Grant Thornton

Consolidated Financial Statements

Superior North Catholic District School Board

August 31, 2023

SUPERIOR NORTH
CATHOLIC DISTRICT
SCHOOL BOARD

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MANAGEMENT REPORT

Year ended August 31, 2023

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Superior North Catholic District School Board ("the Board") are the responsibility of Board 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 Financial Administration Act. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements.

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

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

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

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

Director of Education

Manager of Finance

December 13, 2023

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Independent Auditor's Report

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To the board of Trustees of
Superior North Catholic District School Board

Opinion

We have audited the consolidated financial statements of Superior North Catholic District School Board (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2023, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Superior North Catholic District School Board as at August 31, 2023, and its results of operations, its changes in its net debt and its cash flows for the year then ended in accordance with the financial reporting provisions of the Financial Administration Act as described in Note 1 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements which describe the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting principles as directed by the Financial Administration Act, 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 a going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Grant Thornton LLP

Thunder Bay, Canada
December 13, 2023

Chartered Professional Accountants
Licensed Public Accountants

Superior North Catholic District School Board

Statement 1

Consolidated Statement of Financial Position

As at August 31	2023	(Restated – note 2) 2022
	$	$
FINANCIAL ASSETS		
Cash	**875,552**	1,543,622
Accounts receivable	**6,204,896**	5,720,523
Accounts receivable - Government of Ontario *[note 4]*	**4,812,760**	6,860,540
TOTAL FINANCIAL ASSETS	**11,893,208**	14,124,685
LIABILITIES		
Accounts payable and accrued liabilities	**1,673,833**	3,723,136
Accounts payable - other	**147,516**	181,793
Short-term borrowing *[note 3]*	**592,959**	513,306
Long-term debt *[note 5]*	**3,915,875**	4,391,324
Deferred revenue *[note 7]*	**1,909,520**	1,834,506
Deferred capital contributions *[note 8]*	**32,540,632**	32,173,845
Employee future benefits liability *[note 12]*	**125,035**	122,185
Asset retirement obligation *[note 9]*	**1,663,008**	1,362,672
TOTAL LIABILITIES	**42,568,378**	44,302,767
NET DEBT	**(30,675,170)**	(30,178,082)
NON-FINANCIAL ASSETS		
Tangible capital assets - net *[note 15]*	**35,940,991**	35,083,437
Prepaid expenses	**276,812**	251,113
Inventory of supplies	**65,317**	90,750
TOTAL NON-FINANCIAL ASSETS	**36,283,120**	35,425,300
ACCUMULATED SURPLUS *[note 13]*	**5,607,950**	5,247,218

See accompanying notes to the consolidated financial statements.

On behalf of the board:

Director of Education

Chair of the board

Superior North Catholic District School Board

Statement 2

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31	2023	2023	(Restated – note 2) 2022
	Budget $	**Actual** $	Actual $
REVENUES			
Grants for student needs *[note 16]*			
Provincial legislative grants	**16,877,289**	**17,394,450**	15,956,835
Education property tax	**1,037,677**	**1,077,957**	1,142,801
Provincial grants – other	**444,700**	**986,941**	2,163,565
Federal grants and fees	**1,774,553**	**2,479,955**	2,090,833
Other fees and revenues	**74,256**	**156,248**	688,779
Investment income	**5,000**	**68,662**	16,195
School fundraising and other	**250,000**	**337,079**	214,872
Amortization of deferred capital contributions	**1,942,213**	**1,800,645**	1,791,384
TOTAL REVENUES	**22,405,688**	**24,301,937**	24,065,264
EXPENSES			
Instruction	**15,004,300**	**16,158,389**	15,779,785
Administration	**2,041,434**	**2,111,669**	2,149,556
Transportation	**615,654**	**587,843**	607,177
Pupil accommodation	**4,441,053**	**4,507,900**	4,662,642
Other	**129,062**	**237,426**	9,156
School funded activities	**250,000**	**337,978**	197,914
TOTAL EXPENSES *[note 17]*	**22,481,503**	**23,941,205**	23,406,230
Annual surplus (deficit)	**(75,815)**	**360,732**	659,034
Accumulated surplus, beginning of year			
As previously reported	**6,473,731**	**6,473,731**	5,814,697
Change in accounting policy *[note 2]*	**(1,226,513)**	**(1,226,513)**	(1,226,513)
As restated	**5,247,218**	**5,247,218**	4,588,184
Accumulated surplus, end of year *[note 13]*	**5,248,903**	**5,607,950**	5,247,218

See accompanying notes to the consolidated financial statements.

Superior North Catholic District School Board

Statement 3

Consolidated Statement of Change in Net Debt

Year ended August 31	**2023**	**2023**	*(Restated – note 2)* 2022
	Budget $	**Actual** $	Actual $
Annual surplus (deficit)	**(75,815)**	**360,732**	659,034
Acquisition of tangible capital assets	**(2,546,831)**	**(2,403,337)**	(4,112,729)
Revaluation of tangible capital assets – ARO	--	**(311,143)**	--
Amortization of tangible capital assets	**2,001,401**	**1,836,246**	1,824,253
Amortization of TCA-ARO	**20,677**	**20,677**	--
Acquisition of inventory of supplies	--	**--**	(83,020)
Acquisition of prepaid expenses	--	**(25,696)**	(251,113)
Use of inventory of supplies	--	**25,433**	153,200
Increase in net debt	**(600,568)**	**(497,088)**	(1,810,375)
Net debt, beginning of year			
As previously reported	**(28,815,410)**	**(28,815,410)**	(27,005,035)
Change in accounting policy *[note 2]*	**(1,362,672)**	**(1,362,672)**	(1,362,672)
As restated	**(30,178,082)**	**(30,178,082)**	(28,367,707)
Net debt, end of year	**(30,778,650)**	**(30,675,170)**	(30,178,082)

See accompanying notes to the consolidated financial statements.

Superior North Catholic District School Board
Consolidated Statement of Cash Flows

Statement 4

Year ended August 31	**2023**	2022
	$	$
OPERATIONS		
Annual surplus	**360,732**	659,034
Non-cash charges		
Amortization of tangible capital assets	**1,836,246**	1,824,253
Amortization of TCA-ARO	**20,677**	—
Amortization of deferred capital contributions	**(1,800,645)**	(1,791,384)
Accretion expense on ARO liability	**56,823**	—
Revaluation of tangible capital assets – ARO	**(311,143)**	—
Increase in ARO liability excluding settlements	**311,143**	—
Decrease in employee future benefits liability	**2,850**	(16,334)
Net change in non-cash working capital balances		
Decrease (increase) in accounts receivable	**(484,373)**	(906,648)
Increase (decrease) in accounts payable and accrued liabilities	**(2,049,310)**	1,311,051
Decrease in accounts payable - other	**(34,277)**	(23,106)
Increase (decrease) in deferred revenue	**75,014**	54,050
Decrease (increase) in inventory of supplies	**25,443**	(83,020)
Decrease (increase) in prepaid expenses	**(25,699)**	(97,913)
Settlement of ARE liability through abatement	**(67,630)**	—
Net increase (decrease) in cash from operating transactions	**(2,084,149)**	929,983
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	**(2,403,337)**	(4,112,729)
Net decrease in cash from capital transactions	**(2,403,337)**	(4,112,729)
FINANCING		
Grant received – deferred capital contributions	**2,167,432**	4,109,919
Decrease (increase) in accounts receivable-Government of Ontario	**2,047,780**	195,364
Increase (decrease) in short-term borrowing	**79,653**	(1,137,116)
Debt repayments	**(475,449)**	(448,619)
Net increase in cash from financing transactions	**3,819,416**	2,719,548
Net change in cash	**(668,070)**	(463,198)
Opening cash	**1,543,622**	2,006,820
Closing cash	**875,552**	1,543,622

See accompanying notes to the consolidated financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

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

[a] Basis of accounting

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

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

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with Public Sector Accounting Standard PS3410;

- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with Public Sector Accounting Standard PS3100; and

- property taxation revenue be reported as revenue when received or receivable in accordance with Public Sector Accounting Standard PS3510.

As a result, revenue recognized in the Consolidated Statement of Operations and Accumulated Surplus and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

[b] Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Board and which are controlled by the Board, including:

(i) School Generated Funds: the assets, liabilities, revenues 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.

(ii) East of Thunder Bay Transportation Consortium: The Board's pro-rata share of the assets, liabilities, revenues and expenses of the Consortium are reflected in the consolidated financial statements.

(iii) School Services for Northern Superior: The Corporation has never been active and has no revenues, expenses, assets or liabilities. The Corporation was incorporated under the laws of Ontario in January 1993 to provide services to children directly or indirectly in co-operation with school boards or other organizations. The directors and officers of the corporation are all officers of the board.

(iv) Charitable organization: The Board has a charitable organization controlled by the same directors and officers of the Board. The charitable organization is under the same name as the Board, namely the Superior North Catholic District School Board. The charitable organization has the same year-end as the Board and reports the same assets, liabilities, revenues and expenses and accumulated surpluses as the Board. The charitable organization is set up to further all objectives of the Board, including providing education to elementary students in a Catholic school setting.

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

[c] Trust funds

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

[d] Financial Instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost.

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. A Statement of Remeasurement Gains and Losses has not been included as there are no matters to report therein.

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

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

The following chart shows the measurement method for each type of financial instrument.

Financial instrument	Measurement method
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Short term borrowing	Amortized cost
Long-term debt	Amortized cost

[e] Deferred revenue

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

[f] Deferred capital contributions

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

- Government transfers received or receivable for capital purposes;
- Other restricted contributions received or receivable for capital purposes; and
- Property taxation revenues which were historically used to fund capital assets.

[g] Retirement and other employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-2017: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-2019: March 1 – EWAO administered by OTIP, April 1 – Principal/Vice Principal administered by Cowan ONE-T and June 1 – Non-union group administered by Cowan ONE-T. Employees represented by Unifor were transferred to the OECTA ELHT as of November 1, 2019. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), and other school board staff. Currently AEFO and ONE-T ELHTs also provide benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for all groups and continues to have a liability for payment of benefits for those who are on long-term disability and for some retirees who are retired under these plans.

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

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

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities, sick days and life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

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

[ii] The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System (“OMERS”) pensions, are the employer's contributions due to the plan in the period.

[iii] The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

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

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

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

Land improvements with finite lives	15 years
Buildings and building improvements	40 years
Portable Structures	20 years
Other buildings	20 years
Furniture and equipment	5 or 10 years
Computer hardware	3 years
Computer software	5 years
First-time equipping of schools	10 years
Vehicles	5 to 10 years

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

Land permanently removed from service and held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service cease to be amortized and the carrying value is written-down to its residual value. 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 historic assets are not recorded as assets in these consolidated financial statements.

[i] Internally appropriated surplus

Certain amounts, as approved by the Board’s Trustees, are set aside for future operating or capital purposes. Transfers to and/or from internally appropriated surplus are an adjustment to the respective internally appropriated surplus when approved.

[j] 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 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 and Accumulated Surplus at the same rate and over the same periods as the asset is amortized.

[k] 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.

[l] Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. The budget figures presented have been adjusted to reflect the same accounting policies that were used to prepare the consolidated financial statements. The budget figures are unaudited.

[m] 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.

[n] Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1[a] requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenditures during the year. Accounts subject to significant estimates include assumptions used in performing the actuarial valuation of employee future benefits liability, useful lives of tangible capital assets and estimated costs and timing of asset retirement obligations. Actual results could differ from these estimates. These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $1,663,011. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

2. CHANGE IN ACCOUNTING POLICY-ADOPTION OF NEW ACCOUNTING STANDARDS

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

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

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

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

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

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

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

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

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

The Board's ongoing efforts to assess the extent to which designated substances exist in Board assets, and new information obtained through regular maintenance and renewal of Board assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to in the estimated cost to fulfil the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in to the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis. When obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows. Subsequently, accretion of the discounted liability due to the passage of time is recorded as an in-year expense (if applicable).

To estimate the liability for similar buildings that do not have information on asbestos and other designated substances, the Board uses buildings with assessments on the extent and nature of the designated substances in the building to measure the liability and those buildings and this information is extrapolated to a group of similar assets that do not have designated substances reports. As more information becomes available on specific assets, the liability is revised to be asset specific. In other situations, where the building might not be part of a large portfolio, other techniques are used such as using industry data, experts or basing the estimate on a specific asset that is similar (if applicable).

As a result of applying this accounting standard, an asset retirement obligation of $1663,011 (2022 – $1,362,672) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the Board owned buildings and equipment, including tanks, and restoration costs related to leasehold improvements. The Board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, amortization expense and accretion expense (for discounted ARO liabilities) for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The associated DCC, DCC revenue, TCA gross book value, TCA accumulated amortization and TCA amortization expense were not restated. The adoption of PS 3280 ARO was applied to the comparative period as follows:

	As previously reported $	Adjustments $	As restated $
Consolidated Statement of Financial Position			
Tangible capital assets	34,947,278	136,159	35,083,437
Asset retirement obligation liability	-	1,362,672	1,362,672
Accumulated surplus	6,473,731	(1,226,513)	5,247,218
Consolidated Statement of Operations and Accumulated Surplus			
Accumulated surplus, beginning of year	5,814,697	(1,226,513)	4,588,184
Consolidated Statement of Change in Net Debt			
Net debt, beginning of year	27,005,035	1,362,672	28,367,707

3. SHORT-TERM BORROWING

The Board has available a line of credit of $1,500,000 [2022 - $1,500,000] of which $0 [2022 - $nil] was borrowed at year-end. Interest on the line of credit is calculated at bank prime [7.2% at year-end]. The Board has available three demand bridge loans of $3,785,390 [2022 - $4,157,882], $1,149,811 [2022 - $1,810,500], $1,039,965 [2022 - $nil] of which $592,959 [2022 - $513,306] was borrowed at year-end. Interest on the demand loans is calculated at bank prime [7.2% at year-end].

4. ACCOUNTS RECEIVABLE – GOVERNMENT OF ONTARIO

The Province of Ontario ("Province") replaced variable capital funding with a one-time debt support grant in 2009-10. The Board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board receives this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly capital grants to support capital programs which would be reflected in this accounts receivable. The Board has a receivable from the Province of Ontario of $4,812,760 as at August 31, 2023 [2022 - $6,860,540] with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2023 is $2,760,407 [2022 - $2,868,849].

5. LONG-TERM DEBT

Long-term debt reported on the Consolidated Statement of Financial Position is comprised of the following:

	2023 $	2022 $
Empire Life Insurance Company Debenture repayable in semi-annual instalments of $126,078 including interest at 5.961% per annum, maturing January, 2029.	**1,167,813**	1,342,507
Manufacturers Life Insurance Company Debenture repayable in semi-annual instalments of $126,054 including interest at 6.482% per annum, maturing March, 2028.	**1,062,160**	1,236,879
Debenture repayable in semi-annual instalments of $27,353 including interest at 5.437% per annum, maturing September, 2032.	**401,739**	433,309
Ontario Financing Authority Debenture repayable in semi-annual instalments of $26,648 including interest at 4.56% per annum, maturing November, 2031.	**372,087**	407,210
Carried forward	**3,003,799**	3,419,905

	2023 $	2022 $
Brought forward	**3,003,799**	3,419,905
Ontario Financing Authority		
Debenture repayable in semi-annual instalments of $21,217 including interest at 4.9% per annum, maturing May, 2033.	**327,021**	352,491
Debenture repayable in semi-annual instalments of $22,187 including interest at 5.232% per annum, maturing May, 2035.	**389,611**	412,691
Debenture repayable in semi-annual instalments of $10,315 including interest at 4.833% per annum, maturing May, 2036.	**195,444**	206,237
	3,915,875	4,391,324

Principal and interest payments relating to long-term debt of $3,915,875, outstanding as at August 31, 2023, are due as follows:

	Principal $	Interest $	Total $
2024	**503,900**	**215,803**	**719,703**
2025	**534,073**	**185,630**	**719,703**
2026	**566,073**	**153,630**	**719,703**
2027	**600,010**	**119,693**	**719,703**
2028	**636,005**	**83,698**	**719,703**
Thereafter	**1,075,814**	**154,727**	**1,230,541**
	3,915,875	**913,181**	**4,829,056**

6. CHARGES FOR LONG-TERM DEBT

Total payments for the year for long-term debt are as follows:

	2023 $	2022 $
Principal payments on long-term debt	**475,449**	448,619
Interest payments on long-term debt	**244,254**	271,084
	719,703	719,703

7. DEFERRED REVENUE

Revenues received that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2023 is comprised of:

	Balance as at August 31, 2022 $	**Externally restricted revenue and investment income $**	**Revenue recognized in period $**	**Transfers to deferred capital contributions $**	**Balance as at August 31, 2023 $**
Legislative capital grants	278,429	**1,653,865**	**652,472**	**783,140**	**496,682**
Other Ministry capital grants	1,461	**138,709**	**22,484**	**117,686**	**—**
Special education	1,129,741	**2,973,288**	**2,921,548**	**—**	**1,181,481**
Learning opportunities	12,509	**1,080,518**	**1,028,577**	**—**	**64,450**
Other Ministry of Education grants	220,929	**553,656**	**760,905**	**—**	**13,680**
Other	191,437	**61,071**	**60,217**	**39,064**	**153,227**
	1,834,506	**6,461,107**	**5,446,203**	**939,890**	**1,909,520**

8. DEFERRED CAPITAL CONTRIBUTIONS

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

	2023 $	2022 $
Balance, beginning of year	**32,173,845**	29,855,310
Additions to deferred capital contributions	**2,167,432**	4,109,919
Revenue recognized in period	**(1,800,645)**	(1,791,384)
Balance, end of year	**32,540,632**	32,173,845

9. ASSET RETIREMENT OBLIGATION

The Board has recorded an asset retirement obligation ("ARO") as of the September 1, 2022 implementation date on a modified retroactive basis, with a simplified restatement of prior year amounts.

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

As at August 31, 2023, all liabilities for asset retirement obligations are reported at discounted cost with accretion. A discount rate of 4.17% was used in this calculation.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

As at August 31	**2023** **$**	2022 $
Liabilities for asset retirement obligations at beginning of year	**1,362,672**	-
Opening adjustments for PSAB adjustment	**-**	1,362,672
Increase in liabilities reflecting changes in the estimate of liabilities[1]	**311,143**	-
Increase in liabilities due to accretions[2]	**56,823**	-
Decrease in liabilities due to settlement	**(67,630)**	
Liabilities for asset retirement obligations at end of year	**1,663,008**	1,362,672

1 Reflecting changes in the estimated cash flows and the discount rate

2 Increase in the carrying amount of a liability due to the passage of time

10. REVALUATION OF ASSET RETIREMENT OBLIGATION LIABILITY

As a result of recent high levels of inflation, liability balances based on previous cost estimates, the Board has made an inflationary adjustment increase in estimates of 14.05% as at March 31, 2023, in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index (BCPI) survey from October 1, 2021 to September 30, 2022 and is the rate being used to update costs assumptions in the costing models in order to be reflective of March 31, 2023 costs. In addition, the Board has made a further inflationary adjustment increase in estimates of 6.9% for the period April 1, 2023 to August 31, 2023 based on the BCPI survey from October 1, 2022 to September 30, 2023.

11. FINANCIAL INSTRUMENTS

Risks arising from financial instruments and risk management

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

Credit risk

Credit risk is the risk of financial loss to the Board if a debtor fails to discharge their obligations. The Board's principal financial assets are cash, accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the Statement of Financial Position represent the Board's maximum credit exposure as at the Statement of Financial Position date.

The Board holds its cash accounts with a federally regulated chartered bank who is currently insured by the Canadian Deposit Insurance Corporation. Accounts receivable are primarily due from government, reducing credit risk.

Other accounts receivable and balances due from Municipalities and First Nations are all current, with the exception of approximately $790,000 which is more than 365 days overdue (for which a provision of approximately $42,000 has been recorded). Due to the nature of the capital grants and delayed grant payment receivable from the Government of Ontario, the balances receivable fluctuate between current and long-term.

There were no significant changes in exposure to credit risk during the period.

Liquidity risk

Liquidity risk is the risk that the Board will not be able to meet all cash outflow obligations as they come due. The Board is exposed to credit risk due to its accounts payable and accrued liabilities, short term borrowing and long-term debt. The Board mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining adequate cash balances.

Accounts payable and accrued liabilities are all current and expected to be paid in the next 12 months. Long term debt repayments schedules are disclosed in Note 5.

There were no changes in exposure to liquidity risk during the period.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and other price risk. The Board is not exposed to significant currency or other price risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board is exposed to interest rate risk on its floating and fixed interest rate financial instruments. Given the current composition of long-term debt and short-term borrowing, floating-rate instruments subject it to a cash flow risk and fixed rate instruments subject it to a fair value risk.

There were no significant changes in exposure to market risk during the period.

12. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Retirement and Other Employee Future Benefits Liability

	2023			2022
	Retirement Gratuity Benefits	**Other Employee Future Benefits**	**Total Employee Future Benefits**	Total Employee Future Benefits
	$	$	$	$
Accrued employee future benefit obligations	**84,125**	**25,988**	**110,113**	106,284
Unamortized actuarial gain	**14,922**	**—**	**14,922**	15,901
Employee future benefits liability	**99,047**	**25,988**	**125,035**	122,185

Retirement and Other Employee Future Benefits Expenses

	2023			2022
	Retirement Gratuity Benefits $	**Other Employee Future Benefits** $	**Total Employee Future Benefits** $	Total Employee Future Benefits $
Current year benefit cost	**—**	**28,912**	**28,912**	(1,829)
Interest on accrued benefit obligation	**3,305**	**202**	**3,507**	1,970
Cost of plan amendments	**—**	**—**	**—**	—
Recognition of unamortized actuarial losses on plan amendments	**(4,899)**	**417**	**(4,482)**	(2,314)
Employee future benefits expenses *	**(1,594)**	**29,531**	**27,937**	(2,173)
Benefit payments	**—**	**(25,087)**	**(25,087)**	(14,161)
Change in liability	**(1,594)**	**4,444**	**2,850**	(16,334)

Retirement gratuity benefits are being amortized over the Employee Average Remaining Service Life (EARSL), which has been determined to be 4.50 years.

* **Excluding pension contributions to the OMERS, a multi-employer pension plan, described below.**

Plan changes

In 2012, changes were made to the Board's retirement gratuity plan and sick leave plan. As a result, employees eligible for retirement gratuity will receive payout upon retirement based on their accumulated vested sick days under the plan, years of service and salary as of August 31, 2012. All accumulated non-vested sick days were eliminated as of September 1, 2012 and were replaced with a new short-term leave and disability plan.

In 2013, further changes were made to the short-term leave and disability plan. Under the new short-term leave and disability plan, up to 11 unused sick leave days may be carried forward into the following year only, to be used to top-up benefits received under the short-term leave and disability plan in that year. A new provision was established as of August 31, 2013 representing the expected usage of sick days that have been carried forward for benefit top-up in the following year.

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on actuarial valuations for accounting purposes as at August 31, 2023. These actuarial valuations were based on assumptions about future events. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2023 **%**	2022 %
Inflation	2.0	2.0
Interest	4.4	3.9
Discount on accrued benefit obligations	4.4	3.9

Retirement Benefits

[i] Ontario Teacher's Pension Plan

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

[ii] Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System ("OMERS"), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2023, the Board contributed $378,448 [2022 - $344,251] to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

[iiI] Retirement Gratuities

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

[iv] Retirement Life Insurance and Health Care Benefits

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The 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. Effective September 1, 2013, employees retiring on or after this date will no longer qualify for the Board subsidized premiums or contributions.

Employee Life and Health Trusts (ELHTs) were established for all employee groups in 2016-18. As of year-end, there are no employee groups remaining for which the Board is responsible for providing Health, Dental and Life insurance benefits. As a result, the liability for this benefit has been eliminated.

Other Employee Future Benefits

[i] Workplace Safety and Insurance Board Obligations

The Board is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the Board insures all claims by its injured workers under the Act. The Board's insurance premiums for the year ended August 31, 2023 were $103,638 [2022 - $94,384] and are included in the Board's current year benefit costs. No liabilities for claims by its injured workers under the Act 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 agreement negotiated prior to 2012 included such a provision.

[ii] Long-Term Disability Salary Compensation

The Board provides long-term disability benefits including partial salary compensation during the period an employee is unable to work or until their normal retirement date. The Board provides health care benefits during the one or two years an employee is unable to work. 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.

[iv] Sick Leave Top-Up Benefits

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the financial statements are $8,452 [2022 – $8,060].

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

13. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023 $	2022 (Restated – note 2) $
Operating surplus available for compliance	**2,077,217**	1,386,351
Committed capital projects	**3,365,241**	3,201,844
Internally appropriated surplus *[note 14]*	**1,046,268**	1,246,432
Unfunded amounts to be recovered	**(63,845)**	(71,713)
Unfunded asset retirement obligation	**(1,663,008)**	(1,362,672)
School Generated Funds	**135,752**	136,651
Revenues recognized for land	**710,325**	710,325
	5,607,950	5,247,218

14. INTERNALLY APPROPRIATED SURPLUS

Internally appropriated amounts are made up of the following:

	2023 $	2022 $
Retirement gratuity	**94,501**	94,501
School activities	**76,042**	76,042
Doubtful accounts	**314,412**	314,412
Labour costs	**88,556**	88,556
Administrative contingencies	**12,908**	12,908
Pupil accommodation – school renewal	**459,849**	660,013
	1,046,268	1,246,432

15. TANGIBLE CAPITAL ASSETS - NET

	Cost					Accumulated Amortization					Net Book Value	
	Balance Sept. 1, 2022 $	**PSAS Adjustment** $	**Additions** $	**Disposals** $	**Balance Aug. 31, 2023** $	Balance Sept. 1, 2022 $	**PSAS Adjustment** $	**Amortization** $	**Disposals** $	**Balance Aug. 31, 2023** $	**Aug. 31, 2023** $	Aug. 31, 2022 $
Land	710,324	**—**	**—**	**—**	**710,324**	—					**710,324**	710,324
Land improvements	3,880,677	**—**	**255,254**	**—**	**4,135,931**	1,139,786	**—**	**273,349**	**—**	**1,413,135**	**2,722,796**	2,740,891
Buildings and building improvements	50,461,949	**325,955**	**1,868,616**	**—**	**52,656,520**	19,772,294	**189,796**	**1,193,977**	**—**	**21,156,067**	**31,500,453**	30,825,814
Other buildings	135,042	**—**	**—**	**—**	**135,042**	46,252	**—**	**6,750**	**—**	**53,002**	**82,040**	88,790
Furniture and equipment	107,435	**—**	**32,981**	**(16,885)**	**123,531**	39,232	**—**	**11,548**	**(16,885)**	**33,895**	**89,636**	68,203
Computer hardware and software	972,035	**—**	**420,378**	**(247,222)**	**1,145,191**	479,429	**—**	**330,511**	**(247,225)**	**562,715**	**582,470**	492,606
First-time equipping of schools	269,911	**—**	**—**	**(3,560)**	**266,351**	133,285	**—**	**26,878**	**(3,560)**	**156,603**	**109,748**	136,626
Vehicles	67,449	**—**	**—**	**—**	**67,449**	53,539	**—**	**13,910**	**—**	**67,449**	**—**	13,910
Construction-in-progress	6,273	**—**	**137,251**	**—**	**143,524**	—	**—**	**—**	**—**	**—**	**143,524**	6,273
Total	56,611,095	**325,955**	**2,714,480**	**(267,667)**	**59,383,863**	21,663,817	**189,796**	**1,856,923**	**(267,670)**	**23,442,866**	**35,940,991**	35,083,437

a) Assets under construction

Assets under construction having a value of $143,524 [2022 - $6,273] have not been amortized. Amortization of these assets will commence when the asset is put into service.

16. 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. 68.9% percent of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2023 $	2022 $
Provincial Legislative Grants	**17,394,450**	15,956,835
Education Property Tax	**1,077,957**	1,142,801
	18,472,407	17,099,636

17. EXPENSES BY OBJECT

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

	Budget 2023 $	**Actual 2023** $	Actual 2022 $
Expenses			
Salaries and wages	**13,600,400**	**13,705,267**	13,659,021
Employee benefits	**2,514,078**	**2,668,246**	2,538,588
Staff development	**422,065**	**285,748**	124,867
Supplies and services	**2,000,769**	**3,071,345**	2,955,824
Interest charges on capital	**244,256**	**236,376**	263,743
Rental expenses	**62,608**	**61,955**	84,235
Fees and contract services	**729,425**	**1,064,972**	1,195,388
Other	**239,001**	**368,006**	175,234
Transfer to other boards	**590,000**	**565,544**	585,077
Amortization of tangible capital assets	**2,022,078**	**1,856,923**	1,824,253
Accretion of ARO liability	**56,823**	**56,823**	--
	22,481,503	**23,941,205**	23,406,230

18. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The Board is a member of the Ontario School Board's Insurance Exchange ("OSBIE"), a reciprocal insurance company licenced under the Insurance Act. The Board entered into this agreement on January 1, 1998. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of $20 million per occurrence.

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

Premiums paid to OSBIE for the policy year ending December 31, 2023 amounted to $35,600 [2022 - $33,636].

19. COMMITMENTS

[i] In 2023, the Board entered into an agreement to build an addition and retrofit portions of the interior at St Hilary Catholic School at a total cost of $2,578,292. As of August 31, 2023, $0 has been incurred. All work is expected to be completed by July 31, 2024.

[ii] In 2023, the Board entered into an agreement to have a roof replaced St Joseph Catholic School at a total cost of $207,807. As of August 31, 2023, approximately $171,771 has been incurred. All work is expected to be completed by September 30, 2023.

[iii] In 2023, the Board entered into an agreement to have BAS upgrades completed at Holy Angels Catholic School at a total cost of $31,640. As of August 31, 2023, $0 has been incurred. All work is expected to be completed by January 31, 2024.

[iv] In 2023, the Board entered into an agreement to complete electrical panel upgrades at St Joseph Catholic School at a total cost of $21,018. As of August 31, 2023, $0 has been incurred. All work is expected to be completed by December 31, 2023.

The aggregate minimum annual commitments under operating leases for the next three years are as follows:

	Vehicles $	Mail Machine $	Photocopier $	Total $
2024	40,959	1,079	14,994	57,032
2025	40,959	1,079	14,994	57,032
2026	—	1,079	7,129	8,208
2027	—	1,079	7,129	8,208
2028	—	1,079	7,129	8,208
	81,918	5,395	51,375	138,688

20. BUDGET RECONCILIATION

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

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

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

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

Consolidated Statement of Operations (Simplified)
For the year ended August 31, 2023

	Budget $	PSAS adjustment $	Budget- Restated $
Revenues	22,405,688	-	22,405,688
Expenses	22,404,003	-	22,404,003
Amortization of TCA-ARO	-	20,677	20,677
ARO accretion expenses	-	56,823	56,823
Annual Surplus (Deficit)	1,685	77,500	(75,815)

21. PARTNERSHIP IN STUDENT TRANSPORTATION SERVICES

On June 16, 2008, the Board entered into an agreement with Conseil scolaire de district catholique des Aurores boréales, Conseil scolaire de district du Grand Nord de l'Ontario and Superior-Greenstone District School Board in order to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the boards. Under the agreement, decisions related to the financial and operating activities of East of Thunder Bay Transportation Consortium are shared. No partner is in a position to exercise unilateral control.

Each school board participates in the shared costs associated with this service for the transportation of each of their respective students through East of Thunder Bay Transportation Consortium. The Board's consolidated financial statements illustrate the Board's pro-rata share of expenses for the consortium. The Board's pro-rata share for 2023 is 20.1% (2022 – 20.4%).

The following provides condensed financial information:

	2023		2022	
	Total $	**Board Portion** $	**Total** $	Board Portion $
Financial Position				
Financial assets	—	—	—	—
Liabilities	—	—	—	—
Accumulated Surplus (Deficit)	—	—	—	—

	2023		2022	
	Total $	**Board Portion** $	**Total** $	Board Portion $
Operations				
Revenues	**2,811,077**	**565,544**	2,766,377	565,163
Expenses	**2,811,077**	**565,544**	2,766,377	565,163
Accumulated Surplus (Deficit)	—	—	—	—

22. RELATED PARTY DISCLOSURES

The Board received four loans from Ontario Financing Authority (OFA) between November 2006 and March 2011. The OFA loans were to finance various projects which the Board was undertaking. The aggregate amount still owing on the loans is $1,284,163 [2022 - $1,378,629] for the principal portion and $377,298 [2022 - $440,064] for the interest portion. A detailed breakdown of the long-term debt is disclosed in note 5.

23. 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 amount received was $5,204 with revenue and expenses recorded for these transfers of $30,637 based on use for a net impact of ($25,433).

24. FUTURE ACCOUNTING STANDARD ADOPTION

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

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

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

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

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