

Consolidated Financial Statements

The Protestant Separate School Board of the
Town of Penetanguishene

August 31, 2023

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Independent Auditor's Report

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To the Board of Trustees of
The Protestant Separate School Board of the Town of Penetanguishene

Opinion

We have audited the consolidated financial statements of The Protestant Separate School Board of the Town of Penetanguishene (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2023, and the consolidated statement of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Board as at August 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with basis of accounting described in Note 1 of 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 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

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.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Independent Auditor's Report (continued)

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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Barrie, Canada
February 13, 2024

Chartered Professional Accountants
Licensed Public Accountants

The Protestant Separate School Board of the Town of Penetanguishene

Consolidated Statement of Operations

Year ended August 31	Budgeted	2023	2022
Revenue			
Provincial grants			
Grant for student needs	\$ 5,546,149	\$ 5,243,607	\$ 4,666,696
Other	263,628	307,209	669,487
Local Taxation	324,281	291,411	294,823
School generated funds	14,899	94,169	15,611
Other fees and revenues	7,721	72,324	17,760
	<u>6,156,678</u>	<u>6,008,720</u>	<u>5,664,377</u>
Total Revenue			
	<u>6,156,678</u>	<u>6,008,720</u>	<u>5,664,377</u>
Expenses (Note 5)			
Instruction	4,778,783	4,475,939	4,567,908
Administration	432,708	404,530	411,097
Transportation	144,433	130,727	166,377
Pupil accommodation	492,731	300,465	236,403
School generated fund	14,899	78,346	15,201
Other	280,199	263,491	270,002
	<u>6,143,753</u>	<u>5,653,498</u>	<u>5,666,988</u>
Total Expenses			
	<u>6,143,753</u>	<u>5,653,498</u>	<u>5,666,988</u>
Annual surplus (deficit)	12,925	355,222	(2,611)
Accumulated surplus, beginning of year (Note 7)	5,494,426	5,494,426	5,497,037
	<u>5,494,426</u>	<u>5,494,426</u>	<u>5,497,037</u>
Accumulated surplus, end of year	\$ 5,507,351	\$ 5,849,648	\$ 5,494,426
	<u>\$ 5,507,351</u>	<u>\$ 5,849,648</u>	<u>\$ 5,494,426</u>

The Protestant Separate School Board of the Town of Penetanguishene

Consolidated Statement of Financial Position

August 31

2023

2022

Financial assets

Cash and cash equivalents	\$ 368,894	\$ 386,948
Restricted cash	1,836,066	1,269,799
Receivables	351,871	359,528
Prepaid expenses	-	19,060
Total financial assets	<u>2,556,831</u>	<u>2,035,335</u>

Financial liabilities

Payables and accruals	184,341	253,026
Deferred revenue (Note 2)	566,034	572,973
Retirement and other employee future benefits liabilities (Note 3)	47,033	47,829
Net long-term liabilities	<u>950</u>	<u>950</u>
Total liabilities	<u>798,358</u>	<u>874,778</u>

Net financial assets (Page 6)

<u>1,758,473</u>	<u>1,160,557</u>
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Non-financial assets

Tangible capital assets (Note 6)	<u>4,091,175</u>	<u>4,333,869</u>
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Accumulated surplus (Note 7)

<u>\$ 5,849,648</u>	<u>\$ 5,494,426</u>
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Commitments (Note 9)

Signed on behalf of the Board

Supervisory Officer,



Board Chair,



The Protestant Separate School Board of the Town of Penetanguishene

Consolidated Statement of Cash Flows

Year ended August 31

2023

2022

Operating

Annual surplus (deficit)	\$ 355,222	\$ (2,611)
Sources and (uses)		
Non-cash items including amortization, write downs and gains/loss on disposal	263,492	270,002
Prepaid expenses (and deposits)	19,060	(19,060)
Decrease (increase) in receivables	7,657	(130,650)
Increase in payables and accruals	(68,686)	24,671
Increase (decrease) in deferred revenue	(6,939)	138,163
Increase in retirement and other employee future benefits liabilities	(796)	(515)
	<u>569,010</u>	<u>280,000</u>

Financing

Capital transactions

Purchase of tangible capital assets (Note 6)	<u>(20,797)</u>	<u>(23,002)</u>
Increase in cash and cash equivalents	548,213	256,998
Cash and cash equivalents		
Cash and cash equivalents, beginning of year	<u>1,656,747</u>	<u>1,399,749</u>
Cash and cash equivalents, end of year	<u>\$ 2,204,960</u>	<u>\$ 1,656,747</u>

Cash consists of:

Restricted cash	\$ 1,836,066	\$ 1,269,799
Non-restricted cash	<u>368,894</u>	<u>386,948</u>
	<u>\$ 2,204,960</u>	<u>\$ 1,656,747</u>

The Protestant Separate School Board of the Town of Penetanguishene

Consolidated Statement of Changes in Net Assets

Year ended August 31	Budgeted	2023	2022
Annual surplus (deficit)	<u>\$ 12,925</u>	<u>\$ 355,222</u>	<u>\$ (2,611)</u>
Acquisition of tangible capital assets (Note 6)	-	(20,797)	(23,002)
Amortization of tangible capital assets	<u>280,200</u>	<u>263,491</u>	<u>270,002</u>
	<u>280,200</u>	<u>242,694</u>	<u>247,000</u>
(Decrease) increase in net assets	<u>293,125</u>	<u>597,916</u>	<u>244,389</u>
Net assets, beginning of year	<u>1,160,557</u>	<u>1,160,557</u>	<u>916,168</u>
Net assets, end of year	<u>\$ 1,453,682</u>	<u>\$ 1,758,473</u>	<u>\$ 1,160,557</u>

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended 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. School authorities are not expected to report deferred capital contributions since school authorities do not meet the Ministry of Education's corporate threshold for this reporting requirement.

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.

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended 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 Protestant Separate School Board (the "Board") and which are controlled by the Board.

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

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

(c) Cash and cash equivalents

Cash and cash equivalents are comprised 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 short maturity term of less than 90 days.

(d) Deferred revenue

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

(e) 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 Teachers and Education Workers, the following Employee Life and Health Trusts (ELHTs) were established in 2016-2017: Elementary Teachers' Federation of Ontario (ETFO). The following ELHTs were established in 2017-2018: Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and other school board staff. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), Principals and Vice Principals, and other school board staff. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

1. Significant accounting policies, continued

(e) Retirement and Other Employee Future Benefits, continued

The Board has adopted the following policies with respect to accounting for these employee benefits:

i. These 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 using the employee's salary, banked sick days (if applicable) 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 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.

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

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

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

1. Significant accounting policies, continued

(f) 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.

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.

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

Buildings	20 - 40 years
Portable structures	20 years
Equipment	5 - 15 years
First time equipping of schools	10 years
Leasehold improvements	Over the lease term
Computer hardware	5 years
Land improvements	15 years

Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the consolidated statement of financial position.

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(g) 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.

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

1. Significant accounting policies, continued

(h) 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.

(i) Long term debt

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

(j) Budget Figures

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

(k) Use of estimates

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

(l) Property Tax Revenue

Under Canadian Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the consolidated financial statements, which in the case of the Board, is the Province of Ontario. As a result, property tax revenue received from the municipalities is recorded as part of Provincial Legislative Grants.

(m) Financial instruments

The Board measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of the transaction costs directly attributable to the acquisition of the instrument.

The Board subsequently measures all of its financial assets and financial liabilities at amortized cost.

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

1. Significant accounting policies, continued

(m) Financial instruments, continued

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. Changes in the fair value on restricted assets are recognized as a liability until the criterion attached to the restrictions has been met, upon which the gain or loss is recognized in the statement of operations.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

Financial instrument classification

<u>Financial instruments</u>	<u>Classification</u>	<u>Subsequent measurement</u>
Accounts receivable	Loans and receivables	Amortized cost using the effective interest method
Accounts payable and accrued liabilities	Other liabilities	Amortized cost using the effective interest method

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

2. 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:

	<u>2023</u>	<u>2022</u>
School Renewal Deferred Revenue		
Balance, beginning of year	\$ 141,299	\$ 107,250
Externally restricted revenue	58,104	40,933
Revenue recognized in the period	<u>(52,866)</u>	<u>(6,884)</u>
Balance, end of year	<u>146,537</u>	<u>141,299</u>
Special Education		
Balance, beginning of year	260,225	211,357
Externally restricted revenue	978,625	857,354
Revenue recognized in the period	<u>(942,307)</u>	<u>(808,486)</u>
Balance, end of year	<u>296,543</u>	<u>260,225</u>
Mental Health Leader		
Balance, beginning of year	40,735	33,439
Externally restricted revenue	-	7,296
Adjustment	<u>-</u>	<u>-</u>
Balance, end of year	<u>40,735</u>	<u>40,735</u>
Multi-Disciplinary Team Project		
Balance, beginning of year	85,617	69,289
Externally restricted revenue	-	16,328
Revenue recognized in the period	<u>(27,812)</u>	<u>-</u>
Balance, end of year	<u>57,805</u>	<u>85,617</u>
Other		
Balance, beginning of year	45,097	13,476
Externally restricted revenue	28,410	31,621
Revenue recognized in the period	<u>(49,093)</u>	<u>-</u>
Balance, end of year	<u>24,414</u>	<u>45,097</u>
	<u>\$ 566,034</u>	<u>\$ 572,973</u>

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

3. Retirement and other employee future benefits

	Retirement Benefits	Other Employee Future Benefits	2023 Total Employee Future Benefits	2022 Total Employee Future Benefits
a) Employee future benefits liabilities:				
Accrued employee future benefits obligation	\$ 42,534	\$ 2,647	\$ 45,181	\$ 45,196
Unamortized actuarial gains	<u>1,852</u>	<u>-</u>	<u>1,852</u>	<u>2,633</u>
Employee future benefit liabilities	<u>\$ 44,386</u>	<u>\$ 2,647</u>	<u>\$ 47,033</u>	<u>\$ 47,829</u>
b) Employee future benefits expenses:				
Current year benefit cost	\$ -	\$ 2,647	\$ 2,647	\$ 2,476
Interest on accrued benefit obligation	1,666	-	1,666	802
Recognized actuarial gains	<u>(2,633)</u>	<u>(3,085)</u>	<u>(5,718)</u>	<u>(1,112)</u>
Employee future benefit expenses	<u>\$ (967)</u>	<u>\$ (438)</u>	<u>\$ (1,405)</u>	<u>\$ 2,166</u>

During the year, benefit payments of \$1,243 (2022 - \$3,353) were made.

The employee future benefits expenses above exclude pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

3. Retirement and other employee future benefits, continued

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on the most recent actuarial valuations completed for accounting purposes 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:

	<u>2023</u>	<u>2022</u>
Inflation		
Retirement gratuities	2.00 %	2.00 %
Wage and salary escalation		
Carry-over sick leave credits	2.00 %	2.00 %
Discount on accrued benefit obligations		
Retirement Gratuities	3.90 %	3.90 %

Retirement Benefits

(i) Ontario Teachers' 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, 2023, the Board contributed \$69,754 (2022 - \$72,840) 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.

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

3. Retirement and other employee future benefits, continued

(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 at August 31, 2012.

(iv) Retirement Life Insurance and Health Care Benefits

The Board provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board experience and retirees' premiums may be subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, do not qualify for board subsidized premiums or contributions.

Other Employee Future Benefits

(v) Workplace Safety and Insurance Board Obligations

The Board is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the Board insures all claims by its injured workers under the Act. The Board's insurance premiums for the year ended August 31, 2023 were \$12,328 (2022 - \$14,029) and are included in the Board's current year benefit costs. No liabilities for claims by its injured workers under the Act 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 collective agreements negotiated prior to 2012 included such provision.

(vi) Long-Term Disability Health Care Benefits

The Board provides long-term disability benefits including partial salary compensation during the period an employee is unable to work or until their normal retirement date. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

(vii) Sick Leave Top-Up Benefits

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are \$1,414 (2022 - \$2,322). For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2023 (the date at which probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees at August 31, 2023.

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

4. Temporary borrowing

The Board has lines of credit available to the maximum of \$450,000 and a VISA limit of \$50,000 to address operating requirements or to bridge capital expenditures.

Interest on the line of credit is at the bank's prime lending rate plus 0%. The interest rate on the VISA is 19.5% per annum. All loans are unsecured, due on demand and are in the form of bankers' acceptance notes and bank overdrafts.

As at August 31, 2023, the amount drawn under the bankers' acceptance facility was \$Nil (2022- \$Nil).

As at August 31, 2023, the amount drawn under the VISA was \$10,233 (2022- \$Nil).

5. Expenses by object

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

	<u>Budgeted</u>	<u>2023</u>	<u>2022</u>
Salary and wages	\$ 3,739,188	\$ 3,688,846	\$ 3,562,573
Employee benefits	637,809	671,813	596,161
Staff development	168,980	36,356	73,826
Supplies and services	843,967	426,659	320,811
Rental expense	41,690	43,432	47,736
Fees and contract services	431,619	522,901	574,776
Other	300	-	-
Amortization on tangible capital assets	280,200	263,491	270,002
Transfers to other Boards	-	-	221,103
	<u>\$ 6,143,753</u>	<u>\$ 5,653,498</u>	<u>\$ 5,666,988</u>

The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

6. Tangible Capital Assets

	Opening Balance September 1, 2022	Costs		Closing Balance August 31, 2023
		Additions/ Transfers	Disposals/ Transfers	
Land	\$ 230,260	\$ -	\$ -	\$ 230,260
Land Improvements	51,043	-	-	51,043
Portables	701,984	-	-	701,984
Building	5,068,167	-	-	5,068,167
First-time equipping	90,732	-	-	90,732
Equipment - 5 years	86,101	-	(11,208)	74,893
Equipment - 15 years	76,191	9,447	-	85,638
Computer hardware	58,445	11,350	(49,563)	20,232
	<u>\$ 6,362,923</u>	<u>\$ 20,797</u>	<u>\$ (60,771)</u>	<u>\$ 6,322,949</u>

Leased assets included in above

Equipment - 5 years	<u>63,992</u>	<u>-</u>	<u>-</u>	<u>63,992</u>
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	Opening Balance September 1, 2022	Accumulated amortization		Closing Balance August 31, 2023	Net Book Value 2023	Net Book Value 2022
		Amortization	Disposals/ Transfers			
Land	\$ -	\$ -	\$ -	\$ -	\$ 230,260	\$ 230,260
Land improvements	51,043	-	-	51,043	-	-
Portables	151,457	35,099	-	186,556	515,428	550,527
Building	1,636,370	206,984	-	1,843,354	3,224,813	3,431,797
First-time equipping	30,073	9,074	-	39,147	51,585	60,659
Equipment - 5 years	85,387	556	(11,208)	74,735	158	714
Equipment - 15 years	21,658	5,394	-	27,052	58,586	54,533
Computer hardware	53,066	6,384	(49,563)	9,887	10,345	5,379
	<u>\$ 2,029,054</u>	<u>\$ 263,491</u>	<u>\$ (60,771)</u>	<u>\$ 2,231,774</u>	<u>\$ 4,091,175</u>	<u>\$ 4,333,869</u>

Leased assets included in above

Equipment - 5 years	<u>63,992</u>	<u>-</u>	<u>-</u>	<u>63,992</u>	<u>-</u>	<u>-</u>
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The Protestant Separate School Board of the Town of Penetanguishene

Notes to the Consolidated Financial Statements

Year ended August 31, 2023

7. Accumulated surplus

	<u>2023</u>	<u>2022</u>
The accumulated surplus consists of the following:		
Invested in tangible capital assets	\$ 4,091,175	\$ 4,333,869
Amounts restricted by Board for future use		
Employee future benefits	(47,033)	(47,829)
Operating accumulated surplus	1,684,887	1,103,590
School generated funds	<u>120,619</u>	<u>104,796</u>
	<u>\$ 5,849,648</u>	<u>\$ 5,494,426</u>

8. 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. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27,000,000 per occurrence.

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

9. Commitments

The minimum payments required under an operating lease for the Board office over the next four years are as follows:

2024	\$ 40,581
2025	41,104
2026	41,365
2027	<u>13,788</u>
	<u>\$ 136,838</u>

10. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.
