# Renfrew County Catholic District School Board

## Consolidated Financial Statements

For the year ended 31 August 2023

**MACKILLICAN & ASSOCIATES**
CHARTERED PROFESSIONAL ACCOUNTANTS

RENFREW COUNTY CATHOLIC
DISTRICT SCHOOL BOARD

# MANAGEMENT REPORT

499 Pembroke St. West,
Pembroke, Ontario
K8A 5P1
613-735-1031
1-800-267-0191
FAX: (613) 735-2649
www.rccdsb.edu.on.ca

Management's Responsibility for the Consolidated Financial Statements:

The accompanying consolidated financial statements of the Renfrew County Catholic 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.

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

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

The consolidated financial statements have been audited by MacKillican and Associates, 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.

*We are an inclusive Catholic earning community called to love unconditionally and educate hearts and minds in the way of Christ.*

| Director of Education | Superintendent of Business Services |
|---|---|
| Mark Searson | Mary Lynn Schauer |

8 January 2024.

Renfrew County Catholic District School Board

Financial Statements Index

For the year ended 31 August 2023

MacKillican & Associates
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Renfrew County Catholic District School Board.

**Opinion**

We have audited the consolidated financial statements of the Renfrew County Catholic District School Board (the Board), which comprise:

- the consolidated statement of financial position as at 31 August 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Board as at 31 August 2023, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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**

We draw attention to Note 1 in the financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements. As a result, the financial statements may not be suitable for another purpose.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act, 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.

620 Barnet Blvd.
Renfrew ON. K7V 0A8
T: 613.432.3664 | F: 613.432.8424

14 Madawaska Street – P.O. Box 94
Arnprior ON. K7S 3H2
T: 613.623.7926 | F: 613.623.7927

Email: info@mackillicans.com | Website: www.mackillicans.com

*J.D. Healey, CPA, CA, LPA / R.K. Richards, CPA, CA, LPA / B.D. Thompson, CPA, CA, LPA / D.J. Thompson, CPA, CA, LPA*

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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.

Mackillican & Associates

RENFREW, Ontario.
8 January 2024.

**Chartered Professional Accountants,**
Licensed Public Accountants.

Renfrew County Catholic District School Board

Consolidated Statement of Financial Position

As at 31 August 2023
(with 2022 figures for comparison)

| | 2023 | 2022 (Restated) |
|---|---|---|
| Financial assets: | | |
| Cash and cash equivalents | $ 5,417,556 | $ 6,565,385 |
| Accounts receivable (Note 3) | 5,462,963 | 3,688,925 |
| Accounts receivable - Government of Ontario (Note 4) | 27,437,670 | 27,441,221 |
| Other | 9,793 | 9,793 |
| | $ 38,327,982 | $ 37,705,324 |
| Liabilities: | | |
| Accounts payable and accrued liabilities | $ 8,037,751 | $ 5,297,543 |
| Net long term debt (Note 9) | 10,217,393 | 10,962,402 |
| Deferred revenue (Note 5) | 6,761,415 | 7,966,868 |
| Deferred capital contributions (Note 6) | 54,412,282 | 51,340,818 |
| Employee future benefits (Note 8) | 2,205,893 | 2,470,268 |
| Asset Retirement Obligations (Note 7) | 12,870,139 | 11,284,647 |
| | $ 94,504,873 | $ 89,322,546 |
| Net debt | $ (56,176,891) | $ (51,617,222) |
| Non-financial assets: | | |
| Tangible capital assets - net (Notes 1 (k) and 14) | $ 61,289,215 | $ 57,021,023 |
| Prepaid expenses | 133,504 | 231,722 |
| | $ 61,422,719 | $ 57,252,745 |
| Accumulated surplus (Note 15) | $ 5,245,828 | $ 5,635,523 |

Approved on behalf of the Board:

______________________________ Director of Education

______________________________ Chairperson of the Board

(See accompanying notes)

Renfrew County Catholic District School Board

Consolidated Statement of Operations and Accumulated Surplus

For the year ended 31 August 2023
(with 2023 budget and 2022 actual figures for comparison)

| | 2023 Budget (Restated) | 2023 Actual | 2022 Actual (Restated) |
|---|---|---|---|
| Revenue: | | | |
| Provincial grants - student needs | $ 74,157,257 | $ 75,027,287 | $ 71,669,167 |
| - other | 1,044,650 | 1,301,470 | 4,180,343 |
| Federal grants and fees | 138,705 | 197,845 | 160,954 |
| Other revenues - school boards | | 50,851 | 61,342 |
| Other fees and revenues | 622,682 | 1,208,321 | 889,171 |
| Investment income | 50,100 | 146,141 | 36,400 |
| School fundraising | 1,174,000 | 1,814,846 | 1,016,656 |
| Recognition of deferred capital contributions | 4,664,661 | 5,499,102 | 4,207,926 |
| | $ 81,852,055 | $ 85,245,863 | $ 82,221,959 |
| Expenses: | | | |
| Instruction | $ 57,854,616 | $ 58,290,375 | $ 56,823,370 |
| Pupil accommodation | 13,068,939 | 14,170,878 | 13,128,241 |
| Transportation | 5,748,324 | 6,334,201 | 6,255,547 |
| Administration | 3,635,352 | 3,814,721 | 3,955,416 |
| Other operating expenses | 1,189,312 | 1,305,872 | 1,528,932 |
| School funded activities | 1,174,000 | 1,719,511 | 1,065,117 |
| | $ 82,670,543 | $ 85,635,558 | $ 82,756,623 |
| Surplus (deficit) for the year | $ (818,488) | $ (389,695) | $ (534,664) |
| Accumulated surplus, beginning of year | 5,635,523 | 5,635,523 | 14,772,371 |
| Accumulated surplus (deficit) PSAS adjustments | - | - | (8,602,184) |
| | $ 4,817,035 | $ 5,245,828 | $ 5,635,523 |

(See accompanying notes)

Renfrew County Catholic District School Board

Consolidated Statement of Change in Net Debt

For the year ended 31 August 2023
(with 2022 figures for comparison)

| | 2023 | 2022 (Restated) |
|---|---|---|
| Surplus (deficit) for the year | $ (389,695) | $ (534,664) |
| Tangible capital assets: | | |
| Acquisition of tangible capital assets | $ (8,666,997) | $ (6,798,864) |
| Amortization of tangible capital assets | 5,984,297 | 4,694,462 |
| Loss on disposal of tangible capital assets | (1,950) | (18,900) |
| Proceeds on disposal of tangible capital assets | 1,950 | 18,900 |
| Changes in estimate of TCA-ARO | (1,585,492) | |
| | $ (4,268,192) | $ (2,104,402) |
| Other non-financial assets: | | |
| Decrease (increase) in prepaid expenses | $ 98,218 | $ (140,431) |
| Decrease (increase) in net debt | $ (4,559,669) | $ (2,779,497) |
| Net debt, beginning of year | $ (51,617,222) | $ (37,553,078) |
| PSAS adjustments to net financial assets (net debt) | | (11,284,647) |
| Restated net financial assets (net debt) at beginning of year | $ (51,617,222) | $ (48,837,725) |
| Net debt, end of year | $ (56,176,891) | $ (51,617,222) |

(See accompanying notes)

Renfrew County Catholic District School Board

Consolidated Statement of Cash Flows

For the year ended 31 August 2023
(with 2022 figures for comparison)

| | 2023 | 2022 (Restated) |
|---|---|---|
| Cash flows from operating activities: | | |
| Surplus (deficit) for the year | $ (389,695) | $ (534,664) |
| Add (deduct) items not involving cash: | | |
| Amortization of tangible capital assets | 5,660,593 | 4,372,708 |
| Loss on disposal of tangible capital assets | | (18,900) |
| Amortization on TCA-ARO | 321,754 | 321,754 |
| Increase (decrease) of ARO liabilities excluding settlements | 1,585,492 | |
| Decrease (increase) of TCA-ARO asset excluding amortization on TCA-ARO | (1,585,492) | |
| Deferred capital contributions revenue net of loss on disposal | (5,499,102) | (4,207,926) |
| Net change in non cash working capital balances related to operations: | | |
| Decrease (increase) in accounts receivable | (1,774,038) | (400,299) |
| Decrease (increase) delayed grant payments | 1,681,016 | (594,026) |
| Increase (decrease) in accounts payable and accrued liabilities | 2,740,208 | (5,585,259) |
| Increase (decrease) in deferred revenue | 64,161 | 188,100 |
| Increase (decrease) in employee future benefits | (264,375) | (561,320) |
| Decrease (increase) in other assets | | 6,961 |
| Decrease (increase) in prepaid expenses | 98,218 | (140,431) |
| Cash flows from (used for) operating activities | $ 2,638,740 | $ (7,153,302) |
| Cash flows used for capital activities: | | |
| Proceeds on disposal of tangible capital assets | $ 1,950 | $ 18,900 |
| Cash used to acquire tangible capital assets | (8,666,997) | (6,798,864) |
| Cash flows used for capital activities | $ (8,665,047) | $ (6,779,964) |
| Cash flows from financing activities: | | |
| Long term debt repayments | $ (745,009) | $ (711,852) |
| Increase in accounts receivable - Government of Ontario | (1,677,465) | 5,106,919 |
| Additions to deferred capital contributions | 8,570,566 | 6,278,565 |
| Increase (decrease) in deferred revenues - capital | (1,269,614) | 823,568 |
| Cash flows from financing activities | $ 4,878,478 | $ 11,497,200 |
| Net increase (decrease) in cash and cash equivalents during the year | $ (1,147,829) | $ (2,436,066) |
| Cash and cash equivalents at the beginning of the year | 6,565,385 | 9,001,451 |
| Cash and cash equivalents at the end of the year | $ 5,417,556 | $ 6,565,385 |

(See accompanying notes)

## 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Renfrew County Catholic District School Board (the Board) are prepared by management in accordance with the basis of accounting described below:

a) Basis of Accounting:

The consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act.

The Financial Administration Act requires that the consolidated financial statements be prepared in accordance with the accounting principles determined by the relevant Ministry of the Province of Ontario. A directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Canadian Public Sector Accounting Standards commencing with their year ended 31 August 2004 and that changes may be required to the application of these standards as a result of regulation.

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the statement of operations over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The Regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than depreciation, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian Public Sector Accounting Standards which require that:

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;

- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and

- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Reporting Entity:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Renfrew County Catholic District School Board (the Board) and which are controlled by the Board.

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

Consolidated entities:
- School Generated Funds

Proportionately consolidated entities:
- Renfrew County Joint Transportation Consortium

Interdepartmental and interorganizational transactions and balances between these organizations are eliminated.

c) Trust Funds:

Trust funds and their related operations administered by the Board are not included in the consolidated financial statements, as these funds are not controlled by the Board.

d) Financial Instruments:

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

| Financial Instruments | Measurement Method |
|---|---|
| Derivatives | Fair value |
| Portfolio instruments in equity | Fair value |
| Bonds | Amortized cost* |
| Treasury bills | Amortized cost* |
| Guaranteed investment certificates | Amortized cost* |
| Term deposits | Cost |

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

e) Cash and Cash Equivalents:

Cash and cash equivalents are comprised of cash on hand, cash in bank and short term investments. Short term investments are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days.

f) 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 or losses are recorded in the Statement of Remeasurement Gains and Losses.

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.

g) Derivatives:

Derivatives are securities with a price that is dependent upon or derived from one or more underlying assets. The derivative itself is a contract between two or more parties based upon the asset or assets. The contract is settled at a future date, requires no initial net investment and the value of the contract changes over the life of the contract based on a term in the contract.

h) Deferred Revenue:

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Deferred Capital Contributions:

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

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

j) Employee Future Benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include life insurance, retirement gratuity, workers' safety and insurance benefits, long term disability benefits and sick leave benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified centrally and ratified central discussions with the principals and vice-principals associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: OECTA. The following ELHTs were established in 2017-18: CUPE, OCEW and ONE-T for non-unionized employees including principals, and vice-principals. The ELHTs provide health, life insurance and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual staff) and other school board staff (excluding casual and temporary staff). ONE-T ELHT also provides benefits to individuals who retired prior to the school board's participation dated in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN) including, additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

The Board continues to provide health, dental and life insurance benefits for certain OECTA retired individuals. The Board has no liability for 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, accumulated sick days at retirement, insurance and health care cost trends, disability recovery rates, long term inflation rates and discount rates. The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days and years of service as at 31 August 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation, long term disability, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period;

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

k) 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.

Capitalization threshold are as follows:

| | | |
|---|---|---|
| Land | $ | All |
| Land improvements | | 10,000 |
| Buildings, portable structures and other buildings | | 10,000 |
| Construction projects in progress | | 10,000 |
| First-time equipping | | All |
| Furniture and equipment | | 5,000 |
| Computer hardware and software (including certain software licences) | | 5,000 |
| Vehicles | | All |
| Leasehold improvements - land | | All |
| Leasehold improvements - buildings | | 10,000 |
| Leasehold improvements - other | | 5,000 |

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Tangible Capital Assets (Continued):

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, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|---|---|
| Buildings and building improvements | 40 years |
| Portable structures | 20 years |
| Land improvements with finite lives | 15 years |
| Furniture | 10 years |
| Equipment | 5-15 years |
| Computer hardware | 3 years |
| Computer software | 5 years |
| Vehicles | 5 years |

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.

l) 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.

m) Investment Income:

Investment income is reported as revenue in the period earned.

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Budget Figures:

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

o) Use of Estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 (a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in net expenditures in the periods in which they become known. Significant estimates include assumptions used in estimating the collectability of accounts receivable to determine the allowance for doubtful accounts, in estimating provisions for accrued liabilities, in performing actuarial valuations of employee future benefits liabilities and the estimated useful lives of tangible capital assets.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $ 12,870,139. These estimates are subject to uncertainty because of serveral factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

p) Long Term Debt:

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

q) 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, Education Property Tax.

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

The Board adopted the following standards concurrently beginning 1 September 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* 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.

2. CHANGE IN ACCOUNTING POLICY - 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 that 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 of 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 counter parties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair Value Hierarchy:

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

Level 1 - fair value measurements are those derived from quotes 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.

2. CHANGE IN ACCOUNTING POLICY - ADOPTION OF NEW ACCOUNTING STANDARDS (Continued)

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligation associated with the retirement of tangible capital assets controlled by a governement 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 1 September 2022 on a modified retroactive basis with prior period restatement.

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

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from Board buildings and closure and post closure activities related to landfill sites (if applicable). The Board reports liabilities related to the legal obligations where the Board is obligated to incur costs to retire a tangible capital asset.

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

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

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2023

2. CHANGE IN ACCOUNTING POLICY - ADOPTION OF NEW ACCOUNTING STANDARDS (Continued)

As a result of applying this accounting standard, an asset retirement obligation of $ 12,870,139 (2022 - $ 11,284,647) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the Board owned buildings and equipment, including tanks, and restoration costs related to leasehold improvements. The Board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, amortization expense and accretion expense (for discounted ARO liabilities) for the period 1 September 2022 to 31 August 2023 as a proxy for 1 September 2021 to 31 August 2022 information. The associated DCC, DCC revenue, TCA gross book value, TCA accumulated amortization and TCA amortization expense were not restated. The adoption of PS 3280 ARO was applied to the comparative period as follows:

| | As Previously Reported | Adjustments | As Restated |
|---|---|---|---|
| Statement of Financial Position | | | |
| Tangible capital assets including ARO | $ 54,660,314 | $ 2,360,709 | $ 57,021,023 |
| Asset retirement obligation liability | | 11,284,647 | 11,284,647 |
| Accumulated surplus (deficit) | 14,559,461 | (8,923,938) | 5,635,523 |
| Statement of Change in Net Debt | | | |
| Annual surplus (deficit) | $ (212,910) | $ (321,754) | $ (534,664) |
| Amortization of TCA (incl. TCA-ARO) | 4,372,708 | | 4,372,708 |
| Net debt, end of year | (40,332,575) | (11,284,647) | (51,617,222) |
| Statement of Operations | | | |
| Amortization of TCA-ARO | | $ 321,754 | $ 321,754 |
| Accretion - Asset retirement obligations | | | |
| Surplus/(deficit) for the year | $ (212,910) | (321,754) | (534,664) |

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

| | 2023 | 2022 |
|---|---|---|
| Government of Canada | $ 1,450,589 | $ 1,145,049 |
| Government of Ontario | 2,868,356 | 1,516,742 |
| Local municipalities | 817,087 | 713,044 |
| Other | 326,931 | 314,090 |
| | $ 5,462,963 | $ 3,688,925 |

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2023

4. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

| | 2023 | 2022 |
|---|---|---|
| School Condition Improvement | $ 436,076 | $ 918,157 |
| Permanently Financed Debt | 10,217,393 | 10,962,402 |
| Capital Priorities | 3,741,351 | 74,588 |
| COVID-19 Resilience Infrastructure Stream | 216,260 | 978,468 |
| Delayed Grant Payment | 12,826,590 | 14,507,606 |
| | $ 27,437,670 | $ 27,441,221 |

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009 - 2010. The Board received a one-time grant that recognizes capital debt as of 31 August 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 long term receivable.

The Board has a long term receivable from the Province of Ontario of $ 14,611,080 (2022 - $12,933,615) with respect to capital grants. The receivable balance is comprised of School Condition Improvement $ 436,076 (2022 - $ 918,157), Permanently Financed Debt $ 10,217,393 (2022 - $ 10,962,402), Capital Priorities $ 3,741,351 (2022 - $ 74,588) and COVID-19 Resilience Infrastructure Stream $ 216,260 (2022 - $ 978,468).

Delayed Grant Payments:

The Ministry of Education introduced a cash management strategy effective 1 September 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.

5. 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.

5. DEFERRED REVENUE (Continued)

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

| | Balance as at 31 August 2022 | Externally Restricted Revenue and Investment Income | Revenue Recognized in the Period | Transfer to Deferred Capital Contributions | Balance as at 31 August 2023 |
|---|---|---|---|---|---|
| Legislative grants: | | | | | |
| Special Education/SEA formula based funding/ABA | $ 665,538 | $ 10,159,320 | $ 10,056,898 | | $ 767,960 |
| Library Staff | | 86,222 | 86,222 | | |
| Targeted Student Support Envelope | | 217,565 | 217,565 | | |
| Indigenous Education | 168,621 | 626,214 | 644,709 | | 150,126 |
| Student Mental Health | | 572,504 | 572,504 | | |
| FSL Areas of Intervention Component | | 79,241 | 79,241 | | |
| School renewal | 5,888,787 | 1,245,095 | | $ 2,517,417 | 4,616,465 |
| Minor tangible capital assets | | 1,867,719 | 1,720,672 | 147,047 | |
| Rural and Northern Education Fund | | 263,999 | 263,999 | | |
| Interest on capital | | 492,598 | 492,598 | | |
| Temporary accommodation | 402,717 | 9,647 | 17,541 | 19,291 | 375,532 |
| Experiential Learning Envelope | 31,865 | 271,445 | 241,552 | | 61,758 |
| | $ 7,157,528 | $ 15,891,569 | $ 14,393,501 | $ 2,683,755 | $ 5,971,841 |
| Other Ministry of Education grants: | | | | | |
| Misc. EPO | $ 729,798 | $ 1,017,000 | $ 1,072,016 | $ - | $ 674,782 |
| Third Party grants: | | | | | |
| Operating - Miscellaneous | $ 65,508 | $ 35,250 | $ - | | $ 100,758 |
| Capital - Proceeds of Disposition | 14,034 | 125,790 | | $ 125,790 | 14,034 |
| | $ 79,542 | $ 161,040 | $ - | $ 125,790 | $ 114,792 |
| | $ 7,966,868 | $ 17,069,609 | $ 15,465,517 | $ 2,809,545 | $ 6,761,415 |

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with Ontario 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 at the beginning of the year | $ 51,340,818 | $ 49,270,179 |
| Additions to deferred capital contributions | 8,570,565 | 6,278,565 |
| Revenue recognized in the year | (5,499,101) | (4,207,926) |
| Balance at the end of the year | $ 54,412,282 | $ 51,340,818 |

7. ASSET RETIREMENT OBLIGATIONS

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

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

As at 31 August 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 | $ 11,284,648 | $ - |
| Opening adjustments for PSAB adjustment | - | 11,284,648 |
| Liabilities incurred during the year | - | - |
| Increase in liabilities reflecting changes in the estimate of liabilities[1] | 1,585,493 | - |
| Increase in liabilities due to accretions[2] | - | - |
| Liabilities settled during the year | - | - |
| Liabilities for asset retirement obligations at end of year | $ 12,870,141 | $ 11,284,648 |

[1] Refecting changes in the estimated cash flows and the discount rate
[2] Increase in the carrying amount of a liability due to the passage of time

8. EMPLOYEE FUTURE BENEFITS

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, retirement gratuity, workers' compensation and long term disability benefits.

(a) Retirement Benefits:

(i) 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 the 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 qualifying non-teaching and support staff employees of the Board are eligible to be members of the Ontario Municipal Employees' Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended 31 August 2023, the Board contributed $ 1,052,703 (2022 - $ 979,321) 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 specific 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 now based on their salary, accumulated sick days and years of service at 31 August 2012. The liability as at 31 August 2023 is $ 1,741,875 (2022 - $ 1,801,059) and total payments for the year were $ 114,909 (2022 - $ 229,284).

(b) Other Employee Future Benefits:

(i) Workplace Safety and Insurance Board Obligations:
The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board’s consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4 1/2 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

The liability as at 31 August 2023 and total workplace and safety payments during the year are as follows:

| | 2023 | 2022 |
|---|---|---|
| Liability | $ 413,083 | $ 609,361 |
| Payments (recovery) | (17,602) | 236,204 |

8. EMPLOYEE FUTURE BENEFITS (Continued)

(ii) Sick Leave Benefits:
A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illness paid through the short-term leave and disability plan in that year. The liability as of 31 August 2023 is $ 50,935 (2022 - $ 59,848). The benefit costs expensed in the consolidated financial statements are $ 29,748 (2022 - $ 43,365).

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 31 August 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 31 August 2023.

(iii) Long-term Disability Benefits:
The Board provides long-term disability benefits during the period an eligible employee is unable to work or until their normal retirement date. 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.

(c) The accrued benefit obligations for employee future benefit plans as at 31 August 2023 are based on the most recent actuarial valuations completed for accounting purposes as at 31 August 2023 (date actuarial probabilities were determined) and based on updated average daily salary and banked sick days as at 31 August 2023. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board’s best estimates of expected rates of:

| | 2023 | 2022 |
|---|---|---|
| | % | % |
| Inflation | 2.0 | 2.0 |
| Wages and salary escalation | - | - |
| Discount on accrued benefit obligations | 4.40 | 3.90 |

8. EMPLOYEE FUTURE BENEFITS (Continued)

Information with respect to the Board's retirement and other employee future benefit obligations is as follows:

| Retirement and other employee future benefit liabilities: | 2023 | | | | 2022 |
|---|---|---|---|---|---|
| | Sick leave | Retirement Gratuity | WSIB | Total employee future benefits | Total employee future benefits |
| Accrued employee future benefit obligations | $ 50,935 | $ 1,798,938 | $ 413,083 | $ 2,262,956 | $ 2,612,457 |
| Unamortized actuarial gains (losses) | | (57,063) | | (57,063) | (142,189) |
| Employee future benefit liabilities | $ 50,935 | $ 1,741,875 | $ 413,083 | $ 2,205,893 | $ 2,470,268 |

| Retirement and other employee future benefit expenses: | 2023 | | | | 2022 |
|---|---|---|---|---|---|
| | Sick leave | Retirement Gratuity | WSIB | Total employee future benefits | Total employee future benefits |
| Current year benefit cost | $ 50,935 | $ 72,391 | $ (37,883) | $ 85,443 | $ (145,226) |
| Interest on accrued benefit | | | 20,281 | 20,281 | 55,082 |
| Amortization of interest on accrued actuarial gain (loss) | (21,187) | 42,518 | | 21,331 | 45,376 |
| Employee future benefit expenses | $ 29,748 | $ 114,909 | $ (17,602) | $ 127,055 | $ (44,768) |

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2023

8. EMPLOYEE FUTURE BENEFITS (Continued)

| | 2023 | | | | 2022 |
|---|---|---|---|---|---|
| | Sick leave | Retirement Gratuity | WSIB | Total employee future benefits | Total Employee future benefits |
| Continuity of liabilities: | | | | | |
| Balance, beginning of year | $ 59,848 | $ 1,801,059 | $ 609,361 | $ 2,470,268 | $ 3,031,588 |
| Expenses for the year | 29,748 | 114,909 | (17,602) | 127,055 | (44,768) |
| Benefits paid | (38,661) | (174,093) | (178,676) | (391,430) | (516,552) |
| Balance, end of year | $ 50,935 | $ 1,741,875 | $ 413,083 | $ 2,205,893 | $ 2,470,268 |
| Continuity of obligations: | | | | | |
| Balance, beginning of year | $ 59,848 | $ 1,943,248 | $ 609,361 | $ 2,612,457 | $ 3,360,352 |
| Actuarial (losses) gains | (21,187) | (42,608) | | (63,795) | (141,199) |
| Current period benefit cost | 50,935 | | (37,883) | 13,052 | (145,226) |
| Interest on accrued benefits | | 72,391 | 20,281 | 92,672 | 55,082 |
| Benefits paid | (38,661) | (174,093) | (178,676) | (391,430) | (516,552) |
| Balance, end of year | $ 50,935 | $ 1,798,938 | $ 413,083 | $ 2,262,956 | $ 2,612,457 |
| Continuity of unamortized actuarial losses: | | | | | |
| Balance, beginning of year | $ - | $ (142,189) | $ - | $ (142,189) | $ (328,764) |
| Current year (loss) gain | 21,187 | 42,608 | | 63,795 | 108,233 |
| Amortization actuarial losses (gains) | (21,187) | 42,518 | | 21,331 | 78,342 |
| Balance, end of year | $ - | $ (57,063) | $ - | $ (57,063) | $ (142,189) |

9. NET LONG TERM DEBT

Net long term debt reported on the consolidated statement of financial position comprises the following:

| | 2023 | 2022 |
|---|---|---|
| Debenture #1 - 5.118%, matures on 6 April 2028 | $ 1,354,281 | $ 1,586,442 |
| Debenture #2 - 4.560%, matures on 15 November 2031 | 786,095 | 860,299 |
| Debenture #3 - 4.950%, matures on 3 March 2033 | 399,893 | 431,038 |
| Debenture #4 - 5.112%, matures on 13 March 2034 | 572,808 | 611,718 |
| Debenture #5 - 5.232%, matures on 13 April 2035 | 1,536,570 | 1,627,596 |
| Debenture #6 - 4.833%, matures on 11 March 2036 | 452,884 | 477,889 |
| Debenture #7 - 3.799%, matures on 19 March 2038 | 5,114,862 | 5,367,420 |
| | $ 10,217,393 | $ 10,962,402 |

9. NET LONG TERM DEBT (Continued)

Principal and interest payments relating to net debenture debt of $ 10,217,393 outstanding as at 31 August 2023 are due as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2023 - 2024 | $ 779,738 | $ 441,459 | $ 1,221,197 |
| 2024 - 2025 | 816,116 | 405,083 | 1,221,199 |
| 2025 - 2026 | 853,862 | 367,338 | 1,221,200 |
| 2026 - 2027 | 893,731 | 327,468 | 1,221,199 |
| 2027 - 2028 | 935,495 | 285,703 | 1,221,198 |
| Thereafter | 5,938,451 | 1,158,640 | 7,097,091 |
| | $ 10,217,393 | $ 2,985,691 | $ 13,203,084 |

10. TEMPORARY BORROWING

The Board has a $ 10,000,000 unsecured operating line of credit and a $ 9,000,000 unsecured capital line of credit, both available bearing interest at the prime rate minus 0.5%, of which $ Nil (2022 - $ Nil) was drawn at year end.

11. DEBT CHARGES AND CAPITAL LOANS INTEREST

| | 2023 | 2022 |
|---|---|---|
| Principal payments on long term debt | $ 745,009 | $ 711,852 |
| Interest payments on long term debt | 476,189 | 509,346 |
| | $ 1,221,198 | $ 1,221,198 |

12. GRANTS FOR STUDENT NEEDS

School Boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property taxes. Municipalities in which the Board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. 87% 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 | $ 68,858,849 | $ 65,706,442 |
| Education Property Taxes | 6,168,438 | 5,962,725 |
| Grants for Student Needs | $ 75,027,287 | $ 71,669,167 |

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2023

## 13. EXPENSES BY OBJECT

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

| | 2022 - 2023 Budget (restated and unaudited) (Note 1 (l)) | 2022 - 2023 Actual | 2021 - 2022 Actual (restated) |
|---|---|---|---|
| Expenses by object: | | | |
| Salary and wages | $ 49,477,993 | $ 49,720,915 | $ 49,299,718 |
| Employee benefits | 9,219,483 | 8,941,619 | 8,484,177 |
| Staff development | 809,796 | 675,188 | 443,595 |
| Supplies and services | 7,465,786 | 8,511,515 | 8,438,161 |
| Interest | 476,188 | 476,188 | 509,345 |
| Rental expenses | 52,671 | 78,375 | 76,945 |
| Fees and contract services | 7,631,672 | 8,112,903 | 8,099,826 |
| Other | 1,371,098 | 1,415,048 | 1,645,274 |
| School funded activities | 1,016,000 | 1,719,511 | 1,065,117 |
| Amortization and write downs and net loss of disposal - TCA and TCA - ARO | 4,828,102 | 5,662,542 | 4,372,711 |
| Accretion and other expenses on ARO | 321,754 | 321,754 | 321,754 |
| | $ 82,670,543 | $ 85,635,558 | $ 82,756,623 |

## 14. TANGIBLE CAPITAL ASSETS

| Cost | Balance at 31 August 2022 (Restated) | Additions | Disposals, write-offs, (transfers) and adjustments | Balance at 31 August 2023 |
|---|---|---|---|---|
| Land | $ 1,471,976 | $ 96,432 | | $ 1,568,408 |
| Land improvements | 5,247,895 | 101,341 | | 5,349,236 |
| Buildings | 95,201,602 | 8,438,160 | $ 1,585,492 | 105,225,254 |
| Construction in progress | 5,983,357 | 8,302,886 | (8,438,160) | 5,848,083 |
| Portable structures | 1,617,313 | 19,291 | | 1,636,604 |
| Furniture | 249,221 | | | 249,221 |
| First time equipping | 170,398 | | | 170,398 |
| Equipment | 278,835 | | | 278,835 |
| Computer hardware | 979,781 | | | 979,781 |
| Computer software | 108,383 | | | 108,383 |
| Vehicles | 119,160 | 147,047 | | 266,207 |
| Total | $ 111,427,921 | $ 17,105,157 | $ (6,852,668) | $ 121,680,410 |

14. TANGIBLE CAPITAL ASSETS (Continued)

| Accumulated amortization | Balance at 31 August 2022 (Restated) | Amortization | Disposals, write-offs and adjustments | Balance at 31 August 2023 |
|---|---|---|---|---|
| Land improvements | $ 2,069,296 | $ 370,242 | $ - | $ 2,439,538 |
| Buildings | 49,825,062 | 5,334,511 | | 55,159,573 |
| Portable structures | 954,506 | 49,809 | | 1,004,315 |
| Furniture | 227,392 | 9,679 | | 237,071 |
| First time equipping | 170,395 | 3 | | 170,398 |
| Equipment | 240,491 | 17,016 | | 257,507 |
| Computer hardware | 704,129 | 183,768 | | 887,897 |
| Computer software | 108,383 | | | 108,383 |
| Vehicles | 107,244 | 19,269 | | 126,513 |
| Total | $ 54,406,898 | $ 5,984,297 | $ - | $ 60,391,195 |

| Net book value | Balance at 31 August 2022 (Restated) | Balance at 31 August 2023 |
|---|---|---|
| Land | $ 1,471,976 | $ 1,568,408 |
| Land improvements | 3,178,599 | 2,909,698 |
| Buildings | 45,376,540 | 50,065,681 |
| Construction in progress | 5,983,357 | 5,848,083 |
| Portable structures | 662,807 | 632,289 |
| Furniture | 21,829 | 12,150 |
| First time equipping | 3 | |
| Equipment | 38,344 | 21,328 |
| Computer hardware | 275,652 | 91,884 |
| Vehicles | 11,916 | 139,694 |
| Total | $ 57,021,023 | $ 61,289,215 |

Assets under construction:
Assets under construction having a value of $ 5,848,082 (2022 - $ 5,983,357) have not been amortized. Amortization of these assets will commence when the asset is put into service.

## 15. ACCUMULATED SURPLUS

In accordance with the Education Act of Ontario, Section 231(1), effective 1 September 2010, there is restriction on the use of the School Board's accumulated surplus equal to the lesser of the available balance of the accumulated surplus from the preceeding year and 1% of a School Board's operating revenue. Operating revenue is defined as operating allocations from the School Board's Grants for Student Needs from the Ministry of Education of Ontario less any strike savings. Any use beyond 1% will require approval by the Ministry.

The portion of the School Board's accumulated surplus which is available to be used for compliance with this legislative requirement has also been defined by the Ministry. Therefore, the School Board's accumulated surplus presented herein has been segregated between available for compliance and unavailable for compliance.

| Accumulated surplus consists of the following: | 2023 | 2022 (Restated) |
|---|---|---|
| Available for compliance - unappropriated: | | |
| Total operating accumulated surplus | $ 135,970 | $ 135,970 |
| Available for compliance - internally appropriated: | | |
| Retirement Gratuities | 428,642 | 428,642 |
| Vacation Pay/Transportation/Information Technology | 2,183,064 | 2,131,992 |
| Maintenance, Buildings and grounds | 3,657,658 | 3,654,987 |
| Health and Safety/Miscellaneous | 331,652 | 326,243 |
| CUPE ISP | | 58,992 |
| Committed capital projects: | | |
| St. Francis of Assisi | 876,481 | 906,192 |
| Bishop Smith Catholic High School | 422,277 | 479,917 |
| St. John XXIII | 77,739 | 108,833 |
| St. Michael's | 85,378 | 119,530 |
| Our Lady of Sorrows | 222,206 | 233,045 |
| Future capital projects | 3,914,509 | 4,010,940 |
| Total accumulated surplus available for compliance | $ 12,335,576 | $ 12,595,283 |
| Unavailable for compliance - externally appropriated: | | |
| School generated funds | $ 587,534 | $ 492,199 |
| Asset retirement obligation | (9,245,690) | (8,923,936) |
| Revenues recognized for land | 1,568,408 | 1,471,977 |
| Total externally appropriated | $ (7,089,748) | $ (6,959,760) |
| Total accumulated surplus | $ 5,245,828 | $ 5,635,523 |

16. TRUST FUNDS

Trust funds administered by the Board amounting to $ 799,774 (2022 - $ 803,354) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

17. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of $ 27,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending 31 December 2023 were $ 106,811 (2022 - $ 90,470). There are ongoing legal cases with uncertain outcomes that could effect 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 31 December 2026.

OSBIE exercises stewardship over the assets of the reciprocal, including the guarantee fund. While no individual school board enjoys any entitlement to access the assets of the reciprocal, the agreement provides for two circumstances when a school board, that is a member of a particular underwriting group, may receive a portion of the accumulated funds of the reciprocal.

1) In the event that the Board of Directors determines, in its absolute discretion, that the exchange has accumulated funds in excess of those required to meet the obligations of the Exchange, in respect of claims arising in prior years in respect of the underwriting group, the Board of Directors may reduce the actuarially determined rate for policies of insurance or may grant premium credits or policyholder dividends for that underwriting group in any subsequent underwriting year.

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

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

18. CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

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 31 August 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.

The Board has commitments with respect to capital projects of $ 18,665,303 (2022 - $ 1,844,240). As of 31 August 2023, expenses of $ 4,005,321 (2022 - $ 802,793) have been incurred.

19. PARTNERSHIP IN RENFREW COUNTRY JOINT TRANSPORTATION CONSORTIUM

On 23 November 2010, the Renfrew County Joint Transportation Consortium (RCJTC) was incorporated under the Corporations Act of Ontario. On 30 September 2010, the Board entered into an agreement with the Renfrew County District School Board in order to provide common administration of student transportation in the Region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of the Renfrew County Joint Transportation Consortium are shared. No partner is in a position to exercise unilateral control.

Each Board participates in the shared costs associated with this service for the transportation of their respective students through the RCJTC. The Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses. The Board's pro-rata share for 2023 asset/liabilities is 35.9179% (2022 - 37.7664%). Interorganizational transactions and balances have been eliminated.

The following provides condensed financial information:

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Total | Board Portion | Total | Board Portion |
| Financial position: | | | | |
| Financial assets | $ 304,767 | $ 109,466 | $ 280,326 | $ 101,584 |
| Liabilities | (333,738) | (119,872) | (331,324) | (120,064) |
| Non-financial assets | 28,971 | 10,406 | 50,998 | 18,480 |
| Accumulated surplus (deficit) | $ - | $ - | $ - | $ - |
| Operations: | | | | |
| Revenues | $ 15,481,977 | $ 5,748,690 | $ 15,513,643 | $ 5,858,940 |
| Expenses | (15,481,977) | (5,748,690) | (15,513,643) | (5,858,940) |
| Annual surplus (deficit) | $ - | $ - | $ - | $ - |

## 20. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

On 1 June 2003, the Board received $ 8,891,329 from the 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30 year agreement it entered into with the Trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the Trust. Under the terms of the agreement, the 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the Trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position.

## 21. RELATED PARTY TRANSACTIONS - ONTARIO FINANCING AUTHORITY

The Board has an existing agreement with the Ontario Financing Authority, a corporation established under the Capital Investment Plan Act, 1993, to provide financing for long-term debt. The first loan agreement came into effect on 15 November 2006. All loans are repayable by semi-annual installments of combined (blended) principal and interest, with the last loan coming due by 19 March 2038. The specific loans pertaining to the agreement outlined in Note 8 Net Long Term Debt, are as follows:

| | Principal | Interest (%) | Annual Payment ($) | Current Balance ($) |
|---|---|---|---|---|
| Debenture #2 | $ 1,669,353 | 4.560% | $ 112,597 | $ 786,095 |
| Debenture #3 | 740,125 | 4.950% | 51,889 | 399,893 |
| Debenture #4 | 974,468 | 5.112% | 69,389 | 572,808 |
| Debenture #5 | 2,420,881 | 5.232% | 175,006 | 1,536,570 |
| Debenture #6 | 686,788 | 4.833% | 47,804 | 452,884 |
| Debenture #7 | 7,259,466 | 3.799% | 454,090 | 5,114,862 |

## 22. 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 transactions is $ 81,482 with expenses based on use of $ 81,482 for a net impact of $ NIL.

## 23. SUBSEQUENT EVENT: MONETARY RESOLUTION TO BILL 124, THE PROTECTING A SUSTAINABLE PUBLIC SECTOR FOR FUTURE GENERATIONS ACT

Subsequent to the financial statement date, a monetary resolution to Bill 124 was reached between the Crown and four education sector unions: the Ontario Secondary School Teachers' Federation (OSSTF) Teachers, OSSTF Education Workers, the Elementary Teachers' Federation of Ontario Education Workers (ETFO-EW) and the Canadian Union of Public Employees Ontario School Board Council of Unions (CUPE OSBCU). The agreements provide for a 0.75% increase in salaries and wages for the 2019-20 school year and a 0.75% increase in salaries and wages for the 2020-21 school year for the four unions. For OSSTF and ETFO-EW, the agreement provides a minimum of 1.5% to a maximum of 3.25% increase in salaries and wages for the 2021-22 school year, which will be awarded through an arbitration process expected to be completed in the 2023-24 school year. The increase in salaries and wages for the 2021-22 school year for CUPE OSBCU will be as determined for OSSTF.

23. SUBSEQUENT EVENT: MONETARY RESOLUTION TO BILL 124, THE PROTECTING A SUSTAINABLE PUBLIC SECTOR FOR FUTURE GENERATIONS ACT (Continued)

The agreements include 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.

24. FUTURE ACCOUNTING STANDARD ADOPTION

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

Standards applicable for fiscal years beginning on or after 1 April 2023 (in effect for the Board for as of 1 September 2023 for the year ending 1 August 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 goods 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.

25. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

26. 2022 - 2023 BUDGET RECONCILIATION

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

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

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

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2023

26. 2022 - 2023 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.

| | 2022-23 Budget | Change | 2022-23 Budget-Restated and Unaudited |
|---|---|---|---|
| Revenue | $ 81,852,055 | $ - | $ 81,852,055 |
| Expenses: | $ 82,348,789 | | $ 82,348,789 |
| Amortization of TCA-ARO | - | $ 321,754 | 321,754 |
| ARO accretion expenses | - | - | - |
| | $ 82,348,789 | $ 321,754 | $ 82,670,543 |
| Annual surplus (deficit) | $ (469,734) | $ (321,754) | $ (818,488) |
| Accumulated surplus (deficit) at beginning of year | $ 14,772,371 | $ - | $ 14,772,371 |
| Accumulated surplus (deficit) PSAS adjustments | - | (8,602,184) | (8,602,148) |
| Adjusted accumulated surplus (deficit) at beginning of year | $ 14,772,371 | $ (8,602,184) | $ 5,635,523 |
| Accumulated surplus (deficit) at end of year | $ 14,302,637 | $ (8,923,938) | $ 4,817,035 |