York Catholic District School Board
Consolidated Financial Statements
Year ended August 31, 2023

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Management Report

Management's Responsibility for the Consolidated Financial Statements

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

Original Signed by

Director of Education

Original Signed by

Chief Financial Officer

November 13, 2023

Independent auditor's report

Grant Thornton LLP
11th Floor
200 King Street West, Box 11
Toronto, ON
M5H 3T4

T +1 416 366 0100
F +1 416 360 4949

To the Board of Trustees of the York Catholic District School Board

Opinion

We have audited the consolidated financial statements of York Catholic District School Board ("the Board"), which comprise the consolidated statement of financial position as at August 31, 2023, and the consolidated statements of operations, change in net debt and cash flow 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 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 1 to the consolidated financial statements, which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

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

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

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

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

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

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

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

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

Grant Thornton LLP

Toronto, Canada
November 13, 2023

Chartered Professional Accountants
Licensed Public Accountants

York Catholic District School Board
Consolidated Statement of Financial Position

As at August 31

	2023	2022
	($000's)	($000's) Restated (Note 2)
Financial assets		
Cash and cash equivalents	**91,438**	58,679
Accounts receivable	**15,591**	9,847
Accounts receivable – Government of Ontario (Note 3)	**248,568**	294,584
Accounts receivable – Municipalities	**22,842**	22,815
Other financial assets	**1,024**	120
Total financial assets	**379,463**	386,045
Liabilities		
Accounts payable and accrued liabilities	**66,069**	42,947
Deferred revenue (Note 4)	**99,191**	95,293
Other liabilities	**4,651**	3,189
Deferred capital contributions (Note 5)	**665,184**	659,551
Asset retirement obligations (Note 6 & 7)	**7,439**	6,554
Retirement and other employee future benefits (Note 9)	**16,565**	16,531
Net long-term debt and capital lease (Note 10)	**182,905**	208,813
Total liabilities	**1,042,004**	1,032,878
Net debt	**(662,541)**	(646,833)
Non-financial assets		
Tangible capital assets (Note 15)	**927,412**	920,635
Accumulated surplus (Note 16)	**264,871**	273,802

Contractual obligations and contingent liabilities (Note 18)

Signed on behalf of the Board:

Original Signed by

Director of Education

Original Signed by

Chair of the School Board

York Catholic District School Board
Consolidated Statement of Operations

For the Year Ended August 31	2023	2023	2022
	Restated (Note 19)		Restated (Note 2)
	Budget	**Actual**	Actual
	($000's)	**($000's)**	($000's)
Revenues			
Grants for student needs (Note 13)	**599,505**	**612,247**	591,798
Deferred capital contribution revenue	**37,924**	**36,647**	36,011
Provincial grants – grants for student needs	**637,429**	**648,894**	627,809
Provincial grants – other (Note 23)	**12,049**	**12,928**	29,853
School generated funds	**13,000**	**22,141**	12,189
Investment income	**250**	**2,589**	576
Other fees and revenues	**26,888**	**11,847**	19,114
Total revenues	**689,616**	**698,399**	689,541
Expenses (Note 14)			
Instruction	**509,072**	**531,439**	527,114
Administration	**19,229**	**18,674**	17,109
Transportation	**22,304**	**19,756**	20,642
Pupil accommodation	**108,021**	**110,945**	105,127
School generated funds	**13,000**	**21,567**	10,896
Other (Note 23)	**5,419**	**4,949**	6,214
Total expenses	**677,045**	**707,330**	687,102
Annual (deficit) surplus	**12,571**	**(8,931)**	2,439
Accumulated surplus at beginning of year, as previously stated	**268,749**	**273,802**	275,786
Accumulated surplus PSAS Adjustments (Note 2)	**(4,601)**		(4,423)
Adjusted accumulated surplus at beginning of year	**264,148**	**273,802**	271,363
Accumulated surplus at end of year	**276,719**	**264,871**	273,802

York Catholic District School Board
Consolidated Statement of Cash Flows

For the Year Ended August 31

	2023 ($000's)	2022 ($000's) Restated
Operating transactions		
Annual (deficit) surplus	**(8,931)**	2,439
Sources and (uses)		
Non-cash items including:		
Amortization, write downs, and gain on disposal	**36,651**	36,011
Amortization of TCA – asset retirement obligations	**178**	178
Increase of asset retirement obligation liabilities excluding settlements	**921**	-
(Increase) of tangible capital assets – asset retirement obligation asset excluding amortization on asset retirement obligations	**(921)**	-
Deferred capital contributions amortization (Note 5)	**(36,647)**	(36,011)
(Increase) in accounts receivable	**(5,771)**	(4,861)
Decrease in accounts receivable – Delayed grant payment (Note 3)	**16,713**	8,665
(Increase) decrease in other financial assets	**(904)**	220
Increase (decrease) in accounts payable and accrued liabilities	**23,122**	(10,243)
Increase in deferred revenue – operating (Note 4)	**577**	1,827
Increase (decrease) in retirement and other employee future benefits	**34**	(1,818)
Settlement of asset retirement liability through abatement	**(36)**	-
Increase in other liabilities	**1,463**	256
Cash applied to operating transactions	**26,449**	(3,337)
Capital transactions		
Cash used to acquire tangible capital assets	**(42,685)**	(42,179)
Cash applied to capital transactions	**(42,685)**	(42,179)
Financing		
Decrease in accounts receivable – Government of Ontario	**29,302**	24,950
Additions to deferred capital contributions (Note 5)	**42,280**	42,176
Increase in deferred revenue – Capital (Note 4)	**3,321**	5,037
Debt repayment and sinking fund contributions (Note 9)	**(25,908)**	(30,082)
Cash provided by financing transactions	**48,995**	42,081
Change in cash and cash equivalents	**32,759**	(3,435)
Opening cash and cash equivalents	**58,679**	62,114
Closing cash and cash equivalents	**91,438**	58,679

York Catholic District School Board
Consolidated Statement of Changes in Net Debt

For the Year Ended August 31

	2023	2022
	($000's)	($000's) Restated
Annual (deficit) surplus	**(8,931)**	2,439
Non-financial asset activity		
Acquisition of tangible capital assets	**(42,685)**	(42,179)
Amortization and write downs of tangible capital assets	**36,829**	36,189
Changes in estimate of tangible capital assets-asset retirement obligations	**(921)**	-
Total non-financial asset activity	**(6,777)**	(5,990)
Increase in net debt	**(15,708)**	(3,551)
Net debt at beginning of year	**(646,833)**	(636,728)
PSAS adjustments to net financial assets (Note 2)	-	(6,554)
Net debt at end of year	**(662,541)**	(646,833)

Guided by Gospel Values and Catholic Virtues, in partnership with home and Church, the mission of the York Catholic District School Board ("the Board") is to educate and inspire all students to reach their full potential in a safe and caring environment.

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 depreciation, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

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

- government transfers, 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.

The Board's consolidated financial statements reflect the proportionate consolidation of the Student Transportation Services - York Region Consortium whereby they include the assets that the Consortium controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses.

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 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
Cash and cash equivalents	Amortized Cost*
Accounts receivable	Amortized Cost*
Accounts payable	Amortized 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 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.

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

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 2016-17: OECTA, CUPE, OSSTF and trust for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals up to a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. The Board is no longer responsible to provide certain benefits to OECTA effective February 1, 2017, OSSTF effective February 1, 2018, CUPE effective March 1, 2018, principals and vice principals effective April 1, 2018 and non-union employees effective June 1, 2018. Upon transition of the employee groups' health, dental and life benefits plans to the ELHT, school boards are required to remit a negotiated amount per full-time equivalency

1. Significant accounting policies (continued)

(FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), additional ministry funding in the form of a Crown contribution as well as Stabilization Adjustment.

Depending on prior arrangements and employee group, the Board provides health, dental and life insurance benefits for some retirees who are retired under these plans.

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

- 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, health care cost trends, disability recovery rates, long-term inflation rates and discount rates.
- The cost of retirement gratuities are actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.
- For self-insured retirement and other employee future benefits that vest or accumulated over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.
- For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, 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.
- 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. The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

i) Tangible Capital Assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction and legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

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

(All amounts in thousands of dollars)

1. Significant accounting policies (continued)

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

Asset	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	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.

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.

1. Significant accounting policies (continued)

l) Long-term Debt and Capital Leases

Long-term debt is recorded net of related sinking fund asset balances.

m) 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. .

n) Use of Estimates

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

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $7,600. 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.

o) 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.

p) Non Monetary Transactions

Non-monetary transactions include the exchange of non-monetary assets, liabilities or services for other non-monetary assets, liabilities or services with little or no monetary consideration involved. It also includes transactions where non-monetary assets, liabilities or services are transferred without any consideration given in return. Non-monetary transactions that lack commercial substance are measured at their carrying value.

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

Establishing fair value

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

Fair value hierarchy

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

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

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

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

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

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets (TCA) 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. It has reported obligations for closure and post closure activities related to landfill sites as the landfill site's capacity was used (if applicable). 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).

2. Change in Accounting Policy – Adoption of New Accounting Standards (continued)

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 and closure and post closure activities related to landfill sites (if applicable). The board reports liabilities related to the legal obligations where the board is obligated to incur costs to retire a tangible capital asset.

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

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

(All amounts in thousands of dollars)

2. Change in Accounting Policy – Adoption of New Accounting Standards (continued)

As a result of applying this accounting standard, an asset retirement obligation of $7,439 (2022 – $6,554) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the board owned buildings and equipment, including tanks, and restoration costs related to leasehold improvements. The board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization and amortization expense for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The associated DCC, DCC revenue, TCA gross book value, TCA accumulated amortization and TCA amortization expense were not restated. The adoption of PS 3280 ARO was applied to the comparative period as follows:

2022	**As previously reported**	**Adjustments**	**As restated**
	$	**$**	**$**
Consolidated Statement of Financial Position			
Asset retirement obligation liability	-	6,554	6,554
Tangible capital assets	918,682	1,953	920,635
Accumulated surplus (deficit)	278,403	(4,601)	273,802
Consolidated Statement of Operations			
Amortization of TCA-ARO (included in pupil accomodation)	104,949	178	105,127
Annual surplus	2,617	(178)	2,439
Consolidated Statement of Changes in Net Debt			
Annual surplus	2,617	(178)	2,439
Amortization of TCA (incl TCA-ARO)	36,011	178	36,189
Change in net debt	(3,373)	(178)	(3,551)

(All amounts in thousands of dollars)

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. York 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 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.

	2023	2022
	$	**$**
Account receivable – capital grant	**202,749**	232,052
Account receivable – delayed grant payments	**45,819**	62,532
Closing balance	**248,568**	294,584

4. 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 and investment income**	**Transfers (to)/from Deferred Capital Contributions**	**Revenue Recognized and adjustments in the period**	**Balance as at August 31, 2023**
	$				$
Legislative Grants - operating	7,686	82,411	-	81,413	8,684
Other Ministry of Education	342	4,575	-	4,741	176
Third Party	311	1,759	-	1,693	377
Other Provincial Grants	-	349	-	349	-
Deferred revenue – operating	8,338	89,094	-	88,196	9,237
Legislative Grants – capital	6,845	37,815	7,226	31,964	5,470
Other Ministry of Education	-	699	340	359	-
Proceeds of disposition	52,919	-	1,884	562	50,473
Education development charges	27,191	6,918	-	98	34,011
Third party	-	438	-	438	-
Deferred revenue – capital	86,955	45,870	9,450	33,421	89,954
Total deferred revenue	**95,293**	**134,964**	**9,450**	**121,617**	**99,191**

(All amounts in thousands of dollars)

5. 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
	$	$
Opening balance	**659,551**	653,386
Additions to deferred capital contributions	**42,280**	42,176
Revenue recognized in the period	**(36,647)**	(36,011)
Closing balance	**665,184**	659,551

6. Asset retirement obligations

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

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

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

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

As at August 31	**2023**	2022
Liabilities for asset retirement obligations at beginning of year	**6,554**	-
Opening adjustments for PSAB adjustment	**-**	6,554
Liabilities incurred during the year	**-**	-
Increase in liabilities reflecting changes in the estimate of liabilities[1]	**921**	-
Liabilities settled during the year	**(36)**	-
Liabilities for asset retirement obligations at end of year	**7,439**	**6,554**

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

7. Revaluation of asset retirement obligations liability

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

8. 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.

Liquidity risk

Liquidity risk is the risk that the Board will not be able to meet all cash flow obligations as they come due. The Board mitigates the risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining sufficient cash on hand if unexpected cash outflows arise

Market risk

The Board is exposed to interest rate risk on its long-term debts, which are regularly monitored.

The Board's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, 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 except as otherwise disclosed.

(All amounts in thousands of dollars)

9. Retirement and other employee future benefits

Retirement and other employee future benefits liabilities and expense as of August 31, 2023 is comprised of:

	August 31, 2023		
	Retirement Benefits	**Other Employee Future Benefits**	**Total Employee Future Benefits**
Accrued employee future benefit obligations	**$ 7,485**	**$ 9,080**	**$ 16,565**
Current year benefit cost	**$ -**	**$ 2,868**	**$ 2,868**
Change due to data correction	**-**	**-**	**-**
Amortization of actuarial gains/(losses)	**41**	**(475)**	**(434)**
Interest on accrued benefit obligation	**283**	**266**	**549**
Employee future benefits expenses	**$ 324**	**$ 2,659**	**$ 2,983**

Retirement and other employee future benefits liabilities and expense as of August 31, 2022 is comprised of:

	August 31, 2022		
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	$ 7,981	$ 8,550	$ 16,531
Current year benefit cost	$ 8	$ 1,353	$ 1,361
Change due to data correction	-	-	-
Amortization of actuarial gains/(losses)	70	(125)	(55)
Interest on accrued benefit obligation	154	138	292
Employee future benefits expenses	$ 232	$ 1,366	$ 1,598

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

(All amounts in thousands of dollars)

9 Retirement and other employee future benefits (continued)

(a) Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2023. Actuarial probabilities were determined and based on updated average daily salary and banked sick days as at August 31, 2023. The economic assumptions used in these valuations are the Board's best estimates of expected rates as follows:

	2023 %	2022 %
Inflation		
Workplace Safety and Insurance Boards Obligation ("WSIB")	2.5	2.7
General inflation for all benefits	2.0	2.0
Wage and salary escalation		
Sick leave benefits	2.0	2.0
Insurance and health care cost escalation		
WSIB health care costs	4.0	4.0
Health care cost escalation	5.0	5.0
Dental benefit care escalation	5.0	5.0
Discount on accrued benefit obligation		
WSIB obligation	4.4	3.9
Sick leave benefits, life insurance, health care and long-term disability	4.4	3.9

(b) Retirement Benefits

(i) Ontario Teacher's Pension Plan (OTPP)

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

(ii) Ontario Municipal Employees Retirement System ("OMERS")

All non-teaching employees of the Board are eligible to be members of the 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 $9,788 (2022 - $8,686) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

(iii) Retirement Gratuities

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

9. Retirement and other employee future benefits (continued)

(b) Retirement Benefits (continued)

(iv) Retirement life insurance and health care benefits

The Board provides life insurance, health care and dental benefits to certain employee groups after retirement until the members reach 65 years of age depending on prior arrangements. The premiums are based, on the Board experience for those who have not transitioned to the ELHT, and retiree or active rates for those who have transitioned to the ELHT. Depending on the year of retirement, retiree premiums may be subsidized by the Board as defined by individual service contracts. The benefit costs and liabilities related to the subsidization are included in the Board's consolidated financial statements. In accordance with the Broader Public Sector Executive Compensation Act, 2014, employees with these benefits are no longer eligible for post-retirement benefits under the board's compensation plan except for the transition period (i.e., by the third anniversary of the effective date of the new executive compensation plan). Employees must have retired before August 31, 2019 to be eligible for post-retirement benefits and August 31, 2023 for Designated Executives.

(c) Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations

a. The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act ("WSIB") and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

b. The Workplace Safety and Insurance Board obligations for employee future benefit plans as at August 31, 2023 are based on actuarial valuations for accounting purposes as at August 31, 2023. These actuarial valuations were based on assumptions about future events.

(ii) Long-Term Disability

a. The Board provides long-term disability benefits to certain employee groups. The costs of salary compensation paid to employees on long-term disability are fully insured and not included in this 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 financial statements relating to this are $456 (2022 - $993).

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.

(All amounts in thousands of dollars)

10. Net long-term debt and capital lease

Debenture debt, capital loans and obligation under capital leases reported on the Consolidated Statement of Financial Position is comprised of the following:

(BNY – BNY Trust Company of Canada, OFA – Ontario Financing Authority)

Debenture/Loan	Interest	Maturity	**2023 $**	2022 $
BNY - #179	7.200	09-Jun-25	**7,939**	11,506
BNY - #182	6.550	19-Oct-26	**8,388**	10,457
BNY - #186	5.800	07-Nov-28	**8,677**	9,981
BNY - #188	4.789	08-Aug-30	**21,647**	24,195
OFA - #189	4.560	15-Nov-31	**4,909**	5,372
BNY - #190	5.376	25-Jun-32	**31,993**	34,694
OFA - #191	4.900	03-Mar-33	**10,269**	11,069
OFA - #192	5.347	15-Nov-33	**3,740**	4,000
OFA - #193	5.062	13-Mar-34	**2,276**	2,431
OFA - #196	5.047	15-Nov-34	**23,348**	24,815
OFA - #197	5.232	13-Apr-35	**777**	823
OFA - #198	3.942	19-Sep-25	**16,458**	23,022
OFA - #199	4.833	11-Mar-36	**983**	1,037
OFA - #201	3.564	09-Mar-37	**12,055**	12,721
OFA - #202	3.799	19-Mar-38	**8,136**	8,537
OFA - #203	4.037	30-Oct-28	**6,620**	7,684
OFA - #204	4.003	11-Mar-39	**8,637**	9,022
OFA - #206	2.993	09-Mar-40	**148**	154
OFA - #207	3.242	15-Mar-41	**5,905**	6,147
			182,905	207,667
Capital lease	10.000	01-May-23	**-**	1,146
Balance as at August 31			**182,905**	208,813

The Capital lease for the Catholic Education Centre (CEC) expired on May 31, 2023. The lease contained an option to purchase the CEC at the end of the term for $15,000. The Board had a Deposit Agreement with Canada Life Assurance Company which was coterminous with the Capital lease. Upon expiration of the lease, the Board received the Deposit funds and used those funds to exercise the option of $15,000 with Canada Life.

(All amounts in thousands of dollars)

10. Net long-term debt and capital lease (continued)

Principal and interest payments relating to net debenture debt, and capital loans of $182,905 outstanding as at August 31, 2023 are due as follows:

	Principal	Interest Payments	Total
2024	**$ 26,040**	**$ 8,558**	**$ 34,598**
2025	**27,386**	**7,211**	**34,597**
2026	**19,552**	**5,876**	**25,428**
2027	**16,538**	**4,962**	**21,500**
2028	**15,971**	**4,166**	**20,137**
Thereafter	**77,418**	**12,337**	**89,755**
Total	**$ 182,905**	**$ 43,110**	**$ 226,015**

Interest on long-term debt amounted to $13,795 (2022 - $11,611).

11. Temporary borrowing

The Board has lines of credit available to a maximum of $75,000 on revolving facilities to address operating requirements to bridge capital expenditures.

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

12. Debt charges and capital loans and leases interest

	2023	2022
	$	**$**
Principal payments on long-term liabilities	**25,908**	30,082
Interest payments on long-term liabilities	**9,519**	10,745
Capital lease interest	**4,276**	866
Balance as at August 31	**39,703**	41,693

(All amounts in thousands of dollars)

13. Grants for Student Needs

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and location 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% (2022 – 86%) 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	**422,270**	400,634
Education Property Tax	**189,977**	191,164
Grants for Student Needs	**612,247**	591,798

14. Expenses by object

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

	2023 Budget (Restated) $	**2023 Actual** $	2022 Actual (Restated) $
Salary and wages	460,964	**479,065**	478,662
Employee benefits	77,695	**83,840**	79,554
Staff development	799	**842**	408
Supplies and services	48,294	**54,522**	42,771
Interest charges on capital	9,997	**13,795**	11,611
Rental expenses	559	**579**	413
Fees and contract services	34,437	**32,273**	30,897
Amortization and write-downs of tangible capital assets	37,923	**36,651**	36,011
Amortization expenses on TCA - ARO	178	**178**	178
Other	6,199	**5,585**	6,597
Total expenses	677,045	**707,330**	687,102

(All amounts in thousands of dollars)

15. Tangible capital assets

Cost	Balance at August 31, 2022	Adjustment for PS3280[1]	Opening Balance Adjusted[1]	Additions and Transfers	Disposals, write-offs, Adjustments	Revaluation of TCA-ARO	Balance August 31, 2023
Land	$ 259,131	$ -	$ 259,131	$ 1	$ -	$ -	$ 259,132
Land improvements	48,321	-	48,321	9,009	-	-	57,330
Buildings	1,066,309	6,554	1,072,863	38,181	4,973	921	1,106,992
Furniture and equipment	14,682	-	14,682	1,218	3,012	-	12,888
Construction in progress	18,845	-	18,845	17,730	-	-	36,575
Capital lease assets	23,454	-	23,454	(23,454)	-	-	-
Total cost	$ 1,430,742	$ 6,554	$ 1,437,296	$ 42,685	$ 7,985	$ 921	$ 1,472,917

Accumulated Amortization	Balance at August 31, 2022	Adjustement for PS3280	Opening Balance Adjusted	Additions and Transfers	Disposals, write-offs, Adjustments	Revaluation of TCA-ARO	Balance August 31, 2023
Land improvements	$ 19,731	$ -	$ 19,731	$ 3,501	$ -	$ -	$ 23,232
Buildings	466,980	4,601	471,581	46,874	4,973	-	513,482
Furniture and equipment	9,068	-	9,068	2,735	3,012	-	8,791
Capital lease assets	16,281	-	16,281	(16,281)	-	-	-
Total amortization	$ 512,060	$ 4,601	$ 516,661	$ 36,829	$ 7,985	$ -	$ 545,505

Net book value	2023	2022 Restated
Land	$ 259,132	$ 259,131
Land improvements	34,098	28,590
Buildings	593,510	601,282
Furniture and equipment	4,097	5,614
Construction in progress	36,575	18,845
Capital lease assets	-	7,173
Total net book value	$ 927,412	$ 920,635

[1]See Note 2 Change in Accounting Policy

(All amounts in thousands of dollars)

15. Tangible capital assets (continued)

a) Assets under construction

Assets under construction having a value of $35,048 (2022 - $18,845) have not been amortized. Amortization of these assets will commence when the assets are put into service.

b) Write-down of Tangible Capital Assets

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

16. Accumulated surplus

	2023	2022 Restated
	$	$
Accumulated surplus consists of the following:		
Invested in non-depreciable tangible capital assets	**259,132**	259,131
Employee future benefits to be covered in the future	**(4,556)**	(4,556)
Interest accrual	**(2,179)**	(2,495)
School Generated Funds	**8,450**	7,876
Asset Retirement Obligations to be covered in the future	**(4,743)**	(4,601)
Unrestricted	**8,767**	18,447
Total accumulated surplus	**264,871**	273,802

17. Ontario School Board Insurance Exchange (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of $24,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2023 amounted to $1,659 (2022 - $1,595). There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the School 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.

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

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

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

18. Contractual obligations and contingent liabilities

Contractual obligations

The Board enters into contracts for construction and renovation of various new and existing schools. The Board’s commitment under these contracts as at August 31, 2023 is $10,255.

Contingent liabilities

The Board is contingently liable with respect to litigation and claims, which arise from time to time in the normal course of business. In the opinion of management, the liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the Board.

(All amounts in thousands of dollars)

19. 2022-23 Budget Reconciliation

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

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

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

As school boards only budget the Statement of Operations, the budget figures in the Consolidated Statement of Change in Net Debt have not been provided. The adjustments do not represent a formal amended budget as approved by the board. This is an amendment to make the 2023 budget information more comparable.

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

	2022-23 Budget $	Change $	2022-23 Budget Restated $
Revenues	689,616	-	689,616
Expenses	676,867		
Amortization of TCA-ARO		178	677,045
Annual Surplus (Deficit)	12,749	(178)	12,571
Accumulated Surplus (Deficit) at beginning of year	268,749		268,749
Accumulated Surplus (Deficit) PSAS Adjustments	-	(4,601)	(4,601)
Adjusted Accumulated Surplus (Deficit) at beginning of year	268,749	(4,601)	264,148
Accumulated Surplus/ (Deficit) at the end of year	**281,498**	**(4,779)**	**276,719**

(All amounts in thousands of dollars)

20. Transportation consortium

In September 2010, the Board renewed its agreement with York Region District School Board in order to provide common administration of student transportation in the Region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of Student Transportation Services of York Region Consortium are shared. No partner is in a position to exercise unilateral control.

Each board participates in the shared costs associated with this service for the transportation of their respective students through Student Transportation Services of York Region. 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 50.0% (2022 – 50.0%). The transportation consortium has no assets, liabilities or revenue for 2023 and 2022. Inter-organizational transactions and balances have been eliminated.

The following summarizes the School Board's share of expenses:

	2023 Total	**2023 Board Portion**	2022 Total	2022 Board Portion
	$	**$**	$	$
Expenses	**1,572**	**786**	1,751	875

21. Repayment of "55 school board trust" funding

On June 1, 2003, the Board received $3,008 from The 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, The 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position. The flow-through of $224 (2022 - $224) in grants in respect of the above agreement for the year ended August 31, 2023, is recorded in these consolidated financial statements.

22. Related party disclosures

The Ontario Financing Authority (OFA) provides financing to various public bodies on direction from the Province. These loans are included in the Province's consolidated financial statements.

The Board has principal amounts payable to OFA of $104,262 (2022 - $116,834). These loans bear interest ranging from 2.425% to 5.347% and mature from 2025 to 2041. Details of the loans are disclosed under Note 9.

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

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the board's records. The in-kind revenue for these transfers, recorded in Provincial grants - other, is $128 with expenses based on use of $128 for a net impact of $nil.

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.

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