Consolidated financial statements of
Toronto District School Board

August 31, 2022

Toronto District School Board

5050 Yonge Street, Toronto, ON M2N 5N8

Management Report

Year ended August 31, 2022
Re: Management's Responsibility for the Consolidated Financial Statements

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

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's 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 management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to recommending approval of the consolidated financial statements.

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

12 December 2022

Colleen Russell-Rawlins
Director of Education

Stacey Zucker
Associate Director,
Modernization and Strategic Resource Alignment

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Independent Auditor's Report

To the Board of Trustees of
Toronto District School Board

Opinion

We have audited the consolidated financial statements of Toronto District School Board (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2022, and the consolidated statements of operations, change in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements of the Board for the year ended August 31, 2022 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1(a) to the consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) of the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Board to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
December 12, 2022

Toronto District School Board

Consolidated statement of financial position

As at August 31, 2022

(In thousands of dollars)

	Notes	2022 $	2021 $
Assets			
Financial assets			
Cash	1(j)	**474,939**	366,266
Temporary investments		**1,306**	1,164
Due from City of Toronto		**223,973**	234,594
Accounts receivable (net of allowance of $3,323) ($6,318 in 2021)		**51,295**	42,077
Accounts receivable - Province of Ontario	2	**590,721**	611,200
Funds on deposit	3(f)	**92,667**	109,807
Properties held for sale	4	**—**	2,032
Restricted cash	17	**26**	26
		1,434,927	1,367,166
Liabilities			
Short-term borrowing	5	**250,000**	237,000
Accounts payable and accrued liabilities		**283,635**	266,147
Due to Province of Ontario		**13,624**	21,736
Accrued vacation pay		**18,542**	19,341
Deferred revenue	6	**399,487**	236,031
Deferred capital contributions	7	**2,627,618**	2,525,008
Retirement and other employee future benefits payable	3	**317,798**	327,137
Net long-term debt	8	**319,891**	341,500
		4,230,595	3,973,900
Net debt		**(2,795,668)**	(2,606,734)
Non-financial assets			
Tangible capital assets	9	**2,751,161**	2,649,978
Prepaid expenses and supplies		**25,248**	25,607
		2,776,409	2,675,585
Accumulated (deficit) surplus	10	**(19,259)**	68,851

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

Approved by the Board

Colleen Russell-Rawlins, Director of Education

Rachel Chernos Lin, Chair of the Board

Toronto District School Board

Consolidated statement of operations

Year ended August 31, 2022

(In thousands of dollars)

	Notes	Budget $	2022 $	2021 $
Revenue	24			
Grants for Student Needs				
Provincial Legislative Grants	14	**1,345,608**	**1,264,665**	1,316,092
Education Property Tax	14	**1,623,675**	**1,624,869**	1,673,096
Provincial Grants - Other		**79,217**	**156,515**	145,460
Federal grants and fees		**22,000**	**23,684**	21,890
Other fees and revenues		**93,801**	**100,419**	103,300
School fundraising		**40,000**	**13,473**	4,016
Amortization of deferred capital contributions	7	**231,545**	**228,881**	214,005
		3,435,846	**3,412,506**	3,477,859
Expenses	13			
Instruction		**2,661,525**	**2,652,254**	2,650,551
Administration		**80,506**	**86,634**	88,860
Transportation		**66,279**	**64,479**	59,095
School operations and maintenance		**346,520**	**355,650**	343,355
Pupil accommodation		**271,323**	**282,157**	264,079
Other programs		**6,403**	**45,746**	19,126
School funded activities		**40,000**	**13,696**	8,508
		3,472,556	**3,500,616**	3,433,574
Annual (deficit) surplus		**(36,710)**	**(88,110)**	44,285
Accumulated surplus, beginning of year		**1,085**	**68,851**	24,566
Accumulated (deficit) surplus, end of year		**(35,625)**	**(19,259)**	68,851

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

Toronto District School Board
Consolidated statement of change in net debt
Year ended August 31, 2022
(In thousands of dollars)

	Notes	2022 $	2021 $
Annual (deficit) surplus		**(88,110)**	44,285
Acquisition of tangible capital assets	9	**(332,119)**	(245,019)
Amortization of tangible capital assets	9	**230,309**	215,432
Net book value of tangible capital asset disposals	9	**627**	—
Net book value of tangible capital assets reclassified to/(from) properties held for sale during the year	4	**—**	(977)
		(189,293)	13,721
Acquisition of inventories of supplies		**(9,454)**	(11,955)
Acquisition of prepaid expenses		**(11,972)**	(11,400)
Consumption of inventories of supplies		**9,472**	11,625
Use of prepaid expenses		**12,313**	11,835
Change in net debt		**(188,934)**	13,826
Net debt, beginning of year		**(2,606,734)**	(2,620,560)
Net debt, end of year		**(2,795,668)**	(2,606,734)

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

Toronto District School Board

Consolidated statement of cash flows

Year ended August 31, 2022

(In thousands of dollars)

	Notes	2022 $	2021 $
Operating activities			
Annual (deficit) surplus		**(88,110)**	44,285
Items not involving cash			
Amortization of tangible capital assets	9	**230,309**	215,432
Net book value of tangible capital assets reclassified (to)/from properties held for sale during the year (excluding land)	4	**2,032**	977
Deferred capital contributions recognized	7	**(228,881)**	(214,005)
Changes in non-cash assets and liabilities			
Due from City of Toronto		**10,621**	433,106
Accounts receivable		**(9,218)**	(14,049)
Accounts receivable - Province of Ontario Operating		**72,581**	(17,529)
Prepaid expenses and supplies		**359**	105
Accounts payable and accrued liabilities and accrued vacation pay		**16,689**	13,955
Due to Province of Ontario		**(8,112)**	(531,699)
Deferred revenues - Operating		**11,571**	(787)
Retirement and other employee future benefits payable		**(9,339)**	(7,201)
		502	(77,410)
Capital activity			
Acquisition of tangible capital assets	9	**(332,119)**	(245,019)
Investing activities			
Temporary investments		**(142)**	(433)
Funds on deposit		**17,140**	(2,720)
		16,998	(3,153)
Financing activities			
Capital grant contributions	7	**332,118**	245,046
Deferred revenue - Capital		**151,885**	4,027
Accounts receivable - Province of Ontario Capital		**(52,102)**	(14,768)
Short-term borrowing - net		**13,000**	87,000
Long-term debt repayments		**(21,609)**	(20,627)
Decrease in restricted cash	17	**—**	85
		423,292	300,763
Net increase (decrease) in cash		**108,673**	(24,819)
Cash, beginning of year		**366,266**	391,085
Cash, end of year		**474,939**	366,266

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

1. Significant accounting policies

The consolidated financial statements are the representations of management and are prepared in accordance with the basis of accounting as described in Note 1(a) below.

Significant accounting policies adopted are as follows:

(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 consolidated statement of operations over the periods during which the tangible capital asset is used to provide service at the same rate that amortization is recognized in respect of the related tangible capital 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 Ontario Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which require that:

- Government transfers, including amounts previously recognized as tax revenue, 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 Canadian public sector accounting standard PS 3410; and
- 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 Canadian public sector accounting standard PS 3100.

As a result, revenue recognized in the consolidated statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

(b) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity includes all organizations which are controlled by the Toronto District School Board (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 included in the consolidated financial statements.

1. Significant accounting policies (continued)

(b) Reporting entity (continued)

The Board established the Toronto Lands Corporation ("TLC") in 2008, a wholly owned subsidiary. Its mandate is to manage designated real estate holdings of the Board to maximize rental income and dispose of surplus sites. This entity which is controlled by the Board is included in the consolidated financial statements.

The Board is a unit owner in Toronto Standard Condominium Corporation No. 2234, which was established for the management of common elements (consisting of the separation walls, sprinkler system, and fire alarm system) of the property located at 840 Coxwell and 555 Mortimer Avenues, which is jointly owned by the Board and Toronto East Health Network. The Board's share of activities relating to this entity is included in the consolidated financial statements.

All inter-departmental and inter-entity transactions and balances between these organizations are eliminated on consolidation.

(c) Trust funds

Trust funds and their related operations administered by the Board amounting to $12.57 million ($12.68 million in 2021) are not included in the consolidated financial statements.

(d) 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 will be recognized as revenue in the fiscal year the related qualifying expenditures are incurred, or services are performed.

(e) Deferred capital contributions

Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions in the form of depreciable tangible assets for use in providing services, is recognized as deferred capital contributions as defined in Ontario Regulation 395/11 of the Financial Administration Act. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

- Government transfers received or receivable for capital purposes;
- Other restricted contributions received or receivable for capital purposes; and
- Amounts previously recognized as property taxation revenues which were historically used to fund capital assets.

1. Significant accounting policies (continued)

(f) Employee life and health trusts

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions, a number of Employee Life and Health Trusts (ELHTs) were established: The ELHTs provide health, dental care, life and accidental death and dismemberment insurance coverage to eligible employees. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario.

The Board's employees belong to the following Union groups ELHTs:

- Elementary Teachers' Federation of Ontario (ETFO);
- Ontario Secondary School Teachers' Federation (OSSTF);
- OSSTF Education Workers (OSSTF EW);
- Canadian Union of Public Employees (CUPE);
- Ontario Council of Education Workers (OCEW) (which includes Maintenance & Construction Skilled Trades Council (MCSTC));
- Non-unionized employees; and
- Principals and Vice Principals.

The Board is no longer responsible to provide certain benefits to employees who are part of the ELHTs.

Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. School boards are required to remit the negotiated amount per full-time equivalency (FTE) on a monthly basis.

(g) Defined retirement and other future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, gratuity, long-term disability and workers' compensation.

1. Significant accounting policies (continued)

(g) Defined retirement and other future benefits (continued)

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 and health care cost trends, disability recovery rates, long-term inflation rates and discount rates.

(i) 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, which averages 8.30 years.

(ii) For post-retirement benefits, the benefit cost for health care, dental coverage and life insurance coverage is actuarially determined using the projected benefits method to the end of benefits period. Any actuarial gains and losses arising from changes to the discount rate and retiree claim cost assumptions are recognized in the period they arise.

(iii) For self-insured workers' compensation benefit obligations that arise from specific events that occur from time to time, the cost is recognized immediately in the period the events occur. Actuarial gains and losses that are related to obligations for workers' compensation are recognized immediately in the period they arise.

(iv) For long-term disability, life insurance and health care benefits for those on disability leave, actuarial gains and losses are amortized over the expected average service life of the employee group, which averages 6.50 years.

(v) The Board's contributions to multiemployer defined benefit pension plans, such as the Ontario Municipal Employees Retirement System (OMERS) pensions, are recorded in the period in which they become payable.

(vi) The costs of insured benefits for active employees reflected in these consolidated financial statements are the Board's portion of insurance premiums owed for coverage of employees during the period.

(h) Tangible capital assets

Tangible capital assets are recorded at cost which includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(Tabular amounts in thousands of dollars)

1. Significant accounting policies (continued)

(h) Tangible capital assets (continued)

Tangible capital assets, except land, are amortized on a straight-line basis over the estimated useful life of the assets. Amortization rates are as follows:

Asset class	Estimated useful life
Buildings	40 years
Other buildings	20 years
Portable structures	20 years
Land improvements with finite lives	15 years
First time equipping of schools	10 years
Furniture	10 years
Equipment	5-15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5-10 years
Leasehold improvements	Over the lease term

Assets under construction are not amortized until the asset is available for productive use.

Land permanently removed from service (PRFS) is recorded at the lower of cost and net realizable value. Cost includes amounts to prepare the land for sale or servicing. Buildings permanently removed from service cease to be amortized and are recorded at the lower of carrying value and net realizable value. Land and building permanently removed from service that meet the criteria for inventory held for resale are recorded as "properties held for sale" on the consolidated statement of financial position. Those that do not meet these criteria continue to be recorded as part of "tangible capital assets" on the consolidated statement of financial position.

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

(i) Government transfers

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

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

1. Significant accounting policies (continued)

(j) Interest and investment income

Interest and investment income are reported as revenue in the period earned.

Interest income earned on monies invested specifically for externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balances.

Interest income also includes interest earned on cash balances held with a Canadian Chartered Bank, which accrues interest income at a rate of prime minus 1.45% as at August 31, 2022.

(k) Long-term debt

Long-term debt includes debentures and Ontario Financing Authority ("OFA") loans which were arranged for financing the Board's capital projects or high priority renewal projects.

(l) 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 City of Toronto is recorded as part of Grants for Student Needs, under Education Property Tax.

(m) Contributed materials

Contributed materials are recognized by the Board at the date of contribution when a fair value can be reasonably estimated.

(n) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Trustees on June 30, 2021. 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.

(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. Estimates are reviewed periodically by management and, as adjustments become necessary, they are reported in the period in which they became known. Accounts subject to estimates include allowance for doubtful accounts receivable, certain accrued liabilities including legal claims and pay equity accruals, liability for contaminated sites, employee future benefits, useful lives of tangible capital assets, the recognition of deferred amounts related to capital contributions, deferred revenue, and the valuation of contributed materials. Actual results could differ from these estimates.

2. Accounts receivable - Province of Ontario

The accounts receivable from the Province of Ontario are comprised primarily of amounts related to capital grants in the amount of $515.97 million ($463.87 million as at August 31, 2021) and delayed capital grant payments of $74.00 million ($147.33 million as at August 31, 2021).

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

Effective September 1, 2018, the Ministry of Education ("Ministry") introduced a cash management strategy. 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.

3. Retirement and other employee future benefits

(a) A brief overview of the Board's benefit plans is set out below:

Pension benefits

(i) Supplementary War Veterans Allowance

The Supplementary War Veterans Allowance Plan (the "Plan") consists of allowances to be paid to retired employees of the former Board of Education for the City of Toronto. The Plan is closed to new members. The Plan includes survivor benefits of 66 2/3% for the surviving spouse. The pension is subject to indexing at 100% of the increase in CPI. This Plan is unfunded. The benefit costs and liability related to this plan are recorded in the Board's consolidated financial statements.

Retirement benefits

(i) Sick leave credit gratuities

The Board provides retirement sick leave credit gratuities to certain groups of employees hired prior to specific dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are recorded 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.

(ii) Retirement life insurance and health care benefits

All of the Board's benefit plans for active employees have transitioned to provincial ELHTs. As a result, the Board is no longer providing benefits to employees who retired after the transition dates. The Board, however, continues to provide health and dental benefits to ETFO, OSSTF, OSSTF EW, CUPE, and OCEW (which includes MCSTC) members who were enrolled in the Board's retiree benefit plans prior to the transition dates.

For the retired, non-unionized Senior team members and/or designated executives who were transitioned to their applicable ELHTs, former Board cost arrangements were maintained.

3. Retirement and other employee future benefits (continued)

(a) A brief overview of the Board's benefit plans is set out below: (continued)

Retirement benefits (continued)

(ii) Retirement life insurance and health care benefits (continued)

Employees who retired after the transition dates are not eligible to participate in the ELHT benefit programs, with the exception of Senior Officials, who were eligible to participate in the retiree benefit plans until August 12, 2021. Senior Officials who retired on or before August 12, 2021 will continue to receive the premium subsidy from the Board.

Other benefits

(i) Workplace safety and insurance board obligations

The Board is a Schedule II employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and actuarially determined liabilities related to this plan based on management's best estimate are recorded in the Board's consolidated financial statements. Plan changes made in 2012 require school boards 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.

(ii) Long-term disability benefits

The Board provides long-term disability insurance coverage for non-teaching employees. The benefit costs and actuarially determined liabilities related to this plan are included in the Board's consolidated financial statements. The Board has an internally restricted reserve, as disclosed in Note 10, and funds held on deposit, as disclosed in Note 3(f)(iii), to fund these liabilities.

Teaching staff have their own long-term disability plans through their Federations and are responsible for the entire cost. Accordingly, no costs or liabilities related to these plans are included in the Board's consolidated financial statements.

As of August 31, 2018, there are no active employee groups remaining for which the Board is responsible for providing health, dental and life insurance benefits.

(iii) Sick leave top up benefits

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year.

(Tabular amounts in thousands of dollars)

3. Retirement and other employee future benefits (continued)

(b) Retirement and other employee future benefits liabilities

	Pension benefits $	Retirement benefits $	Other benefits $	2022 Total $
Unfunded accrued benefit obligation	**1,044**	**169,394**	**188,980**	**359,418**
Unamortized net actuarial losses	**—**	**(13,260)**	**(28,360)**	**(41,620)**
Accrued benefit liability	**1,044**	**156,134**	**160,620**	**317,798**

	Pension benefits $	Retirement benefits $	Other benefits $	2021 Total $
Unfunded accrued benefit obligation	1,311	202,917	187,336	391,564
Unamortized net actuarial losses	—	(34,901)	(29,526)	(64,427)
Accrued benefit liability	1,311	168,016	157,810	327,137

(c) Retirement and other employee future benefits expenses

	Pension benefits $	Retirement benefits $	Other benefits $	2022 Total $
Current year benefit costs	**—**	**—**	**28,603**	**28,603**
Interest on accrued benefit obligation	**22**	**3,471**	**3,149**	**6,642**
Net amortization of actuarial (gain) / loss	**(88)**	**4,775**	**7,799**	**12,485**
Employee future benefits expenses	**(66)**	**8,246**	**39,550**	**47,730**

	Pension benefits $	Retirement benefits $	Other benefits $	2021 Total $
Current year benefit costs	—	46	29,954	30,000
Interest on accrued benefit obligation	24	2,922	2,407	5,353
Recognition of actuarial losses	—	201	—	201
Curtailment (gain)	—	(476)	—	(476)
Net amortization of actuarial (gain) / loss	(257)	4,878	6,610	11,231
Employee future benefits expenses	(233)	7,571	38,971	46,309

(Tabular amounts in thousands of dollars)

3. Retirement and other employee future benefits (continued)

(c) Retirement and other employee future benefits expenses (continued)

These amounts are included in the respective expense categories on the consolidated statement of operations.

The amount of benefits paid during the year were $0.20 million ($0.27 million in 2021) for pension benefits, $20.13 million ($18.83 million in 2021) for retirement benefits, and $36.74 million ($34.40 million in 2021) for other employee future benefits.

(d) Actuarial assumptions

The accrued benefit obligations for the retirement and employee future benefit plans are based on the most recent actuarial valuation for accounting purposes completed as at August 31, 2022.

These valuations take into account any plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2022	2021
	%	%
Estimated inflation		
Health	**5.00**	7.00
Dental	**5.00**	4.50
War veterans	**6.00**	1.50
WSIB	**2.70**	4.00
LTDI	**6.00**	1.50
Wages and salary increases	**2.00**	2.00
Discount on accrued benefit obligations	**3.90**	1.80

(e) Multi-employer pension plans

(i) Ontario Teachers' Pension Plan

Employees who are Teacher-certified, regardless of the capacity in which they work, are required to be members of Ontario Teachers' Pension Plan, a multi-employer pension plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

(ii) Ontario Municipal Employees Retirement System (OMERS)

Non-teaching employees of the Board are eligible to be members of OMERS, a multi-employer pension plan (the "Plan"). The Plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board's contributions equal the employees' contributions to the Plan. During the year ended August 31, 2022, the Board contributed $55.27 million ($54.13 million in 2021) to the Plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses and are included in the respective expense categories on the consolidated statement of operations. No pension liability for this type of plan is included in the Board's consolidated statement of financial position.

3. Retirement and other employee future benefits (continued)

(e) Multi-employer pension plans (continued)

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

Each year, an independent actuary determines the funding status of OMERS Primary Pension by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted as at December 31, 2021. The results of this valuation disclosed total actuarial liabilities as at that date of \$120.80 billion in respect of benefits accrued for service with actuarial assets as at that date of \$117.67 billion indicating an actuarial deficit of \$3.13 billion. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employers. As a result, the Board does not recognize any share of the OMERS pension deficit.

(f) Funds held on deposit for employee benefit plans are represented by the following:

(i) Health and dental funds on deposit

The Board has funds held on deposit with Sun Life and Manulife to fund current liabilities for the health and dental plans administered by the Board in the amount of \$4.68 million (\$4.68 million as at August 31, 2021). These funds primarily cover estimated current period claims yet to be submitted by employees. The Board is still responsible for providing coverage to some retiree employee groups until they transition to their applicable ELHT.

(ii) Group Life Funds on deposit

The funds held on deposit with Canada Life to fund current liabilities for the group life insurance plans of the Board in the amount of \$13.89 million had been terminated as of September 1, 2021. The Board is no longer responsible for providing coverage to the employees under this plan as it has transitioned to their applicable ELHT.

(iii) Long-term disability funds on deposit

The Board has funds held on deposit with Sun Life and a Canadian Chartered Bank to fund the long-term disability plan of the Board in the amount of \$87.98 million (\$91.24 million as at August 31, 2021). These funds primarily cover the actuarially determined liabilities of the long-term disability plan and cover reduced Board premiums otherwise required by the long-term disability plan.

4. Properties held for sale

As of August 31, 2022, nil million (\$2.03 million in 2021) related to buildings and nil (nil in 2021) related to land were recorded as properties held for sale. \$2.03 million properties from this asset category were sold in 2022 (nil in 2021). During the year, total assets transferred to properties held for sale was nil.

Proceeds of \$151.50 million from the sale of properties held for sale have been used to fund in-year capital projects, as well as \$3.56 million (\$13.14 million in 2021) recognized as revenue mainly to fund sale costs, with an amount remaining in deferred revenue of \$318.81 million (\$172.24 million in 2021), in accordance with Ontario Regulation 193/10 (See Note 6).

(Tabular amounts in thousands of dollars)

5. Short-term borrowing

	2022	2021
	$	$
61 day Bankers Acceptances bearing interest at 4.21% (1.18% in 2021) maturing on October 25, 2022 (September 23, 2021 in 2021)	**250,000**	237,000

The Board has a $500 million credit facility with a Canadian chartered bank for operating and capital improvement purposes. The amount outstanding as at August 31, 2022 was $250 million ($237 million in 2021) and was used to support the Board's capital projects. Upon maturity on October 25, 2022, the credit facility was renewed at an amount of $250 million, with a new maturity date of November 25, 2022. Subsequent to November 25, 2022, the credit facility was increased from $500 million to $600 million, and was renewed at an amount of $343 million, with a maturity date of February 24, 2023. In addition, the Board has outstanding letters of credit in the amount of $3.66 million as at August 31, 2022 ($4.68 million as at August 31, 2021).

The Ministry funds the interest cost incurred on the short-term borrowing. For Ministry arranged permanent financing under a long-term financing arrangement see Note 8 (c), (d), (e), (f), (g), (h), (i), (j) and (k)).

(Tabular amounts in thousands of dollars)

6. Deferred revenue

The continuity of deferred revenue including those set aside for specific purposes by legislation, regulation or agreement as at August 31, 2022 is as follows:

	Balance, August 31, 2021 $	**Externally restricted revenue and investment income $**	**Revenue recognized during the year $**	**Transfer to deferred capital contributions $**	**Balance, August 31, 2022 $**
Special Education	3,957	**334,497**	**(330,762)**	**—**	**7,692**
Other Ministry of Education grants	7,458	**106,279**	**(99,514)**	**—**	**14,223**
Other Provincial grants	3,385	**32,228**	**(31,715)**	**—**	**3,898**
Tuition fees	13,641	**19,166**	**(15,247)**	**—**	**17,560**
Other (operating)	14,747	**38,094**	**(41,410)**	**—**	**11,431**
Minor tangible capital assets	—	**72,282**	**(49,178)**	**(23,104)**	**—**
School renewal	10,783	**46,335**	**(31,428)**	**(10,277)**	**15,413**
Experiential Learning	918	**5,672**	**(4,654)**	**(118)**	**1,818**
Temporary accommodation	—	**411**	**—**	**(411)**	**—**
Retrofitting school space for child care	1,426	**—**	**—**	**—**	**1,426**
Remote Learning	—	**2,049**	**(7)**	**(2,042)**	**—**
Renewable energy	196	**—**	**—**	**—**	**196**
Proceeds of disposition	172,242	**151,500**	**(3,561)**	**(1,368)**	**318,813**
Properties held for sale	2,032	**—**	**(2,032)**	**—**	**—**
Federal Safe Return to Class	—	**5,823**	**(3,710)**	**(2,113)**	**—**
Developer contributions (Note 17)	509	**—**	**—**	**—**	**509**
Other	4,737	**21,135**	**(784)**	**(18,580)**	**6,508**
	236,031	**835,471**	**(614,002)**	**(58,013)**	**399,487**

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 spent by year end. The contributions are amortized into revenue at the rate used to amortize the related asset over its useful life.

	2022 $	2021 $
Balance, beginning of year	**2,525,008**	2,492,989
Additions to deferred capital contributions	**332,118**	245,047
Revenue recognized in the period	**(228,881)**	(214,005)
Write-offs due to tangible capital asset disposals	**(627)**	—
Net transfers from deferred revenue relating to properties held for sale	**—**	977
Balance, end of year	**2,627,618**	2,525,008

(Tabular amounts in thousands of dollars)

8. Net long-term debt

(a) Net long-term debt reported in the consolidated statement of financial position is comprised of the following:

		Interest rate %	Maturity date	**2022 $**	2021 $
Critical renewal debenture	Note 8(b)	5.07	December 17, 2024	**7,440**	10,164
Ontario Financing Authority	Note 8(c)	4.56	November 15, 2031	**55,524**	60,103
Ontario Financing Authority	Note 8(d)	4.90	March 3, 2033	**60,126**	64,265
Ontario Financing Authority	Note 8(e)	5.06	March 13, 2034	**55,306**	58,652
Ontario Financing Authority	Note 8(f)	5.23	April 13, 2035	**36,188**	38,110
Ontario Financing Authority	Note 8(g)	4.83	March 11, 2036	**33,662**	35,342
Ontario Financing Authority	Note 8(h)	3.59	March 9, 2037	**16,946**	17,801
Ontario Financing Authority	Note 8(i)	3.66	June 25, 2038	**28,354**	29,626
Ontario Financing Authority	Note 8(j)	4.00	March 11, 2039	**14,498**	15,093
Ontario Financing Authority	Note 8(k)	2.99	March 9, 2040	**11,847**	12,344
Balance as at August 31				**319,891**	341,500

(b) On December 17, 2004 the Board issued a $40 million debenture to fund an equivalent amount of major renovation projects. The debenture bears interest at 5.07% and has a 20 year amortization with semi-annual interest and principal payments of $1.60 million. The annual debt service of $3.21 million is funded from the annual Facility Renewal Grant.

(c) On November 15, 2006, the Board entered into a loan agreement with the Ontario Financing Authority to finance $107.74 million of the Good Places to Learn ("GPL") program. The loan is repayable by semi-annual installments of principal and interest of $3.63 million based on a 25-year amortization schedule and bears interest of 4.56%. The annual principal and interest costs are funded by the Ministry of Education.

(d) On March 3, 2008, the Board entered into a loan agreement with the Ontario Financing Authority to finance $103.24 million (GPL of $93.92 million and Primary Class Size ("PCS") of $9.32 million). The loan is repayable by semi-annual installments of principal and interest of $3.62 million based on a 25-year amortization schedule and bears interest of 4.90%. The annual principal and interest costs are funded by the Ministry of Education.

(e) On March 13, 2009, the Board entered into a loan agreement with the Ontario Financing Authority to finance $88.10 million (GPL of $81.10 million and PCS of $7 million). The loan is repayable by semi-annual installments of principal and interest of $3.14 million based on a 25-year amortization schedule and bears interest of 5.06%. The annual principal and interest costs are funded by the Ministry of Education.

(f) On April 14, 2010, the Board entered into a loan agreement with the Ontario Financing Authority to finance $53.83 million (GPL of $51.73 million and PCS of $2.10 million). The loan is repayable by semi-annual installments of principal and interest of $1.95 million based on a 25-year amortization schedule and bears interest of 5.23%. The annual principal and interest costs are funded by the Ministry of Education.

(g) On March 11, 2011, the Board entered into a loan agreement with the Ontario Financing Authority to finance $48.38 million (GPL of $33.92 million and PCS of $14.46 million). The loan is repayable by semi-annual installments of principal and interest of $1.68 million based on a 25-year amortization schedule and bears interest of 4.83%. The annual principal and interest costs are funded by the Ministry of Education.

(Tabular amounts in thousands of dollars)

8. Net long-term debt (continued)

(h) On March 9, 2012, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$24.28 million (GPL of \$23.88 million and PCS of \$0.40 million). The loan is repayable by semi-annual installments of principal and interest of \$0.74 million based on a 25-year amortization schedule and bears interest of 3.59%. The annual principal and interest costs are funded by the Ministry of Education.

(i) On June 26, 2013, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$37.83 million (GPL of \$21.23 million and Capital Enveloping (ARC) of \$16.60 million). The loan is repayable by semi-annual installments of principal and interest of \$1.17 million based on a 25-year amortization schedule and bears interest of 3.66%. The annual principal and interest costs are funded by the Ministry of Education.

(j) On March 12, 2014, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$18.66 million (Prohibit to Repair of \$14.06 million and Capital Priority Program of \$4.60 million). The loan is repayable by semi-annual installments of principal and interest of \$0.60 million based on a 25-year amortization schedule and bears interest of 4.00%. The annual principal and interest costs are funded by the Ministry of Education.

(k) On March 11, 2015, the Board entered into a loan agreement with the Ontario Financing Authority to finance \$15.03 million (Primary Class Size of \$3.60 million and Capital Priority Program of \$11.43 million). The loan is repayable by semi-annual installments of principal and interest of \$0.43 million based on a 25-year amortization schedule and bears interest of 2.99%. The annual principal and interest costs are funded by the Ministry of Education.

(l) Principal and interest payments relating to net long-term debt of \$421.28 million (\$458.41 million as at August 31, 2021) outstanding as at August 31, 2022 are due as follows:

	Principal payments $	Interest $	Total $
2023	22,637	14,489	37,126
2024	23,716	13,411	37,127
2025	23,243	12,281	35,524
2026	22,702	11,219	33,921
2027	23,773	10,148	33,921
Thereafter	203,820	39,842	243,662
	319,891	101,390	421,281

(m) Interest on long-term debt amounted to \$15.25 million (\$16.22 million in 2021).

(Tabular amounts in thousands of dollars)

9. Tangible capital assets

Opening and closing balances with activities for the year ended August 31, 2022

$ in 000's	Balance at September 1, 2021 $	Additions $	Transfers between Asset Class $	Disposals $	**Balance at August 31, 2022 $**	Balance at September 1, 2021 $	Amortization $	Transfers between Asset Class $	Disposals, write-offs $	**Balance at August 31, 2022 $**	**Balance at August 31, 2022 $**	**Balance at August 31, 2021 $**
Land	110,700	—	—	—	**110,700**	—	—	—	—	**—**	**110,700**	**110,700**
Land Improvements	263,463	23,998	(140)	(69)	**287,252**	153,878	12,413	(140)	(46)	**166,105**	**121,147**	**109,585**
Buildings (40 Years)	4,350,931	244,142	(7,892)	(1,799)	**4,585,382**	2,016,126	205,242	(5,022)	(1,195)	**2,215,151**	**2,370,231**	**2,334,805**
Buildings (20 Years)	499	55	—	—	**554**	22	25	—	—	**47**	**507**	**477**
Portable Structures	42,524	1,832	—	—	**44,356**	20,409	2,230	—	—	**22,639**	**21,717**	**22,115**
Construction in Progress (CIP)	43,038	36,424	—	—	**79,462**	—	—	—	—	**—**	**79,462**	**43,038**
Equipment (5 Years)	135	21	—	(90)	**66**	98	22	—	(90)	**30**	**36**	**37**
Equipment (10 Years)	3,588	463	—	(317)	**3,734**	1,780	363	—	(317)	**1,826**	**1,908**	**1,808**
Equipment (15 Years)	5,532	380	—	—	**5,912**	3,426	226	—	-	**3,652**	**2,260**	**2,106**
First time Equipping (10 Years)	8,648	—	—	(1,011)	**7,637**	4,650	821	—	(1,011)	**4,460**	**3,177**	**3,998**
Furniture (10 Years)	727	96	—	(41)	**782**	334	73	—	(41)	**366**	**416**	**393**
Computer Hardware	19,341	14,510	—	(4,676)	**29,175**	7,812	6,947	—	(4,676)	**10,083**	**19,092**	**11,529**
Computer Software	2,737	8,687	—	(274)	**11,150**	1,410	674	—	(274)	**1,810**	**9,340**	**1,327**
Vehicles (< 10,000 pounds)	2,580	336	—	—	**2,916**	2,434	96	—	—	**2,530**	**386**	**146**
Vehicles (> 10,000 pounds)	12,646	1,020	—	—	**13,666**	6,740	860	—	—	**7,600**	**6,066**	**5,906**
Leasehold improvement - Building	7,391	96	—	—	**7,487**	6,036	218	—	—	**6,254**	**1,233**	**1,355**
Leasehold improvement - land	1,285	59	8,032	—	**9,376**	632	99	—	—	**731**	**613**	**653**
Building(PRFS)	—	—	—	—	**—**	—	—	5,162	—	**5,162**	**2,870**	**—**
	4,875,765	332,119	—	(8,277)	**5,199,607**	2,225,787	230,309	—	(7,650)	**2,448,446**	**2,751,161**	**2,649,978**

(Tabular amounts in thousands of dollars)

9. Tangible capital assets (continued)

(a) Assets permanently removed from service

Under the assets permanently removed category, net book value of $2.87 million was transferred from regular asset to permanently removed from service during 2021-22 school year (nil in 2021).

(b) Works of art and historic artifacts

TDSB has an art collection in its possession with an insured value of $7.40 million ($7.40 million in 2021). In addition, TDSB also has a number of historic artifacts. In accordance with Canadian public sector accounting standards, these works of art and historic artifacts are not recorded as an asset in these consolidated financial statements.

10. Accumulated (deficit) surplus

Accumulated (deficit) surplus consists of the following:

	2022	2021
	$	$
Accumulated surplus		
Working funds	**—**	22,720
Internal reserves and reserve funds	**90,151**	179,034
Employee future benefits	**(233,560)**	(257,036)
Interest accrual	**(4,335)**	(4,575)
School generated funds	**18,812**	19,035
Capital grants used on land purchases	**110,698**	110,698
Liability for contaminated sites	**(1,025)**	(1,025)
	(19,259)	68,851

Working funds of $22.72 million and internal reserve funds of $63.26 million were used to support the 2022 deficit.

Internal reserves and reserve funds set aside for specific purposes by the Board of Trustees consist of the following:

	2022	2021
	$	$
Employee benefit plans	**92,667**	109,807
School support	**44,162**	51,724
Committed sinking fund interest earned	**12,844**	14,271
Other	**3,742**	3,232
	153,415	179,034

11. Contractual obligations and commitments

(a) Capital, facility renewals and renovations

The Board's commitments for approved capital and facility renewal programs as at August 31, 2022 amounted to $199.69 million ($209.68 million as at August 31, 2021).

(b) Other significant obligations

(i) The Board awarded contracts for student transportation ending August 31, 2022 with two one-year extensions. The estimated annual commitment under these contracts is $67.84 million ($64.27 million in 2021).

(ii) The Board is committed to purchase natural gas including transportation through supply contracts with various expiry dates; the latest contract expires on October 31, 2024. The estimated outstanding costs of these contracts are $28.63 million ($17.65 million in 2021).

(iii) The Board is committed to a Wide Area Network contract for a term of three years with annual renewal options up to August 2028. The estimated annual commitment under this contract is $4.62 million ($5.38 million in 2021).

(iv) The Board is committed to a Multi-Functional Devices contract which expires in August 2027. The estimated commitment under the contract date is $1.85 million to $2.50 million per year depending on print volumes (($0.98 million to $2.80 million in 2021).

12. Contingent liabilities

Legal claims

The Board has been named as the defendant in certain legal actions, in which damages have been sought. Any losses arising from these actions are recorded in the year that the related litigation is settled or when any likely amounts are measurable. Where the outcomes of actions are not determinable as at August 31, 2022, no provision is made in the consolidated financial statements.

Pay equity

The Board is continuing to negotiate several pay equity claims with employee groups. Management records any future pay equity settlements in the year in which the claim is settled, or earlier, if the amount is determined to be likely and the liability is measurable.

(Tabular amounts in thousands of dollars)

13. Expenses by object

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

	2022	2021
	$	$
Expenses		
Salary and wages	**2,424,496**	2,411,862
Employee benefits	**438,788**	424,745
Staff development	**2,468**	1,651
Supplies and services	**163,395**	175,254
Interest	**19,849**	18,658
Rental expenses	**13,202**	13,596
Fees and contract services	**146,799**	154,372
Other	**46,987**	9,496
Amortization of tangible capital assets	**230,309**	215,432
Loss on disposal of tangible capital assets	**627**	—
School funded activities	**13,696**	8,508
	3,500,616	3,433,574

14. Grants for student needs

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. City of Toronto collects and remits 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. 91.4 percent (92.1 percent in 2021) of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs. The revenue amounts recognized from this funding, excluding amortization of deferred capital contributions are as follows:

	2022	2021
	$	$
Provincial Legislative Grants	**1,264,665**	1,316,092
Education Property Tax	**1,624,869**	1,673,096
Grants for Student Needs	**2,889,534**	2,989,188

(Tabular amounts in thousands of dollars)

15. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received $275.10 million from the "55 School Board Trust" for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The "55 School Board Trust" was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, the "55 School Board Trust" repaid the board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

The flow-through of $20.50 million ($20.50 million in 2021) in grants in respect of the above agreement for the year ended August 31, 2022, is not recorded in these consolidated financial statements.

16. Related party disclosures

Related parties of the Board include other school boards and the Ontario Financing Authority. The Ontario Financing Authority is an agency of the Province of Ontario that manages the province's debt and borrowing program. Please refer to Note 8 for additional disclosure on our borrowing with the Ontario Financing Authority.

Transactions with other school boards include shared cost of facilities and secondment of staff. Amounts of the transactions with other school boards are disclosed as follows:

	2022	2021
	$	$
Toronto Catholic District School Board	**1,634**	1,442
Hamilton-Wentworth District School Board	**131**	75
Trillium Lakelands District School Board	**—**	30

17. Financial contribution agreements

During 2001-2002, the Board established three joint trust accounts with the Toronto Catholic District School Board pertaining to Education Development Levy Agreements. These Agreements pertain to building developments that pre-date the passing of the Education Development Charges provisions of the Education Act. As at August 31, 2022, the total levy amount in these joint trust accounts is $33.7 million ($33.3 million in 2021). The Board's current share of this amount is $0.03 million ($0.03 million in 2021) as reflected in the consolidated statement of financial position. The Board's financial interest in the remaining un-apportioned balance in the joint trust accounts has not been reflected in the consolidated statement of financial position.

The funds in the joint trust accounts must be used for construction of school facilities in specific designated areas of the City of Toronto.

As at August 31, 2022, the joint account has allotted a total of $40.48 million ($40.48 million in 2021) for construction of school facilities at Jean Lumb Public School with nil million ($20.85 million in 2021) representing the Board's share of the approved project costs.

During 2021-22, payments related to construction and furniture and equipment cost for both school boards totalled nil million ($1.09 million in 2021). Of this, nil million ($0.57 million in 2021) represents the Board's payment of project costs and has been reflected in the Board's consolidated statement of financial position as follows: nil million ($0.09 million in 2021) has been capitalized for a total of nil million ($20.35 million in 2021), and nil million ($0.48 million in 2021) has been recorded as prepaid expenses.

18. Transportation agreement

In 2011, the Board entered into an agreement with the Toronto Catholic District School Board in order to provide common administration of student transportation in the City of Toronto. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of Toronto Transportation group are shared. No partner is in a position to exercise unilateral control.

The Board's portion of transportation expenses has been included in the consolidated statement of operations.

19. Liability for contaminated sites

As at August 31, 2022, the Board has a liability for contaminated sites of $1.03 million ($1.03 million in 2021). The liability relates to contamination at two Board properties that are no longer in productive use, and was estimated based on a baseline phase II environmental site assessment performed by an environmental consulting firm. No recoveries are expected.

20. Sale of Bloor and Dufferin property

On December 7, 2016, the Board entered into a Purchase and Sale Agreement with a developer to sell 7.3 acres of land for a multi-use development at the corner of Bloor and Dufferin. The gross sale proceeds of the land are $121.50 million.

Further, a Memorandum of Understanding was signed on December 15, 2016, committing the developer to build a 30,000 square feet community hub conditional on cost recoverable funding from the Province and City. The Provincial contribution of $7 million towards a childcare component of the hub was previously announced and will be flowed from the Ministry of Education to the Board, and in turn to the developer upon construction.

The property sale was closed on September 13, 2021 with total proceeds of $151.50 million. The higher sale proceeds were attributable to a $29.97 million density bonus negotiated with the developer. This sale transaction will be reflected in the 2021-22 consolidated financial statements.

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

The Board has recorded entries, both revenue 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 and expenses recorded for these transfers is $41.85 million ($9.34 million in 2021).

22. Impact of COVID-19

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

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

23. Future accounting standard adoption

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

While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in PS 1201 *Financial Statement Presentation,* PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments* must be implemented at the same time. The board has not adopted any new accounting standards for the year ended August 31, 2022.

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

PS1201 *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* will no longer apply.

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

23. Future accounting standard adoption (continued)

(i) (continued)

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.

(ii) 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.

24. Prior period presentation

Certain comparative figures have been reclassified to conform with current year financial statements presentation.