Consolidated financial statements of
Superior-Greenstone District School Board

August 31, 2023

Management Report

Year ended August 31, 2023

Re: Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Superior Greenstone District School Board are the responsibility of the School 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(a) to the financial statements.

The preparation of the 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 Deloitte 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 School Board's consolidated financial statements.

Nicole Morden-Cormier	Alex Marton
Director of Education	Superintendent of Business

January 29, 2024

Deloitte.

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Independent Auditor's Report

To the Board of Trustees of the
Superior-Greenstone District School Board

Opinion

We have audited the consolidated financial statements of Superior-Greenstone 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 flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Board for the year ended August 31, 2023, are prepared, in all material respects, in accordance with the basis of accounting described in Note 1(a) to the financial statements.

Basis for Opinion

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) of the financial statements which describes the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and the 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 Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the basis of accounting described in Note 1(a) to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Board to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
January 29, 2024

Superior-Greenstone District School Board

Consolidated statement of financial position

As at August 31, 2023

	Notes	2023 $	2022 $ Restated (Note 2)
Financial assets			
Cash		**1 327 659**	353 600
Accounts receivable	3 and 4	**16 643 821**	15 139 572
Accounts receivable - Province of Ontario capital grants	4	**10 719 253**	12 187 331
Investments	5	**125**	125
		28 690 858	27 680 628
Liabilities			
Accounts payable and accrued liabilities		**3 873 471**	4 391 118
Deferred revenue	6	**4 191 101**	2 805 582
Deferred capital contributions	7	**65 805 978**	71 372 537
Obligation under capital leases	8	**24 207**	53 365
Net long-term debt	9	**9 024 424**	9 569 087
Retirement and other employee future benefits payable	10	**502 697**	537 294
Asset retirement obligation	17	**1 564 567**	1 564 567
		84 986 445	90 293 550
Net debt		**(56 295 587)**	(62 612 922)
Commitments and contingent liabilities	13		
Non-financial assets			
Tangible capital assets	16	**69 457 015**	74 368 913
Prepaid expenses and supplies		**182 009**	160 284
		69 639 024	74 529 197
Accumulated surplus	18	**13 343 437**	11 916 275

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

Approved on behalf of the Board

_______________________________________, Director of education

_______________________________________, Chair of the Board

Superior-Greenstone District School Board

Consolidated statement of operations

Year ended August 31, 2023

	Notes	Budget $ (Note 18)	2023 Actual $	2022 Actual $ Restated (Note 2)
Revenue				
Provincial grants				
Student focused funding		**31 568 795**	**31 870 644**	30 711 995
Deferred capital contributions recognized	7	**7 648 981**	**7 425 193**	6 924 440
Other		**282 243**	**1 122 111**	2 113 184
Local taxation		**3 160 330**	**2 909 771**	3 017 225
School fundraising		**458 800**	**453 249**	266 104
Federal grants and fees		**5 333 106**	**6 460 634**	5 199 837
Interest income		**15 000**	**90 717**	17 311
Other revenues - School Boards		**340 000**	**424 189**	451 218
Other fees and revenue		**480 000**	**622 136**	950 631
		49 287 255	**51 378 644**	49 651 945
Expenses	11			
Instruction		**29 915 004**	**30 381 986**	29 721 421
Administration		**3 417 186**	**4 020 418**	3 890 731
Transportation		**1 963 689**	**1 809 480**	1 845 128
School operations/pupil accommodation		**13 105 416**	**13 149 188**	13 234 714
School funded activities		**458 800**	**499 476**	301 279
Other		**215 014**	**90 934**	95 633
		49 075 109	**49 951 482**	49 088 906
Annual surplus		**212 146**	**1 427 162**	563 039
Accumulated surplus, as previously stated, beginning of year		**13 250 849**	**11 916 275**	12 687 810
Accumulated surplus PSAS adjustments		**(1 334 574)**	**—**	(1 334 574)
Accumulated surplus, as restated, beginning of year		**11 916 275**	**11 916 275**	11 353 236
Accumulated surplus, end of year		**12 128 421**	**13 343 437**	11 916 275

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

Superior-Greenstone District School Board
Consolidated statement of changes in net debt
Year ended August 31, 2023

	Notes	2023 $	2022 $ Restated (Note 2)
Annual surplus		**1 427 162**	563 039
Acquisition of tangible capital assets	16	**(2 644 898)**	(7 145 679)
Amortization of tangible capital assets and asset retirement obligation	16	**7 556 796**	6 967 275
Acquisition of prepaid expenses and supplies		**(182 009)**	(160 284)
Use of prepaid expenses and supplies		**160 284**	124 187
		4 890 173	(214 501)
Change in net debt		**6 317 335**	348 538
Net debt, as previously stated, beginning of year		**(62 612 922)**	(61 396 893)
PSAS Adjustment to net debt		**—**	(1 564 567)
Net debt, as restated, beginning of year		**(62 612 922)**	(62 961 460)
Net debt, end of year		**(56 295 587)**	(62 612 922)

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

Superior-Greenstone District School Board
Consolidated statement of cash flows
Year ended August 31, 2023

	Notes	2023 $	2022 $ Restated (Note 2)
Operating activities			
Annual surplus		**1 427 162**	563 039
Items not involving cash			
Amortization of tangible capital assets and asset retirement obligation	16	**7 556 796**	6 967 275
Deferred capital contributions recognized	7	**(7 425 193)**	(6 924 440)
Changes in non-cash assets and liabilities			
Accounts receivable		**(1 504 249)**	(1 817 681)
Accounts payable and accrued liabilities		**(517 647)**	(2 984 275)
Deferred revenue - operating		**(81 924)**	327 649
Retirement and other employee future benefits payable		**(34 597)**	(198 432)
Prepaid expenses and supplies		**(21 725)**	(36 097)
		(601 377)	(4 102 962)
Capital activity			
Acquisition of tangible capital assets	16	**(2 644 898)**	(7 145 679)
Financing activities			
Capital grant contributions	7	**1 858 634**	7 145 679
Change in accounts receivable			
- Province of Ontario capital grants		**1 468 078**	5 036 296
Change in deferred revenues - capital		**1 467 443**	458 573
Debt principal repaid		**(544 663)**	(522 288)
Repayment of obligations under capital lease		**(29 158)**	(24 716)
		4 220 334	12 093 544
Net change in cash		**974 059**	844 903
Cash (bank indebtedness), beginning of year		**353 600**	(491 303)
Cash, end of year		**1 327 659**	353 600

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

1. Significant accounting policies

The consolidated financial statements of the Superior-Greenstone District School Board (the "Board") are prepared by management in accordance with the basis of accounting described below.

Significant accounting policies adopted are as follows:

(a) Basis of accounting

The consolidated financial statements have been prepared in accordance with the *Financial Administration Act* supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11, Accounting Policies and Practices Public Entities ("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 (the "Province"). A directive was provided by the Ontario Ministry of Education (the "Ministry") within memorandum 2004:B2 requiring school boards to adopt Canadian Public Sector Accounting Standards ("PSAS") 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. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the consolidated statement of operations over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than 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 PSAS which requires that:

- Government transfers, including amounts previously recognized as tax revenues, 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 PSAS 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 Canadian PSAS PS3100; and
- Property taxation revenue be reported as revenue when received or receivable in accordance with PSAS PS3510.

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

(b) Reporting entity

The consolidated financial statements reflect the assets, liabilities, accumulated surplus, revenues, expenses and annual surplus of the reporting entity. The reporting entity comprises all organizations accountable for the administration of their financial affairs and resources to the Board and which are controlled by the Board.

1. Significant accounting policies (continued)

(b) Reporting entity (continued)

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

All material interdepartmental and inter-entity transactions and balances between these organizations are eliminated on consolidation.

(c) Trust funds

Trust funds and their related operations administered by the Board amounting to $506,681 ($451,549 in 2022), have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations, as they are not controlled by the Board.

(d) 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 will be recognized as revenue in the fiscal year the related qualifying expenses are incurred or services are performed.

(e) 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:

(i) Government transfers received or receivable for capital purpose;

(ii) Other restricted contributions received or receivable for capital purpose; and

(iii) Amounts previously recognized as property taxation revenues which were historically used to fund capital assets.

(f) Retirement and other employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include health and dental, retirement gratuity, worker's compensation, non-vesting accumulating sick leave, and early retirement incentive plan. The Board has adopted the following policies with respect to accounting for these employee benefits.

1. Significant accounting policies (continued)

(f) Retirement and other employee future benefits (continued)

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: ETFO, OSSTF, and OSSTF-EW. The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding daily occasional teachers), educational workers, other school board staff and retired individuals up to a school board's participation date in the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Starting June 1, 2017, the Board is no longer responsible to provide certain benefits to ETFO, OSSTF, and OSSTF-EW. Upon transition of the employee groups' health, dental and life benefit plans to the ELHT, school boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN) and additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

The Board continues to provide health, dental and life insurance benefits for retired individuals and the following employee groups: CEWAO(APPSP) and non-unionized employees including principals, vice principals, and continues to have a liability for payment of benefits for those who are on long-term disability and for some who are retired under these plans.

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, insurance and 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 future actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

(ii) For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for life insurance, dental and health care benefits for certain employees 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.

(iii) Actuarial gains and losses related to obligations for long-term disability are amortized over the expected average service life of the employee group.

(iv) The Board's contributions to multi-employer defined benefits pension plans, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are recorded in the period in which they become payable.

(v) The costs of insured benefits for active employees reflected in these consolidated financial statements are the Board's portion of insurance premiums owed for coverage of employees during the period.

1. Significant accounting policies (continued)

(g) Tangible capital assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, design, construction, development or betterment of the asset, as well as interest related to financing during construction. 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 class	Estimated useful life in years
Land improvments	15
Building and building improvments	40
Portable structures	20
Other buildings	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Leased equipment	Over lease term
Computer hardware	3
Computer software	5
Vehicles	5-15

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. One-half of the annual amortization is charged in the year of acquisition and the year of disposal.

Land permanently removed from service and held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service cease to be amortized. 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.

(h) Government transfers

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the year 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.

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

1. Significant accounting policies (continued)

(i) Investment income

Investment income earned is reported as revenue in the period earned. Investment income earned on externally restricted funds such as pupil accommodation and special education forms part of the respective deferred revenue balances.

(j) Long-term debt

Long-term debt includes debentures and Ontario Financing Authority ("OFA") loans which were arranged for financing the Board's capital projects or high priority renewal projects.

(k) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Trustees ("Trustees"). The budget approved annually 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 approved operating budget for 2022-23 is reflected on the consolidated statement of operations. The budget was approved on June 27, 2022.

(l) Property tax revenue

Under PSAS, 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. As a result, property tax revenue received from the municipalities is recorded as part of Provincial Grants.

(m) Use of estimates

The preparation of 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. Actual results could differ from these estimates. Estimates are reviewed periodically by management, and, as adjustments become necessary they are reported in the period in which they became known. Accounts subject to estimates include allowance for doubtful accounts receivable, accrued liabilities, retirement and other employee future benefits payable, useful lives of tangible capital assets and the recognition of deferred amounts related to capital contributions.

(n) Contributed materials

Contributed materials are recognized by the Board at the date of contribution when a fair value can be reasonably estimated.

2. Change in accounting policy – adoption of new accounting standards

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

PS 1201 – Financial Statement Presentation

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

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

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

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

Establishing fair value

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

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

PS 3450 – Financial Instruments (continued)

Fair value hierarchy

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

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

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

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

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

As the remeasurement gain (loss) resulting from the adoption of the above accounting standards is nominal to the financial statements of the Board, a Statement of Remeasurement Gains and Losses has not been prepared.

PS 3280 – Asset Retirement Obligations

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. When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

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

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

PS 3280 – Asset Retirement Obligations (continued)

The Board's ongoing efforts to assess the extent to which designated substances exist in Board assets, and new information obtained through regular maintenance and renewal of Board assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes 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 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.

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.

As a result of applying this accounting standard, an asset retirement obligation of $1,564,567 ($1,564,567 in 2022) 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 relate to leasehold improvements. The Board has restated the prior period based on a modified retroactive approach. The adoption of PS 3280 ARO was applied to the comparative period as follows:

	As previously reported $	ARO adjustments $	2022 Restated $
Consolidated statement of financial position			
Tangible capital assets including ARO	74,138,920	229,993	74,368,913
Asset retirement obligations	—	(1,564,567)	(1,564,567)
Accumulated surplus	13,250,849	(1,334,574)	11,916,275
Consolidated statement of change in net debt			
Net debt as at September 1, 2021	(61,396,893)	—	(61,396,893)
Change in net debt	348,538	(1,564,567)	(1,216,029)
Net debt as at August 31, 2022	(61,048,355)	(1,564,567)	(62,612,922)
Consolidated statement of operations			
Accumulated surplus as at September 1, 2022	13,250,849	(1,334,574)	11,916,275

3. Accounts receivable

Accounts receivable include tuition fees receivable from the First Nations as follows:

	Balance at August 31, 2022 $	**Invoices $**	**Payments $**	**Balance at August 31, 2023 $**
Aroland First Nation	437,481	**1,215,492**	**(1,652,973)**	**—**
Biinjitwaabek First Nation	(15,928)	**356,628**	**(340,700)**	**—**
Bingwi Neyaashi Anishinaabek	44,242	**135,922**	**(67,961)**	**112,203**
Ginoogaming First Nation	1,568,055	**965,203**	**(416,149)**	**2,117,109**
Marten Falls First Nation	1,030,409	**170,018**	**(223,096)**	**977,331**
Pays Plat First Nations	397,753	**358,850**	**(515,000)**	**241,603**
Pic Mobert First Nation	305,609	**555,025**	**(282,532)**	**578,102**
Pic River First Nations	16,398	**599,685**	**(340,700)**	**275,383**
Red Rock First Nation	534,901	**1,227,755**	**(1,385,381)**	**377,275**
Windigo Tribal Council	—	**33,239**	**(33,239)**	**—**
	4,318,920	**5,617,817**	**(5,257,731)**	**4,679,006**

4. Accounts receivable – Province of Ontario

The Province replaced variable capital funding with a one-time debt support grant in 2009-10. The Board recorded a one-time grant that recognizes capital debt as of August 31, 2010, that is supported by the existing capital programs. The Board will receive 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 reported receivables from the Province of Ontario, as Accounts receivable - Province of Ontario capital grants, of $10,719,253 as at August 31, 2023 ($12,187,331 in 2022) 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 of Education 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 of Education. The balance of delayed grant payments from the Government of Ontario included in Accounts receivable as at August 31, 2023 is $8,250,351 ($7,178,867 in 2022).

5. Investments

Investments are comprised of the following:

	Cost $	**Market value $**	Cost $	Market value $
Guaranteed investment certificates	**125**	**125**	125	125

6. Deferred revenue

Revenues received and 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 at August 31, 2022 $	**Increase $**	**Recognized $**	**Balance at August 31, 2023 $**
Pupil accommodation	779,180	**3,013,134**	**(1,548,111)**	**2,244,203**
Proceeds of disposition	51,444	**2,418**	**—**	**53,862**
Special education	28,699	**67,192**	**(95,891)**	**—**
Other	1,946,259	**6,484,378**	**(6,537,601)**	**1,893,036**
	2,805,582	**9,567,122**	**(8,181,603)**	**4,191,101**

7. Deferred capital contributions

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

	2023 $	2022 $
Balance, beginning of year	**71,372,537**	71,151,298
Capital grants recorded as deferred capital contributions	**1,858,634**	7,145,679
Revenue recognized during the year	**(7,425,193)**	(6,924,440)
Balance, end of year	**65,805,978**	71,372,537

8. Obligations under capital leases

The Board has obligations under various capital leases with expiries fiscal 2023/2024 and an interest rate of 1.51%. Principal and interest payments relating to capital lease obligations of $24,207 ($53,365 in 2022) outstanding as at August 31, 2023 are due as follows:

	Principal payment $	Interest $	Total $
2023/2024	24,207	5	24,212

9. Net long-term debt

Net long-term debt reported on the consolidated statement of financial position is comprised of the following:

	2023	2022
	$	$
4.56% Ontario Financing Authority, GPL 1	**705,747**	772,366
4.85% Ontario Financing Authority, GPL 2	**524,107**	564,927
5.01% Ontario Financing Authority, GPL 3	**675,988**	721,908
5.23% Ontario Financing Authority, GPL 4a	**1,453,694**	1,539,810
3.97% Ontario Financing Authority, GPL 4b	**1,022,531**	1,078,831
3.564% Ontario Financing Authority, GPL 4c	**3,954,182**	4,172,398
4.003% Ontario Financing Authority, GPL 4d	**688,175**	718,847
	9,024,424	9,569,087

On November 15, 2006, the Board entered into a loan agreement with the OFA to refinance $1,498,725 of the GPL Phase 1 outstanding at that time. The loan is repayable by semi-annual installments of principal and interest of $50,544 based on a 25 year amortization schedule and bears interest of 4.56%. The annual principal and interest costs will be funded by the Ministry.

On March 3, 2008, the Board entered into a loan agreement with the OFA to refinance $970,022 of the GPL Phase 2 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $34,004 based on a 25 year amortization schedule and bears interest of 4.85%. The annual principal, interest and administration costs will be funded by the Ministry.

On March 13, 2009, the Board entered into a loan agreement with the OFA to refinance $1,150,000 of the GPL Phase 3 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $40,944 based on a 25 year amortization schedule and bears interest of 5.01%. The annual principal, interest and administration costs will be funded by the Ministry.

On April 14, 2010, the Board entered into a loan agreement with the OFA to refinance $2,290,309 of the GPL Phase 3 and 4 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $82,784 based on a 25 year amortization schedule and bears interest of 5.23%. The annual principal, interest and administration costs will be funded by the Ministry.

On November 25, 2011, the Board entered into a loan agreement with the OFA to refinance $1,535,262 of the GPL Phase 4 and outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $49,288 based on a 25 year amortization schedule and bears interest of 3.97%. The annual principal, interest and administration costs will be funded by the Ministry.

On March 9, 2012, the Board entered into a loan agreement with the OFA to refinance $5,978,491 of the GPL Phase 4 and PTR Stage 1 and 2 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $182,497 based on a 25 year amortization schedule and bears interest of 3.564%. The annual principal, interest and administration costs will be funded by the Ministry.

On March 12, 2014, the Board entered into a loan agreement with the OFA to refinance $924,990 of the GPL Phase 1, 2, 3 and 4 outstanding at that time. The loan is repayable by semi-annual installments of principal, interest and administration fee of $29,572 based on a 25 year amortization schedule and bears interest of 4.003%. The annual principal, interest and administration costs will be funded by the Ministry.

9. Net long-term debt (continued)

Principal and interest payments relating to the net long-term debt of $11,690,265 ($13,046,508 in 2022) outstanding as at August 31, 2023 are due as follows:

	Principal Payment $	Interest $	Total $
2023/2024	568,022	371,242	939,264
2024/2025	592,410	346,855	939,265
2025/2026	617,870	321,394	939,264
2026/2027	644,454	294,811	939,265
2027/2028	672,210	267,055	939,265
Thereafter	5,929,458	1,064,484	6,993,942
	9,024,424	2,665,841	11,690,265

10. Retirement and other employee future benefits

Retirement and other employee future benefit liabilities

	Retirement benefits $	**Other employee future benefits $**	**2023 Total employee future benefits $**	2022 Total employee future benefits $
Accrued employee future benefit obligation	**508,580**	**45,674**	**554,254**	623,383
Unamortized actuarial loss	**(51,557)**	**—**	**(51,557)**	(86,089)
Accrued employee future benefit liability, end of year	**457,023**	**45,674**	**502,697**	537,294

The employee future benefits expense below excludes pension contributions to OMERS, a multi-employer pension plan, described below.

Actual benefit payments made during the year totaled $134,390 ($204,352 in 2022).

10. Retirement and other employee future benefits (continued)

Retirement and other employee future benefit expenses

	Retirement benefits $	Other employee future benefits $	2023 Total employee future benefits $	2022 Total employee future benefits $
Current year benefit cost (recovery)	**62,408**	**6,696**	**69,104**	(25,745)
Interest on accrued benefit obligation	**—**	**238**	**238**	13,585
Amortization of actuarial (gain) loss	**30,453**	**—**	**30,453**	18,079
Employee future benefits expenses (recovery)	**92,861**	**6,934**	**99,795**	5,919

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. 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 OMERS, a multi-employer pension plan (the "Plan"). The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board's contributions equal the employee contributions to the plan. During the year ended August 31, 2023, the Board contributed $812,483 ($796,783 in 2022) 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 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.

10. Retirement and other employee future benefits (continued)

Retirement benefits (continued)

(iv) Retirement life insurance and health care benefits

Retirement life insurance and health care benefits have been grandfathered to retirees who retired prior to August 31, 2013. Effective September 1, 2013, any new retiree accessing retirement life insurance and health care benefits will pay the full premiums for such benefits and will be included in a separate experience pool that is self-funded.

Employees are able to continue coverage for life insurance, dental and health care benefits after retirement until the members reach 65 years of age; however, the retirees pay a premium associated with this coverage.

(v) Sick leave accumulations

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up benefits received under the short term leave and disability plan in that year. The Board's liability related to compensated absences from sick leave accumulations has been reduced to a maximum of 11 unused sick leave days per eligible employee.

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.

Other employee future benefits

(i) Workplace Safety and Insurance Board Obligations ("WSIB")

The Board is a Schedule 1 employer under the *Workplace Safety and Insurance Act* (the "Act") and, as such, the Board insures all claims by its injured workers under the Act. The Board's insurance premiums for the year ended August 31, 2023, were $6,934 (($55,011) in 2022) and are included in the Board's current year benefit costs.

(ii) Long-term disability benefits

The Board provides long-term disability benefits including partial salary compensation and payment of life insurance premiums and health care benefits during the period an employee is unable to work or until their normal retirement date to employees up to the transition to the ELHT or to employees who are not yet members of an ELHT. 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 accrued benefit 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. The economic assumptions used in these valuations are the Board's best estimates of expected rates of:

Wages and salary escalation	0%
Inflation	2.00%
Medical cost escalation	0.00%
Discount rate on accrued benefit obligations	4.40%
Dental cost escalation	0.00%

11. Expenses by object

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

	Budget $	2023 Actual $	2022 Actual $ Restated (Note 2)
Salary and wages	**27,720,732**	**27,826,973**	26,973,441
Employee benefits	**4,760,202**	**5,227,647**	5,285,640
Staff development	**569,647**	**408,676**	365,988
Supplies and services	**4,146,957**	**4,807,120**	5,150,540
Rental expenses	**120,290**	**44,730**	24,225
Interest	**400,000**	**387,931**	476,916
Fees and contract services	**3,217,888**	**3,199,899**	3,438,101
Other	**332,344**	**491,710**	406,780
Transfers to Other Boards	**87,000**	**—**	—
Amortization of asset retirement obligation	**39,114**	**39,114**	—
Amortization of tangible capital assets	**7,680,935**	**7,517,682**	6,967,275
	49,075,109	**49,951,482**	49,088,906

12. Ontario School Board Insurance Exchange (“OSBIE”)

The Board participates, for its liability, property and automobile insurance, in the OSBIE, a reciprocal insurance company licensed under the *Insurance Act* that is funded by the member boards across Ontario. Liability insurance is available to a maximum of $20 million per occurrence.

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

13. Commitments and contingent liabilities

The Board is committed to various operating leases for premises and equipment which expires fiscal 2025/26. The aggregate minimum lease payments are as follows:

	Minimum lease payments $
2023/2024	27,701
2024/2025	27,701
2025/2026	14,937
	70,339

13. Commitments and contingent liabilities (continued)

The Board has been named as the defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable as at August 31, 2023, therefore, no provision has been made for these claims in the consolidated financial statements. Any losses arising from these actions will be recorded in the year that the related litigation is settled or it is determined that the claim is likely and a reasonable estimate can be made.

14. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received $1,718,287 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.

The flow-through of $128,014 ($128,014 in 2022) in respect of the above agreement for the year ended August 31, 2023, is not recorded in these consolidated financial statements.

15. Service contracts

(i) CFSA Approval with the Ministry of Training, Colleges and Universities

The Board has a Service Contract/CFSA Approval with the Ministry of Advanced Education and Skills Development. One requirement of the Service Contract/CFSA Approval is the production by Management of a report which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the Service Contract/CFSA Approval.

An external audit of this report shows the Ontario Youth Apprenticeship Program ("OYAP") services to be in a break-even position as at August 31, 2023 and therefore no amounts are repayable to the Ministry of Training, Colleges and Universities.

(ii) CFSA Approval with the Ministry of Children, Community and Social Services

The Board has a Service Contract/CFSA Approval with the Ministry of Community and Social Services. One requirement of the Service Contract/CFSA Approval is the production by Management of a report, TPAR, which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the Service Contract/CFSA Approval. This report shows the Teacher Diagnostician services ("ISNC") services to be in a break-even position as at August 31, 2023 and therefore no amounts are repayable to the Ministry of Children, Community and Social Services.

16. Tangible capital assets (continued)

	Cost Balance at August 31, 2022 $	ARO Adjustment $	Restated Cost Balance at August 31, 2022 $	**Additions $**	**Disposals, write-offs $**	**Cost Balance at August 31, 2023 $**
Land	2,019,997	—	2,019,997	**—**	**—**	**2,019,997**
Land improvements	6,171,177	—	6,171,177	**103,067**	**—**	**6,274,244**
Buildings	126,338,610	1,564,567	127,903,177	**2,107,608**	**—**	**130,010,785**
Equipment (5 years)	104,124	—	104,124	**—**	**—**	**104,124**
Equipment (10 years)	1,908,959	—	1,908,959	**28,137**	**(638,055)**	**1,299,041**
Equipment (15 years)	489,535	—	489,535	**—**	**—**	**489,535**
First time equipping	1,373,863	—	1,373,863	**—**	**—**	**1,373,863**
Furniture	8,371	—	8,371	**21,573**	**—**	**29,944**
Computer hardware	632,077	—	632,077	**191,498**	**(93,221)**	**730,354**
Computer software	—	—	—	**193,015**	**—**	**193,015**
Vehicles-<1 ton	79,241	—	79,241	**—**	**—**	**79,241**
Capital leases - other	533,528	—	533,528	**—**	**—**	**533,528**
	139,659,482	1,564,567	141,224,049	**2,644,898**	**(731,276)**	**143,137,671**

	Balance at August 31, 2022 $	ARO Adjustment $	Balance at August 31, 2022 $	**Amortization $**	**Disposals, write-offs $**	**Balance at August 31, 2023 $**	**2023 Net book value $**	2022 Net book value $
Land	—	—	—	**—**	**—**	**—**	**2,019,997**	2,019,997
Land improvements	4,976,257	—	4,976,257	**128,247**	**—**	**5,104,504**	**1,169,740**	1,194,919
Buildings	57,336,577	1,334,574	58,671,151	**6,789,903**	**—**	**65,461,054**	**64,549,731**	69,232,028
Equipment (5 years)	52,062	—	52,062	**20,825**	**—**	**72,887**	**31,237**	52,062
Equipment (10 years)	1,469,193	—	1,469,193	**160,400**	**(638,055)**	**991,538**	**307,503**	439,767
Equipment (15 years)	201,918	—	201,918	**26,572**	**—**	**228,490**	**261,045**	287,616
First time equipping	628,191	—	628,191	**137,386**	**—**	**765,577**	**608,286**	745,671
Furniture	1,254	—	1,254	**1,916**	**—**	**3,170**	**26,774**	7,117
Computer hardware	319,702	—	319,702	**228,315**	**(93,221)**	**454,796**	**275,558**	312,376
Computer software	—	—	—	**19,302**	**—**	**19,302**	**173,713**	—
Vehicles-<1 ton	79,241	—	79,241	**—**	**—**	**79,241**	**—**	—
Capital leases - other	456,167	—	456,167	**43,930**	**—**	**500,097**	**33,431**	77,360
	65,520,562	1,334,574	66,855,136	**7,556,796**	**(731,276)**	**73,680,656**	**69,457,015**	74,368,913

17. Asset Retirement Obligation

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

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

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

	2023 $	2022 $
Balance, beginnning of year	**1,564,567**	—
Opening adjustments for PSAS adjustment	**—**	1,564,567
Balance, end of year	**1,564,567**	1,564,567

18. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
	$	$
		Restated (Note 2)
Invested in tangible capital assets	**2,019,997**	2,019,997
School generated funds	**364,468**	410,694
Employee future benefits	**—**	(126,007)
Interest accrual	**(140,780)**	(140,780)
Asset retirement obligation	**(1,373,686)**	(1,334,572)
Working funds	**9,230,138**	9,159,483
Reserves and reserve funds	**3,243,300**	1,927,460
	13,343,437	11,916,275

Reserves and reserve funds set aside for specific purposes by the Board of Trustees consist of the following:

	2023	2022
	$	$
		Restated (Note 2)
Reserve and reserve funds		
Pupil accommodation - school renewal	**160,352**	160,352
Capital - equipment	**54,226**	51,992
Insurance	**16,575**	15,892
Pre-2010 benefit adjustment	**1,534,647**	1,470,851
Winning teams	**47,285**	47,285
Capital - project	**1,430,215**	181,088
	3,243,300	1,927,460

19. Transportation consortium

On June 16, 2008, the East Thunder Bay Transportation Consortium was created as a Membership Agreement between the Board and Conseil scolaire de district catholique des Aurores boreales, Counseil scolaire de district du Grand Nord de l'Ontario and Superior North Catholic 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 school boards. Under the agreement, decisions related to the financial and operating activities of East of Thunder Bay Transportation Consortium are shared. No partner is in a position to exercise unilateral control.

The Board's consolidated financial statements illustrate the Board's pro-rata share of revenues and expenses for the consortium. The Board's pro-rata share of expenditures for 2023 is 64.35% (64.03% in 2022) based on the number of transported students.

19. Transportation consortium (continued)

	2023 Total $	2023 Board portion $	2022 Total $	2022 Board portion $
Administrative cost	**229,100**	**136,759**	204,426	122,030
Student transportation	**2,581,976**	**1,672,180**	2,561,950	1,649,324
Total expenditure	**2,811,076**	**1,808,939**	2,766,376	1,771,354

20. Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by 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. As the Board only prepares a budget for the statement of operations, budget figures in the consolidated statement of change in net debt have not been provided.

The budget data presented in these consolidated financial statements is based upon the 2023 budgets approved by the Board on June 20, 2022. 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 and accumulated surplus.

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

As school boards only budget the consolidated statement of operations and accumulated surplus, the budget figures in the consolidated statement of changes 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.

20. Budget figures (continued)

	2023 Budget $	Adjustements $	2023 Restated Budget $
Revenue	**49,287,255**	**—**	**49,287,255**
Expenses	**49,035,995**	**—**	**49,035,995**
Amortization of TCA-ARO	**—**	**39,114**	**39,114**
Annual deficit	**251,260**	**(39,114)**	**212,146**
Accumulated surplus, beginning of year	**13,250,849**	**—**	**13,250,849**
Accumulated surplus PSAS adjustments	**—**	**—**	**(1,334,574)**
Accumulated surplus, as restated, beginning of year	**11,916,275**	**—**	**11,916,275**
Accumulated surplus, end of year	**12,167,535**	**(39,114)**	**12,128,421**