

7. **Consent Agenda Items**

Trustee Di Lorenzo requested Item 7.1.5 be held. This item was moved to Committee and Staff Reports Section C of the agenda.

7.1 **Unapproved Minutes of the Committee of the Whole Meeting of October 10, 2023 and Consideration of Recommendations**

THAT the Niagara Catholic District School Board receive the unapproved Minutes of the Committee of the Whole of October 10, 2023, as presented.

7.1.1 **Board By-Laws Policy (100.1)**

THAT the Niagara Catholic District School Board approve the Board By-Laws Policy (100.1), as presented.

7.1.2 **Trustee Electronic Meetings (Board and Committees) Policy (100.8)**

THAT the Niagara Catholic District School Board approve the Trustee Electronic Meetings (Board and Committees) Policy (100.8), as presented.

7.1.3 **Letter to Minister Lecce**

THAT the Niagara Catholic District School Board approve the Letter to Minister Lecce, as presented.

7.1.4 Letter to Ministers Lecce and Parsa

THAT the Niagara Catholic District School Board approve the Letter to Ministers Lecce and Parsa,, as presented.

7.1.5 Letter to Bishop Bergie and Fr. Paul MacNeil

Moved to section C3

7.2 Approved Minutes of the Special Education Advisory Committee (SEAC) Meeting of September 6, 2023

THAT the Niagara Catholic District School Board receive the Approved Minutes of the Special Education Advisory Committee Meeting of September 6, 2023, as presented.

7.3 Approved Minutes of the Audit Committee Meeting of June 16, 2023

THAT the Niagara Catholic District School Board receive the approved Minutes of the Audit Committee Meeting of June 16, 2023, as presented for information

7.4 In-Camera Items F1, F2.2, F2.2, F2.3, F2.4, F3 & F4

Moved by Trustee Burkholder
Seconded by Trustee Joyner

THAT the Niagara Catholic District School Board adopt the consent agenda items.
CARRIED

B. DELEGATIONS/PRESENTATIONS

1. Continuing Education Program

Pat Rocca, Superintendent of Education provided background information on the Continuing Education Program and introduced John Belcastro, Principal of Continuing Education and Marla Rapattoni, Vice-Principal of Continuing Education.

Mr. Belcastro and Ms. Rapattoni presented the Continuing Education Program for information.

Mr. Belcastro and Ms. Rapattoni answered questions of Trustees.

C. COMMITTEE AND STAFF REPORTS

1. Math Achievement Action Plan 2023-2024

Kim Kinney, Superintendent of Education presented the Math Achievement Action Plan for 2023-2024.

Superintendent Kinney answered questions of Trustees.

Moved by Trustee Huibers
Seconded by Trustee Marino

THAT the Niagara Catholic District School Board endorse the Niagara Catholic District School Board Math Achievement Action Plan 2023-2024.

CARRIED

2. Education Quality and Accountability Office (EQAO) Results for the 2022-2023 Assessments

Superintendent Kinney presented the Education Quality and Accountability Office (EQAO) Results for the 2022-2023 Assessments for information.

Superintendent Kinney answered questions of Trustees.

Chair Di Lorenzo handed the role of chair to Vice-Chair Burkholder during discussion of Item C3.

3. Consent Agenda Item A7.1.5

3.1 Letter to Bishop Bergie and Fr. Paul MacNeil

Following discussion, the following motion was put forward.

Moved by Trustee Di Lorenzo
Seconded by Trustee Marino

THAT the Niagara Catholic District School Board rescind the motion to send the letter to Bishop Bergie and Fr. Paul MacNeil.

CARRIED

Trustee Di Lorenzo resumed the roll of Chair.

D. TRUSTEE ITEMS, OPEN QUESTION PERIOD & OTHER BUSINESS

1. Correspondence

1.1 Director Cipriano highlighted information contained in the OCSTA Memorandum regarding the 2024 AGM Resolutions.

2. Report on Trustee Conferences Attended

Nil Report

3. General Discussion to Plan for Future Action

Nil Report

4. Trustee Information

4.1 Calendar of Events – November 2023

Director Cipriano highlighted the November 2023 Calendar of Events.

5. Open Question Period

None Submitted

E. NOTICES OF MOTION

1. NOTICE OF MOTION SUBMISSION

None Submitted

2. NOTICE OF MOTION PRESENTATION

None Presented

F. BUSINESS IN CAMERA

Moved by Trustee Turner

Seconded by Trustee Joyner

THAT the Niagara Catholic District School Board move into the In Camera Session.

CARRIED

The Niagara Catholic District School Board moved into the In Camera Session of the Board Meeting at 8:23 p.m. and reconvened at 9:46 p.m.

G. REPORT ON THE IN-CAMERA SESSION

Moved by Trustee Turner

Seconded by Trustee Joyner

THAT the Niagara Catholic District School Board report the motions from the In Camera Session of the Board Meeting of October 24, 2023.

CARRIED

SECTION B: STUDENT TRUSTEES EXCLUDED

Moved by Trustee Burkholder

Seconded by Trustee Joyner

THAT the Niagara Catholic District School Board approve the Minutes of the In Camera Session of the Board Meeting - SECTION B: Student Trustees Excluded of September 26, 2023, as presented.

CARRIED (Item F1)

H. FUTURE MEETINGS AND EVENTS

I. MOMENT OF SILENT REFLECTION FOR LIFE

J. ADJOURNMENT

Moved by Trustee Marino

Seconded by Trustee Joyner

THAT the October 24, 2023 meeting of the Niagara Catholic District School Board be adjourned.

CARRIED

This meeting was adjourned at 9:48 p.m.

Minutes of the Meeting of the Niagara Catholic District School Board held on **October 24, 2023**.

Approved on **November 28, 2023**.

Danny Di Lorenzo
Chair of the Board

Camillo Cipriano
Director of Education/Secretary -Treasurer

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
BOARD MEETING
NOVEMBER 28, 2023**

PUBLIC SESSION

**TITLE: MINUTES OF THE SPECIAL BOARD MEETING OF
NOVEMBER 21, 2023**

RECOMMENDATION

THAT the Niagara Catholic District School Board approve the Minutes of the Special Board Meeting of November 21, 2023, as presented.



MINUTES OF THE SPECIAL BOARD MEETING

TUESDAY, NOVEMBER 21, 2023

Minutes of the Special Meeting of the Niagara Catholic District School Board, held on Tuesday, November 21, 2023 at 6:00 p.m. in the Father Kenneth Burns c.s.c Board Room, at the Catholic Education Centre, 427 Rice Road, Welland.

The meeting was called to order at 6:05 p.m. by Chair Di Lorenzo.

A. ROUTINE MATTERS

1. Opening Prayer

Opening Prayer were led by Trustee Joyner.

2. Roll Call

Chair Di Lorenzo noted that Trustee Benoit was asked to be excused.

| Trustee | Present | Present Electronically | Absent | Excused |
|--------------------|---------|------------------------|--------|---------|
| Natalia Benoit | | | | ✓ |
| Joseph Bruzzese | ✓ | | | |
| Rhianon Burkholder | ✓ | | | |
| Danny Di Lorenzo | ✓ | | | |
| Larry Huibers | ✓ | | | |
| Doug Joyner | ✓ | | | |
| Jim Marino | ✓ | | | |
| Paul Turner | ✓ | | | |

The following staff were in attendance:

Camillo Cipriano, Director of Education; **Anna Pisano**, Recording Secretary/Administrative Assistant, Corporate Services

3. Approval of the Agenda

Moved by Trustee Marino
Seconded by Trustee Joyner

THAT the Niagara Catholic District School Board approve the Agenda of the Special Board Meeting of November 21, 2023, as presented.

CARRIED

4. Declaration of Conflict of Interest

No Declaration of Conflict of Interest were declared with any items on the agenda.

B. BUSINESS IN CAMERA

Moved by Trustee Joyner
Seconded by Trustee Burkholder

THAT the Niagara Catholic District School Board move into the In Camera Session.

CARRIED

The Niagara Catholic District School Board moved into the In Camera Session of the Special Board Meeting at 6:06 p.m. and reconvened at 7:32 p.m.

C. REPORT ON THE IN-CAMERA SESSION

Moved by Trustee Joyner
Seconded by Trustee Burkholder

THAT the Niagara Catholic District School Board report the motions from the In Camera Session of the Special Board Meeting of November 21, 2023.

CARRIED

Moved by Trustee Joyner
Seconded by Trustee Bruzzese

THAT the Niagara Catholic District School Board approve the recommendation as outlined in Item B1.1 of the In Camera Agenda.

CARRIED (Item B1.1)

Moved by Trustee Burkholder
Seconded by Trustee Marino

THAT the Niagara Catholic District School Board approve the recommendation as outlined in Item B1.2 of the In Camera Agenda.

CARRIED (Item B1.2)

D. MOMENT OF SILENT REFLECTION FOR LIFE

E. ADJOURNMENT

Moved by Trustee Bruzzese
Seconded by Trustee Turner

THAT the November 21, 2023 Special Meeting of the Niagara Catholic District School Board
be adjourned.

CARRIED

This meeting was adjourned at 7:35 p.m.

Minutes of the Special Meeting of the Niagara Catholic District School Board held on **November 21, 2023**.

Approved on the **November 28, 2023**.

Danny Di Lorenzo
Chair of the Board

Camillo Cipriano
Director of Education/Secretary -Treasurer

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
BOARD MEETING
NOVEMBER 28, 2023**

PUBLIC SESSION

**TITLE: 2022-2023 CONTRACT EXPENDITURES GREATER THAN
\$750,000**

The 2022-2023 Contract Expenditures Greater than \$750,000 report is presented for information.

Prepared by: Mark Ferri, Administrator of Procurement

Presented by: Giancarlo Vetrone, Superintendent of Business and Financial Services

Approved by: Camillo Cipriano, Director of Education/Secretary-Treasurer

Date: November 28, 2023



REPORT TO THE BOARD NOVEMBER 28, 2023

2022-2023 CONTRACT EXPENDITURES GREATER THAN \$750,000

BACKGROUND INFORMATION

In accordance with Policy No. 600.1 Purchasing/Supply Chain Management an annual report is provided to the Board of Trustees of awarded contracts greater than \$750,000.

APPENDIX A – 2022-2023 Contract Expenditures Greater than \$750,000

The 2022-2023 Contract Expenditures Greater than \$750,000 report is presented for information.

Prepared by: Mark Ferri, Administrator of Procurement
Presented by: Giancarlo Vetrone, Superintendent of Business and Financial Services
Approved by: Camillo Cipriano, Director of Education/Secretary-Treasurer
Date: November 28, 2023



**REPORT TO THE BOARD
NOVEMBER 28, 2023**

2022-2023 CONTRACT EXPENDITURES GREATER THAN \$750,000

APPENDIX A – For the period September 1, 2022 to August 31, 2023

| Vendor Name | Description | \$ Amount (plus HST) |
|--------------------------------|--|-----------------------------|
| Bromac Construction Inc. | Administration Alterations Lakeshore Catholic High School (CBRE tender) | \$770,329 |
| Cypruss Contracting Inc. | Interior Alterations Holy Cross High School (CBRE tender) | \$1,542,170 |
| Demik Construction LP | Exterior Renovations - St. John Bosco School #T23-006 | \$1,342,700 |
| Maxin Roofing | Roofing - Assumption School, Denis Morris School, St. Mary School Welland, OLMC, St. Theresa School - Tender #T23-003 | \$1,436,045 |
| Miller Restoration | Fire damage at Lakeshore Catholic High School - Insurance claim | \$3,000,000 |
| Stevensville Lawn Service Inc. | Kindergarten Outdoor Space Improvements - Tender #T23-025 St. James, Assumption, St. Christopher, Loretto Catholic, Sacred Heart, St. Andrew. | \$2,804,424 |
| Stevensville Lawn Service Inc. | ELKP Playground Alterations - St Gabriel School - Tender #T23-019 | \$849,250 |
| T.A.T. Construction Ltd. | Interior Renovations - Niagara Launch Centre - Tender #T23-011 | \$770,000 |
| T.A.T. Construction Ltd. | Structural Repairs Saint Paul High School (Quartek tender) | \$1,069,800 |

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
BOARD MEETING
NOVEMBER 28, 2023**

PUBLIC SESSION

**TITLE: TEMPORARY RELOCATION OF ST. ELIZABETH
CATHOLIC ELEMENTARY SCHOOL TO WILLIAM E.
BROWN PUBLIC ELEMENTARY SCHOOL, WAINFLEET**

RECOMMENDATION

THAT the Niagara Catholic District School Board approve the temporary relocation of the staff and students of the existing St. Elizabeth CES to William E. Brown Public Elementary School in Wainfleet, in order to facilitate and expedite the construction of the new joint-use school at the current site of St. Elizabeth CES. The timing of this would include the relocation of staff and students to the temporary location immediately following March Break 2024 in order to minimize disruption during the school year, and would continue until the opening of the new school anticipated for September 2024.

Prepared by: Clark Euale, Controller, Facilities Services

Presented by: Clark Euale, Controller, Facilities Services

Recommended by: Camillo Cipriano, Director of Education/Secretary-Treasurer

Date: November 28, 2023



REPORT TO THE BOARD TUESDAY, NOVEMBER 28, 2023

TEMPORARY RELOCATION OF ST. ELIZABETH CATHOLIC ELEMENTARY SCHOOL TO W.E. BROWN PUBLIC ELEMENTARY SCHOOL

BACKGROUND INFORMATION

Niagara Catholic has been in a partnership with DSBN on a new Joint-Use Elementary School in Wainfleet at the location of St. Elizabeth CES since Ministry approval was granted in 2020.

The construction of the new school is well underway, with completion and opening planned for September 2024. The design, tender, and construction of the new school included for the demolition of the existing St. Elizabeth CES after the new school opens, and students from both Boards have moved into the new school.

While the project was planned for the demolition to take place post-occupancy of the new school, the proximity of the existing school is not conducive to demolition adjacent to the school. For this reason, it has been proposed that our Board consider the relocation of the staff and students of St. Elizabeth CES by the return from March Break 2024, rather than completing the school year at the school. The relocation of our students from the existing school would permit the contractor to expedite the schedule to ensure the new school will be complete by September, including all parking, driveways, bus lanes, and walkways, ensuring the safety of our staff and students.

Facilities Services, Planning & Properties has investigated alternatives for the possible relocation of the 95 students plus staff from St. Elizabeth CES to other nearby schools including St. John Bosco, St. Patrick, St. Therese, St. Augustine, St. Mary, Welland, St. Kevin, St. Andrew, St. Joseph, Fenwick, St. George, and Our Lady of Victory. All of these were considered and resulted in an additional drive times of between 13 and 54 minutes each way from St. Elizabeth.

In order to facilitate this, our partner, DSBN has offered to house our staff and students at their nearby school, W.E. Brown Elementary School, until the completion and occupancy of the new school (please see Appendix A). If accepted by Niagara Catholic, DSBN has offered to provide 5 (five) new portables at no cost to Niagara Catholic District School Board, with shared amenities including the following:

- Staff Room
- Dedicated washrooms
- WIFI connectivity for staff and students
- Use of printers
- Provision of temporary security access cards and portable keys as required for staff
- Playground
- Gymnasium
- Library
- Custodial services for the portables

The benefits of this proposed move include the following:

- No cost to Niagara Catholic financially;
- Expedited completion and occupancy of the new joint-use school;
- Considers the health and safety of our staff and students during demolition and construction;
- Minimal disruption to the travel time of both staff and students to W. E. Brown PES. NSTS has confirmed that both schools currently share common busing.
- Permits Administrators of both schools to begin working together on a joint-school platform prior to the occupancy of the new school;
- Permits a contingency plan should the construction/opening of the new school be delayed in any way beyond September 2024, as our staff and students will be fully operational until completion.

The challenges for consideration of the proposed move include the following:

- Premature disruption of the staff and students of the existing St. Elizabeth CES
- Premature disruption of our before and after school care students/families. Note that A Child's World programming at St. Elizabeth will need to be relocated to William E. Brown PES prior to the return from March Break in order to minimize disruption to the families.
- Will require close coordination with Niagara Catholic's IT Services for telephone and internet connectivity, as well as a temporary public address system for announcements, etc.

In conclusion, while a premature relocation of the staff and students of St. Elizabeth CES may be an inconvenience, it is only three months ahead of our originally proposed schedule of June 30, 2024 and will permit the contractor to begin demolition of the existing school immediately following March Break. This will also improve our success in moving into the new school by September 2024. The location proposed by DSNB offers a cost effective solution for the staff and students of St. Elizabeth, while eliminating the need for additional travel time to one of our own schools. This solution also offers the early collaboration of school administrators from both Boards to begin working together in the interests of our students. If approved by the Board, the portables provided will all include visible signs of our faith (crucifixes), and staff and students will begin their day with prayer as usual at our schools.

With this in mind, we recommend that the Board of Trustees of Niagara Catholic approve the relocation of the staff and students of St. Elizabeth Catholic Elementary School to William E. Brown Public Elementary School in time for their return to school from March Break 2024 in order to expedite construction of the new joint-use school in Wainfleet.

RECOMMENDATION

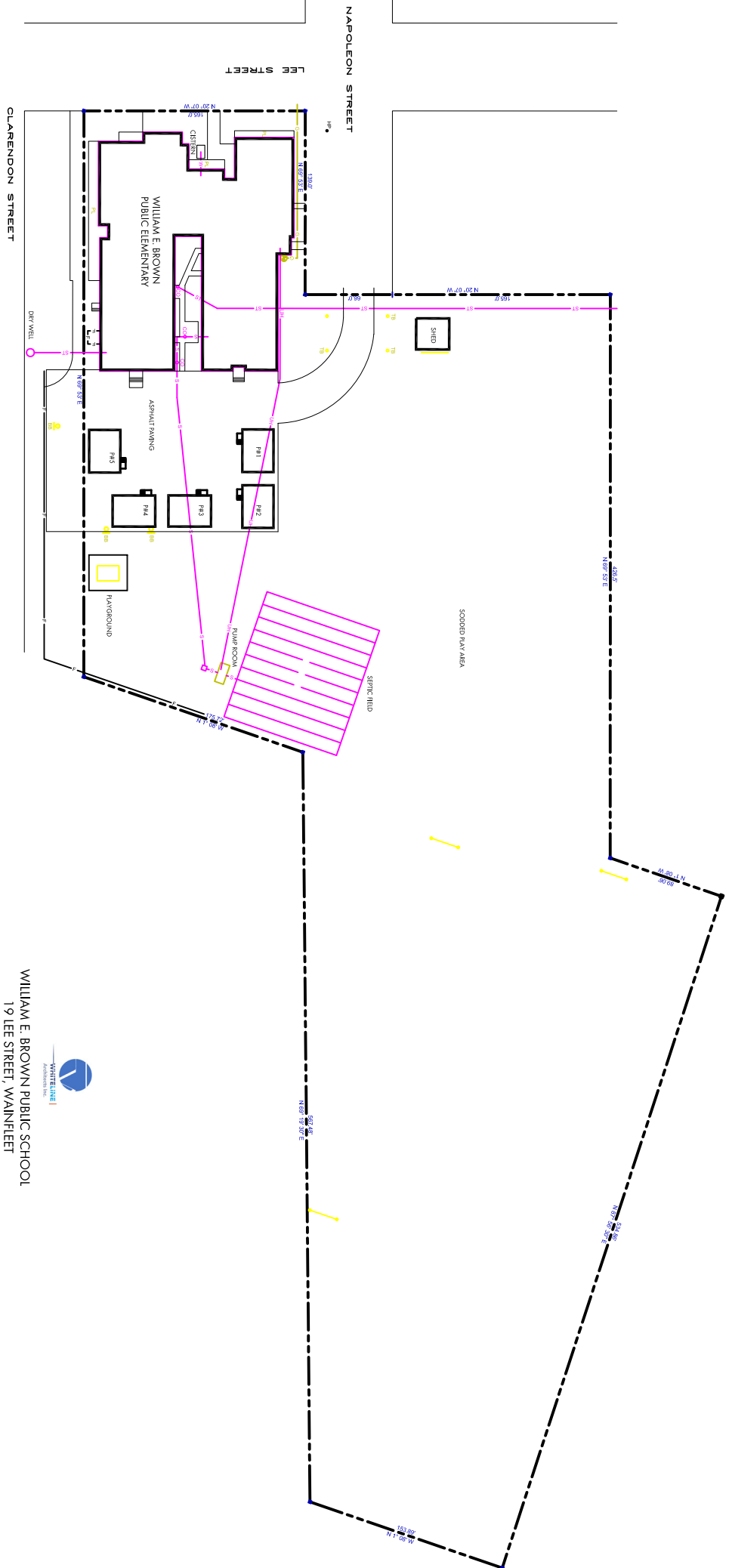
THAT the Niagara Catholic District School Board approve the temporary relocation of the staff and students of the existing St. Elizabeth CES to William E. Brown Public Elementary School in Wainfleet, in order to facilitate and expedite the construction of the new joint-use school at the current site of St. Elizabeth CES. The timing of this would include the relocation of staff and students to the temporary location immediately following March Break 2024 in order to minimize disruption during the school year, and would continue until the opening of the new school anticipated for September 2024.

Prepared by: Clark Euale, Controller, Facilities Services Department

Presented by: Clark Euale, Controller, Facilities Services Department

Recommended by: Camillo Cipriano, Director of Education/Secretary-Treasurer

Date: November 28, 2023



WILLIAM E. BROWN PUBLIC SCHOOL
 19 LEE STREET, WAINFLEET
 NEW 5 PORTABLE CLASSROOMS FOR TEMPORARY ST. ELIZABETH
 CATHOLIC ELEMENTARY RELOCATION
 PROPOSED SITE PLAN DESIGN



WHITELINE
 Architects Inc.

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
BOARD MEETING
NOVEMBER 28, 2023**

PUBLIC SESSION

**TITLE: AUDITED CONSOLIDATED FINANCIAL REPORTS 2022-
2023**

RECOMMENDATION

THAT the Audit Committee recommend to the Niagara Catholic District School Board the approval of the Audited Consolidated Financial Reports 2022-2023, as presented.

Prepared by: Melanie Dugard, CPA, CA Grant Thornton LLP
Rosa Rocca, CPA, CA Financial Officer
Giancarlo Vetrone, Superintendent of Business and Financial Services

Presented by: Audit Committee
Rosa Rocca, CPA, CA Financial Officer
Giancarlo Vetrone, Superintendent of Business and Financial Services

Recommended by: Audit Committee

Date: November 28, 2023



REPORT TO THE BOARD NOVEMBER 28, 2023

AUDITED CONSOLIDATED FINANCIAL REPORTS 2022-2023

BACKGROUND INFORMATION

Each year all publically funded school boards are required to submit Audited Consolidated Financial Reports and related forms to the Ministry of Education. As required by the Ministry of Education, the external Auditors have presented the Audited Consolidated Financial Reports 2022-2023 to the Audit Committee on November 22, 2023.

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

The Audited Consolidated Financial Reports for the 2022-2023 fiscal year reflect an annual accounting surplus \$979,745 a compliance deficit for Ministry purposes of (\$141,370).

The Ministry Financial Reports 2022-2023 and related schedules have been electronically submitted to the Ministry of Education on November 15, 2023.

After review and discussion, the members of the Audit Committee recommended that the 2022-2023 Audited Consolidated Financial Reports be approved by the Board on November 28, 2023.

A copy of the Audited Consolidated Financial Reports 2022-2023 are attached to this report for the consideration of the Board. (Appendix A)

Appendix A – Audit Consolidated Financial Reports 2022-2023.

RECOMMENDATION

THAT the Audit Committee recommend to the Niagara Catholic District School Board the approval of the Audited Consolidated Financial Reports 2022-2023, as presented.

Prepared by: Melanie Dugard, CPA, CA Grant Thornton LLP
 Rosa Rocca, CPA, CA Financial Controller
 Giancarlo Vetrone, Superintendent of Business and Financial Services

Presented by: Audit Committee
 Giancarlo Vetrone, Superintendent of Business and Financial Services
 Rosa Rocca, CPA, CA Financial Controller

Recommended by: Audit Committee

Date: November 28, 2023

Consolidated Financial Statements

Niagara Catholic District School Board

August 31, 2023

DRAFT

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DRAFT

Niagara Catholic District School Board Management Report

August 31, 2023

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

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

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

The Audit Committee of the Board meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

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

Director of Education/Secretary Treasurer

Mr. Camillo Cipriano

November XX, 2023

Superintendent of Business and
Financial Services

Mr. Giancarlo Vetrone

Niagara Catholic District School Board

Consolidated Statement of Financial Position

As at August 31

2023

2022

(Restated-Note 2)

Financial assets

| | | |
|--|--------------|--------------|
| Cash and cash equivalents | \$ 3,645,757 | \$ 8,683,014 |
| Portfolio investments (Note 3) | 22,000,000 | 20,000,000 |
| Accounts receivable | 9,591,909 | 8,394,812 |
| Accounts receivable – Province of Ontario (Note 4) | 64,535,258 | 68,620,641 |
| Assets held for sale (Note 5) | - | 523,282 |

Total financial assets

99,772,924 106,221,749

Liabilities

| | | |
|---|-------------|-------------|
| Temporary borrowing (Note 13) | 4,961,499 | 6,996,737 |
| Accounts payable and accrued liabilities | 19,917,635 | 17,318,063 |
| Deferred revenue (Note 6) | 17,379,999 | 20,670,469 |
| Retirement and other employee future benefits (Note 11) | 5,746,235 | 5,971,976 |
| Net long-term debt (Note 12) | 50,157,003 | 55,581,864 |
| Deferred capital contributions (Note 7) | 203,314,073 | 190,269,100 |
| Asset retirement obligations (Note 8) | 4,093,663 | 3,545,252 |

Total liabilities

305,570,107 300,353,461

Net debt

(205,797,183) (194,131,712)

Non-financial assets

| | | |
|-----------------------------------|-------------|-------------|
| Tangible capital assets (Note 19) | 229,204,692 | 216,048,159 |
| Prepaid expenses | 1,566,139 | 2,077,456 |
| Inventories of supplies | 250,066 | 250,066 |

Total non-financial assets

231,020,897 218,375,681

Accumulated surplus (Note 20)

\$ 25,223,714 \$ 24,243,969

Contractual obligations and contingent liabilities (Note 23)

Commitments (Note 24)

Signed on behalf of the Board:

Chairperson of the Board

Director of Education/Secretary Treasurer

See accompanying notes to the consolidated financial statements.

Niagara Catholic District School Board Consolidated Statement of Operations and Accumulated Surplus

| For the Year Ended August 31 | Budget 2023 (Restated-Note 25) | Actual 2023 (Restated-Note 2) | Actual 2022 (Restated-Note 2) |
|---|--------------------------------------|-------------------------------------|-------------------------------------|
| Revenues | | | |
| Grants for student needs (Note 16) | \$ 254,434,163 | \$ 259,524,687 | \$ 247,424,358 |
| Provincial grants – other | 4,446,151 | 5,139,973 | 13,197,778 |
| Federal grants and fees | 733,588 | 753,658 | 879,748 |
| Other fees and revenues | 3,880,100 | 3,563,217 | 4,409,949 |
| Investment income | 350,000 | 347,287 | 309,245 |
| School fundraising | 8,480,000 | 7,789,532 | 4,746,971 |
| Amortization of deferred capital contributions | <u>14,936,828</u> | <u>15,510,001</u> | <u>14,172,794</u> |
| Total revenues | <u>287,260,830</u> | <u>292,628,355</u> | <u>285,140,843</u> |
| Expenses (Note 18) | | | |
| Instruction | 217,228,595 | 215,767,381 | 218,063,902 |
| Administration | 8,618,901 | 8,628,652 | 7,893,985 |
| Transportation | 11,742,417 | 12,611,036 | 12,476,708 |
| Pupil accommodation | 41,565,615 | 44,685,543 | 42,180,678 |
| Other | 117,487 | 2,461,073 | 117,487 |
| School funded activities | <u>8,480,000</u> | <u>7,494,925</u> | <u>4,756,700</u> |
| Total expenses | <u>287,753,015</u> | <u>291,648,610</u> | <u>285,489,460</u> |
| Annual surplus (deficit) | <u>(492,185)</u> | <u>979,745</u> | <u>(348,617)</u> |
| Accumulated surplus, beginning of year | | | |
| As previously stated | 26,802,592 | 24,243,969 | 26,838,201 |
| PSAS adjustments (Note 2) | <u>(2,245,615)</u> | <u>-</u> | <u>(2,245,615)</u> |
| Accumulated surplus, beginning of year As restated | <u>24,556,977</u> | <u>24,243,969</u> | <u>24,592,586</u> |
| Accumulated surplus, end of year | <u>\$ 24,064,792</u> | <u>\$ 25,223,714</u> | <u>\$ 24,243,969</u> |

See accompanying notes to the consolidated financial statements.

Niagara Catholic District School Board

Consolidated Statement of Cash Flows

For the Year Ended August 31

2023

2022

(Restated-Note 2)

| | | |
|--|---------------------|---------------------|
| Operating transactions | | |
| Annual surplus (deficit) | \$ 979,745 | \$ (348,617) |
| Sources and (uses) | | |
| Non-cash items including: | | |
| Amortization of tangible capital assets, including ARO | 16,028,499 | 14,641,360 |
| Amortization of deferred capital contributions (Note 7) | (15,510,001) | (14,172,794) |
| Loss on disposal of tangible capital assets | - | 49,929 |
| Transfer to financial assets | - | 523,282 |
| Increase in tangible capital assets – ARO | (630,058) | - |
| (Decrease) in retirement and other employee future benefits | (225,741) | (635,110) |
| Increase in accounts receivable | (1,197,097) | (1,444,130) |
| Decrease (increase) in assets held for sale | 523,282 | (523,282) |
| Decrease (increase) in prepaid expenses | 511,317 | (550,960) |
| Increase in inventories of supplies | - | (250,066) |
| Increase in accounts payable and accrued liabilities | 2,599,572 | 2,687,520 |
| (Decrease) increase in deferred revenue | (3,290,470) | 164,632 |
| Increase in asset retirement obligation | 548,411 | 143,058 |
| Cash provided by operating transactions | <u>337,459</u> | <u>284,822</u> |
| Capital transactions | | |
| Acquisition of tangible capital assets (Note 19) | (28,554,974) | (26,399,574) |
| Net additions to deferred capital contributions (Note 7) | 28,554,974 | 18,240,420 |
| Cash applied to capital transactions | <u>-</u> | <u>(8,159,154)</u> |
| Investing transactions | | |
| Increase in portfolio investments | (2,000,000) | - |
| Cash applied to investing transactions | <u>(2,000,000)</u> | <u>-</u> |
| Financing transactions | | |
| Decrease (increase) in accounts receivable – Province of Ontario | 4,085,383 | (7,041,149) |
| Issuance of temporary borrowing and long-term debt | - | 13,625,954 |
| Repayments of temporary borrowing and long-term debt (Note 14) | (7,460,099) | (5,121,621) |
| Cash (applied to) provided by financing transactions | <u>(3,374,716)</u> | <u>1,463,184</u> |
| Change in cash and cash equivalents | <u>(5,037,257)</u> | <u>(6,411,148)</u> |
| Cash and cash equivalents, beginning of year | <u>8,683,014</u> | <u>15,094,162</u> |
| Cash and cash equivalents, end of year | <u>\$ 3,645,757</u> | <u>\$ 8,683,014</u> |

See accompanying notes to the consolidated financial statements.

Niagara Catholic District School Board

Consolidated Statement of Changes in Net Debt

For the Year Ended August 31

Budget
(Restated-Note 25)

2023

2022
(Restated-Note 2)

| | | | |
|---|-----------------------|-------------------------|-------------------------|
| Annual surplus (deficit) | \$ (492,185) | \$ 979,745 | \$ (348,617) |
| Non-financial asset activity | | | |
| Acquisition of tangible capital assets | (19,960,000) | (28,554,974) | (26,399,574) |
| Amortization of tangible capital, including ARO | 15,455,323 | 16,028,499 | 14,641,360 |
| Loss on disposal of tangible capital assets | - | - | 49,929 |
| Change in estimate of tangible capital assets – ARO | - | (643,639) | - |
| Disposals of tangible capital assets – ARO | - | 13,581 | - |
| Transfer to assets held for sale | - | - | 523,282 |
| Change in prepaid expenses | - | 511,317 | (550,960) |
| Change in inventories of supplies | - | - | (250,066) |
| Increase in net debt | (4,996,862) | (11,665,471) | (12,334,646) |
| Net debt, beginning of year | (194,131,712) | (194,131,712) | (178,394,872) |
| PSAS adjustments | - | - | (3,402,194) |
| Net debt, end of year | \$ 199,128,574 | \$ (205,797,183) | \$ (194,131,712) |

See accompanying notes to the consolidated financial statements.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

1. Significant accounting policies

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

(a) Basis of accounting

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

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

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

As a result, revenue recognized in the Consolidated Statement of Operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

1. Significant accounting policies (continued)

(b) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Niagara Catholic District School Board ("the Board") and which are controlled by the Board.

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

The Board's consolidated financial statements reflect the proportionate consolidation of the Niagara Student Transportation Services whereby they include the assets that the Consortium controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses.

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

(c) Trust funds

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

(d) Financial instruments

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

| <u>Financial Instrument</u> | <u>Measurement Method</u> |
|--|---------------------------|
| Cash and cash equivalents | Amortized cost |
| Portfolio investments - bonds | Cost |
| Accounts receivable | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Long-term debt | Amortized cost |

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

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

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

1. Significant accounting policies (continued)

(e) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits.

(f) Investments

Portfolio investments are investments in organizations that do not form part of the government reporting entity. These are normally in equity instruments or debt instruments issued by the investee. Portfolio investments in equity instruments that are quoted in an active market must be recorded at fair value. Unrealized gains and losses are recorded in the Consolidated Statement of Remeasurement Gains and Losses.

Since school boards are generally not allowed to hold stocks, mutual funds or other equity instruments per Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters, the Board does not have equity instruments that are quoted in an active market that must be recorded at fair value.

The Board has portfolio investments in bonds that have been reported at cost in the financial statements as opposed to amortized cost. These investments do not have a guaranteed return, therefore do not hold an effective interest rate. Returns are calculated at maturity based on performance of the bonds over the course of the term.

(g) 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 are performed.

(h) Deferred capital contributions

Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions in the form of depreciable tangible capital assets received or receivable for use in providing services, shall be recognized as a deferred capital contribution 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 purposes;
- Property taxation revenues which were historically used to fund capital assets.

(i) Retirement and other employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

1. Significant accounting policies (continued)

(i) Retirement and other employee future benefits (continued)

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: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees Education Workers' Benefits Trust (CUPE EWBT) and Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals up to a school board's participation date into the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements, the Board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by the Non-Union employee group.

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

- The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance, health care cost trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

For self-insured retirement and other employee future benefits that vest or accumulated over the periods of service provided by employees, such as health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, 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;

- The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period;
- The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

1. Significant accounting policies (continued)

(j) 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 and legally or contractually required retirement activities.

Leases which transfer substantially all 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:

| <u>Asset Class</u> | <u>Estimated Useful Life in Years</u> |
|-------------------------------------|---------------------------------------|
| Land improvements with finite lives | 15 |
| Buildings and building improvements | 40 |
| Portable structures | 20 |
| Equipment | 5-15 |
| First-time equipping of schools | 10 |
| Furniture | 10 |
| Computer hardware | 3 |
| Computer software | 5 |
| Vehicles | 5 |
| Leasehold improvements | 5 |

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

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the Consolidated Statement of Financial Position.

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(k) School fundraising and other revenue

School fundraising and other revenue are reported as revenue in the period earned.

(l) 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.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

1. Significant accounting policies (continued)

(l) Government transfers (continued)

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

(m) 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.

(n) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. The budget figures presented have been adjusted to reflect the same accounting policies that were used to prepare the consolidated financial statements.

(o) Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to significant estimates include liability for contaminated sites, asset retirement obligations, retirement and other future employee benefits, and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$ 4,093,663. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

(p) Education property tax revenue

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

(q) Non-monetary transactions

Non-monetary transactions include the exchange of non-monetary assets, liabilities or services for other non-monetary assets, liabilities or services with little or no monetary consideration involved. It also includes transactions where non-monetary assets, liabilities or services are transferred without any consideration given in return. Non-monetary transactions that lack commercial substance are measured at their carrying value.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

2. Change in accounting policy – adoption of new accounting standards

The Board has adopted the following standards concurrently beginning September 1, 2022 prospectively: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments.

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 3041 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 no longer applies.

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.

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability.

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

2. Change in accounting policy – adoption of new accounting standards (continued)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

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. This standard was adopted on September 1, 2022 on a modified retroactive basis with prior period restatement.

In the past, the Board has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. It has reported obligations for closure and post closure activities related to landfill sites as the landfill site’s capacity was used (if applicable). The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded, and replaces Section PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance, and monitoring that are an integral part of the retirement of the tangible capital asset. When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset’s estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

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

The Board’s ongoing efforts to assess the extent to which designated substances exist in Board assets, and new information obtained through regular maintenance and renewal of Board assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to in the estimated cost to fulfil the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in revisions to the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis. When obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows. Subsequently, accretion of the discounted liability due to the passage of time is recorded as an in-year expense.

As a result of applying this accounting standard, an asset retirement obligation of \$ 4,093,663 (2022 – \$ 3,545,252) was recognized as a liability in the Consolidated Statement of Financial Position. These obligations represent estimated retirement costs for the Board owned buildings and equipment, including tanks, and retirement and demolition costs related to portable structures. The Board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, amortization expense and accretion expense (for discounted ARO liabilities) for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The associated DCC, DCC revenue, TCA gross book value, TCA accumulated amortization and TCA amortization expense were not restated. The adoption of PS 3280 ARO was applied to the comparative period as follows:

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

2. Change in accounting policy – adoption of new accounting standards (continued)

| | <u>As previously reported</u> | <u>Adjustments</u> | <u>As restated</u> |
|--|-----------------------------------|--------------------|--------------------|
| Consolidated Statement of Financial Position | | | |
| Tangible capital assets including ARO | \$ 215,061,530 | \$ 986,629 | \$ 216,048,159 |
| Asset retirement obligation liability | - | 3,545,252 | 3,545,252 |
| Accumulated surplus | 26,802,592 | 2,558,623 | 24,243,969 |
| Consolidated Statement of Change in Net Debt | | | |
| Annual surplus (deficit) | (35,609) | (313,008) | (348,617) |
| Amortization of tangible capital assets, including ARO | 14,471,410 | 169,950 | 14,641,360 |
| Change in net debt | (12,191,588) | (143,058) | (12,334,646) |
| Consolidated Statement of Operations | | | |
| Amortization of tangible capital assets, including ARO | 14,471,410 | 169,950 | 14,641,360 |
| Accretion – asset retirement obligation | - | 143,058 | 143,058 |
| Annual surplus (deficit) | (35,609) | (313,008) | (348,617) |

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Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

3. Investments

Investments consist of \$ 22,000,000 in bonds. The investments are carried on the Consolidated Statement of Financial Position. The terminology for investments has changed as at September 1, 2022 and the terms Temporary Investments and Investments are discontinued as of August 31, 2022.

Portfolio investments are carried at amortized cost if not actively traded on the open market. The following portfolio investments have been reported at cost in the Consolidated Statement of Financial Position as opposed to amortized cost. These investments do not have a guaranteed return, therefore do not hold an effective interest rate. Returns are calculated at maturity based on performance of the bonds over the course of the term.

| | <u>2023</u> | | <u>2022</u> | |
|--|----------------------|----------------------|----------------------|----------------------|
| | <u>Cost</u> | <u>Fair Value</u> | <u>Cost</u> | <u>Fair Value</u> |
| 2.41% Guaranteed investment certificate (matured September 2022) | \$ - | \$ - | \$ 2,500,000 | \$ 2,500,000 |
| 2.71% Guaranteed investment certificate (matured November 2022) | - | - | 5,000,000 | 5,000,000 |
| Principal protected notes - RBC (matures November 2027) | 7,500,000 | 6,436,500 | 7,500,000 | 6,378,000 |
| Principal protected notes - CIBC (matures July 2028) | 2,500,000 | 2,104,375 | 2,500,000 | 2,120,300 |
| Principal protected notes - NBC (matures July 2028) | 2,500,000 | 2,174,250 | 2,500,000 | 2,016,750 |
| Principal protected notes - CIBC (matures October 2027) | 2,500,000 | 2,468,675 | - | - |
| Principal protected notes - RBC (matures November 2029) | 5,000,000 | 4,177,000 | - | - |
| Principal protected notes - BNS (matures June 2030) | 2,000,000 | 1,907,000 | - | - |
| Balance, end of year | <u>\$ 22,000,000</u> | <u>\$ 19,267,800</u> | <u>\$ 20,000,000</u> | <u>\$ 18,015,050</u> |

These investments are assessed regularly for impairment and are written down if a permanent impairment exists.

4. Accounts receivable - Province of Ontario

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

The Board has an account receivable from the Province as at August 31, 2023 of \$ 52,318,664 (2022 - \$ 50,453,691) with respect to capital grants.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

4. Accounts receivable – Province of Ontario (continued)

The Ministry of Education (the "Ministry") introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Province at August 31, 2023 is \$ 5,092,621 (2022 - \$ 6,639,729).

5. Assets held for sale

As of August 31, 2022, \$ 518,382 related to buildings and \$ 4,900 related to land were recorded as assets held for sale.

During 2022-23, one school property was sold with a net book value of \$ 523,282. Net proceeds of \$ 1,994,559 were received on the sale of this property, resulting in a gain of \$ 1,471,277. The full amount of this gain was deferred for future capital asset purposes according to Ontario Regulation 193/10.

6. Deferred revenue

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the consolidated statement of financial position.

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2023 is comprised of:

| | Balance as at August 31, 2022 | Externally restricted revenue and investment income | Revenue and adjustments recognized in the period | Transfers to deferred capital contributions | Balance as at August 31, 2023 |
|--|--|---|--|--|--|
| SEA formula based funding | \$ 3,179,128 | \$ 842,507 | \$ (804,699) | \$ - | \$ 3,216,936 |
| ABA training | 177,575 | 62,988 | (3,047) | - | 237,516 |
| ASSD Funding | 64,403 | 77,116 | (997) | - | 140,522 |
| Library staff | 68,498 | 138,281 | (137,526) | - | 69,253 |
| Student achievement | 1,076,810 | 1,046,956 | (961,016) | - | 1,162,750 |
| Indigenous education | 316,860 | 436,398 | (545,841) | - | 207,417 |
| Mental health workers envelope | - | 884,710 | (804,324) | - | 80,386 |
| Priorities and partnerships fund | 1,770,240 | 3,156,760 | (3,206,578) | (785,089) | 935,333 |
| In-kind grant (PPE, RAT) | 250,066 | - | - | - | 250,066 |
| Tuition | 525,750 | 730,762 | (616,462) | - | 640,050 |
| Miscellaneous | 979,255 | 550,038 | (590,404) | (500,000) | 438,889 |
| School renewal | 3,864,551 | 3,845,573 | (1,208,617) | (6,501,507) | - |
| Experiential learning | 447,764 | 1,127,587 | (971,349) | - | 604,002 |
| Retrofitting school spaces for child care | 1,662,093 | - | - | - | 1,662,093 |

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

6. Deferred revenue (continued)

| | Balance as at August 31, 2022 | Externally restricted revenue and investment income | Revenue and adjustments recognized in the period | Transfers to deferred capital contributions | Balance as at August 31, 2023 |
|----------------------------------|--|---|--|--|--|
| Energy efficient schools | | | | | |
| - operating | 10,522 | - | - | - | 10,522 |
| - capital | 222,470 | - | - | - | 222,470 |
| School generated funds | 243,481 | 60,814 | - | - | 304,295 |
| Proceeds of disposition | 5,292,621 | 1,994,559 | - | (89,681) | 7,197,499 |
| Assets held for sale | 518,382 | - | (518,382) | - | - |
| Education development charges | - | 992,000 | (992,000) | - | - |
| Total deferred revenue | \$ 20,670,469 | \$ 15,947,049 | \$(11,361,242) | \$ (7,876,277) | \$ 17,379,999 |

7. Deferred capital contributions

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

| | 2023 | 2022 |
|---|-----------------------|-----------------------|
| Balance, beginning of year | \$ 190,269,100 | \$ 186,201,474 |
| Additions to deferred capital contributions | 28,554,974 | 18,758,802 |
| Revenue recognized in the period | (15,510,001) | (14,172,794) |
| Transfer to financial assets | - | (518,382) |
| Balance, end of year | \$ 203,314,073 | \$ 190,269,100 |

8. Asset retirement obligations

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

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

As at August 31, 2023, all liabilities for asset retirement obligations are reported at discounted cost with accretion. An average discount rate of 4.10% was used in this calculation.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

8. Asset retirement obligations (continued)

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

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Liabilities for asset retirement obligations, beginning of year | \$ 3,545,252 | \$ - |
| Opening adjustments for PSAB adjustment | - | 3,402,194 |
| Liabilities disposed during the year | (43,464) | - |
| Increase in liabilities reflecting changes in the estimate of liabilities | 643,639 | - |
| Increase in liabilities due to accretion | 143,058 | 143,058 |
| Liabilities settled during the year | <u>(194,822)</u> | <u>-</u> |
| Liabilities for asset retirement obligations, end of year | <u>\$ 4,093,663</u> | <u>\$ 3,545,252</u> |

9. Revaluation of asset retirement obligations liability

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

10. Financial instruments

Risks arising from financial instruments and risk management

The Board is exposed to a variety of financial risks including credit risk, liquidity risk and market risk. The Board's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Board's financial performance.

Credit risk

The Board's principal financial assets are cash and cash equivalents, accounts receivable and portfolio investments, which are subject to credit risk. The carrying amounts of financial assets on the Consolidated Statement of Financial Position represent the Board's maximum credit exposure as at the Consolidated Statement of Financial Position date.

Market risk

The Board is exposed to interest rate risk and price risk with regard to its short and long-term investments and interest rate risk on its long-term debt, all of which are regularly monitored.

The Board's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is the Board's opinion that the Board is not exposed to significant interest rate or currency risks arising from these financial instruments except as otherwise disclosed.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

11. Retirement and other employee future benefits

| | <u>Retirement Benefits</u> | <u>Other Employee Benefits</u> | <u>Total Employee Benefits 2023</u> | <u>Total Employee Benefits 2022</u> |
|---|--------------------------------|--|---|---|
| Accrued employee future benefit obligations | \$ 1,956,227 | \$ 3,699,999 | \$ 5,656,226 | \$ 5,954,401 |
| Unamortized actuarial gains | <u>90,009</u> | <u>-</u> | <u>90,009</u> | <u>17,575</u> |
| Employee future benefits liability | <u>\$ 2,046,236</u> | <u>\$ 3,699,999</u> | <u>\$ 5,746,235</u> | <u>\$ 5,971,976</u> |

| | <u>Retirement Benefits</u> | <u>Other Employee Benefits</u> | <u>Total Employee Benefits 2023</u> | <u>Total Employee Benefits 2022</u> |
|--|--------------------------------|--|---|---|
| Current year benefit cost | \$ - | \$ 1,009,667 | \$ 1,009,667 | \$ 747,976 |
| Interest on accrued benefit obligation | 83,687 | 114,444 | 198,131 | 105,663 |
| Recognized actuarial gains (losses) | <u>17,256</u> | <u>(131,852)</u> | <u>(114,596)</u> | <u>61,498</u> |
| Employee future benefits expenses | <u>\$ 100,943</u> | <u>\$ 992,259</u> | <u>\$ 1,093,202</u> | <u>\$ 915,137</u> |

Employee future benefits expenses excludes contributions to the Ontario Municipal Employees Retirement Systems, a multi-employer pension plan, described below.

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2023. Actuarial probabilities were determined and based on updated average daily salary and banked sick days as at August 31, 2023. 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>2023</u> % | <u>2022</u> % |
|--|------------------|------------------|
| Inflation | | |
| WSIB | 2.5 | 2.7 |
| All other benefits | 2.0 | 2.0 |
| Discount rate | | |
| WSIB | 4.4 | 3.9 |
| All other benefits | 4.4 | 3.9 |
| Wage and salary escalation | Nil | Nil |
| Health and dental care cost escalation | | |
| WSIB | 4.0 | 4.0 |
| Health care for all other benefits | 5.0 | 5.0 |
| Dental care for all other benefits | 5.0 | 5.0 |

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

11. Retirement and other employee future benefits (continued)

Retirement benefits

(i) Ontario Teacher's Pension Plan ("OTPP")

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

(ii) Ontario Municipal Employees Retirement System ("OMERS")

All non-teaching employees of the Board are eligible to be members of 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, 2023, the Board contributed \$ 4,009,169 (2022 - \$ 3,756,674) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

(iii) Retirement 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.

(iv) Retirement health care benefits

The Board provides dental and health care to certain employee groups after retirement until the members reach 65 years of age, with one exception to age 75. As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, ELHTs were established in 2016-18 for all employee groups. Retirees belonging to the principal, vice-principal and non-union employee groups have transitioned to the ELHT. After retirees transition to the ELHT, the Board continued to be responsible for its share of cost of benefits based on the cost sharing agreement prior to the transition to the ELHT.

Other employee future benefits

(i) Workplace Safety and Insurance Board obligations

The Board is a Schedule II employer under the Workplace Safety and Insurance Act ("WSIB") 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 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

11. Retirement and other employee future benefits (continued)

Retirement benefits (continued)

(ii) Compensated absences

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the financial statements relating to this are \$ 140,640 (2022 - \$ 299,086).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2023 and is based on the average daily salary, and banked sick days of employees as at August 31, 2023.

12. Net long-term debt

Debt, capital loans and obligation under capital leases reported on the Consolidated Statement of Financial Position is comprised of the following:

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| BNY Mellon debenture, interest at 6.55%, due October 19, 2026 | \$ 4,575,143 | \$ 5,703,673 |
| BNY Mellon debenture, interest at 5.90%, due October 11, 2027 | 6,953,957 | 8,267,358 |
| BNY Mellon debenture, interest at 5.80%, due November 7, 2028 | 1,943,237 | 2,235,474 |
| BNY Mellon debenture, interest at 4.789%, due August 3, 2030 | 3,658,663 | 4,089,257 |
| OFA debenture, interest at 4.56%, due November 17, 2031 | 6,592,577 | 7,214,887 |
| OFA debenture, interest at 4.90%, due March 3, 2033 | 5,592,547 | 6,028,120 |
| OFA debenture, interest at 5.062%, due March 13, 2034 | 2,752,806 | 2,939,802 |
| OFA debenture, interest at 3.564%, due March 9, 2037 | 863,032 | 910,660 |
| OFA debenture, interest at 4.833%, due March 11, 2036 | 5,392,652 | 5,690,406 |
| OFA debenture, interest at 3.564%, due March 9, 2037 | 2,138,712 | 2,256,739 |
| OFA debenture, interest at 3.663%, due June 25, 2038 | 686,763 | 720,264 |
| OFA debenture, interest at 2.993%, due March 9, 2040 | 88,205 | 92,190 |
| | <u>41,238,294</u> | <u>46,148,830</u> |
| CIBC demand instalment loan, interest at 2.176%, due April 1, 2026 | 2,767,563 | 2,955,302 |
| CIBC demand instalment loan, interest at 4.332%, due April 1, 2027 | 6,151,146 | 6,477,732 |
| | <u>\$ 50,157,003</u> | <u>\$ 55,581,864</u> |

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

12. Net long-term debt (continued)

Principal and interest payments relating to net debenture debt and capital loans of \$ 50,157,003 outstanding as at August 31, 2023 are due as follows:

| | <u>Principal</u> | <u>Interest Payments</u> | <u>Total</u> |
|------------|----------------------|------------------------------|----------------------|
| 2024 | \$ 5,717,031 | \$ 2,355,043 | \$ 8,072,074 |
| 2025 | 6,025,510 | 2,046,570 | 8,072,080 |
| 2026 | 6,351,250 | 1,722,844 | 8,074,094 |
| 2027 | 5,953,275 | 1,377,051 | 7,330,326 |
| 2028 | 4,609,865 | 1,086,232 | 5,696,097 |
| Thereafter | <u>21,500,072</u> | <u>3,308,859</u> | <u>24,808,931</u> |
| Total | <u>\$ 50,157,003</u> | <u>\$ 11,896,599</u> | <u>\$ 62,053,602</u> |

13. Temporary borrowing

The Board has credit facilities available to a maximum of \$ 25,000,000 to bridge capital expenditures.

The loans bear interest at prime less 0.5% and stamping fees calculated at 75 basis points per annum. All loans are unsecured, due on demand and are in the form of bankers' acceptance notes.

As at August 31, 2023, the amount drawn under the bankers' acceptance facility was \$ 4,961,499 (2022 - \$ 6,996,737).

14. Debt charges and capital loans and leases interest

The expenditure for debt charges and capital loan interest includes principal, sinking fund contributions and interest payments as follows:

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|----------------------|---------------------|
| Principal payments on debt charges | \$ 7,460,099 | \$ 5,121,621 |
| Interest payments on debt charges | <u>2,888,936</u> | <u>2,757,550</u> |
| | <u>\$ 10,349,035</u> | <u>\$ 7,879,171</u> |

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

15. Credit facilities

The Board has seven credit facilities available for use at any time.

Credit facility #1 is a revolving demand operating credit available in the amount of \$ 12,000,000 for use for current expenditures only and bears interest at prime less 0.5%.

Credit facility #2 is a revolving demand instalment loan in the amount of \$ 500,000 to finance capital expenditures which would bear interest at prime.

Credit facility #3 is a demand instalment loan in the amount of \$ 9,661,538 to finance EDC site purchases and related soft costs associated with the Niagara South/Welland and Lincoln sites and bears interest at prime less 0.5%.

Credit facility #4 is a demand bridge loan in the amount of \$ 12,131,275 to finance various capital projects under the School Condition Improvement ("SCI") Program and bears interest at prime less 0.5% and stamping fees calculated at 75 basis points per annum.

Credit facility #5 is a demand bridge loan in the amount of \$ 6,965,577 to finance various capital projects under the COVID-19 Resilience Infrastructure Stream ("CVRIS") – Education Related Program and bears interest at prime less 0.5% and stamping fees calculated at 75 basis points per annum.

Credit facility #6 is a demand bridge loan in the amount of \$ 4,345,261 to finance various capital projects under the Capital Priorities – Capital Renewal Program ("CP") and bears interest at prime less 0.5% and stamping fees calculated at 75 basis points per annum.

Credit facility #7 is a demand bridge loan in the amount of \$ 1,557,887 to finance various capital projects under the Capital Priorities – Other Capital Funding Program ("CC") and bears interest at prime less 0.5% and stamping fees calculated at 75 basis points per annum.

Further, the Board has a \$ 230,000 Corporate VISA and \$ 900,000 VISA purchase card credit facility available.

As at August 31, 2023, \$ 807,744 has been drawn upon by way of letters of credit as per Note 23 against credit facility #1, no balance against credit facility #2, \$ 8,918,695 has been drawn against credit facility #3 for the site purchases in Niagara South/Welland and Lincoln, \$ 3,066,419 has been drawn against credit facility #4 for various SCI related capital projects, \$ 1,881,067 has been drawn against credit facility #5 for various CVRIS related capital projects, no balance has been drawn against credit facility #6 for various CP related capital projects, and \$ 14,013 has been drawn against credit facility #7 for various child care related capital projects. Security is by way of executed by-laws in compliance with applicable legislative requirements.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

16. Grants for students 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. 89% 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>2023</u> | <u>2022</u> |
|-------------------------------|-----------------------|-----------------------|
| Provincial legislative grants | \$ 220,703,557 | \$ 209,343,633 |
| Education property tax | <u>38,821,130</u> | <u>38,080,725</u> |
| | <u>\$ 259,524,687</u> | <u>\$ 247,424,358</u> |

17. Liability for contaminated sites

The Board reports environmental liabilities related to the management and remediation of any contaminated sites where the Board is obligated or likely obligated to incur such costs.

A contaminated sites liability of \$ 665,000 has been recorded based on the estimated future remediation costs. Remediation is expected to be occur in 2023-24.

The Board's ongoing efforts to assess contaminated sites may result in future environmental remediation liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any changes to the Board's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and reasonably estimable.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

18. Expenses by object

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

| | 2023 Budget (Restated-Note 25) | 2023 Actual | 2022 Actual (Restated-Note 2) |
|--|--------------------------------------|-----------------------|-------------------------------------|
| Salary and wages | \$ 189,631,598 | \$ 190,904,409 | \$ 190,288,622 |
| Employee benefits | 32,226,698 | 32,924,760 | 31,453,134 |
| Staff development | 316,350 | 630,966 | 344,085 |
| Supplies and services | 19,753,884 | 19,837,178 | 19,423,388 |
| Interest charges | 2,986,799 | 2,888,936 | 2,757,550 |
| Rental expenses | 751,200 | 688,853 | 701,415 |
| Fees and contract services | 15,281,177 | 16,854,803 | 16,065,321 |
| Other | 2,231,478 | 2,770,577 | 4,373,088 |
| Transfer to other boards | 495,450 | 481,646 | 491,809 |
| Amortization of tangible capital assets, including loss on disposal and ARO | 15,455,323 | 16,028,499 | 14,691,289 |
| Accretion and other expenses on ARO | 143,058 | 143,058 | 143,058 |
| School funded activities | 8,480,000 | 7,494,925 | 4,756,701 |
| Total expenses | \$ 287,753,016 | \$ 291,648,610 | \$ 285,489,460 |

19. Tangible capital assets

| | Cost | | | | | |
|--------------------------|------------------------------------|--------------------------------------|----------------------------|-----------------------|---------------------------|-------------------------------|
| | Balance at September 1, 2022 | Adjustment for PS3280 (Note 2) | Additions and transfers | Disposals | Revaluation of TCA-ARO | Balance at August 31, 2023 |
| Land | \$ 20,552,343 | \$ - | \$ - | \$ - | \$ - | \$ 20,552,343 |
| Land improvements | 26,895,708 | - | 8,290,200 | (16,438) | - | 35,169,470 |
| Buildings | 332,569,944 | 2,988,963 | 22,974,627 | (43,464) | 643,639 | 359,133,709 |
| Portable structures | - | 556,289 | - | - | - | 556,289 |
| Furniture and equipment | 6,278,221 | - | 1,300,131 | (1,536,479) | - | 6,041,873 |
| Vehicles | 370,161 | - | - | (136,421) | - | 233,740 |
| Construction in progress | 5,812,972 | - | (4,095,565) | - | - | 1,717,407 |
| Leasehold improvements | 62,307 | - | 85,581 | - | - | 147,888 |
| Total | \$ 392,541,656 | \$3,545,252 | \$ 28,554,974 | \$ (1,732,802) | \$ 643,639 | \$ 423,552,719 |

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

19. Tangible capital assets (continued)

| | Accumulated Amortization | | | | Balance at August 31, 2023 |
|-------------------------|------------------------------|--------------------------------|----------------------|-----------------------|----------------------------|
| | Balance at September 1, 2022 | Adjustment for PS3280 (Note 2) | Amortization | Disposals | |
| Land | \$ - | \$ - | \$ - | \$ - | \$ - |
| Land improvements | 8,878,133 | - | 2,118,993 | (16,438) | 10,980,688 |
| Buildings | 164,721,695 | 2,197,035 | 12,120,129 | (29,883) | 179,008,976 |
| Portable structures | - | 361,588 | 27,814 | - | 389,402 |
| Furniture and equipment | 3,631,921 | - | 1,684,432 | (1,536,479) | 3,779,874 |
| Vehicles | 242,146 | - | 60,390 | (136,421) | 166,115 |
| Leasehold improvements | 6,231 | - | 16,741 | - | 22,972 |
| Total | \$ 177,480,126 | \$ 2,558,623 | \$ 16,028,499 | \$ (1,719,221) | \$ 194,348,027 |

| | Net Book Value | |
|--------------------------|------------------------------|----------------------------|
| | Balance at September 1, 2022 | Balance at August 31, 2023 |
| Land | \$ 20,552,343 | \$ 20,552,343 |
| Land improvements | 18,017,575 | 24,188,782 |
| Buildings | 168,640,177 | 180,124,733 |
| Portable structures | 194,701 | 166,887 |
| Furniture and equipment | 2,646,300 | 2,261,999 |
| Vehicles | 128,015 | 67,625 |
| Construction in progress | 5,812,972 | 1,717,407 |
| Leasehold improvements | 56,076 | 124,916 |
| Total | \$ 216,048,159 | \$ 229,204,692 |

Assets under construction having a value of \$ 1,717,407 (2022 - \$ 5,812,972) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

20. Accumulated surplus

| | <u>2023</u> | <u>2022</u> (Restated-Note 2) |
|--|----------------------|----------------------------------|
| Accumulated surplus consists of the following: | | |
| Available for compliance | \$ <u>7,492,994</u> | \$ <u>7,619,096</u> |
| Available for compliance – internally appropriated | <u>4,446,040</u> | <u>4,461,308</u> |
| Unavailable for compliance | | |
| Interest accrued | (646,223) | (734,395) |
| School activities fund | 2,635,065 | 2,340,457 |
| Committed capital | - | 348,544 |
| Asset retirement obligation | (2,646,927) | (2,558,623) |
| Revenues recognized for land purchases | <u>13,942,765</u> | <u>12,767,582</u> |
| Total unavailable for compliance | <u>13,284,680</u> | <u>12,163,565</u> |
| Total accumulated surplus | <u>\$ 25,223,714</u> | <u>\$ 24,243,969</u> |

21. Trust funds

Trust funds administered by the Board, which have not been included on the Consolidated Statement of Financial Position nor have their operations been included on the Consolidated Statement of Operations and Accumulated Surplus, are comprised of the following:

| | <u>2023</u> | <u>2022</u> |
|---------------------------------|---------------------|---------------------|
| Larkin Award Fund | \$ 30,268 | \$ 28,327 |
| Kristen French Scholarship Fund | 115,955 | 113,628 |
| Marion Oakley Fund | 6,387 | 6,110 |
| Nicole Longe Memorial Fund | 6,095 | 6,023 |
| James and Anna McGarrey | 8,723 | 8,443 |
| Teachers Finance Leave Plan | 825,391 | 1,110,407 |
| Michael and Isabelle Moran | 49,574 | 47,913 |
| Hugo and Corrinne Massotti | <u>56,286</u> | <u>54,815</u> |
| Total trust funds | <u>\$ 1,098,679</u> | <u>\$ 1,375,666</u> |

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

22. Ontario School Board Insurance Exchange (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$ 27,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2022 were \$ 851,550 (2021 - \$ 728,822). There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the Board.

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

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

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

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

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

23. Contractual obligations and contingent liabilities

Contingent liabilities

The Board has certain legal claims outstanding. It is management's assertion that adequate defenses and insurance coverages are in for the settlement of these claims, if necessary.

Letters of credit

The Board has authorized letters of credit in favour of the City of St. Catharines in the amount of \$ 216,972, the City of Niagara Falls in the amount of \$ 246,313, the City of Port Colborne in the amount of \$ 51,591, the Town of Fort Erie in the amount of \$ 65,610, the City of Thorold in the amount of \$ 139,648 and the Town of Grimsby in the amount of \$ 87,611. All of these letters of credit relate to site plan deposits. These letters of credit are covered under the security as described under credit facilities in Note 15.

24. Commitments

Capital expenditures

The Board is committed to spending approximately \$ 18,550,000 on capital projects in the following year.

Lease obligations

The Board is committed to make the following minimum future lease payments under several operating leases over the next five years:

| | | |
|------|----|---------|
| 2024 | \$ | 690,221 |
| 2025 | | 596,687 |
| 2026 | | 511,236 |
| 2027 | | 467,414 |
| 2028 | | 323,613 |

25. 2022-23 budget reconciliation

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

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

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

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

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

25. 2022-23 budget reconciliation (continued)

Consolidated Statement of Operations (Simplified) For the year ended August 31

| | 2022-23 Budget | Change | Restated 2022-23 Budget |
|--|----------------------|-----------------------|-------------------------------|
| Revenue | \$ 287,260,830 | - | \$ 287,260,830 |
| Expenses | 287,440,007 | - | 287,440,007 |
| Amortization of TCA-ARO | | 169,950 | 169,950 |
| Accretion expense - ARO | | 143,058 | 143,058 |
| Annual deficit | (179,177) | (313,008) | (492,185) |
| Accumulated surplus, beginning of year | 26,802,592 | - | 26,802,592 |
| ARO adjustments | - | (2,245,615) | (2,245,615) |
| Adjusted accumulated surplus, beginning of year | 26,802,592 | (2,245,615) | 24,556,977 |
| Accumulated surplus, end of year | \$ 26,623,415 | \$ (2,558,623) | \$ 24,064,792 |

26. Partnership in transportation consortium

On March 9, 2007, Niagara Student Transportation Services ("NSTS") was incorporated under the Corporations Act of Ontario. On March 6, 2007, the Board entered into an agreement with the District School Board of Niagara ("DSBN") in order to provide common administration of student transportation in the Region of Niagara. 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 NSTS was established, decisions related to the financial and operating activities of NSTS 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 NSTS. 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 2023 is 33.4% (2022 – 34.1%). Inter-organizational transactions and balances have been eliminated.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

26. Partnership in transportation consortium (continued)

The following provides condensed financial information:

| | <u>2023</u> <u>Total</u> | <u>2023</u> <u>Board</u> <u>Portion</u> | <u>2022</u> <u>Total</u> | <u>2022</u> <u>Board</u> <u>Portion</u> |
|-------------------------|-----------------------------|---|-----------------------------|---|
| Transportation services | \$ 35,060,501 | \$ 11,699,554 | \$ 32,879,835 | \$ 11,163,789 |
| Administrative expenses | 1,697,561 | 566,985 | 1,687,748 | 577,625 |
| Grant expenditures | 2,686 | - | 10,103 | - |
| Amortization | 2,030 | - | 1,766 | - |
| | <u>\$ 36,762,778</u> | <u>\$ 12,266,539</u> | <u>\$ 34,579,452</u> | <u>\$ 11,741,414</u> |

27. Related party transactions

Related party transactions during the year not separately disclosed in the consolidated financial statements include the following:

Included in net long term debt on the Statement of Financial Position are debentures in the amount of \$ 24,107,295 (2022 - \$ 25,853,068) payable to the Ontario Financing Authority (OFA), a provincial agency of the Crown responsible for managing the Province's debt. The debentures bear interest at rates ranging from 2.425% to 5.062% with maturity dates ranging from November, 2031 to March, 2040.

An amount of \$ 21,535 has been paid to the Niagara Foundation for Catholic Education (2022 - \$ 1,107 received) and recorded net of related expenditures.

28. In kind transfers from the Ministry of Public and Business Service Delivery

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment ("PPE") and critical supplies and equipment ("CSE") received from the Ministry of Public and Business Service Delivery ("MPBSD"). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the Board's records. The in-kind revenue for these transfers, recorded in Provincial grants - other, is \$ Nil (2022 - \$ 3,897,203) with expenses based on use of \$ Nil (2022 - \$ 3,897,203), recorded in instruction expenses, for a net impact of \$ Nil.

Niagara Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

29. 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.

- (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.

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.

DRAFT

**TO: NIAGARA CATHOLIC DISTRICT SCHOOL BOARD
BOARD MEETING
NOVEMBER 28, 2023**

PUBLIC SESSION

**TITLE: TRUSTEE INFORMATION
CALENDAR OF EVENTS – DECEMBER 2023**



DECEMBER 2023

| SUN | MON | TUE | WED | THU | FRI | SAT |
|---|---|---|-------------------|--|-----|-----|
| | | | | | 1 | 2 |
| 3 First Sunday in Advent—Hope | 4 | 5 Annual Organizational Meeting/ CW Meeting | 6 SEAC Meeting | 7 | 8 | 9 |
| 10 Second Sunday in Advent—Peace | 11 | 12 SAL Meeting | 13 | 14 Annual Advent Faith Formation and Luncheon | 15 | 16 |
| 17 Third Sunday in Advent—Love | 18 | 19 BD Meeting | 20 | 21 | 22 | 23 |
| 24 Fourth Sunday in Advent Joy New Year's Eve | 25 Christmas Day | 26 | 27 | 28 | 29 | 30 |
| 31 | Christmas Break December 25, 2023– January 5, 2024 | | | | | |