

**Huron-Perth Catholic District
School Board
Consolidated Financial
Statements
For the year ended August 31, 2023**

Huron-Perth Catholic District School Board
Consolidated Financial Statements
For the year ended August 31, 2023

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Huron-Perth Catholic District School Board

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HURON-PERTH CATHOLIC

District School Board

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Huron-Perth 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.

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 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 their approval of the consolidated financial statements.

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.

Director of Education / Secretary

Superintendent of Business / Treasurer

December 11, 2023 (Upon Board Approval)



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BDO Canada LLP
380 Hibernia Street
Stratford, Ontario
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Independent Auditors' Report

To the Board of Trustees of the
Huron-Perth Catholic District School Board

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

In our opinion, the accompanying consolidated financial statements have been prepared, in all material respects, in accordance with the basis of accounting disclosed in the Summary of Significant Accounting Policies.

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

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. As a result, the financial statements may not be suitable for another purpose. 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 disclosed basis of accounting, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the 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 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 financial statements represent the underlying transactions and events in a manner that achieves compliance with the disclosed basis of accounting.
- 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 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.

Chartered Professional Accountants, Licensed Public Accountants

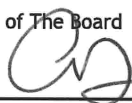
Stratford, Ontario
December 11, 2023

Huron-Perth Catholic District School Board

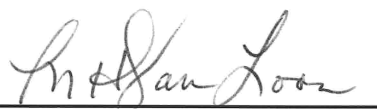
Consolidated Statement of Financial Position

As at August 31,	2023	2022
		Restated (Note 2)
Financial Assets		
Cash and cash equivalents	\$ 6,029,642	\$ 5,067,155
Investments (Note 3)	49,318	57,982
Accounts receivable		
Local government	879,512	911,702
Other	1,379,376	1,251,430
Province of Ontario - Approved Capital (Note 4)	8,909,222	9,725,187
Province of Ontario - Delayed Grant Payment (Note 4)	3,999,249	3,904,805
Province of Ontario - Other	887,953	959,821
	<u>22,134,272</u>	<u>21,878,082</u>
Financial Liabilities		
Accounts payable and accrued liabilities	4,854,146	4,724,900
Deferred revenue - mandatory (Note 5)	2,585,939	2,947,302
Deferred revenue - other	881,817	397,165
Deferred capital contributions (Note 6)	48,612,387	48,680,661
Asset retirement obligation (Note 7)	1,585,644	1,520,663
Employee future benefits liability (Note 9)	1,916,726	2,034,747
Net long-term debt (Note 11, 12 and Note 21)	6,826,776	7,498,632
	<u>67,263,435</u>	<u>67,804,070</u>
Net Debt	<u>(45,129,163)</u>	<u>(45,925,988)</u>
Non-Financial Assets		
Prepaid expenses and inventory	629,247	749,433
Tangible capital assets (Note 14)	51,270,196	51,320,475
	<u>51,899,443</u>	<u>52,069,908</u>
Accumulated Surplus (Note 15)	<u>\$ 6,770,280</u>	<u>\$ 6,143,920</u>

Signed on Behalf of The Board



Signature of Director of Education / Secretary



Signature of Chair of School Board

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

Huron-Perth Catholic District School Board

Consolidated Statement of Operations

For the year ended August 31,	Budget 2023	2023	2022
	(Unaudited)		Restated (Note 2)
Revenues			
Grants for Student Needs (Note 16)	\$ 68,584,210	\$ 66,990,959	\$ 63,921,661
Provincial grants - other (Note 17)	2,167,733	1,647,763	4,480,674
Federal grants	32,918	51,272	8,328
Deferred capital contributions recognized (Note 5)	4,342,907	4,337,230	4,075,399
Investment income	150,000	288,059	72,461
Other fees and revenues	290,835	361,784	744,815
School fundraising	1,274,400	1,370,719	828,622
	76,843,003	75,047,786	74,131,960
Expenses (Note 18)			
Instruction	54,680,786	52,406,720	52,010,911
Administration	2,915,413	2,918,833	2,894,446
Transportation	6,467,586	6,220,180	6,147,473
Pupil accommodation	10,810,285	10,654,018	10,297,755
Other	694,533	850,956	1,423,198
School funded activities	1,274,400	1,370,719	802,210
	76,843,003	74,421,426	73,575,993
Annual surplus	-	626,360	555,967
Accumulated surplus, beginning of year	6,143,920	6,143,920	6,659,561
Change in accounting standard (Note 2)	-	-	(1,071,608)
Accumulated surplus, beginning of year - restated	6,143,920	6,143,920	5,587,953
Accumulated surplus, end of year	\$ 6,143,920	\$ 6,770,280	\$ 6,143,920

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

Huron-Perth Catholic District School Board

Consolidated Statement of Cash Flows

For the year ended August 31,	2023	2022
		Restated (Note 2)
Operations		
Annual surplus	\$ 626,360	\$ 555,967
Add: Amortization of tangible capital assets	4,419,975	4,189,428
Add: Amortization on tangible capital assets - Asset retirement obligation	51,445	51,444
Less: Amortization of deferred capital contributions	(4,337,230)	(4,075,399)
Add: Loss on disposal of tangible capital assets	4,597	-
Add: Loss on disposal of asset retirement obligation	18,534	-
	157,321	165,473
Change in non-cash working capital balances		
Accounts receivable - local government, other, and grants for student needs	(23,888)	(725,455)
Accounts payable and accrued liabilities	129,246	(1,253,360)
Deferred revenues - mandatory	(361,363)	559,574
Deferred revenues - other	484,652	(3,500)
Employee future benefits liability	(118,021)	(144,541)
Prepaid expenses and inventory	120,186	(285,938)
Asset retirement obligation	64,980	-
	1,079,473	(1,131,780)
Net increase in cash from operations	1,079,473	(1,131,780)
Capital transactions		
Acquisition of tangible capital assets	(4,444,271)	(3,982,633)
Financing		
Temporary borrowing repayments	-	(24,558)
Delayed grant payment	(94,444)	(1,106,827)
Debt repayments	(671,856)	(637,257)
Deferred capital contributions received	4,268,956	3,861,928
Change in accounts receivable - Province of Ontario, approved capital	815,965	1,651,829
	4,318,621	3,745,115
Increase (decrease) in cash and equivalents	953,823	(1,369,298)
Cash and equivalents, beginning of year	5,125,137	6,494,435
Cash and equivalents, end of year	\$ 6,078,960	\$ 5,125,137

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

Huron-Perth Catholic District School Board

Consolidated Statement of Change in Net Debt

For the year ended August 31,	2023	2022
		Restated (Note 2)
Annual Surplus	\$ 626,360	\$ 555,967
Tangible Capital Asset Activity		
Acquisition of tangible capital assets	(4,444,271)	(3,982,633)
Amortization of tangible capital assets	4,471,420	4,240,872
Loss on sale tangible capital assets	4,597	-
Loss of disposal of asset retirement obligation	18,534	-
Increase in asset retirement obligation asset	-	(1,520,663)
	50,280	(1,262,424)
Other Non-Financial Asset Activity		
Acquisition of supplies inventories	(70,531)	(186,917)
Prepayment of expenses	(558,716)	(562,515)
Consumption of supplies inventories	186,917	164,761
Use of prepaid expenses	562,515	298,733
	120,185	(285,938)
Decrease (increase) in net debt	796,825	(992,395)
Net debt at beginning of year	(45,925,988)	(44,933,593)
Net debt at end of year	\$ (45,129,163)	\$ (45,925,988)

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

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements 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 August 31, 2004 and that changes may be required to the application of these standards as a result of regulation.

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

The accounting policy requirements under Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which require that:

- Government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- Externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- Property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

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

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2023

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 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.

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

c) Trust Funds

Trust funds and their related operations administered by the board are not included in the consolidated financial statements as they are not controlled by the board.

d) Cash and Cash Equivalents

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

e) Financial Instruments

The board has Other Investments in guaranteed investment certificates, which are recorded at amortized cost using the effective interest rate method.

f) 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.

g) 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.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - continued

h) 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, are recognized as deferred capital contribution as defined in Ontario Regulation 395/11 of the Financial Administration Act. These amounts are recognized as revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

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

i) Retirement and Other Employee Future Benefits

The board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, retirement gratuity, life and accidental death and dismemberment insurance.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, an Employee Life and Health Trust (ELHT) was established for the Ontario English Catholic Teachers' Association (OECTA) in 2016-17 (excluding daily occasional teachers). The following ELHTs were established in 2017-18: Canadian Union of Public Employees (CUPE) (excluding casual and temporary staff), and ONE-T for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers, education workers (excluding casual and temporary staff), other school board staff and retired workers up to a school board's participation date in the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustee associations and the Government of Ontario. The Board is no longer responsible to provide certain benefits to OECTA (February 1, 2017), CUPE (March 1, 2018), Principals and Vice-principals (April 1, 2018), and other school board staff (June 1, 2018). School Boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefit funding embedded within the Grants for Student Needs (GSN), additional Ministry funding in the form of a Crown contribution as well as a stabilization adjustment.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

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

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

j) Tangible Capital Assets

Tangible capital assets are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction and legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

Leases which transfer substantially all 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.

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

August 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - continued

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

Asset	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable Structures	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	3
Computer software	5
Vehicles	5-10

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.

k) 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.

l) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the Revised Estimates 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. The budget figures are unaudited.

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

August 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES - continued

m) Use of Estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1a requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to significant estimates include employee future benefits. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations (ARO) of \$1.586 million. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates and/or the allocation of costs between required and discretionary activities.

n) Education Property Tax Revenue

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

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

August 31, 2023

2. CHANGE IN ACCOUNTG POLICY

The new Public Sector Accounting Handbook Section PS 3280 *Asset Retirement Obligations (ARO)* was adopted on September 1, 2022 on a modified retroactive basis with prior period restatement. PS 3280 establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization.

As a result of applying this accounting standard, an asset retirement obligation of \$1,585,646 (2022 – \$1,520,663) was recognized as a liability in the Statement of Financial Position.

The board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, amortization expense and accretion expense (for discounted ARO liabilities) for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The 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:

2022	As Previously Reported	Adjustments	As Restated
Statement of Financial Position			
Tangible Capital Assets Including ARO	\$ 50,922,864	\$ 397,611	\$ 51,320,475
Asset Retirement Obligation Liability	-	1,520,663	1,520,663
Accumulated Surplus (Deficit)	7,266,972	(1,123,052)	6,143,920
Statement of Change in Net Debt			
Annual Surplus (Deficit)	\$ 607,411	\$ (51,444)	\$ 555,967
Amortization of TCA (incl TCA-ARO)	4,189,428	51,444	4,240,872
Asset retirement obligation	-	1,520,663	1,520,663
Net Debt at End of Year	(44,405,325)	(1,520,663)	(45,925,988)
Statement of Operations			
Amortization of TCA-ARO	\$ 10,246,311	\$ 51,444	\$ 10,297,755
Surplus/ (Deficit) for the Year	607,411	(51,444)	555,967
Accumulated Surplus (Deficit)	6,659,561	(1,071,608)	5,587,953
– beginning of year			

Huron-Perth Catholic District School Board Notes to Consolidated Financial Statements

August 31, 2023

3. INVESTMENTS

Investments are carried on the Statement of Financial Position. The board's investments are comprised of GICs recorded at amortized cost that are held in trust for student bursaries paid out annually. Investments consist of the following:

	Maturity Date	Interest Rate (%)	Amount as at August 31, 2023 (\$)	Amount as at August 31, 2022 (\$)
GIC #1	May 30, 2024	5%	\$ 5,220	\$ 6,018
GIC #2	May 21, 2024	5%	35,878	43,423
GIC #3	April 12, 2024	4.4%	8,220	8,541
Total			\$ 49,318	\$ 57,982

4. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. The Huron-Perth Catholic District School 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 \$8,909,222 as at August 31, 2023 (2022 - \$9,725,187) with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments at August 31, 2023 is \$3,999,249 (2022 - \$3,904,805).

Huron-Perth Catholic District School Board Notes to Consolidated Financial Statements

August 31, 2023

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

	Balance as at August 31, 2022	Externally Restricted Revenue Received	Revenue Recognized in the Period	Transfers to Deferred Capital Contributions	Balance as at August 31, 2023
Legislative Grants, Operating	\$ 855,673	\$ 9,786,886	\$ (9,692,846)	\$ -	\$ 949,713
Other Ministry of Education Grants	169,941	1,201,185	(1,298,027)	-	73,099
School Renewal	960,908	880,500	(313,006)	(907,497)	620,905
Temporary Accommodation	191,090	40,730	(38,004)	-	193,816
Rural & Northern Education Fund	526,627	324,319	(324,319)	-	526,627
Experiential Learning	100,000	412,562	(312,562)	-	200,000
Ministry of Public & Business Service Delivery	143,063	12,904	(134,188)	-	21,779
Total Deferred Revenue	\$ 2,947,302	\$ 12,659,086	\$ (12,112,952)	\$ (907,497)	\$ 2,585,939

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 regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

	2023	2022
Balance, beginning of year	\$ 48,680,661	\$ 48,894,132
Additions to deferred capital contributions	4,268,956	3,861,928
Revenue recognized in the period	(4,337,230)	(4,075,399)
Balance, end of year	\$ 48,612,387	\$ 48,680,661

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

August 31, 2023

7. ASSET RETIREMENT OBLIGATIONS

The board's financial statements include an asset retirement obligation for the remediation of asbestos contained within school buildings, drinking water wells and septic tank and bed removal. The related asset retirement costs are being amortized on a straight-line basis. The estimated total undiscounted future expenditures are \$1,585,644 (2022 - \$1,520,663), which are to be incurred over the remaining productive useful life of the assets. The liability is expected to be settled at the end of the buildings' productive useful life.

The carrying amount of the liability is as follows:

	2023	2022
Asset retirement obligation, beginning of year	\$ 1,520,663	\$ 1,520,663
Change in estimate	150,900	-
Abatement during the year	(85,919)	-
Asset retirement obligation, end of year	\$ 1,585,644	\$ 1,520,663

8. FINANCIAL INSTRUMENTS

The board's financial instruments consist of cash, other investments (GICs), accounts receivable, accounts payable and accrued liabilities, and long-term debt.

The board is exposed to a variety of financial risks including credit risk, liquidity risk and market risk. The board's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the board's financial performance.

Credit risk

The board's principal financial assets are cash, accounts receivable and investments, which are subject to credit risk. The carrying amounts of financial assets on the Statement of Financial Position represent the board's maximum credit exposure as at the Statement of Financial Position date.

Market risk

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

The board's financial instruments consist of cash, other investments, accounts receivable accounts payable and accrued liabilities, and long-term debt. It is the board's opinion that the board is not exposed to significant interest rate or currency risks arising from these financial instruments except as otherwise disclosed.

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

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9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Retirement and Other Employee Future Benefit Liabilities				
			2023	2022
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued Employee Future Benefit Obligations at August 31	\$ 1,256,621	\$ 603,547	\$ 1,860,168	\$ 2,024,033
Unamortized Actuarial Gains (Losses) at August 31	56,558	-	56,558	10,714
Employee Future Benefits Liability at August 31	\$ 1,313,179	\$ 603,547	\$ 1,916,726	\$ 2,034,747

Retirement and Other Employee Future Benefit Expenses				
			2023	2022
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current Year Benefit Cost	\$ -	\$ 179,165	\$ 179,165	\$ 219,082
Interest on Accrued Benefit Obligation	50,763	19,853	70,616	37,553
Recognized Actuarial (Gains)/Losses	11,427	(14,698)	(3,271)	16,533
Employee Future Benefits Expenses¹	\$ 62,190	\$ 184,320	\$ 246,510	\$ 273,168

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

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2023 and based on updated average daily salary and banked sick days as at August 31, 2023. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the board's best estimates of expected rates of:

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

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9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS - continued

	2023	2022
Inflation		
Retirement Gratuity	2.00%	2.00%
Other Future Employee Benefits	2.50%	2.70%
Wage and Salary Escalation		
Other Future Employee Benefits	2.00%	2.00%
Discount on Accrued Benefit Obligations		
Retirement Gratuity	4.40%	3.90%
Other Future Employee Benefits	4.40%	3.90%

Retirement Benefits

(i) Ontario Teacher's Pension Plan

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

(ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The board contributions equal the employee contributions to the plan. During the year ended August 31, 2023, the board contributed \$983,133 (2022 - \$910,065) to the plan. As this is a multi-employer pension plan, these contributions are the board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

As at December 31, 2023, the OMERS plan was in a deficit of \$6.7 billion (2022 - \$3.1 billion). There were no changes to contribution rates in 2022 and contribution rates and will remain unchanged in 2023. Pension payments increased by a cost of living adjustment of 2.74% in 2022 and 6% in 2023. The multiemployer plan is valued on a current market basis for all plan assets. The projected benefit method prorated on services was used for the actuarial valuation.

(iii) Retirement Gratuities

The board provides retirement gratuities to certain groups of employees hired prior to specified dates. The board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the board's consolidated financial statements. The amount of 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.

**Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements**

August 31, 2023

9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS - continued

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 Bboard's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4.5 years for employees receiving payments from the Workplace Safety and Insurance board, where the collective agreement negotiated prior to 2012 included such a provision. As at August 31, 2023 the board has established an internal reserve for WSIB obligations amounting to \$400,000 (2022 - \$400,000).

(ii) 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 financial statements are \$43,357 (2022 – \$47,528).

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

10. TEMPORARY BORROWING

The board had established the following credit facilities to address operating requirements or to bridge capital expenditures:

Demand operating line of credit with a limit of \$3,000,000 at an interest rate of prime minus 0.25%. As at August 31, 2023 the board was not using this credit facility.

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Notes to Consolidated Financial Statements

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11. NET LONG TERM DEBT

Net long-term debt reported on the Consolidated Statement of Financial Position comprises the following:

	2023	2022
BNY Mellon Trust Company, repayable in semi-annual payments of \$118,157 including interest at 5.80%, calculated semi-annually not in advance, due November 2028	\$ 1,099,342	\$ 1,264,668
BNY Mellon Trust Company, repayable in semi-annual payments of \$184,898 including interest at 5.483%, calculated semi-annually not in advance, due November 2029	1,999,290	2,249,144
Ontario Financing Authority, repayable in semi-annual payments of \$37,797 including interest at 4.56%, calculated semi-annually not in advance, due November 2031	527,763	577,582
Ontario Financing Authority, repayable in semi-annual payments of \$33,463 including interest at 4.90%, calculated semi-annually not in advance, due March 2033	515,768	555,939
Ontario Financing Authority, repayable in semi-annual payments of \$123,471 including interest at 5.047%, calculated semi-annually not in advance, due November 2034	2,134,671	2,268,779
Ontario Financing Authority, repayable in semi-annual payments of \$31,318 including interest at 5.232%, calculated semi-annually not in advance, due April 2035	549,942	582,520
	\$6,826,776	\$7,498,632

Huron-Perth Catholic District School Board Notes to Consolidated Financial Statements

August 31, 2023

11. NET LONG TERM DEBT - continued

Principal and interest payments relating to long-term debt of \$8,587,103 outstanding as at August 31, 2023 are due as follows:

	Principal Repayments	Interest	Total Future Payment by Year
2024	708,341	349,866	1,058,207
2025	746,819	311,389	1,058,208
2026	787,395	270,813	1,058,208
2027	830,187	228,021	1,058,208
2028	875,315	182,892	1,058,207
Thereafter	2,878,719	417,346	3,296,065
Future Year Total	\$ 6,826,776	\$ 1,760,327	\$ 8,587,103

12. DEBT CHARGES AND CAPITAL LOAN INTEREST

	2023	2022
Principal payments on long-term liabilities	\$ 671,856	\$ 637,257
Interest expense on long-term liabilities	375,925	410,644
Interest expense on temporary financing of capital projects	-	962
	\$ 1,047,780	\$ 1,048,863

13. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The school board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2022 were \$95,277 (2021 - \$85,590). There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the school board.

Any school board wishing to join OSBIE must execute a reciprocal insurance exchange agreement whereby every member commits to a five-year subscription period, the current one of which will end on December 31, 2026.

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

**Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements**

August 31, 2023

13. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE) - continued

- 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 within the board of directors to buy out such liability.

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

August 31, 2023

14. TANGIBLE CAPITAL ASSETS

	Cost							Balance at August 31, 2023
	Balance at September 1, 2022	Adjustment for PS3280 ¹	Opening Balance Adjusted	ARO Change in Estimate	Additions & Transfers	Disposals		
Land	\$ 1,131,690	\$ -	\$ 1,131,690	\$ -	\$ 24,416	\$ -	\$ 1,156,106	
Land Improvements	1,799,778	-	1,799,778	-	705,466	(15,324)	2,489,920	
Buildings	87,280,878	-	87,280,878	-	3,048,642	-	90,329,520	
Asset retirement obligation	-	1,520,663	1,520,663	150,900	-	(85,919)	1,585,644	
Portable Structures	848,542	-	848,542	-	-	-	848,542	
First time equipping	454,927	-	454,927	-	-	(127,852)	327,075	
Furniture	47,062	-	47,062	-	-	-	47,062	
Equipment – 15 years	46,822	-	46,822	-	-	-	46,822	
Equipment – 10 years	278,007	-	278,007	-	-	(40,601)	237,406	
Equipment – 5 years	341,932	-	341,932	-	22,752	(20,818)	343,866	
Computer Hardware	2,113,788	-	2,113,788	-	492,094	(939,456)	1,666,426	
Computer Software	122,927	-	122,927	-	-	(43,139)	79,788	
Vehicle	28,233	-	28,233	-	-	-	28,233	
TOTAL	\$ 94,494,586	\$ 1,520,663	\$ 96,015,249	\$ 150,900	\$ 4,293,370	\$ (1,273,109)	\$ 99,186,410	

¹ See Note 2 Change in Accounting Policy

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

August 31, 2023

	Accumulated Amortization						Net Book Value	
	Balance at September 1, 2022	Adjustment for PS3280 ¹	Opening Balance Adjusted	Amortization	Disposals, Write-offs	Balance at August 31, 2023	August 31, 2022	August 31, 2023
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,131,690	\$ 1,156,106
Land Improvements	663,926		663,926	142,477	(10,727)	795,676	1,135,852	1,694,244
Buildings	40,777,518	-	40,777,518	3,424,410	-	44,201,928	46,503,360	46,127,592
Asset retirement obligation	-	1,123,052	1,123,052	51,445	(67,384)	1,107,113	397,611	478,531
Portable Structures	125,629		125,629	43,327		168,956	722,913	679,586
First time equipping	382,694		382,694	39,100	(127,852)	293,942	72,233	33,133
Furniture	37,476		37,476	4,706		42,182	9,586	4,880
Equipment – 15 years	24,698		24,698	3,121		27,819	22,124	19,003
Equipment – 10 years	130,562		130,562	25,771	(40,601)	115,732	147,445	121,674
Equipment – 5 years	150,071		150,071	68,580	(20,818)	197,833	191,861	146,033
Computer Hardware	1,191,930		1,191,930	642,562	(939,456)	895,036	921,858	771,390
Computer Software	73,101		73,101	20,271	(43,139)	50,233	49,826	29,555
Vehicle	14,117		14,117	5,647		19,764	14,116	8,469
TOTAL	\$ 43,571,722	\$ 1,123,052	\$ 44,694,774	\$ 4,471,417	\$ (1,249,977)	\$ 47,916,214	\$ 51,320,475	\$ 51,270,196

¹ See Note 2 Change in Accounting

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

August 31, 2023

15. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:	2023	2022
		Restated (Note 2)
Available for Compliance - Unappropriated		
Accumulated Operating Surplus	\$ 2,392,859	\$ 2,035,928
Available for Compliance – Internally Appropriated		
Retirement Gratuities	457,516	457,516
WSIB	400,000	400,000
Classroom Budget Allocation	226,232	226,232
Board Projects	832,250	843,816
OFSA	90,000	100,000
Sinking Fund Interest	60,264	60,264
Board Capital	1,859,784	1,565,292
Total Internally Appropriated	\$ 3,926,046	\$ 3,653,120
Unavailable for Compliance		
Revenues Recognized for Land	\$ 1,156,106	\$ 1,131,690
Asset Retirement Obligation	(1,107,110)	(1,123,052)
Committed Capital Projects		49,976
School-Generated Funds	506,392	506,392
Interest to be Accrued	(104,011)	(110,134)
Employee Future Benefits	-	-
Total Externally Appropriated	\$ 451,376	\$ 454,873
Total Accumulated Surplus	\$ 6,770,280	\$ 6,143,920

Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements

August 31, 2023

16. GRANTS FOR STUDENT NEEDS

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. Eighty-seven 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:

	Budget 2023	2023	2022
Education Property Tax	\$ 7,480,100	\$ 7,527,299	\$ 7,514,166
Provincial Legislative Grants	61,722,110	59,463,660	56,407,495
	\$ 69,202,210	\$ 66,990,959	\$ 63,921,661

17. PROVINCIAL GRANTS – OTHER

The following is a summary of other provincial grant revenue:

	Budget 2023	2023	2022
Educational Program – Other (PPF)	\$ 1,285,935	\$ 1,298,027	\$ 3,003,561
Government Entity Reporting	239,998	349,736	1,417,109
Other	-	-	60,004
	\$ 1,525,933	\$ 1,647,763	\$ 4,480,674

**Huron-Perth Catholic District School Board
Notes to Consolidated Financial Statements**

August 31, 2023

18. EXPENSES BY OBJECT

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

	Budget 2023	2023	2022
	(Unaudited)		Restated (Note 2)
Salary and Wages	\$ 45,806,506	\$ 45,411,712	\$ 45,466,408
Employee Benefits	8,501,324	8,126,622	7,806,641
Staff Development	374,428	423,940	284,416
Supplies and Services	9,234,853	7,774,834	7,023,674
Interest	375,901	375,925	410,644
Rental Expenditures	82,787	85,446	85,395
Fees and Contract Services	7,384,623	6,907,611	6,852,442
Other	652,333	820,785	1,405,501
Amortization, Write-Downs and Net Loss on Disposal of TCA & ARO	4,430,248	4,494,550	4,240,872
	\$ 76,843,003	\$ 74,421,426	\$ 73,575,993

19. TRANSPORTATION CONSORTIUM

The board provides transportation services in partnership with the Avon Maitland 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 Huron Perth Student Transportation Services Consortium are shared. No partner is in a position to exercise unilateral control.

The board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses. The board's pro-rata share for 2023 is 29.1% (2022 – 29.1%)

**Huron-Perth Catholic District School Board
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19. TRANSPORTATION CONSORTIUM - continued

The following provides condensed financial information.

	2023	2022
Operations		
Revenues	\$ 6,210,250	\$ 5,749,339
Transportation Expenses	6,040,393	5,591,114
Administration Expenses	169,857	158,225
Annual Surplus/ (Deficit)	\$ -	\$ -
Financial Position		
Financial Assets	\$ 69,688	\$ 80,011
Liabilities	69,688	80,011
Accumulated Surplus/ (Deficit)	\$ -	\$ -

20. REPAYMENT OF “55 SCHOOL BOARD TRUST” FUNDING

On June 1, 2003, the board received \$1,823,717 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. The flow-through of \$135,868 (2022 \$135,868) in grants in respect of the above agreement for the year ended August 31, 2023, is recorded in these consolidated financial statements.

21. RELATED PARTY DISCLOSURES

The board carries long term debt financed through the Ontario Financing Authority (OFA) which is a provincial agency and related party. This borrowing was incurred to finance capital projects and is included in the Statement of Financial Position as a long-term debt, in the amount of \$3,728,145 (2022- \$3,984,820). The board made principal payments of \$256,676 (2022 - \$244,420) and recorded an expense for interest payments of \$195,422 (2022 - \$207,677) related to this debt. Repayment terms are provided in Note 11.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

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22. IN-KIND TRANSFERS FROM THE MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY

The board has recorded revenues, expenses, deferred revenue and inventory entries 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 and expense recorded on the financial statements for these transfers is \$134,189 (2022 - \$1,263,470) with inventory and deferred revenue balances of \$21,778 at August 31, 2023 (2022 - \$143,063).

23. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

In the normal course of business, various claims and litigious matters may be pending by and against the board. In respect of any outstanding claims, in managements judgement, no material exposure exists on the eventual settlement of such litigation. Accordingly, no provision has been made in the accompanying consolidated financial statements.

At August 31, 2023 the board has commitments related to construction contracts in the amount of \$966,859 (2022 - \$1,266,337).

24. FUTURE ACCOUNTING STANDARD ADPOTION

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

Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the board 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.

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.