Consolidated financial statements of
Halton District School Board

August 31, 2023

Management Report	1
Independent Auditor’s Report	2–3
Consolidated statement of financial position	4
Consolidated statement of operations	5
Consolidated statement of cash flows	6
Consolidated statement of change in net debt	7
Notes to the consolidated financial statements	8–32

Deloitte LLP
Bay Adelaide East
8 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Management Report

Management's responsibility for the consolidated financial statements

The accompanying consolidated financial statements of the Halton 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 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 of Trustees. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Director of Education	Superintendent of Business Services And Treasurer
November 15, 2023	November 15, 2023

Deloitte.

Deloitte LLP
Bay Adelaide East
8 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor’s Report

To the Trustees of the
Halton District School Board

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Halton District School Board (the “Board”), which comprise the consolidated statement of financial position as at August 31, 2023, and the consolidated statements of operations, cash flows and change in net debt for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated 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 to the consolidated 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 of 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 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 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 Board’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
November 15, 2023

Halton District School Board

Consolidated statement of financial position

As at August 31, 2023

	Notes	2023 $	2022 $ (Restated see Note 2)
	29		
Financial assets			
Cash		**68,745,387**	62,427,095
Other deposits	27	**10,688,801**	—
Other investments	3	**18,750,000**	25,000,000
Accounts receivable		**63,136,564**	57,899,304
Accounts receivable - Government of Ontario	4	**248,500,950**	284,233,938
Assets held for sale	5	**—**	3,725,793
		409,821,702	433,286,130
Liabilities			
Accounts payable and accrued liabilities		**94,532,658**	86,319,444
Net long-term debt	7	**196,499,039**	211,132,689
Deferred revenue	9	**37,971,735**	46,042,749
Employee benefits payable	13	**21,312,688**	22,322,702
Deferred capital contributions	10	**696,820,941**	680,433,755
Asset retirement obligations	2 and 11	**69,159,145**	63,978,432
		1,116,296,206	1,110,229,771
Net debt		**(706,474,504)**	(676,943,641)
Non-financial assets			
Prepaid expenses		**4,139,685**	4,175,997
Tangible capital assets	2 and 14	**1,046,159,381**	963,130,343
		1,050,299,066	967,306,340
Contractual obligations and contingent liabilities	21		
Accumulated surplus	2 and 15	**343,824,562**	290,362,699

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

Approved by the Board

A Collard ______________________, Chair of the Board

______________________, Director of Education

Halton District School Board
Consolidated statement of operations
Year ended August 31, 2023

	Notes	2023 Budget $ (see Note 22)	2023 Actual $	2022 Actual $ (Restated)
Revenue				
Grants for Student Needs				
Provincial legislative grants	16	**537,007,887**	**546,350,229**	511,142,145
Education property tax	16	**269,862,264**	**271,357,627**	265,509,758
Provincial grants – other	17 and 18	**6,378,579**	**16,080,462**	30,633,574
School generated funds		**20,000,000**	**17,423,028**	8,243,420
Federal grants and fees		**1,968,893**	**3,256,212**	2,150,477
Investment income		**877,000**	**3,577,352**	1,329,192
Other fees and revenues from school boards		**—**	**—**	849,386
Fees and revenues from other sources		**30,435,775**	**67,916,700**	31,839,377
		866,530,398	**925,961,610**	851,697,329
Expenses				
Instruction		**657,255,666**	**658,283,916**	641,048,762
Administration		**18,020,333**	**18,919,957**	17,279,818
Transportation		**21,321,659**	**21,404,455**	19,881,070
Pupil accommodation		**122,258,161**	**125,745,297**	118,938,669
School generated funds		**20,000,000**	**16,441,108**	8,004,685
Other		**17,486,212**	**31,705,014**	32,838,536
	19	**856,342,031**	**872,499,747**	837,991,540
Annual surplus		**10,188,367**	**53,461,863**	13,705,789
Accumulated surplus at beginning of year as previously reported		**331,317,641**	**331,317,641**	317,028,516
Adjustment on first time adoption of PS 3280	2	**(40,954,942)**	**(40,954,942)**	(40,371,606)
Accumulated surplus at beginning of year, as adjusted	2	**290,362,699**	**290,362,699**	276,656,910
Accumulated surplus at end of year	2 and 15	**300,551,066**	**343,824,562**	290,362,699

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

Halton District School Board
Consolidated statement of cash flows
Year ended August 31, 2023

	Notes	2023 $	2022 $ (Restated)
Operating transactions			
Annual surplus		**53,461,863**	13,705,789
Non-cash items including			
Amortization and write-downs of tangible capital assets	14	**40,775,879**	37,945,455
Amortization on tangible capital assets - asset retirement obligation	14	**1,834,910**	1,542,204
Net asset retirement obligation liability extinguished	11	**(2,507,149)**	—
Deferred capital contributions revenue	9	**(39,946,394)**	(37,142,379)
Deferred gain on sale of restricted assets		**(179,651)**	—
Other deposits		**(10,688,801)**	—
Other investments	3	**—**	—
Net change in non-cash working capital balances			
Accounts receivable - other		**(5,237,260)**	(8,806,094)
Assets held for sale	5	**3,725,793**	7,825,473
Accounts receivable – delayed grant payment	4	**12,601,586**	13,012,150
Accounts payable and accrued liabilities		**8,213,214**	(3,209,694)
Deferred revenues – operating	9	**(58,787)**	909,769
Employee benefits payable		**(1,010,014)**	(617,302)
Prepaid expenses		**36,312**	(152,287)
Settlement of asset retirement liability through abatement	11	**(931,723)**	(958,868)
		60,089,778	24,054,216
Capital transaction			
Proceeds on sale of tangible capital assets		**180,104**	—
Cash used to acquire tangible capital assets	14	**(117,020,695)**	(76,100,844)
		(116,840,591)	(76,100,844)
Investing transaction			
Net proceeds (purchase) of investments	3	**6,250,000**	(25,000,000)
Financing transactions			
Debt repaid		**(14,633,650)**	(13,969,707)
Decrease in accounts receivable – Government of Ontario - Approved capital	4	**23,131,402**	17,042,069
Net additions to deferred capital contributions	10	**56,333,580**	63,820,898
Net (decrease) increase to deferred revenue – capital	9	**(8,012,227)**	25,892,941
		56,819,105	92,786,201
Change in cash		**6,318,292**	15,739,573
Cash, beginning of year		**62,427,095**	46,687,522
Cash, end of year		**68,745,387**	62,427,095

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

	Notes	2023 $	2022 $ (Restated)
Annual surplus		**53,461,863**	13,705,789
Tangible capital asset activities			
Acquisition of tangible capital assets and addition of TCA-ARO	14	**(117,020,695)**	(76,100,844)
capital asset disposals			—
Amortization of tangible capital assets	14	**42,610,789**	39,487,659
Net book value of tangible capital asset disposals		**453**	—
Revaluation of TCA-ARO due to inflation	11	**(8,619,585)**	—
		(83,029,038)	(32,887,392)
Other non-financial asset activities			
Acquisition of prepaid expenses		**(4,424,429)**	(4,433,430)
Use of prepaid expenses		**4,460,741**	4,281,143
		36,312	(152,287)
Change in net debt		**(29,530,863)**	(19,333,890)
Net debt at beginning of year, as previously reported		**(612,965,209)**	(592,672,451)
Adjustment on first time adoption of PS 3280	2	**(63,978,432)**	(64,937,300)
Net debt at beginning of year, as adjusted	2	**(676,943,641)**	(657,609,751)
Net debt at end of year		**(706,474,504)**	(676,943,641)

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

1. Significant accounting policies

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

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, including amounts previously recognized as tax revenue, 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 consolidated statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

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 Halton District School Board ("the Board") and which are controlled by the Board.

- Halton Student Transportation Services ("HSTS"); and
- 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.

1. Significant accounting policies (continued)

Reporting entity (continued)

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

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.

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	Amortized cost
Other deposits	Amortized cost
Guaranteed Investment Certificates	Amortized cost
Accounts receivable	Amortized cost
Accounts payable	Amortized cost
Net long-term debt	Amortized cost

Amortized cost: Amounts are measured using the effective interest 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.

Fair value category: The Board manages and reports performance for groups of financial assets on a fair value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. The Board does not have any financial instruments in the fair value category.

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.

1. Significant accounting policies (continued)

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.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and demand deposits.

Investments

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

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

The Board has Other Investments in guaranteed investment certificates.

Deferred revenue

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

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, is recognized as deferred capital contribution as defined in Ontario Regulation 395/11 of the *Financial Administration Act*.

1. Significant accounting policies (continued)

Deferred capital contributions (continued)

These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

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

Retirement and other future benefits

The Board provides defined retirement, post retirement and workers' safety insurance benefits to specified employee groups. These benefits include pension, retirement gratuity, health and dental, workers' safety insurance benefits, carry-over sick leave and long-term disability benefits.

(a) Employee Life and Health Trusts

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, a number of Employee Life and Health Trusts (ELHTs) were established. The ELHTs provide health, life and dental benefits to teachers, education workers and other school board staff and retired individuals starting with a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario.

The Board's employees belong to the following ELHTs: Elementary Teachers' Federation of Ontario (ETFO), Elementary Teachers' Federation of Ontario Education Workers (ETFO-EW), Ontario Secondary School Teachers' Federation (OSSTF), Ontario Secondary School Teachers' Federation Education Workers (OSSTF-EW), Education Workers' Alliance of Ontario (EWAO), Canadian Union of Public Employees (CUPE), Education Council of Associations for Benefits (ECAB), and ONE-T for non-unionized employees including Principals and Vice-Principals.

The Board is no longer responsible to provide these benefits to ETFO, OSSTF, OCTU (under OSSTF-EW), PSSP (under OSSTF-EW), DECE (under ETFO-EW), CUPE, HDEAA (under EWAO), Principals and Vice-Principals and non-unionized employees.

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. School boards are required to remit the negotiated amount per full-time equivalency (FTE) on a monthly basis.

The Board continues to provide health and dental benefits for retired individuals in certain employee groups and continues to have a liability for payment of benefits for individuals who are retired under these plans.

(b) Retirement gratuity plan, sick leave plan, and post-retirement health and dental plan

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 benefits 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.

1. Significant accounting policies (continued)

Retirement and other future benefits (continued)

(b) *Retirement gratuity plan, sick leave plan, and post-retirement health and dental plan (continued)*

(ii) In prior years, the cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee were actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. As a result of the plan change, the cost of retirement gratuities were 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. The changes resulted in a plan curtailment and any unamortized actuarial gains and losses were recognized as at August 31, 2012. 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 accumulate over the periods of service provided by employees, such as post-retirement health and dental benefits, the cost is actuarially determined using the projected benefit method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. The changes to the post-retirement health and dental plan resulted in a plan curtailment and any unamortized actuarial gains and losses associated with the employees impacted by the change were recognized as at August 31, 2012.

For those self-insured benefit obligations that arise from specific events that occur periodically, such as obligations for workers' compensation, 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) The costs of multi-employer defined pension benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period.

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

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.

1. Significant accounting policies (continued)

Tangible capital assets (continued)

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

Asset	Estimated useful life in years
Land improvements with finite lives	15
Buildings	40
Other buildings	20
Portable structures	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer software	5
Leasehold improvements – buildings	5
Computer hardware	3

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.

Government transfers

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

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

Contributed materials

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

1. Significant accounting policies (continued)

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.

Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees of the Halton District School Board. 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. Budget figures in the consolidated statement of change in net debt have not been provided.

Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant estimates include employee future benefits, certain accruals, useful lives of tangible capital assets and asset retirement obligations. Actual results could differ from these estimates.

Education Property tax revenue

Under Canadian Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the financial statements, which in the case of the Board, is the Province of Ontario. As a result, education property tax revenue received from the municipalities is recorded as part of Grants for Student Needs, under Education Property Tax on the consolidated statement of operations.

2. 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, if needed, 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.

2. Adoption of new accounting standards (continued)

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.

The adoption of these standards had no significant impact on the financial statements of the Board. Given the immaterial impact, no Statement of Remeasurement Gains and Losses has been included in the financial statements in the current year.

PS 3280 Asset Retirement Obligations (ARO)

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 as at September 1, 2021.

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. 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. Adoption of new accounting standards (continued)

PS 3280 Asset Retirement Obligations (ARO) (continued)

The Board's ongoing efforts to assess the extent to which designated substances exist in board assets, and new information obtained through regular maintenance and renewal of board assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to in the estimated cost to fulfil the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in a change 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.

As a result of applying this accounting standard, an asset retirement obligation of $69,159,145 ($63,978,432 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. The Board has restated the September 1, 2021 accumulated surplus and 2022 amounts to reflect the modified retrospective transition approach. The adoption of PS 3280 ARO was applied to the comparative period as follows:

	As previously reported $	Adjustments $	2022 As restated $
Consolidated statement of financial position			
Tangible capital assets including ARO	940,106,853	23,023,490	963,130,343
Asset retirement obligation liability	—	(63,978,432)	(63,978,432)
Accumulated surplus as at August 31, 2022	331,317,641	(40,954,942)	290,362,699
Consolidated statement of change in net debt			
Net debt as at September 1, 2021	(592,672,451)	(64,937,300)	(657,609,751)
Change in net debt	(20,292,758)	958,868	(19,333,890)
Net debt as at August 31, 2022	(612,965,209)	(63,978,432)	(676,943,641)
Consolidated statement of operations			
Accumulated surplus as at September 1, 2021	317,028,516	(40,371,606)	276,656,910
Amortization of TCA including ARO	(37,945,455)	(1,542,204)	(39,487,659)
Abatement of ARO	—	958,868	958,868
Annual surplus	14,289,125	(583,336)	13,705,789

3. Investments

Other investments are comprised of Guaranteed Investment Certificates (GICs) and consist of the following:

	Issue date $	Maturity date $	Interest rate %	2023 Principal amount $
Guaranteed investment certificate	**January 16, 2023**	**January 16, 2024**	**5.24**	**6,250,000**
Guaranteed investment certificate	**January 16, 2023**	**January 16, 2024**	**5.24**	**6,250,000**
Guaranteed investment certificate	**January 16, 2023**	**July 15, 2024**	**5.00**	**6,250,000**
				18,750,000

	Issue date $	Maturity date $	Interest rate %	2022 Principal amount $
Guaranteed investment certificate	March 11, 2022	September 7, 2022	1.96	6,250,000
Guaranteed investment certificate	March 11, 2022	January 17, 2023	1.96	6,250,000
Guaranteed investment certificate	March 11, 2022	January 16, 2023	1.96	6,250,000
Guaranteed investment certificate	March 11, 2022	January 16, 2023	1.96	6,250,000
				25,000,000

4 Accounts receivable – Government of Ontario

Capital grants

The Province of Ontario (the "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 $220,460,390 as at August 31, 2023 ($243,591,792 in 2022) with respect to capital grants.

Operating grants

The Ministry of Education (the "Ministry") 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 form the Government of Ontario at August 31, 2023 is $28,040,560 ($40,642,146 in 2022).

5. Assets held for sale

As of August 31, 2023, nil ($3,620,130 in 2022) related to buildings, nil ($30,466 in 2022) related to land improvements and nil ($75,197 in 2022) related to land were recorded as assets held for sale. During the year, one property with a net book value of $3,725,793 was sold. Net proceeds of $29,317,682 ($28,558,637 in 2022) were received on the sale of this property, which had a carrying value of $3,725,793 ($7,825,473 in 2022), resulting in a gain of $25,591,889 ($20,733,164 in 2022). $25,591,889 ($20,773,164 in 2022) of that gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.

6. Temporary borrowing

The Board's banking resolutions allow aggregate borrowings to the maximum of $135 million. The Board has credit facilities available to the maximum of $100 million with a Canadian chartered bank to address operating requirements, bridge capital expenditures and education development charges outstanding. As at August 31, 2023, the amount drawn was nil (nil in 2022).

7. Net long-term debt

Net long-term debt reported on the consolidated statement of financial position is comprised of Ontario Financing Authority (OFA) and Ontario School Boards Financing Corporation (OSBFC) debentures as follows:

	2023 **$**	2022 $
Debentures		
OSBFC, Series 2003-A2, 5.800%, maturing November 2028	**9,994,015**	11,496,979
OSBFC, Series 2004-A1, 5.483%, maturing November 2029	**16,194,250**	18,218,068
OSBFC, Series 2005-A1, 4.789%, maturing August 2030	**4,898,544**	5,475,061
	31,086,809	35,190,108
OFA, Bylaw 06090, 4.560%, maturing November 2031	**9,532,667**	10,432,508
OFA, Bylaw 08012, 4.900%, maturing March 2033	**20,819,637**	22,441,163
OFA, Bylaw 09037, 5.062%, maturing March 2034	**715,133**	763,712
OFA, Bylaw 09036, 5.062%, maturing March 2034	**3,868,162**	4,130,923
OFA, Bylaw 09125, 5.384%, maturing May 2034	**6,027,202**	6,420,003
OFA, Bylaw 10052, 5.232%, maturing May 2035	**8,363,719**	8,859,181
OFA, Bylaw 10107, 4.947%, maturing May 2035	**13,184,437**	13,972,876
OFA, Bylaw 11034, 4.833%, maturing March 2035	**13,113,305**	13,837,352
OFA, Bylaw 11155, 3.970%, maturing November 2036	**10,623,977**	11,208,929
OFA, Bylaw 12024, 3.564%, maturing March 2037	**13,132,183**	13,856,899
OFA, Bylaw 13030, 3.799%, maturing March 2038	**35,030,309**	36,760,014
OFA, Bylaw 13120, 4.037%, maturing October 2028	**7,625,577**	8,850,637
OFA, Bylaw 14025, 4.003%, maturing March 2039	**21,117,121**	22,058,326
OFA, Bylaw 15010, 2.993%, maturing March 2040	**930,586**	972,624
OFA, Bylaw 16024, 3.242%, maturing March 2041	**134,251**	139,739
OFA, Bylaw 17020, 3.594%, maturing March 2042	**1,193,964**	1,237,695
	165,412,230	175,942,581
Net long-term liabilities	**196,499,039**	211,132,689

7. Net long-term debt (continued)

Of the net long-term debt outstanding of $196,499,039, principal plus interest payable over the next five years and subsequent payments to maturity are as follows:

	Principal $	Interest $	Total $
2023/24	15,329,885	8,707,791	24,037,676
2024/25	16,060,023	7,977,653	24,037,676
2025/26	16,825,748	7,211,928	24,037,676
2026/27	17,628,833	6,408,843	24,037,676
2027/28	18,471,140	5,566,536	24,037,676
Total	84,315,629	35,872,751	120,188,380
Thereafter	112,183,410	20,620,089	132,803,499
Net long-term liabilities	196,499,039	56,492,840	252,991,879

Interest on long-term debt amounted to $9,404,028 ($10,067,969 in 2022) (Note 8).

8. Debt charges and capital loan interest

Debt charges and capital loan interest includes principal and interest payments as follows:

	2023 **$**	2022 $
Principal payments on long-term debt	**14,633,650**	13,969,707
Interest payments on long-term debt	**9,404,028**	10,067,969
Interest payments on temporary financing of capital projects	**191,604**	259,121
	24,229,282	24,296,797

9. Deferred revenue

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

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

	Balance as at August 31, 2022 $	Externally restricted revenue $	Revenue recognized in the period $	Transfers to deferred capital contributions $	**Balance as at August 31, 2023** **$**
Special education	1,334,397	97,579,999	97,436,784	—	**1,477,612**
Legislative grants	418,988	40,749,230	37,733,794	2,002,901	**1,431,523**
Other provincial grants	—	301,207	301,207	—	**—**
Other Ministry of Education grants	1,493,433	14,571,882	15,598,676	—	**466,639**
School renewal	9,067,756	10,578,590	4,314,924	9,768,920	**5,562,502**
Education development charges	4,156,712	29,601,018	33,757,730	—	**—**
Other third party	29,902	5,654,721	4,987,823	681,306	**15,494**
Assets held for sale	3,505,924	(3,505,924)	—	—	**—**
Proceeds (costs) of disposition	26,035,637	29,663,302	22,641,640	4,039,334	**29,017,965**
Total deferred revenue	46,042,749	225,194,025	216,772,578	16,492,461	**37,971,735**

10. 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	**680,433,755**	653,755,236
Net additions to deferred capital contributions	**56,333,580**	63,820,898
Revenue recognized in the period	**(39,946,394)**	(37,142,379)
Balance, end of year	**696,820,941**	680,433,755

11. Asset retirement obligations

The Board has adopted PS 3280 with an effective date of September 1, 2022 with a retrospective restatement of prior year amounts as at September 1, 2021.

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	**63,978,432**	—
Adjustment on first time adoption of PS 3280	**—**	64,937,300
Liabilities incurred during the year	**46,806**	—
Revaluation of ARO liability due to inflation	**8,619,585**	—
Liabilities settled during the year due to abatement	**(931,723)**	(958,868)
Liabilities settled during the year due to sale of asset held for sale	**(2,553,955)**	—
Liabilities for asset retirement obligations at end of year	**69,159,145**	63,978,432

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 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. The revaluation adjustment has also been added to the Tangible capital assets -Asset retirement obligation to be amortized over the remaining useful life of the underlying asset. Further evaluation was done on the Board's liability balances as at August 31, 2023, and no further adjustments were recorded as at August 31, 2023.

12. Financial instruments

There was no adjustment to the opening remeasurement gains and losses on the fair value of derivative assets and liabilities, portfolio investments or foreign exchange.

The Board does not measure any financial instruments at fair value.

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

Market risk

The Board is exposed to interest rate risk and price risk with regard to its GICs and interest rate risk on its long-term debt, all of which are regularly monitored.

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.

13. Retirement and other employee future benefits

	Retirement gratuities $	Post retirement benefits $	Work place safety insurance board %	Sick leave top-up benefits $	2023 Total employee future benefits %	2022 Total employee future benefits $
Accrued employee future benefit obligation	**8,237,834**	**277,193**	**11,706,015**	**735,713**	**20,956,755**	22,114,551
Unamortized actuarial gains	**355,933**	**—**	**—**	**—**	**355,933**	208,151
Employee future benefits liability	**8,593,767**	**277,193**	**11,706,015**	**735,713**	**21,312,688**	22,322,702
Recognition of unamortized actuarial losses (gains)	**97,910**	**(9,012)**	**—**	**(253,410)**	**(164,512)**	361,893
Current year benefit cost	**—**	**—**	**3,154,263**	**735,713**	**3,889,976**	4,675,277
Interest on accrued benefit obligation	**344,684**	**12,346**	**377,173**	**—**	**734,203**	370,954
Employee future benefits expense	**442,594**	**3,334**	**3,531,436**	**482,303**	**4,459,667**	5,408,124

Above amounts exclude pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

13. Retirement and other employee future benefits (continued)

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2023. These valuations take into account any plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2023 %	2022 %
Inflation		
Retirement gratuities	**2.00**	2.00
Healthcare cost escalation		
Dental	**5.00**	5.00
Health	**5.00**	5.00
Discount on accrued benefit obligations	**4.40**	3.90

Ontario Teachers' Pension Plan

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

During the year ended August 31, 2023, the employee contributions to this plan were $48,993,048 ($48,228,869 in 2022).

Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of 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 $10,127,821 ($9,432,379 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, as these obligations are a direct responsibility of OMERS.

Retirement gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's Consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012. Retirement gratuities expensed amounted to $442,594 ($644,330 in 2022).

Post-retirement benefits

The Board continues to provide post-retirement health and dental benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board experience and retirees' premiums are subsidized by the board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Employees retiring on or after August 12, 2021, no longer qualify for board subsidized premiums or contributions.

13. Retirement and other employee future benefits (continued)

Healthcare spending account

The Board also provides additional supplemental benefits in the form of a healthcare spending account ("HCSA") of $3,000 per year for all eligible members of the Senior Officers group who retired before August 13, 2021, until age 65.

Other employee future benefits

Workplace Safety Insurance Board

The Board is a Schedule 2 employer under the *Workplace Safety and Insurance Act* ("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 4½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreements negotiated prior to 2012 included such provisions.

Occurrences between $1,000,000 and $25,000,000 are insured under third party insurance coverage. The Board participates in the Workers' Compensation Assistance Program with the School Boards' Co-operative Inc. (SBCI). For an annual fee, this program provides funds to Participating Members that incur claim costs on any workers' compensation incident between $500,000 and $1,000,000. The Board is self-insured for all other occurrences.

As of August 31, 2023, these obligations, as actuarially determined, amounted to $11,706,015 ($11,167,628 in 2022) and are included in Employee future benefits payable.

The change in this amount from the previous year has been reflected in the consolidated statement of operations.

Long-term disability salary compensation

The costs of salary compensation paid to employees on long-term disability leave are fully insured and are not included in the defined benefit plan.

Sick leave top-up benefits

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 salary for illnesses paid through the short-term leave and disability plan in that year. The benefit recoveries recorded in the consolidated statement of operations are $118,822 (benefit recoveries of $23,584 in 2022).

For accounting purposes, the accrued benefit obligation for the sick leave top-up is based on an actuarial assumption about future events determined as at August 31, 2023 and is based on the average daily salary and banked sick days of employees as at August 31, 2023.

14. Tangible capital assets

	Cost August 31, 2022, as previously reported	Adjustment for PS3280	Cost August 31, 2022, as adjusted	Additions and betterments	Disposals	Transfers to/from construction in progress	Write downs	Transfer to assets held for sale	Revaluation of TCA-ARO	Cost August 31, 2023
	$	$	$	$	$	$	$	$	$	$
Land	252,038,461	—	252,038,461	59,122,608	(453)	302,742	—	—		311,463,358
Land improvements	61,311,553	158,220	61,469,773	7,578,489	—	—	—	—	22,230	69,070,492
Buildings (40 yrs)	930,807,892	61,266,257	992,074,149	32,541,203	—	48,423,209	—	—	8,597,355	1,081,635,916
Other buildings	112,268	—	112,268	—	—	—	—	—	—	112,268
Portable structures	10,915,066	—	10,915,066	—	(1,969,827)	—	—	—	—	8,945,239
Construction in progress	52,479,170	—	52,479,170	13,529,013	—	(48,054,049)	—	—	—	17,954,134
Pre-acquisition costs - land	445,804	—	445,804	65,337	—	(302,742)	—	—	—	208,399
Pre-acquisitions costs - buildings	552,289	—	552,289	1,056,131	—	(369,160)	—	—	—	1,239,260
Equipment (5 years)	765,201	—	765,201	161,349	(168,469)	—	—	—	—	758,081
Equipment (10 years)	4,518,633	—	4,518,633	340,582	(214,472)	—	—	—	—	4,644,743
Equipment (15 years)	2,186,275	—	2,186,275	81,319	—	—	—	—	—	2,267,594
First time equipping	12,037,815	—	12,037,815	418,810	(2,939,176)	—	—	—	—	9,517,449
Furniture	667,028	—	667,028	42,846	(18,228)	—	—	—	—	691,646
Computer hardware	12,240,435	—	12,240,435	1,583,008	(2,061,595)	—	—	—	—	11,761,848
Computer software	86,406	—	86,406	—	(86,406)	—	—	—	—	—
Leasehold improvements - buildings	1,511,590	—	1,511,590	500,000	—	—	—	—	—	2,011,590
	1,342,675,886	61,424,477	1,404,100,363	117,020,695	(7,458,626)	—	—	—	8,619,585	1,522,282,017

14. Tangible capital assets (continued)

	Cost August 31, 2022, as previously reported $	Adjustment for PS3280 $	Cost August 31, 2022, as adjusted $	Amortization $	Disposals, write downs, revaluation of TCA-AROs, additions and transfers $	Transfers to assets held for sale $	Accumulated amortizat ion August 31, 2023 $	Net book value 2023 $	Net book value 2022, as adjusted $
Land	—	—	—	—	—	—	—	311,463,358	252,038,461
Land improvements	27,487,839	5,274	27,493,113	4,140,857	—	—	31,633,970	37,436,522	33,976,660
Buildings (40 yrs)	352,456,485	38,395,713	390,852,198	31,694,241	—	—	422,546,439	659,089,477	601,221,951
Other buildings	47,712	—	47,712	5,613	—	—	53,325	58,943	64,556
Portable structures	5,205,243	—	5,205,243	502,069	(1,969,827)	—	3,737,485	5,207,754	5,709,823
Construction in progress	—	—	—	—	—	—	—	17,954,134	52,479,170
Pre-acquisition costs - land	—	—	—	—	—	—	—	208,399	445,804
Pre-acquisitions costs - buildings	—	—	—	—	—	—	—	1,239,260	552,289
Equipment (5 years)	370,521	—	370,521	152,328	(168,469)	—	354,380	403,701	394,680
Equipment (10 years)	2,479,789	—	2,479,789	458,169	(214,472)	—	2,723,486	1,921,257	2,038,844
Equipment (15 years)	934,565	—	934,565	148,462	—	—	1,083,027	1,184,567	1,251,710
First time equipping	6,708,252	—	6,708,252	1,077,763	(2,939,176)	—	4,846,839	4,670,610	5,329,563
Furniture	342,808	—	342,808	67,934	(18,228)	—	392,514	299,132	324,220
Computer hardware	5,815,222	—	5,815,222	4,027,869	(2,061,595)	—	7,781,496	3,980,352	6,425,213
Computer software	77,764	—	77,764	8,642	(86,406)	—	—	—	8,642
Leasehold improvements - buildings	642,833	—	642,833	326,842	—	—	969,675	1,041,915	8 68,757
	402,569,033	38,400,987	440,970,020	42,610,789	(7,458,173)	—	476,122,636	1,046,159,381	963,130,343

14. Tangible capital assets (continued)

(a) Assets under construction

Assets under construction which include construction in progress, pre acquisition costs – land and pre-acquisition costs – building for a total value of $19,401,793 ($53,477,263 in 2022) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(a) Write-down of tangible capital assets

The write-down of tangible capital assets during the year was $200,822 (nil in 2022).

(b) During the year, a portion of a parcel of land with book value of $453 (nil in 2022) was sold. Net proceeds of $180,104 (nil in 2022) were received on the sale of this property, resulting in a gain of $179,651 (nil in 2022). $179,651 (nil in 2022) of that gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.

15. Accumulated surplus

Accumulated surplus consists of the following:

	2023 $	2022 $ (Restated)
Non-designated surplus	**13,027,518**	14,365,020
Amounts internally restricted for future use of the Board		
Other operating	**18,576,598**	21,897,249
Accommodation	**32,661,913**	32,948,177
Committed capital projects and sinking fund interest	**7,812,113**	8,050,002
	59,050,624	62,895,428
Unavailable for compliance		
Asset retirement obligation	**(39,304,175)**	(40,954,942)
Interest accrual	**(2,537,917)**	(2,733,829)
	(41,842,092)	(43,688,771)
Revenue recognized for land		
Land (Note 14)	**311,463,358**	252,038,461
Pre-acquisition costs land (Note 14)	**208,399**	445,804
Assets held for sale (Note 5)	**—**	75,197
Education development charges outstanding (i)	**(3,296,726)**	—
	308,375,031	252,559,462
School generated funds	**5,213,481**	4,231,560
Total accumulated surplus	**343,824,562**	290,362,699

(i) The *Education Act*, Part IX, Division E and Ontario Regulation 20/98 (amended by Ontario Regulation 95/02) provide requirements for determining a board's eligibility to impose Education Development Charges ("EDC") on new development, and the calculation of these charges. The accumulated eligible education development charge expenditures may be financed through cash and cash equivalents or temporary borrowing on the consolidated statement of financial position. Interest on education development charges outstanding amounted to nil ($301 in 2022).

16. Grants for student needs

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. Approximately 88.31% (91.19% in 2022) 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	**546,350,229**	511,142,145
Education property tax	**271,357,627**	265,509,758
Grants for student needs	**817,707,856**	776,651,903

17. Ministry of Labour, Immigration, Training and Skills Development funding

The Board has a transfer payment agreement with the Ministry of Labour, Immigration, Training and Skills Development ("MLITSD") to provide Adult Non-Credit Language Training in the form of English as a Second Language ("ESL") and French as a Second Language ("FSL").

A requirement of the agreement with MLITSD is to provide audited financial statements for the funding year, including a schedule of revenue and expenses related to the agreement. The following is a breakdown of the revenue and expenses related to the Adult Non-Credit Language Training Program for the year ended August 31, 2023:

	2023	2022
	$	$
Program revenue		
Funds received	**524,571**	602,600
Program expenses		
Salaries and benefits	**464,969**	477,594
Classroom resources	**7,661**	4,104
Cleaning, phone and other expenses	**9,065**	17,436
Administration fee	**76,724**	90,390
	558,419	589,524
(Deficiency) excess of revenue over expenses	**(33,848)**	13,076

18. 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 $140,592 ($11,989,575 in 2022) with expenses based on use of $140,592 ($11,989,575 in 2022) for a net impact of nil (nil in 2022).

19. Expenses by object

The following is a summary of expenses reported in the consolidated statement of operations by object:

	Budget, as adjusted $	**2023 Actual $**	2022 Actual $
	(Note 22)		(Restated)
Salary and wages	**564,163,426**	**568,783,841**	555,300,460
Employee benefits	**102,715,379**	**102,013,562**	99,333,892
Staff development	**4,263,587**	**5,376,489**	3,690,987
Supplies and services	**68,975,855**	**64,069,614**	51,085,349
Interest charges on capital	**9,499,116**	**9,399,720**	10,160,642
Rental expenses	**125,500**	**592,672**	139,566
Fees and contract services	**46,493,189**	**47,078,263**	45,480,893
Other	**18,119,450**	**32,574,797**	33,312,092
Amortization and write-downs of tangible capital assets and tangible capital assets-asset retirement obligations	**41,986,529**	**42,610,789**	39,487,659
	856,342,031	**872,499,747**	837,991,540

20. 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 $27 million per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2022, were $1,307,396 ($1,222,482 in 2021). 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.

20. Ontario School Board Insurance Exchange ("OSBIE") (continued)

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

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

21. Contractual obligations and contingent liabilities

(a) The Board has the following annual lease and contract commitments over the next 5 years with respect to furniture, equipment, computer hardware and software, construction, and portables, totaling $45,771,969 ($34,784,906 in 2022).

	$
2024	29,496,494
2025	10,736,810
2026	4,347,064
2027	707,973
2028	402,717
Thereafter	80,911
	45,771,969

(b) As of August 31, 2023, the Board had guarantees outstanding of $2,222,970 ($1,465,679 in 2022) relating to construction projects in progress.

(c) In the normal course of operations, the Board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2023 cannot be predicted with certainty, it is in the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operations.

22. Budget reconciliation

The 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, revaluation and abatement adjustments), 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.

22. Budget reconciliation (continued)

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.

	Budget, as approved	Adjustments	2023 Budget, as adjusted
Revenues	**866,530,398**	**—**	**866,530,398**
Expenses	**854,507,121**	**1,834,910**	**856,342,031**
Annual surplus	**12,023,277**	**(1,834,910)**	**10,188,367**
Accumulated surplus at beginning of year	**290,362,699**	**—**	**290,362,699**
Accumulated surplus at end of year	**302,385,976**	**(1,834,910)**	**300,551,066**

23. Partnership in Halton Student Transportation Services

On February 10, 2009, Halton Student Transportation Services ("HSTS") was incorporated under the Corporations Act of Ontario. On September 1, 2021, the Board renewed the agreement with Halton Catholic District School Board to provide common administration of student transportation in the region. This agreement, originally entered into in 2009, was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the boards. Under the agreement created at the time HSTS was established, decisions related to the financial and operating activities of HSTS 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 HSTS. This entity is proportionately consolidated in the Board's consolidated financial statements whereby the Board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. The Board's pro-rata share of the assets and liabilities for 2023 is 62.17% (62.02% in 2022). Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information:

	2023 Total $	2023 Board portion $	2022 Total $	2022 Board portion $
Financial position				
Financial assets	**330,613**	**205,542**	267,701	166,028
Liabilities	**342,642**	**213,021**	279,796	173,529
Non-financial assets	**12,789**	**7,951**	12,855	7,973
Accumulated surplus	**760**	**472**	760	472
Operations				
Revenue	**31,137,053**	**19,357,906**	31,002,281	19,227,615
Expenses	**31,137,053**	**19,357,906**	31,002,281	19,227,615
Annual surplus	**—**	**—**	—	—

24. Repayment of “55 School Board Trust” funding

On June 1, 2003, the Board received $7,294,000 from the 55 School Board Trust (the “Trust”) for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered with the Trust. The Trust was created to refinance the outstanding not permanently financed debt of participating boards who are beneficiaries of the Trust. Under the terms of the agreement, The 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 not permanently financed debt.

As a result of the above agreement, the liability in respect of the not permanently financed debt is no longer reflected in the Board’s financial position. The flow-through of $543,389 (2022 $543,389) in grants in respect of the above agreement for the year ended August 31, 2023, is recorded in these consolidated financial statements.

25. Related party disclosures

Ontario Regulation 41/10 under the Education Act requires school boards to borrow money for permanent improvements from the Ontario Financing Authority (OFA) when the initial maturity is more than one year. The OFA is a provincial agency of the Crown responsible for managing the province’s debt and issuing debt to public bodies and therefore a related party of the Board. The net long-term debt issued to the Board by the OFA in the form of debentures is $165,412,230 as at August 31, 2023 ($175,942,581 in 2022) as described Note 7.

26. Funds administered by the Board

Trust funds administered by the Board amounting to $2,873,906 ($2,868,112 in 2022) have not been included in the consolidated financial statements, as they are not controlled by the Board.

	Trust funds $	Deferred leave plan $	2023 Total $	2022 Total $
Opening balance at August 31, 2022	**676,643**	**2,191,469**	**2,868,112**	2,619,014
Contributions received in 2023	**32,500**	**1,045,015**	**1,077,515**	848,674
Earnings on investments in 2023	**32,472**	**80,947**	**113,419**	16,336
	741,615	**3,317,431**	**4,059,046**	3,484,024
Disbursements in 2023	**63,894**	**1,121,246**	**1,185,140**	615,912
Closing balance at August 31, 2023	**677,721**	**2,196,185**	**2,873,906**	2,868,112

27. Subsequent events

Settlement of funds held in trust

As at August 31, 2023, $10.7 million was held in trust by the Board’s legal representatives in relation to the purchase of a tangible capital asset. On September 14, 2023, the transaction closed and the funds were transferred in full in settlement of this purchase.

27. Subsequent events (continued)

Monetary resolution to Bill 124

Subsequent to the financial statement date, a monetary resolution to Bill 124 was reached between the Crown and three education sector unions: the Ontario Secondary School Teachers' Federation (OSSTF) Teachers, OSSTF Education Workers and the Elementary Teachers' Federation of Ontario (ETFO) Education Workers. This agreement provides for 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.

No other agreements have been reached with other education workers and teachers.

28. Future accounting standard adoption

The board is in the process of assessing the impact of the upcoming new standards and the extent of the impact of their adoption on its financial statements.

(a) Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the board for as of September 1, 2023, for the year ending August 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.

29. Comparative figures

Certain of the comparative figures have been reclassified to conform with current year presentation.