

Huron-Superior Catholic District School Board
Consolidated Financial Statements
For the year ended August 31, 2023

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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 13, 2023



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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, 2023, 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, 2023 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.

BAO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
December 13, 2023

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

August 31	2023	(Restated) (Note 2) 2022
Financial assets		
Cash and cash equivalents	\$ -	\$ 1,092,728
Accounts receivable	9,257,660	6,437,042
Accounts receivable - Government of Ontario (Note 3)	17,725,797	19,874,974
	26,983,457	27,404,744
Liabilities		
Bank indebtedness (Note 4)	1,590,520	-
Accounts payable and accrued liabilities	4,677,273	6,704,358
Obligations under capital lease (Note 5)	189,521	477,278
Long term debt (Note 6)	10,196,731	10,872,713
Deferred revenue (Note 7)	3,761,822	3,113,284
Deferred capital contributions (Note 8)	109,102,898	110,170,684
Employee future benefits payable (Note 12)	1,730,368	1,675,921
Asset retirement obligation (Note 9)	1,257,463	1,102,554
	132,506,596	134,116,792
Net debt	(105,523,139)	(106,712,048)
Non-financial assets		
Tangible capital assets (Note 25)	116,686,587	117,905,193
Accumulated surplus (Note 13)	\$ 11,163,448	\$ 11,193,145



 Director of Education



 Chairperson of the Board

Huron-Superior Catholic District School Board Consolidated Statement of Operations

	Budget (Restated) (Note 22) 2023	Actual 2023	Actual (Restated) (Note 2) 2022
For the year ended August 31			
Revenue			
Grants for student needs (Note 14)	\$ 69,962,257	\$ 72,845,777	\$ 67,591,130
Provincial grants - other	1,623,540	1,379,189	5,161,876
Federal grants and fees	3,039,733	3,339,506	3,263,160
Other revenues - school boards	1,836,500	1,736,303	1,757,908
Other fees and revenues	594,474	3,150,527	1,477,122
Investment income	34,584	31,169	10,592
School fundraising and other revenues	579,000	1,899,519	1,061,788
Amortization of deferred capital contributions	5,482,125	5,378,973	5,309,031
	<u>83,152,213</u>	<u>89,760,963</u>	<u>85,632,607</u>
Expenses			
Instruction	58,503,388	61,982,419	59,517,872
Administration	3,591,610	5,073,499	3,538,151
Transportation	6,090,700	6,318,448	6,092,149
Pupil accommodation	14,078,721	14,173,865	14,473,528
Other	255,474	290,353	481,381
School funded activities	536,400	1,952,076	1,142,738
	<u>83,056,293</u>	<u>89,790,660</u>	<u>85,245,819</u>
Annual surplus (deficit)	<u>95,920</u>	<u>(29,697)</u>	<u>386,788</u>
Accumulated surplus (deficit), beginning of year, as previously stated	11,406,419	-	11,509,331
Accumulated surplus (deficit) PSAS adjustment (Note 2)	<u>(702,974)</u>	<u>-</u>	<u>(702,974)</u>
Adjusted accumulated surplus, beginning of year	<u>10,703,445</u>	<u>11,193,145</u>	<u>10,806,357</u>
Accumulated surplus, end of year	<u>\$ 10,799,365</u>	<u>\$ 11,163,448</u>	<u>\$ 11,193,145</u>

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

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

For the year ended August 31	Budget (restated) 2023	2023	(Restated) (Note 2) 2022
Annual surplus (deficit)	\$ 95,920	\$ (29,697)	\$ 386,788
Acquisition of tangible capital assets and addition of TCA-ARO	(3,664,037)	(4,073,517)	(5,655,375)
Amortization of tangible capital assets	5,645,408	5,447,032	5,369,847
Changes in estimate of TCA-ARO	-	(154,909)	-
Net change in net debt	<u>2,077,291</u>	<u>1,188,909</u>	<u>101,260</u>
Net debt , beginning of year	(106,712,048)	(106,712,048)	(105,710,754)
PSAS adjustment (Note 2)	-	-	(1,102,554)
Restated net debt, beginning of year	<u>(106,712,048)</u>	<u>(106,712,048)</u>	<u>(106,813,308)</u>
Net debt , end of year	<u>\$ (104,634,757)</u>	<u>\$ (105,523,139)</u>	<u>\$ (106,712,048)</u>

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	2023	(Restated) (Note 2) 2022
Cash flows from operating activities		
Annual surplus (deficit)	\$ (29,697)	\$ 386,788
Items not involving cash		
Amortization of tangible capital assets	5,447,032	5,369,847
Amortization of deferred capital contributions	(5,378,973)	(5,309,031)
	38,362	447,604
Changes in non-cash operating balances		
Accounts receivable	(671,441)	(207,603)
Accounts payable and accrued liabilities	(2,027,085)	1,455,450
Deferred revenue	648,538	745,072
Employee benefits payable	54,447	22,182
	(1,957,179)	2,462,705
Capital transactions		
Acquisition of tangible capital assets, net of lease financing	(4,073,517)	(5,540,017)
Investing and financing activities		
Increase (decrease) in bank indebtedness	1,590,520	(557,877)
Payments on obligations under capital lease	(287,757)	(273,805)
Debt principal repayments	(675,982)	(644,771)
Deferred capital contributions received	4,311,187	5,646,493
	4,937,968	4,170,040
Increase in cash and cash equivalents during the year	(1,092,728)	1,092,728
Cash and cash equivalents, beginning of year	1,092,728	-
Cash and cash equivalents, end of year	\$ -	\$ 1,092,728

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, 2023

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, 2023

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.

Cash and Cash Equivalents

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

Short-term investments are highly liquid, subject to insignificant risk of changes in values and have a short maturity of less than 90 days.

Financial Instruments

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

Financial Instrument	Measurement Method
Cash	Cost
Bank indebtedness	Cost
Accounts receivable	Cost
Accounts payable and accrued liabilities	Amortized Cost
Long term debt	Amortized Cost
Obligations under capital leases	Amortized Cost

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

Huron-Superior Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

1. Summary of significant accounting policies (continued)

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

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 and legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

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

Huron-Superior Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

1. Summary of significant accounting policies (continued)

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

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

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.

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

Huron-Superior Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

1. Summary of significant accounting policies (continued)

- 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, 2023

1. Summary of significant accounting policies (continued)

Investment Income	<p>Investment income is reported as revenue in the period earned.</p> <p>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.</p>
Budget Figures	<p>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. The budget figures presented have been adjusted to reflect the same accounting policies that were used to prepare the consolidated financial statements.</p>
Use of Estimates	<p>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.</p> <p>There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$1,257,463. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities.</p>
Education Property Tax Revenue	<p>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.</p>

Huron-Superior Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

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

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

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* no longer applies.

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

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on September 1, 2022 on a modified retroactive basis with prior period restatement.

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

Huron-Superior Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

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

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

The board's ongoing efforts to assess the extent to which designated substances exist in board assets, and new information obtained through regular maintenance and renewal of board assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to in the estimated cost to fulfil the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in to the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis.

As a result of applying this accounting standard, an asset retirement obligation of \$1,257,463 (2022 – \$1,102,554) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the board owned buildings and equipment, including tanks. The board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, amortization expense and accretion expense (for discounted ARO liabilities) for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The adoption of PS 3280 ARO was applied to the comparative period as follows:

	As previously reported	Adjustments	As restated
Statement of Financial Position			
Tangible capital assets	\$117,543,006	\$ 362,187	\$117,905,193
Asset retirement obligation	-	1,102,554	1,102,554
Accumulated surplus (deficit)	11,933,512	(740,367)	11,193,145
Statement of Operations			
Pupil accommodation - amortization of TCA	14,436,135	37,393	14,473,528
Surplus (deficit) for the year	424,181	(37,393)	386,788
Accumulated surplus, beginning of year	11,509,331	(702,974)	10,806,357
Accumulated surplus, end of year	11,933,512	(740,367)	11,193,145
Statement of Changes in Net Debt			
Annual surplus	424,181	(37,393)	386,788
Acquisition of TCA and TCA-ARO	(5,655,375)	-	(5,655,375)
Amortization of TCA	5,332,454	37,393	5,369,847
Change in net debt	101,260	-	101,260
Net debt, beginning of year	(105,710,754)	(1,102,554)	(106,813,308)
Net debt, end of year	(105,609,494)	(1,102,554)	(106,712,048)

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

August 31, 2023

3. 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 \$13,164,545 as at August 31, 2023 (2022 - \$15,353,944) 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, 2023 is \$4,561,252 (2022 - \$4,521,030).

4. 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, 2023, \$2,481,208 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.

5. Obligations under capital lease

	<u>2023</u>	<u>2022</u>
Macquarrie Equipment Finance Ltd. capital lease, due \$71,042 quarterly including interest at 5% per annum, maturing March 2024	\$ 139,464	\$ 408,210
Ford capital lease, due \$893 monthly including interest at 5% per annum, maturing January 2026	24,356	33,606
Ford capital lease due \$943 monthly including interest at 5% per annum, maturing January 2026	25,701	35,462
	<u>\$ 189,521</u>	<u>\$ 477,278</u>

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

August 31, 2023

6. Long term debt

	2023	2022
Loan payable to Ontario Financing Authority due \$113,679 semi-annually including interest at 4.56% per annum, maturing November 2031	\$ 1,587,296	\$ 1,737,130
Loan payable to Ontario Financing Authority due \$114,513 semi-annually including interest at 4.9% per annum, maturing March 2033	1,765,022	1,902,490
Loan payable to Ontario Financing Authority due \$82,717 semi-annually including interest at 5.062% per annum, maturing March 2034	1,365,652	1,458,419
Loan payable to Ontario Financing Authority due \$175,595 semi-annually including interest at 5.232% per annum, maturing April 2035	3,083,488	3,266,152
Loan payable to Ontario Financing Authority due \$59,640 semi-annually including interest at 3.97% per annum, maturing November 2036	618,648	652,711
Loan payable to Ontario Financing Authority due \$76,344 semi-annually including interest at 4.003% per annum, maturing November 2039	1,776,625	1,855,811
	\$ 10,196,731	\$ 10,872,713

Interest on long term debt amounted to \$508,357 (2022 - \$540,566).

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

	Principal	Interest	Total
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
2027	856,157	328,072	1,184,229
Thereafter	6,292,948	1,496,389	7,789,337
	\$ 10,196,731	\$ 3,517,979	\$ 13,714,710

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

August 31, 2023

7. Deferred revenue

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position. Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2023 is comprised of:

	Balance August 31, 2022	Externally restricted revenue received	Revenue recognized in the period	Transfer to deferred capital contributions	Balance August 31, 2023
Restricted operating grants	\$ 1,351,319	\$ 14,799,184	\$(13,751,800)	\$ -	\$ 2,398,703
Restricted capital grants	971,676	3,928,083	(3,341,990)	(984,939)	572,830
Proceeds of disposition	790,289	-	-	-	790,289
Assets held for sale	-	-	-	-	-
	\$ 3,113,284	\$ 18,727,267	\$(17,093,790)	\$ (984,939)	\$ 3,761,822

8. Deferred capital contributions

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

	2023	2022
Balance, beginning of year	\$110,170,684	\$109,833,222
Additions to deferred capital contributions	3,326,248	4,958,331
Transfers from deferred revenue	984,939	688,162
Revenue recognized in the year	(5,378,973)	(5,309,031)
Balance, end of year	\$109,102,898	\$110,170,684

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

August 31, 2023

9. Asset retirement obligations

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

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

As at August 31, 2023, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

	<u>2023</u>	<u>2022</u>
Liabilities for asset retirement obligations at beginning of year	\$ 1,102,554	\$ -
Opening adjustments for PSAB adjustment	-	1,102,554
Increase in liabilities reflecting changes in the estimate of liabilities	<u>154,909</u>	<u>-</u>
Liabilities for asset retirement obligations at end of year	<u>\$ 1,257,463</u>	<u>\$ 1,102,554</u>

10. Revaluation of asset retirement obligations liability

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

Further evaluation was done on the board's liability balances as at August 31, 2023, and an adjustment of 14.05% was recorded to account for further changes as at August 31, 2023.

11. Risks arising from financial instruments and risk management

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

Credit risk

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

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

August 31, 2023

12. Retirement and other employee future benefits

Liabilities	2023			2022
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligation at August 31, 2023	\$ 278,120	\$ 1,412,821	\$ 1,690,941	\$ 1,633,499
Unamortized actuarial gains (losses) at August 31, 2023	39,427	-	39,427	42,422
Employee future benefits liability at August 31, 2023 ¹	\$ 317,547	\$ 1,412,821	\$ 1,730,368	\$ 1,675,921

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

Expenses	2023			2022
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	\$ 11,257	\$ 492,332	\$ 503,589	\$ 346,704
Interest on accrued benefit obligation	-	42,114	42,114	19,519
Amortization of estimation adjustment loss (gain)	(17,895)	(21,346)	(39,241)	(30,827)
Employee future benefits expenses ¹	\$ (6,638)	\$ 513,100	\$ 506,462	\$ 335,396

¹ 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, 2023

12. 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, 2023, the Board contributed \$1,214,189 (2022 - \$1,132,876) 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, 2023 OMERS reported an actuarial funding deficit of \$6.7 billion (2022 - \$3.1 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, 2023, the Board contributed \$nil (2022 - \$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, 2023, the Board contributed \$nil (2022 - \$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, 2023, the Board contributed \$nil (2022 - \$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, 2023, the Board contributed \$13,831 (2022 - \$39,988,) 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, 2023

12. 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 \$(3,234) (2022 - \$(3,645)).

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

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on actuarial valuations for accounting purposes as at August 31, 2023. 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:

	2023	2022
	%	%
Wage and salary escalation	0.00	0.00
Dental and health care costs	5.00	5.00
Discount on accrued benefit obligations	4.40	3.90

13. Accumulated surplus

	2023	(Restated) (Note 2) 2022
Accumulated surplus consists of the following:		
Surplus available for compliance	\$ 5,594,005	\$ 5,551,875
Restricted surplus for committed capital projects	170,182	152,056
Revenues recognized for land	6,756,117	6,756,117
School generated funds	869,860	922,420
Employee future benefits	(1,448,956)	(1,448,956)
Asset retirement obligations to be covered in the future	(777,760)	(740,367)
	\$ 11,163,448	\$ 11,193,145

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

August 31, 2023

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. 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. 81.2 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:

	2023	2022
Provincial legislative grants	\$ 66,440,563	\$ 61,144,681
Education property tax	6,405,214	6,446,449
	\$ 72,845,777	\$ 67,591,130

15. Expenses by object

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

	Budget (Restated) (Note 22) 2023	Actual 2023	Actual (Restated) (Note 2) 2022
For the year ended August 31			
Salary and wages	\$ 50,609,131	\$ 53,600,842	\$ 52,785,833
Employee benefits	10,409,195	10,735,724	10,429,571
Staff development	1,094,836	1,079,781	899,717
Supplies and services	6,071,223	6,950,167	6,227,384
Interest	510,000	509,357	540,567
Rental expenses	528,000	265,114	42,488
Fees and contract services	6,559,500	7,566,243	6,473,645
Other	717,600	1,203,041	971,427
Transfer to other boards	375,000	481,283	362,600
School funded activities	536,400	1,952,076	1,142,738
Amortization	5,645,408	5,447,032	5,369,849
	\$ 83,056,293	\$ 89,790,660	\$ 85,245,819

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

August 31, 2023

16. 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 of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27 million per occurrence. Premiums paid to OSBIE for the policy year ending August 31, 2023 amounted to \$159,284 (2022 - \$145,884). There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the school board.

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

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

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

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

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

August 31, 2023

17. 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 2023 is 36.9% (2022 - 33.2%). Inter-organizational transactions and balances have been eliminated.

	2023	2023	2022	2022
	Total	Board Portion	Total	Board Portion
Revenues	\$ (16,908,476)	\$ (6,242,098)	\$ (16,294,855)	\$ (5,415,837)
Operations: expenses	16,908,476	6,242,098	16,294,855	5,415,837
	\$ -	\$ -	\$ -	\$ -

18. Commitments

The Board has entered into contracts for major renovations at five schools. At August 31, 2023 the committed contract totaled \$3,955,075, of which \$172,563 has yet to be completed.

19. 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.

20. Comparative figures

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

21. 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 \$3,890 with expenses based on use of \$3,890 for a net impact of \$0.

Huron-Superior Catholic District School Board

Notes to the Consolidated Financial Statements

August 31, 2023

22. Budget reconciliation

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

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

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

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

	As previously reported	Adjustments	As restated
Revenues	83,152,213	-	83,152,213
Expenses	83,018,900	-	83,018,900
Amortization of TCA-ARO	-	-	-
Adjusted expenses	83,018,900	-	83,018,900
Annual surplus	133,313	-	133,313
Adjusted accumulated surplus, beginning	11,406,419	(702,974)	10,703,445
Accumulated surplus, end of year	11,539,732	(740,367)	10,799,365

23. Subsequent events

Subsequent to the financial statement date, a monetary resolution to Bill 124 was reached between the Crown and education sector union: the Canadian Union of Public Employees Ontario School Board Council of Unions (CUPE OSBCU). The agreements provide for a 0.75% increase in salaries and wages for the 2019-20 school year and a 0.75% increase in salaries and wages for the 2020-21 school year for the union. The increase in salaries and wages for the 2021-22 school year for CUPE OSBCU will be as determined for the Ontario Secondary School Teachers' Federation (OSSTF).

The agreements include a provision whereby the Crown has committed to funding this monetary resolution for these employee groups to the applicable school boards consistent with the appropriate changes to the Grants for Student Needs benchmarks. Management is assessing the impact of the agreements on the board.

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

August 31, 2023

24. 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.

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.

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

August 31, 2023

25. Tangible capital assets

	Cost			Accumulated Amortization				Net book value August 31, 2023	Net book value August 31, 2022	
	(Restated) (Note 2) Balance at August 31, 2022	Additions and transfers	Disposals	(Restated) (Note 2) Balance at August 31, 2023	Amortization	Disposals write offs and adjustment	Balance at August 31, 2023			
Land	\$ 6,756,117	\$ -	\$ -	\$ 6,756,117	\$ -	\$ -	\$ -	\$ 6,756,117	\$ 6,756,117	
Land improvements	5,527,637	-	-	5,527,637	3,064,463	360,696	-	3,425,159	2,463,174	
Buildings (40 years)	156,761,995	4,163,957	-	160,925,952	49,320,166	4,508,380	-	53,828,546	107,441,829	
Portable structures	379,708	-	-	379,708	296,641	18,459	-	315,100	83,067	
First-time equipping	938,532	-	(87,702)	850,830	538,375	89,468	(87,702)	540,141	310,689	
Equipment (5 years)	29,780	-	(29,780)	-	26,800	2,980	(29,780)	-	2,980	
Equipment (10 years)	104,614	64,469	(63,843)	105,240	70,546	10,491	(63,843)	17,194	88,046	
Computer hardware	712,369	-	(517,801)	194,568	521,881	158,060	(517,801)	162,140	32,428	
Computer software	-	-	-	-	-	-	-	-	-	
Vehicles (10 years)	155,589	-	-	155,589	84,301	14,162	-	98,463	57,126	
Capital leases:										
- computer hardware	705,263	-	-	705,263	305,402	266,575	-	571,977	133,286	
- vehicles	88,805	-	-	88,805	26,641	17,761	-	44,402	44,403	
	\$ 172,160,409	\$ 4,228,426	\$ (699,126)	\$ 175,689,709	\$ 54,255,216	\$ 5,447,032	\$ (699,126)	\$ 59,003,122	\$ 116,686,587	\$ 117,905,193

a) Assets under construction

Assets under construction having a value of \$nil (2022 - \$nil) have not been amortized. Amortization of these assets will commence when the asset is put into service.