



# Huron-Superior Catholic

DISTRICT SCHOOL BOARD

**Huron-Superior Catholic District  
School Board  
Consolidated Financial Statements  
For the year ended August 31, 2022**

**Huron-Superior Catholic District School Board**  
**Consolidated Financial Statements**  
For the year ended August 31, 2022

---

**Contents**

<b>Management's Responsibility for the Consolidated Financial Statements</b>	<b>2</b>
<b>Independent Auditor's Report</b>	<b>3</b>
<b>Consolidated Financial Statements</b>	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Debt	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9

---

## Management's Responsibility for the Consolidated Financial Statements

---

The accompanying consolidated financial statements of the Huron-Superior Catholic District School 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.

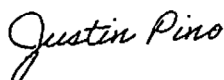
Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis 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 BDO Canada 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



Superintendent of Business

Sault Ste. Marie, Ontario  
December 14, 2022



Tel: 705-945-0990  
Fax: 705-942-7979  
Toll-free: 800-520-3005  
www.bdo.ca

BDO Canada LLP  
747 Queen Street E  
PO Box 1109  
Sault Ste. Marie ON P6A 5N7 Canada

---

## Independent Auditor's Report

---

To the Board Members of  
Huron-Superior Catholic District School Board

### Opinion

We have audited the consolidated financial statements of Huron-Superior Catholic District School Board and its controlled entities (the Board), which comprise the consolidated statement of financial position as at August 31, 2022, the consolidated statements of operations, changes 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.

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

### Basis for Opinion

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

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

### 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 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.

---

## Independent Auditor's Report (continued)

---

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

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

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

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

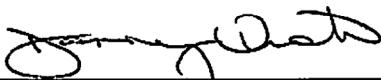
*BDO Canada LLP*

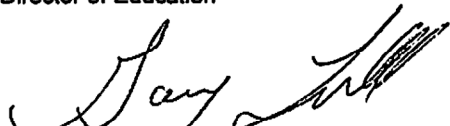
Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
December 14, 2022

**Huron-Superior Catholic District School Board  
Consolidated Statement of Financial Position**

<b>August 31</b>	<b>2022</b>	<b>2021</b>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 1,092,728	\$ -
Accounts receivable	6,437,042	8,425,860
Accounts receivable - Government of Ontario (Note 2)	19,874,974	17,678,553
	<b>27,404,744</b>	<b>26,104,413</b>
<b>Liabilities</b>		
Bank indebtedness (Note 3)	-	557,877
Accounts payable and accrued liabilities	6,704,358	5,248,908
Obligations under capital lease (Note 4)	477,278	635,725
Long term debt (Note 5)	10,872,713	11,517,484
Deferred revenue (Note 6)	3,113,284	2,368,212
Deferred capital contributions (Note 7)	110,170,684	109,833,222
Employee future benefits payable (Note 8)	1,675,921	1,653,739
	<b>133,014,238</b>	<b>131,815,167</b>
<b>Net debt</b>	<b>(105,609,494)</b>	<b>(105,710,754)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 20)	117,543,006	117,220,085
<b>Accumulated surplus (Note 9)</b>	<b>\$ 11,933,512</b>	<b>\$ 11,509,331</b>

  
\_\_\_\_\_  
Director of Education

  
\_\_\_\_\_  
Chairperson of the Board

## Huron-Superior Catholic District School Board Consolidated Statement of Operations

<b>For the year ended August 31</b>	<b>Budget 2022</b>	<b>Actual 2022</b>	<b>Actual 2021</b>
<b>Revenue</b>			
Grants for student needs (Note 10)	\$ 67,066,427	\$ 67,591,130	\$ 67,638,983
Provincial grants - other	2,038,381	5,161,876	4,703,318
Federal grants and fees	2,842,342	3,263,160	3,324,393
Other revenues - school boards	1,836,500	1,757,908	1,650,210
Other fees and revenues	695,600	1,477,122	1,629,194
Investment income	38,735	10,592	5,829
School fundraising and other revenues	451,831	1,061,788	599,235
Amortization of deferred capital contributions	4,953,467	5,309,031	4,888,447
	<b>79,923,283</b>	<b>85,632,607</b>	<b>84,439,609</b>
<b>Expenses</b>			
Instruction	57,748,799	59,517,872	59,259,058
Administration	3,405,014	3,538,151	3,676,020
Transportation	5,809,200	6,092,149	5,527,967
Pupil accommodation	12,793,107	14,436,135	14,533,198
Other	356,600	481,381	471,980
School funded activities	434,724	1,142,738	555,077
	<b>80,547,444</b>	<b>85,208,426</b>	<b>84,023,300</b>
<b>Annual surplus</b>	<b>(624,161)</b>	<b>424,181</b>	<b>416,309</b>
<b>Accumulated surplus, beginning of year</b>	<b>-</b>	<b>11,509,331</b>	<b>11,093,022</b>
<b>Accumulated surplus, end of year</b>	<b>\$ (624,161)</b>	<b>\$ 11,933,512</b>	<b>\$ 11,509,331</b>

The accompanying notes are an integral part of these financial statements.

**Huron-Superior Catholic District School Board  
Consolidated Statement of Change in Net Debt**

<b>For the year ended August 31</b>	<b>Budget 2022</b>	<b>2022</b>	<b>2021</b>
<b>Annual surplus</b>	\$ (624,161)	\$ 424,181	\$ 416,309
Acquisition of tangible capital assets	(2,943,758)	(5,655,375)	(5,619,246)
Amortization of tangible capital assets	4,953,467	5,332,454	4,997,857
<b>Net change in net debt</b>	<b>1,385,548</b>	<b>101,260</b>	<b>(205,080)</b>
<b>Net debt, beginning of year</b>	<b>(105,710,754)</b>	<b>(105,710,754)</b>	<b>(105,505,674)</b>
<b>Net debt, end of year</b>	<b>\$ (104,325,206)</b>	<b>\$ (105,609,494)</b>	<b>\$ (105,710,754)</b>

The accompanying notes are an integral part of these financial statements.



## Huron-Superior Catholic District School Board Consolidated Statement of Cash Flows

For the year ended August 31	2022	2021
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 424,181	\$ 416,309
Items not involving cash		
Amortization of tangible capital assets	5,332,454	4,997,857
Amortization of deferred capital contributions	(5,309,031)	(4,888,447)
	<u>447,604</u>	<u>525,719</u>
<b>Changes in non-cash operating balances</b>		
Accounts receivable	(207,603)	6,559,659
Accounts payable and accrued liabilities	1,455,450	(5,119,563)
Deferred revenue	745,072	581,594
Employee benefits payable	22,182	(123,812)
	<u>2,462,705</u>	<u>2,423,597</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets, net of lease financing	(5,540,017)	(4,890,206)
<b>Investing and financing activities</b>		
Increase (decrease) in bank indebtedness	(557,877)	(1,889,702)
Payments on obligations under capital lease	(273,805)	(93,315)
Debt principal repayments	(644,771)	(615,013)
Deferred capital contributions received	5,646,493	5,064,639
	<u>4,170,040</u>	<u>2,466,609</u>
<b>Increase in cash and cash equivalents during the year</b>	<b>1,092,728</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,092,728</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

---

# Huron-Superior Catholic District School Board

## Notes to the Consolidated Financial Statements

August 31, 2022

---

### 1. Summary of significant accounting policies

**Nature of Business** The principal activity of the Board is to administer the operations of the English catholic elementary and secondary schools in the District of Algoma and three schools in the District of Sudbury.

**Basis of Accounting** These 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 requires that:

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

---

# Huron-Superior Catholic District School Board

## Notes to the Consolidated Financial Statements

August 31, 2022

---

### 1. Summary of significant accounting policies (continued)

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

#### Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Board and which are controlled by the Board.

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

*Consolidated* entities:

- School generated funds
- Algoma and Huron Superior Transportation Services Consortium Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

#### Trust Funds

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

#### Deferred Capital Contributions

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

#### Deferred Revenue

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

#### Tangible Capital Assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets, as well as interest related to financing during construction. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

---

## Huron-Superior Catholic District School Board Notes to the Consolidated Financial Statements

**August 31, 2022**

---

### 1. Summary of significant accounting policies (continued)

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.

Amortization is reflected on a straight-line basis over the estimated useful life of the assets at the following amortization rates:

Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years
First-time equipping	10 years
Furniture	10 years
Equipment	5 - 15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5 - 10 years
Capital leases	over lease term

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

#### **Retirement and Other Employee Future Benefits**

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

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, Employee Life and Health Trusts (ELHTs) were established for all employee groups in 2016-18. The ELHTs provide health, life and dental 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 boards trustees associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

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

---

# Huron-Superior Catholic District School Board

## Notes to the Consolidated Financial Statements

August 31, 2022

---

### 1. Summary of significant accounting policies (continued)

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

- i) The costs of self insured retirement and other employee future benefits plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. 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 accumulate over the periods of service provided by employees, such as retirement gratuities and life insurance and health care benefits for retirees and non-vesting accumulating sick leave credits, 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 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 and long-term disability, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

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

#### **Government Transfers**

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

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

---

# Huron-Superior Catholic District School Board

## Notes to the Consolidated Financial Statements

August 31, 2022

---

### 1. Summary of significant accounting policies (continued)

<b>Investment Income</b>	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 changes and special education forms part of the respective deferred revenue balances.
<b>Budget Figures</b>	Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model.
<b>Use of Estimates</b>	The preparation of consolidated financial statements in conformity with the basis of accounting described above 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. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions the Board may undertake in the future. The principal estimates used are the determination of the liability for employee future benefits and the estimated useful life of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.
<b>Education Property Tax Revenue</b>	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.

---

### 2. Accounts receivable - Government of Ontario

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

The Board has an account receivable from the Province of Ontario of \$15,353,944 as at August 31, 2022 (2021 - \$15,052,592) with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2022 is \$4,521,030 (2021 - \$2,625,961).

## Huron-Superior Catholic District School Board Notes to the Consolidated Financial Statements

**August 31, 2022**

### 3. Line of credit

The Board has an operating line with the Royal Bank of Canada, with maximum drawings available of \$10,000,000. At August 31, 2022, none of the operating line of credit was in use by way of overdraft. In addition the Board has a capital line with the Royal Bank of Canada, with maximum drawings available of \$5,000,000. At year-end the capital line of credit was undrawn.

### 4. Obligations under capital lease

	2022	2021
Macquarrie Equipment Finance Ltd. capital lease, due \$71,042 quarterly including interest at 5% per annum, maturing March 2023	\$ 408,210	\$ 548,571
Ford capital lease, due \$893 monthly including interest at 5% per annum, maturing January 2026	33,606	42,406
Ford capital lease due \$943 monthly including interest at 5% per annum, maturing January 2026	35,462	44,748
	\$ 477,278	\$ 635,725

### 5. Long term debt

	2022	2021
Loan payable to Ontario Financing Authority due \$113,679 semi-annually including interest at 4.56% per annum, maturing November 2031	\$ 1,737,130	\$ 1,880,358
Loan payable to Ontario Financing Authority due \$114,513 semi-annually including interest at 4.9% per annum, maturing March 2033	1,902,490	2,033,461
Loan payable to Ontario Financing Authority due \$82,717 semi-annually including interest at 5.062% per annum, maturing March 2034	1,458,419	1,546,664
Loan payable to Ontario Financing Authority due \$175,595 semi-annually including interest at 5.232% per annum, maturing April 2035	3,266,152	3,439,621
Loan payable to Ontario Financing Authority due \$59,640 semi-annually including interest at 3.97% per annum, maturing November 2036	652,711	685,460
Loan payable to Ontario Financing Authority due \$76,344 semi-annually including interest at 4.003% per annum, maturing November 2039	1,855,811	1,931,920
	\$ 10,872,713	\$ 11,517,484

Interest on long term debt amounted to \$540,566 (2021 - \$570,325).

**Huron-Superior Catholic District School Board**  
**Notes to the Consolidated Financial Statements**

**August 31, 2022**

**5. Long term debt (continued)**

Principal payments relating to long term debt outstanding are due as follows:

	Principal	Interest	Total
2022	\$ 665,982	\$ 508,357	\$ 1,174,339
2023	708,715	476,423	1,185,138
2024	743,046	442,294	1,185,340
2025	779,054	406,284	1,185,338
2026	816,811	368,517	1,185,328
Thereafter	7,159,105	1,496,389	8,655,494
	<b>\$ 10,872,713</b>	<b>\$ 3,698,264</b>	<b>\$ 14,570,977</b>

**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, 2022 is comprised of:

	Balance August 31, 2021	Externally restricted revenue received	Revenue recognized in the period	Transfer to deferred capital contributions	Balance August 31, 2022
Restricted operating grants	\$ 772,174	\$ 13,349,589	\$(12,770,444)	-	\$ 1,351,319
Restricted capital grants	805,749	4,052,494	(3,198,405)	(688,162)	971,676
Proceeds of disposition	790,289	-	-	-	790,289
Assets held for sale	-	-	-	-	-
	<b>\$ 2,368,212</b>	<b>\$ 17,402,083</b>	<b>\$(15,968,849)</b>	<b>\$ (688,162)</b>	<b>\$ 3,113,284</b>

**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.

	2022	2021
Balance, beginning of year	<b>\$ 109,833,222</b>	\$ 109,657,030
Additions to deferred capital contributions	<b>4,958,331</b>	4,337,030
Transfers from deferred revenue	<b>688,162</b>	727,609
Revenue recognized in the year	<b>(5,309,031)</b>	(4,888,447)
Balance, end of year	<b>\$ 110,170,684</b>	\$ 109,833,222



**Huron-Superior Catholic District School Board  
Notes to the Consolidated Financial Statements**

**August 31, 2022**

**8. Retirement and other employee future benefits**

	2022			2021
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Liabilities				
Accrued employee future benefit obligation at August 31, 2022	\$ 295,593	\$ 1,337,906	\$ 1,633,499	\$ 1,627,403
Unamortized actuarial gains (losses) at August 31, 2022	42,422	-	42,422	26,336
Employee future benefits liability at August 31, 2022 <sup>1</sup>	\$ 338,015	\$ 1,337,906	\$ 1,675,921	\$ 1,653,739

<sup>1</sup> Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

	2022			2021
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Expenses				
Current year benefit cost	\$ 6,421	\$ 340,283	\$ 346,704	\$ 129,275
Interest on accrued benefit obligation	-	19,519	19,519	16,951
Amortization of estimation adjustment loss (gain)	(31,438)	611	(30,827)	(27,295)
Employee future benefits expenses <sup>1</sup>	\$ (25,017)	\$ 360,413	\$ 335,396	\$ 118,931

<sup>1</sup> Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

**Retirement benefits**

i) Ontario Teacher's Pension Plan

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

---

## Huron-Superior Catholic District School Board Notes to the Consolidated Financial Statements

**August 31, 2022**

---

### **8. Retirement and other employee future benefits (continued)**

ii) **Ontario Municipal Employees Retirement System**

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equals the employee contributions to the plan. During the year ended August 31, 2022, the Board contributed \$1,132,876 (2021 - \$1,051,805) 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.

At December 31, 2021 OMERS reported an actuarial funding deficit of \$3.1 billion (2020 - \$3.2 billion).

iii) **Retirement Gratuities**

In certain collective agreements, the Board provides a retirement gratuity plan. 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. During the year ended August 31, 2022, the Board contributed \$nil (2021 - \$nil) to the plan.

The Board also offers an Early Retirement Incentive Plan to certain groups of qualifying employees. The Board contributions equals the benefit payments. During the year ended August 31, 2022, the Board contributed \$nil (2021 - \$nil) to the plan.

iv) **Retirement Allowance Plan**

Certain teachers who were hired on or before September 9, 1998 or who elected not to be members of the Retirement Gratuity Plan are eligible for a retirement allowance. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. The Board contributions equals the benefit payments. During the year ended August 31, 2022, the Board contributed \$nil (2021 - \$nil) to the plan.

v) **Retirement Life Insurance and Health Care Benefits**

The Board allows certain retirees to participate in the life insurance, dental and health care benefits after retirement until the members reach 65 years of age. 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 reimbursements from the retirees equals the Board contribution. Effective September 1, 2013, employees retiring on or after this date will no longer qualify for board subsidized premiums or contributions. During the year ended August 31, 2022, the Board contributed \$39,988 (2021 - \$51,949) to the plan.

### **Other employee future benefits**

i) **Workplace Safety and Insurance Board Obligations**

The Board is a Schedule 2 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 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 four and a half years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such provision.

## Huron-Superior Catholic District School Board Notes to the Consolidated Financial Statements

**August 31, 2022**

### 8. Retirement and other employee future benefits (continued)

#### ii) Sick Leave Top Up Benefits

As a result of the changes made in 2012-2013 to the short term sick leave and disability plan, a maximum of 11 unused sick 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 are \$(3,465) (2021 - \$(3,281)).

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, 2022 and is based on the average daily salary and banked sick days of employees as at August 31, 2022.

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

	2022	2021
	%	%
Wage and salary escalation	0.00	0.00
Dental and health care costs	5.00	5.00
Discount on accrued benefit obligations	3.90	1.80

### 9. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Surplus available for compliance	\$ 5,551,875	\$ 5,044,773
Restricted surplus for committed capital projects	152,056	154,027
Revenues recognized for land	6,756,117	6,756,117
School generated funds	922,420	1,003,370
Employee future benefits	(1,448,956)	(1,448,956)
	\$ 11,933,512	\$ 11,509,331

## Huron-Superior Catholic District School Board Notes to the Consolidated Financial Statements

**August 31, 2022**

### 10. Grants for student needs

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. 78.9 percent 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:

	2022	2021
Provincial legislative grants	\$ 61,144,681	\$ 60,779,768
Education property tax	6,446,449	6,859,215
	\$ 67,591,130	\$ 67,638,983

### 11. Expenses by object

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

	2022	2021
Salary and wages	\$ 52,785,833	\$ 53,147,436
Employee benefits	10,429,571	9,965,876
Staff development	899,717	502,760
Supplies and services	6,227,384	6,726,744
Interest	540,567	570,325
Rental expenses	42,488	183,751
Fees and contract services	6,473,645	6,136,451
Other	971,427	896,564
Transfer to other boards	362,600	340,459
School funded activities	1,142,738	555,077
Amortization	5,332,456	4,997,857
	\$ 85,208,426	\$ 84,023,300

### 12. Ontario School Board Insurance Exchange (OSBIE)

The school board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. The school board entered into this agreement on January 1, 2022. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27 million per occurrence.

The premiums over a five-year period are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro-rata share of claims experience. The current five year term expires December 31, 2026.

Premiums paid to OSBIE for the policy year ending August 31, 2022 amounted to \$145,884 (2021 - \$189,398).

## Huron-Superior Catholic District School Board Notes to the Consolidated Financial Statements

**August 31, 2022**

### 13. Transportation Consortium

The Board provides transportation services in partnership with the Algoma District School Board in order to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of the Algoma and Huron Superior Transportation Services Consortium are shared. No partner is in a position to exercise unilateral control.

The Board's consolidated financial statements reflect its pro-rata share 2022 is 21.9% (2021 - 24.4%). Inter-organizational transactions and balances have been eliminated.

	2022	2022	2021	2021
	Total	Board Portion	Total	Board Portion
Revenues	\$ (16,294,855)	\$ (3,560,913)	\$ (14,258,080)	\$ (3,476,872)
Operations: Expenses	16,294,855	3,560,913	14,258,080	3,476,872
	\$ -	\$ -	\$ -	\$ -

### 14. Commitments

The Board has entered into contracts for major renovations at five schools. At August 31, 2022 the committed contract totaled \$4,811,971, of which \$1,468,415 has yet to be completed.

### 15. Contingencies

The Board is involved with litigation from outstanding claims, the outcome of which can not be reasonably determined. Any loss as a result of this litigation will be recorded in the period that the loss is probable and measurable.

### 16. Comparative figures

Comparative figures have been reclassified to confirm with current year presentation.

### 17. In-kind transfers from the Ministry of Government and Consumer Services

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the board's records. The in-kind revenue recorded for these transfers is \$691,180 with expenses based on use of \$691,180 for a net impact of \$0.

---

## Huron-Superior Catholic District School Board Notes to the Consolidated Financial Statements

**August 31, 2022**

---

### **18. 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 a 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.

---

### **19. 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 3401 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 Temporary Investments will no longer apply.

---

## Huron-Superior Catholic District School Board Notes to the Consolidated Financial Statements

**August 31, 2022**

---

**19. Future accounting standard adoption (continued)**

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

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

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 31, 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.

**Huron-Superior Catholic District School Board**  
**Notes to the Consolidated Financial Statements**

**August 31, 2022**

**20. Tangible capital assets**

	Cost			Accumulated Amortization						
	Balance at August 31, 2021	Additions and transfers	Disposals	Balance at August 31, 2022	Balance at August 31, 2021	Amortization	Disposals write offs and adjustment	Balance at August 31, 2022	Net book value August 31, 2022	Net book value August 31, 2021
Land	\$ 6,756,117	\$ -	\$ -	\$ 6,756,117	\$ -	\$ -	\$ -	\$ -	\$ 6,756,117	\$ 6,756,117
Land improvements	5,521,479	6,158	-	5,527,637	2,604,508	459,955	-	3,064,463	2,463,174	2,916,971
Buildings (40 years)	150,183,868	5,475,573	-	155,659,441	44,341,268	4,238,531	-	48,579,799	107,079,642	105,842,600
Portable structures	379,708	-	-	379,708	278,182	18,459	-	296,641	83,067	101,526
First-time equipping	1,045,234	13,885	(120,587)	938,532	559,774	99,188	(120,587)	538,375	400,157	485,460
Equipment (5 years)	29,780	-	-	29,780	20,844	5,956	-	26,800	2,980	8,936
Equipment (10 years)	128,186	2,325	(25,897)	104,614	84,803	11,640	(25,897)	70,546	34,068	43,383
Computer hardware	712,369	-	-	712,369	270,617	251,264	-	521,881	190,488	441,752
Computer software	-	-	-	-	-	-	-	-	-	-
Vehicles (10 years)	155,589	-	-	155,589	68,698	15,603	-	84,301	71,288	86,891
Capital leases:										
- computer hardware	547,829	157,434	-	705,263	91,305	214,097	-	305,402	399,861	456,524
- vehicles	88,805	-	-	88,805	8,880	17,761	-	26,641	62,164	79,925
	<b>\$ 165,548,964</b>	<b>\$ 5,655,375</b>	<b>\$ (146,484)</b>	<b>\$ 171,057,855</b>	<b>\$ 48,328,879</b>	<b>\$ 5,332,454</b>	<b>\$ (146,484)</b>	<b>\$ 53,514,849</b>	<b>\$ 117,543,006</b>	<b>\$ 117,220,085</b>

**a) Assets under construction**

Assets under construction having a value of \$nil (2020 - \$nil) have not been amortized. Amortization of these assets will commence when the asset is put into service.