Consolidated financial statements of
Superior-Greenstone District School Board

August 31, 2022

SUPERIOR-GREENSTONE DISTRICT SCHOOL BOARD

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Management Report

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

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

The preparation of the 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 period.

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 Deloitte 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 School Board's consolidated financial statements.

Nicole Morden-Cormier
Director of Education
January 30, 2023

Alex Marton
Superintendent of Business
January 30, 2023

Deloitte.

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Independent Auditor's Report

To the Board of Trustees of the
Superior-Greenstone District School Board

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) of the 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 the 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 of the financial statements in accordance with the basis of accounting described in Note 1(a) 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 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 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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 Board 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.

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
January 30, 2023

Superior-Greenstone District School Board

Consolidated statement of financial position

As at August 31, 2022

	Notes	2022 $	2021 $
Financial assets			
Cash		**353,600**	—
Accounts receivable	2 and 3	**15,139,572**	13,321,891
Accounts receivable - Province of Ontario capital grants	3	**12,187,331**	17,223,627
Investments	4	**125**	125
		27,680,628	30,545,643
Liabilities			
Bank indebtedness		**—**	491,303
Accounts payable and accrued liabilities		**4,391,118**	7,375,393
Deferred revenue	5	**2,805,582**	2,019,360
Deferred capital contributions	6	**71,372,537**	71,151,298
Obligation under capital leases	7	**53,365**	78,081
Net long-term debt	8	**9,569,087**	10,091,375
Retirement and other employee future benefits payable	9	**537,294**	735,726
		88,728,983	91,942,536
Net debt		**(61,048,355)**	(61,396,893)
Commitments and contingent liabilities	12		
Non-financial assets			
Tangible capital assets	15	**74,138,920**	73,960,516
Prepaid expenses and supplies		**160,284**	124,187
		74,299,204	74,084,703
Accumulated surplus	16	**13,250,849**	12,687,810

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

Approved on behalf of the Board

_____________________________________, Director of education

_____________________________________, Chair of the Board

Superior-Greenstone District School Board
Consolidated statement of operations
Year ended August 31, 2022

	Notes	Budget $ (Note 18)	2022 Actual $	2021 Actual $
Revenue				
Provincial grants				
Student focused funding		**29,788,835**	**30,711,995**	29,960,338
Deferred capital contributions recognized	6	**6,402,088**	**6,924,440**	7,695,052
Other		**1,123,633**	**2,113,184**	2,923,333
Local taxation		**3,244,374**	**3,017,225**	3,087,934
School fundraising		**456,500**	**266,104**	152,295
Federal grants and fees		**4,584,428**	**5,199,837**	5,029,537
Interest income		**—**	**17,311**	14,137
Other revenues - School Boards		**275,000**	**451,218**	336,373
Other fees and revenue		**472,725**	**950,631**	519,515
		46,347,583	**49,651,945**	49,718,514
Expenses	10			
Instruction		**29,462,518**	**29,721,421**	28,127,527
Administration		**3,290,895**	**3,890,731**	3,362,450
Transportation		**1,579,162**	**1,845,128**	1,635,816
School operations/pupil accommodation		**11,450,818**	**13,234,714**	13,761,125
School funded activities		**458,800**	**301,279**	158,210
Other		**—**	**95,633**	115,730
		46,242,193	**49,088,906**	47,160,858
Annual surplus		**105,390**	**563,039**	2,557,656
Accumulated surplus, beginning of year		**12,687,810**	**12,687,810**	10,130,154
Accumulated surplus, end of year		**12,793,200**	**13,250,849**	12,687,810

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

	Notes	2022 $	2021 $
Annual surplus		**563,039**	2,557,656
Acquisition of tangible capital assets	15	**(7,145,679)**	(15,664,117)
Amortization of tangible capital assets	15	**6,967,275**	7,716,279
Acquisition of prepaid expenses and supplies		**(160,284)**	(124,187)
Use of prepaid expenses and supplies		**124,187**	34,342
		(214,501)	(8,037,683)
Change in net debt		**348,538**	(5,480,027)
Net debt, beginning of year		**(61,396,893)**	(55,916,866)
Net debt, end of year		**(61,048,355)**	(61,396,893)

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

Superior-Greenstone District School Board
Consolidated statement of cash flows
Year ended August 31, 2022

	Notes	2022 $	2021 $
Operating activities			
Annual surplus		**563,039**	2,557,656
Items not involving cash			
Amortization	15	**6,967,275**	7,716,279
Deferred capital contributions recognized	6	**(6,924,440)**	(7,695,052)
Changes in non-cash assets and liabilities			
Accounts receivable		**(1,817,681)**	(756,963)
Accounts payable and accrued liabilities		**(2,984,275)**	1,871,951
Deferred revenue - operating		**327,649**	299,482
Retirement and other employee future benefits payable		**(198,432)**	(166,566)
Prepaid expenses and supplies		**(36,097)**	(89,845)
		(4,102,962)	3,736,942
Capital activity			
Acquisition of tangible capital assets	15	**(7,145,679)**	(15,664,117)
Financing activities			
Capital grant contributions	6	**7,145,679**	14,865,770
Change in accounts receivable - Province of Ontario capital grants		**5,036,296**	(1,394,490)
Change in deferred revenues - capital		**458,573**	(995,378)
Debt principal repaid		**(522,288)**	(500,852)
Repayment of obligations under capital lease		**(24,716)**	(72,458)
		12,093,544	11,902,592
Net change in cash (bank indebtedness)		**844,903**	(24,583)
Bank indebtedness, beginning of year		**(491,303)**	(466,720)
Cash (bank indebtedness) , end of year		**353,600**	(491,303)

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

1. Significant accounting policies

The consolidated financial statements of the Superior-Greenstone District School Board (the "Board") are prepared by management in accordance with the basis of accounting described below.

Significant accounting policies adopted are as follows:

(a) Basis of accounting

The consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11, Accounting Policies and Practices Public Entities ("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 (the "Province"). A directive was provided by the Ontario Ministry of Education (the "Ministry") within memorandum 2004:B2 requiring school boards to adopt Canadian Public Sector Accounting Standards ("PSAS") 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. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the consolidated statement of operations over the periods during which the 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 PSAS which requires that:

- Government transfers, including amounts previously recognized as tax revenues, 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 PSAS 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 Canadian PSAS PS3100; and
- Property taxation revenue be reported as revenue when received or receivable in accordance with PSAS PS3510.

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

(b) Reporting entity

The consolidated financial statements reflect the assets, liabilities, accumulated surplus, revenues, expenses and annual surplus of the reporting entity. The reporting entity comprises all organizations accountable for the administration of their financial affairs and resources to the Board and which are controlled by the Board.

1. Significant accounting policies (continued)

(b) Reporting entity (continued)

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

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

(c) Trust funds

Trust funds and their related operations administered by the Board amounting to $451,549 ($420,697 in 2021), have not been included in the consolidated statement of, financial position nor have their operations been included in the consolidated statement of operations, as they are not controlled by the Board.

(d) Deferred revenue

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

(e) Deferred capital contributions

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

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

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

(iii) Amounts previously recognized as property taxation revenues which were historically used to fund capital assets.

(f) Retirement and other employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include health and dental, retirement gratuity, worker's compensation, non-vesting accumulating sick leave, and early retirement incentive plan. The Board has adopted the following policies with respect to accounting for these employee benefits.

1. Significant accounting policies (continued)

(f) Retirement and other employee future benefits (continued)

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: ETFO, OSSTF, and OSSTF-EW. The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding daily occasional teachers), educational workers, other school board staff and retired individuals up to a school board's participation date in 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. Starting June 1, 2017, the Board is no longer responsible to provide certain benefits to ETFO, OSSTF, and OSSTF-EW. Upon transition of the employee groups' health, dental and life benefit plans to the ELHT, school boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN) and additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

The Board continues to provide health, dental and life insurance benefits for retired individuals and the following employee groups: CEWAO(APPSP) and non-unionized employees including principals, vice principals, and continues to have a liability for payment of benefits for those who are on long-term disability and for some who are retired under these plans.

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

(i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, insurance and health care cost 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 future actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

(ii) For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for life insurance, dental and health care benefits for certain employees 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.

(iii) Actuarial gains and losses related to obligations for long-term disability are amortized over the expected average service life of the employee group.

(iv) The Board's contributions to multi-employer defined benefits pension plans, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are recorded in the period in which they become payable.

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

1. Significant accounting policies (continued)

(g) Tangible capital assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, design, 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.

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

Asset class	Estimated useful life in years
Land improvments	15
Building and building improvments	40
Portable structures	20
Other buildings	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Leased equipment	Over lease term
Computer hardware	3
Computer software	5
Vehicles	5-15

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. One-half of the annual amortization is charged in the year of acquisition and the year of disposal.

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. 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.

(h) Government transfers

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the year 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.

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

1. Significant accounting policies (continued)

(i) Investment income

Investment income earned is reported as revenue in the period earned. Investment income earned on externally restricted funds such as pupil accommodation and special education forms part of the respective deferred revenue balances.

(j) Long-term debt

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

(k) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Trustees ("Trustees"). The budget approved annually 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 approved operating budget for 2021-22 is reflected on the consolidated statement of operations. The budget was approved on August 23, 2021.

(l) Property tax revenue

Under PSAS, 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. As a result, property tax revenue received from the municipalities is recorded as part of Provincial Grants.

(m) Use of estimates

The preparation of financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Estimates are reviewed periodically by management, and, as adjustments become necessary they are reported in the period in which they became known. Accounts subject to estimates include allowance for doubtful accounts receivable, accrued liabilities, retirement and other employee future benefits payable, useful lives of tangible capital assets and the recognition of deferred amounts related to capital contributions.

(n) Contributed materials

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

2. Accounts receivable

Accounts receivable include tuition fees receivable from the First Nations as follows:

	Balance at August 31, 2021 $	**Invoices $**	**Payments $**	**Balance at August 31, 2022 $**
Aroland First Nation	784,599	**835,680**	**(1,182,798)**	**437,481**
Biinjitwaabek First Nation	219,800	**286,717**	**(522,445)**	**(15,928)**
Bingwi Neyaashi Anishinaabek	—	**44,242**	**—**	**44,242**
Ginoogaming First Nation	1,964,461	**743,888**	**(1,140,294)**	**1,568,055**
Marten Falls First Nation	747,183	**283,226**	**—**	**1,030,409**
Pays Plat First Nations	281,333	**316,420**	**(200,000)**	**397,753**
Pic Mobert First Nation	114,473	**350,416**	**(159,280)**	**305,609**
Pic River First Nations	260,476	**509,696**	**(753,774)**	**16,398**
Red Rock First Nation	519,084	**1,085,733**	**(1,069,916)**	**534,901**
Windigo Tribal Council	—	**31,856**	**(31,856)**	**—**
	4,891,409	**4,487,874**	**(5,060,363)**	**4,318,920**

3. Accounts receivable – Province of Ontario

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

The Board has reported receivables from the Province of Ontario, as Accounts receivable – Province of Ontario capital grants, of $12,187,331 as at August 31, 2022 ($17,223,627 in 2021) with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the Strategy, the Ministry of Education 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 of Education. The balance of delayed grant payments from the Government of Ontario included in Accounts receivable as at August 31, 2022 is $7,178,867 ($5,624,946 in 2021).

4. Investments

Investments are comprised of the following:

	Cost $	**Market value $**	Cost $	Market value $
Investment certificates	**125**	**125**	125	125

5. Deferred revenue

Revenues received and set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the consolidated statement of financial position.

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2022 is comprised of:

	Balance at August 31, 2021 $	**Increase $**	**Recognized $**	**Balance at August 31, 2022 $**
Pupil accommodation	321,217	**2,980,103**	**(2,522,140)**	**779,180**
Proceeds of disposition	50,834	**610**		**51,444**
Special education	73,024	**52,911**	**(97,236)**	**28,699**
Other	1,574,285	**6,853,603**	**(6,481,629)**	**1,946,259**
	2,019,360	**9,887,227**	**(9,101,005)**	**2,805,582**

6. 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 the asset acquired.

	2022 $	2021 $
Balance, beginning of year	**71,151,298**	63,980,580
Capital grants recorded as deferred capital contributions	**7,145,679**	14,865,770
Revenue recognized during the year	**(6,924,440)**	(7,695,052)
Balance, end of year	**71,372,537**	71,151,298

7. Obligations under capital leases

The Board has obligations under various capital leases with expiries ranging from fiscal 2022/2023 to fiscal 2023/2024 and interest rates ranging from 1.51% to 2.71%. Principal and interest payments relating to capital lease obligations of $53,365 ($78,081 in 2021) outstanding as at August 31, 2022 are due as follows:

	Principal payment $	Interest $	Total $
2022/2023	29,158	59	29,217
2023/2024	24,207	5	24,212
	53,365	64	53,429

8. Net long-term debt

Net long-term debt reported on the consolidated statement of financial position is comprised of the following:

	2022 $	2021 $
4.56% Ontario Financing Authority, GPL 1	**772,366**	836,049
4.85% Ontario Financing Authority, GPL 2	**564,927**	603,817
5.01% Ontario Financing Authority, GPL 3	**721,908**	765,588
5.23% Ontario Financing Authority, GPL 4a	**1,539,810**	1,621,592
3.97% Ontario Financing Authority, GPL 4b	**1,078,831**	1,132,961
3.564% Ontario Financing Authority, GPL 4c	**4,172,398**	4,383,041
4.003% Ontario Financing Authority, GPL 4d	**718,847**	748,327
	9,569,087	10,091,375

On November 15, 2006, the Board entered into a loan agreement with the OFA to refinance $1,498,725 of the GPL Phase 1 outstanding at that time. The loan is repayable by semi-annual installments of principal and interest of $50,544 based on a 25 year amortization schedule and bears interest of 4.56%. The annual principal and interest costs will be funded by the Ministry.

On March 3, 2008, the Board entered into a loan agreement with the OFA to refinance $970,022 of the GPL Phase 2 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $34,004 based on a 25 year amortization schedule and bears interest of 4.85%. The annual principal, interest and administration costs will be funded by the Ministry.

On March 13, 2009, the Board entered into a loan agreement with the OFA to refinance $1,150,000 of the GPL Phase 3 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $40,944 based on a 25 year amortization schedule and bears interest of 5.01%. The annual principal, interest and administration costs will be funded by the Ministry.

On April 14, 2010, the Board entered into a loan agreement with the OFA to refinance $2,290,309 of the GPL Phase 3 and 4 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $82,784 based on a 25 year amortization schedule and bears interest of 5.23%. The annual principal, interest and administration costs will be funded by the Ministry.

On November 25, 2011, the Board entered into a loan agreement with the OFA to refinance $1,535,262 of the GPL Phase 4 and outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $49,288 based on a 25 year amortization schedule and bears interest of 3.97%. The annual principal, interest and administration costs will be funded by the Ministry.

On March 9, 2012, the Board entered into a loan agreement with the OFA to refinance $5,978,491 of the GPL Phase 4 and PTR Stage 1 and 2 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $182,497 based on a 25 year amortization schedule and bears interest of 3.564%. The annual principal, interest and administration costs will be funded by the Ministry.

On March 12, 2014, the Board entered into a loan agreement with the OFA to refinance $924,990 of the GPL Phase 1, 2, 3 and 4 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $29,572 based on a 25 year amortization schedule and bears interest of 4.003%. The annual principal, interest and administration costs will be funded by the Ministry.

8. Net long-term debt (continued)

Principal and interest payments relating to the net long-term debt of $13,046,508 ($13,568,796 in 2021) outstanding as at August 31, 2022 are due as follows:

	Principal payment $	Interest $	Total $
2022/2023	544,664	394,601	939,265
2023/2024	568,022	371,242	939,264
2024/2025	592,410	346,855	939,265
2025/2026	617,870	321,394	939,264
2026/2027	644,454	294,811	939,265
Thereafter	6,601,667	1,748,518	8,350,185
	9,569,087	3,477,421	13,046,508

9. Retirement and other employee future benefits

Retirement and other employee future benefit liabilities

	Retirement benefits $	**Other employee future benefits $**	**2022 Total employee future benefits $**	2021 Total employee future benefits $
Accrued employee future benefit obligation	**585,061**	**38,322**	**623,383**	875,267
Unamortized actuarial (loss) gain	**(86,089)**	**—**	**(86,089)**	(139,541)
Accrued employee future benefit liability, end of year	**498,972**	**38,322**	**537,294**	735,726

The employee future benefits expense below excludes pension contributions to OMERS, a multi-employer pension plan, described below.

Actual benefit payments made during the year totaled $204,352 ($214,213 in 2021).

9. Retirement and other employee future benefits (continued)

Retirement and other employee future benefit expenses

	Retirement benefits $	Other employee future benefits $	2022 Total employee future benefits $	2021 Total employee future benefits $
Current year benefit cost (recovery)	**30,361**	**(56,106)**	**(25,745)**	51,698
Interest on accrued benefit obligation	**12,455**	**1,130**	**13,585**	24,801
Amortization of actuarial (gain) loss	**18,079**	**—**	**18,079**	(28,850)
Employee future benefits expenses (recovery)	**60,895**	**(54,976)**	**5,919**	47,649

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. 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 OMERS, a multi-employer pension plan (the "Plan"). The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board's contributions equal the employee contributions to the plan. During the year ended August 31, 2022, the Board contributed $796,783 ($767,077 in 2021) 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 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.

9. Retirement and other employee future benefits (continued)

Retirement benefits (continued)

(iv) Retirement life insurance and health care benefits

Retirement life insurance and health care benefits have been grandfathered to retirees who retired prior to August 31, 2013. Effective September 1, 2013, any new retiree accessing retirement life insurance and health care benefits will pay the full premiums for such benefits and will be included in a separate experience pool that is self-funded.

Employees are able to continue coverage for life insurance, dental and health care benefits after retirement until the members reach 65 years of age; however, the retirees pay a premium associated with this coverage.

(v) Sick leave accumulations

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 benefits received under the short term leave and disability plan in that year. The Board's liability related to compensated absences from sick leave accumulations has been reduced to a maximum of 11 unused sick leave days per eligible employee.

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2022 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at August 31, 2022.

Other employee future benefits

(i) Workplace Safety and Insurance Board Obligations ("WSIB")

The Board is a Schedule 1 employer under the Workplace Safety and Insurance Act (the "Act") and, as such, the Board insures all claims by its injured workers under the Act. The Board's insurance premiums for the year ended August 31, 2022 were ($55,011) ($19,221 in 2021) and are included in the Board's current year benefit costs.

(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 up to the transition to the ELHT or 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.

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

Wages and salary escalation	0%
Inflation	2.00%
Medical cost escalation	5.00%
Discount rate on accrued benefit obligations	3.90%
Dental cost escalation	5.0%

10. Expenses by object

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

	Budget $	2022 Actual $	2021 Actual $
Salary and wages	**27,235,542**	**26,973,441**	26,900,635
Employee benefits	**4,601,522**	**5,285,640**	4,569,562
Staff development	**929,219**	**365,988**	340,800
Supplies and services	**3,580,753**	**5,150,540**	3,849,339
Rental expenses	**48,071**	**24,225**	15,089
Interest	**416,978**	**476,916**	468,153
Fees and contract services	**2,822,392**	**3,438,101**	2,624,281
Other	**194,330**	**406,780**	676,720
Transfers to Other Boards	**—**	**—**	—
Amortization of tangible capital assets	**6,413,386**	**6,967,275**	7,716,279
	46,242,193	**49,088,906**	47,160,858

11. Ontario School Board Insurance Exchange ("OSBIE")

The Board participates, for its liability, property and automobile insurance, in the OSBIE, a reciprocal insurance company licensed under the Insurance Act that is funded by the member boards across Ontario. Liability insurance is available to a maximum of $20 million per occurrence.

The ultimate premiums over a five year period are based on both 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 five year term expires on December 31, 2026.

12. Commitments and contingent liabilities

The Board is committed to various operating leases for premises and equipment which expires fiscal 2025/26. The aggregate minimum lease payments are as follows:

	Minimum lease payments $
2022/2023	27,701
2023/2024	27,701
2024/2025	27,701
2025/2026	14,937
	98,040

The Board has been named as the defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at August 31, 2022, therefore, no provision has been made for these claims in the consolidated financial statements. Any losses arising from these actions will be recorded in the year that the related litigation is settled or it is determined that the claim is likely and a reasonable estimate can be made.

13. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received $1,718,287 from the "55 School Board Trust" for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The "55 School Board Trust" was created to refinance the outstanding not permanently financed ("NPF") debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, the "55 School Board Trust" repaid the board's debt in consideration for the assignment by the board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

The flow-through of $128,014 ($128,014 in 2021) in respect of the above agreement for the year ended August 31, 2022 is not recorded in these consolidated financial statements.

14. Service contracts

(i) CFSA Approval with the Ministry of Training, Colleges and Universities

The Board has a Service Contract/CFSA Approval with the Ministry of Advanced Education and Skills Development. One requirement of the Service Contract/CFSA Approval is the production by Management of a report which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the Service Contract/CFSA Approval.

An external audit of this report shows the Ontario Youth Apprenticeship Program ("OYAP") services to be in a break-even position as at August 31, 2022 and therefore no amounts are repayable to the Ministry of Training, Colleges and Universities.

(ii) CFSA Approval with the Ministry of Children, Community and Social Services

The Board has a Service Contract/CFSA Approval with the Ministry of Community and Social Services. One requirement of the Service Contract/CFSA Approval is the production by Management of a report, TPAR, which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the Service Contract/CFSA Approval. This report shows the Teacher Diagnostician services ("ISNC") services to be in a break-even position as at August 31, 2022 and therefore no amounts are repayable to the Ministry of Children, Community and Social Services.

15. Tangible capital assets

	Cost Balance at August 31, 2021 $	**Additions $**	**Disposals, write-offs $**	**Cost Balance at August 31, 2022 $**
Land	2,019,997			**2,019,997**
Land improvements	5,656,733	**514,444**		**6,171,177**
Buildings	119,938,858	**6,399,752**		**126,338,610**
Equipment (5 years)	104,124	**—**		**104,124**
Equipment (10 years)	1,957,819	**78,714**	**(127,574)**	**1,908,959**
Equipment (15 years)	489,535	**—**		**489,535**
First time equipping	1,398,905	**74,259**	**(99,301)**	**1,373,863**
Furniture	8,371	**—**		**8,371**
Computer hardware	553,567	**78,510**		**632,077**
Vehicles-<1 ton	79,241	**—**		**79,241**
Capital leases - other	533,528	**—**		**533,528**
Construction in progress	—			**—**
	132,740,678	**7,145,679**	**(226,875)**	**139,659,482**

15. Tangible capital assets (continued)

	Balance at August 31, 2021 $	Amortization $	Disposals, write-offs $	Balance at August 31, 2022 $	2022 Net book value $	2021 Net book value $
Land	—			**—**	**2,019,997**	2,019,997
Land improvements	4,876,929	**99,328**		**4,976,257**	**1,194,920**	779,804
Buildings	51,102,878	**6,233,699**		**57,336,577**	**69,002,033**	68,835,980
Equipment (5 years)	31,237	**20,825**		**52,062**	**52,062**	72,887
Equipment (10 years)	1,403,428	**193,339**	**(127,574)**	**1,469,193**	**439,766**	554,391
Equipment (15 years)	175,346	**26,572**		**201,918**	**287,617**	314,189
First time equipping	588,854	**138,638**	**(99,301)**	**628,191**	**745,672**	810,051
Furniture	417	**837**		**1,254**	**7,117**	7,954
Computer hardware	119,608	**200,094**		**319,702**	**312,375**	433,959
Vehicles-<1 ton	79,241	**—**		**79,241**	**—**	—
Capital leases - other	402,224	**53,943**		**456,167**	**77,361**	131,304
	58,780,162	**6,967,275**	**(226,875)**	**65,520,562**	**74,138,920**	73,960,516

16. Accumulated surplus

Accumulated surplus consists of the following:

	2022 $	2021 $
Invested in tangible capital assets	**2,019,997**	2,019,997
School generated funds	**410,694**	445,870
Employee future benefits	**(126,007)**	(494,645)
Interest accrual	**(140,780)**	(140,780)
Working funds	**9,159,485**	8,932,338
Reserves and reserve funds	**1,927,460**	1,925,030
	13,250,849	12,687,810

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

	2022 $	2021 $
Reserve and reserve funds		
Pupil accommodation - school renewal	**160,352**	160,352
Capital - equipment	**51,992**	51,560
Insurance	**15,892**	15,760
Pre-2010 benefit adjustment	**1,470,851**	1,459,196
Winning teams	**47,285**	47,285
Capital - project	**181,088**	190,877
Total reserve and reserve funds	**1,927,460**	1,925,030

17. Transportation consortium

On June 16, 2008, the East Thunder Bay Transportation Consortium was created as a Membership Agreement between the Board and Conseil scolaire de district catholique des Aurores boreales, Counseil scolaire de district du Grand Nord de l'Ontario and Superior North Catholic District School Board in order to provide common administration of student transportation in the Region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the school boards. Under the agreement, decisions related to the financial and operating activities of East of Thunder Bay Transportation Consortium are shared. No partner is in a position to exercise unilateral control.

The Board's consolidated financial statements illustrate the Board's pro-rata share of revenues and expenses for the consortium. The Board's pro-rata share of expenditures for 2022 is 64.03% (2021 – 63.05%) based on the number of transported students.

	2022	2021
	$	$
Administrative cost	**122,030**	134,171
Student transportation	**1,649,324**	1,501,680
Total expenditure	**1,771,354**	1,635,851

18. Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by 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. As the Board only prepares a budget for the statement of operations, budget figures in the consolidated statement of change in net debt have not been provided.

19. COVID-19 pandemic

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Board in future periods.

20. In-kind transfer from the Ministry of Government and Consumer Services

The board has recorded entries, both revenue and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of 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 $612,968 with expenses based on use of $612,968 for a net impact of nil.