PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED FINANCIAL STATEMENTS

AUGUST 31, 2023

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PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

For The Year Ended August 31, 2023

MANAGEMENT REPORT

The accompanying consolidated financial statements of Peterborough Victoria Northumberland and Clarington Catholic District School Board are the responsibility of management and have been prepared in accordance with the Financial Adminstration Act, supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Adminstration Act ("the Act") as described in Note 1(a) 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.

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 monitired and evaluated by management.

The Audit Committee meets with 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 Baker Tilly KDN LLP in accordance with Canadian generally accepted auditing standards on behalf of the Board. Baker Tilly KDN LLP has full and free access to the Board of Trustees.

Director of Education / Secretary Treasurer	Superintendent of Business and Finance	November 28, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Peterborough Victoria Northumberland and Clarington Catholic District School Board

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Board as at August 31, 2023, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the 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 Consolidated Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Financial Administration Act supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act"), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
December 12, 2023

PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At August 31, 2023

	2023 $	Restated 2022 $ (Note 22)
FINANCIAL ASSETS		
Cash and cash equivalents	22,472,866	18,140,431
Accounts receivable		
Government of Ontario - Approved Capital (note 2)	34,522,588	38,149,555
Local government	2,458,198	2,445,217
Other (note 3)	8,254,523	10,393,504
TOTAL FINANCIAL ASSETS	67,708,175	69,128,707
LIABILITIES		
Temporary borrowing (note 10)	3,116,000	-
Accounts payable and accrued liabilities	14,171,479	13,163,210
Net debenture debt and capital loans (note 6)	26,621,345	30,339,456
Deferred revenue (notes 5 and 8)	6,356,760	7,744,598
Deferred capital contributions (note 4)	180,621,798	174,167,749
Employee benefits payable (note 9)	8,089,801	8,699,615
Asset retirement obligation (note 16)	11,078,419	9,749,598
TOTAL LIABILITIES	250,055,602	243,864,226
NET DEBT	(182,347,427)	(174,735,519)
NON-FINANCIAL ASSETS		
Tangible capital assets (schedule 1)	208,004,563	200,734,937
Prepaid expenses and other non-financial assets	774,438	1,957,107
TOTAL NON-FINANCIAL ASSETS	208,779,001	202,692,044
ACCUMULATED SURPLUS (note 15)	26,431,574	27,956,525

Approved on behalf of the Board:

Director of Education / Secretary Treasurer

Chair of School Board

The accompanying notes are an integral part of these financial statements

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PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended August 31, 2023

	Budget 2023 $ (Unaudited)	Actual 2023 $	Restated 2022 $ (Note 22)
REVENUES			
Grants for student needs (note 12)	187,204,977	187,645,854	181,966,442
Provincial grants - other	2,014,315	4,263,908	12,199,837
Federal grants and fees	245,249	285,961	432,174
Investment income	180,000	820,662	227,801
Other fees and revenues	804,446	1,514,855	1,333,826
School generated funds	3,872,172	4,742,536	2,861,157
Amortization of deferred capital contributions	9,607,869	9,753,334	9,152,950
TOTAL REVENUES	203,929,028	209,027,110	208,174,187
EXPENSES			
Instruction	153,769,297	154,412,066	153,980,779
Administration	5,641,338	5,990,384	5,738,977
Transportation	12,688,062	14,208,098	14,007,243
Pupil accomodation	27,723,406	28,428,221	28,982,814
School generated funds	3,872,172	4,783,031	2,710,529
Other	1,283,653	2,730,261	3,261,467
TOTAL EXPENSES	204,977,928	210,552,061	208,681,809
ANNUAL DEFICIT	(1,048,900)	(1,524,951)	(507,622)
ACCUMULATED SURPLUS - beginning of year	32,002,193	27,956,525	32,540,266
ACCUMULATED SURPLUS - PSAS ADJUSTMENTS	(4,293,122)	-	(4,076,119)
ACCUMULATED SURPLUS - beginning of year, as restated	27,709,071	27,956,525	28,464,147
ACCUMULATED SURPLUS - end of year	26,660,171	26,431,574	27,956,525

PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2023

	Budget 2023 $ (Unaudited)	Actual 2023 $	Restated 2022 $ (Note 22)
ANNUAL DEFICIT	(1,048,900)	(1,524,951)	(507,622)
Amortization of tangible capital assets	9,890,865	10,302,526	9,655,084
Purchase of tangible capital assets	(12,393,446)	(16,207,383)	(11,098,697)
Gain on disposal of tangible capital assets	-	(62,797)	(140,280)
Proceeds on sale of tangible capital assets	-	26,847	140,280
Addition to tangible capital asset - asset retirement obligation	-	(1,328,819)	-
Change in prepaid expenses and other non-financial assets	-	1,182,669	(343,633)
CHANGE IN NET DEBT	(3,551,481)	(7,611,908)	(2,294,868)
NET DEBT - beginning of year	(174,735,519)	(174,735,519)	(162,691,053)
PSAS ADJUSTMENT TO NET DEBT	-	-	(9,749,598)
NET DEBT - beginning of year, as restated	(174,735,519)	(174,735,519)	(172,440,651)
NET DEBT - end of year	(178,287,000)	(182,347,427)	(174,735,519)

PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2023

	2023 $	Restated 2022 $ (Note 22)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(1,524,951)	(507,622)
Items not involving cash		
Amortization of tangible capital asset and addition of tangible capital asset - asset retirement obligation	10,302,526	9,655,085
Gain on disposal of tangible capital assets	(62,797)	(140,280)
Amortization of deferred capital contributions	(9,753,335)	(9,152,950)
Change in non-cash assets and liabilities		
Accounts receivable	2,126,001	(3,861,685)
Prepaid expenses and other non-financial assets	1,182,668	(343,633)
Accounts payable and accrued liabilities	1,008,268	1,744,983
Deferred revenue	(1,074,254)	700,156
Employee benefits payable	(609,814)	(713,827)
Net change in cash from operating activities	1,594,312	(2,619,773)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(16,207,383)	(11,098,698)
Proceeds on disposal of tangible capital assets	26,847	140,280
Net change in cash from capital activities	(16,180,536)	(10,958,418)
FINANCING ACTIVITIES		
Debt repayments	(3,718,111)	(3,484,472)
Government of Ontario - approved capital	3,626,969	3,291,476
Additions to deferred capital contributions	16,207,383	11,098,697
Deferred revenues - capital	(313,582)	1,109,454
Increase in temporary borrowing	3,116,000	-
Net change in cash from financing activities	18,918,659	12,015,155
NET CHANGE IN CASH	4,332,435	(1,563,036)
CASH - beginning of year	18,140,431	19,703,467
CASH - end of year	22,472,866	18,140,431

The accompanying notes are an integral part of these financial statements

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1. SIGNIFICANT ACCOUNTING POLICIES

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

(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 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
- education 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.

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 these consolidated financial statements as they are not controlled by the Board.

(d) Financial Instruments

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

Financial Instrument	**Measurement Method**
Derivatives	Fair Value
Portfolio Instruments in equity	Fair Value
Bonds	Amortized Cost*
Treasury Bills	Amortized Cost*
Guaranteed Investment Certificates	Amortized Cost*
Term Deposits	Cost

*Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method.

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

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

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

(e) Cash

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.

(f) Deferred Revenue

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

(g) Deferred Capital Contributions

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

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Retirement and Other Employee Future Benefits

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

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-2017: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees (CUPE), 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 ELHTs also provide benefits to individuals who retired prior to the school Board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school Board trustees' associations and the Government of Ontario.

Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for individuals who retired prior to August 31, 2013.

1. SIGNIFICANT ACCOUNTING POLICIES, 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 cost trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days (if applicable) and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

For self-insured retirement and other employee future benefits that vest or 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 and long-term disability, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System 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.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all 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. Initial costs for tangible capital assets that were acquired or developed prior to 2009 were obtained using historical cost information or using current fair market values discounted by a relevant inflation factor to the point of acquisition. The cost, less residual value, if any, of tangible capital assets is amortized on a straight-line basis, over the expected useful life of the asset, as follows:

Land improvements with finite lives	15
Buildings and building improvement	40
Portable structures	20
Other buildings	20
First–time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	3
Computer software	5
Vehicles	5-10
Leasehold improvements	Over the lease term

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

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as “assets held for sale” on the Consolidated Statement of Financial Position.

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

(j) Government Transfers

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

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

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(k) Investment Income

Investment income is reported as revenue in the period earned.

When required by the funding government or related Act, investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education forms part of the respective deferred revenue balances.

(l) Budget Figures

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

(m) Use of Estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. The principal estimates used in the preparation of these financial statements are the determination of the liability for post-retirement benefits and the estimated useful life of tangible capital assets. Actual results could differ from these estimates, as additional information becomes available in the future.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $11.1 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.

(n) 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. ACCOUNTS RECEIVABLE

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. Peterborough Victoria Northumberland and Clarington Catholic District School 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 $34,522,588 as at August 31, 2023 (2022 - $38,149,555) with respect to capital grants.

3. ACCOUNTS RECEIVABLE - OTHER

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 Accounts Receivable - other at August 31, 2023 is $668,891 (2022 - $3,728,850).

4. 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	174,167,749	172,222,002
Additions to deferred capital contributions	16,207,383	11,098,697
Revenue recognized in the period	(9,753,334)	(9,152,950)
	180,621,798	174,167,749

5. IN-KIND TRANSFERS FROM THE MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the Board's records. The in-kind revenue recorded for these transfers is $1,234,529 with expenses based on use of $1,234,529 for a net impact of $Nil. Included in prepaid expenses and other non-financial assets and deferred revenue operating - other is $245,000 of PPE and CSE that were on hand at August 31, 2023.

6. NET DEBENTURE DEBT AND CAPITAL LOANS

(a) The balance of net debenture debt and capital loans reported on the Consolidated Statement of Financial Position is made up of the following:

	2023 $	2022 $
Debenture payable - Bylaw #117 - for permanent improvements, 7.342% per annum, repayable $292,226 per month principal and interest, due July 2026, redeemable in whole but not in part of the principal amount outstanding, at the option of the School Board on any date prior to July 2026	9,181,813	11,904,898
Ontario Financing Authority term installment loans, for permanent improvements, 3.564% - 5.232% per annum, repayable $885,762 semi-annually principal and interest, due November 2031 - March 2039	17,439,532	18,434,558
	26,621,345	30,339,456

(b) The net debenture debt and capital loans reported in (a) of this note is repayable as follows:

	Principal $	Interest $	Total $
2024	3,968,182	1,310,062	5,278,244
2025	4,235,875	1,042,369	5,278,244
2026	4,230,243	755,774	4,986,017
2027	1,179,983	591,541	1,771,524
2028	1,231,465	540,060	1,771,525
2029 and subsequent years	11,775,597	2,295,807	14,071,404
	26,621,345	6,535,613	33,156,958

7. DEBT CHARGES AND CAPITAL LOAN INTEREST

	2023 $	2022 $
Principal payments on long-term liabilities	3,718,111	3,484,472
Interest payments on long-term liabilities	1,560,133	1,793,772
	5,278,244	5,278,244

8. DEFERRED REVENUE

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

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

	Balance August 31, 2022 $	Externally Restricted Revenue and Investment Income 2023 $	Revenue Recognized in the Period 2023 $	Transfered to DCC 2023 $	Balance August 31, 2023 $
Capital					
School Renewal	826,521	2,270,755	230,891	2,779,573	86,812
Minor Tangible Capital Assets	-	4,677,605	3,266,279	1,411,326	-
Proceeds of Disposition	570,157	-	-	500,000	70,157
Education Development Charges	3,272,015	1,080,937	4,597	-	4,348,355
Rural and Northern Education Fund	-	361,137	361,137	-	-
Retrofit for Child Care	183,851	-	-	-	183,851
Temporary Accommodation	-	59,617	59,617	-	-
Interest on Capital	-	1,613,569	1,613,569	-	-
Experiential Learning	228,217	1,078,597	1,161,513	43,565	101,736
Other	103,734	244,224	-	267,958	80,000
	5,184,495	11,386,441	6,697,603	5,002,422	4,870,911
Operating					
Special Education	533,052	24,839,162	24,774,913	-	597,301
Targeted student supports	195,421	600,450	662,867	-	133,004
Indigenous Language, FNMI Studies, and Board Action Plan	297,433	1,963,099	1,884,568	-	375,964
Student Mental Health	29,023	751,539	741,002	-	39,560
Other (Note 5)	1,505,174	184,833	1,349,987	-	340,020
	2,560,103	28,339,083	29,413,337	-	1,485,849
	7,744,598	39,725,524	36,110,940	5,002,422	6,356,760

9. EMPLOYEE BENEFITS PAYABLE

Liability	Retirement Gratuities $	Retirement Benefits $	Other Employee Future Benefits $	2023 Total $	2022 Total $
Accrued employee benefit obligations at August 31	6,654,075	73,914	1,400,777	8,128,766	9,114,510
Unamortized actuarial gains (losses) at August 31	(38,965)	-	-	(38,965)	(414,895)
	6,615,110	73,914	1,400,777	8,089,801	8,699,615

Change in liability	Retirement Gratuities $	Retirement Benefits $	Other Employee Future Benefits $	2023 Total $	2022 Total $
Current year benefit cost (recovery)	-	-	386,165	386,165	685,634
Interest on accrued benefit obligation	274,421	3,402	43,779	321,602	179,071
Amortization of actuarial (gains) losses	276,370	(2,641)	(55,174)	218,555	385,930
Benefit payments[1]	(1,114,408)	(28,165)	(393,563)	(1,536,136)	(1,964,462)
	(563,617)	(27,404)	(18,793)	(609,814)	(713,827)

1 Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

9. EMPLOYEE BENEFITS PAYABLE, continued

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2023. The economic assumptions used in these valuations are the School Board’s best estimates of expected rates of:

	2023	2022
Inflation	2.0%	2.0%
Wage and salary escalation	n/a	n/a
Insurance and health care cost escalation	3.00 - 5.00%	3.00- 5.00%
Discount on accrued benefit obligations	4.4%	3.9%

Retirement Benefits

(a) Ontario Teacher's Pension Plan

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

(b) 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 is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The OMERS Administration Corporation Board of Directors, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. OMERS provides pension services to over 500,000 active and retired members and approximately 1,000 employers.

Each year an independent actuary determines the funding status of the OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2022. The results of this valuation disclosed total actuarial liabilities of $130,306 million in respect of benefits accrued for service with actuarial assets at that date of $123,628 million indicating an actuarial deficit of $6,678 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. During the year ended August 31, 2023, the Board contributed $2,934,127 (2022 - $2,848,863) to the plan.

9. EMPLOYEE BENEFITS PAYABLE, continued

(c) Retirement Life Insurance and Health Care Benefits

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums for certain classes of retirees are based on the School Board's experience and retirees' premiums may be subsidized by the Board. The premiums for retiree groups that have transitioned to the One-T ELHT are based on the trust retiree premium and 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. Effective September 1, 2013, employees retiring on or after this date, will no longer qualify for School Board subsidized premiums or contributions.

Other Employee Future Benefits

(a) 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 require 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. As at August 31, 2023 the liability included in employee future benefits for this obligation is $1,268,008 (2022 - $1,274,255).

(b) Sick Leave Top-Up Benefits

A maximum of eleven unused sick 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 $77,595 (2022 - $127,587).

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.

10. TEMPORARY BORROWING

The Board has an authorized line of credit of $10,000,000 which bears interest at prime. At August 31, 2023 the Board had not drawn on this credit facility (2022 - $NIL).

The Board has demand bridge loan credit available to a maximum of $9,738,701 to bridge capital expenditures. Banker's acceptance financing is at the BA rate plus 75 basis points. As at August 31 the amount drawn under the banker's acceptance facility was $3,116,000 (2022 - $NIL) at a rate of 5.34% plus stamping fee of 0.75%. Interest on the short term financing for the year was $8,840.

11. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2023 $ (Unaudited)	Actual 2023 $	Restated 2022 $ (Note 22)
Salaries	133,729,883	134,257,622	134,270,009
Benefits	26,259,759	26,036,796	25,969,194
Staff development	678,764	804,028	560,073
Supplies and services	14,093,725	15,335,195	12,851,049
Interest	1,537,572	1,546,414	1,772,451
Rental	26,566	22,723	24,727
Fees and contract services	17,251,308	19,286,304	20,112,147
Other	1,509,486	2,960,453	3,467,075
Amortization of TCA and TCA-ARO	9,890,865	10,302,526	9,655,084
	204,977,928	210,552,061	208,681,809

12. 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. 87.42% 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	168,281,450	163,287,074
Education Property Tax	19,364,404	18,679,368
Grants for Student Needs	187,645,854	181,966,442

13. TRUST FUNDS

Trust funds administered by the School Board amounting to $222,868 (2022 - $221,334) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

14. CONTINGENT LIABILITIES

The Board has an excess of loss (catastrophe) Workplace Safety and Insurance Board (WSIB) insurance policy of $27,000,000 per accident, per employee, aggregate for disease, with a $1,000,000 deductible per employee, per accident. The School Board brings this deductible down to $500,000 by participating in the School Boards' Cooperative Assistance Program.

Due to the nature of the School Board's operations, the organization is periodically subject to litigation. In the opinion of management, the resolution of any current lititgation would not have a material effect on the financial position or results of operations, as the Board has valid defences and appropriate insurance coverages in place.

15. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023 $	Restated 2022 (Note 22) $
Available for Compliance - Unappropriated		
Operating accumulated surplus	6,358,550	6,873,402
Available for Compliance - Internally Appropriated		
School activities	276,159	451,083
Program capital	523,625	523,625
Committed capital projects	2,990,761	3,269,754
Facilities and sites	871,952	871,952
IT infrastructure and software	166,000	500,000
Joint field agreement	90,000	60,000
Total Internally Appropriated	4,918,497	5,676,414
Unavailable for Compliance		
Invested in tangible capital assets	17,845,213	17,845,215
School generated funds	1,910,090	1,950,584
Interest to be accrued	(73,405)	(95,968)
Asset retirement obligations	(4,527,371)	(4,293,122)
Total Unavailable for Compliance	15,154,527	15,406,709
Total Accumulated Surplus	26,431,574	27,956,525

16. ASSET RETIREMENT OBLIGATION

The Board has recorded ARO as of September 1, 2022 implementation date on a modified retroactive basis, with a simplified restatement of prior year amounts.

As at August 31, 2023, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

	2023 $	2022 $
Liabilities for Asset Retirement Obligations at Beginning of year	9,749,598	-
Opening adjustments for PSAB Adjustment	-	9,749,598
Revaluation of ARO Liability	1,328,821	-
Liabilities for Asset Retirement Obligations at End of Year	11,078,419	9,749,598

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.

17. 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 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.

18. 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 of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of $27M per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2023 were $220,724 (2022 - $206,284). There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the Board.

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.

19. COMMITMENT

The Board has entered into an agreement to purchase land in October 2023 for $8,503,468.

20. STUDENT TRANSPORTATION SERVICES OF CENTRAL ONTARIO TRANSPORTATION CONSORTIUM

On March 30, 2007, the Board entered into an agreement with Kawartha Pine Ridge District School Board and Conseil Scolaire De District Catholique Centre-Sud in order to provide common administration of student transportation in the Region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of Student Transportation Services of Central Ontario are shared. No partner is in a position to exercise unilateral control.

Through the Student Transportation Services of Central Ontario the Board shares the costs for the service in the following manner: operational administrative cost - 29.516% (2022 - 30.729%); shared contractual services 30.675% (2022 - 31.534%); and non shared Board direct costs 100% (2022 - 100%).

The following provides condensed financial information:

	2023		2022	
	Total $	Board Portion $	Total $	Board Portion $
Expenses	40,084,558	12,817,553	38,968,679	12,749,743

21. FINANCIAL INSTRUMENTS

Risks arising from financial instruments and risk management

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

Credit risk

The Board's principal financial assets are cash and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the Statement of Financial Position represent the Board's maximum credit exposure as at the Statement of Financial Position date.

The Board's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, temporary borrowing and long-term debt. It is the Board's opinion that the Board is not exposed to significant interest rate or currency risks arising from these financial instruments.

22. CHANGE IN ACCOUNTING POLICY-ADOPTION OF NEW 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).

22. CHANGE IN ACCOUNTING POLICY-ADOPTION OF NEW 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.

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.

22. CHANGE IN ACCOUNTING POLICY-ADOPTION OF NEW 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 of $11,078,419 (2022 – $9,749,598) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the Board owned buildings and equipment, including tanks, and restoration costs related to leasehold improvements. The Board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, amortization expense and accretion expense (for discounted ARO liabilities) for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The associated DCC, DCC revenue, TCA gross book value, TCA accumulated amortization and TCA amortization expense were not restated. The adoption of PS 3280 ARO was applied to the comparative period as follows:

2022	As previously reported $	Adjustments $	As restated $
Statement of Financial Position			
Tangible Capital Assets including ARO	195,278,461	5,456,476	200,734,937
Asset retirement obligation liability	-	9,749,598	9,749,598
Accumulated Surplus (deficit)	32,249,647	(4,293,122)	27,956,525
Statement of Change in Net Debt			
Annual Surplus (deficit)	(290,619)	(217,003)	(507,622)
Amortization of TCA (incl TCA-ARO)	9,438,081	217,003	9,655,084
Change in Net Debt	(2,294,868)	-	(2,294,868)
Statement of Operations			
Amortization of TCA-ARO	-	(217,003)	(217,003)
Surplus/ (deficit) for the year	(290,619)	(217,003)	(507,622)

23. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

24. SUBSEQUENT EVENTS

Subsequent to the financial statement date, a monetary resolution to Bill 124 was reached between the Crown and four education sector unions: the Ontario Secondary School Teachers’ Federation (OSSTF) Teachers, OSSTF Education Workers, the Elementary Teachers’ Federation of Ontario (ETFO) and the Canadadian Union of Public Employees Ontario School Board Council of Unions (CUPE OSBCU). 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 completed 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. As such, the revenues and expenses are understated by $2,900,000, with no impact to the overall financial position of the Board.

The Board may be exposed to further payments if other employee groups settle similar agreements with the Crown. The Board approximates future payments could be as high as $8,700,000 that may have to flow through the Board. No agreements have been reached and the actual settlement amount is unknown at the auditor's report date.

PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended August 31, 2023

	Cost								
	Opening Balance $	Adjustment for PS3280 $	Opening Balance - Adjusted $	Additions $	Disposals $	Transfers $	Transfer to Assets Held for Sale $	Revaluation of TCA-ARO $	Closing Balance $
Tangible Capital Assets									
Land	17,840,961	-	17,840,961	-	-	-	-	-	17,840,961
Land Improvements	17,011,370	-	17,011,370	1,355,580	-	-	-	-	18,366,950
Buildings	278,916,544	9,749,598	288,666,142	8,612,540	-	5,358,766	-	1,364,769	304,002,217
Portable Structures	8,553,252	-	8,553,252	399,153	-	-	-	-	8,952,405
Other Buildings	199,117	-	199,117	6,888	-	-	-	-	206,005
Computer Hardware	2,231,715	-	2,231,715	821,436	113,704	-	-	-	2,939,447
Computer Software	315,312	-	315,312	197,985	115,229	-	-	-	398,068
Equipment - 5 year	93,807	-	93,807	-	-	-	-	-	93,807
Equipment - 10 year	3,416,495	-	3,416,495	206,798	269,732	-	-	-	3,353,561
Equipment - 15 year	606,114	-	606,114	-	-	-	-	-	606,114
Furniture	405,777	-	405,777	185,108	28,179	-	-	-	562,706
First-time Equipping	721,950	-	721,950	43,565	227,212	-	-	-	538,303
Vehicles	360,318	-	360,318	-	49,337	-	-	-	310,981
	330,672,732	9,749,598	340,422,330	11,829,053	803,393	5,358,766	-	1,364,769	358,171,525
Assets Under Construction									
Buildings	980,436	-	980,436	4,378,330	-	(5,358,766)	-	-	-
	980,436	-	980,436	4,378,330	-	(5,358,766)	-	-	-
Total	331,653,168	9,749,598	341,402,766	16,207,383	803,393	-	-	1,364,769	358,171,525

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PETERBOROUGH VICTORIA NORTHUMBERLAND AND CLARINGTON CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the Year Ended August 31, 2023

	Accumulated Amortization							Net Book Value	
	Opening Balance $	Adjustment for PS3280 $	Opening Balance - Adjusted $	Amortization $	Disposals, Write-offs. revaluation of TCA-ARO, additions and transfers $	Transfer to Assets Held for Sale $	Closing Balance $	2023 $	2022 $
Tangible Capital Assets									
Land	-	-	-	-	-	-	-	17,840,961	17,840,961
Land Improvements	7,074,174	-	7,074,174	1,118,432	-	-	8,192,606	10,174,344	9,937,196
Buildings	123,283,538	4,293,122	127,576,660	7,290,269	-	-	134,866,929	169,135,288	161,089,482
Portable Structures	1,788,531	-	1,788,531	437,641	-	-	2,226,172	6,726,233	6,764,721
Other Buildings	53,514	-	53,514	10,385	-	-	63,899	142,106	145,603
Computer Hardware	873,069	-	873,069	861,861	113,704	-	1,621,226	1,318,221	1,358,646
Computer Software	157,722	-	157,722	71,338	115,229	-	113,831	284,237	157,590
Equipment - 5 year	32,456	-	32,456	18,761	-	-	51,217	42,590	61,351
Equipment - 10 year	1,534,028	-	1,534,028	338,503	269,732	-	1,602,799	1,750,762	1,882,467
Equipment - 15 year	525,814	-	525,814	9,969	-	-	535,783	70,331	80,300
Furniture	174,434	-	174,434	48,424	28,179	-	194,679	368,027	231,343
First-time Equipping	610,921	-	610,921	63,013	227,212	-	446,722	91,581	111,029
Vehicles	266,506	-	266,506	33,930	49,337	-	251,099	59,882	93,812
	136,374,707	4,293,122	140,667,829	10,302,526	803,393	-	150,166,962	208,004,563	199,754,501
Assets Under Construction									
Buildings	-	-	-	-	-	-	-	-	980,436
	-	-	-	-	-	-	-	-	980,436
Total	136,374,707	4,293,122	140,667,829	10,302,526	803,393	-	150,166,962	208,004,563	200,734,937