St. Clair Catholic District School Board
Consolidated Financial Statements
For the Year Ended August 31, 2022

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St. Clair Catholic District School Board

Consolidated financial statements
August 31, 2022

Management Report

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the St. Clair Catholic District School Board are the responsibility of the Board's 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.

A summary of the significant accounting policies is presented 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 management and 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

Associate Director
Corporate Services and Treasurer

November 8, 2022

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Windsor, Ontario
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Independent Auditor's Report

To the Board of Trustees of the St. Clair Catholic District School Board

Opinion

We have audited the consolidated financial statements of St. Clair Catholic District School Board and its controlled entities (the Board) which comprise the consolidated balance sheet as at August 31, 2022, the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of Matter – Financial Reporting Framework

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

November 8, 2022
Windsor, Ontario

St. Clair Catholic District School Board
Consolidated Statement of Financial Position

August 31	2022	2021
Financial assets		
Cash and cash equivalents	$ 8,380,546	$ 13,635,364
Accounts receivable	6,519,428	5,821,676
Accounts receivable - Government of Ontario (Note 2)	22,907,285	21,822,161
Accounts receivable - Government of Ontario Delayed Grant (Note 2)	7,050,444	6,626,808
Investments (Note 3)	1,673,136	1,624,790
Assets held for sale (Note 4 and 10)	-	10,000
	46,530,839	49,540,799
Financial liabilities		
Temporary Borrowing (Note 5)	$ 3,094,747	$ 3,876,146
Accounts payable and accrued liabilities	8,368,349	9,474,376
Deferred revenue (Note 6)	9,432,095	8,623,414
Retirement and other employee future benefits (Note 7)	3,976,086	4,698,810
Long-term debt (Note 8)	14,790,541	15,629,255
Deferred capital contributions (Note 9)	120,852,128	115,165,480
	160,513,946	157,467,481
Net debt	(113,983,107)	(107,926,682)
Non-financial assets		
Prepaid expenses	1,026,895	980,586
Tangible capital assets (Note 10)	139,569,043	132,274,846
	140,595,938	133,255,432
Accumulated surplus	$ 26,612,831	$ 25,328,750

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

St. Clair Catholic District School Board
Consolidated Statement of Operations

For the year ended August 31	2022 Budget	2022 Actual	2021 Actual
Revenue			
Provincial grants - grants for student needs (Note 11)	$117,135,888	$119,711,669	$ 119,897,230
Provincial grants - other	1,842,538	6,173,415	5,474,919
School generated funds	2,790,000	1,159,528	448,325
Federal grants and fees	129,987	753,263	768,707
Other fees and revenue	536,076	738,381	768,960
Investment income	100,000	249,004	185,421
	122,534,489	128,785,260	127,543,562
Expenses			
Instruction	89,650,942	93,368,049	91,524,808
Pupil accommodation	17,064,118	18,908,188	18,177,509
Transportation	7,578,408	7,997,866	7,207,559
Administration	4,561,748	4,550,808	4,414,281
Other expenses	261,738	1,463,898	1,178,498
School generated funds	2,790,000	1,212,370	557,894
	121,906,954	127,501,179	123,060,549
Annual surplus	627,535	1,284,081	4,483,013
Accumulated surplus, beginning of the year	25,328,750	25,328,750	20,845,737
Accumulated surplus, end of the year	$ 25,956,285	$ 26,612,831	$ 25,328,750

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

St. Clair Catholic District School Board
Consolidated Statement of Cash Flows

For the year ended August 31	2022	2021
Operating activities		
Annual surplus	$ 1,284,081	$ 4,483,013
Sources and (uses):		
Non-cash items		
Amortization on tangible capital assets	7,455,608	7,997,193
Gain on sale of property and equipment	(2,075)	(612,885)
Revenue recognized in period for deferred capital contributions	(7,172,699)	(7,578,060)
Accounts receivable	(697,752)	(1,012,441)
Prepaid expenses	(46,309)	(53,494)
Accounts payable and accrued liabilities	(1,106,027)	1,746,239
Deferred revenue	(51,174)	1,257,797
Retirement and other employee future benefits	(722,724)	(436,147)
Assets held for sale	10,000	(10,000)
	(1,049,071)	5,781,215
Capital transactions		
Proceeds on disposal of tangible capital assets	2,075	640,249
Acquisition of tangible capital assets	(14,749,805)	(17,748,591)
	(14,747,730)	(17,108,342)
Investing transactions		
Investments	(48,346)	8,446
Financing activities		
Repayment of long-term debt	(838,714)	(799,656)
Proceeds (repayment) of temporary borrowing	(781,399)	3,876,146
Accounts receivable capital - Government of Ontario	(1,508,760)	(5,087,226)
Additions to deferred revenues - capital	12,859,347	12,339,370
Increase in deferred revenues - capital	859,855	578,706
	10,590,329	10,907,340
Net decrease in cash	(5,254,818)	(411,341)
Cash, beginning of the year	13,635,364	14,046,705
Cash, end of the year	$ 8,380,546	$ 13,635,364

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

St. Clair Catholic District School Board
Consolidated Statement of Change in Net Debt

For the year ended August 31	2022 Budget	2022 Actual	2021 Actual
Annual surplus	$ 627,535	$ 1,284,081	$ 4,483,013
Tangible capital asset activity			
Acquisition of tangible capital assets	(27,184,128)	(14,749,805)	(17,748,591)
Amortization of tangible capital assets	6,986,500	7,455,608	8,001,406
Gain on disposition of tangible capital assets	-	(2,075)	(14,214)
Proceeds on disposition of tangible capital assets	-	993,862	640,249
Transfer to assets held for sale	-	-	10,000
Deferred gain on disposal of restricted assets	-	(991,787)	(612,885)
	(20,197,628)	(7,294,197)	(9,724,035)
Other non-financial asset activity			
Acquisition of prepaid expenses	-	(891,127)	(407,847)
Use of prepaid expenses	-	844,818	354,353
	-	(46,309)	(53,494)
Net decrease in net debt	(19,570,093)	(6,056,425)	(5,294,516)
Net debt, beginning of the year	(107,926,682)	(107,926,682)	(102,632,166)
Net debt, end of the year	$(127,496,775)	$(113,983,107)	$ (107,926,682)

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

1. Significant Accounting Policies

Basis of accounting

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

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

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

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian Public Sector Accounting Standards which require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS 3410;
- 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 PS 3100; and
- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS 3510.

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.

1. Significant Accounting Policies (continued)

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. School generated funds, which include the assets, liabilities, revenues and expenses of various organizations that exist at the school level and which are controlled by the Board are reflected in the consolidated financial statements. Chatham-Kent Lambton Administrative School Services is jointly controlled and the Board accounts for its interest in this entity using proportionate consolidation (refer to Note 13). Consolidated entities include: • St. Clair District Catholic Education Foundation • School Generated Funds • Chatham-Kent Lambton Administrative School Services Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.
Trust funds	Trust funds and their related operations administered by the Board are not included in the consolidated financial statements, as the Board does not control them.
Cash and cash equivalents	Cash and cash equivalents are comprised of cash on hand 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.
Investments	Temporary investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition, and are carried on the consolidated statement of financial position at the lower of cost or market value. Long-term investments consist of investments that have maturities of more than one year and income producing equities. Long-term investments are recorded at cost, and assessed regularly for permanent impairment.

1. Significant Accounting Policies (continued)

Tangible capital assets

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

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

	Rate
Land improvements with finite lives	15 years
Buildings	40 years
Buildings – other	20 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

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

Land permanently removed from service and held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service cease to be amortized and are recorded at the lower of carrying value and 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.

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 expenses are incurred or services performed.

1. Significant Accounting Policies (continued)

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, dental benefits, retirement gratuity and workers' compensation.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: OECTA, and CUPE. The following ELHT was established in 2017-18: ONE-T for non-unionized employees including principals and vice principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals up to a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

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

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

(i) The cost of retirement gratuities and other employee future benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, discount rates and other actuarial assumptions. 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 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.

1. Significant Accounting Policies (continued)

For those self-insured benefit obligations that arise from specific events that occur periodically, such as obligations for workers' 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 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.

Deferred capital contributions

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

(i) Government transfers received or receivable for capital purpose.

(ii) Other restricted contributions received or receivable for capital purpose.

(iii) Property taxation revenues which were historically used to fund capital assets.

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 and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

Education property tax revenue

Under Canadian Public Sector Accounting Standards, The Province of Ontario records property taxes levied as property tax revenue. As a result, education property tax revenue received from the municipalities is recorded as part of Grants for Student Needs, under Education Property Tax.

1. Significant Accounting Policies (continued)

Investment income	Investment income earned is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on externally restricted funds is added to the respective deferred revenue balances.
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.
Use of estimates	The preparation of consolidated financial statements in conformity with the basis of accounting policy that 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 financial statements, and the reported amounts of revenues and expenses during the year. Significant estimates include assumptions used by actuaries to determine employee future benefit costs (Note 7). Actual results could differ from these estimates.

2. Accounts receivable

a) Accounts Receivable - Government of Ontario

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 as at August 31, 2022 of $22,907,285 (2021 - $21,822,161) with respect to capital grants.

b) Accounts Receivable - Government of Ontario Delayed Grant

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry will delay a portion 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 Board has an account receivable from the Province of Ontario as at August 31, 2022 of $7,050,444 (2021 - $$6,626,808) with respect to Delayed Grant payments.

3. Investments

The carrying amounts of investments are comprised of the following:

	2022		2021	
	Cost	Market value	Cost	Market value
Cash	$ 56,625	$ 56,625	$ 76,178	$ 76,178
Government bonds	130,933	129,444	130,933	153,376
Equities	1,485,578	1,625,637	1,417,679	1,752,261
	$ 1,673,136	$ 1,811,706	$ 1,624,790	$ 1,981,815

Included in investments is a $1,000,000 (2021 - $1,000,000) endowment from the Ursuline Religious of the Diocese of London in Ontario. Income earned on the endowment is to be used for scholarships, bursaries and discretionary spending. The deferral of the endowment is included with deferred revenue (Note 6).

4. Assets held for sale

As of August 31, 2022, nil (2021 - $10,000) related to land was reclassified as assets held for sale. Carrying cost of the building held for sale was nil (2021 - nil). The asset held for sale was sold for $1,000,000 during the year.

5. Temporary borrowing

The Board has credit facilities available to a maximum of $10,000,000 to address operating requirements. All loans are due on demand and carry an interest rate of prime less 1 percent. As at August 31, 2022, the amount drawn was nil (2021 - nil).

The Board has demand interim bridge credit available to the maximum of $44,582,977 (2021 - $44,582,977) to bridge finance capital project expenditures. All loans are due on demand and are in the form of bankers' acceptance notes. Interest on the operating facilities carry an interest rate of prime lending rate minus 0.75 percent.

As at August 31, 2022, the amount drawn under the bankers' acceptance facility was $3,094,747 (2021 - $3,876,146).

6. Deferred revenue

Revenues received that are restricted for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the consolidated statement of financial position. Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2022 is comprised of:

	Balance at August 31, 2021	Contributions received	Transferred to revenue	Transfers to deferred capital contributions	Balance at August 31, 2022
School renewal	$ 3,269,147	$ 1,551,297	$ (39,000)	$ (1,455,553)	$ 3,325,891
Interest on capital	-	827,582	(827,582)	-	-
Temporary accommodation	-	378,050	(378,050)	-	-
Rural and Northern Education	182,148	253,553	(396,454)	-	39,247
Minor tangible capital assets	-	2,733,969	(1,461,376)	(1,272,593)	-
Experiential Learning	162,743	320,886	(366,661)	-	116,968
Proceeds of disposition	1,015,653	991,787	-	-	2,007,440
Special education allocation	1,837,817	14,296,258	(14,674,687)	-	1,459,388
Special education equipment	286,290	321,525	(465,028)	-	142,787
ABA training funding	26,079	26,956	(19,123)	-	33,912
Library Staff	-	94,166	(94,166)	-	-
Student achievement envelope	157,453	380,829	(349,345)	-	188,937
Indigenous Education	39,941	148,043	(187,984)	-	-
Partnership & priorities funding	210,415	4,557,206	(4,209,901)	-	557,720
Other(Note 3)	1,435,728	305,091	(181,014)	-	1,559,805
	$ 8,623,414	$ 27,187,198	$ (23,650,371)	$ (2,728,146)	$ 9,432,095

7. Retirement and other employee future benefits

Retirement and other employee future benefit liabilities

				2022	2021
	Retirement benefits	Other employee future benefits	Workers' safety insurance benefits	Total employee future benefits	Total employee future benefits
Accrued employee future benefit obligations, end of year	$ 2,924,764	$ 399,839	$ 739,517	$ 4,064,120	$ 5,232,202
Unamortized actuarial loss	(88,034)	-	-	(88,034)	(533,392)
	$ 2,836,730	$ 399,839	$ 739,517	$ 3,976,086	$ 4,698,810

Retirement and other employee future benefit expenses

				2022	2021
	Retirement benefits	Other employee future benefits	Workers' safety insurance benefits	Total employee future benefits	Total employee future benefits
Current year benefit cost	$ -	$ 90,372	$ 278,130	$ 368,502	$ 126,670
Amortized loss (gain)	154,803	7,585	-	162,388	57,540
Interest on accrued benefit obligation	65,328	6,554	9,781	81,663	77,595
	$ 220,131	$ 104,511	$ 287,911	$ 612,553	$ 261,805

Above amounts exclude pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, as described on the next page.

7. Retirement and other employee future benefits (continued)

Actuarial assumptions

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

	2022	2021
Inflation	2.0 %	1.5 %
Interest	3.9 %	1.8 %
Health care cost escalation	5.0 %	7.0 % to 4.5 %
Dental care cost escalation	5.0 %	4.5 %
Wage and salary escalation	2.0 %	2.0 %

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 of Ontario. 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, and contribution rates are directed by OMERS. The Board does not have direct access to information regarding the deficit calculation of the fund nor its impact on the contribution rates, except as disclosed periodically by OMERS. As of December 31, 2021 the funded ratio for the OMERS plan was 97% (2021 – 97%). During the year ended August 31, 2022, the Board contributed $1,773,450 (2021 - $1,719,000) 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 up to August 31, 2012.

7. Retirement and other employee future benefits (continued)

iv) Retirement life insurance and health care benefits

The Board continues to provide 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 are 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 (excluding employees with personal services contracts) retiring on or after this date, will no longer qualify for board subsidized premiums or contributions.

Other employer future benefits

v) 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 4.5 years for employees receiving payments from the Workplace Safety and Insurance Board, where collective agreements negotiated prior to 2012 included such provision.

vi) Sick leave top-up benefits

Under short term sick leave and disability plan, 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 financial statements are $121,504 (2021 - $98,285). 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 and is based on the average daily salary and banked sick days of employees at August 31, 2022.

vii) Long-term disability life insurance and health care benefits

The Board provides life insurance, dental and health care benefits to employees on long-term disability leave to all permanent employees through the ELHT. The employee is responsible for the payment of long term disability insurance premiums and the costs of life insurance, dental and health care benefits is covered by the ELHT.The costs of salary compensation paid to employees on long-term disability leave are fully insured and are not included in this plan.

8. Net long-term liabilities

	2022	2021
Promissory note, 4.833%, maturing March 2036	$ 9,714,758	$ 10,199,383
Promissory note, 4.56%, maturing November 2031	1,916,858	2,074,904
Promissory note, 4.90%, maturing March 2033	1,341,025	1,433,345
Promissory note, 5.062%, maturing March 2034	969,836	1,028,518
Promissory note, 5.232%, maturing April 2035	848,064	893,105
Long-term portion of debt	$ 14,790,541	$ 15,629,255

Principal repayments on long-term debt over the next five years are as follows:

	Principal	Interest	Total
2023	$ 879,683	$ 705,609	$ 1,585,292
2024	922,655	662,677	1,585,332
2025	967,729	617,563	1,585,292
2026	1,015,007	570,285	1,585,292
2027	1,064,598	545,565	1,610,163
Thereafter	9,940,869	3,750,629	13,691,498
	$ 14,790,541	$ 6,852,328	$ 21,642,869

On June 1, 2003, the Board received $2,663,000 from the “55 School Board Trust” for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered with the trust. As a result of the agreement the liability in respect of the not permanently financed (NPF) debt is no longer reflected in the Board’s financial position.

Interest on long-term debt amounted to $736,784 (2021 - $770,071).

9. 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	$115,165,480	$ 110,404,170
Additions to deferred capital contributions	12,859,347	12,339,370
Revenue recognized in the year	(7,172,699)	(7,578,060)
Balance, end of year	$120,852,128	$ 115,165,480

10. Tangible capital assets

Cost	Opening balance	Additions and transfers	Disposals and writedowns	Transfer to assets held for sale	Closing balance
Land	$ 12,237,981	$ 1,886,584	$ -	$ -	$ 14,124,565
Land improvements	6,433,989	790,229	-	-	7,224,218
Buildings - 40 yr	175,549,838	4,997,531	-	-	180,547,369
Buildings - 20 yr	84,703	-	-	-	84,703
Portable structures	587,826	-	-	-	587,826
Equipment	905,000	33,453	16,754	-	921,699
First time equipping	1,524,340	-	83,277	-	1,441,063
Furniture	13,226	-	-	-	13,226
Computer hardware	2,860,329	1,034,066	427,514	-	3,466,881
Computer software	75,894	148,193	1,306	-	222,781
Vehicles	313,724	74,196	26,997	-	360,923
Construction in progress	-	6,610,169	-	-	6,610,169
Pre-acquisition costs	913,576	(824,616)	-	-	88,960
	$201,500,426	$ 14,749,805	$ 555,848	$ -	$215,694,383

Accumulated amortization	Opening balance	Amortization adjustments	Disposals and write-downs	Transfers to assets held for sale	Closing balance
Land	$ -	$ -	$ -	$ -	$ -
Land improvements	2,336,931	423,032	-	-	2,759,963
Buildings - 40 yr	63,600,208	5,587,956	-	-	69,188,164
Buildings - 20 yr	69,880	4,235	-	-	74,115
Portable structures	587,826	-	-	-	587,826
Equipment	458,694	91,048	16,754	-	532,988
First time equipping	905,374	149,175	83,277	-	971,272
Furniture	6,686	1,323	-	-	8,009
Computer hardware	1,074,114	1,114,026	427,517	-	1,760,623
Computer software	17,311	29,868	1,303	-	45,876
Vehicles	168,556	54,945	26,997	-	196,504
Construction in progress	-	-	-	-	-
Pre-acquisition costs	-	-	-	-	-
Total	$ 69,225,580	$ 7,455,608	$ 555,848	$ -	$ 76,125,340

10. Tangible capital assets (continued)

Net book value	2022	2021
Land	$ 14,124,565	$ 12,237,981
Land improvements	4,464,255	4,097,058
Buildings - 40 yr	111,359,205	111,949,630
Buildings - 20 yr	10,588	14,823
Portable structures	-	-
Equipment	388,711	446,306
First time equipping	469,791	618,966
Furniture	5,217	6,540
Computer hardware	1,706,258	1,786,215
Computer software	176,905	58,583
Vehicles	164,419	145,168
Construction in progress	6,610,169	-
Pre-acquisition costs	88,960	913,576
Total	$139,569,043	$ 132,274,846

The write-down of Tangible Capital Assets during the year was nil (2021 - nil). Assets under construction having a value of $6,610,169 (2021 - nil) have not been amortized. Amortization of these assets will commence when the asset is put into service. Within the year nil (2021 - $16,107,000) was transferred from Assets under Construction to Assets in Service upon the completion of construction of a Building with an estimated useful life of 40 years.

11. 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. 82% (2021 - 82%) 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	$105,194,620	$ 104,156,940
Education property tax	14,517,049	15,740,290
	$119,711,669	$ 119,897,230

12. Debt charges and capital loans interest

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

	2022	2021
Principal payments on long-term liabilities contributions to sinking funds	$ 838,714	$ 799,656
Interest payments on long-term liabilities	746,578	785,636
	$ 1,585,292	$ 1,585,292

13. Partnership in Chatham-Kent Lambton Administrative School Services (CLASS)

Transportation, community use of school services, supervision of child care services and energy and environmental services for the Board are provided by CLASS which was incorporated on February 22, 2006. On that day the Board formalized an agreement with the Lambton Kent District School Board to provide common administration of student transportation and other services deemed beneficial to the boards in their shared jurisdiction. This agreement was executed in an effort to increase efficiency and cost effectiveness for each of the boards. Under the agreement created at the time CLASS was established, decisions related to the financial and operating activities of CLASS are shared. Neither partner is in a position to exercise unilateral control.

This entity is proportionately consolidated in the Board's consolidated financial statements whereby the Board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information.

	2022		2021	
	Total	Board portion	Total	Board portion
Financial position				
Financial assets	$ 3,130,197	$ 1,064,649	$ 3,537,682	$ 1,250,124
Financial liabilities	(3,130,197)	(1,064,649)	(3,537,682)	(1,250,124)
	$ -	$ -	$ -	$ -
Operations				
Revenues	$21,133,520	$ 7,195,964	$21,446,000	$ 7,623,752
Expenses	(21,133,520)	(7,195,964)	(21,446,000)	(7,623,752)
	$ -	$ -	$ -	$ -

14. Ontario School Board Insurance Exchange (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of $2,000,000 per occurrence.

The ultimate premiums over a five year period are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five year term expires December 31, 2022.

15. Contractual obligations and contingent liabilities

In the normal course of operations, the Board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2022 cannot be predicted with certainty, it is the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operations.

The Board is committed to capital expenditures in the amount of $47,131,389 (2021 - $3,480,608).

16. Expenses by Ministry of Education classification

The following is a summary of the expenses reported on the consolidated statement of operations by Ministry of Education classification:

	2022 Budget	2022 Actual	2021 Actual
Salary and wages	$ 79,344,313	$ 82,118,065	$ 80,698,459
Employee benefits	13,894,441	14,710,140	13,954,891
Supplies and services	7,656,792	10,014,414	8,027,988
Fees and other contract services	9,082,665	9,503,740	8,897,003
Amortization, writedowns and disposal of tangible capital assets	6,986,500	7,455,608	8,001,407
School generated funds	2,790,000	1,212,370	557,894
Interest charges on capital debt	746,577	802,440	770,071
Other	334,604	656,022	1,371,962
Staff development	573,111	610,577	260,534
Rental expense	497,951	417,803	520,340
	$121,906,954	$127,501,179	$ 123,060,549

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

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Government and Consumer Services (MGCS). 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 $919,666 (2021 - $910,658) with expenses based on use of $919,666 (2021 - $910,658) for a net impact of nil.

18. 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.

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.

19. Impact of COVID-19

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

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