Consolidated Financial Statements of

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

And Independent Auditor's Report thereon

Year ended August 31, 2022

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Sudbury Catholic District School Board are the responsibility of Board management and have been prepared in compliance 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 judgement, 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 KPMG 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

November 15, 2022

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Sudbury Catholic District School Board

Opinion

We have audited the consolidated financial statements of Sudbury Catholic District School Board (the Entity), which comprise:

- the consolidated statement of financial position as at August 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2022, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with the basis of accounting described in note 1 to the 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 Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 - Financial Reporting Framework

We draw attention to note 1 to the consolidated financial statements, which describes the basis of accounting used in the preparation of these 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

November 15, 2022

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

As at August 31, 2022, with comparative information for 2021

	2022	2021
Financial assets		
Cash and cash equivalents	$ 3,849,463	$ 4,915,525
Accounts receivable (note 2)	13,496,827	13,286,712
Accounts receivable - Approved Capital Funding (note 3)	31,122,610	30,702,323
Total financial assets	48,468,900	48,904,560
Financial liabilities		
Accounts payable and accrued liabilities (note 4)	10,044,912	10,636,110
Net long-term liabilities (note 9)	23,940,983	25,384,867
Deferred revenue (note 6)	5,900,368	6,237,443
Deferred capital contributions (note 7)	90,486,355	85,221,740
Retirement and other employee future benefits (note 8)	1,306,022	1,488,839
Total financial liabilities	131,678,640	128,968,999
Net debt	(83,209,740)	(80,064,439)
Non-financial assets		
Prepaid expenses	1,804,442	2,333,027
Tangible capital assets (note 11)	96,693,896	91,428,529
Total non-financial assets	98,498,338	93,761,556
Commitments (note 14)		
Contingent liabilities (note 15)		
Effects of COVID-19 (note 20)		
Accumulated surplus (note 12)	$ 15,288,598	$ 13,697,117

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

Joanne Bénard ______________________ Director of Education

______________________ Chair of the Board

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2022, with comparative information for 2021

	2022 Budget	2022 Actual	2021 Actual
Revenue:			
Government of Ontario grants:			
- Grants for Student Needs (note 17)	$ 99,348,902	$ 97,557,211	$ 93,811,329
- Other	5,288,899	4,665,197	1,036,710
- COVID-19	-	991,654	3,169,172
Federal grants and fees	534,000	661,037	580,012
Other revenue - school boards	354,000	354,000	325,810
Other fees and revenue	944,816	1,060,881	1,147,212
Investment income	60,000	111,875	60,845
School generated funds	771,651	1,880,059	771,651
Total revenue	107,302,268	107,281,914	100,902,741
Expenses: (note 10)			
Instruction	79,447,672	75,195,660	71,583,451
Administration	5,337,519	4,400,061	4,374,642
Transportation	7,203,227	7,078,118	5,789,058
Pupil accommodation	15,183,656	16,400,851	14,878,178
School funded activities	670,099	1,754,962	670,403
Other	362,200	860,781	301,822
Total expenses	108,204,373	105,690,433	97,597,554
Annual surplus (deficit)	(902,105)	1,591,481	3,305,187
Accumulated surplus, beginning of year	13,697,117	13,697,117	10,391,930
Accumulated surplus, end of year	$ 12,795,012	$ 15,288,598	$ 13,697,117

See accompanying notes to the consolidated financial statements.

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Debt

Year ended August 31, 2022, with comparative information for 2021

	2022 Budget	2022 Actual	2021 Actual
Annual surplus (deficit)	$ (902,105)	$ 1,591,481	$ 3,305,187
Tangible capital assets:			
Acquisition of tangible capital assets	(10,520,234)	(12,477,776)	(7,326,055)
Amortization of tangible capital assets	6,466,933	7,212,409	6,713,474
	(4,053,301)	(5,265,367)	(612,581)
Prepaid expenses:			
Use of prepaid expenses	528,585	528,585	(335,795)
	528,585	528,585	(335,795)
Decrease (increase) in net debt	(4,426,821)	(3,145,301)	2,356,811
Net debt, beginning of year	(80,064,439)	(80,064,439)	(82,421,250)
Net debt, end of year	$ (84,491,260)	$ (83,209,740)	$ (80,064,439)

See accompanying notes to consolidated financial statements. -

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

Year ended August 31, 2022, with comparative information for 2021

	2022	2021
Operating transactions:		
Annual surplus	$ 1,591,481	$ 3,305,187
Items not involving cash:		
Amortization of tangible capital assets	7,212,409	6,713,474
Amortization of deferred capital contributions	(7,205,027)	(6,717,761)
	1,598,863	3,300,900
Change in non-cash assets and liabilities:		
Increase in accounts receivable	(210,115)	(1,276,936)
Decrease in accounts payable and accrued liabilities	(591,198)	(243,028)
Increase (decrease) in deferred revenue	(337,075)	2,052,716
Decrease in employee future benefits	(182,817)	(148,060)
Decrease (increase) in prepaid expenses	528,585	(335,795)
Cash provided by operating transactions	806,243	3,349,797
Capital transactions:		
Cash used to acquire tangible capital assets	(12,477,776)	(7,326,055)
Cash applied to capital transactions	(12,477,776)	(7,326,055)
Financing transactions:		
Long-term debt repaid	(1,443,884)	(1,380,528)
Increase in accounts receivable - Approved Capital Funding	(420,287)	(1,635,751)
Additions to deferred capital contributions	12,469,642	7,334,356
Cash provided by financing transactions	10,605,471	4,318,077
Increase (decrease) in cash	(1,066,062)	341,819
Cash and cash equivalents, beginning of year	4,915,525	4,573,706
Cash and cash equivalents, end of year	$ 3,849,463	$ 4,915,525

See accompanying notes to consolidated financial statements.

The Sudbury Catholic District School Board is an English Catholic school board formed in January of 1999 from the English Language sections of four separate school boards. The School Board, which covers Greater Sudbury and the southern Sudbury District in Ontario, has one adult learning, four secondary and thirteen elementary schools under its jurisdiction.

1. Significant accounting policies:

The consolidated financial statements of the Sudbury Catholic District School Board (the "Board") have been prepared by management in accordance with the basis of accounting described below. The consolidated financial statements contain the following significant accounting policies:

(a) Basis of accounting:

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

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

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the consolidated statement of operations and accumulated surplus 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 amortization, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

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

- government transfers, 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.

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

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

(b) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity 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, including:

i) School generated funds: the assets, liabilities, revenues, expenses that exist at the school level and which are deemed to be controlled by the Board, have been reflected in the consolidated financial statements.

ii) Sudbury Student Services Consortium/Consorteum de Services Aux Elèves de Sudbury (“SSSC’) is accounted for using the consolidation method of accounting and reporting, whereby the Board’s pro-rated share of net assets, revenues and expenses are combined in the statements.

Interdepartmental and inter-organizational transactions are eliminated in these consolidated financial statements.

(c) Trust funds:

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

(d) Cash and cash equivalents:

Cash and cash equivalents consist of cash-on-hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

(e) Deferred revenue:

The Board receives amounts pursuant to legislation, regulation or agreement that may only be used for 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.

(f) Deferred capital contributions:

Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions of depreciable tangible capital assets received or receivable for use in providing services, are recorded as deferred capital contributions when the asset is acquired as required under Ontario Regulation 395/11 of the Financial Administration Act. Amounts are recognized into revenue at the same rate as the related tangible capital asset is amortized.

1. Significant accounting policies (continued):

(g) 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, workers' 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 in 2016-17 for the Ontario English Catholic Teachers Association ("OECTA") employee group. ELHTs for the following employee groups were established in 2017-18: Canadian Union of Public Employees ("CUPE") and non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals after a school board's participation date into the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario.

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

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

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions 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.

1. Significant accounting policies (continued):

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

i) Tangible capital assets:

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The Board does not capitalize interest paid on debt used to finance the construction of tangible capital assets. When historical records were not available, other methods were used to estimate the cost 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.

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

Land improvements with finite lives	15 years
Buildings	40 years
First time equipping	10 years
Furniture and equipment	5 - 15 years
Vehicles	5 - 10 years
Computer hardware and software	3 years

Amortization is taken at 50% of the above rates in the year of acquisition.

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

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

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

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

ii) Prepaid expenses:

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

(i) Government transfers:

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, 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 in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

(j) Investment income:

Investment income is reported as revenue in the period earned.

When required by the funding government or related Act, investment income earned on externally restricted funds such as proceeds of disposition, special education, transition, distance schools and school renewal forms part of the respective deferred revenue balances.

(k) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees.

The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. The budget figures are unaudited.

The Board approves its budget annually. The approved operating budget for 2021-2022 is reflected on the Consolidated Statement of Operations and Accumulated Surplus, the budget was approved on December 14, 2021.

(l) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in note 1 requires management to make estimates and assumptions that affect the reported amount 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. Actual results could differ from these current estimates. Significant estimates include assumptions used in performing actuarial valuations of employee future benefit liabilities.

These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

1. Significant accounting policies (continued):

(m) Property tax revenue:

Under 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, property tax revenue received from the municipalities is recorded as part of Provincial Legislative Grants.

2. Accounts receivable:

	2022	2021
Government of Canada	$ 1,729,523	$ 1,165,497
Government of Ontario	10,082,179	9,903,918
Municipalities	1,302,305	1,140,881
Other	382,820	1,076,416
	$ 13,496,827	$ 13,286,712

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 $9,110,992 (2021 - $8,704,599).

3. Accounts receivable – Approved Capital Funding:

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

The Board has an account receivable from the Province of Ontario of $31,122,610 as at August 31, 2022 (2021 - $30,702,323) with respect to capital grants.

4. Accounts payable and accrued liabilities:

	2022	2021
Trade payables and accrued liabilities	$ 8,492,609	$ 9,211,160
Payroll related	1,552,303	1,424,950
	$ 10,044,912	$ 10,636,110

5. Temporary borrowing:

The Board has an operating line of credit available to a maximum of $4,000,000 to address operating requirements. This line of credit bears interest at the bank's prime lending rate, is unsecured and is due on demand.

The Board has an authorized revolving term credit available to a maximum of $8,500,000 to bridge ongoing capital expenditures. This credit facility bears interest at the bank's prime lending rate less 0.75% and is unsecured.

As at August 31, 2022, the amount drawn from the operating line of credit was $Nil (2021 - $Nil). The amount drawn from the revolving term credit was $Nil (2021 - $Nil).

The Board has various letters of credit outstanding totaling $74,000 (2021 - $Nil).

6. Deferred revenue:

Deferred revenue consists of amounts received by the Board that are restricted for specific purposes by the funder and amounts that are required to be set aside by the Board for specific purposes, legislation, regulation or agreement.

Deferred revenue is comprised of:

	Balance at August 31, 2021	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers (to) deferred capital contributions	Balance at August 31, 2022
Amounts restricted by legislation, regulation or agreement:					
Internal audit	$ 748,159	$ 447,914	$ (432,477)	$ –	$ 763,596
Proceeds of disposition	325,923	–	–	–	325,923
Special education	2,289,115	12,958,905	(13,308,500)	–	1,939,520
School renewal	874,133	5,477,694	(2,763,157)	(3,191,554)	397,116
Other	2,000,113	7,377,716	(6,903,616)	–	2,474,213
Total	$ 6,237,443	$ 26,262,229	$ (23,407,750)	$ (3,191,554)	$5,900,368

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	$ 85,221,740	$ 84,605,145
Additions relating to school renewal	3,191,554	1,732,120
Other additions to deferred capital contributions	9,278,088	5,602,236
Revenue recognized during the year	(7,205,027)	(6,717,761)
Balance, end of year	$ 90,486,355	$ 85,221,740

8. 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.

a) Retirement benefits:

(i) Ontario Teacher's Pension Plan:

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

(ii) Ontario Municipal Employees Retirement System:

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2022, the Board contributed $1,380,558 (2021 - $1,339,141) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

(iii) Retirement gratuities:

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012.

(iv) Retirement life insurance, dental and health care benefits:

The Board provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board experience and retirees' premiums may be subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date do not qualify for board subsidized premiums or contributions.

8. Employee future benefits (continued):

b) 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 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

(ii) Long-term disability benefits:

The Board provides long-term disability benefits including partial salary compensation and payment of life insurance premiums and health care benefits during the period an employee is unable to work or until their normal retirement date to employees who are not yet members of an ELHT. 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.

(iii) Sick leave top-up benefits:

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are $121,980 (2021 - $130,473).

The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as of August 31, 2022. This actuarial valuation is based on 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 the most recent actuarial valuation completed 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
	%	%
Inflation	2.0	1.5
Discount on accrued benefit obligations	3.9	1.8
Discount on accrued benefit obligations - WSIB	3.9	1.8

8. Employee future benefits (continued):

Assumed health care cost trend rates:

	2022	2021
Health care cost escalation	Increase by a flat rate of 5.0%	7.00% for 2020/21 reducing by ¼% in each year to an ultimate rate of 4.5%
Dental care cost escalation	Increase by a flat rate of 5.0%	Increase by a flat rate of 4.5%
Insurance and health care cost escalation - WSIB	4.0%	4.0%

Information with respect to the Board's retirement and other employee future benefit liability is as follows:

Accrued benefit obligation			2022	2021
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	$ 215,315	1,096,248	1,311,563	$ 1,542,761
Unamortized actuarial losses	–	(5,541)	(5,541)	(53,922)
	$ 215,315	1,090,707	1,306,022	$1,488,839

Employee future benefit expenses			2022	2021
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	$ –	213,182	213,182	$ 324,818
Interest on accrued benefit obligation	5,071	17,716	22,787	22,231
Benefit payments	(123,801)	(300,986)	(424,787)	(531,555)
Amortization of actuarial (gains) losses	(9,598)	15,599	6,001	(63,708)
Employee future benefits expenses[1]	$ (128,328)	(54,489)	(182,817)	$ (248,214)

[1] Excluding pension contributions to multi-employer pension plans, described in note 8(b).

9. Net long-term liabilities:

The Ontario Finance Authority ("OFA") was established on November 15, 1993 as an agency of the Province of Ontario and as such is considered a related party to the Board. The Board has certain financing arrangements entered into the OFA as disclosed below:

	2022	2021
Ontario Financing Authority Debentures – amortizing, payable in semi-annual instalments of $1,260,805 including interest at rates ranging from 3.56% to 5.80%, final installment due between November 2028 and March 2038	$ 23,940,983	$ 25,384,867

Payments relating to the net long-term liabilities outstanding as at August 31, 2022 are due as follows:

	Principal	Interest	Total
2022-2023	$ 1,510,244	$ 1,005,583	$ 2,515,827
2023-2024	1,579,756	936,391	2,516,147
2024-2025	1,652,574	863,908	2,516,482
2025-2026	1,728,860	787,970	2,516,830
2026-2027	1,808,784	708,411	2,517,195
Thereafter	15,660,815	3,181,150	18,841,965
	$ 23,941,033	$ 7,483,413	$ 31,424,446

Interest on long-term debt amounted to $1,071,636 (2021 – $1,314,698).

10. Expenses by object:

The following is a summary of the expenses reported on the Consolidated Statement of Operations and Accumulated Surplus by object:

	2022 Budget	2022 Actual	2021 Actual
Current expenses:			
Salary and wages	$ 68,946,434	$ 66,185,073	$ 64,029,300
Employee benefits	11,781,955	10,892,730	10,543,639
Staff development	532,254	205,340	117,086
Supplies and services	7,056,131	5,929,857	5,196,518
Interest	1,146,084	1,059,449	1,124,212
Rentals	75,824	72,840	67,838
Fees and contract services	11,391,482	11,404,015	8,523,142
Other	137,177	973,758	611,942
Amortization of tangible capital assets	6,466,933	7,212,409	6,713,474
School funded activities	670,099	1,754,962	670,403
	$ 108,204,373	$ 105,690,433	$ 97,597,554

11. Tangible capital assets:

Cost		Balance at August 31, 2021		Additions		Balance at August 31, 2022
Land	$	5,535,522	$	-	$	5,535,522
Land improvements		3,281,270		-		3,281,270
Buildings		139,136,383		10,914,987		150,051,370
First-time equipping		1,117,147		-		1,117,147
Furniture and equipment		487,961		556,583		1,044,544
Vehicles		88,668		-		88,668
Computer hardware		1,950,599		1,006,206		2,956,805
Computer software		469,878		-		469,878
Total	$	152,067,428	$	12,477,776		164,545,204

Cost		Balance at August 31, 2021		Amortization Expense		Balance at August 31, 2022
Land	$	-	$	-	$	-
Land improvements		1,212,027		209,286		1,421,313
Buildings		56,625,023		6,266,595		62,891,618
First-time equipping		792,434		116,128		908,562
Furniture and equipment		305,159		78,692		383,851
Vehicles		88,668		-		88,668
Computer hardware		1,373,743		447,487		1,821,230
Computer software		241,845		94,221		336,066
Total	$	60,638,899	$	7,212,409	$	67,851,308

		Net book value, August 31, 2021		Net book value, August 31, 2022
Land	$	5,535,522	$	5,535,522
Land improvements		2,069,243		1,859,957
Buildings		82,511,360		87,159,752
First-time equipping		324,713		208,585
Furniture and equipment		182,802		660,693
Vehicles		-		-
Computer hardware		576,856		1,135,575
Computer software		228,033		133,812
Total	$	91,428,529	$	96,693,896

12. Accumulated surplus:

Accumulated surplus consists of the following:

		2022		2021
Available for compliance – unappropriated:				
Total operating accumulated surplus	$	8,865,496	$	6,959,850
Available for compliance – internally appropriated:				
Reserve funds		–		873,000
Unavailable for compliance – externally appropriated:				
Employee future benefits		(652,782)		(1,086,521)
Accrued interest		(349,628)		(349,628)
School generated funds		1,889,990		1,764,894
Revenues recognized for land		5,535,522		5,535,522
		6,423,102		5,864,267
Total accumulated surplus	$	15,288,598	$	13,697,117

13. 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.

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 reciprocals 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 policy expires December 31, 2022.

Premiums paid to OSBIE for the policy year ending December 31, 2021 amounts to $149,787 (2020 - $130,273)

14. Commitments:

The Board has entered into contracts for various projects. As at August 31, 2022, there was approximately $2,270,325 (2021 - $2,700,000) of work remaining to be completed.

15. Contingent liabilities:

The Board is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved.

16. Debt charges:

The expenditure for debt charges includes principal and interest payments as follows:

	2022	2021
Principal payments on long-term debt	$ 1,443,884	$ 1,380,528
Interest payment on long-term debt	1,077,727	1,141,083
	$ 2,521,611	$ 2,521,611

17. 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:

	2022	2021
Provincial legislative grants	$ 79,940,828	$ 76,569,412
Education property tax	10,411,356	10,542,156
Amortization of deferred capital contributions	7,205,027	6,717,761
Grants for student needs	$ 97,557,211	$ 93,829,329

18. Transportation consortium:

The Board is a member of the Sudbury Student Services Consortium / Consortium de services aux élèves de Sudbury ("SSSC"). The SSSC provides student transportation services to students of the four local boards. The SSSC is a separate legal entity.

In the year, the Board incurred expenses totaling $6,526,411 (2021 - $5,492,209) for student transportation services provided by the SSSC. These amounts are included in transportation expenditure on the consolidated statement of operations and accumulated surplus.

At year-end, the Board has a payable of $290,869 (2021 – receivable of $575,759) owed to SSSC.

At year-end, the Board pre-paid fees for September 2022 for $709,265 (2021 - $618,696) to SSSC.

19. Trust funds:

Trust funds administered by the Board amounting to $173,847 (2021 - $181,784) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

20. Effects of COVID-19:

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

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

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

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the board's records. The in-kind revenue recorded for these transfers is $832,321 with expenses based on use of $832,321 for a net impact of $Nil.

22. Board performs duties of a municipal council:

The Board performs the duties of levying and collecting taxes, conducting elections of members, etc. in territory without municipal organization. The outlay by the Board in 2022 in respect of performing duties of municipal council is reported by area in a separate statement.

Certain costs are recoverable through a levy on all rateable property in the area and other approved costs are recoverable through an offset to the local taxation revenue.

23. Repayment of "55 School Board Trust" Funding:

On June 1, 2003, the Board received $6,156,190 from the "55 School Board Trust" for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the Trust. The "55 School Board Trust" was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the Trust. Under the terms of the agreement, the "55 School Board Trust" repaid the board's debt in consideration for the assignment by the Board to the Trust of future provincial grants payable to the Board in respect of the NPF debt

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position.

24. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.

25. 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.

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.

25. Future accounting standard adoption (continued):

ii. Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the board for as of September 1, 2023 for the year ending August 1, 2024):

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

PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 *Public Private Partnerships (P3s)* provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.