



# Halton District School Board

## AUDIT COMMITTEE

Virtual Meeting [meet.google.com/xct-prgb-vjc](https://meet.google.com/xct-prgb-vjc) (use calendar invite link or type into browser)

Tuesday, November 8, 2022

**Public Session: 3:30 p.m.**

## **PUBLIC SESSION AGENDA**

### **1.0 – Opening**

- 1.1 Welcome and Call to Order
- 1.2 Acknowledgement of Traditional Lands
- 1.3 Declarations of Possible Conflict of Interest
- 1.4 Approval of the Agenda

### **2.0 – Ratification / Action**

**page**

- 2.1 Minutes of the Audit Committee Meetings
  - 2.1.1 Audit Committee Meeting, September 27, 2022 *pages 3-7*
- 2.2 Approval of Business Transacted in Private Session (Chair)
- 2.3 Action Items
  - 2.3.1 Recommendation to Board – 2021/2022 Financial Statements *page 8*
    - 2021/2022 Financial Statements and Accumulated Surplus Balances (R. Negoj) *pages 9-40*
    - Report to the Audit Committee on the 2021/2022 Audit (Deloitte) *pages 41-59*

### **3.0 – Communication to the Audit Committee**

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- 3.1 For Information
  - 3.1.1 Supplemental Reporting
    - Annual Statement of Education Development Charges (EDC) Report (R. Negoj) *pages 60-62*
    - Summary of Trustee Expenses Report as of 2021/2022 (R. Negoj) *pages 63-66*
    - Summary of School Generated Funds 2021/2022 (R. Negoj) *pages 67-73*
  - 3.1.2 SB28 – Update on OSBIE Consolidation to School Board Financial Statements (R. Negoj) *pages 74-75*
  - 3.1.3 Timelines for Financial Reporting Presentation to Board (R. Negoj) *pages 76-77*
  - 3.1.4 Halton Student Transportation Services 2021/2022 Financial Statements (R. Negoj) *pages 78-91*

### **4.0 – Other Business**

**page**

- 4.1 Public Questions and Answers (Submit via [Google Form](#))
- 4.2 Special Acknowledgement

### **5.0 – Adjournment**

- 5.1 Motion to Adjourn

Date of Next Meeting – *suggested Tuesday, February 21, 2023*

*This publication is available in accessible formats upon request*

**Halton District School Board  
Audit Committee Public Session Meeting Minutes  
Tuesday, September 27, 2022**

**Attendance:**

**Trustee Members:** A. Collard (Chair), L. Reynolds

**Trustee Guests:**

**Public Representative:** S. Malik

**Staff:** H. Camastro, J. Chanthavong, R. Negoï, C. Ennis, E. Jabat, C. Salemi, K. Samarin, K. Raposo

**Regional Internal Audit Team:** A. Eltherington

**External Auditor:** L. Cheung

**Regrets:** D. McKerrall, J. Gray

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**Agenda Item 1.0**

**1.1 Call to Order**

- The Audit Committee Chair called the meeting to order at 3:33 p.m.

**1.2 Acknowledgement of Traditional Lands**

- On behalf of the Board, acknowledgement and thanks was given to the Mississaugas of the Credit First Nation for sharing their traditional territory with us.

**1.3 Introduction of General Manager – Financial Services**

- The Superintendent of Business Services introduced the new General Manager – Financial Services, Jay Chanthavong

**1.4 Declarations of Possible Conflict of Interest/Annual Conflict of Interest Declaration Form**

- No conflicts of interest were declared.
- Declaration forms to be signed by members of Audit Committee for the first meeting of the year

**1.5 Approval of the Agenda**

**Motion: L. Reynolds / A. Collard**

Be it resolved that the Agenda for the Public session of the Audit Committee Meeting for September 27, 2022 be approved as distributed.

**Carried Unanimously.**

**Agenda Item 2.0**

**2.1 Minutes of the Audit Committee Meetings**

**2.1.1 Audit Committee Meeting, May 3, 2022**

**Motion: L. Reynolds / S. Malik**

Be it resolved that the minutes from the Public Session Audit Committee Meeting held on May 3, 2022 be approved as distributed. **Carried Unanimously.**

2.2 Election of the Audit Committee Chair for 2022/2023 Per Regulation 361/10 Section 6(1)

**Motion: L. Reynolds / S. Malik**

Be it resolved that Trustee A. Collard be appointed as Chair of the Audit Committee for the 2022/2023 fiscal year **Carried Unanimously.**

2.2.2 Election of the Audit Committee Vice-Chair for 2022/2023

**Motion: L. Reynolds / A. Collard**

Be it resolved that Sana Malik be appointed as Vice-Chair of the Audit Committee for the 2022/2023 fiscal year. **Carried Unanimously.**

2.3 Approval of Business Transacted in Private Session (Chair)

**Motion: A. Collard / L. Reynolds**

Be it resolved that the Audit Committee approve the private session 2021/2022 Annual Report to the Board of Trustees and forward the report to the Board of Trustees for acceptance. **Carried Unanimously.**

2.4 Action Items:

2.4.1 Audit Committee Annual Report to the Board and Ministry

- The Superintendent of Business Services presented the report

**Motion: L. Reynolds / S. Malik**

Be it resolved that the Audit Committee approve the 2021/2022 Annual report to the Board of Trustees and the 2021/2022 Annual Report to the Ministry and forward the reports to the Board of Trustees for acceptance. **Carried Unanimously.**

2.4.2 Audit Committee Policy and Governance Procedure

- The Superintendent of Business Services presented the report.
- There are no changes to the Audit Committee Board Policy recommended aside from updating the revision and review dates
- One change was proposed to the Audit Committee Governance Procedure, to align with the Board meeting process, in that the minutes of the prior meeting will be provided before the next meeting
- The agendas, minutes and reports are circulated before the next meeting is held. This provides the Audit Committee members the opportunity to review the entire package including the minutes. This satisfies the requirements under Ontario Regulation 361/10

**Motion: L. Reynolds / S. Malik**

Be it resolved that the Audit Committee reviewed the Audit Committee Board Policy and recommend it to the Board of Trustees with no charges.

Be it resolved that Audit Committee recommend to the Board of Trustees an amendment to the Audit Committee Governance Procedure to revise the wording to “ensure minutes are taken at each meeting, and provided to committee members before the next meeting.” **Carried Unanimously.**

**Agenda Item 3.0**

**3.1 Information Items**

**3.1.1 Agreed-upon Procedure Report – 7 Month Report**

- The External Auditor presented the report.
- No exceptions identified in the report as it is in accordance with the policies and procedures from the Ministry of Education

**3.1.2 Regional Internal Auditor Status Report**

- The Regional Internal Auditor Manager presented the report.
- The Waterloo Region District School Board experienced a cyber incident that affected the audit team’s ability to access files and may result in a delay in the execution of the approved audit plans
- The Procurement Audit Follow-up is scheduled to take place in September
- The Staff Mental Health and Well-Being audit is scheduled to begin in October

**3.1.3 Staff Mental Health Audit Terms of Reference**

- The Regional Internal Auditor Manager presented the report for information.
- The scope of the audit is to review the implemented operational strategies and evidence gathered for Management to measure the impact the strategies have had
- The audit is scheduled to begin in October 2022 and expected to carry over into the 2022-2023 school year

**3.1.4 2021-2022 Financial Statement Process Updates**

- Ministry of Education released SB Memo 24, requiring school boards to consolidate their proportional share of the Ontario School Boards’ Insurance Exchange (OSBIE)
- The challenge is the ability to prove control over OSBIE and the amount of work to determine and measure HDSB’s proportionate ownership share.
- Another concern is the individual school boards do not have any power to control OSBIE and therefore shouldn’t be consolidated. If the consolidated proportionate share is material then the Board risks having a qualified audit opinion

- The Board may need to request a delay in submission to the Ministry. There is also a risk of Ministry funding being held back if not compliant with SB Memo 24. This is a in a sector wide issue
- A qualified audit opinion may jeopardize the Board's financial credibility. A special board meeting will take place on November 9<sup>th</sup>. Chair A. Collard raises the concern if the financial statements are not ratified by this term of Trustees at the November 9<sup>th</sup> meeting, asking several brand-new Trustees to approve them, there may be a learning curve involved in understanding the financial statements

### *3.1.5 Timelines for Financial Reporting Presentation to Board*

- The Superintendent of Business Services presented the Timelines for Financial Reporting Presentation to Board to the Committee for information
- Links for the reports will be added and updated as each report is presented to the Board

### *3.1.6 Recruitment of External Public Representative Member*

- Currently one of the Audit Committee non-trustee members will be completing their second three-year term leaving the position open for recruitment per Ontario Regulation 361/10. HDSB will be advertising the position this week and will be open for 30 days. A candidate will be selected by mid-November with a start date of a new non-Trustee member on January 1<sup>st</sup>. In the event a qualified candidate is not identified, a non-Trustee member may serve a third term
- The second Audit Committee non-trustee member has accepted to serve for the second term of three years, S. Malik. Superintendent of Business Services thanked S. Malik for her time and continued expertise served on the Audit Committee

### *3.1.7 Joint Election Compliance Audit Committee with HCDSB*

- The Superintendent of Business Services presented the report for information.
- There were no questions on this report.

## **Agenda Item 4.0**

### *4.1 Public Questions and Answers*

- There were no questions submitted from the Public

Returned to Item 2.3. Motion was missed for the Approval of Business Transacted in Private Session (Chair)

## **Agenda Item 5.0**

### *5.1 Motion to Adjourn*

### **Motion: L. Reynolds & A. Collard**

Be it resolved that the Public Session of the Audit Committee Meeting held on September 27<sup>th</sup>, 2022 be adjourned at 4:20 p.m.

- Next scheduled meeting date – Tuesday, November 8, 2022



# Halton District School Board

Date: November 8, 2022  
**FOR ACTION**

TO: The Chair and Members of the Audit Committee  
 Halton District School Board

FROM: Roxana Negoï, Superintendent of Business Services & Treasurer

RE: **2021/2022 Financial Statements**

## **Warrant**

This report recommends approval of the 2021/2022 Financial Statements.

## **Recommendation**

***Be it resolved that the Audit Committee recommends the audited financial statements of the Halton District School Board for the fiscal year ended August 31, 2022 be approved by the Board of Trustees.***

## **Background**

Each year, the treasurer of every board is required (subsection 252(1) of the Education Act) to prepare the financial statements for the school board and, on receiving the auditor's report on the financial statements, promptly submit them to the Ministry of Education.

Financial statements must be prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of The Chartered Professional Accountants, Canada. A summary of the significant accounting policies that form the basis of accounting in financial statements is provided in Note 1 to the financial statements.

## **Audit**

The financial statements have been audited by Deloitte LLP, Chartered Accountants; independent external auditors appointed by the Board. In accordance with subsection 253(5) of the Education Act, the auditors have received full access to all books, records, documents of the Board, as well as any other information that in the auditor's opinion was necessary to enable them to carry out their duties. The audit was conducted in accordance with Canadian generally accepted auditing standards as outlined in the Auditors' Report. Based on their audit opinion, the auditors agree that the consolidated financial statements of Halton District School Board as at and for the year ended August 31, 2022 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements. In addition, the Halton District School Board was in compliance with all Ministry funding regulations.

*Respectfully Submitted,*

**Roxana Negoï**  
 Superintendent of Business Services and Treasurer



# Halton District School Board

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Report Number: **TBD**  
Date: November 9, 2022

## FOR INFORMATION

TO: The Chair and Members of the Halton District School Board  
FROM: Roxana Negoï, Superintendent of Business Services and Treasurer  
Curtis Ennis, Director of Education  
RE: **2021/2022 Financial Statements and Accumulated Surplus Balances**

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### Recommendation:

***Be it resolved that the Halton District School Board authorize the 2021/2022 Year-end Deficit of \$3,514,773 to be funded from the Accumulated Surplus category for Non Designated Surplus.***

***Be it resolved that Halton District School Board authorize reallocation of Accumulated Surplus of \$4,000,000 to be transferred from the Accumulated Surplus category for Non Designated Surplus to the various Accumulated Surplus categories as outlined in [Appendix A](#), including a transfer of \$2,000,000 to the Student Achievement reserves and a transfer of \$2,000,000 to the Administrative Facility reserve fund.***

***Be it resolved that the Halton District School Board approve the audited financial statements for the fiscal year ended August 31, 2022.***

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### Rationale:

Each year, the treasurer of the board is required (under subsection 252(1) of the Education Act) to prepare the financial statements for the school board and, on receiving the auditor's report on the financial statements, promptly submit them to the Ministry of Education.

Financial statements must be prepared in compliance with legislation outlined under the Financial Administration Act, and in accordance with public sector accounting standards established by the Public Sector Accounting Board (PSAB) of The Chartered Professional Accountants, Canada. A summary of the significant accounting policies that form the basis of accounting in financial statements is provided in Note 1 to the financial statements.

### Audit

The financial statements have been audited by Deloitte LLP, Chartered Accountants; independent external auditors appointed by the Board. In accordance with subsection 253(5) of the Education Act, the auditors have received full access to all books, records, documents of the Board, as well as any other information that in the auditor's opinion was necessary to enable them to carry out their duties. The audit was conducted in accordance with Canadian generally accepted auditing standards as outlined in the Auditors' Report. Based on their audit opinion, the auditors agree that the consolidated financial statements of Halton District School Board as at and for the year ended August 31, 2022 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements. In addition, the Halton District School Board was in compliance with all Ministry funding regulations.

# Halton District School Board

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## **Audit Committee**

Per Ontario Regulation 361/10: Audit Committees, Section 9(4), the duties of the Audit Committee is “to recommend, if the audit committee considers it appropriate to do so, that the board approve the annual audited financial statements”. The Board’s Audit Committee met on November 8, 2022 and recommended that the audited financial statements of the Halton District School Board for the fiscal year ended August 31, 2022 be approved by the Board of Trustees.

## **2021/2022 Financial Year**

The Halton District School Board continues to be financially responsible with a clear focus on providing the system with the resources and supports necessary to create learning conditions that elevate student achievement, champion supportive and inclusive practices within safe and caring environments and provide opportunities to take action for a sustainable world. The 2021/2022 Financial Statements reflect the financial results of the Board’s operating and capital activity for the year. The Accumulated Surplus, as detailed in the Financial Statements, represents the net financial resources of the Board. The Board experienced an operational deficit of approximately \$3.5 million representing (0.4%) of the approved budget. This is mainly as a result of cost pressures related to long-term leaves, the intentional addition of staffing supports in schools and temporary accommodations cost pressures. The Financial Statements are provided in [Appendix B](#).

## **Accumulated Surplus/Deferred Revenues**

Under PSAB, traditional descriptions of Reserves and Reserve Funds have been changed to fall into two categories:

- (i) Accumulated Surplus – Boards have the authority to set aside funds for a restricted purpose and make local expenditure decisions.
- (ii) Deferred Revenues – Externally Restricted which are those amounts received subject to external restrictions arising from legislation or regulations.

[Appendix A](#) summarizes the changes to Accumulated Surplus from 2020/2021 to 2021/2022. The recommended balance in the Non Designated Surplus of \$14.4 million (or approximately 2% of the provincial allocation) is to set aside funding to address ongoing COVID-19 pressures and post pandemic challenges for the 2022/2023 year and beyond, both operating and capital. In addition to this Non Designated Surplus, the Board is allocating \$19.3 million to the Student Achievement reserves, which is set to support all areas of the Multi Year Plan, as well as \$32.9 million in the Administrative Facility reserves which is the accumulation of the enveloping surplus in the Board Administration and Governance Grant over numerous years.

*Respectfully submitted,*

*Roxana Negoï*

*Superintendent of Business Services and Treasurer*

*Curtis Ennis*

*Director of Education*

**Halton District School Board**  
**Summary of Accumulated Surplus**  
**(Per Note 12 to the Consolidated Financial Statements)**  
**Year Ended August 31, 2022**

	2021/2022	Increase	Decrease	Transfers	2020/2021
<b>Non-designated Surplus</b>	<b>14,365,020</b>	<b>-</b>	<b>(3,514,776)</b>	<b>(4,000,000)</b>	<b>21,879,796</b>
<b>Amounts Internally Restricted For Future Use By The Board</b>					
Operating:					
Decentralized School Budgets	2,074,989	2,074,989	(2,453,975)	-	2,453,975
Student Achievement	19,264,508	-	(3,950,383)	2,000,000	21,214,891
Technology	557,752	-	(76,703)	-	634,455
	21,897,249	2,074,989	(6,481,061)	2,000,000	24,303,321
Accommodation:					
Administrative Facility	32,948,177	-	-	2,000,000	30,948,177
	32,948,177	-	-	2,000,000	30,948,177
Committed Capital Projects and Sinking Fund Interest	8,050,002	1,500,000	(803,073)	-	7,353,075
<b>Total Internally Restricted For Future Use By The Board</b>	<b>62,895,428</b>	<b>3,574,989</b>	<b>(7,284,134)</b>	<b>4,000,000</b>	<b>62,604,573</b>
<b>Amounts To Be Recovered</b>					
Employee Future Benefits	-	56,103	-	-	(56,103)
Interest to be Accrued	(2,733,829)	166,749	-	-	(2,900,578)
	(2,733,829)	222,852	-	-	(2,956,681)
<b>Revenues Recognized for Land</b>					
Land & Pre-Acquisition Land Costs	252,559,462	7,990,122	(7,825,474)	-	252,394,814
Educational Development Charges Outstanding	-	20,886,812	-	-	(20,886,812)
	252,559,462	28,876,934	(7,825,474)	-	231,508,002
School Generated Funds	4,231,560	238,734	-	-	3,992,826
<b>Total Accumulated Surplus Balance, end of year</b>	<b>331,317,641</b>	<b>32,913,509</b>	<b>(18,624,384)</b>	<b>-</b>	<b>317,028,516</b>

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## Consolidated financial statements of Halton District School Board

August 31, 2022

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# Management Report

## **Management's responsibility for the consolidated financial statements**

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

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Audit Committee of the Board meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Board of Trustees. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Director of Education

Superintendent of Business Services

And Treasurer

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[DATE]

## Independent Auditor's Report

To the Trustees of the  
Halton District School Board

### Opinion

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

In our opinion, the accompanying consolidated 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 to the consolidated 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 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

Without modifying our opinion, 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 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 Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Chartered Professional Accountants  
Licensed Public Accountants  
November 9, 2022



**Halton District School Board****Consolidated statement of financial position**

As at August 31, 2022

	Notes	2022 \$	2021 \$
<b>Financial assets</b>			
Cash		62,427,095	46,687,522
Temporary investments	2	6,250,000	—
Accounts receivable		57,899,304	49,093,210
Accounts receivable – Government of Ontario	3	284,233,938	314,288,157
Portfolio investments	2	18,750,000	—
Assets held for sale	4	3,725,793	7,825,473
		<b>433,286,130</b>	<b>417,894,362</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		86,319,444	89,529,138
Net long-term debt	6	211,132,689	225,102,396
Deferred revenue	8	46,042,749	19,240,039
Employee benefits payable	10	22,322,702	22,940,004
Deferred capital contributions	9	680,433,755	653,755,236
		<b>1,046,251,339</b>	<b>1,010,566,813</b>
Net debt		<b>(612,965,209)</b>	<b>(592,672,451)</b>
<b>Non-financial assets</b>			
Prepaid expenses		4,175,997	4,023,710
Tangible capital assets	11	940,106,853	905,677,257
		<b>944,282,850</b>	<b>909,700,967</b>
Contractual obligations and contingent liabilities	18		
<b>Accumulated surplus</b>	12	<b>331,317,641</b>	<b>317,028,516</b>

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

Approved by the Board

\_\_\_\_\_, Chair of the Board

**Halton District School Board**  
**Consolidated statement of operations**

Year ended August 31, 2022

	Notes	Budget \$	2022 Actual \$	2021 Actual \$
	26			
<b>Revenue</b>				
Grants for Student Needs				
Provincial legislative grants	13	499,977,235	511,142,145	496,627,579
Education property tax	13	274,698,935	265,509,758	265,449,181
Provincial grants – other	14 and 15	8,938,025	30,633,574	31,801,427
School generated funds		12,000,000	8,243,420	1,607,297
Federal grants and fees		2,001,386	2,150,477	1,430,086
Investment income		1,350,000	1,329,192	871,357
Other fees and revenues from school boards		—	849,386	169,877
Fees and revenues from other sources		24,323,611	31,839,377	38,207,004
		<b>823,289,192</b>	<b>851,697,329</b>	836,163,808
<b>Expenses</b>				
Instruction		639,647,034	641,048,762	620,902,412
Administration		17,412,720	17,274,447	16,278,529
Transportation		19,747,951	19,881,070	19,232,179
Pupil accommodation		113,394,915	118,360,704	108,205,051
School generated funds		12,000,000	8,004,685	2,916,121
Other		13,736,089	32,838,536	33,722,804
	16	<b>815,938,709</b>	<b>837,408,204</b>	801,257,096
Annual surplus		7,350,483	14,289,125	34,906,712
Accumulated surplus at beginning of year		317,028,516	317,028,516	282,121,804
<b>Accumulated surplus at end of year</b>	12	<b>324,378,999</b>	<b>331,317,641</b>	317,028,516

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

**Halton District School Board**  
**Consolidated statement of cash flows**  
Year ended August 31, 2022

	Notes	2022 \$	2021 \$
<b>Operating transactions</b>			
Annual surplus		<b>14,289,125</b>	34,906,712
Non-cash items including			
Amortization and write-downs of tangible capital assets	11	<b>37,945,455</b>	36,714,128
Deferred capital contributions revenue	9	<b>(37,142,379)</b>	(35,468,614)
Increase in temporary investments		<b>(6,250,000)</b>	—
Net change in non-cash working capital balances			
Accounts receivable - other		<b>(8,806,094)</b>	62,135,139
Assets held for sale	4	<b>7,825,473</b>	—
Accounts receivable – delayed grant payment	3	<b>13,012,150</b>	(7,825,243)
Accounts payable and accrued liabilities		<b>(3,209,694)</b>	(72,852,596)
Deferred revenues – operating	8	<b>909,769</b>	154,859
Employee benefits payable		<b>(617,302)</b>	(3,431,159)
Prepaid expenses		<b>(152,287)</b>	(392,885)
		<b>17,804,216</b>	13,940,341
<b>Capital transaction</b>			
Cash used to acquire tangible capital assets	11	<b>(76,100,844)</b>	(97,783,274)
<b>Investing transaction</b>			
Purchase of portfolio investments		<b>(18,750,000)</b>	—
<b>Financing transactions</b>			
Debt repaid		<b>(13,969,707)</b>	(13,336,535)
Decrease in accounts receivable –			
Government of Ontario - Approved capital	3	<b>17,042,069</b>	1,021,604
Net additions to deferred capital contributions	9	<b>63,820,898</b>	72,968,590
Net additions to deferred revenue – capital	8	<b>25,892,941</b>	(361,686)
		<b>92,786,201</b>	60,291,973
Change in cash		<b>15,739,573</b>	(23,550,960)
Opening cash		<b>46,687,522</b>	70,238,482
<b>Closing cash</b>		<b>62,427,095</b>	46,687,522

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

**Halton District School Board****Consolidated statement of change in net debt**

Year ended August 31, 2022

		<b>2022</b>	2021
	Notes	\$	\$
<b>Annual surplus</b>		<b>14,289,125</b>	34,906,712
<b>Tangible capital asset activities</b>			
Acquisition of tangible capital assets	11	<b>(76,100,844)</b>	(97,783,274)
Amortization of tangible capital assets	11	<b>37,945,455</b>	36,287,929
Write-downs of tangible capital assets	11	—	426,199
Transfer to assets held for sale	4 and 11	<b>3,725,793</b>	7,825,473
		<b>(34,429,596)</b>	(53,243,673)
<b>Other non-financial asset activities</b>			
Acquisition of prepaid expenses		<b>(4,433,430)</b>	(4,197,206)
Use of prepaid expenses		<b>4,281,143</b>	3,804,321
		<b>(152,287)</b>	(392,885)
Change in net debt		<b>(20,292,758)</b>	(18,729,846)
Net debt at beginning of year		<b>(592,672,451)</b>	(573,942,605)
<b>Net debt at end of year</b>		<b>(612,965,209)</b>	(592,672,451)

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

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

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## **1. Significant accounting policies**

The consolidated financial statements are prepared by management in accordance with the basis of accounting described below.

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

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 Canadian Public Sector Accounting Standards.

### *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 Halton District School Board ("the Board") and which are controlled by the Board.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

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**1. Significant accounting policies (continued)**

*Reporting entity (continued)*

- Halton Student Transportation Services ("HSTS"); and
- 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.

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 they are not controlled by the Board.

*Cash and cash equivalents*

Cash and cash equivalents are comprised of cash on hand and demand deposits.

*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.

Portfolio investments consist of investments that have maturities of more than one year. Portfolio investments are recorded at cost, and assessed regularly for permanent impairment.

*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 are performed.

*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, is recognized as deferred capital contribution as defined in Ontario Regulation 395/11 of the Financial Administration Act. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

- Government transfers received or receivable for capital purpose;
- Other restricted contributions received or receivable for capital purpose; and
- Property taxation revenues which were historically used to fund capital assets, retirement, and other future benefits

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

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**1. Significant accounting policies (continued)**

*Retirement and other future benefits*

The Board provides defined retirement, post retirement and workers' safety insurance benefits to specified employee groups. These benefits include pension, retirement gratuity, health and dental, workers' safety insurance benefits, carry-over sick leave and long-term disability benefits.

*(a) Employee Life and Health Trusts*

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, a number of Employee Life and Health Trusts (ELHTs) were established. The ELHTs provide health, life and dental benefits to teachers, education workers and other school board staff and retired individuals starting with 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.

The Board's employees belong to the following ELHTs: Elementary Teachers' Federation of Ontario (ETFO), Elementary Teachers' Federation of Ontario Education Workers (ETFO-EW), Ontario Secondary School Teachers' Federation (OSSTF), Ontario Secondary School Teachers' Federation Education Workers (OSSTF-EW), Education Workers' Alliance of Ontario (EWAO), Canadian Union of Public Employees (CUPE), Education Council of Associations for Benefits (ECAB), and ONE-T for non-unionized employees including Principals and Vice-Principals.

The Board is no longer responsible to provide these benefits to ETFO, OSSTF, OCTU (under OSSTF-EW), PSSP (under OSSTF-EW), DECE (under ETFO-EW), CUPE, HDEAA (under EWAO), Principals and Vice-Principals and non-unionized employees.

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. School boards are required to remit the negotiated amount per full-time equivalency (FTE) on a monthly basis.

The Board continues to provide health and dental benefits for retired individuals in certain employee groups and continues to have a liability for payment of benefits for individuals who are retired under these plans.

*(b) Retirement gratuity plan, sick leave plan, and post-retirement health and dental plan*

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

- (i) The costs of self-insured retirement and other employee future benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. In prior years, the cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee were actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. As a result of the plan change, the cost of retirement gratuities were 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. The changes resulted in a plan curtailment and any unamortized actuarial gains and losses were recognized as at August 31, 2012. 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.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

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**1. Significant accounting policies (continued)**

*Retirement and other future benefits (continued)*

*(b) Retirement gratuity plan, sick leave plan, and post-retirement health and dental plan (continued)*

*(i) (continued)*

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as post-retirement health and dental benefits, the cost is actuarially determined using the projected benefit method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. The changes to the post-retirement health and dental plan resulted in a plan curtailment and any unamortized actuarial gains and losses associated with the employees impacted by the change were recognized as at August 31, 2012.

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

*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.

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	Estimated useful life in years
Land improvements with finite lives	15
Buildings	40
Other buildings	20
Portable structures	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer software	5
Leasehold improvements – buildings	5
Computer hardware	3



**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

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**1. Significant accounting policies (continued)**

*Tangible capital assets (continued)*

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

Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the consolidated statement of financial position.

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

*Government transfers*

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

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

*Contributed materials*

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

*Investment income*

Investment income is reported as revenue in the period earned.

When required by the funding government or related Act, investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education forms part of 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 of the Halton District School Board. 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. Budget figures in the consolidated statement of change in net debt have not been provided.

*Use of estimates*

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant estimates include employee future benefits, certain accruals, and useful lives of tangible capital assets. Actual results could differ from these estimates.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

**1. Significant accounting policies (continued)**

*Education Property tax revenue*

Under Canadian Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the financial statements, which in the case of the Board, is the Province of Ontario. As a result, education property tax revenue received from the municipalities is recorded as part of Grants for Student Needs, under Education Property Tax on the consolidated statement of operations.

**2. Investments**

Investments consist of Guaranteed Investment Certificates (GICs). The investments are carried on the statement of financial position.

- (a) Temporary investments are comprised of a Guaranteed Investment Certificate (GIC) carried at the lower of cost or market value and are as follows:

	<b>Cost</b>	<b>2022 Market value</b>	<b>Cost</b>	<b>2021 Market value</b>
	\$	\$	\$	\$
Investment 0001-Temporary, 1.96%, maturing September 2022	<b>6,250,000</b>	<b>6,250,000</b>	—	—

- (b) Portfolio investments are comprised of Guaranteed Investment Certificates (GICs) recorded at cost. These investments are assessed regularly for impairment and are written down if a permanent impairment exists. Investments consist of the following:

	<b>Cost</b>	<b>2022 Market value</b>	<b>Cost</b>	<b>2021 Market value</b>
	\$	\$	\$	\$
Investment 0002 - Portfolio, 1.96%, maturing March 2023	<b>6,250,000</b>	<b>6,250,000</b>	—	—
Investment 0003 - Portfolio, 1.96%, maturing September 2023	<b>6,250,000</b>	<b>6,250,000</b>	—	—
Investment 0003 - Portfolio, 1.96%, maturing March 2023	<b>6,250,000</b>	<b>6,250,000</b>	—	—
	<b>18,750,000</b>	<b>18,750,000</b>	—	—

On September 7, 2022, Investment 0001-Temporary matured with a principal value of \$6,250,000. The interest rate on this investment was 1.96% with interest earned totaling \$60,411. On September 8, 2022, the Board invested an additional \$20,000,000 in a 90-day GIC maturing on December 7, 2022. The interest rate on this investment is 4.26% per annum.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

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**3. Accounts receivable – Government of Ontario**

*Capital grants*

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

The Board has an account receivable from the Province of Ontario of \$243,591,792 as at August 31, 2022 (\$260,633,861 in 2021) with respect to capital grants.

*Operating grants*

The Ministry of Education (the "Ministry") introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2022 is \$40,642,146 (\$53,654,296 in 2021).

**4. Assets held for sale**

As of August 31, 2022, \$3,620,130 (nil in 2021) related to buildings, \$30,466 (nil in 2021) related to land improvements and \$75,197 (\$7,825,473 in 2021) related to land were recorded as assets held for sale. During the year, one property with a net book value of \$3,725,793 was reclassified from tangible capital assets to assets held for sale and one school property was sold. Net proceeds of \$28,558,637 (nil in 2021) were received on the sale of this property, which had a carrying value of \$7,825,473 (nil in 2021), resulting in a gain of \$20,733,164 (nil in 2021). \$20,773,164 of that gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.

**5. Temporary borrowing**

The Board's banking resolutions allow aggregate borrowings to the maximum of \$135 million. The Board has credit facilities available to the maximum of \$100 million with a Canadian chartered bank to address operating requirements, bridge capital expenditures and education development charges outstanding. As at August 31, 2022, the amount drawn was nil (nil in 2021).

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2022

## 6. Net long-term debt

Net long-term debt reported on the consolidated statement of financial position is comprised of Ontario Financing Authority (OFA) and Ontario School Boards Financing Corporation (OSBFC) debentures as follows:

	2022 \$	2021 \$
Debitures		
OSBFC, Series 2003-A2, 5.800%, maturing November 2028	<b>11,496,979</b>	12,916,421
OSBFC, Series 2004-A1, 5.483%, maturing November 2029	<b>18,218,068</b>	20,135,322
OSBFC, Series 2005-A1, 4.789%, maturing August 2030	<b>5,475,061</b>	6,024,930
	<b>35,190,108</b>	39,076,673
OFA, Bylaw 06090, 4.560%, maturing November 2031	<b>10,432,508</b>	11,292,678
OFA, Bylaw 08012, 4.900%, maturing March 2033	<b>22,441,163</b>	23,986,062
OFA, Bylaw 09037, 5.062%, maturing March 2034	<b>763,712</b>	809,921
OFA, Bylaw 09036, 5.062%, maturing March 2034	<b>4,130,923</b>	4,380,872
OFA, Bylaw 09125, 5.384%, maturing May 2034	<b>6,420,003</b>	6,792,479
OFA, Bylaw 10052, 5.232%, maturing May 2035	<b>8,859,181</b>	9,329,704
OFA, Bylaw 10107, 4.947%, maturing May 2035	<b>13,972,876</b>	14,723,712
OFA, Bylaw 11034, 4.833%, maturing March 2035	<b>13,837,352</b>	14,527,634
OFA, Bylaw 11155, 3.970%, maturing November 2036	<b>11,208,929</b>	11,771,332
OFA, Bylaw 12024, 3.564%, maturing March 2037	<b>13,856,899</b>	14,556,460
OFA, Bylaw 13030, 3.799%, maturing March 2038	<b>36,760,014</b>	38,425,831
OFA, Bylaw 13120, 4.037%, maturing October 2028	<b>8,850,637</b>	10,027,700
OFA, Bylaw 14025, 4.003%, maturing March 2039	<b>22,058,326</b>	22,962,956
OFA, Bylaw 15010, 2.993%, maturing March 2040	<b>972,624</b>	1,013,431
OFA, Bylaw 16024, 3.242%, maturing March 2041	<b>139,739</b>	145,053
OFA, Bylaw 17020, 3.594%, maturing March 2042	<b>1,237,695</b>	1,279,898
	<b>175,942,581</b>	186,025,725
Net long-term liabilities	<b>246,322,797</b>	264,179,069

Of the net long-term debt outstanding of \$211,132,689, principal plus interest payable over the next five years and subsequent payments to maturity are as follows:

	Principal \$	Interest \$	Total \$
2022/23	14,633,648	9,404,028	24,037,676
2023/24	15,329,885	8,707,791	24,037,676
2024/25	16,060,023	7,977,653	24,037,676
2025/26	16,825,748	7,211,928	24,037,676
2026/27	17,628,833	6,408,843	24,037,676
Total	80,478,137	39,710,242	120,188,380
Thereafter	130,654,552	26,186,625	156,841,177
Net long-term liabilities	211,132,689	65,896,868	277,029,557

Interest on long-term debt amounted to \$10,067,969 (\$10,701,141 in 2021) (Note 7).

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2022

## 7. Debt charges and capital loan interest

Debt charges and capital loan interest includes principal and interest payments as follows:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Principal payments on long-term debt	<b>13,969,707</b>	13,336,535
Interest payments on long-term debt	<b>10,067,969</b>	10,701,141
Interest payments on temporary financing of capital projects	<b>259,121</b>	244,822
	<b>24,296,797</b>	24,282,498

## 8. Deferred revenue

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

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

	Balance as at August 31, 2021	Externally restricted revenue	Revenue recognized in the period	Transfers to deferred capital contributions	Balance as at August 31, 2022
	\$	\$	\$	\$	\$
Special education	1,591,859	<b>94,660,782</b>	<b>94,918,244</b>	—	<b>1,334,397</b>
Legislative grants	411,477	<b>36,423,577</b>	<b>32,968,005</b>	<b>3,448,061</b>	<b>418,988</b>
Other provincial grants	—	<b>240,913</b>	<b>240,913</b>	—	—
Other Ministry of					
Education grants	467,317	<b>17,507,895</b>	<b>16,481,779</b>	—	<b>1,493,433</b>
School renewal	9,628,551	<b>10,467,220</b>	<b>2,124,876</b>	<b>8,903,139</b>	<b>9,067,756</b>
Education development charges	—	<b>34,055,003</b>	<b>29,898,291</b>	—	<b>4,156,712</b>
Other third party	14,340	<b>5,735,514</b>	<b>3,895,853</b>	<b>1,824,099</b>	<b>29,902</b>
Assets held for sale	—	<b>3,505,924</b>	—	—	<b>3,505,924</b>
Proceeds (costs) of disposition	7,126,495	<b>20,769,542</b>	<b>33,329</b>	<b>1,827,071</b>	<b>26,035,637</b>
Total deferred revenue	<b>19,240,039</b>	<b>223,366,370</b>	<b>180,561,290</b>	<b>16,002,370</b>	<b>46,042,749</b>

## 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.

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Balance, beginning of year	<b>653,755,236</b>	616,255,260
Net additions to deferred capital contributions	<b>63,820,898</b>	72,968,590
Revenue recognized in the period	<b>(37,142,379)</b>	(35,468,614)
Balance, end of year	<b>680,433,755</b>	653,755,236

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2022

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

	Retirement gratuities	Post retirement benefits	Work place safety insurance board	Sick leave top-up benefits	2022 Total employee future benefits	2021 Total employee future benefits
	\$	\$	\$	\$	\$	\$
Accrued employee future benefit obligation	9,733,096	359,293	11,167,628	854,534	22,114,551	24,084,189
Unamortized actuarial (losses)	208,151	—	—	—	208,151	(1,144,185)
Employee future benefits liability	9,941,247	359,293	11,167,628	854,534	22,322,702	22,940,004

	Retirement gratuities	Post retirement benefits	Work place safety insurance board	Sick leave top-up benefits	2022 Total employee future benefits	2021 Total employee future benefits
	\$	\$	\$	\$	\$	\$
Recognition of unamortized actuarial losses (gains)	435,233	(25,685)	—	(47,655)	361,893	523,657
Current year benefit cost	—	—	3,820,743	854,534	4,675,277	1,467,733
Plan amendment	—	—	—	—	—	98,070
Interest on accrued benefit obligation	209,097	7,635	154,222	—	370,954	355,819
Employee future benefits expense	644,330	(18,050)	3,974,965	806,879	5,408,124	2,445,279

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

*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. These valuations take into account any plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2022 %	2021 %
Inflation		
Retirement gratuities	2.00	1.50
Healthcare cost escalation		
Dental	5.00	5.00
Health	5.00	5.00
Discount on accrued benefit obligations	3.90	1.80

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

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**10. Retirement and other employee future benefits (continued)**

*Ontario Teachers' Pension Plan*

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

During the year ended August 31, 2022, the employee contributions to this plan were \$48,228,869 (\$47,952,461 in 2021).

*Ontario Municipal Employees Retirement System*

All non-teaching employees of the Board are eligible to be members of Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ending August 31, 2022, the Board contributed \$9,432,379 (\$9,289,349 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, as these obligations are a direct responsibility of OMERS.

*Retirement gratuities*

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's Consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012. Retirement of gratuities expensed amounted to \$644,330 (\$627,176 in 2021).

*Post-retirement benefits*

The Board continues to provide post-retirement health and dental 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. Employees retiring on or after August 12, 2021, no longer qualify for board subsidized premiums or contributions.

*Healthcare spending account*

The Board also provides additional supplemental benefits in the form of a healthcare spending account ("HCSA") of \$3,000 per year for all eligible members of the Senior Officers group who retired before August 13, 2021 until age 65.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

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**10. Retirement and other employee future benefits (continued)**

*Other employee future benefits*

*Workplace Safety Insurance Board*

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act ("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 4½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreements negotiated prior to 2012 included such provisions.

Occurrences between \$1,000,000 and \$25,000,000 are insured under third party insurance coverage. The Board participates in the Workers' Compensation Assistance Program with the School Boards' Co-operative Inc. (SBCI). For an annual fee, this program provides funds to Participating Members that incur claim costs on any workers' compensation incident between \$500,000 and \$1,000,000. The Board is self-insured for all other occurrences.

As of August 31, 2022, these obligations, as actuarially determined, amounted to \$11,167,628 (\$9,943,000 in 2021) and are included in Employee future benefits payable.

The change in this amount from the previous year has been reflected in the consolidated statement of operations.

*Long-term disability salary compensation*

The costs of salary compensation paid to employees on long-term disability leave are fully insured and are not included in the defined benefit plan.

*Sick leave top-up benefits*

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit recoveries recorded in the consolidated statement of operations are \$23,584 (benefit costs of \$435,622 in 2021).

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



**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2022

**11. Tangible capital assets**

	Cost August 31, 2021 \$	Additions and betterments \$	Disposals \$	To/from construction in progress \$	Transfer to assets held for sale \$	Cost August 31, 2022 \$
HDSB						
Land	244,501,206	7,612,452	—	—	(75,197)	252,038,461
Land improvements	51,301,264	10,393,043	—	—	(382,754)	61,311,553
Buildings (40 yrs)	897,735,722	29,811,267	—	14,580,753	(11,319,850)	930,807,892
Other buildings	112,268	—	—	—	—	112,268
Portable structures	10,438,848	1,594,292	(1,118,074)	—	—	10,915,066
Construction in progress	46,853,781	19,684,683	—	(14,059,294)	—	52,479,170
Pre-acquisition costs - land	68,135	377,669	—	—	—	445,804
Pre-acquisitions costs - buildings	521,747	552,001	—	(521,459)	—	552,289
Equipment (5 years)	761,675	62,186	(58,660)	—	—	765,201
Equipment (10 years)	4,077,537	730,231	(289,135)	—	—	4,518,633
Equipment (15 years)	2,068,784	117,491	—	—	—	2,186,275
First time equipping	12,177,249	2,257,164	(2,396,598)	—	—	12,037,815
Furniture	759,331	14,251	(106,554)	—	—	667,028
Computer hardware	10,323,969	2,894,114	(977,648)	—	—	12,240,435
Computer software	142,025	—	(55,619)	—	—	86,406
Leasehold improvements						
- buildings	1,511,590	—	—	—	—	1,511,590
	1,283,355,131	76,100,844	(5,002,288)	—	(11,777,801)	1,342,675,886

	Accumulated amortization Balance at August 31, 2021 \$	Amortization \$	Disposals \$	Transfers to assets held for sale \$	Accumulated amortization Balance at August 31, 2022 \$	Net book value 2022 \$	Net book value 2021 \$
HDSB							
Land	—	—	—	—	—	252,038,461	244,501,206
Land improvements	24,253,683	3,586,444	—	(352,288)	27,487,839	33,823,714	27,047,581
Buildings (40 yrs)	332,581,004	27,575,201	—	(7,699,720)	352,456,485	578,351,407	565,154,718
Other buildings	42,099	5,613	—	—	47,712	64,556	70,169
Portable structures	5,782,092	541,225	(1,118,074)	—	5,205,243	5,709,823	4,656,756
Construction in progress	—	—	—	—	—	52,479,170	46,853,781
Pre-acquisition costs - land	—	—	—	—	—	445,804	68,135
Pre-acquisitions costs - buildings	—	—	—	—	—	552,289	521,747
Equipment (5 years)	276,494	152,687	(58,660)	—	370,521	394,680	485,181
Equipment (10 years)	2,339,116	429,808	(289,135)	—	2,479,789	2,038,844	1,738,421
Equipment (15 years)	792,730	141,835	—	—	934,565	1,251,710	1,276,054
First time equipping	7,894,097	1,210,753	(2,396,598)	—	6,708,252	5,329,563	4,283,152
Furniture	378,044	71,318	(106,554)	—	342,808	324,220	381,287
Computer hardware	2,911,984	3,880,886	(977,648)	—	5,815,222	6,425,213	7,411,985
Computer software	110,540	22,843	(55,619)	—	77,764	8,642	31,485
Leasehold improvements							
- buildings	315,991	326,842	—	—	642,833	868,757	1,195,599
	377,677,874	37,945,455	(5,002,288)	(8,052,008)	402,569,033	940,106,853	905,677,257

**(a) Assets under construction**

Assets under construction which include construction in progress, pre-acquisition costs – land and pre-acquisition costs – building for a total value of \$53,477,263 (\$47,443,663 in 2021) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2022

**12. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Non-designated surplus	<b>14,365,020</b>	21,879,796
Amounts internally restricted for future use of the Board		
Retirement gratuities		—
Other operating	<b>21,897,249</b>	24,303,321
Accommodation	<b>32,948,177</b>	30,948,177
Committed capital projects and sinking fund interest	<b>8,050,002</b>	7,353,075
	<b>62,895,428</b>	62,604,573
Unavailable for compliance		
Employee future benefits	—	(56,103)
Interest accrual	<b>(2,733,829)</b>	(2,900,578)
	<b>(2,733,829)</b>	(2,956,681)
Revenue recognized for land		
Land (Note 11)	<b>252,038,461</b>	244,501,206
Pre-acquisition costs land (Note 11)	<b>445,804</b>	68,135
Assets held for sale (Note 4)	<b>75,197</b>	7,825,473
Education development charges outstanding (i)	—	(20,886,812)
	<b>252,559,462</b>	231,508,002
School generated funds	<b>4,231,560</b>	3,992,826
Total accumulated surplus	<b>331,317,641</b>	317,028,516

- (i) The Education Act, Part IX, Division E and Ontario Regulation 20/98 (amended by Ontario Regulation 95/02) provide requirements for determining a board's eligibility to impose Education Development Charges ("EDC") on new development, and the calculation of these charges. The accumulated eligible education development charge expenditures may be financed through cash and cash equivalents or temporary borrowing on the consolidated statement of financial position. Interest on education development charges outstanding amounted to \$301 (\$44,459 in 2021).

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2022

### 13. 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. Approximately 91.19% (91.14% in 2021) 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:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Provincial legislative grants	<b>511,142,145</b>	496,627,579
Education property tax	<b>265,509,758</b>	265,449,181
Grants for student needs	<b>776,651,903</b>	762,076,760

### 14. Ministry of Labour, Immigration, Training and Skills Development funding

The Board has a transfer payment agreement with the Ministry of Labour, Immigration, Training and Skills Development ("MLITSD") to provide Adult Non-Credit Language Training in the form of English as a Second Language ("ESL") and French as a Second Language ("FSL").

A requirement of the agreement with MLITSD is to provide audited financial statements for the funding year, including a schedule of revenue and expenses related to the agreement. The following is a breakdown of the revenue and expenses related to the Adult Non-Credit Language Training Program for the year ended August 31, 2022:

	<b>2022</b>	2021
	<b>\$</b>	<b>\$</b>
Program revenue		
Funds received	<b>602,600</b>	575,800
Program expenses		
Salaries and benefits	<b>477,594</b>	271,470
Classroom resources	<b>4,104</b>	23,018
Subcontracted services	<b>—</b>	224,559
Cleaning, phone and other expenses	<b>17,436</b>	27,510
Administration fee	<b>90,390</b>	42,428
	<b>589,524</b>	588,985
Excess of revenue over expenses	<b>13,076</b>	(13,185)

### 15. In-kind transfers from the Ministry of Public and Business Service Delivery

The Board has recorded entries, both revenues and expenses associated with centrally procured in-kind transfers of personal protective equipment ("PPE") and critical supplies and equipment ("CSE") received from the Ministry of Public and Business Service Delivery ("MPBSD"). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the Board's records. The in-kind revenue recorded for these transfers is \$11,989,575 (\$9,968,705 in 2021) with expenses based on use of \$11,989,575 (\$9,968,705 in 2021) for a net impact of nil (nil in 2021).

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2022

**16. Expenses by object**

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

	<b>Budget</b>	<b>2022 Actual</b>	2021 Actual
	\$	\$	\$
Salary and wages	<b>551,129,714</b>	<b>555,300,460</b>	542,815,851
Employee benefits	<b>98,608,059</b>	<b>99,333,892</b>	91,858,202
Staff development	<b>4,353,408</b>	<b>3,690,987</b>	3,191,426
Supplies and services	<b>59,687,042</b>	<b>51,085,349</b>	38,999,898
Interest charges on capital	<b>10,215,798</b>	<b>10,160,642</b>	10,800,790
Rental expenses	<b>124,000</b>	<b>139,566</b>	111,546
Fees and contract services	<b>43,205,488</b>	<b>45,480,893</b>	38,975,029
Other	<b>14,301,865</b>	<b>34,270,960</b>	37,790,226
Amortization and write-downs of tangible capital assets	<b>34,313,335</b>	<b>37,945,455</b>	36,714,128
	<b>815,938,709</b>	<b>837,408,204</b>	801,257,096

**17. 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 \$27 million per occurrence.

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

**18. Contractual obligations and contingent liabilities**

- (a) The Board has the following annual lease and contract commitments over the next 5 years with respect to furniture, equipment, computer hardware and software, construction, and portables, totaling \$34,784,906 (\$46,984,983 in 2021).

	\$
2023	22,921,056
2024	6,610,586
2025	2,427,290
2026	1,634,373
2027	707,973
Thereafter	483,628
	<u>34,784,906</u>

- (b) As of August 31, 2022 the Board had guarantees outstanding of \$1,465,679 (\$1,044,730 in 2021) relating to construction projects in progress.
- (c) 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 in 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.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2022

## 19. Partnership in Halton Student Transportation Services

On February 10, 2009, Halton Student Transportation Services ("HSTS") was incorporated under the *Corporations Act* of Ontario. On September 1, 2021, the Board renewed the agreement with Halton Catholic District School Board to provide common administration of student transportation in the region. This agreement, originally entered into in 2009, was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the boards. Under the agreement created at the time HSTS was established, decisions related to the financial and operating activities of HSTS are shared. No partner is in a position to exercise unilateral control.

Each board participates in the shared costs associated with this service for the transportation of their respective students through HSTS. 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. The Board's pro-rata share of the assets and liabilities for 2022 is 62.02% (2021 – 62.00%). Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information:

	<b>Total</b>	<b>2022 Board portion</b>	<b>Total</b>	<b>2021 Board portion</b>
	\$	\$	\$	\$
Financial position				
Financial assets	<b>267,701</b>	<b>166,028</b>	778,985	482,971
Liabilities	<b>279,796</b>	<b>173,529</b>	794,525	492,606
Non-financial assets	<b>12,855</b>	<b>7,973</b>	16,300	10,106
Accumulated surplus	<b>760</b>	<b>472</b>	760	471
Operations				
Revenue	<b>31,002,281</b>	<b>19,227,615</b>	30,451,648	19,919,426
Expenses	<b>31,002,281</b>	<b>19,227,615</b>	30,451,648	19,919,426
Annual surplus	—	—	—	—

## 20. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received \$7,294,000 from The 55 School Board Trust (the "Trust") for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered with the Trust. The Trust was created to refinance the outstanding not permanently financed debt of participating boards who are beneficiaries of the Trust. Under the terms of the agreement, The 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 not permanently financed debt.

As a result of the above agreement, the liability in respect of the not permanently financed debt is no longer reflected in the Board's financial position.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

**21. Related party disclosures**

Ontario Regulation 41/10 under the Education Act requires school boards to borrow money for permanent improvements from the Ontario Financing Authority (OFA) when the initial maturity is more than one year. The OFA is a provincial agency of the Crown responsible for managing the Province's debt and issuing debt to public bodies and therefore a related party of the Board. The net long-term debt issued to the Board by the OFA in the form of debentures is \$175,942,581 as at August 31, 2022 (\$180,025,725 in 2021) as described Note 6.

**22. Funds administered by the Board**

Trust funds administered by the Board amounting to \$2,868,112 (\$2,619,014 in 2021) have not been included in the consolidated financial statements, as they are not controlled by the Board.

	<b>Trust funds</b>	<b>Deferred leave plan</b>	<b>2022 Total</b>	<b>2021 Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Opening balance at August 31, 2021	<b>675,952</b>	<b>1,943,062</b>	<b>2,619,014</b>	2,442,570
Contributions received in 2022	<b>43,000</b>	<b>805,674</b>	<b>848,674</b>	649,645
Earnings on investments in 2022	<b>7,866</b>	<b>8,470</b>	<b>16,336</b>	4,861
	<b>726,818</b>	<b>2,757,206</b>	<b>3,484,024</b>	3,097,076
Disbursements in 2022	<b>50,175</b>	<b>565,737</b>	<b>615,912</b>	478,062
Closing balance at August 31, 2022	<b>676,643</b>	<b>2,191,469</b>	<b>2,868,112</b>	2,619,014

**23. Subsequent event**

The Board entered into an agreement effective October 28, 2022 with the Corporation of the City of Burlington to sell the former Robert Bateman High School for \$29,610,000 and to acquire a portion of land at the Burlington Central High School site for \$21,740,750. Additionally, the Board entered into a 20-year lease agreement with the Corporation of the City of Burlington to lease a portion of the space at the former Robert Bateman High School.

**24. 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. 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.

**Halton District School Board**  
**Notes to the consolidated financial statements**  
 August 31, 2022

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## 25. Future accounting standard adoption

The board is in the process of assessing the impact of the upcoming new standards and the extent of the impact of their adoption on its financial statements.

While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments* must be implemented at the same time. The board has not adopted any new accounting standards for the year ended August 31, 2022.

- (i) Standards applicable for fiscal years beginning on or after April 1, 2022 (in effect for the board as of September 1, 2022 for the year ending August 31, 2023):

PS1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

PS 3041 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* will no longer apply.

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

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

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

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

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

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

**Halton District School Board**  
**Notes to the consolidated financial statements**  
August 31, 2022

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**26. Comparative figures**

Certain of the comparative figures have been reclassified to conform with current year presentation.

Draft





## **Halton District School Board** Report to the Audit Committee on the 2022 audit

November 8, 2022

November 8, 2022

**Private and confidential**

To the Audit Committee  
Halton District School Board  
J.W. Singleton Education Centre  
2050 Guelph Line  
Burlington ON L7R 3Z2

**Report on audited annual financial statements**

Dear Audit Committee Members:

We are pleased to submit this report on the status of our audit of Halton District School Board ("the School Board") for the 2022 fiscal year. This report summarizes the scope of our audit, our findings to date and reviews certain other matters that we believe to be of interest to you.

As agreed in our master service agreement ("MSA") dated April 1, 2018 and confirmation of changes letter dated April 14, 2021, we have performed an audit of the consolidated financial statements of Halton District School Board as at, and for the year ended, August 31, 2022, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS") and expect to issue our Independent Auditor's Report thereon dated November 9, 2022 once the consolidated financial statements are approved by the Board of Trustees.

Our audit has been conducted in accordance with the audit plan that was presented to the Audit Committee at the meeting on May 3, 2022.

This report is intended solely for the information and use of the Audit Committee, management and others within the School Board and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to express our appreciation for the cooperation we received from the employees of the School Board with whom we worked during the execution of our engagement.

We look forward to discussing this report summarizing the outcome of our audit with you, and to answering any questions you may have.

Yours truly,

Chartered Professional Accountants  
Licensed Public Accountants

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# Executive summary



## Audit scope and terms of engagement

We were engaged to perform an audit of the School Board's consolidated financial statements (the "financial statements") 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. ("Financial Reporting Framework") as at and for the year ended August 31, 2022. Our audit was conducted in accordance with Canadian Generally Accepted Auditing Standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the master services agreement dated April 1, 2018 and confirmation of changes letter dated April 14, 2021, which was signed on behalf of the Audit Committee and management.

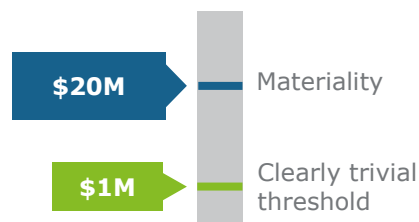


## Audit risks

1	Revenue recognition
2	Management override of controls
3	School generated funds and school council funds
4	Government transfers relating to capital contributions
5	Employee future benefits
6	Preparation for new PSAS accounting standards



## Uncorrected misstatements



Materiality levels were determined on the basis of 2.5% of consolidated expenses, consistent with prior year.

There were no uncorrected misstatements identified during our audit.



### Outstanding matters & next steps

**Receipt** of signed management representations letter

**Receipt** of legal letters

**Minor documentation** items and completion of Engagement Quality Control Review



### Going concern

Management has completed its assessment of the ability of the School Board to continue as a going concern and in making its assessment did not identify any material uncertainties related to events or conditions that may cast significant doubt upon the School Board's ability to continue as a going concern. We agree with management's assessment.



### Highlights

We are continuing to monitor the OSBIE consolidation issue for further communication from the Ministry of Education, as impacts the March 2023 reporting. As per memo SB28 issued by the Ministry of Education, the requirement to consolidate OSBIE into School Board financial statements has been deferred at this time.

**No significant deficiencies** identified in internal controls. We have included our recommendations resulting from our school visits under separate cover.

We have also performed additional testing on departmental pcards in the current year. The results of this testing and our observations are in the "Additional procedures on departmental pcards" section of this report.



### Results

No restrictions have been placed on the scope of our audit. We intend to issue an unmodified audit report on the financial statements of the School Board for the year ended August 31, 2022 once the outstanding items referred to above are completed satisfactorily and the financial statements are approved by the Board of Trustees.

# Audit risks

The audit risks identified as part of our risk assessment, together with our responses and conclusions, are described below.

## Revenue recognition\*

Analysis of risk	Audit response and results
<p>Assurance standards include the presumption of a fraud risk involving improper revenue recognition. (Grants, deferred capital contributions, other fees and revenue, and school fundraising and other revenue).</p> <p>As part of our audit planning, we pinpointed the presumed fraud risk in revenue recognition to specific revenue streams and associated assertions.</p> <p>We recognize that as a result of COVID-19 there continue to be changes to the various provincial grants announced by the Ministry of Education, which were captured as part of our audit response.</p>	<ul style="list-style-type: none"> <li>• We tested the design and implementation of controls over revenue and performed substantive analytic procedures, detailed testing, and confirmation procedures in the various revenue streams</li> <li>• With respect to grants revenue, we reviewed funding letters, if available, as well as associated B and SB memos issued by the Ministry of Education, to understand the grant stipulations and assessed management's recording of the associated revenue and deferred revenue. We noted that as a result of COVID-19, there was an increase in Priorities and Partnerships funding (PPF) as well as other grants. We have tested a sample of expenditures incurred with respect to these funding streams to ensure valid revenue recognition and deferral have occurred.</li> <li>• We noted in the current year the receipt by the School Board of in-kind contributions from the Ministry of Public and Business Service Delivery of personal protective equipment, similar to prior year. We performed procedures to ascertain the quantity and value of a sample of items ordered by the School Board during the year, which have been recognized as revenue with a corresponding expense.</li> <li>• Our audit procedures did not indicate any evidence of material misstatement.</li> </ul>

## Risk of management override of controls\*

Analysis of risk	Audit response and results
<p>Assurance standards include the presumption of a significant risk of management override of controls.</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> <li>• We discussed fraud with management.</li> <li>• We asked the Audit Committee for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the School Board and their role in the oversight of management's antifraud programs.</li> <li>• We tested a sample of journal entries made throughout the period, and adjustments made at the end of the reporting period.</li> <li>• We evaluated the business rationale for any significant unusual transactions.</li> <li>• We determined whether the judgments and decisions related to management estimates indicate a possible bias, which included performing retrospective analysis of significant accounting estimates.</li> <li>• Our audit procedures did not indicate any evidence of material misstatement.</li> </ul>

### School generated funds and school council funds

#### Analysis of risk

There is an increased risk of misstatement of School Generated Funds and School Council Funds due to the fact that transaction processing is decentralized and internal controls implemented at each school site and their operating effectiveness may vary.

In particular, during 2021, we saw a significant decline in school generated funds and school council funds activities due to COVID closures. We saw an increase in volume of activities in fiscal 2022, as expected, which also resulted in an increased volume of testing.

#### Audit response and results

- We selected a sample of schools to audit and performed substantive tests of details to obtain assurance over assets, liabilities, revenues and expenses. We performed our school visits in person this year.
- We also performed testing on internal controls over the p-card process at the selected schools.
- We also performed testing on the maintenance of enrolment registers and enrolment reporting at each selected school.
- Our audit procedures did not indicate any evidence of material misstatement.

### Government transfers relating to capital contributions

#### Analysis of risk

The accounting for government transfers relating to capital contributions is a distinct area which has been prescribed by the Ministry of Education, and can be complex given the significance of capital transactions and balances at the School Board. Ministry directives in this area differs from Canadian Public Sector Accounting Standards and thus requires additional scrutiny.

#### Audit response and results

- We detail tested transactions and balances impacted, including tangible capital assets and capital contributions received and recognized through annual amortization, and determined whether the School Board has accounted for these transactions in accordance with regulations and relevant policies.
- We reviewed adequacy of disclosure of the basis of accounting in the notes to the financial statements.
- Our audit procedures did not indicate any evidence of material misstatement.

### Employee future benefits

#### Analysis of risk

Employee future benefits liabilities and expenses are valued by the School Board's actuary based on certain significant judgments and assumptions, which are subject to a higher level of risk.

#### Audit response and results

- We communicated with the School Board's actuary, School Boards' Co-operative Inc., to ensure our ability to rely on the results of their valuation.
- We reviewed the actuarial report including assumptions and data upon which estimates were based. We selected a sample of data inputs provided to the actuary and validated them against supporting documents. We also evaluated the reasonableness of assumptions used in the valuation against independent source.
- We evaluated the reliability and qualifications of the School Board's actuary.
- We ensured proper disclosure in the financial statements.
- Our audit procedures did not indicate any evidence of material misstatement.

## Preparation for new PSAS accounting standards

### Analysis of risk

In fiscal 2023, two new accounting standards, PS 3280 Asset retirement obligations, and PS 3450 Financial instruments, will come into effect. Both standards will require early preparation by the School Board, including development of accounting policies, information gathering with various School Board departments, engagement of external consultants (where needed) to assist with valuation, and development of go-forward processes for policy maintenance.

We understand that the Ministry of Education has been leading the sector's implementation and has provided certain templates to assist with the process.

### Audit response and results

We have and will continue to discuss with management as they consider the implications of an implementation plan for the new standards and provide support as needed.

\* Area of Significant audit risk

## Other matters

### Group audit

The Financial Statements of the School Board include their share of the accounts and activities of the Halton Student Transportation Services ("HSTS"). As the group auditor of the School Board, we communicated with the auditors of HSTS and provided direction on the planning, performance, and results of their audit, including their risk assessment, materiality, and audit strategy. We are responsible to assess the impact of any uncorrected misstatements and disclosure misstatements they identify as part of their audit of HSTS on our overall audit opinion on the financial statements of the School Board.

Our communications with HSTS's auditors did not identify any issues impacting the audit of the School Board's financial statements.

### Use of the work of specialists

We used our internal IT specialists to assess the design and implementation of information technology computer controls. Our review did not identify any deficiencies in computer controls to be reported to the Audit Committee.

We also relied on the work of the School Board's actuary, School Boards' Co-operative Inc., in their valuation of the School Board's post-employment benefit plans and communicated with them directly to obtain confirmation on our ability to rely on their reports.



# Additional procedures on departmental pcards

At the request of the Committee and management, we performed additional procedures on departmental pcards as part of the 2022 year-end audit. The procedures performed, as well as observations, are summarized below.

In total, we selected six separate pcard holders for testing.

Procedures performed	Observations	Recommendations
Select one month's pcard statement and determine if statement has been reviewed timely.	Four of the six cardholder pcard statements were signed off and reviewed in a timely manner (we judgmentally determined this as within 30 days from statement date). The remaining two statements did not have physical evidence of reviewer sign off but did include email approval.	We recommend there be consistency in the method of review and approval of the statements; clearly indicating that sign off must be on the statement itself, accompanied by the date of review, or approved via email that would automatically be date stamped and include the approver's email address. We further recommend that a formalized review period be established (ie. within 30 days from statement date) to ensure consistency of practices.
For a sample of monthly transactions, obtain the invoice/receipt as support that the item was for valid school board needs. Determine if the invoice/receipt agreed to the pcard statement.	Two of the six transactions were supported by order confirmation emails only. There was no further support provided as evidence of the ultimate receipt and delivery of the items ordered.	To ensure there is adequate support for the ultimate delivery and receipt of the items ordered, we recommend that in addition to the order confirmation, cardholders also submit the shipping confirmation and/or packing slip.
Trace the sampled transactions from the pcard statement to the general ledger to assess if they have been properly recorded.	No observations to report.	No recommendations to report.

# Appendix 1 – Communication requirements and other reportable matters

Required communication	Reference	Refer to this report or document described below
<b>Audit Service Plan</b>		
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	CAS <sup>1</sup> 260.14	Master service agreement dated April 1, 2018 and confirmation of changes letter dated April 14, 2021.
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> <li>a. Timing of the audit</li> <li>b. Significant risks, including fraud risks</li> </ul>	CAS 260.15	Audit plan communicated May 3, 2022
3. Significant transactions outside of the normal course of business, including related party transactions	CAS 260 App. 2, CAS 550.27	None noted.
<b>Enquiries of those charged with governance</b>		
4. How those charged with governance exercise oversight over management's process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	CAS 240.21	Discussed during the Audit plan presentation on May 3, 2022.
5. Any known suspected or alleged fraud affecting the School Board	CAS 240.22	None noted.
6. Whether the School Board is in compliance with laws and regulations	CAS 250.15	None noted.
<b>Year End Communication</b>		
7. Fraud or possible fraud identified through the audit process	CAS 240.40-.42	We are not aware of any fraudulent events.
8. Significant accounting policies, practices, unusual transactions, and our related conclusions	CAS 260.16 a.	See Note 1 to the financial statements for significant accounting policies

<sup>1</sup> CAS: Canadian Auditing Standards – CAS are issued by the Auditing and Assurance Standards Board of CPA Canada

Required communication	Reference	Refer to this report or document described below
9. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	CAS 260.16 a.	Significant accounting practices and policies selected and applied by management are, in all material respects, acceptable under the Financial Reporting Framework and are appropriate to the particular circumstances of the School Board.
10. Matters related to going concern	CAS 570.25	We concluded that there was no substantial doubt about the School Board's ability to continue as a going concern.
11. Consultation with other accountants	CAS 260.16(c),(i), A22	We are not aware of consultations with other accountants.
12. Management judgments and accounting estimates	CAS 260.16 a.	No issues noted with management judgments and accounting estimates.
13. Significant difficulties, if any, encountered during the audit	CAS 260.16 b.	We did not encounter any significant difficulties while performing the audit. There were no significant delays in receiving information from management required for the audit nor was there an unnecessarily brief timetable in which to complete the audit.
15. Material written communications between management and us, including management representation letters	CAS 260.16 c.	Management representation letter.
16. Other matters that are significant to the oversight of the financial reporting process	CAS 260.16e.	We are continuing to monitor the OSBIE consolidation issue as described in the "Highlights" section of this report.
17. Modifications to our opinion(s)	CAS 260.A21	None.
18. Other significant matters discussed with management	CAS 260.A.22	No significant matters noted.
19. Under our professional standards we are required to communicate, unless we are prohibited by a law or regulation, matters involving non-compliance by the School Board with applicable laws and regulations, including illegal or possibly illegal acts that come to our attention	CAS 250.23	Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the School Board, that are not otherwise prohibited to disclosed by law or regulation.
20. Litigation	CAS 260.16(a), A19-20, App. 2	No litigation matters to report.
21. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	CAS 265	No deficiencies to report. We have prepared a management letter of comments identified during our school visits.
22. Key Audit Matters	CAS 701.17	None noted.
23. Uncorrected misstatements and disclosure items	CAS 450.12-13	None noted.

Required communication	Reference	Refer to this report or document described below
<b>Other reportable matters</b>		
24. Changes to the audit plan	CAS 260.A26	No changes to audit plan.
25. Concerns regarding management competence and integrity	CAS 260.11, A38	We have not determined any concerns regarding management competence and integrity.
26. Disagreements with management	CAS 260.16(c)(i), A22	In the course of our audit, we did not encounter any disagreements with management about matters that individually or in the aggregate could be significant to the financial statements.
27. Subsequent events	CAS 260.10(a), 260.13(b), 260.14(a), 260.17	Subsequent sale of former Robert Bateman High School as outlined in Note 23 to the financial statements. We have reviewed the note disclosure for appropriateness as part of the audit.
28. Limitations when sending confirmations	CAS 505.9	Not applicable.
29. Other significant matters arising from the audit	CAS 260.16(e), A26-A28	None noted.

# Appendix 2 – Draft management representations letter

November 9, 2022

Deloitte LLP  
8 Adelaide Street West  
Suite 200  
Toronto ON M5H 1L6

**Subject: Consolidated financial statements of Halton District School Board for the year ended August 31, 2022**

This representation letter is provided in connection with the audit by Deloitte LLP ("Deloitte" or "you") of the consolidated financial statements of Halton District School Board (the "School Board", "HDSB", or "we" or "us"), for the years ended August 31, 2022, and a summary of significant accounting policies (the "Financial Statements") for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Organization 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 special purpose framework").

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

## **Financial statements**

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter between the Organization and Deloitte dated April 1, 2018 and confirmation of changes letter dated April 14, 2021 for the preparation of the Financial Statements in accordance with the special purpose framework. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of the Organization as at August 31, 2022 and the results of its operations and cash flows for the year then ended in accordance with the special purpose framework.
2. The Financial Statements have been prepared for the Ministry of Education, and Board of Trustees of HDSB using the basis of accounting described in Note 1 to the Financial Statements for the purpose of assessing the financial position of HDSB and the results of its operations.
3. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Financial Statements in accordance with the special purpose framework, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with the special purpose framework. The Organization has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with the special purpose framework and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity. No events have occurred subsequent to August 31, 2022 that require adjustment to the estimates and disclosures included in the Financial Statements.

There are no changes in management's method of determining significant estimates in the current year.

4. All related party relationships and transactions, including associated amounts receivable and payable, have been appropriately accounted for and disclosed in the Financial Statements in accordance with the requirements of the special purpose framework.
5. We have determined that the Financial Statements are complete as of the date of this letter as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected. The Financial Statements have been approved in accordance with our process to finalize financial statements.
6. We have completed our review of events after August 31, 2022 and up to the date of this letter.
7. The Financial Statements are free of material errors and omissions.

As a result of our evaluation process, we identified certain disclosures that, although required by the special purpose framework, have been omitted from our Financial Statements. Those omitted disclosures that are more than inconsequential are attached as Appendix A. We believe the effects of the omitted disclosures are quantitatively and qualitatively immaterial, both individually and in the aggregate, to the Financial Statements as a whole.

### **Internal controls**

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
9. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies in internal control over financial reporting.

### **Information provided**

10. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters.
  - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit;
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and,
  - d. All minutes of the meetings of directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries.
11. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
12. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.

13. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the Financial Statements.
14. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting the School Board.
15. There have been no communications with regulatory agencies concerning actual or potential noncompliance with or deficiencies in financial reporting practices. There are also no known or possible instances of non-compliance with the requirements of regulatory or governmental authorities.
16. We have disclosed to you the identities of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration.

### **Independence matters**

For purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

17. The School Board has not caused Deloitte's independence to be impaired by hiring or promoting a former or current Deloitte partner or professional employee in an accounting role or financial reporting oversight role that would cause a violation of the Canadian independence rules or other applicable independence rules. Prior to the School Board having any substantive employment conversations with a former or current Deloitte engagement team member, the School Board has held discussions with Deloitte and obtained approval from the Audit Committee.
18. We have ensured that all non-audit services provided to the School Board have been pre-approved by the Audit Committee. Further, we have adhered to all regulatory requirements regarding the provision of non-audit services by Deloitte to the Organization in accordance with applicable laws, regulations and rules that apply to the School Board, including the Audit Committee approval requirements.
19. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by the Audit Committee in accordance with its established approval policies and procedures.

### **Other matters**

Except where otherwise stated below, immaterial matters less than \$1,000,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the Financial Statements.

20. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
21. The School Board has identified all related parties in accordance with the special purpose framework. Management has determined that such disclosure is not necessary because the transactions have not occurred at a value different from that which would have been arrived at if the parties were unrelated and do not or could not have a material effect on the financial statements.
22. There are no instances of identified or suspected noncompliance with laws and regulations.

23. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with the special purpose framework.
24. All events subsequent to the date of the Financial Statements and for which the special purpose framework requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
25. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.
26. We have disclosed to you, and the School Board has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

### **Title to assets**

27. The School Board has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.

### **Work of management's experts**

28. We agree with the work of management's experts in evaluating the Retirement Benefits, Post Retirement Benefits, Workers' Safety Insurance Board and Non-Vesting Sick Leave Accumulation Benefits and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Consolidated Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to management's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.

### **Loans and receivables**

29. The School Board is responsible for determining and maintaining the adequacy of the allowance for doubtful notes, loans, and accounts receivable, as well as estimates used to determine such amounts. Management believes the allowance is adequate to absorb currently estimated bad debts in the account balance.

### **Environmental liabilities/contingencies**

30. We have considered the effect of environmental matters on the School Board and have disclosed to you all liabilities, provisions or contingencies arising from environmental matters. All liabilities, provisions, contingencies and commitments arising from environmental matters, and the effect of environmental matters on the carrying values of the relevant assets are recognized, measured and disclosed, as appropriate, in the Financial Statements.

### **Employee future benefits**

31. Employee future benefit costs, assets, and obligations have been properly recorded and adequately disclosed in the Financial Statements including those arising under defined benefit and defined contribution plans as well as termination arrangements. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, liabilities and costs for financial accounting purposes are appropriate in the circumstances.



**Plans or intentions affecting carrying value/classification of assets and liabilities**

32. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.

**In-Kind Revenue for Personal Protective Equipment Received**

33. We have disclosed to you our calculations for quantifying the personal protective equipment received from the Ministry of Education. Quantity amounts received and the weighted average cost used to calculate this in-kind revenue figure are in line with ministry guidelines and fairly represent the value of the items received.

**Various matters**

34. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:

- a. economic dependence on another party;
- b. losses arising from sale and purchase commitments;
- c. losses arising from onerous contracts;
- d. agreements to buy back assets previously sold;
- e. provisions for future removal and site restoration costs;
- f. financial instruments with significant individual or group concentration of credit risk, and related maximum credit risk exposure;
- g. sales with recourse provisions;
- h. sales incentives, including cash consideration provided to customers and vendor rebates;
- i. arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements;
- j. all impaired loans receivable and investments;
- k. loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.

Yours truly,

**Halton District School Board**

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Curtis Ennis  
Director of Education

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Roxana Negoï  
Superintendent of Business Services

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Heather Camastro  
Manager of Accounting

## Appendix A

### Summary of disclosure items passed

Halton District School Board  
Year ended August 31, 2022

Footnote number	Footnote title	Description of omitted or unclear disclosure	Authoritative literature reference	Dollar amount of omitted or unclear disclosure (if applicable)
1	Non-cash transactions	The School Board presents its Statement of Cash Flows similar to the Statement of Cash Flows included in the Education Finance Information System (EFIS), which does not identify all non-cash items. Examples of such non-cash items are tangible capital asset acquisitions acquired through accounts payable, employee future benefit expenses relating to actuarial valuation adjustments, and recognition of previously deferred revenue.	PS 1201.104 to .126	Amount has not been determined.
2	Budget Figures	The statement of changes in net debt should include budget figures.	PS 1201.131	Amount has not been determined.

# Appendix 3 – Deloitte resources a click away

At Deloitte, we are devoted to excellence in the provision of professional services and advice, always focused on client service. We have developed a series of resources, which contain relevant and timely information.

Register [here](#) to receive practical insights, invitations to Deloitte events/webcasts, and newsletters via email and other electronic channels. You will be able to select business topics and industries that align with your interests.

Canada's Best Managed Companies <a href="http://www.bestmanagedcompanies.ca">www.bestmanagedcompanies.ca</a>  <b>Target audience</b> Directors and CEO/CFO	The Canada's Best Managed Companies designation symbolizes Canadian corporate success: companies focused on their core vision, creating stakeholder value and excelling in the global economy.
Centre for financial reporting <a href="https://www.iasplus.com/en-ca/standards">https://www.iasplus.com/en-ca/standards</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• Directors and CEO/CFO</li> <li>• Controller and Financial reporting team</li> </ul>	Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.
Deloitte Viewpoints <a href="https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints">https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• CFO</li> <li>• Controller and Financial reporting team</li> </ul>	Electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.
CFO's corner <a href="https://www.iasplus.com/en-ca/cfos-corner">https://www.iasplus.com/en-ca/cfos-corner</a>  <b>Target audience</b> <ul style="list-style-type: none"> <li>• CFO and VP Finance</li> <li>• Controller and Financial reporting team</li> </ul>	Editorial providing insights into key trends, developments, issues and challenges executives face, with a Deloitte point of view.
Deloitte Dbriefs <a href="https://www.iasplus.com/en-ca/dbriefs/webcasts">https://www.iasplus.com/en-ca/dbriefs/webcasts</a>  <b>Targeted audience</b> <ul style="list-style-type: none"> <li>• CFO and VP Finance</li> <li>• Controller and Financial reporting team</li> </ul>	Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.

# Halton District School Board

**Report Number:** **TBD**

**Date:** November 9, 2022

**FOR INFORMATION**

**TO:** The Chair and Members of the Halton District School Board

**FROM:** Roxana Negoii, Superintendent of Business Services and Treasurer  
Curtis Ennis, Director of Education

**RE:** **Annual Statement of Education Development Charges (EDC)**

## Background:

Each year, the treasurer of the board is required (under subsection 257.98 (1) of the Education Act) to give the board a financial statement relating to education development charge by-laws and education development charge accounts.

## Rationale:

The Education Act, Part IX, Division E and Ontario Regulation 20/98 (in effect as of November 8, 2019) provides requirements for determining a board's eligibility to impose EDCs on new development, and calculation of the charges. Ontario Regulation 20/98 outlines the triggers (only one of which must be met) for a board to qualify for an EDC by-law:

- i. The estimated average number of elementary school pupils of the board over the five years immediately following the day the board intends to have the by-law come into force exceeds the total capacity of the board to accommodate elementary school pupils throughout its jurisdiction on the day the by-law is passed.
- ii. The estimated average number of secondary school pupils of the board over the five years immediately following the day the board intends to have the by-law come into force exceeds the total capacity of the board to accommodate secondary school pupils throughout its jurisdiction on the day the by-law is passed.
- iii. At the time of expiry of the board's last education development charge by-law that applies to all or part of the area in which the charges would be imposed, the balance in the education development charge reserve fund is less than the amount required to pay outstanding commitments to meet growth-related net education land costs, as calculated for the purposes of determining the education development charges imposed under that by-law.

The Board has approved six by-laws since it met the eligibility requirements in 1996. The Education Act requires by-laws to be updated every five years (in addition to the ability to amend the by-law once per year). The last by-law was approved by the Board in 2018 and amended in 2019 and 2021. Prior to a by-law being adopted, the Education Act requires a background study to be conducted to determine the EDC by-law amount. The background study was conducted by Watson & Associates Economists Ltd. ("Watson") due to their development charge expertise. The Board provided Watson with information such as land purchase price, site preparation costs and actual EDC revenue. For potential school sites identified but not yet purchased, site valuation information was provided by Cushman & Wakefield Ltd. The background study considered the region's growth projection, enrolment forecasts, new building requirements, the board's capital plans and the cost of land.

The 2018 Education Development Charge Background Study was provided to the Ministry of Education on March 15, 2018 to review and provide approval prior to by-law passage. Due to the June 2018 Provincial election, the Ministry did not approve the Board's background study prior to the 2013 EDC by-law lapsing on June 24, 2018.

# Halton District School Board

The 2018 EDC Background Study was later approved on June 28, 2018 for a term of up to one year, using the same charges as per the most recent rates, which for HDSB was the 2013 EDC By-law as amended in June 2017. A new 2018 EDC by-law was later approved by the board on June 29, 2018 and came into effect on July 4, 2018.

On March 29, 2019 and November 8, 2019, the Ministry of Education issued Ontario Regulation (O. Reg) 55/19 and 371/19 respectively, which amended the caps imposed on O. Reg. 20/98 to reflect the new restrictions to rate increases.

On May 15, 2019, the board approved an amendment to the 2018 EDC by-law, to increase the rates to the maximum allowed amounts and extend the term of the by-law to July 3, 2023, as well as phase in the maximum annual increases to the residential and non-residential rates.

Further, on May 28, 2021, the Board approved the second EDC By-Law amendment that further expanded the exemptions. The 2021 amendment also increased the residential and non-residential development rates, by adding the ceiling annual allowable increase (\$300 per unit, per year for residential levies and \$0.10 per square foot, per year for non-residential levies). The chart identifies the phase-in of the new EDC rates in accordance with amendments to O. Reg 20/98:

	<b><i>July 4, 2018: EDC By-law</i></b>	<b><i>May 20, 2019- July 3, 2019 Proposed New Charge</i></b>	<b><i>July 4, 2019- June 6, 2021 Proposed new Charge</i></b>	<b><i>June 7, 2021- July 3, 2021 Proposed new Charge</i></b>	<b><i>July 4, 2021- July 3, 2022 Proposed New Charge</i></b>	<b><i>July 4, 2022- July 3, 2023 Proposed new Charge</i></b>
Residential development	\$4,364.00 per residential unit	\$4,664.00 per residential unit	\$4,892.00 per residential unit	\$5,192.00 per residential unit	\$5,492.00 per residential unit	\$5,792.00 per residential unit
Non-residential development	\$1.11 per square foot of gross floor area	\$1.11 per square foot of gross floor area	\$1.11 per square foot of gross floor area	\$1.21 per square foot of gross floor area	\$1.31 per square foot of gross floor area	\$1.41 per square foot of gross floor area

The 2018 Education Development Charges will be expiring on July 3, 2023. Given the new Ministry requirements for implementing a new EDC by-law which require more information and coordination for LEDA (Localized Education Development Agreements) and Alternative Accommodation Projects, staff have already started the process to consult and develop the background study, in collaboration with the Halton Catholic District School Board, as per previous years. Watson has also been awarded the contract to consult with the board on the development of the background study and a new EDC by-law.

Staff will be having preliminary stakeholder meetings and the with Ministry over Winter 2022/2023, to address any initial comments or concerns that may arise from the implementation of the newest standards under the amended O. Reg. 20/98, so as to ensure a smooth approval process in the Spring. Staff will return to the Board of Trustees in the Spring of 2023 with additional information on rate increases and any particularities with the new Background Study, with approvals targeted to May 2023.

A summary of EDC revenues, expenditures and closing balance as at August 31, 2022 are included in Appendix A.

*Respectfully submitted,*

*Roxana Negoj, Superintendent of Business Services and Treasurer  
Curtis Ennis, Director of Education*

**Halton District School Board  
Report on Education Development Charges**

**Opening EDC Balance/ (Deficit) as at September 1, 2021** **\$ (20,886,812)**

**EDC Revenues received in 2021/2022:**

Sale of excess site - Lakeshore Woods

Refund received related to past contributions on EDC sites \$ 7,825,473

**Residential**

City of Burlington 594,660

Town of Oakville 13,407,896

Town of Milton 6,385,304

Town of Halton Hills 746,766

21,134,626

**Non-Residential**

City of Burlington 1,066,860

Town of Oakville 453,685

Town of Milton 2,854,923

Town of Halton Hills 719,436

5,094,904

34,055,003

**EDC Expenditures in 2021/2022:**

Site acquisition expenditure (multiple sites) (5,159,768)

Site preparation expenditure (multiple sites) (2,797,024)

Interest on debt service costs (301)

Refunds paid (297,699)

Expenses related to the Milton #12 temporary easement (248,561)

Study Costs/ legal fees (508,126)

(9,011,479)

(9,011,479)

**Closing EDC Balance/ (Deficit)**

**\$ 4,156,712**

# Halton District School Board

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**Report Number:** **TBD**

**Date:** November 9, 2022

## FOR INFORMATION

**TO:** The Chair and Members of the Halton District School Board

**FROM:** Roxana Negoii, Superintendent of Business Services  
Curtis Ennis, Director of Education

**RE:** **2021/2022 Summary of Trustee Expenses**

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### Background:

"Trustee Expenses" Policy states:

*The Board recognizes the need to reimburse trustees for expenses reasonably incurred in carrying out their role as trustee. In addition, the Board recognizes that trustees must be equipped properly so they may consult with and contact their constituents.*

Section 4.19 states that:

*An annual summary of trustee expenses will be reported as an information item by the Superintendent of Business.*

*A trustee expense report will be posted to the board's website annually by December 31 following the end of the fiscal year. The report will include expense totals by trustee of the following categories:*

- *Travel (e.g. mileage, parking, tolls)*
- *OPSBA Conferences*
- *Other Professional Development*
- *Meeting Expenses (e.g. hospitality)*
- *Supplies*
- *Other Expenses (e.g. child minding)*

*Board paid:*

- *Telecommunications (e.g. monthly service fees)*
- *Technology (e.g. hardware)*
- *Board Leadership & Mandatory Training*
- *Prior Term Reserve for Professional Development*
- *Travel over \$1,000*

### Rationale:

It is the policy of the Halton District School Board that trustees, upon their election shall be equipped with a personal computer including peripherals; software in accordance with the Board standard for administrators; high speed home internet access; a home phone; and a mobile communication device. There are currently eleven elected Trustees and two student Trustees.

In addition, each trustee, on an annual basis, will have access to a \$5,000 travel, personal professional development and office supplies account. This account may be used to reimburse the trustee for expenses reasonably incurred in carrying out their role as trustee. The policy identifies the expenses that are recognized by the Board as appropriate trustee expenses. It also allows any approved travel expenditure above the \$1,000 threshold not to be charged against the trustee account, but rather the Board's account. In addition, where a trustee incurs approved expenditures as a representative of the Board (e.g. Ontario Public School Board Association meeting, Student Trustee mentoring, Audit

# Halton District School Board

Committee training) these costs will not be charged against the trustee account, but rather the Board's Leadership budget.

## Summary of Board Paid/ (Reimbursed on a cash basis\*) Expenses:

• Telecommunications (internet, cell, phone/landline)	\$	13,810
• Travel (mileage > \$1,000)		285
• Technology		2,677
• Conferences – Board Leadership Mandatory Training		<u>26,146</u>
		<u>\$ 42,918</u>

## Summary of Expenses Reimbursed as of August 31, 2022 (cash basis\*):

• OPSBA Conferences	\$	3,277
• Other Professional Development:		
➤ registration, accommodation, meals, travel		,27,747
• Meeting expenses (refreshments, meals)		289
• Office Supplies		2,124
• Travel (mileage up to \$1,000)		4,427
• Other		<u>1,551</u>
		<u>\$ 39,415</u>

\*Cash basis refers to actual reimbursement received from September 1, 2021 to August 31, 2022.

Trustee expenses are higher compared to prior two years, as a result of the loosening the Covid restrictions and resumption of travel. Details of expenditures by individual Trustee will be posted on the board website prior to December 31, 2022.

As at the end of the previous term (November 30<sup>th</sup>, 2018), \$66,000 representing the unused portion of the expense budget rolled over to 2019/2020. As of August 31, 2022, the reserve balance remaining is \$62,731.

Unused portions of an individual trustee's expense budget, on an annual basis, shall rollover to the next year. At the end of the term of the Board, unused portions of the trustee expense budget shall be allocated to a Reserve Account for the purpose of future trustee professional development. The use of these Reserve Account funds will be decided by the incoming Board of Trustees by Board motion. A summary of the Reserve Account is attached as Appendix A.

*Respectfully submitted,*

*Roxana Negoï*  
*Superintendent of Business Services*

*Curtis Ennis*  
*Director of Education*



**Reserve Balance, August 31, 2018** **\$ 41,047**

Transfer of End of Term Balance (November 30, 2018) 66,000

Board Motions:

M18-0233 (Report 118163) - Registration costs to attend the Ontario Public School Board Association Public Education Symposium (including pre-symposium) January 24-26, 2019 to a maximum of \$7,975 (5,875)

M18-0233 (Report 118163) - Registration costs to attend the Ontario Public School Board Association Labour Relations Symposium (including pre-symposium) April 4-5, 2019 to a maximum of \$5,225 (2,915) (8,790)

Outgoing Trustees (no budget):

Interim Trustee - R.A. Chaudhry and Trustee A. Harvey-Hope (946) (946)

**Reserve Balance, August 31, 2019** **\$ 97,311**

Trustee Policy Revision:

M19-0182  
4.10 Registration fees for the OPSBA Public Education Symposium and the OPSBA Labour Relations Symposium for any HDSB Trustee will not be charged against the Trustee's account, but rather the Trustees' Prior Term Reserve Account. These expenses do not require approval by the Board.

Included in Trustee Expenses - Governance Procedure:

Registration costs to attend the Ontario Public School Board Association Public Education Symposium (including pre-symposium) January 23-25, 2020 (5,006) (5,006)

Board Motions:

M18-0087 Comparable Alternative Training  
DiSC training (Part I), to a maximum of \$5,000 (including hst)  
September 30th, 2019 (3,580) (3,580)

**Reserve Balance, August 31, 2020** **\$ 88,725**

Board Motions:

M21-0028 Mohawk Institute Indian Residential School Tour  
February 25, 2021 (300)

M21-0037 Mending the Chasm Anti-Racism Leadership Series  
Total cost to be split 50/50 between Board Leadership and Reserve Account  
April 12 - May 3, 2021 (4,087)

M21-0082 Comparable Alternative Training

## PUBLIC SESSION

DiSC training (Part II), to a maximum of \$4,000 (including hst)  
May 2021

(2,299) (6,686)

**Reserve Balance, August 31, 2021**

**\$ 82,039**

Included in Trustee Expenses - Governance Procedure:

Ontario Public School Board Association

Public Education Symposium Virtual Conference Board Registration Fee

January 28, 2022

(1,022)

Ontario Public School Board Association

Labour Relations Symposium Toronto

April 28, 2022

(102)

(1,124)

Board Motions:

M22-0010 Informed Opinions

Strategic Communications Online Workshop Fee

January 18, 2022

(4,086)

M22-0010 Lori Lukinuk, CP-T, PRP Parliamentary Services

Boardroom Decorum and Robert's Rules of Order Parliamentary Workshop Fee

January 31, 2022

(817)

M22-0010 CMR Governance Consulting

Customized Virtual Governance Training Session Fee

Total cost to be split 50/50 between Board Leadership and Reserve Account

February 7, 2022

(3,065)

M22-0035 Bang the Table Canada Ltd.

Community Engagement Initiative Platform Implementation Fees

Implemented by Relmagine Forward Subcommittee

(10,216)

(18,184)

**Reserve Balance, August 31, 2022**

**\$ 62,731**

# Halton District School Board

**Report Number:** **TBD**  
**Date:** November 9, 2022

## FOR INFORMATION

**TO:** The Chair and Members of the Halton District School Board  
**FROM:** R. Negoï, Superintendent of Business and Treasurer  
 C. Ennis, Director of Education  
**RE:** **Summary of School Generated Funds – 2021/2022**

### Background

The Halton District School Board recognizes that schools and school councils raise funds to supplement student programs and for specific student activities. The Board has a responsibility to ensure that all school generated funds are collected in accordance with board policies/procedures and municipal, provincial and federal laws and regulations. This responsibility includes ensuring that all funds are adequately protected, that they are controlled through proper accounting procedures and that accountability for the funds is maintained.

The School Generated Funds Administrative Procedure provides appropriate guidance, authority and protection to school staff and fundraising volunteers by identifying specific direction for the administering, recording and reporting of school generated funds. In addition, Halton District School Board elementary and secondary schools have implemented the Student Fees Administrative Procedure to ensure equity of access to programs and services while maintaining quality and breadth of programming choices.

This report summarizes school generated revenues and expenditures for the year ended August 31, 2022.

### Rationale

For the year ended August 31, 2022, the Halton District School Board recorded school generated revenues of \$8.2 million and related expenditures of \$8.0 million. Additional information has been attached as follows:

- Appendix A-1 – Summary of School Generated Funds by Category – Total
- Appendix A-2 – Summary of School Generated Funds by Category – Secondary
- Appendix A-3 – Summary of School Generated Funds by Category – Elementary
- Appendix B – Category Structure for School Generated Funds

School generated funds revenues and expenses typically represent approximately 2.5% of the total Board's revenue and expenses annually, however, for the 2021/2022 year this stayed lower than average around 1.0%. Schools are permitted to carry forward a surplus of funds up to a maximum of \$30 per student without approval. Surpluses exceeding this limit must be explained with a documented surplus plan that is approved by the School Superintendent. The carry forward is usually as a result of a timing difference between the collection of funds and the outlay of expenditures, e.g., end of year Fun Fairs in May and June, transition activities that occur in the summer in preparation for the following school year.

There was approximately \$4.2 Million in carryforwards at the end of the 2021/2022 year, which is up by 6% compared to 2020/2021. During the 2021/2022 year, schools continued to experience supply chain ordering challenges and delays which impacted the ability to procure certain items with fundraising proceeds.

The 2021/2022 school year's revenue and expenses were impacted for almost half of the year by the continued Covid-19 pandemic pause on almost all categories, most notably field trips, food &

# Halton District School Board

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general fundraising and extracurricular activities. This explains the noticeable recovery in revenues and expenses year over year, but still notably lower revenue and expense figures compared to the pre-2019/2020 school years.

The most significant revenue source showing recovery for the 2021/2022 year in the elementary panel was in the food and general fundraising category. In the secondary panel, the largest revenue sources showing signs of recovery include athletics and extracurriculars.

*Respectfully submitted,*

*Roxana Negoï*  
*Superintendent of Business and Treasurer*

*Curtis Ennis*  
*Director of Education*

## Halton District School Board

## Summary of School Generated Funds (including School Councils)

		2020/2021	2020/2021	Year Ended 2019/2020	2018/2019	2017/2018
Balance, Beginning of Year	\$	3,992,826	5,301,650	5,837,622	5,748,655	6,235,278
Receipts By Category (1)						
Athletics		927,094	43,175	1,366,242	2,067,293	1,869,179
Charity		91,383	8,648	186,949	238,005	297,935
Extracurricular		1,293,621	236,329	1,418,115	3,004,519	2,757,500
Field Trips		816,390	220,754	1,474,523	5,250,041	5,274,007
Food & General Fundraising		2,891,590	152,626	4,161,860	6,273,122	6,372,494
Fundraising - Capital		13,003	40,741	11,791	15,850	33,392
Fundraising - Curricular/ Enhancements (2)		1,149,829	518,781	1,085,634	1,688,786	1,449,376
Grants		683,672	231,138	603,953	664,980	702,911
Other(Non-Student, HST)		376,838	155,107	772,969	984,796	1,231,046
Summary of Receipts		8,243,420	1,607,297	11,082,036	20,187,393	19,987,840
Disbursements By Category (1)						
Athletics		792,216	171,578	1,266,498	2,058,385	2,078,732
Charity		98,552	18,358	182,420	243,256	289,782
Extracurricular		1,408,396	673,099	1,831,558	3,192,885	3,026,522
Field Trips		874,867	65,159	2,040,345	5,443,375	5,380,583
Food & General Fundraising		2,608,491	764,181	3,722,776	5,519,125	5,908,432
Fundraising - Capital		118,230	247,096	514,479	297,141	449,011
Fundraising - Curricular/ Enhancements (2)		1,494,792	413,200	1,163,158	2,004,879	1,829,179
Grants		573,740	185,831	427,575	731,021	692,159
Other(Non-Student, HST)		35,401	377,618	469,198	608,360	820,062
Summary of Disbursements		8,004,685	2,916,121	11,618,008	20,098,426	20,474,463
Receipts Less Disbursements		238,734	(1,308,824)	(535,972)	88,967	(486,622)
Balance, End of Year	\$	4,231,560	3,992,826	5,301,650	5,837,622	5,748,655

The terms "school generated funds" and "school council funds" refer to funds raised to benefit students in the school. Funds are generated in schools from a number of different sources and used in a number of different ways. The Administrative Procedure applies to all funds that are received, raised, or collected in the name of the school or school activity. These funds are under the direction and control of the school Principal. Generally, this will mean all funds available to the school other than funds provided by the approved budget of the board. The Board is required to ensure that these funds are properly administered and transactions are accurately recorded. This Administrative Procedure is not mandatory for Home and School Associations.

(1) A summary of HDSB Standard Category Structure For School Generated Funds (per Administrative Procedure) is attached. Note: The categories have not been audited to ensure that all receipts/disbursements are recorded in the appropriate/consistent category across all schools in the district.

Details by category not readily available at the board consolidated level.

(2) Effective September 2010, HDSB implemented a "Student Fees" Administrative Procedure which eliminated fees for standard course materials and/or consumables.

## Halton District School Board

## Summary of School Generated Funds (including School Councils) - Secondary

		Year Ended				
		<u>2021/2022</u>	<u>2020/2021</u>	<u>2019/2020</u>	<u>2018/2019</u>	<u>2017/2018</u>
Balance, Beginning of Year	\$	1,735,846	2,064,639	2,185,482	2,133,993	2,613,348
Receipts By Category (1)						
Athletics		901,459	42,943	1,301,326	1,931,485	1,719,981
Charity		42,222	2,535	67,199	99,230	86,579
Extracurricular		981,003	198,980	1,216,210	2,314,124	2,117,379
Field Trips		125,706	51,371	300,915	1,072,315	1,060,234
Food & General Fundraising		339,986	50,587	601,114	703,304	836,330
Fundraising - Capital		10,094	11,860	8,080	1,240	6,212
Fundraising - Curricular/ Enhancements (2)		823,414	504,853	824,002	1,064,385	893,602
Grants		235,974	74,365	132,974	164,773	214,908
Other (Non-Student, HST)		152,878	62,321	252,313	329,441	380,852
Summary of Receipts		3,612,737	999,816	4,704,133	7,680,297	7,316,077
Disbursements By Category (1)						
Athletics		731,365	162,880	1,182,926	1,869,992	1,901,383
Charity		48,080	6,677	59,123	98,249	82,705
Extracurricular		1,014,990	511,654	1,510,678	2,368,154	2,218,882
Field Trips		138,100	17,278	499,869	1,065,631	1,121,182
Food & General Fundraising		258,075	101,183	378,743	694,234	716,575
Fundraising - Capital		9,709	35,693	177,435	32,414	106,764
Fundraising - Curricular/ Enhancements (2)		1,052,381	288,608	672,307	1,077,276	1,018,155
Grants		159,050	53,475	106,325	185,150	191,593
Other (Non-Student, HST)		60,772	151,161	237,571	237,710	438,192
Summary of Disbursements		3,472,523	1,328,609	4,824,976	7,628,809	7,795,431
Receipts Less Disbursements		140,214	(328,793)	(120,843)	51,488	(479,354)
Balance, End of Year	\$	1,876,060	1,735,846	2,064,639	2,185,482	2,133,993

The terms "school generated funds" and "school council funds" refer to funds raised to benefit students in the school. Funds are generated in schools from a number of different sources and used in a number of different ways. The Administrative Procedure applies to all funds that are received, raised, or collected in the name of the school or school activity. These funds are under the direction and control of the school Principal. Generally, this will mean all funds available to the school other than funds provided by the approved budget of the board. The Board is required to ensure that these funds are properly administered and transactions are accurately recorded. This Administrative Procedure is not mandatory for Home and School Associations.

(1) A summary of HDSB Standard Category Structure For School Generated Funds (per Administrative Procedure) is attached. Note: The categories have not been audited to ensure that all receipts/disbursements are recorded in the appropriate/consistent category across all schools in the district.

Details by category not readily available at the board consolidated level.

(2) Effective September 2010, HDSB implemented a "Student Fees" Administrative Procedure which eliminated fees for standard course materials and/or consumables.

## Halton District School Board

## Summary of School Generated Funds (including School Councils) - Elementary

		Year Ended				
		2021/2022	2020/2021	2019/2020	2018/2019	2017/2018
Balance, Beginning of Year	\$	2,256,980	3,237,011	3,652,140	3,614,662	3,621,930
Receipts By Category (1)						
Athletics		25,635	231	64,916	135,808	149,198
Charity		49,160	6,112	119,751	138,775	211,356
Extracurricular		312,619	37,349	201,905	690,395	640,121
Field Trips		690,683	169,383	1,173,608	4,177,726	4,213,773
Food & General Fundraising		2,551,604	102,039	3,560,746	5,569,818	5,536,165
Fundraising - Capital		2,909	28,881	3,710	14,610	27,180
Fundraising - Curricular/ Enhancements (2)		326,414	13,928	261,632	624,402	555,774
Grants		447,698	156,773	470,979	500,208	488,003
Other (Non-Student, HST)		223,960	92,785	520,656	655,355	850,194
Summary of Receipts		4,630,683	607,481	6,377,903	12,507,096	12,671,764
Disbursements By Category (1)						
Athletics		60,851	8,698	83,572	188,393	177,350
Charity		50,472	11,681	123,298	145,007	207,077
Extracurricular		393,406	161,446	320,880	824,731	807,640
Field Trips		736,767	47,881	1,540,477	4,377,744	4,259,401
Food & General Fundraising		2,350,416	662,999	3,344,034	4,824,891	5,191,857
Fundraising - Capital		108,520	211,404	337,044	264,727	342,247
Fundraising - Curricular/ Enhancements (2)		442,411	124,592	490,851	927,604	811,024
Grants		414,690	132,356	321,251	545,871	500,566
Other (Non-Student, HST)		(25,370)	226,457	231,627	370,650	381,870
Summary of Disbursements		4,532,163	1,587,513	6,793,032	12,469,617	12,679,032
Receipts Less Disbursements		98,520	(980,031)	(415,130)	37,478	(7,268)
Balance, End of Year	\$	2,355,500	2,256,980	3,237,011	3,652,140	3,614,662

The terms "school generated funds" and "school council funds" refer to funds raised to benefit students in the school. Funds are generated in schools from a number of different sources and used in a number of different ways. The Administrative Procedure applies to all funds that are received, raised, or collected in the name of the school or school activity. These funds are under the direction and control of the school Principal. Generally, this will mean all funds available to the school other than funds provided by the approved budget of the board. The Board is required to ensure that these funds are properly administered and transactions are accurately recorded. This Administrative Procedure is not mandatory for Home and School Associations.

(1) A summary of HDSB Standard Category Structure For School Generated Funds (per Administrative Procedure) is attached. Note: The categories have not been audited to ensure that all receipts/disbursements are recorded in the appropriate/consistent category across all schools in the district.

Details by category not readily available at the board consolidated level.

(2) Effective September 2010, HDSB implemented a "Student Fees" Administrative Procedure which eliminated fees for standard course materials and/or consumables.

### HDSB Standard Category Structure for School Generated & School Council Funds

CATEGORY	DEFINITION	EXAMPLES
Athletics	Money received to offset the cost for buses, referees, tournament fees, uniforms; money disbursed for those items; fundraising specific to athletic teams or events.	Team sports (Football, Hockey, Basketball, Volleyball); intramural house league teams; inter-school tournaments; referee fees; OFSAA costs; buses for track meets / relays / cross country meets
Charity	Money raised for and disbursed to an external registered charity.	Terry Fox, World Vision, United Way, Halton Learning Foundation, Heart & Stroke
Extra Curricular	Money collected and distributed to cover costs of clubs, non-athletic co-curriculars and optional school spirit items; fundraising specifically for a single extracurricular event.	Band, Choir, Clubs, Drama/Musical Performances; School Spirit Wear (not gym clothes, which are athletic); Yearbook; Commencement /Graduation, Student Parliament; Environment Club; Link Crew
Field Trips	All money fundraised or collected to support the cost of off-site activities or in-school presentations, including admissions, transportation and accommodations.	Field trips: Science Centre, ROM, Metro Zoo  Presentations: Scientists in Schools, musical performers, traveling theatre troupes  Excursions: all out-of-province travel; all travel involving overnight accommodation
Food & Fundraising	<p>Money collected by the sale of food directly for student consumption and money spent on the goods being sold. Profits may offset expenses in all other areas except Non-Student.</p> <p>All money raised/received from, and all expenses related to, products sold or activities that are intended to generate profits and be beneficial to the entire school as opposed to a specific area (e.g. athletics, extra-curriculars).</p> <p>Separate subcategories (capital, curricular) are required to record the cost of the items purchased in those areas.</p>	<p>SEC: Cafeteria, Food Schools, catering</p> <p>ELEM: Milk, Pizza, Sub Days, Popcorn</p> <p>Dance-A-Thon, Raffles, Fall Fair events, Gift Card Sales, Fruit/Muffin Mix, Cheese, Wrapping Paper sales, car washes, magazine drives.</p> <p>Fundraising Category may be subcategorized into specific events; expenses come out of the subcategories or may be a subcategory called "event expense".</p>
Capital	All money raised/received from, and all expenses related to, products sold or activities that are intended to generate profits to be specifically used to purchase capital items or support school infrastructure.	<p>Money raised to offset purchases of computers, furniture or equipment ordered through the Board's Purchasing Department.</p> <p>Money raised to offset purchases of landscaping, painting, or structural modifications ordered through the Board's Facility Services Department.</p>



CATEGORY	DEFINITION	EXAMPLES
Curricular	All money raised/received from, and all expenses related to, products related to classroom learning.	Library book fairs
Grants	Money received from third parties for a specific purpose, the detailed use of which must be reported.	Parent Involvement Policy, Halton Food for Thought, TD Friends of the Environment
Other: Non-Student & Temporary Clearing	<p>All money raised/received for and spent on items that do not directly benefit students.</p> <p>Expenses that will be reimbursed by HDSB or School Council, who will claim the expense in their financial statements, and offsetting income.</p>	<p>Inflows: HST rebate, photographer commissions.</p> <p>Outflows: Bank charges, cheque printing fees, Volunteer Appreciation</p>

**Ministry of Education****Ministère de l'Éducation**

Education Labour and Finance  
Division

Division des relations de travail et du  
financement en matière d'éducation

315 Front Street West  
Toronto ON M7A 0B8

315, rue Front Ouest  
Toronto (Ontario) M7A 0B8

**2022: SB28**

**Date:** October 26, 2022

**Memorandum To:** Senior Business Officials  
Secretary-Treasurers of School Authorities (Isolate Boards)

**From:** Med Ahmadoun  
Director  
Financial Analysis and Accountability Branch

**Subject:** **Update on Consolidation of the Ontario School Boards'  
Insurance Exchange into School Board Financial Statements**

On December 1, 2021, the Office of the Auditor General of Ontario (OAGO) issued their 2021 Annual Report. In the [Value-for-Money Review: Financial Reporting of School Boards in Ontario \(2021\)](#), the OAGO recommended that the Ministry of Education consolidate Ontario School Boards' Insurance Exchange's (OSBIE's) financial results into the consolidated financial statements of the Province in accordance with Canadian Public Sector Accounting Standards (PSAS) by March 31, 2023.

Further to memorandum 2022:SB21, which directed OSBIE's active subscribers, including its member district school boards, school authorities, and any other OSBIE member affiliated with school boards (e.g., transportation consortia), to proportionately consolidate OSBIE into their 2021-22 financial statements, the ministry is providing updated direction in light of current circumstances.

As OSBIE's financial information is not yet readily available for school boards to consolidate into their 2021-22 financial statements, the ministry is deferring the requirement to consolidate. Active subscribers of OSBIE will now be required to include their proportionate share of OSBIE financial results from September 1, 2021, to August 31, 2022 into their 2023 March Reporting to the ministry. Consistent with the consolidation approach for school generated funds and the financial results of school board subsidiaries, the financial results of OSBIE for this period will be

used as a proxy for the provincial fiscal year for the purpose of Public Accounts consolidation.

Over the next few months, the ministry will work with the sector to support school boards' preparation for reporting in the March Report as well as reporting as part of their 2022-23 financial statements. The ministry also intends to take the necessary steps to ensure all school boards are positioned to be able to consolidate OSBIE as part of their regular financial reporting.

For questions related to this memorandum, please contact me by email at Med.Ahmadoun@ontario.ca or by phone at (416) 326-0201.

Sincerely,

*Original signed by*

Med Ahmadoun  
Director  
Financial Accountability and Analysis Branch

c: Directors of Education  
School Board External Auditors  
Ontario School Boards' Insurance Exchange



# Halton District School Board

## INFORMATION FOR AUDIT COMMITTEE

### 2021/2022 FISCAL YEAR

Budget Presentation	June 2, 2021	Budget 2021/2022 <a href="#">Report 21086</a> and <a href="#">Full Operating &amp; Capital Budget Report</a>
Budget Approval	June 16, 2021	<a href="#">Approved Budget 2021/22 Link</a> M21-0113
Revised Estimates	December 15, 2021	<a href="#">Revised Estimates 2021-22 Link</a> Report 21164
Quarterly Financial Report for the period ending November 2021	January 5, 2022	<a href="#">Report 22005</a>
Quarterly Financial Report for the period ending February 2022	March 14, 2022	<a href="#">Report 22041</a>
Quarterly Financial Report for the period ending May 2022	June 15, 2022	<a href="#">Report 22085</a>
Financial Statements – Audit Committee	November 8, 2022	Included in the meeting package
Financial Statements – Board Presentation and Board Approval	November 9, 2022	

### 2022/2023 FISCAL YEAR

Budget Development	February 2, 2022	<a href="#">Report 22016</a>
Budget Presentation to Committee of the Whole	February 9, 2022	<a href="#">Committee of the Whole Presentation</a>

Budget Presentation	June 1, 2022	Budget for 2022/2023 <a href="#">Report 22068</a> and <a href="#">Full Operating and Capital Budget Report</a>
Budget Approval	June 15, 2022	<a href="#">Approved Budget 2022/23 Link</a> M22-0111
Revised Estimates	December 7, 2022	
Quarterly Financial Report for the period ending November 2022	January 11, 2023	
Quarterly Financial Report for the period ending February 2023	March 22, 2023	
Quarterly Financial Report for the period ending May 2023	June 21, 2023	
Financial Statements – Audit Committee	November 2023	
Financial Statements – Board Presentation and Board Approval	November 2023	



# Halton District School Board

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Date: November 8, 2022  
**FOR INFORMATION**

TO: The Chair and Members of the Audit Committee  
Halton District School Board

FROM: Roxana Negoj, Superintendent of Business Services & Treasurer

RE: **2021/2022 Halton Student Transportation Services (HSTS)  
Financial Statements**

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## **Background**

The proportion of revenue and costs for Halton Student Transportation Services (HSTS) are consolidated into the financial statements of the Halton District School Board. Additional information on this consolidation can be found in Note 19 in the Notes to the Consolidated Financial Statements.

The financial statements for HSTS are being shared with the Audit Committee and Board of Trustees for information.

## **Rationale**

The financial statements for HSTS have been audited by KPMG LLP, Chartered Accountants. The audit was conducted in accordance with Canadian generally accepted auditing standards as outlined in the Auditors' Report. Based on their audit opinion, the auditors agree that the consolidated financial statements of Halton Student Transportation Services as at and for the year ended August 31, 2022 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

*Respectfully Submitted,*

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*Roxana Negoj*  
*Superintendent of Business Services and Treasurer*

Financial Statements of

**HALTON STUDENT  
TRANSPORTATION SERVICES**

And Independent Auditors' Report thereon

Year ended August 31, 2022



KPMG LLP  
 Commerce Place  
 21 King Street West, Suite 700  
 Hamilton ON L8P 4W7  
 Canada  
 Tel 905-523-8200  
 Fax 905-523-2222

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Halton Student Transportation Services

### **Opinion**

We have audited the accompanying financial statements of Halton Student Transportation Services (the "Entity"), which comprise:

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

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at August 31, 2022, and its results of changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **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 "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibility of Management and Those Charged with Governance for the Financial Statements**

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



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

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

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

### ***Auditors' 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 auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a single horizontal line.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

October 20, 2022

# HALTON STUDENT TRANSPORTATION SERVICES

## Financial Statements

Year ended August 31, 2022

### Financial Statements

Statement of Financial Position	1
Statement of Operations	2
Statement of Change in Net Debt	3
Statement of Cash Flows	4
Notes to Financial Statements	5

# HALTON STUDENT TRANSPORTATION SERVICES

## Statement of Financial Position

August 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets</b>		
Due from related parties (note 4)	\$ 267,702	\$ 778,985
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	115,553	44,859
Due to related parties (note 4)	163,489	745,828
Deferred capital contributions (note 5)	753	3,838
	279,795	794,525
<b>Net debt</b>	(12,093)	(15,540)
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	753	3,838
Prepaid expenses	12,100	12,462
	12,853	16,300
<b>Economic dependence (note 3)</b>		
<b>Accumulated surplus</b>	\$ 760	\$ 760

See accompanying notes to financial statements.

On behalf of the Board of Directors:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# HALTON STUDENT TRANSPORTATION SERVICES

## Statement of Operations

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

	2022 Budget	2022 Actual	2021 Actual
Revenues	\$ 31,120,013	\$ 31,002,281	\$ 30,451,648
Expenses:			
Transportation services	28,276,439	28,236,898	27,847,081
Administrative expenses:			
Salaries and benefits	1,431,490	1,438,809	1,463,657
Health supplies	1,099,724	1,041,661	827,415
Rent	68,000	67,836	67,836
Professional fees	75,310	65,335	57,236
Software fees and licenses	53,000	44,247	50,169
Communication	26,800	35,906	57,749
Contractual services	31,300	32,999	28,457
Office supplies	19,600	14,174	13,981
Equipment	7,500	7,601	12,987
Professional development	16,050	5,923	10,701
Insurance	5,000	4,911	5,030
Amortization of tangible capital assets	—	3,085	7,701
Day to day maintenance	1,300	1,663	959
Travel and meetings	3,500	518	423
Advertising	5,000	715	266
Total expenses	31,120,013	31,002,281	30,451,648
Annual surplus	—	—	—
Accumulated surplus, beginning of year	760	760	760
Accumulated surplus, end of year	\$ 760	\$ 760	\$ 760

See accompanying notes to financial statements.

# HALTON STUDENT TRANSPORTATION SERVICES

## Statement of Changes in Net Debt

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

	2022	2021
Annual surplus	\$ —	\$ —
Amortization of tangible capital assets	3,085	7,701
	3,085	7,701
Other non-financial asset activity:		
Acquisition of prepaid expenses	(7,249)	(7,611)
Use of prepaid expenses	7,611	7,249
Total other non-financial asset activity	362	(362)
Change in net debt	3,447	7,339
Net debt, beginning of year	(15,540)	(22,879)
Net debt, end of year	\$ (12,093)	\$ (15,540)

See accompanying notes to financial statements.

# HALTON STUDENT TRANSPORTATION SERVICES

## Statement of Cash Flows

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

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ —	\$ —
Item not involving cash:		
Amortization of tangible capital assets	3,085	7,701
Revenue recognized from deferred capital contributions	(3,085)	(7,701)
Changes in non-cash working capital:		
Increase (decrease) in accounts payable and accrued liabilities	70,694	(22,289)
Decrease (increase) in prepaid expenses	362	(362)
	71,056	(22,651)
Investing activities:		
Decrease (decrease) in due from related parties (note 4)	511,283	(542,620)
(Decrease) increase in due to related parties (note 4)	(582,339)	565,271
	(71,056)	22,651
Net change in cash	—	—
Cash, beginning of year	—	—
Cash, end of year	\$ —	\$ —

See accompanying notes to financial statements.

# HALTON STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2022

Halton Student Transportation Services ("HSTS") on behalf of Halton District School Board and the Halton Catholic District School Board (the "School Boards") was set up to provide transportation services.

HSTS was incorporated on February 10, 2009 under the Corporations Act of Ontario as a non-profit corporation without share capital and is exempt from income taxes.

## 1. Significant accounting policies:

The financial statements are prepared by management in accordance with Canadian public sector accounting standards.

### (a) Basis of accounting:

Revenues and expenditures are reported on an accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenses are the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

### (b) 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.

During fiscal 2021, the useful life for computer hardware was revised from five years to three years based on new information related to the actual life of the assets.

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

Asset	Estimated useful life in years
Computer software	5
Computer hardware	3
Leasehold improvements	5
Furniture and equipment	10

### (c) Government transfers:

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

Government transfers for capital that meet the definition of liability are referred to as deferred capital contributions ("DCC"). Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.



# HALTON STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2022

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## 1. Significant accounting policies (continued):

### (d) Budget figures:

Budget figures have been provided for comparison purposes and have been approved by the Board of Directors of the Halton Student Transportation Services. Budget figures, which are reported in the statement of operations, were originally approved on November 25, 2021. The figures have been reported for the purposes of these statements to comply with Public Sector Accounting Board ("PSAB") reporting requirements. Budget figures were excluded from the Statement of Change in Net Debt as these amounts were not included in management's revised budgeted figures.

### (e) Use of estimates:

The preparation of financial statements 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 period. Significant estimates include assumptions used in estimating accrued liabilities. Amounts recorded for amortization of tangible capital assets are based on estimates of useful service life. Actual results could differ from these estimates.

# HALTON STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2022

## 2. Tangible capital assets:

Cost	Balance at August 31, 2021	Additions	Disposals	Balance at August 31, 2022
Computer software	\$ 24,910	\$ –	\$ (24,910)	\$ –
Computer hardware	10,178	–	(10,178)	–
Furniture and equipment	5,016	–	–	5,016
<b>Total</b>	<b>\$ 40,104</b>	<b>\$ –</b>	<b>\$ (35,088)</b>	<b>\$ 5,016</b>

Accumulated amortization	Balance at August 31, 2021	Disposals	Amortization Expense	Balance at August 31, 2022
Computer software	\$ 24,021	\$ (24,910)	\$ 889	\$ –
Computer hardware	8,482	(10,178)	1,696	–
Furniture and equipment	3,763	–	500	4,263
<b>Total</b>	<b>\$ 36,266</b>	<b>\$ (35,088)</b>	<b>\$ 3,085</b>	<b>\$ 4,263</b>

Net book value	August 31, 2021	August 31, 2022
Computer software	\$ 889	\$ –
Computer hardware	1,696	–
Furniture and equipment	1,253	753
<b>Total</b>	<b>\$ 3,838</b>	<b>\$ 753</b>

## 3. Economic dependence:

HSTS's operations consist exclusively of supplying services to Halton District School Board and Halton Catholic District School Board. HSTS is economically dependent on these boards for its busing revenues.

# HALTON STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2022

## 4. Due from/to related party:

Amounts included in due from related parties are due from the following partners of HSTS:

	2022	2021
Halton District School Board	\$ 267,702	\$ 778,985

Amounts included in due to related parties are due to the following partners of HSTS:

	2022	2021
Halton Catholic District School Board	\$ 163,489	\$ 745,828

Amounts due from/to related parties are non-interest bearing with no fixed repayment terms.

## 5. Deferred capital contributions:

Government transfers for capital that meet the definition of a liability are referred to as deferred capital contributions. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

	2022	2021
Balance, beginning of year	\$ 3,838	\$ 11,539
Additions to deferred capital contributions	—	—
Revenue recognized in the period	(3,085)	(7,701)
Balance, end of year	\$ 753	\$ 3,838

## 6. Lease commitment:

The HSTS leases office premises with terms to October 31, 2027. The minimum annual rental under this agreement is as follows:

Fiscal year ending August 31:		
2023	\$	79,744
2024		82,126
2025		82,126
2026		82,126
2027 and thereafter		95,814
	\$	421,936