

Upper Canada District School Board
Consolidated Financial Statements
For the Year Ended August 31, 2022

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For the Year Ended August 31, 2022

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements are prepared in accordance with the Financial memorandum 2004: B2 and Ontario Regulation 395/11 of the Financial Administration Act as described in Note 1 to the consolidated financial statements.

The consolidated financial statements are the responsibility of management and have been approved by the board and trustees.

The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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 BDO Canada LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Original Signed

Jeremy Hobbs, MBA
Executive Superintendent of Business

Original Signed

Diana Kingston, CPA, CMA
Comptroller of Finance

Brockville, Ontario
Report Date

Independent Auditor's Report

To the Board of Trustees of Upper Canada District School Board

Opinion

We have audited the consolidated financial statements of Upper Canada District School Board (the Entity), which comprise:

- the consolidated statement of financial position as at August 31, 2022
- 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.

(Hereinafter referred to as the "consolidated financial statements")

In our opinion, the accompanying consolidated financial statements of the Entity as at and for the year ended August 31, 2022 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Entity 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 - Basis of Accounting

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

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity'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 Entity'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 Entity 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 Entity 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.

Original Signed

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario
Report Date

Upper Canada District School Board Consolidated Statement of Financial Position

August 31	2022	2021
Financial assets:		
Cash	\$ 57,077,316	\$ 55,389,889
Investments (Note 2)	2,299,364	2,257,324
Accounts receivable :		
Government of Ontario (Note 3)	73,530,326	80,597,475
Municipalities	8,045,300	4,803,984
Other	27,964,137	17,735,520
Other assets	895,121	409,149
	<hr/>	<hr/>
Total financial assets	169,811,564	161,193,341
	<hr/>	<hr/>
Financial liabilities		
Accounts payable and accrued liabilities	37,755,643	35,836,782
Deferred revenue (Note 4)	32,829,710	25,722,379
Deferred capital contributions (Note 5)	335,003,937	319,674,239
Employee future benefits liability (Note 6)	17,773,413	19,111,523
Net long-term debt (Note 7)	61,113,212	65,450,186
	<hr/>	<hr/>
	484,475,915	465,795,109
	<hr/>	<hr/>
Net Debt	(314,664,351)	(304,601,768)
	<hr/>	<hr/>
Non-financial assets		
Prepaid expenses	4,819,784	4,514,926
Tangible capital assets (Note 10)	347,738,409	332,437,493
	<hr/>	<hr/>
	352,558,193	336,952,419
	<hr/>	<hr/>
Accumulated surplus	\$ 37,893,842	\$ 32,350,651
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Approved on behalf of the Board:

Original Signed Director of Education

Original Signed Chair of the Board

Upper Canada District School Board Consolidated Statement of Operations and Accumulated Surplus

For the year ended August 31	Budget 2022	Actual 2022	Actual 2021
Revenue			
Provincial grants			
Grants for student needs	\$272,558,186	\$274,042,782	\$ 271,938,162
Other	13,306,490	20,599,190	23,442,184
Amortization of deferred capital contributions	18,072,002	17,441,283	17,008,828
Education Property Tax	71,232,156	72,851,753	72,699,652
School-generated funds	2,820,774	2,726,562	659,446
Federal grants and fees	2,893,348	3,599,974	4,005,145
Investment income	329,245	713,904	383,007
Other - school boards	19,500	9,400	7,089
Other sources	4,590,820	7,401,640	5,017,075
Deferred capital contributions on disposal of unrestricted and restricted assets	-	-	30,743
	<u>385,822,521</u>	<u>399,386,488</u>	<u>395,191,331</u>
Expenses (Note 12)			
Instruction	284,320,192	286,750,930	285,452,774
Administration	8,972,293	8,698,065	8,516,789
Transportation	34,476,400	34,785,032	30,698,810
Pupil accommodation	52,840,309	53,004,622	54,487,066
Other	2,002,647	7,548,500	3,393,219
School-generated funds	2,918,925	3,056,149	958,333
	<u>385,530,766</u>	<u>393,843,298</u>	<u>383,506,991</u>
Annual surplus	<u>291,755</u>	<u>5,543,190</u>	<u>11,684,340</u>
Accumulated surplus, beginning of the year	<u>32,350,652</u>	<u>32,350,652</u>	<u>20,666,312</u>
Accumulated surplus, end of year (Note 11)	<u>\$ 32,642,407</u>	<u>\$ 37,893,842</u>	<u>\$ 32,350,652</u>

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

Upper Canada District School Board Consolidated Statement of Changes in Net Debt

For the year ended August 31	Budget 2022	Actual 2022	Actual 2021
Annual Surplus	\$ 291,755	\$ 5,543,190	\$ 11,684,340
Tangible Capital Assets:			
Acquisition of tangible capital assets	(49,120,036)	(32,842,237)	(27,143,240)
Amortization of tangible capital assets	18,131,289	17,541,322	17,107,044
Proceeds on disposal of tangible capital assets	-	-	34,735
Loss on disposal of tangible capital assets	-		319,195
	(30,696,992)	(15,300,915)	(9,682,266)
Other Non-Financial Asset Activity			
Acquisition of prepaid expenses	-	(1,469,368)	(1,164,510)
Use of prepaid expenses	-	1,164,510	771,753
	-	(304,858)	(392,757)
Change in net debt	(30,405,237)	(10,062,583)	1,609,317
Net debt, beginning of year	(304,601,768)	(304,601,768)	(306,211,085)
Net debt, end of year	\$(335,007,005)	\$(314,664,351)	\$(304,601,768)

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

Upper Canada District School Board Consolidated Statement of Cash Flows

For the year ended August 31	2022	2021
Operating transactions		
Annual surplus	\$ 5,543,190	\$ 11,684,340
Items not affecting cash:		
Amortization of tangible capital assets	17,541,322	17,107,044
Loss on disposal of tangible capital assets	-	319,195
Amortization of deferred capital contributions	(17,441,283)	(17,008,828)
Decrease in employee benefits payable	(1,338,110)	(1,277,701)
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	(13,469,933)	9,753,805
Decrease in other financial assets	(485,972)	(406,436)
Increase (decrease) in accounts payable and accrued liabilities	1,918,861	(18,450,763)
Increase (decrease) in operating deferred revenue	4,595,985	2,271,831
Increase in prepaid expenses	(304,858)	(392,755)
	<u>(3,440,798)</u>	<u>3,599,732</u>
Capital transactions		
Proceeds on disposal of tangible capital assets	-	34,735
Cash used to acquire tangible capital assets	<u>(32,842,237)</u>	<u>(27,143,240)</u>
	<u>(32,842,237)</u>	<u>(27,108,505)</u>
Investing transactions		
Increase in investments	<u>(42,040)</u>	<u>(39,182)</u>
Financing transactions		
Debt principal repayments and sinking fund contributions	(4,336,974)	(4,127,581)
Change in accounts receivable - approved capital grants	7,067,149	(3,544,427)
Increase in capital deferred revenue	2,511,346	5,763,807
Additions to deferred capital contributions	<u>32,770,981</u>	<u>27,144,176</u>
	<u>38,012,502</u>	<u>25,235,975</u>
Net change in cash	1,687,427	1,688,020
Cash, beginning of the year	<u>55,389,889</u>	<u>53,701,869</u>
Cash, end of the year	<u>\$57,077,316</u>	<u>\$ 55,389,889</u>

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

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

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 in Ontario 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 of Ontario passed Ontario Regulation 395/11 of the Financial Administration Act (the "Regulation"). 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 and accumulated surplus 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 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 Canadian public sector accounting standard PS3410;

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

1. Significant accounting policies (continued)

- 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 accumulated surplus 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 Upper Canada District School Board (the "Board") which are controlled by the Board.

The consolidated financial statements include the following organizations:

(i) Student Transportation of Eastern Ontario (STEO): STEO is accounted for using the proportionate consolidation method of accounting and reporting, whereby the Board's pro-rata share of each of the assets, liabilities, revenues and expenses is combined on a line-by-line basis in the consolidated financial statements. The Board is a member of STEO with the Catholic District School Board of Eastern Ontario. STEO is a not-for-profit organization separately incorporated without share capital under the laws of Ontario. STEO's principal activity is to facilitate, organize and deliver safe, effective and efficient school transportation services to students in the eastern Ontario area on behalf of the member school boards.

(ii) Upper Canada Leger Centre for Education and Training (UCLC): UCLC is deemed to be controlled by the Board, therefore the assets, liabilities, revenues, expenses, and net assets of UCLC have been reflected in the consolidated financial statements. UCLC was incorporated under the Corporations Act of Ontario. The Centre was created to enhance the development, implementation and advancement of community educational and training programs which are not funded by the Ministry of Education.

Upper Canada District School Board

Notes to Consolidated Financial Statements

August 31, 2022

1. Significant accounting policies (continued)

Reporting entity (continued)	<p>(iii) School generated funds: the assets, liabilities, revenues, expenses, and fund balances of various organizations that exist at the school level and which are deemed to be controlled by the Board, have been reflected in the consolidated financial statements.</p> <p>(iv) Champions for Kids Foundation: the Foundation is deemed to be controlled by the Board, therefore the assets, liabilities, revenues, expenses, and net assets of the Foundation have been reflected in the consolidated financial statements. Champions for Kids was created to help level the playing field for children of struggling families.</p> <p>Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.</p>
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
Investments	<p>Temporary investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition, and are carried on the Consolidated Statement of Financial Position at the lower of cost or market value.</p> <p>Long-term investments consist of investments that have maturities of more than one year. Long-term investments are recorded at cost, and assessed regularly for permanent impairment.</p>
Deferred revenue	Certain amounts are received pursuant to legislation, regulation, or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred, or services are performed.
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 contributions as defined in Ontario Regulation 395/11 of the Financial Administration Act.

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

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 purpose
- Property taxation revenues which were historically used to fund tangible capital assets.

Retirement and other employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: Elementary Teachers' Federation of Ontario (ETFO), Ontario Secondary School Teachers' Federation (OSSTF), including PSSP employee groups. The following ELHTs were established in 2017-2018: Canadian Union of Public Employees (CUPE) and Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (including daily occasional teachers), education workers (may exclude casual and temporary staff), and other school board staff. Currently ONE-T ELHTs also provide benefits to individuals who retired prior to the school board's participation date 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.

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

1. Significant accounting policies (continued)

Retirement and other
employee future benefit
(continued)

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by the following unions/federations: ETFO, OSSTF, and CUPE.

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 the management's best estimate of 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 (if applicable) and years of service since August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining life of the employee group.

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

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

- ii. The cost of multi-employer defined pension plan benefit, such as the Ontario Municipal Employees Retirement System pension, 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.

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

1. Significant accounting policies (continued)

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. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

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

Land improvements with finite lives	15 years
Buildings and building improvements	40 years
Portable structures	20 years
Other buildings	20 years
First-time equipping of schools	10 years
Equipment	5 -15 years
Furniture	10 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5 -10 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 net realizable value. Cost includes amounts for improvements to prepare the land for resale 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.

Upper Canada District School Board

Notes to Consolidated Financial Statements

August 31, 2022

1. Significant accounting policies (continued)

Government transfers	<p>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.</p> <p>Government transfers for capital are deferred as required by Regulation 395/11, recorded as deferred capital contributions (DCC) and recognized in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized</p>
Investment income	<p>Investment income is reported as revenue in the period earned.</p> <p>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.</p>
Long-term debt	<p>Long-term debt is recorded net of related sinking fund balances.</p>
Budget figures	<p>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.</p>
Use of estimates	<p>The preparation of consolidated financial statements in conformity with the basis of accounting described in this note requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amount of revenues and expenses during the year. Accounts subject to significant estimates include certain accrued liabilities, deferred revenue, the useful lives of tangible capital assets and related amortization as well as assumptions related to employee future benefits. Actual results could differ from these estimates. These estimates are reviewed annually and, as adjustments become necessary, they are reported in the periods in which they become known.</p>

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

2. Investments

Investments are comprised as follows:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Fixed income securities	\$ 2,299,364	\$ 2,163,585	\$ 2,257,324	\$ 2,343,536

3. Accounts receivable - Government of Ontario

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. Upper Canada District Board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The Board receives this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

The Board has an account receivable from the Province of Ontario of \$73,530,326 (2021 - \$80,597,475) with respect to capital grants.

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

4. Deferred revenue

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2022 is comprised of:

	Balance at August 31, 2021	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions	Balance at August 31, 2022
Capital:					
Proceeds of disposition	\$ 4,996,050	\$ -	\$ -	\$ 12,448	\$ 4,983,602
School renewal	9,045,689	6,858,204	456,753	5,817,083	9,630,057
Third party	128,648	1,049,095	509,445	574,170	94,128
Minor tangible capital assets	-	8,882,687	3,666,078	5,216,609	-
Interest on capital	-	2,983,866	2,983,866	-	-
Temporary accommodations	-	149,591	-	149,591	-
Rural and Northern education fund	2,656,324	1,499,686	-	-	4,156,010
Experiential Learning Envelope	352,041	1,597,880	1,268,889	-	681,032
Priorities and partnerships fund	-	584,922	214,740	224,913	145,269
Total deferred revenue - capital	17,178,752	23,605,931	9,099,771	11,994,814	19,690,098
Operating:					
Special education	1,448,709	45,491,313	41,706,265	-	5,233,757
Other	974,674	1,559,291	86,092	-	2,447,873
Other legislative grants	1,175,249	7,361,118	6,241,253	-	2,295,114
Third party	4,944,995	(1,782,127)	-	-	3,162,868
Total deferred revenue - operating	8,543,627	52,629,595	48,033,610	-	13,139,612
Total deferred revenue	\$25,722,379	\$76,235,526	\$57,133,381	\$11,994,814	\$32,829,710

The third party revenue primarily relates to UCLC deferred revenue of \$3,125,844 (2021 - \$4,905,777) due to consolidation.

Upper Canada District School Board

Notes to Consolidated Financial Statements

August 31, 2022

5. Deferred capital contributions

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

	2022	2021
Balance, beginning of year	\$319,674,239	\$ 309,538,891
Additions to deferred capital contributions	32,770,981	27,498,106
Revenue recognized in the period	(17,441,283)	(17,008,828)
Disposals/transfer to financial assets	-	(353,930)
	<u>\$335,003,937</u>	<u>\$ 319,674,239</u>

6. Retirement and other employee future benefits

	2022		2021	
	Retirement and sick leave benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Accrued employee future benefit obligations	\$15,644,962	\$ 2,933,472	\$18,578,434	\$ 22,341,194
Unamortized actuarial loss	(805,021)	-	(805,021)	(3,229,671)
Employee future benefits liabilities	<u>\$14,839,941</u>	<u>\$ 2,933,472</u>	<u>\$17,773,413</u>	<u>\$ 19,111,523</u>

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

6. Retirement and other employee future benefits (continued)

	2022		2021	
	Retirement and sick leave benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Current year benefit cost	\$ 375,657	\$ 734,487	\$ 1,110,144	\$ 981,501
Interest on accrued benefit obligation	319,124	47,492	366,616	319,642
Amortization of actuarial losses	719,739	(9,526)	710,213	898,364
Employee future benefits expenses	\$ 1,414,520	\$ 772,453	\$ 2,186,973	\$ 2,199,507

Actuarial assumptions:

The accrued benefit obligations for employee future benefit plans as at August 31, 2022 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2022 (date actuarial probabilities were determined) and based on updated average daily salary and banked sick days (if applicable) as at August 31, 2022. 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:

	2022	2021
Discount rate	3.90%	1.80%
Salary growth	0.00%	0.00%
Dental benefits escalation	5.00% for 2022/23 remaining at a flat rate each year	5.00% for 2021/22 remaining at a flat rate each year
Health benefits escalation	5.00% for 2022/23 remaining at a flat rate each year	5.00% for 2021/22 remaining at a flat rate each year

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

6. Retirement and other employee future benefits (continued)

Retirement Benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance and health care benefits, retirement gratuity, retirement allowance, worker's compensation and long-term disability benefits.

Retirement life insurance, health and dental benefits have been grandfathered to existing retirees and employees who retired between September 1, 2012 and August 31, 2013. Effective September 1, 2013, any new retiree accessing retirement life, health or dental benefits paid the full premiums for such benefits and are included in a separate experience pool for participating retirees that is self-funded.

(a) Retirement benefits:

(i) The Ontario Teacher's Pension Plan:

Teachers and related employee groups are eligible to be members of the 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.

(ii) Ontario Municipal Employees Retirement System:

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2022, the Board contributed \$4,880,210 (2021 - \$4,863,428) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. At December 31, 2021 OMERS reported an actuarial funding deficit of \$3.1 billion (2021 - \$3.2 billion). No pension liability for this type of plan is included in the Board's consolidated financial statements.

(iii) Retirement gratuity benefits:

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 up to August 31, 2012.

The amount of the accrued benefit payable for retirement gratuities has been actuarially determined using the Projected Unit Credit Actuarial Cost Method pro-rated on services as at August 31, 2022 and is \$14,464,284 (2021 - \$15,623,710).

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

6. Retirement and other employee future benefits (continued)

(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 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such provision.

The Board carries catastrophic risk insurance and has a reserve fund established for these liabilities which amounted to \$2,299,364 as at August 31, 2022 (2021 - \$2,257,324). The amount of liability for WSIB that was actuarially determined as at August 31, 2022 is \$2,832,127 (2021 - \$2,943,805).

(ii) Accrued vacation pay:

Compensated vacation pay is accrued for employees as entitlement to these payments is earned in accordance with the Board's benefit plans for vacation time. Vacation credits earned as of August 31, 2022 amount to \$2,029,259 (2021 - \$1,853,033) and are reported as part of the accounts payable and accrued liabilities.

(iii) Sick leave top-up benefits:

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are \$3,778 (2021 - \$132,763).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2012 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at August 31, 2021.

The benefit liability in the consolidated financial statements as at August 31, 2022 amounts to \$375,657 (2021 - \$371,879).

(iv) 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.

Upper Canada District School Board

Notes to Consolidated Financial Statements

August 31, 2022

6. Retirement and other employee future benefits (continued)

(v) Post-employment life insurance and health care benefits:

The Board provides a separate life insurance, health care and dental benefits plan for certain retirees. The premiums are based on the Board experience or the rate for active employees. Depending on the year in which a retiree has retired and the board's prior arrangements, retirees' premiums could be subsidized by the Board. The benefit costs and liabilities related to the subsidization of these retirees under this group plan are included in the Board's consolidated financial statements.

(vi) Retiring allowance

CUPE employees hired after amalgamation also have a retiring allowance provision where the Board allocates \$500 each year for five years, upon successful completion of two years of service. As a result of the plan changes, employees no longer accumulate the retiring allowance, and no employee who began employment with the Board after August 31, 2012 is entitled to the benefit. The amount of the accrued benefit payable for retirement allowances has been actuarially determined and is included in accrued liabilities.

7. Net long-term debt

Net long-term debt reported on the consolidated statement of financial position is comprised of debentures totaling \$61,113,212 (2021 - \$65,450,186), consisting of the following:

	2022	2021
Series 2004-A1 amortizing debenture payable, bearing interest at 5.483% blended principal and interest payments of \$1,005,845 payable semi-annually starting May 26, 2005, principal payable up to November 26, 2029	\$12,235,320	\$ 13,522,959
Series 2003-A2 amortizing debenture payable, bearing interest at 5.80%, blended principal and interest payments of \$537,077 payable semi-annually starting May 7, 2004, principal payable up to November 7, 2028	5,748,491	6,458,213
Amortizing debenture payable, bearing interest at 4.56% payable semi-annually starting May 15, 2007, principal payable up to November 17, 2031	2,675,363	2,895,949

Upper Canada District School Board

Notes to Consolidated Financial Statements

August 31, 2022

7. Net long-term debt (continued)

	2022	2021
Amortizing debenture payable, bearing interest at 4.90% payable semi-annually starting May 15, 2008, principal payable up to March 3, 2033	\$ 8,478,768	\$ 9,062,465
Amortizing debenture payable, bearing interest at 5.062% payable semi-annually starting May 15, 2009, principal payable up to March 13, 2034	2,130,067	2,258,950
Amortizing debenture payable, bearing interest at 5.232% payable semi-annually starting May 15, 2010, principal payable up to April 13, 2035	1,570,756	1,654,181
Amortizing debenture payable, bearing interest at 4.833% payable semi-annually starting May 16, 2011, principal payable up to March 11, 2036	12,183,140	12,790,901
Amortized debenture payable, bearing interest at 3.564% payable semi-annually starting May 15, 2012, principal payable up to March 9, 2037	1,481,104	1,555,877
Amortized debenture payable, bearing interest at 3.799% payable semi-annually starting May 15, 2013, principal payable up to March 19, 2038	12,131,407	12,681,154
Amortized debenture payable, bearing interest at 4.003% payable semi-annually starting May 15, 2014, principal payable up to March 11, 2039	422,353	439,674
Amortized debenture payable, bearing interest at 2.993% payable semi-annually starting May 15, 2015, principal payable up to March 9, 2040	420,231	437,862
Amortized debenture payable, bearing interest at 3.594% payable semi-annually starting May 15, 2017 principal payable up to March 14, 2042	1,636,212	1,692,001
	<u>\$61,113,212</u>	<u>\$ 65,450,186</u>

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

7. Net long-term debt (continued)

Principal and interest payments relating to the Board's debentures outstanding as at August 31, 2022 are due as follows:

	Principal	Interest	Total
2023	\$ 4,557,211	\$ 2,866,042	\$ 7,423,253
2024	4,788,840	2,634,414	7,423,254
2025	5,032,457	2,390,797	7,423,254
2026	5,288,693	2,134,561	7,423,254
2027	5,558,211	1,921,048	7,479,259
Thereafter	35,887,800	6,875,246	42,763,046
	<u>\$ 61,113,212</u>	<u>\$ 18,822,108</u>	<u>\$ 79,935,320</u>

8. Temporary borrowing

The Board's financing agreement with its bank provides for operating credit facilities

- Facility (1): The Board has a revolving demand facility by way of loans, overdrafts and bankers' acceptances of up to \$25,000,000 (2021 - \$25,000,000) to finance operations with \$Nil (2021 - \$Nil) utilized as at August 31, 2022.
- Facility (2): The Board has a revolving demand facility by way of letters of credit and letters of guarantee of up to \$2,000,000 (2021 - \$2,000,000) for the purpose of providing security for obligations to third parties with \$35,000 (2021 - \$35,000) utilized as at August 31, 2022.
- Facility (3): The Board has a revolving term facility of up to \$20,000,000 (2021 - \$20,000,000) to finance the school capital construction/renovation projects with \$Nil (2021 - \$Nil) utilized as at August 31, 2022.
- Facility (4): The Board has a revolving term facility of up to \$3,000,000 (2021 - \$3,000,000) to finance capital expenditures (technology refresh) with \$Nil (2021 - \$Nil) utilized as at August 31, 2022.
-

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

9. Debt charges and capital loans interest

Payments made for debt charges and capital loans include principal and interest payments as follows:

	2022	2021
Principal payments on long-term liabilities	\$ 4,336,973	\$ 4,127,558
Interest payment on long-term liabilities	3,086,280	3,295,696
	<u>\$ 7,423,253</u>	<u>\$ 7,423,254</u>

10. Tangible capital assets

Cost	Balance at August 31, 2021	Additions and transfers	Disposals, write-offs and adjustments	Balance at August 31, 2022
Land	\$ 11,507,873	\$ -	\$ -	\$ 11,507,873
Land improvements	32,481,940	3,001,469	-	35,483,409
Buildings	461,721,240	22,864,170	-	484,585,410
Other buildings	30,988	-	-	30,988
Portable structures	2,137,780	477,779	-	2,615,559
First-time equipping of schools	2,998,733	189,336	(234,911)	2,953,158
Furniture	790,578	18,386	(537,032)	271,932
Equipment	12,416,313	860,564	(1,951,285)	11,325,592
Computer hardware	3,182,854	4,995,897	(411,916)	7,766,835
Computer software	126,625	-	(24,509)	102,116
Vehicles	487,433	104,467	(89,186)	502,714
Construction in progress	672,865	330,169	-	1,003,034
Total	528,555,222	\$ 32,842,237	\$ (3,248,839)	\$ 558,148,620

Upper Canada District School Board

Notes to Consolidated Financial Statements

August 31, 2022

10.
Tangible capital assets (continued)

Accumulated amortization	Balance at August 31, 2021	Amortization	Disposals, write-offs and adjustments	Balance at August 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	10,712,531	2,265,512	-	12,978,043
Buildings	174,551,108	11,828,833	-	186,379,941
Other buildings	15,517	1,549	-	17,066
Portable structures	225,995	118,833	-	344,828
First-time equipping of schools	1,631,509	296,155	(234,911)	1,692,753
Furniture	688,358	53,125	(537,032)	204,451
Equipment	6,719,037	1,011,455	(1,951,286)	5,779,206
Computer hardware	1,318,195	1,852,409	(411,916)	2,758,688
Computer software	52,692	22,874	(24,509)	51,057
Vehicles	202,787	90,576	(89,185)	204,178
Construction in progress	-	-	-	-
Total	\$ 196,117,729	17,541,321	\$ (3,248,839)	\$ 210,410,211

	Net book value August 31, 2021	Net book value August 31, 2022
Land	\$ 11,507,873	\$ 11,507,873
Land improvements	21,769,409	22,505,366
Buildings	287,170,132	298,205,469
Other buildings	15,471	13,922
Portable structures	1,911,785	2,270,731
First-time equipping of schools	1,367,224	1,260,405
Furniture	102,220	67,481
Equipment	5,697,276	5,546,386
Computer hardware	1,864,659	5,008,147
Computer software	73,933	51,059
Vehicles	284,646	298,536
Construction in progress	672,865	1,003,034
Total	\$ 332,437,493	\$ 347,738,409

Upper Canada District School Board
Notes to Consolidated Financial Statements

August 31, 2022

11. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
Available for compliance - unappropriated		
Total operating accumulated surplus	\$13,657,019	\$ 8,016,722
Available for compliance - internally appropriated		
Workers' Safety Insurance Board (WSIB)	2,299,364	2,257,324
Other purpose - operating	6,997,949	6,913,194
Other purpose - capital	587,683	552,948
Committed sinking fund interest	43,323	32,551
Total accumulated surplus available for compliance	23,585,338	17,772,739
Unavailable for compliance - externally appropriated		
Interest accrued	(842,721)	(902,898)
School generated funds	3,643,346	3,972,932
Revenue recognized for land	11,507,879	11,507,879
Total externally appropriated	14,308,504	14,577,913
Total accumulated surplus	\$37,893,842	\$ 32,350,652

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

12. Expenses by Object

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

	2022 Budget	2022 Actual	2021 Actual
Expenses:			
Salaries and wages	\$252,497,521	\$250,419,939	\$252,010,055
Employee benefits	43,991,200	44,652,502	42,874,221
Staff development	839,301	480,414	417,295
Supplies and services	21,795,633	25,114,095	25,942,989
Interest charge on capital	3,023,842	3,026,103	3,234,918
Rental expenses	1,263,252	1,019,575	1,278,839
Fees and contract Service	38,892,414	40,805,721	35,809,667
Other	174,742	5,222,834	1,222,763
Amortization, write-downs, loss on disposal	18,131,289	17,541,322	17,430,232
School activities	2,918,925	3,056,149	958,332
Centre for Education and Training	1,825,244	2,355,393	2,252,610
Champion for Kids Foundation	177,403	149,251	75,070
	<u>\$385,530,766</u>	<u>\$393,843,298</u>	<u>\$383,506,991</u>

13. Impact of COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) a global pandemic. The pandemic has had a significant impact on the global economy and the education system. During the 2021-2022 year, the Board was forced to close schools from January 3, 2022 to January 4, 2022 and switched to online learning from January 5, 2022 to January 14, 2022. Continued Public Health safety measures continued when students returned, for the remainder of the year.

The Ontario Ministry of Education has provided new funding, including the one described in Note 19 In-Kind transfers from the Ministry of Public and Business Service Delivery (MPBSD).

Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration and the related financial impact cannot be reasonably estimated.

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

14. Trust funds (unaudited)

Trust funds administered by the Board amounting to \$3,179,615 (2021 - \$3,365,206) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations and accumulated deficit.

15. 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. The Board entered into this agreement on January 1, 2022. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$ 5,000,000 per occurrence.

The premiums are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current term expires January 1, 2023.

Premiums paid to OSBIE for the policy year ending December 31, 2022 amounted to \$307,951 and \$314,150 for the policy year ended December 31, 2021.

16. Contingent liabilities

The Board is involved with pending litigation and claims which arose in the normal course of operations. In the opinion of the administration, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the Board. Any adjustments, arising from these matters, will be provided for in future years.

17. Transportation consortium

The Board is a member of the Student Transportation of Eastern Ontario ("STEO") consortium with the Catholic District School Board of Eastern Ontario, effective February 1, 2012. The consortium provides joint governance and administration of student transportation services provided to students registered with the two member boards. During the 2017-18 year STEO received an arbitrator's decision that resulted in significant increases to the rate paid to operators for the years ending August 2017, 2018, 2019 and future years.

Related party transactions and balances with STEO include the following:

(i) The Board paid STEO \$32,337,367 (2021 - \$28,920,904) for student transportation services in the year.

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

17. Transportation consortium (continued)

(ii) The Board has a receivable from STEO of \$2,971,448 (2021 - \$3,094,213) for student transportation services.

STEO's assets, liabilities, revenue, expenses and surplus for the year ended August 31, 2022 are as follows:

	2022	2021
Financial assets	\$ 3,305,759	\$ 3,286,590
Financial liabilities	(3,410,632)	(3,362,048)
Net debt	(104,873)	(75,458)
Non-financial assets	104,873	75,458
Accumulated surplus	\$ -	\$ -

	2022	2021
Revenue	\$51,665,435	\$ 46,785,070
Expenses	51,665,435	46,785,070
Annual surplus	\$ -	\$ -

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 \$1,476,813 with expenses based on use of \$1,068,194 for a net impact of \$408,619.

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

19. 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. In 2022, 68.6% (2021 - 68.8%) percent of the consolidated revenues of the board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2022	2021
Provincial legislative grants	\$291,484,065	\$288,977,733
Education property tax	72,851,753	72,699,652
	<u>\$364,335,818</u>	<u>\$361,677,385</u>

Upper Canada District School Board Notes to Consolidated Financial Statements

August 31, 2022

20. Future accounting standard adoption

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

While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in PS 1201 Financial Statement Presentation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments must be implemented at the same time. The board has not adopted any new accounting standards for the year ended August 31, 2022.

Standards applicable for fiscal years beginning on or after April 1, 2022 (in effect for the board as of September 1, 2022 for the year ending August 31, 2023):

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations

PS 3401 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 will no longer apply.

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.

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.

Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the board for as of September 1, 2023 for the year ending August 1, 2024):

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