Consolidated Financial Statements of

DISTRICT SCHOOL BOARD OF NIAGARA

And Independent Auditor's Report Communication Thereon

Year ended August 31, 2023

DISTRICT SCHOOL BOARD OF NIAGARA
191 CARLTON ST. ▪ ST. CATHARINES, ON ▪ L2R 7P4 ▪ 905-641-1550 ▪ DSBN.ORG

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the District School Board of Niagara are the responsibility of the 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 the Financial Administration Act, as described in note 1 to the consolidated financial statements.

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

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

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

The consolidated financial statements have been audited by 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.

Warren Hoshizaki
Director of Education & Secretary

Stacy Veld
Superintendent of Business Services & Treasurer

November 21, 2023

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the District School Board of Niagara

We have audited the consolidated financial statements of the District School Board of Niagara (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 change in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- 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, 2022, and its consolidated results of operations, its consolidated changes in net debt 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 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 in 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.

Emphasis of Matter – Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended August 31, 2023 has been restated. Note 2 explains the reason for the restatement and 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, 2023. 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 Responsibility 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 represents 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

St. Catharines, Canada
November 21, 2023

DISTRICT SCHOOL BOARD OF NIAGARA

Consolidated Statement of Financial Position

As at August 31, 2023, with comparative information for 2022

	2023	2022 (restated - note 2)
Financial Assets		
Cash and cash equivalents	$ 45,588,364	$ 74,191,014
Accounts receivable	26,281,754	21,041,875
Accounts receivable – Government of Ontario (note 3)	171,170,537	157,029,207
Other investments (note 4)	1,355,855	11,367,807
Assets held for sale (note 5)	70,764	-
Total financial assets	244,467,274	263,629,903
Financial Liabilities		
Temporary borrowing (note 6)	12,501,069	10,886,337
Accounts payable and accrued liabilities	47,208,190	59,824,757
Deferred revenue (note 7)	47,669,513	49,507,266
Deferred capital contributions (note 8)	424,251,229	384,843,669
Net long-term liabilities (note 9)	72,855,531	77,740,833
Employee future benefits (note 10)	9,533,940	10,132,331
Asset retirement obligation (note 11)	45,985,811	40,506,052
Total financial liabilities	660,005,283	633,441,245
Net debt	(415,538,009)	(369,811,342)
Non-Financial Assets		
Prepaid expenses	1,324,519	704,259
Inventory (note 13)	-	980,347
Tangible capital assets (note 12)	500,208,499	452,014,348
Total non-financial assets	501,533,018	453,698,954
Commitments (note 20)		
Subsequent events (note 25)		
Accumulated surplus (note 14)	$ 85,995,009	$ 83,887,612

See accompanying notes to consolidated financial statements.

On behalf of the Board

S Barnett
_________________________ Chair

DISTRICT SCHOOL BOARD OF NIAGARA

Consolidated Statement of Operations and Accumulated Surplus

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

	Original Budget	2023	2022 (restated - note 2)
Revenue:			
Grants for student needs (note 16)	$ 485,465,619	$ 494,867,675	$ 462,613,466
Provincial grants – other	4,455,116	11,498,379	29,620,720
Government of Canada	54,000	467,321	920,559
Investment income	1,600,000	4,090,622	1,471,548
Other	3,093,427	5,708,794	13,990,328
School fundraising and other revenue	6,860,384	10,811,187	5,606,932
Amortization of deferred capital contributions	39,435,531	34,164,690	32,937,757
Total revenue	540,964,077	561,608,668	547,161,310
Expenses:			
Instruction	413,648,185	414,201,642	396,624,977
Administration	13,016,221	12,291,576	11,866,554
Transportation	22,845,423	25,482,157	24,829,066
School operation and maintenance	45,749,253	49,282,587	46,289,073
Pupil accommodation	41,988,651	39,044,677	35,886,326
Other	4,519,048	8,044,692	17,491,140
School funded activities	6,860,384	11,153,940	5,686,887
Total expenses (note 18)	548,627,165	559,501,271	538,674,023
Annual surplus (deficit)	(7,663,088)	2,107,397	8,487,287
Accumulated surplus, beginning of year	111,794,315	83,887,612	103,208,003
Accumulated surplus PSAS adjustment	-	-	(27,807,678)
Adjusted accumulated surplus, beginning of year	111,794,315	83,887,612	75,400,325
Accumulated surplus, end of year (note 14)	$ 104,131,227	$ 85,995,009	$ 83,887,612

See accompanying notes to consolidated financial statements.

DISTRICT SCHOOL BOARD OF NIAGARA

Consolidated Statement of Change in Net Debt

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

	2023	2022 (restated - note 2)
Annual surplus	$ 2,107,397	$ 8,487,287
Tangible capital assets activity:		
Acquisition of tangible capital assets	(80,042,147)	(62,464,842)
Amortization of tangible capital assets	37,438,693	35,932,781
Gain on sale of tangible capital assets	(45,962)	(65,502)
Proceeds on sale of tangible capital assets	45,962	65,502
Transfer to asset held for sale	70,764	-
Write-downs of tangible capital assets	20,943	-
Changes in estimates of asset retirement obligation	(5,682,404)	-
Other non-financial asset activity:		
Acquisition of supplies inventories	(195,103)	(16,668,687)
Acquisition of prepaid expenses	(1,282,134)	(552,599)
Consumption of supplies inventories	1,175,450	16,132,920
Use of prepaid expenses	661,874	465,151
Change in net debt	(45,726,667)	(18,667,989)
Net debt, beginning of year	(369,811,342)	(310,637,301)
PSAS adjustment to net debt	-	(40,506,052)
Adjusted net debt, beginning of year	(369,811,342)	(351,143,353)
Net debt, end of year	$ (415,538,009)	$ (369,811,342)

See accompanying notes to consolidated financial statements.

DISTRICT SCHOOL BOARD OF NIAGARA

Consolidated Statement of Cash Flows

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

	2023	2022 (restated - note 2)
Cash provided by (used in):		
Operating Activities:		
Annual surplus	$ 2,107,397	$ 8,487,287
Items not involving cash:		
Amortization and write-off of tangible capital assets	35,444,516	33,917,661
Amortization of asset retirement obligation	2,015,120	2,015,120
Change in TCA-ARO asset excluding amortization	(5,682,404)	-
Gain on sale of capital assets and assets held for sale	(45,962)	(9,327,747)
Change in employee future benefits and other liabilities	(598,391)	(2,267,317)
Change in asset retirement obligation liabilities	5,479,759	
Amortization of deferred capital contributions	(34,164,690)	(32,937,757)
	4,555,345	(112,753)
Change in non-cash assets and liabilities:		
Accounts receivable	(5,239,879)	(2,440,585)
Accounts payable and accrued liabilities	(12,616,567)	5,455,548
Deferred revenue	(1,837,753)	13,818,916
Prepaid expenses	(620,260)	(87,448)
Inventory	980,347	(535,767)
Net change in cash from operating activities	(14,778,767)	16,097,911
Capital Activities:		
Proceeds on sale of capital assets and assets held for sale	45,962	10,131,718
Cash used to acquire tangible capital assets	(80,042,147)	(62,464,842)
Net change in cash from capital activities	(79,996,185)	(52,333,124)
Investing Activities:		
Other investments	10,011,952	10,849,339
Net change in cash from investing activities	10,011,952	10,849,339
Financing Activities:		
Temporary borrowing	1,614,732	6,400,372
Long-term debt repaid	(4,885,302)	(4,673,048)
Accounts receivable – Government of Ontario	(14,141,330)	(8,682,542)
Deferred capital contributions	73,572,250	59,264,297
Net change in cash from financing activities	56,160,350	52,309,079
Net change in cash	(28,602,650)	26,923,205
Cash and cash equivalents, beginning of year	74,191,014	47,267,809
Cash and cash equivalents, end of year	$ 45,588,364	$ 74,191,014

See accompanying notes to consolidated financial statements.

1. Significant accounting policies:

The consolidated financial statements of the District School Board of Niagara (the "Board") are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the Board are as follows:

a. Basis of accounting:

The consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004: B2 and Ontario Regulation 395/11 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 statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

1. Significant accounting policies (continued):

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 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.

Consolidated entities:
School Generated Funds

Proportionately consolidated entities:
Niagara Student Transportation Services

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

c. Trust funds:

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

d. Financial Instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument:

Financial Instrument	**Measurement Method**
Guaranteed Investment Certificates	Amortized Cost

e. Cash and cash equivalents:

Cash and cash equivalents comprise of cash on hand, demand deposits and short-term investments. Short-term investments are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

1. Significant accounting policies (continued):

f. Investments:

Portfolio investments are investments in organizations that do not form part of the government reporting entity. These are normally in equity instruments or debt instruments issued by the investee. Portfolio investments in equity instruments that are quoted in an active market must be recorded at fair value. Unrealized gains and losses are recorded in the Statement of Remeasurement Gains and Losses.

Since school boards are generally not allowed to hold stocks, mutual funds or other equity instruments per Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters, the Board does not have equity instruments that are quoted in an active market that must be recorded at fair value.

The Board has Other Investments in guaranteed investment certificates, which are recorded at amortized cost using the effective interest rate method.

g. Tangible capital assets:

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, 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, except land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	15 years
Buildings	40 years
Portable structures	20 years
First-time equipping of schools	10 years
Furniture	10 years
Equipment	5-15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5-10 years

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

1. Significant accounting policies (continued):

g. Tangible capital assets (continued):

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets are classified as assets held for sale and recognized as a financial asset only when the Board has committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset and there is a plan in place to sell the asset. It must be anticipated that the sale will take place within one year of the date of the Consolidated Statement of Financial Position.

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

Donated or contributed assets are capitalized and recorded at their estimated fair value upon acquisition and recognized in deferred capital contributions and amortized to revenue over the estimated useful life.

h. Deferred revenue:

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

i. Deferred capital contributions:

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

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

1. Significant accounting policies (continued):

j. Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include 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: ETFO and OSSTF. The following ELHTs were established in 2017-2018: CUPE, EWBT and ONE-T for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals prior to the Board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. The Board no longer administers 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 as well as 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 ETFO, OSSTF and CUPE.

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. For certain employee groups, 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.

1. Significant accounting policies (continued):

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

For self-insured retirement and other employee future benefits that vest over the periods of service provided by employees, such as retirement gratuities 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 and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

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

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

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 and special education forms part of the respective deferred revenue balances.

l. School fundraising and other revenue:

School fundraising and other revenue are reported as revenue in the period earned.

m. 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 included in deferred capital contributions as described in note 1i.

1. Significant accounting policies (continued):

n. 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 on June 16, 2021, 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.

o. Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in note 1a requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in net expenses in the periods in which they become known. Significant estimates include assumptions used in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits liabilities. Actual results could differ from these current estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $45.9 million. 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.

p. Property tax revenue:

Under Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the consolidated financial statements, which in the case of the Board, is the Province of Ontario. As a result, property tax revenue received from the municipalities is recorded as part of Provincial Legislative Grants.

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.

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

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. 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.

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

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 (ARO) of $45,985,811 (2022 - $40,506,052) 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 deferred capital contribution, amortization of deferred revenue, tangible capital asset (TCA) gross book value, tangible capital asset accumulated amortization and amortization expense were not restated.

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

The adoption of PS 3280 ARO was applied to the comparative period as follows:

			2022
	As previously reported	Adjustment	As restated
Statement of Financial Position			
Tangible capital assets including ARO	$ 441,331,094	$ 10,683,254	$ 452,014,348
Asset retirement obligation liability	-	40,506,052	40,506,052
Accumulated surplus (deficit)	113,710,410	(29,822,798)	83,887,612
Statement of Operations			
Pupil accommodation	$ 33,871,206	$ 2,015,120	$ 35,886,326
Surplus for the year	10,502,407	(2,015,120)	8,487,287
Statement of Change in Net Debt			
Annual surplus (deficit)	$ 10,502,407	$ (2,015,120)	$ 8,487,287
Amortization of TCA (including TCA-ARO)	33,917,661	2,015,120	35,932,781
Change in net debt	(18,667,989)	-	(18,667,989)

3. 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 account receivable.

The Board has an account receivable from the Province of Ontario of $104,413,711 as at August 31, 2023 (2022 - $104,656,684) 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 $66,756,826 (2021 - $52,372,523).

4. Other Investments:

Investments consist of Guaranteed Investment Certificates. The investments are carried on the Statement of Financial Position. The terminology for investments has changed as at September 1, 2022 and the terms Temporary Investments and Investments are discontinued as of August 31, 2022. Other investments are comprised of $1,355,855 recorded at amortized cost. Other investments consist of the following:

	2023	2022
Guaranteed investment certificate, issued September 16, 2022, maturing September 16, 2027, interest rate 5.05%	$ 1,355,230	$ -
Guaranteed investment certificate, issued October 3, 2022, maturing October 3, 2027, interest rate 5.05%	625	-
Guaranteed investment certificate, issued October 26, 2017, maturing October 26, 2022, interest rate 2.56%	-	10,000,000
Guaranteed investment certificate, issued September 6, 2019, maturing September 6, 2022, interest rate 2.90%	-	407,071
Guaranteed investment certificate, issued March 16, 2021, maturing September 16, 2022, interest rate 1.20%	-	857,373
Guaranteed investment certificate, issued June 1, 2022, maturing September 1, 2022, interest rate 2.30%	-	103,363
Total other investments	$ 1,355,855	$ 11,367,807

5. Assets held for sale:

As at August 31, 2023, $40,982 (2022 - $nil) related to buildings and $29,782 (2022 - $nil) related to land were recorded as assets held for sale. During the year, net proceeds of $nil (2022 - $10,197,220) were received on the sale of properties included in assets held for sale. The carrying value of the assets comprising this property was $nil (2022 - $803,971), resulting in a gain of $nil (2022 - $9,393,249). Proceeds were deferred for future capital assets purchases according to Ontario Regulation 193/10.

6. Temporary borrowing:

Temporary borrowing reported on the consolidated statement of financial position bear interest at banker's acceptance plus 75 basis points with maximum term of 90 days. Temporary borrowing comprises the following:

	2023	2022
BA note, due October 26, 2023	$ 3,432,638	$ -
BA note, due October 26, 2023	3,042,895	-
BA note, due November 6, 2023	3,741,021	-
BA note, due November 27, 2023	2,284,515	-
BA note, due September 19, 2022	-	2,837,585
BA note, due November 9, 2022	-	2,472,339
BA note, due November 9, 2022	-	2,429,972
BA note, due November 28, 2022	-	3,146,441
Balance, end of year	$ 12,501,069	$ 10,886,337

7. Deferred revenue:

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

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

	Balance as at August 31, 2022	Externally Restricted Revenue	Revenue recognized in the period	Transfers to deterred capital contributions (note 7)	Balance as at August 31, 2023
Legislative grants – capital	$ 21,597,179	$ 28,066,985	$ 14,397,022	$ 13,109,877	$ 22,157,265
Other provincial grants	-	34,836	34,836	-	-
Proceeds of disposition	19,100,531	1,306,509	467,321	2,926,501	17,013,218
Legislative grants - operating	4,333,488	69,525,007	67,256,767	-	6,601,728
Other	4,476,068	1,139,843	3,718,609	-	1,897,302
Total deferred revenue	$ 49,507,266	$100,073,180	$ 85,874,555	$ 16,036,378	$ 47,669,513

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	$ 384,843,669	$ 358,517,129
Additions to deferred capital contributions	57,535,872	49,893,794
Transfer from deferred revenue (note 6)	16,036,378	9,370,503
Amortization of deferred capital contributions	(34,164,690)	(32,937,757)
Balance, end of year	$ 424,251,229	$ 384,843,669

9. Net long-term liabilities:

Net long-term liabilities reported on the consolidated statement of financial position comprises the following:

	2023	2022
Debenture, bearing interest at the rate of 5.062% due March 13, 2034	$ 10,914,216	$ 11,655,612
Debenture, bearing interest at the rate of 4.90% due March 3, 2033	7,092,673	7,645,082
Debenture, bearing interest at the rate of 4.56% due November 15, 2031	13,044,827	14,276,200
Debenture, bearing interest at the rate of 5.054% due November 15, 2028	1,609,412	1,857,250
Debenture, bearing interest at the rate of 5.232% due April 13, 2035	6,087,668	6,448,298
Debenture, bearing interest at the rate of 4.833% due March 11, 2036	3,487,140	3,679,681
Debenture, bearing interest at the rate of 3.564% due March 9, 2037	12,035,868	12,700,082
Debenture, bearing interest at the rate of 3.799% due March 19, 2038	13,858,202	14,542,483
Debenture, bearing interest at the rate of 4.003% due March 19, 2039	4,725,525	4,936,145
Balance, end of year	$ 72,855,531	$ 77,740,833

9. Net long-term liabilities (continued):

Principal and interest payments relating to net long-term liabilities of $77,740,833 outstanding as at August 31, 2022 are due as follows:

	Principal	Interest	Total
2024	$ 5,107,356	$ 3,129,872	$ 8,237,228
2025	5,339,668	2,899,042	8,238,710
2026	5,582,720	2,657,542	8,240,262
2027	5,837,015	2,404,872	8,241,887
2028	6,103,082	2,140,507	8,243,589
Thereafter	44,885,690	7,832,262	52,717,952
	$ 72,855,531	$ 21,064,097	$ 93,919,628

10. Employee future benefits:

Retirement and other employee future benefit liabilities	Retirement benefits	Other employee future benefits	2023 Total employee future benefits	2022 Total employee future benefits
Accrued benefit obligation	$ 2,575,020	$ 6,897,018	$ 9,472,038	$ 10,081,112
Unamortized actuarial gain/(loss)	61,902	-	61,902	51,219
Balance, end of year	$ 2,636,922	$ 6,897,018	$ 9,533,940	$ 10,132,331

Retirement and other employee future benefit expenses	Retirement benefits	Other employee future benefits	2023 Total employee future benefits	2022 Total employee future benefits
Current year benefit costs	$ -	$ 2,171,400	$ 2,171,400	$ 944,548
Interest on accrued benefit obligation	120,109	202,307	322,416	188,844
Recognized actuarial loss/(gain)	2,178	(242,581)	(240,403)	15,623
Employee future benefits expenses	$ 122,287	$ 2,131,126	$ 2,253,413	$ 1,149,015
Benefit payments	$ (1,232,668)	$ (1,619,136)	$ (2,851,804)	$ (3,416,332)

Expenses include $240,403 gain (2021 - $15,623 loss) for amortization of the unamortized actuarial gain. The unamortized actuarial gain/loss is amortized over the expected average remaining service life of 3.2 years (2022 - 3.3 years). The actuarial gain for the year was $251,086 (2022 - $139,534).

10. Employee future benefits (continued):

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 the 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 and support staff 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 $6,805,403 (2022 - $5,897,401) 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.

The OMERS pension plan had a deficit of $6.7 billion as at December 31, 2022 (2021 - $3.1 billion) based on the actuarial valuation of the pension benefit obligation. Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

(iii) Retirement gratuities:

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

(iv) Retirement life insurance and health care benefits:

The Board provides life insurance, dental and health care benefits to a certain employee group after retirement. The premiums are based on the Board 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. Employee future benefits (continued):

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. Plan changes made in 2012 requires school boards to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the previously negotiated collective agreement included such provision.

(ii) Long-term disability:

The Board provides certain benefits to employees who were on long-term disability at the time of transition to the ELHT. As a result, salary compensation and benefits for these employees remain the responsibility of the Board. These costs are fully insured and not included in the defined benefit plan.

(iii) 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 consolidated financial statements are $247,943 (2022 - $500,356).

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 and is based on the average daily salary and banked sick days of employees 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
Inflation	2.00%	2.00%
Wage and salary escalation	nil	nil
Insurance and health care cost escalation	4.00%	3.00%
Dental cost escalation	5.00%	5.00%
Discount on accrued benefit obligations	4.40%	3.90%

11. Asset retirement obligation liability:

The Board has recorded asset retirement obligation liability 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
Balance, beginning of year	$ 40,506,052	$ -
Opening adjustments for PSAB adjustment	-	40,506,052
Liabilities incurred during the year	183,853	-
Increase in liabilities reflecting change in the estimate of liabilities	5,682,404	-
Liabilities settled during the year	(386,498)	-
Balance, end of year	$ 45,985,811	$ 40,506,052

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.

12. Tangible capital assets:

Cost	(restated) Balance at August 31, 2022	Additions	Disposals, write-offs and adjustments	Transfer to assets held for sale	Balance at August 31, 2023
Land	$ 38,954,452	$ -	$ -	$ (29,782)	$ 38,924,670
Land improvements	35,317,646	5,700,432	3,606,440	-	44,624,518
Buildings	704,204,480	37,033,892	44,122,964	(228,134)	785,133,202
Portable structures	7,684,024	1,060,507	(193,600)	-	8,550,931
First-time equipping of schools	5,126,976	1,463,383	(755,457)	-	5,834,902
Furniture	1,120,313	-	(77,885)	-	1,042,428
Equipment	4,956,028	927,589	(2,536,516)	-	3,347,101
Computer hardware	11,693,153	3,172,108	(5,177,515)	-	9,687,746
Computer software	1,067,344	-	(123,353)	-	943,991
Vehicles	2,466,823	203,356	(234,358)	-	2,435,821
Assets under construction	50,515,643	30,297,027	(47,729,404)	-	33,083,266
Asset retirement obligation	40,506,052	5,866,257	(24,150)	(56,028)	46,292,131
Total	$ 903,612,934	$ 85,724,551	$ (9,122,834)	$ (313,944)	$ 979,900,707

Accumulated Amortization	(restated) Balance at August 31, 2022	Amortization	Disposals, write-offs and adjustments	Transfer to assets held for sale	Balance at August 31, 2023
Land	$ -	$ -	$ -	$ -	$ -
Land improvements	11,683,209	2,368,556	-	-	14,051,765
Buildings	391,386,641	27,454,818	-	(196,030)	418,645,429
Portable structures	2,615,363	421,062	(193,600)	-	2,842,825
First-time equipping of schools	3,095,254	548,094	(755,457)	-	2,887,891
Furniture	584,073	108,137	(77,885)	-	614,325
Equipment	3,473,806	508,459	(2,536,516)	-	1,445,749
Computer hardware	6,503,840	3,632,517	(5,177,515)	-	4,958,842
Computer software	497,657	201,134	(123,353)	-	575,438
Vehicles	1,935,945	180,796	(234,358)	-	1,882,383
Assets under construction	-	-	-	-	-
Asset retirement obligation	29,822,798	2,015,120	(3,207)	(47,150)	31,787,561
Total	$ 451,598,586	$ 37,438,693	$ (9,101,891)	$ (243,180)	$ 479,692,208

12. Tangible capital assets (continued):

	(restated) Net Book Value August 31, 2022	Net Book Value August 31, 2023
Land	$ 38,954,452	$ 38,924,670
Land improvements	23,634,437	30,572,753
Buildings	312,817,839	366,487,773
Portable structures	5,068,661	5,708,106
First-time equipping of schools	2,031,722	2,947,011
Furniture	536,240	428,103
Equipment	1,482,222	1,901,352
Computer hardware	5,189,313	4,728,904
Computer software	569,687	368,553
Vehicles	530,878	553,438
Assets under construction	50,515,643	33,083,266
Asset retirement obligation	10,683,254	14,504,570
Total	$ 452,014,348	$ 500,208,499

Assets under construction:

Assets under construction having a value of $33,083,266 (2022 - $50,515,643) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was $20,943 (2022 - $nil).

Contributed tangible capital assets:

The Board received no contributed tangible capital assets in 2023 or 2022.

Works of arts and historical treasures:

The Board has works of arts and historical treasures including fine arts and archival collections that are preserved by the Board but are not recorded as tangible capital assets.

13. In-kind transfers from the Ministry of Government and Consumer Services:

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Government and Consumer Services (MGCS). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the Board's records. The in-kind revenue recorded for these transfers is $1,175,450 (2022 - $16,668,687) with expenses based on use of $1,175,450 (2022 - $16,132,920). The Board has recorded $nil (2022 - $980,347) in inventory and deferred revenue on the consolidated statement of financial position.

14. Accumulated surplus:

Accumulated surplus consists of the following:

	2023	2022 (restated)
Internally appropriated	$ 74,279,982	$ 70,244,351
Externally appropriated		
Interest to be accrued	(936,343)	(1,000,427)
School generated funds	5,169,281	5,512,034
Revenues recognized for land	38,954,452	38,954,452
Asset retirement obligations	(31,472,363)	(29,822,798)
Balance, end of year	$ 85,995,009	$ 83,887,612

15. Debt charges:

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

	2023	2022
Principal payments on long-term liabilities	$ 4,885,302	$ 4,673,048
Interest payments on long-term liabilities	3,350,510	3,585,370
	$ 8,235,812	$ 8,258,418

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. 88.1 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	$ 377,001,811	$ 349,804,019
Education property taxes	117,865,864	112,809,447
Grants for student needs	$ 494,867,675	$ 462,613,466

17. Partnership in Niagara Student Transportation Services:

On March 6, 2007, the Board entered into an agreement with Niagara Catholic District School Board to provide common administration of student transportation services. On March 9, 2007, Niagara Student Transportation Services ("NSTS") was incorporated under the Corporations Act of Ontario. Each Board participates in the shared costs associated with this service for the transportation of their respective students through NSTS.

This entity is proportionately consolidated in the Board's consolidated financial statements whereby the Board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. The Board's pro-rata share for 2023 is 66.6% (2022 - 65.9%). Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information:

	2023		2022	
	Total	Board portion	Total	Board portion
Financial Position:				
Financial assets	$ 142,026	$ 94,589	$ 59,042	$ 38,909
Financial liabilities	150,144	(99,996)	(69,190)	(45,596)
Non-financial assets	8,118	5,407	10,148	6,668
Accumulated surplus	$ -	$ -	$ -	$ -
Operations:				
Revenues	$ 36,762,778	$ 24,484,010	$ 34,579,452	$ 22,787,859
Expenses	36,762,778	24,484,010	34,579,452	22,787,859
Annual surplus	$ -	$ -	$ -	$ -

18. Expenses by object:

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

	2023 Budget	2023 Actual	2022 Actual (restated)
Current expenses:			
Salary and wages	$ 364,015,722	$ 365,351,406	$ 352,786,786
Employee benefits	65,432,175	64,765,291	57,958,078
Staff development	1,884,814	1,598,054	1,327,263
Supplies and services	36,008,847	41,313,823	36,368,798
Interest	4,225,228	4,717,222	3,905,004
Rental expenses	127,454	233,361	219,759
Fees and contract services	29,724,937	36,045,586	32,600,055
Other	4,655,958	8,037,835	17,575,499
Amortization and write downs and net loss on disposal – TCA and TCA-ARO	42,552,030	37,438,693	35,932,781
	$ 548,627,165	$ 559,501,271	$ 538,674,023

19. 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.

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

20. Commitments:

The Board is committed to pay $44,981,788 for capital expenditures.

21. Trust funds:

Trust funds administered by the Board amounting to $3,416,141 (2022 - $3,278,076) have not been included in the consolidated statement of financial position nor have their operations been included in the Consolidated Statement of Operations.

22. Repayment of the “55 School Board Trust” funding:

On June 1, 2003, the Board received $9,176,721 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.

23. Litigation and claims:

The Board is involved from time to time in litigation, which arises in the normal course of business. In respect of any outstanding claims, the Board believes it has valid defenses. In Administration’s judgment, no material exposure exists on the eventual settlement of such litigation, and accordingly, no provision has been made in the accompanying consolidated financial statements.

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.

25. Subsequent events:

Subsequent to the financial statement date, a 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 an increase in salaries and wages for the 2019-20 through to 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. Additionally, the Crown is in negotiation with other union groups for other education workers and teachers. The Board estimates that the impact of these negotiations for all unions is $26.4 million.