FINANCIAL

STATEMENTS

2022 - 2023

Keewatin Patricia
DISTRICT SCHOOL BOARD

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Keewatin-Patricia District School Board are the responsibility of the Board's 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 judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

The consolidated financial statements have been audited by BDO Canada 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.

Christy Radbourne
Director of Education

Richard Findlay
Chief Financial Officer

November 28, 2023

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Independent Auditor's Report

To the Board of Trustees of Keewatin-Patricia District School Board

Qualified Opinion

We have audited the consolidated financial statements of Keewatin-Patricia District School Board and its controlled entities (the Group), which comprise the consolidated statement of financial position as at August 31, 2023, the consolidated statements of operations, cash flows, and changes in net debt for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group as at and for the year ended August 31, 2023 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Basis for Qualified Opinion

In common with many school boards, the Group derives revenues from school fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Group. Therefore, we were not able to determine whether any adjustments might be necessary to school generated funds revenues, annual surplus, and cash flows from operations for the years ended August 31, 2023 and 2022, financial assets as at August 31, 2023 and 2022, and accumulated surplus as at September 1 and August 31 for both the 2023 and 2022 years. Our audit opinion on the consolidated financial statements for the year ended August 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 Group 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 qualified opinion.

Emphasis of Matter – Basis of Accounting

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.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended August 31, 2022 has been restated. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Report on the 2022-2023 Audited Financial Statements.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Report on the 2022-2023 Audited Financial Statements prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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 Group 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Kenora, Ontario
November 30, 2023

(in thousands of dollars)

Consolidated Statement of Financial Position
As at August 31

	2023	Restated (Note 2) 2022
FINANCIAL ASSETS		
Cash and cash equivalents	**1,193**	2,515
Accounts receivable (Note 3)	**53,149**	45,806
Other	**253**	491
TOTAL FINANCIAL ASSETS	**54,595**	48,812
LIABILITIES		
Temporary borrowing (Note 10)	**6,839**	225
Accounts payable and accrued liabilities	**10,928**	6,889
Long term debt (Note 9)	**14,627**	16,923
Deferred revenue (Note 4)	**5,235**	4,781
Employee benefits payable (Note 8)	**2,199**	2,400
Deferred capital contributions (Note 5)	**121,590**	115,243
Asset retirement obligation (Note 6)	**3,732**	3,272
TOTAL LIABILITIES	**165,150**	149,733
NET DEBT	**(110,555)**	(100,921)
NON-FINANCIAL ASSETS		
Prepaid expenses	**314**	204
Tangible capital assets (Note 15)	**147,739**	138,266
TOTAL NON-FINANCIAL ASSETS	**148,053**	138,470
ACCUMULATED SURPLUS (Note 16)	**37,498**	37,549

Signed On Behalf Of The Board On November 28, 2023

Signature of Chief Executive Officer

Signature of Chair of the Board

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

(in thousands of dollars)

Consolidated Statement of Operations
For the year ended August 31

	2023 Budget	2023 Actual	Restated (Note 2) 2022 Actual
REVENUES			
Provincial grants - Grants for Student Needs	79,055	**78,099**	75,580
Provincial grants - Other	2,698	**3,559**	8,757
Education Property Tax	13,906	**13,731**	13,625
School generated funds	590	**2,094**	1,183
Federal grants and fees	7,043	**8,592**	7,752
Investment income	0	**85**	11
Other revenues - school boards	160	**216**	227
Other fees and revenues	1,361	**2,550**	1,781
TOTAL REVENUE	104,813	**108,926**	108,916
EXPENSES			
Instruction	72,537	**73,428**	69,227
Administration	5,542	**5,861**	5,629
Transportation	7,117	**6,719**	6,176
Pupil accommodation	18,570	**18,685**	17,953
School generated funds	590	**2,186**	1,163
Other	1,219	**2,098**	4,415
TOTAL EXPENSES	105,575	**108,977**	104,563
Annual Surplus (Deficit)	(762)	**(51)**	4,353
Accumulated Surplus, beginning of year	27,531	**37,549**	33,196
Accumulated Surplus, PSAS adjustments (Note 2)	(2,176)	**0**	(2,176)
Accumulated Surplus, beginning of year, as restated	25,355	**37,549**	33,196
Accumulated Surplus at end of year	24,593	**37,498**	37,549

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

(in thousands of dollars)

Consolidated Statement of Cash Flows
For the year ended August 31

	2023	Restated (Note 2) 2022
OPERATING TRANSACTIONS		
Annual Surplus (Deficit)	**(51)**	4,353
Items not involving cash		
Amortization of tangible capital assets	**8,588**	7,966
Amortization on TCA-ARO	**115**	0
Deferred capital contributions revenue	**(7,236)**	(6,714)
Net gain on disposal of tangible capital assets	**(6,683)**	(25)
Change in non-cash assets and liabilities		
Accounts receivable	**(4,090)**	(1,238)
Accounts receivable - Delayed Grant Payment	**2,603**	(4,812)
Other financial assets	**239**	(375)
Accounts payable and accrued liabilities	**(1,126)**	(2,202)
Deferred revenue	**344**	(451)
Employee future benefits payable	**(201)**	(699)
Prepaid expenses	**(110)**	142
	(7,608)	(4,055)
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**6,683**	596
Acquisition of tangible capital assets	**(17,716)**	(8,636)
Cash provided by (applied to) capital transactions	**(11,033)**	(8,040)
FINANCING TRANSACTIONS		
Temporary borrowing	**6,614**	6
Debt repaid	**(2,297)**	(2,500)
Accounts receivable - Government of Ontario - Approved Capital	**(691)**	6,825
Net deferred capital contributions	**13,583**	7,041
Deferred revenues - capital	**110**	1,179
Cash provided by (applied to) financing transactions	**17,319**	12,551
Increase (decrease) in Cash and Cash Equivalents	**(1,322)**	456
Opening Cash and Cash Equivalents	**2,515**	2,059
Closing Cash and Cash Equivalents	**1,193**	2,515

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

(in thousands of dollars)

Consolidated Statement of Change in Net Debt
For the year ended August 31

	2023	Restated (Note 2) 2022
Annual Surplus (Deficit)	**(51)**	4,353
TANGIBLE CAPITAL ASSET ACTIVITY		
Acquisition of tangible capital assets	**(17,716)**	(8,636)
Amortization of tangible capital assets	**8,703**	7,966
Proceeds on sale of tangible capital assets	**6,683**	596
Net loss (gain) on disposal of tangible capital assets	**(6,683)**	(25)
Changes in estimate of TCA-ARO	**(460)**	0
Total tangible capital asset activity	**(9,473)**	(99)
OTHER NON-FINANCIAL ASSET ACTIVITY		
Acquisition of prepaid expenses	**(305)**	(196)
Use of prepaid expenses	**195**	338
Total other non-financial asset activity	**(110)**	142
(Increase) decrease in net debt	**(9,634)**	4,396
Net debt at beginning of year	**(100,921)**	(102,045)
PSAS adjustments to net debt (Note 2)	**0**	(3,272)
Net debt at beginning of year, as restated	**(100,921)**	(105,317)
Net debt at end of year	**(110,555)**	(100,921)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

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

All amounts referenced in these notes and financial statements are in thousands (000's) of Canadian dollars unless otherwise noted.

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.

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.

Northwestern Ontario Student Services Consortium is accounted for on a proportional consolidated basis, whereby each participating board reports its pro-rata share of the assets, liabilities, revenues and expenses of the consortium that are subject to shared control, combined on a line-by-line basis with similar line items.

Consolidated entities –
Northwestern Ontario Student Services Consortium
School Generated Funds

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	Cost
Accounts receivable	Cost
Other	Cost
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost

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 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
- 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, and 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 Association the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: ETFO, OSSTF, CUPE and a trust for non-unionized employees including principals and vice-principals. The following ELHTs were established in 2017-2018: CUPE and a trust for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to the member employees.

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 some retired individuals.

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

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

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

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation 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.

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

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

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 period as the asset is amortized.

k) Investment Income

Investment income is reported as revenue in the period earned.

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

l) Budget Figures

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

m) Use of Estimates

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

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $3.732 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 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.

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

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

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

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

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

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

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

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

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

The Board's ongoing efforts to assess the extent to which designated substances exist in board assets, and new information obtained through regular maintenance and renewal of board assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to 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 changes 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 $3,732 (2022 – $3,272) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the Board owned buildings, including tanks. 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 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	137,170	1,096	138,266
Asset retirement obligation liability	0	3,272	3,272
Accumulated Surplus (deficit)	39,725	(2,176)	37,549
Statement of Change in Net Debt			
Net debt, beginning of year	(102,045)	(3,272)	(105,317)
Net debt, end of year	(97,649)	(3,272)	(100,921)
Statement of Operations			
Accumulated surplus, beginning year	35,372	(2,176)	33,196
Accumulated surplus, end of year	39,725	(2,176)	37,549

3. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

The Province of Ontario (Province) replaced variable capital funding with a one-time debt support grant in 2009-10. The Board received a one-time grant that recognized 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 $17,758 as at August 31, 2023 (2022 - $17,067) with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2023 is $25,571 (2022 - $24,603).

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 deferred capital contributions	Transfers to revenue	Balance as at August 31, 2023
Proceeds of Disposition	854	6,683	6,683	0	854
Minor Tangible Capital Assets	0	2,074	1,050	1,024	0
School Renewal	2,448	1,904	227	1,293	2,832
Temporary Accommodation	390	0	274	0	116
Other - Operating	1,089	20,563	0	20,219	1,433
Total Deferred Revenue	**4,781**	**31,224**	**8,234**	**22,536**	**5,235**

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
Balance, beginning of year	115,243	114,917
Additions to deferred capital contributions	6,900	7,611
Revenue recognized in the period	(7,236)	(6,714)
Transfer to (from) deferred revenue (proceeds of disposition)	6,683	(571)
Balance, end of year	**121,590**	**115,243**

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:

	2023	**2022**
Liabilities for Asset Retirement Obligations at Beginning of Year	**3,272**	**0**
Opening Adjustments for PSAB Adjustment	0	3,272
Increase in Liabilities Reflecting Changes in the Estimate of Liabilities [1]	460	0
Liabilities for Asset Retirement Obligations at End of Year	**3,732**	**3,272**

[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. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Retirement and Other Employee Future Benefit Liabilities		**2023**		**2022**
	Retirement Benefits	**Other Employee Future Benefits**	**Total Employee Future Benefits**	**Total Employee Future Benefits**
Accrued Employee Future Benefit Obligations (ABO) at August 31	1,607	551	2,158	2,454
Unamortized Actuarial Gains (Losses) at August 31	41	0	41	(54)
Employee Future Benefits Liability at August 31	**1,648**	**551**	**2,199**	2,400

Retirement and Other Employee Future Benefit Expenses		**2023**		**2022**
	Retirement Benefits	**Other Employee Future Benefits**	**Total Employee Future Benefits**	**Total Employee Future Benefits**
Amortized gain (loss)	61	(28)	33	67
Current Year Benefit Cost	0	123	123	8
Interest Accrued	68	17	85	53
Employee Future Benefits Expenses[1]	**129**	**112**	**241**	128

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

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, 2012 for frozen retirement gratuities and grandfathered subsidized post-retirement benefits and as at August 31, 2023 for sick leave carry-over benefits (date actuarial probabilities were determined) and based on updated average daily salary and banked sick days as at August 31, 2023. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2023	**2022**
	%	%
Inflation	2.00	2.00
Wage and salary escalation	2.00	2.00
WSIB discount rate	4.40	3.90
Insurance, health and dental care cost escalation	4.0-6.50	3.0-6.75
Discount on accrued benefit obligations	4.40	3.90

Retirement Benefits

(i) Ontario Teacher's Pension Plan

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

(ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2023, the Board contributed $1,575 (2022 - $1,501) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

The OMERS pension plan has approximately 559,000 members and approximately 1,000 employers. At December 31, 2022, the estimated accrued pension obligation for all members (including survivors) of the Plan was $128,789 million (2021 - $119,342 million). The resulting funding deficit was $(6,100) million at December 31, 2022 (2021 – ($69) million). The actuary does not attribute portions of the unfunded liability to individual employers. The Board contributions equal the employee contributions to the plan.

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

(iv) Retirement Life Insurance and Health Care Benefits

The Board provides life insurance, dental and health care benefits to a certain employee group after retirement until the members reach 65 years of age. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, do not qualify for board subsidized premiums or contributions.

Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations

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

(ii) Long-Term Disability

The costs of salary compensation paid to employees on long-term disability leave 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 2023 are $60 (2022 - $70).

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

9. LONG TERM DEBT

Debenture debt and capital loans reported on the Consolidated Statement of Financial Position comprises of the following:

Capital Loans	Maturity Date	Rate	2023	2022
TD Canada Trust				
Loan #7 - monthly payments of $146	6/30/2023	3.000%	0	1,442
Ontario Financing Authority (a related party)				
Loan #1 - semi-annual payment of $142	11/17/2031	4.560%	1,976	2,163
Loan #2 - semi-annual payments of $64	3/3/2033	4.900%	979	1,055
Loan #3 - semi-annual payments of $37	3/13/2034	5.062%	605	646
Loan #4 - semi-annual payments of $30	3/9/2037	3.564%	656	692
Loan #5 - semi-annual payments of $462	3/19/2038	3.799%	10,411	10,925
Balance as at August 31			**14,627**	**16,923**

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

	Principal	Interest	Total
2024	890	579	1,469
2025	927	541	1,468
2026	965	501	1,466
2027	1,005	460	1,465
2028	1,047	419	1,466
Thereafter	9,793	1,875	11,668
Total	**14,627**	**4,375**	**19,002**

10. TEMPORARY BORROWING

The Board has an operating line of credit with a Canadian financial institution. The maximum drawing is $12 million to address operating requirements. Interest is payable on the operating line at prime less 0.75% on loans and 0.25% on bankers' acceptances. At year end, $6,644 (2022 - $0) was drawn on this facility. The Board also has a capital line of credit with a Canadian financial institution. The maximum drawing is $15 million to address capital purchase requirements prior to receiving funding from the Ministry of Education. Interest is payable on the capital line of credit at prime less 0.75% on loans and 0.25% on bankers' acceptances. At year end, nothing was drawn on the capital line. The Board has temporary borrowing of $195 (2022 - $225) for credit cards as at August 31, 2023.

11. DEBT CHARGES AND CAPITAL LOANS INTEREST

	2023	2022
Principal payments on long-term liabilities	2,296	2,500
Interest payments on long-term liabilities	631	716
	2,927	3,216

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

	2023	2022
Provincial Legislative Grants	78,099	75,580
Education Property Tax	13,731	13,625
Grants for Student Needs	91,830	89,205

13. 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
Expenses:			
Salary and wages	64,024	63,005	61,036
Employee benefits	11,670	11,652	11,065
Staff development	636	726	637
Supplies and services	9,347	11,674	9,264
Interest charges on capital	625	624	709
Rental expenses	238	255	247
Fees and contract services	9,435	10,327	9,257
Other	980	2,012	4,382
Amortization and write downs and net loss on disposal - TCA and TCA ARO	8,620	8,702	7,966
	105,575	**108,977**	**104,563**

14. BOARD PERFORMS DUTIES OF A MUNICIPAL COUNCIL

The Board performs the duties of levying and collecting taxes, conducting elections of members, etc. in territory without municipal organization. The outlay by the Board in 2023 in respect of performing duties of municipal council is reported by area in a separate statement.

Since January 1, 2009, the City of Thunder Bay collects the taxes in territory without municipal organization on behalf of the Board.

Certain costs are recoverable through a levy on all rateable property in the area and other approved costs are recoverable through an offset to the local taxation revenue.

15. TANGIBLE CAPITAL ASSETS

	Cost						Accumulated Amortization						Net Book Value	
	Balance September 1, 2022	Adjust for PS3280	Opening Balance Adjusted	Additions and Transfers	Disposals	Balance August 31, 2023	Balance September 1, 2022	Adjust for PS3280	Opening Balance Adjusted	Amortization	Disposals, Write-offs, Adjustments	Balance August 31, 2023	Balance August 31, 2023	Balance August 31, 2022
Land	2,272	0	2,272	0	0	2,272	0	0	0	0	0	0	2,272	2,272
Land Improvements	6,901	0	6,901	948	0	7,849	3,684	0	3,684	488	0	4,172	3,677	3,217
Buildings	201,460	3,272	204,732	16,007	0	220,739	71,753	2,176	73,929	7,351	0	81,280	139,459	130,803
Furniture and Equipment	5,172	0	5,172	1,001	0	6,173	3,797	0	3,797	708	0	4,505	1,668	1,375
Vehicles	1,021	0	1,021	49	0	1,070	713	0	713	99	0	812	258	308
Leasehold improvements	577	0	577	11	0	588	353	0	353	57	0	410	178	224
Construction in Progress	67	0	67	160	0	227	0	0	0	0	0	0	227	67
Total	**217,470**	**3,272**	**220,742**	**18,176**	**0**	**238,918**	**80,300**	**2,176**	**82,476**	**8,703**	**0**	**91,179**	**147,739**	**138,266**

See Note 2 Change in Accounting Policy

a) Assets under construction

Assets under construction having a value of $227 (2022 - $67) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Write-down of Tangible Capital Assets

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

c) Asset inventories for resale (assets permanently removed from service)

The Board has not identified properties that qualify as “assets permanently removed from service”.

16. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
Surplus		
Operating accumulated surplus	16,912	18,503
Amounts internally designated for future use	19,728	17,993
School Generated Funds	1,050	1,141
Asset Retirement Obligations to be covered in the future	(2,291)	(2,177)
Other	2,099	2,089
Accumulated Surplus	**37,498**	**37,549**

17. TRUST FUNDS

Trust funds administered by the Board amounting to $310 (2022 - $309) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.

18. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The school 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 were $140 (2022 - $117). 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.

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. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

a) The Board has a contractual obligation through the Northwestern Ontario Student Services Consortium for transportation services with various providers to July 31, 2028. The value of the contract and portion attributable to the Board fluctuates year to year based on ridership and the routes added or subtracted. For 2023 - 2024, the contracts are valued at $9,100 of which $6,681 is estimated to be attributed to the Board.

b) Various proceedings and claims have been filed against the Board. The Board reviews the validity of these claims and proceedings and management believes any settlement would be adequately covered by its insurance policies and would not have a material effect on the consolidated financial position or future consolidated results of operations of the Board. Accordingly, no provision has been made in these consolidated financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year that the related litigation is settled.

c) At year end, the following contracts are in place:

Project	Contract Description	Estimated Cost	Percent Complete
Dryden High School	Client / Architect Agreement	66 + net HST	54%
Dryden High School	Building Entry	1,285 + net HST	34%
Ear Falls PS	Landcape Upgrades	1,801 + net HST	2%
Ignace PS	Client / Architect Agreement	170 + net HST	63%
Ignace PS	Childcare Renovation	1,656 + net HST	0%
Keewatin PS	Client / Architect Agreement	974 + net HST	74%
Keewatin PS	Major Capital renovation	5,273 + net HST	66%
Lillian Berg PS	Client / Architect Agreement	132 + net HST	49%
Lillian Berg PS	Childcare Renovation	2,050 + net HST	0%
New Sioux Lookout High School	New construction	24,966 + net HST	98%
Sioux North High School	Deficiency correction construction	2,351 + net HST	90%
System	Safeschools Upgrades	4,018 + net HST	1%

d) 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 Education Workers (ETFO-EW) and the Canadian 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 competed in the 2023-24 school year.

This agreement includes a provision whereby the Crown has committed to funding this monetary resolution for these employee groups to the applicable school boards consistent with the appropriate changes to the Grants for Student Needs benchmarks. Management is assessing the impact of the agreements on the Board.

20. SEGMENTED INFORMATION

The Keewatin-Patricia District School Board is a government institution that provides primarily education services. No additional disclosure on a segmented basis was considered necessary as the Board considers all the services and activities they provide to be encompassed in the segment of education.

21. 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.

For the year ended August 31	2022-23 Budget	Change	2022-23 Budget Restated
Revenues	104,813	0	104,813
Expenses	105,460	0	105,460
Amortization of TCA-ARO	0	115	115
Annual Surplus	(647)	(115)	(762)
Accumulated Surplus at beginning of year	27,531	0	27,531
Accumulated Surplus PSAS Adjustments	0	(2,176)	(2,176)
Adjusted Accumulated Surplus at beginning of year	0	0	25,355
Accumulated Surplus at end of year	**26,884**	**(2,291)**	**24,593**

22. PARTNERSHIP IN NORTHWESTERN ONTARIO STUDENT SERVICES CONSORTIUM

Effective the first day of the 2010-11 school year, the Board entered into an agreement with Kenora Catholic District School Board and The Northwest Catholic District School Board and Conseil Scolaire de District Catholique des Aurores Boreales 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 Northwestern Ontario Student Services 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 the Northwestern Ontario Student Services Consortium. The Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses. The Board's pro-rata share for 2023 is 73.36% (2022 – 73.13%).

The following provides condensed financial information.

	2023		2022	
	Total	**Board Portion**	Total	Board Portion
Financial Position:				
Financial Assets	215	139	123	79
Liabilities	215	139	123	79
Accumulated Surplus/(Deficit)	**0**	**0**	**0**	**0**
Operations:				
Revenues	8,521	6,251	8,043	5,835
Expenses	8,521	6,251	8,043	5,835
Annual Surplus/(Deficit)	**0**	**0**	**0**	**0**

23. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

On June 1, 2003, the Board received $9,353 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.

24. 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 recorded for these transfers is $0 (2022 - $3,530) with expenses based on use of $0 (2022 - $3,350) for a net impact of $0.

25. 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, accounts receivable and other receivables, which are subject to credit risk. With the exception of cash, 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 is exposed to credit risk arising from cash in bank accounts being held at one financial institution and deposits are only insured up to $100,000.

Market risk

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

The Board's financial instruments consist of cash, accounts and other receivables, 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.

26. FUTURE ACCOUNTING STANDARDS 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 31, 2024):

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

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

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