Consolidated Financial Statements of

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Year ended August 31, 2023

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

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Year ended August 31, 2023

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Algonquin and Lakeshore Catholic District School Board (the "Board") are the responsibility of Board management and have been prepared in compliance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004: B2 and Ontario Regulation 395/11 of the Financial Administration Act as described in note 1 to the consolidated financial statements.

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

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

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

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

D. Odette

Director of Education

B Bradshaw

Superintendent of Finance and Business Services

November 27, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Algonquin and Lakeshore Catholic District School Board

Opinion

We have audited the consolidated financial statements of Algonquin and Lakeshore Catholic District School Board (the "Entity"), which comprise:

- the consolidated statement of financial position as at August 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of accumulated remeasurement gains (losses)
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2023, and its consolidated results of operations and its consolidated cash flows for the year then ended 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our report.

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

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

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 1 to the financial statements which describes the applicable financial reporting framework and the purpose of the financial statements.

As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

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Emphasis of Matter – Comparative Information

We draw attention to Note 2 to the financial statements ("Note 2") which explains that certain comparative information presented for the year ended August 31, 2022 has been restated.

Note 2 explains the reasons for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended August 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended August 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Responsibilities 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 the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004: B2 and Ontario Regulation 395/11 of the Financial Administration Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

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

We also:

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

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

November 27, 2023

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

August 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 2)
Financial assets:		
Cash	$ 9,309,725	$ 11,678,848
Accounts receivable:		
Municipalities	2,124,418	2,450,370
Province of Ontario – approved capital (note 4)	32,419,872	32,615,435
Province of Ontario – delayed grant payment (note 4)	9,577,991	13,287,511
Province of Ontario – other	5,538,569	2,598,541
Other accounts receivable	2,961,006	2,066,518
Assets held for sale (note 5)	443,568	–
Total financial assets	62,375,149	64,697,223
Financial liabilities:		
Temporary borrowing (note 3)	1,273,893	–
Accounts payable and accrued liabilities	15,517,741	15,670,528
Net long-term liabilities (note 11)	20,642,842	22,128,277
Deferred revenue (note 6)	11,891,124	11,714,149
Employee benefits payable (note 10)	4,455,183	4,726,407
Deferred capital contributions (note 7)	146,010,419	130,367,794
Asset retirement obligation (notes 8 and 9)	7,513,156	6,853,186
Total financial liabilities	207,304,358	191,460,341
Net financial debt	(144,929,209)	(126,763,118)
Non-financial assets:		
Tangible capital assets (note 21)	164,626,421	141,060,370
Inventory of supplies (note 22)	588,636	1,596,879
Total non-financial assets	165,215,057	142,657,249
Commitments (notes 15 and 16)		
Contingent liabilities (notes 17 and 18)		
Accumulated surplus (note 12)	$ 20,285,848	$ 15,894,131

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

On behalf of the Board:

________________________ Chair

D. Ouf________________________ Director of Education

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual
	(note 23)		(Restated - note 2)
Revenues:			
Grants for student needs:			
Provincial legislative grants (note 13)	$ 135,355,200	$ 145,385,046	$ 132,269,630
Education property tax (note 13)	17,391,631	16,758,599	17,151,729
Provincial grants – other	5,534,373	4,513,531	7,776,474
Federal grants and fees	425,886	529,147	798,480
Other fees and revenues from school boards	74,185	73,404	73,404
Investment income	130,000	341,509	109,817
Other	1,836,820	1,720,609	1,191,205
School generated funds	3,013,096	4,275,131	2,648,802
Amortization of deferred capital contributions	12,398,895	11,524,218	10,708,180
	176,160,086	185,121,194	172,727,721
Expenses (note 14):			
Instruction	125,908,534	126,743,940	123,437,466
Administration	6,100,767	6,394,117	5,912,313
Transportation (note 20)	13,662,008	13,992,574	12,906,053
Pupil accommodation	25,983,101	26,387,370	25,171,416
Other	2,808,230	2,735,197	2,021,325
School generated funds expenses	3,013,096	4,476,279	2,748,603
	177,475,736	180,729,477	172,197,176
Annual surplus (deficit)	(1,315,650)	4,391,717	530,545
Accumulated surplus, beginning of year	15,894,131	15,894,131	20,879,381
Adjustment on adoption of asset retirement obligation standard (note 2)	–	–	(5,515,795)
Accumulated surplus, beginning of year, as restated	15,894,131	15,894,131	15,363,586
Accumulated surplus, end of year (note 12)	$ 14,578,481	$ 20,285,848	$ 15,894,131

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

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Financial Debt

Year ended August 31, 2023, with comparative information for 2022

	2023	2022
		(Restated - note 2)
Annual surplus	$ 4,391,717	$ 530,545
Acquisition of tangible capital assets and addition of tangible capital assets - asset retirement obligation	(34,848,318)	(17,211,750)
Change in estimate of tangible capital assets - asset retirement obligation	(940,423)	–
Amortization of tangible capital assets	11,779,122	10,939,730
Disposal of tangible capital assets	–	407,091
Transfer to assets held for sale	443,568	–
Use (acquisition) of inventory of supplies	1,008,243	(786,071)
	(22,557,808)	(6,651,000)
Change in net financial debt	(18,166,091)	(6,120,455)
Net financial debt, beginning of year	(126,763,118)	(113,789,477)
Adjustment on adoption of asset retirement obligation standard	–	(6,853,186)
Net financial debt, beginning of year, as restated	(126,763,118)	(120,642,663)
Net financial debt, end of year	$ (144,929,209)	$ (126,763,118)

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

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

Year ended August 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 2)
Operating transactions:		
Annual surplus	$ 4,391,717	$ 530,545
Non-cash items including:		
Amortization of tangible capital assets and transfers to assets held for sale	11,596,883	10,768,412
Amortization of tangible capital assets - asset retirement obligation	182,239	171,318
Increase of asset retirement obligation liabilities excluding settlements	962,872	–
Increase of tangible capital assets - asset retirement obligation assets excluding amortization of tangible capital assets - asset retirement obligation	(940,423)	–
Amortization of deferred capital contributions and transfers of assets held for sale	(11,947,657)	(10,708,180)
Decrease (increase) in inventory of supplies provided in-kind	1,008,243	(786,071)
Change in non-cash assets and liabilities:		
Decrease in accounts receivable - municipalities	325,952	375,465
Decrease (increase) in accounts receivable - Province of Ontario - delayed grant payment	3,709,520	(2,010,145)
Decrease (increase) in accounts receivable - Province of Ontario - other	(2,940,028)	722,713
Decrease (increase) in other accounts receivable	(894,488)	970,852
Increase (decrease) in accounts payable and accrued liabilities	(152,787)	53,903
Increase in deferred revenue	176,975	1,638,487
Decrease in employee benefits payable	(271,224)	(599,746)
Settlement of asset retirement liability through abatement	(302,902)	–
Cash provided by (used in) operating transactions	4,904,892	1,127,553
Capital transactions:		
Cash used to acquire tangible capital assets	(34,848,318)	(17,211,750)
Loss on disposal of land	–	333
Cash provided by capital transactions	(34,848,318)	(17,211,417)
Financing transactions:		
Increase in temporary borrowing	1,273,893	–
Net long-term liabilities repayment	(1,485,435)	(1,424,239)
Decrease in accounts receivable - Province of Ontario - approved capital	195,563	2,298,346
Additions to deferred capital contributions	27,590,282	17,027,944
Cash provided by financing transactions	27,574,303	17,902,051
Increase (decrease) in cash	(2,369,123)	1,818,187
Cash, beginning of year	11,678,848	9,860,661
Cash, end of year	$ 9,309,725	$ 11,678,848

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

ALGONQUIN AND LAKESHORE CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Accumulated Remeasurement Gains (Losses)

Year ended August 31, 2023, with comparative information for 2022

	2023	2022 (Restated - note 2)
Accumulated remeasurement losses, beginning of year	$ –	$ –
Unrealized gains (losses) attributable to:		
Foreign exchange gains (losses)	–	–
Derivatives	–	–
Portfolio investments	–	–
	–	–
Realized gains (losses) attributable to:		
Foreign exchange gains (losses)	–	–
Accumulated remeasurement losses, end of year	$ –	$ –

See accompanying notes to financial statements.

1. Significant accounting policies:

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

(a) Basis of accounting:

These 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 consolidated statement of operations over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than amortization, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

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

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

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

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

(b) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Algonquin and Lakeshore Catholic District School Board (the “Board”) and which are controlled by the Board.

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

(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) 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.

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

Asset	Estimated Useful Lives
Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years
First-time equipping of schools	10 years
Furniture	10 years
Equipment	5 to 15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5 to 10 years

1. Significant accounting policies (continued):

(d) Tangible capital assets (continued):

Assets under construction and assets that relate to pre-acquisition and pre-construction 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. Other assets permanently removed from service cease to be amortized and the carrying value is written down to the residual 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.

(e) Deferred revenue:

Certain amounts are received pursuant to legislation, regulation or agreement that 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 capital 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;
- Property taxation revenues which were historically used to fund capital assets.

1. Significant accounting policies (continued):

(g) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuity, and worker's compensation. The Board accrues its obligation for these employee 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 Trust (ELHT) was established in 2016-17: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-18: Canadian Union of Public Employees (CUPE) Education Workers' Benefits Trust (EWBT) and Ontario Non-Union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff) and other school board staff. Currently, ONE-T ELHT also provides benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

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

1. Significant accounting policies (continued):

(g) Retirement and other employee future benefits (continued):

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 costs 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 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 accumulated over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

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

(ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions ("OMERS"), 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) Government transfers:

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

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

1. Significant accounting policies (continued):

(i) 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.

(j) 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.

The Board approves its budget annually. The approved operating budget for 2022-2023 is reflected on the Consolidated Statement of Operations and Accumulated Surplus. The budget was approved on June 21, 2022.

(k) 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Significant estimates include assumptions used in performing actuarial valuations of employee benefits payable.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $7,513,156. 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, and the allocation of costs between required and discretionary activities.

(l) 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.

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*.

PS 1201 *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 denoted 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).

2. Change in accounting policy – adoption of new accounting standards (continued):

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.

2. Change in accounting policy – adoption of new accounting standards (continued):

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from Board buildings and closure activities. 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 in the estimated cost to fulfil the obligation. The measurement of assets 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 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 $7,513,156 (2022 - $6,853,186) 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, and amortization expense 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:

2. Change in accounting policy – adoption of new accounting standards (continued):

2022	As previously reported	Adjustments	As restated
Statement of Financial Position			
Tangible capital assets including ARO	$ 139,894,297	$ 1,166,073	$ 141,060,370
Asset retirement obligation liability	–	6,853,186	6,853,186
Accumulated surplus	21,581,244	(5,687,113)	15,894,131
Statement of Change in Net Debt			
Annual surplus (deficit)	701,863	(171,318)	530,545
Amortization of tangible capital assets (including ARO)	10,768,412	171,318	10,939,730
Change in net debt	(6,120,455)	–	(6,120,455)
Statement of Operations			
Amortization of tangible capital assets (including ARO)	10,768,412	171,318	10,939,730
Accretion – asset retirement obligations	–	–	–
Surplus for the year	701,863	(171,318)	530,545

3. Temporary borrowing:

The Board has lines of credit available to the maximum amount of $59,520,492 (2022 - $59,520,492) to address operating requirements and to bridge capital expenditures.

Interest on the operating facilities ranges from the bank's prime lending rate to the prime lending rate minus 0.5%, while banker's acceptance facilities range from 0.75% to 0.95%. All loans are unsecured, due on demand and are in the form of banker's acceptance notes and bank overdrafts.

The amount drawn under the lines of credit as at August 31, 2023 is $1,273,893 (2022 - undrawn).

4. Accounts receivable - Government of Ontario:

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

4. Accounts receivable - Government of Ontario (continued):

The Board has an account receivable from the Province of $32,419,872 (2022 - $32,615,435) with respect to capital 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 Province of Ontario at August 31, 2023 is $9,577,991 (2022 - $13,287,511).

5. Assets held for sale:

As of August 31, 2023, $423,439 (2022 - $Nil) related to buildings and $20,129 (2022 - $Nil) related to land were recorded as assets held for sale.

6. 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 is set aside for specific purposes by legislation, regulation or agreement as at August 31, 2023 and is comprised of:

	Balance as at August 31, 2022	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions	Balance as at August 31, 2023
Education development charges	$ –	$ 451,510	$ 433,146	$ –	$ 18,364
Proceeds of disposition	2,109,927	91,993	–	–	2,201,920
Improved access for special education	45,740	1,994	–	–	47,734
School renewal	3,888,512	2,265,766	617,455	814,587	4,722,236
Retrofitting school space for childcare	347,933	–	–	–	347,933
Assets held for sale	–	423,439	–	–	423,439
Restricted grant revenue	4,749,306	30,927,370	29,808,050	2,381,658	3,486,968
Other	572,731	603,821	534,022	–	642,530
Total deferred revenue	$ 11,714,149	$ 34,765,893	$ 31,392,673	$ 3,196,245	$ 11,891,124

6. Deferred revenue (continued):

(a) Education development charges:

Education development charges ("EDC's") are used to fund the acquisition of school sites, and site related costs to accommodate growth-related pupil places. EDC's are collected by the Corporation of the City of Kingston and municipalities with the County of Lennox and Addington on behalf of the Board.

(b) Proceeds of disposition:

The proceeds of disposition deferred revenue is composed of proceeds generated from the sale of schools. The Board intends to use this amount to fund future capital costs related to Board facilities.

(c) Improved access for special education:

The Province has provided specific funds to be used for improved access for special education.

(d) School renewal:

The Province provides specific funding to address the costs of repairing and renovating schools.

(e) Retrofitting school space for childcare:

Amounts received for future capital investments to repurpose existing childcare spaces or space not required for instructional purposes in schools to serve children aged 0 to 3.8 years.

(f) Assets held for sale:

Funding received previously recognized as deferred capital contributions for assets currently held for sale.

(g) Restricted grant revenue:

Restricted grant revenue includes specific program amounts, both capital and operating, from the Ministry of Education.

7. Deferred capital contributions:

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

	2023	2022
Balance, beginning of year	$ 130,367,794	$ 124,454,788
Additions to deferred capital contributions	27,590,282	17,027,944
Revenue recognized in the period	(11,524,218)	(10,708,180)
Disposal of deferred capital contributions	(423,439)	(406,758)
Balance, end of year	$ 146,010,419	$ 130,367,794

8. Asset retirement obligations:

The Board has recorded 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 current costs in nominal dollars without discounting.

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

	2023	2022
Liabilities for asset retirement obligations, beginning of year	$ 6,853,186	$ –
Opening adjustments for PSAB adjustment	–	7,215,150
Liabilities incurred during the year	–	–
Increase in liabilities reflecting changes in the estimate of liabilities[1]	962,872	–
Liabilities settled during the year	(302,902)	(361,964)
Liabilities for asset retirement obligations, end of year	$ 7,513,156	$ 6,853,186

[1]Reflecting changes in the estimated cash flows.

9. Revaluation of asset retirement obligations liability:

As a result of recent high levels of inflation, liability balances based on previous cost estimates, the Board has made an inflation 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.

10. Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuity, service awards, worker's compensation and long-term disability benefits. The most recent valuation of the employee future benefits was completed as at August 31, 2023.

(a) 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 $2,433,149 (2022 - $2,258,862) 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 life insurance and health care benefits:

The Board provides life insurance, dental and health care benefits to certain employee groups after retirement until the member reaches 65 years of age. The premiums are based on the Board's experience and retirees' premiums may be subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements.

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

(a) Retirement benefits (continued):

(iv) Retirement gratuities and benefits:

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 gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service up to August 31, 2012.

The Board has a liability related to these retirement gratuities and benefits. At August 31, 2023, the Board's accrued benefit liability relating to retirement gratuities and benefits is $2,095,519 (2022 - $2,548,286).

(b) Other employee future benefits:

(i) Workplace Safety and Insurance Board obligations:

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. School boards are required to provide a 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) 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 recovered in the consolidated financial statements are $16,466 (2022 - $5,501).

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

(iii) Vacation pay:

The amount of unused vacation days accrued as of August 31, 2023 is $907,744 (2022 - $893,160). Vacation pay is included in accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

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

(b) Other employee future benefits (continued):

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on actuarial assumptions about future events determined for accounting purposes as at August 31, 2023 and based on updated average daily salary and banked sick days as at August 31, 2023. 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
	%	%
Health care cost escalation	5.00	5.00
Dental cost escalation	5.00	5.00
Discount on accrued benefit obligations	4.40	3.90
Inflation rate	2.00	2.00

	Retirement gratuity benefits	Other post-retirement benefit expenses	Carry-over sick leave benefits	2023 Total retirement and post-retirement benefits	2022 Total retirement and post-retirement benefits
Accrued benefit liability September 1	$ 2,548,286	$ 407,646	$ 125,671	$ 3,081,603	$ 3,670,553
Current year benefit cost	–	–	109,205	109,205	125,671
Net amortization of actuarial losses (gain)	59,041	(503)	(52,283)	6,255	134,602
Interest on accrued benefit obligation	88,778	14,814	–	103,592	64,155
Benefit payments	(600,586)	(55,613)	(73,388)	(729,587)	(913,378)
Accrued benefit liability August 31	2,095,519	366,344	109,205	2,571,068	3,081,603
Net employee future benefit (recovery)	$ (452,767)	$ (41,302)	$ (16,466)	$ (510,535)	$ (588,950)

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

(b) Other employee future benefits (continued):

Retirement and other employee future benefit liabilities are comprised of:

	2023	2022
Retirement gratuity benefits	$ 2,095,519	$ 2,548,286
Post-retirement benefits	366,344	407,646
Carry-over sick leave benefit	109,205	125,671
	2,571,068	3,081,603
Workplace safety and insurance	1,884,115	1,644,804
	$ 4,455,183	$ 4,726,407

	2023	2022
Accrued employee future benefit obligations at August 31	$ 4,403,746	$ 4,754,773
Unamortized actuarial gain (losses) at August 31	51,437	(28,366)
Employee future benefits liability at August 31	$ 4,455,183	$ 4,726,407

11. Net long-term liabilities:

Net long-term liabilities reported on the Consolidated Statement of Financial Position consist of the following:

	2023	2022
Ontario Financing Authority Issue #1, maturing November 2031	$ 1,865,572	$ 2,041,674
Ontario Financing Authority Issue #2, maturing March 2033	944,401	1,017,955
Ontario Financing Authority Issue #3, maturing April 2035	584,709	619,347
Ontario Financing Authority Issue #4, maturing March 2037	4,515,608	4,764,808
Ontario Financing Authority Issue #5, maturing June 2038	233,720	245,121
Ontario Financing Authority Issue #6, maturing March 2039	2,891,831	3,020,722
Ontario Financing Authority Issue #7, maturing March 2040	4,399,096	4,597,819
Ontario School Boards Financing Corporation Debentures, maturing August 2030	5,207,905	5,820,831
	$ 20,642,842	$ 22,128,277

Principal and interest payments relating to net long-term liabilities of $20,642,842 (2022 - $22,128,277) outstanding as at August 31, 2023 are due as follows:

	Principal	Interest	Total
2023-2024	$ 1,549,331	$ 811,946	$ 2,361,277
2024-2025	1,616,049	745,228	2,361,277
2025-2026	1,685,715	675,562	2,361,277
2026-2027	1,758,464	602,813	2,361,277
2027-2028	1,834,433	526,844	2,361,277
Thereafter	12,198,850	2,074,931	14,273,781
	$ 20,642,842	$ 5,437,324	$ 26,080,166

The respective interest rates on the debentures range from 3% to 5.2% and the respective maturity dates on the debentures range from 2030 to 2040.

Interest on long-term debt in fiscal 2023 amounted to $863,994 (2022 - $925,664).

12. Accumulated surplus:

Accumulated surplus consists of the following:

	2023	2022 (Restated - note 2)
Available for compliance - unappropriated:		
Operating accumulated surplus	$ 598,776	$ 1,154,024
Available for compliance - internally appropriated:		
School renewal	71,612	71,612
Other purposes - operating:		
School expenses	263,645	594,440
Technology	2,500,000	2,500,000
Workplace Safety Insurance Board	800,000	800,000
Declining enrolment	1,300,000	1,300,000
Program and service enhancements	1,100,000	1,100,000
Other purposes - capital:		
Committed - capital projects	2,307,655	1,937,108
Administrative capital	37,500	400,000
Construction and renovation - furniture, equipment and technology	2,500,000	2,000,000
St. Joseph construction commitment	1,214,248	1,214,248
	12,693,436	13,071,432
Unavailable for compliance:		
Interest to be accrued	(186,148)	(197,996)
School generated funds	1,422,797	1,623,945
Revenue recognized for land	12,144,980	7,083,863
Asset retirement obligations to be covered in the future	(5,789,217)	(5,687,113)
	7,592,412	2,822,699
	$ 20,285,848	$ 15,894,131

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. 87.6% (2022 - 86.5%) 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	$ 145,385,046	$ 132,269,630
Education property tax	16,758,599	17,151,729
Grants for student needs	$ 162,143,645	$ 149,421,359

14. Expenses by object:

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

	2023 Budget	2023 Actual	2022 Actual
			(Restated - note 2)
Expenses:			
Salary and wages	$ 106,733,928	$ 108,103,754	$ 107,198,508
Employee benefits	20,104,844	20,476,313	19,572,959
Staff development	786,988	1,066,032	607,104
Supplies and services	9,659,131	11,363,198	10,424,498
Interest on long-term debt	875,841	1,107,088	925,664
Rental expenses	621,219	694,185	737,240
Fees and contract services	18,321,120	18,340,275	16,417,440
Amortization, write-downs and loss on disposal of tangible capital assets and tangible capital assets - asset retirement obligations	12,656,546	11,779,122	10,939,730
Accretion and other expenses on asset retirement obligations	–	22,450	–
Other	4,703,023	3,300,781	2,625,430
	$ 174,462,640	$ 176,253,198	$ 169,448,573
School activities	$ 3,013,096	$ 4,476,279	$ 2,748,603
Total expenses	$ 177,475,736	$ 180,729,477	$ 172,197,176

15. Lease commitments:

The Board is committed under certain operating lease agreements to minimum lease payments as follows:

2023-2024	$ 701,629
2024-2025	327,893
2025-2026	308,057
2026-2027	272,625
2027-2028	267,110
	$ 1,877,314

16. Commitments:

(a) Repayment of "55 School Board Trust" Funding:

On June 1, 2003, the Board received $10,286,245 from The 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed ("NPF") debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, The 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position. The flow-through of $116,347 (2022 - $116,347) in grants in respect of the above agreement for the fiscal year ended August 31, 2023 is recorded in these consolidated financial statements.

(b) Kingston West Catholic Elementary School:

The Board has been approved for the construction of a new elementary school in Kingston, Ontario. The Ministry of Education has approved a total budget of $20,939,736 and has agreed to fund $16,097,030. The remaining costs will be funded by Education Development Charges of $2,759,268 and Proceeds of Disposition of $2,083,438. The Board has entered into an architectural services contract for $1,472,746 plus HST and a construction contract for $17,933,000 plus HST. As at August 31, 2023, $14,953,331 (2022- $5,832,244) had been spent on this project. The new school is anticipated to open in September 2024.

16. Commitments (continued):

(c) St. Joseph Catholic Elementary School:

The Board has been approved for a renovation and addition to the existing St. Joseph Catholic Elementary School in Belleville, Ontario. The Ministry of Education has approved a total budget of $19,766,134 and has agreed to fund $14,051,886. The remaining costs will be funded using school condition improvement funding of $4,500,000 and accumulated surplus of $1,214,248. The Board has entered into an architectural services contract for $1,444,991 plus HST and a construction contract for $16,990,000 plus HST. As at August 31, 2023, $12,256,497 (2022 - $3,634,110) had been spent on this project. The renovations and addition are anticipated to be complete in September 2024.

(d) Our Lady of Mount Carmel Catholic School:

The Board has been approved for a replacement school on the existing school site of Our Lady of Mount Carmel Catholic School in Amherstview, Ontario. The Ministry of Education has approved a total budget of $12,112,308. The Board has entered into an architectural services contract for $1,044,058 plus HST. As at August 31, 2023, $951,451 (2022 - $96,515) had been spent on this project. The replacement school is anticipated to open in September 2026.

(e) St. Gregory Catholic School:

The Board has been approved for a replacement St. Gregory Catholic School on a new school site in Picton, Ontario. The Ministry of Education has approved a total budget of $8,736,381. The Board has entered into an architectural services contract for $524,183 plus HST. As at August 31, 2023, $302,772 has been spent on this project. The replacement school is anticipated to open in September 2026.

(f) J. J. O'Neill Catholic School:

The Board has been approved for a replacement school on the existing school site of J.J O'Neill Catholic School in Napanee, Ontario. The Ministry has approved a total budget of $9,900,658. The Board has entered into an architectural services contract for $754,965 plus HST. As at August 31, 2023, $524,973 has been spent on this project. The replacement school is anticipated to open in September 2026.

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. Premiums paid to OSBIE for the policy year ending December 31, 2022 were $155,461 (2021 - $150,672) . There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the school board.

17. Ontario School Board Insurance Exchange (OSBIE) (continued):

Any school board wishing to join OSBIE must execute a reciprocal insurance exchange agreement whereby every member commits to a five-year subscription period, the current one of which will end on December 31, 2026.

OSBIE exercises stewardship over the assets of the reciprocal, including the guarantee fund. While no individual school board enjoys any entitlement to access the assets of the reciprocal, the agreement provides for two circumstances when a school board, that is a member of a particular underwriting group, may receive a portion of the accumulated funds of the reciprocal.

1) In the event that the board of directors determines, in its absolute discretion, that the exchange has accumulated funds in excess of those required to meet the obligations of the Exchange, in respect of claims arising in prior years in respect of the underwriting group, the Board of Directors may reduce the actuarially determined rate for policies of insurance or may grant premium credits or policyholder dividends for that underwriting group in any subsequent underwriting year.

2) Upon termination of the exchange of reciprocal contracts of insurance within an Underwriting Group, the assets related to the Underwriting Group, after payment of all obligations, and after setting aside an adequate reserve for further liabilities, shall be returned to each Subscriber in the Underwriting Group according to its subscriber participation ratio and after termination the reserve for future liabilities will be reassessed from time to time and when all liabilities have been discharged, any remaining assets returned as the same basis upon termination.

In the event that a Board or other Board organization ceases to participate in the exchange of contracts of insurance within an Underwriting Group or within the Exchange, it shall continue to be liable for any Assessment(s) arising during or after such ceased participation in respect of claims arising prior to the effective date of its termination of membership in the Underwriting Group or in the exchange, unless satisfactory arrangements are made with in the board of directors to buy out such liability.

18. Contingent liabilities:

(a) Litigation:

The Board is involved with pending litigation and claims which arose in the normal course of operations. In the opinion of the administration, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the Board. Any adjustments, arising from these matters, will be provided for in future years.

18. Contingent liabilities (continued):

(b) Letters of credit:

The Board has provided security in the form of letters of credit, on behalf of various parties. As of the year end date, the total balances outstanding were $2,212,017 (2022 - $2,212,017).

(c) Bill 124:

Effective June 2019, the Province of Ontario enacted Bill 124 "Protecting a Sustainable Public Sector for future Generations Act, 2019". This legislation limited compensation increases to 1.0% per year for a three-year moderation period for both unionized and non-unionized employees in the Ontario public sector. The starting dates of the moderation period varied across entities and employee groups.

On November 27, 2022, the Ontario Superior Court of Justice struck down Bill 124, finding it unconstitutional and declaring it to be "void and of no effect". On December 29, 2022, the Ontario government filed a Notice of Appeal with the Ontario Court of Appeal.

Subsequent to the financial statement date, a monetary resolution to Bill 124 was reached between the Crown and three education sector unions: the Ontario Secondary School Teachers' Federation (OSSTF) Teachers, OSSTF Education Workers, and the Elementary Teachers' Federation of Ontario (ETFO) Education Workers. This agreement provides for a 0.75% increase in salaries and wages for the 2019-20 school year, a 0.75% increase in salaries and wages for the 2020-21 school year, and a minimum of 1.5% to a maximum of 3.25% increase in salaries and wages for the 2021-22 school year, which will be awarded through an arbitration process expected to be competed in the 2023-24 school year. This agreement includes a provision whereby the Crown has committed to funding this monetary resolution for these employee groups to the applicable school boards consistent with the appropriate changes to the Grants for Student Needs’ benchmarks.

The impact, if any, to the organization as a result of the Ontario Superior Court decision is not determinable at this time. As such, no provision has been made in the financial statements.

19. Trust funds:

(a) As at August 31, 2023, the Board was the trustee for $386,979 (2022 - $421,840) held for employee’s self-funded leave plans. These amounts are not included in the consolidated financial statements.

(b) As at August 31, 2023, the Board held certain trust and donated funds amounting to $706,227 (2022 - $672,848). These amounts are not included in the consolidated financial statements.

20. Related entities:

Tri-Board Student Transportation Services:

The Board has a one-third economic interest in Tri-Board Student Transportation Services ("Tri-Board"). Tri-Board's principal activity is to provide student transportation for three school boards including, Algonquin and Lakeshore Catholic District School Board. Related party transactions with Tri-Board Student Transportation Services during the year, not separately disclosed in the consolidated financial statements, include the following:

(a) The Board purchased student transportation services totalling $13,630,946 (2022 - $12,577,028).

Tri-Board's assets, liabilities, revenue, expenses and accumulated surplus for the year ended August 31, are as follows:

	2023	2022
Financial assets	$ 255,537	$ 533,861
Financial liabilities	(194,571)	(600,016)
Net financial assets (debt)	60,966	(66,155)
Non-financial assets	37,940	71,325
Accumulated surplus	$ 98,906	$ 5,170

20. Related entities (continued):

Tri-Board Student Transportation Services (continued):

	2023	2022
Revenue	$ 50,114,314	$ 46,888,222
Expenses	50,020,580	46,888,220
Annual surplus	$ 93,734	$ 2

Ontario Financing Authority:

(a) The Board has a loan agreement effective November 15, 2006 with the Ontario Financing Authority in the amount of $3,961,730 ($1,865,572 outstanding as at August 31, 2023) to finance capital improvement projects under the Ministry's Good Places to Learn initiative. The loan has a fixed interest rate of 4.56% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of $133,609. The loan will be fully repaid by November 17, 2031.

(b) The Board has a loan agreement effective March 3, 2008 with the Ontario Financing Authority in the amount of $1,747,906 ($944,401 outstanding as at August 31, 2023) to finance capital improvement projects under the Ministry's Good Places to Learn initiative. The loan has a fixed interest rate of 4.900% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of $61,272. The loan will be fully repaid by March 3, 2033.

(c) The Board has a loan agreement effective April 14, 2010 with the Ontario Financing Authority in the amount of $921,214 ($548,709 outstanding as at August 31, 2023) to finance capital improvement projects under the Ministry's Good Places to Learn initiative. The loan has a fixed interest rate of 5.232% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of $33,297. The loan will be fully repaid by April 13, 2035.

(d) The Board has a loan agreement effective March 2012 with the Ontario Financing Authority in the amount of $6,827,335 ($4,515,608 outstanding as at August 31, 2023) to finance capital improvement projects under the Ministry's New Pupil Places and Prohibative to Repair Capital Priorities Program initiative. The loan has a fixed interest rate of 3.564% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of $208,408. The loan will be fully repaid by March 9, 2037.

20. Related entities (continued):

Ontario Financing Authority (continued):

(e) The Board has a loan agreement effective June 2013 with the Ontario Financing Authority in the amount of $327,004 ($233,720 outstanding as at August 31, 2023) to finance capital improvement projects under the Ministry’s Good Places to Learn initiative. The loan has a fixed interest rate of 3.663% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of $10,138. The loan will be fully repaid by June 25, 2038.

(f) The Board has a loan agreement effective May 12, 2014 with the Ontario Financing Authority in the amount of $3,886,971 ($2,891,831 outstanding as at August 31, 2023) to finance capital improvement projects under the Ministry’s Good Places to Learn initiative. The loan has a fixed interest rate of 4.003% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of $124,267. The loan will be fully repaid by March 11, 2039.

(g) The Board has a loan agreement effective March 11, 2015 with the Ontario Financing Authority in the amount of $5,835,202 ($4,399,096 outstanding as at August 31, 2023) to finance capital improvement projects for St. Peter’s new school. The loan has a fixed interest rate of 2.993% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of $167,430. The loan will be fully repaid by March 9, 2040.

Ontario School Boards Financing Corporation:

The Board has a loan agreement effective August 8, 2005 with the Ontario School Boards Financing Corporation in the amount of $12,811,000 ($5,207,905 outstanding as at August 31, 2023) to finance capital improvements. The loan has a fixed interest rate of 4.789% and will be repaid over twenty five years in equal semi annual instalments combining principal and interest of $442,217. The loan will be fully repaid by August 8, 2030.

21. Tangible capital assets:

Amortization is calculated on a straight-line basis over the estimated useful life of the tangible capital assets as follows:

Cost	Balance at August 31, 2022	Adjustment for PS3280 (note 2)	Opening balance adjusted	Additions	Disposals, write-downs and adjustments	Transfer to assets held for sale	Revaluation of TCA-ARO	Balance at August 31, 2023
Land	$ 7,589,396	$ –	$ 7,589,396	$ 6,814,823	$ –	$ (20,129)	$ –	$ 14,384,090
Land improvements	7,486,462	–	7,486,462	654,720	–	–	–	8,141,182
Buildings	196,424,495	6,693,403	203,117,898	5,769,353	–	(1,223,418)	940,423	208,604,256
Portable structures	4,888,719	–	4,888,719	–	–	–	–	4,888,719
First-time equipping of schools	316,935	–	316,935	–	(72,195)	–	–	244,740
Furniture	1,413,357	–	1,413,357	199,131	(38,853)	–	–	1,573,635
Equipment	928,718	–	928,718	77,684	(33,412)	–	–	972,990
Computer hardware	4,097,724	–	4,097,724	1,793,278	(891,890)	–	–	4,999,112
Computer software	1,821,781	–	1,821,781	–	(1,011,620)	–	–	810,161
Vehicles	372,389	–	372,389	122,958	–	–	–	495,347
Pre-acquisition costs	96,515	–	96,515	1,682,680	–	–	–	1,779,195
Construction in progress	9,476,138	–	9,476,138	17,733,691	–	–	–	27,209,829
Total	$234,912,629	$ 6,693,403	$241,606,032	$ 34,848,318	$ (2,047,970)	$ (1,243,547)	$ 940,423	$274,103,256

21. Tangible capital assets (continued):

Accumulated amortization	Balance at August 31, 2022	Adjustment for PS3280 (note 2)	Opening balance adjusted	Amortization	Disposals, write-downs and adjustments	Transfer to assets held for sale	Balance at August 31, 2023
Land improvements	$ 2,684,331	$ –	$ 2,684,331	$ 514,479	$ –	$ –	$ 3,198,810
Buildings	85,599,377	5,527,330	91,126,707	8,969,833	–	(799,979)	99,296,561
Portable structures	2,104,252	–	2,104,252	246,257	–	–	2,350,509
First-time equipping of schools	268,203	–	268,203	28,236	(72,195)	–	224,244
Furniture	609,671	–	609,671	147,626	(38,853)	–	718,444
Equipment	618,701	–	618,701	75,019	(33,412)	–	660,308
Computer hardware	1,596,853	–	1,596,853	1,499,292	(891,890)	–	2,204,255
Computer software	1,297,667	–	1,297,667	268,514	(1,011,620)	–	554,561
Vehicles	239,277	–	239,277	29,866	–	–	269,143
Total	$ 95,018,332	$ 5,527,330	$100,545,662	$ 11,779,122	$ (2,047,970)	$ (799,979)	$109,476,835

	Net book value August 31, 2022	Net book value August 31, 2023
Land	$ 7,589,396	$ 14,384,090
Land improvements	4,802,131	4,942,372
Buildings	111,991,191	109,307,695
Portable structures	2,784,467	2,538,210
First-time equipping of schools	48,732	20,496
Furniture	803,686	855,191
Equipment	310,017	312,682
Computer hardware	2,500,871	2,794,857
Computer software	524,114	255,600
Vehicles	133,112	226,204
Pre-acquisition costs	96,515	1,779,195
Construction in progress	9,476,138	27,209,829
Total	$141,060,370	$164,626,421

21. Tangible capital assets (continued):

(a) Assets under construction and pre-acquisition costs:

Assets under construction and pre-acquisition costs having a total value of $28,989,024 (2022 - $9,572,653) have not been amortized. Amortization of these assets will commence when the asset is put into service.

22. In-Kind Transfers from the Ministry of Public and Business Service Delivery:

The Board has recorded entries, both revenue and expenses, associated with centrally procured in-kind transfer 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 $1,542,339 (2022 - $1,739,020) with expenses based on use and disposal of $1,542,339 (2022 - $1,739,020) for a net impact of $Nil (2022 - $Nil).

23. Budget:

The unaudited 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.

As school boards only budget the Consolidated Statement of Operations, the budget figures in the Consolidated Statement of Change in Net Financial Debt have not been provided. 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.

	2022-23 Budget	Change	2022-23 Budget restated and unaudited
Revenue	$ 176,160,086	$ –	$ 176,160,086
Expenses	177,293,497	–	177,293,497
Amortization of TCA-ARO	–	(182,239)	(182,239)
ARO accretion expenses	–	–	–
Annual surplus (deficit)	(1,133,411)	(182,239)	(1,315,650)
Accumulated surplus (deficit), beginning of year	21,581,244	–	21,581,244
Accumulated surplus (deficit), PSAS adjustments	–	(5,687,113)	(5,687,113)
Adjusted accumulated surplus (deficit), beginning of year	21,581,244	(5,687,113)	15,894,131
Accumulated surplus (deficit), end of year	$ 20,447,833	$ (5,869,352)	$ 14,578,481

24. Future accounting standards:

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 31, 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.