NOVEMBER 13, 2023

WATERLOO REGION DISTRICT SCHOOL BOARD
NOTICE AND AGENDA

A Committee of the Whole meeting of the Waterloo Region District School Board will be held in the Boardroom, Building 2, 51 Ardelt Avenue, Kitchener, Ontario, on **Monday, November 13, 2023, at 7:00 p.m.**

AGENDA

Call to Order

O Canada

Approval of Agenda

Declarations of Pecuniary Interest

Celebrating Board Activities/Announcements

Delegations

Blanca Siguenza - Impact of Stories on Mental Health

Staff Follow Up

WRDSB Statement - *Anticipated September 20 Protests* j. chanicka

Policy and Governance

Reports

01	Student Transportation Services of Waterloo Region 2022-23 Annual Report	N. Landry / B. Bourgault
03	Annual Audit Committee Report - 2022-23	N. Landry
07	2022-23 Audited Financial Statements	N. Landry
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Board Reports

Question Period (*10 minutes*)

Future Agenda Items *(Notices of Motion to be referred to Agenda Development Committee)*

Adjournment

Questions relating to this agenda should be directed to
Stephanie Reidel, Manager of Corporate Services
519-570-0003, ext. 4336, or Stephanie_Reidel@wrdsb.ca

Report to Board of Trustees

November 13, 2023

Subject: Student Transportation Services of Waterloo Region 2022-23 Annual Report

Recommendation

This report is provided for information of the Board.

Status

The General Manager of Student Transportation Services of Waterloo Region (STSWR), Benoit Bourgault, has prepared the 2022-2023 Annual Report and is present this evening to share the report and respond to any questions that may arise regarding the 2022-23 results.

Leslie Maxwell, Supervisor of School Travel Planning at STSWR, is also present this evening to share some of the highlights and work completed during the 2022-23 school year to support active school travel.

Background

In 2006-2007 the government began implementing reforms for student transportation which included the mandating of consortium delivery of student transportation services. The objectives of the reforms were to build capacity to deliver safe, effective and efficient student transportation services, achieve an equitable approach to funding and reduce the administrative burden of delivering transportation. The overall objective was to allow school boards to focus on their core business of student learning and achievement and not be involved in the day-to-day operations of transportation.

The Waterloo Catholic District School Board (WCDSB) and the Waterloo Region District School Board (WRDSB) legally formed a consortium on September 7, 2007. In June of 2008, employees of the former boards were officially transferred to Student Transportation Services of Waterloo Region, Inc. (STSWR), a separate incorporated entity.

According to the Articles of Incorporation, STSWR is governed by a Board of Directors consisting of the Directors of Education and Business Superintendents from the Waterloo Region District School Board and the Waterloo Catholic District School Board. The role of the Board of Directors is to set the strategic directions for STSWR, review and approve annual budgets, and deal with other governance topics as they arise. The Board of Directors meets quarterly. A Consortia Management Committee (CMC) consisting of two representatives from each board meet monthly with the General Manager of the consortium. The role of the CMC is to monitor monthly budget variations, review and approve STSWR policies and procedures, monitor STSWR performance against the strategic directions set by the Board of Directors and deal with other operational issues as they may arise. The fundamental role of STSWR is to apply the policies and procedures of the partner boards; the CMC acts as an independent adjudicator of appeals brought forward through the established process to deal with the interpretation of board policies by STSWR, not exceptions to policy.

Since its inception in 2007, STSWR has evolved into one of the leading consortiums in the province, including being the first to offer School Travel Planning services to support students living in the walk zone. STSWR's ongoing focus on providing safe and efficient transportation services to Waterloo Region benefits students, staff, and the community. We are pleased to present to the Board the 2022-23 annual report.

Financial implications
No financial implications.

Communications
The information will be posted on the STSWR website.

Prepared by: Benoit Bourgault, General Manager, STSWR
Leslie Maxwell, Supervisor of School Travel Planning, STSWR
Nick Landry, Superintendent of Business Services & Treasurer in consultation with Leadership Council

Report to Committee of the Whole

November 13, 2023

Subject: Annual Audit Committee Report – 2022-2023

Recommendation

This report is for the information of the Board.

Status

Audit Committee Members

The Audit Committee consisted of the following members:

- Trustee Kathleen Woodcock (Chair) (September, 2022-May, 2023)
- Trustee Crystal Wetham (September, 2022)
- Trustee Scott Piatkowski (November, 2022-May, 2023)
- Trustee Meena Waseem (November, 2022-May, 2023)
- Sharmilla Rasheed, External Member (September, 2022 – February, 2023)
- Jeff Weir, External Member (September, 2022-May, 2023)
- Tracy Williams, External Member (February, 2023-May, 2023)
- Graham Rumble, External Member (February, 2023-May, 2023)

In addition, other attendees at the committee meetings included:

- jeewan chanicka, Director of Education
- Graham Shantz, Associate Director (November, 2022- May, 2023)
- Matthew Gerard, Coordinating Superintendent, Business Services (September, 2022)
- Nick Landry, Superintendent, Business Services & Treasurer (November, 2022-May, 2023)
- Andrea Eltherington, Regional Internal Audit Manager
- Shannon Thompson, Manager of Review Services
- Melanie Dugard, Principal, Grant Thornton LLP

Administrative Tasks

At the beginning of the year, and in accordance with recommended good practice, various administrative tasks were completed. These included:

- developing a work plan; and
- developing a meeting schedule and agenda for the year.

Meetings

It was agreed to hold four meetings throughout the year, from September to May.

The members in attendance at each meeting were as follows:

Member's Name	*September 28, 2022*	*December 7, 2022*	*February 8, 2023*	May 31, *2023*
Kathi Smith, Chair	ABS	N/A	N/A	N/A
Crystal Whetham	X	N/A	N/A	N/A
Kathleen Woodcock	X	X	X	X
Scott Piatkowski	N/A	X	ABS	X
Meena Waseem	N/A	X	X	X
Sharmilla Rasheed	X	X	ABS	NA
Jeff Weir	ABS	X	ABS	X
Graham Rumble	N/A	N/A	X	ABS
Tracy Williams	N/A	N/A	X	X

X – Present ABS - Absent N/A - Not applicable

Governance

The Audit Committee operated throughout the fiscal year ending August 31, 2023. All of the members satisfied the eligibility requirements in accordance with Ontario Regulation 361/10.

External Auditors

The relationship with the external auditors, Grant Thorton LLP, has been satisfactory and in-camera meetings were held during the year between the Audit Committee and the external auditor. Grant Thorton presented an Audit Plan to the committee on May 31, 2023, including confirmation of their independence. The Audit Committee reviewed and recommended the approval of the 2021/2022 annual audited financial statements on December 7, 2022.

Regional Internal Audit Team (RIAT)

The relationship with the Regional Internal Audit Team (RIAT) has been satisfactory and private meetings were held during the year between the RIAT Manager and Audit Committee. The Audit Committee reviewed the results of the risk assessment, as well as the risk-based internal audit plan for the 2023/24 fiscal year.

During the 2022/2023 fiscal year, the following internal audits or other engagements (i.e. audit follow-up reviews) were started by RIAT:

- Human Rights Complaint Process
- Enrolment Support
- Strategic Risk Assessment
- Audit Follow-Up Reviews
    - IT Back-up, Disaster, and Recovery Follow-up
    - IT Security, Penetration, Vulnerability Assessment Follow-up
    - Payroll Follow-up
    - Privacy Follow-up
    - IT Vulnerability

The following audits or audit follow-ups were approved in the 2022/2023 audit plan and were completed in the 2022/2023 fiscal year:

- Enterprise Resource Planning Follow-up

The following audit follow-ups were approved for the 2022/2023 audit plan but deferred by management to 2023/2024:

- N/A

The Audit Committee endorsed each report, including management’s action plan.

The Audit Committee received reports from RIAT that assessed the progress toward management’s implementation of action plans developed in response to previous audit findings. This enabled the Audit Committee to engage management in a discussion regarding findings not satisfactorily actioned, as well as encouraging renewed efforts on overdue action items.

Background

Under Ontario Regulation 361/10 of the Education Act, there is a requirement for the Audit Committee to provide an annual report to the Board. Pursuant to the regulation, the report to the Board shall include:

a) a summary of the work performed by the committee since the last report;
b) an assessment by the committee of the board's progress in addressing any findings and recommendations that have been made by the internal or external auditor;
c) a summary of the matters addressed by the committee at its meetings;
d) the attendance record of members of the committee; and
e) any other matter that the committee considers relevant.

Financial Implications

No financial implications.

Communications

Per the regulation, the above noted summary will be provided to the Ministry of Education. No additional communication is planned.

Prepared by: Nick Landry, Superintendent, Business Services and Treasurer of the Board
Kathleen Woodcock, Chair of the Board Audit Committee
in consultation with Leadership Council

Report to Committee of the Whole

November 13, 2023

Subject: 2022-23 Audited Financial Statements

Recommendation

That the Waterloo Region District School Board approve the Audited Financial Statements for the year ended August 31, 2023, as recommended by the Board Audit Committee.

Status

The draft 2022-2023 Waterloo Region District School Board (WRDSB) Consolidated Financial Statements are attached as Appendix A.

Background

Pursuant to Regulation 361/10 of the Education Act, one of the duties of the Board Audit Committee after reviewing the Financial Statements is, “To recommend, if the Audit Committee considers it appropriate to do so, that the Board of Trustees (Board) approve the Annual Audited Financial Statements.” The Board Audit Committee consists of three trustees and two external members with financial expertise.

The draft 2022-2023 Audited Financial Statements were presented at the Board Audit Committee meeting on November 8, 2023. Melanie Dugard, Principal at Grant Thornton LLP, was present at the Audit Committee meeting to elaborate on the audit performed by Grant Thornton, and to respond to questions. After reviewing the statements, the Board Audit Committee passed a motion recommending that the Board approve the Audited Financial Statements.

Financial implications

No financial implications.

Communications

After approval of the Financial Statements by the Board, the Financial Statements will be published as per Section 252(2) of the Education Act by posting them on the WRDSB’s website.

Prepared by: Miruna Armellini, Controller, Financial Services,
Nick Landry, Superintendent, Business Services & Treasurer,
on behalf of
Trustee Kathleen Woodcock, Chair of the Board Audit Committee
in consultation with Leadership Council

Grant Thornton

Consolidated Financial Statements

Waterloo Region District School Board

August 31, 2023

Contents

Grant Thornton

Independent auditor's report

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To the Board of Trustees of the
Waterloo Region District School Board

Opinion

We have audited the consolidated financial statements of Waterloo Region District School Board ("the Board"), which comprise the consolidated statement of financial position as at August 31, 2023, and the consolidated statements of operations, changes in net debt and cash flow 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 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Basis for Opinion

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

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

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

Management is responsible for the preparation of these consolidated financial statements in accordance with Canadian public sector accounting standards, 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 a going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Board and the organizations it controls 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.

Mississauga, Canada	Chartered Professional Accountants
Month Date, 2023	Licensed Public Accountants

Waterloo Region District School Board
Consolidated Statement of Financial Position

As at August 31	2023	2022 (Restated)
Financial assets		
Cash and cash equivalents	**$ 58,047,571**	$ 6,241,056
Accounts receivable – other (Note 3)	**75,362,849**	131,595,950
Accounts receivable – Government of Ontario – approved capital (Note 3)	**112,221,197**	140,188,116
	245,631,617	278,025,122
Liabilities		
Accounts payable and accrued liabilities	**47,741,989**	73,006,197
Net debenture debt and capital loans (Notes 10 and 11)	**90,250,822**	101,340,681
Deferred revenue (Note 4)	**48,406,540**	35,357,927
Employee benefits payable (Note 9)	**22,447,884**	24,025,030
Asset retirement obligation (ARO) (Note 6 and 7)	**84,265,425**	72,105,334
Deferred capital contributions (Note 5)	**628,836,139**	622,377,857
	921,948,799	927,213,026
Net debt	**(676,317,182)**	(650,187,904)
Non-financial assets		
Inventories of supplies	**820,521**	181,897
Prepaid expenses	**21,638,726**	18,810,710
Tangible capital assets (TCA) (Note 14)	**783,892,641**	766,772,922
	806,351,888	785,765,529
Accumulated surplus (Note 15)	**$ 130,034,706**	$ 135,577,625

Contractual obligations and contingent liabilities (Note 18)

On behalf of the Board

Director of Education

Date ______________________

Chair of the Board

Date ______________________

See accompanying notes to the consolidated financial statements.

Waterloo Region District School Board
Consolidated Statement of Operations
Year ended August 31, 2023

	2023 Budget (Note 19)	2023 Actual	2022 Actual (Restated)
Revenues			
Grants for Student Needs (Note 12)			
Provincial legislative grants	**$ 571,618,974**	**$ 575,969,437**	$ 567,804,814
Education property tax	**173,938,650**	**173,945,894**	153,803,565
Provincial grants – other	**6,899,676**	**14,453,738**	29,320,973
School generated funds revenue	**7,145,000**	**8,972,568**	3,304,277
Federal grants and fees	**-**	**-**	157,446
Investment income	**610,600**	**1,834,822**	318,227
Other fees and revenues from other sources	**32,992,850**	**25,222,513**	27,349,941
Amortization of deferred capital contributions	**47,659,279**	**47,386,011**	44,249,153
Total revenues	**840,865,029**	**847,784,983**	826,308,396
Expenses (Note 13)			
Instruction expenses	**649,108,606**	**647,331,962**	634,219,160
Administration expenses	**20,294,751**	**22,082,195**	18,582,673
Transportation expenses	**20,169,788**	**21,924,011**	21,365,058
Pupil accommodation expenses	**121,815,105**	**121,777,794**	122,738,970
School generated funds expenses	**7,145,000**	**8,432,329**	3,541,944
Other expenses (Note 23)	**18,657,032**	**31,779,661**	23,757,203
Total expenses	**837,190,282**	**853,327,902**	824,205,007
Annual (deficit) surplus (Note 15)	**3,674,747**	**(5,542,919)**	2,103,389
Accumulated surplus at beginning of year, as previously stated	**174,010,333**	**135,577,625**	177,604,325
Accumulated surplus (deficit) – PSAS Adjustments (Note 2)	**(44,130,089)**	**-**	(44,130,089)
Accumulated surplus at beginning of year, as restated	**129,880,244**	**135,577,625**	133,474,236
Accumulated surplus at end of year	**$ 133,554,991**	**$ 130,034,706**	$ 135,577,625

See accompanying notes to the consolidated financial statements.

Waterloo Region District School Board
Consolidated Statement of Cash Flows

Year ended August 31	**2023**	2022 (Restated)
Sources and uses of cash and cash equivalents		
Operating transactions		
Annual (deficit) surplus	**$ (5,542,919)**	$ 2,103,389
Non-cash items including:		
Amortization, write downs, (gains) loss on disposal of TCA	**48,076,003**	45,014,065
Amortization of TCA-ARO	**1,908,405**	1,908,405
Increase of ARO liabilities excluding settlements	**13,171,116**	2,977,656
Increase of TCA-ARO asset excluding amortization on TCA-ARO	**(10,193,460)**	-
Deferred capital contributions revenue	**(47,386,011)**	(44,249,153)
Decrease (Increase) in accounts receivable - other	**46,175,597**	(41,496,212)
Decrease (Increase in accounts receivable – Delayed grant payment	**10,057,504**	1,895,932
Increase (Decrease) in accounts payable and accrued liabilities	**(25,264,208)**	(773,063)
Increase (Decrease) in deferred revenues-operating	**(781,791)**	4,035,721
Increase (Decrease) in employee benefits payable	**(1,577,146)**	(3,143,917)
Decrease (Increase) in prepaid expenses	**(2,828,016)**	(845,078)
Decrease (Increase) in inventories of supplies	**(638,624)**	(181,890)
Settlement of asset retirement liability through abatement	**(1,011,025)**	-
Cash provided by (applied to) operating transactions	**24,165,425**	(32,754,155)
Capital transactions		
Cash used to acquire tangible capital assets	**(56,910,667)**	(89,169,910)
Financing transactions		
Debt repaid and sinking fund contributions	**(11,089,859)**	(10,567,306)
Decrease in accounts receivable – Government of Ontario – approved capital	**27,966,919**	11,633,849
Additions to deferred capital contributions	**53,844,293**	75,017,901
Increase in deferred revenues – Capital	**13,830,404**	5,708,486
Net increase in cash from financing	**84,551,757**	81,792,930
Change in cash and cash equivalents	**51,806,515**	(40,131,125)
Opening cash and cash equivalents	**6,241,056**	46,372,181
Closing cash and cash equivalents	**$ 58,047,571**	$ 6,241,056

See accompanying notes to the consolidated financial statements.

Waterloo Region District School Board
Consolidated Statement of Changes in Net Debt
Year ended August 31

	2023 Budget (Note 19)	2023 Actual	2022 Actual (Restated)
Annual (deficit) surplus	$ 3,674,747	$ (5,542,919)	$ 2,103,389
Tangible capital asset activity			
Acquisition of tangible capital assets	-	(56,910,667)	(89,169,910)
Amortization, write downs, (gains) loss on disposal of TCA	48,338,078	48,076,003	45,014,065
Amortization of TCA - ARO	1,908,405	1,908,405	1,908,405
Changes in estimate of TCA - ARO	-	(10,193,460)	-
Total tangible capital asset activity	50,246,483	(17,119,719)	(42,247,440)
Other non-financial asset activity			
Acquisition of supplies inventories	-	(820,521)	(181,897)
Acquisition of prepaid expenses	-	(21,638,726)	(18,810,710)
Consumption of supplies inventories	-	181,897	-
Use of prepaid expenses	-	18,810,710	17,965,632
Total other non-financial asset activity	-	(3,466,640)	(1,026,975)
Change in net net debt	53,921,230	(26,129,278)	(41,171,026)
Net debt at beginning of year	(650,187,904)	(650,187,904)	(539,889,201)
PSAS adjustments to net debt (Note 2)	-	-	(69,127,677)
Restated net debt at beginning of year	(650,187,904)	(650,187,904)	(609,016,878)
Net debt at end of year	$ (596,266,674)	(676,317,182)	$ (650,187,904)

See accompanying notes to the consolidated financial statements.

Waterloo Region District School Board
Notes to the Consolidated Financial Statements
August 31, 2023

1. Summary of significant accounting policies

The consolidated financial statements of Waterloo Region District School Board (the "board") are prepared by management in accordance with the basis of accounting described below.

Basis of accounting

These consolidated financial statements have been prepared in accordance with the Financial Administration Act supplemented by Ontario of Education memorandum 2004:B2 and Ontario Regulations 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 the 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 is 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 requires 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 (PSAS).

1. Summary of significant accounting policies (continued)

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity comprises 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, as well as the Waterloo Education Foundation Inc., that are controlled by the board, are reflected in the consolidated financial statements.

The consolidated financial statements also reflect the board's pro-rata share of assets, liabilities, revenues and expenses of the Student Transportation Services of Waterloo Region Inc. (STSWR), which is a partnership that was formed with Waterloo Catholic District School Board. Inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated.

Trust funds

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

Financial Instruments

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

Financial Instrument	*Measurement Method*
Cash and cash equivalents	Amortized Cost*
Accounts receivable	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost

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

1. Summary of significant accounting policies (continued)

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, are subject to insignificant risk of changes in value and have a short maturity term of less than 90 days. Short-term investments are recorded at the lower of cost and market value.

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.

Deferred capital contributions

Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions in the form of depreciable tangible assets received or receivable for use in providing services, shall be recognized as deferred capital contributions 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 purpose; and
- property taxation revenues that were historically used to fund capital assets.

1. Summary of significant accounting policies (continued)

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 and health care benefits, dental benefits, retirement gratuity, worker's compensation and long-term disability benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: Elementary Teachers' Federation of Ontario (ETFO), Ontario Secondary School Teachers' Federation (OSSTF), Elementary Teachers' Federation of Ontario — Education Workers (ETFO-EW) and Ontario Secondary School Teachers' Federation-Education Workers (OSSTF-EW). The following ELHTs were established in 2017-2018: The Education Workers' Alliance of Ontario (EWAO) Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff) and other school board staff. Currently, ONE-T ELHT also provides benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHT on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN) including additional ministry funding in the form of a Crown Contribution and Stabilization Adjustment.

The board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by the following unions/federations: ETFO, OSSTF and OSSTF-EW.

In 2012, changes were made to the board's retirement gratuity plan, sick leave plan and retiree health, life and dental plan. The board has adopted the following policies with respect to accounting for these employee benefit:

i. In prior years, the cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee were actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. As a result of the plan change, the cost of retirement gratuities are actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. The changes resulted in a plan curtailment and any unamortized actuarial gains or losses are recognized as at August 31, 2012. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

1. Summary of significant accounting policies (continued)

Retirement and other employee future benefits (continued)

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. The changes to the retiree health, life and dental plans resulted in a plan curtailment and any unamortized actuarial gains and losses associated with the employees impacted by the change are recognized as at August 31, 2012.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability and life insurance and health care benefits for those on disability leave, 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. Employer contributions to multi-employer defined pension plans, such as the Ontario Municipal Employees Retirement System pensions, are expensed in the period incurred.

iii. For retirees, the liability is calculated as the present value of the expected future premium subsidy from the valuation date to the date that the retiree turns 65 or for the remaining lifetime, depending on the date of retirement.

Tangible capital assets

Tangible capital assets (TCA) 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 that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

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

Land improvements	15 years
Building and building improvements	40 years
Portable structures	20 years
Other buildings	20 years
Furniture and equipment	5 – 15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5 – 10 years
Leasehold improvements	over the life of the lease

1. Summary of significant accounting policies (continued)

Tangible capital assets (continued)

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. Building 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 that meet the criteria for financial assets are reclassified as “assets held for sale” on the consolidated statement of financial position.

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

Government transfers

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

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

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.

Long-term debt

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

Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of 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.

1. Summary of significant accounting policies (continued)

Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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 retirement and other future employee benefits and the estimated useful lives of tangible capital assets. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $84,265,425 (2022 – $72,105,334). 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, the allocation of costs between required and discretionary activities and/or change in the discount rate.

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 the Grants for Student Needs under Education Property Tax

2. Chages in accounting policy – adoption of new accounting standards

The board adopted the following standards concurrently beginning September 1, 2022 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*.

PS1201 *Financial Statement Presentation* replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on September 1, 2022 on a modified retroactive basis with prior period restatement.

2. Change in accounting policy – adoption of new accounting standards (continued)

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

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

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

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

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2. Change in accounting policy – adoption of new accounting standards (continued)

As a result of applying this accounting standard, an asset retirement obligation of $84,265,425 (2022 – $72,105,334) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the board owned buildings and equipment, including tanks, and restoration costs related to leasehold improvements. The board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, amortization expense and accretion expense (for discounted ARO liabilities) for the period 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	743,683,738	23,089,184	766,772,922
Accounts recievable - Other	130,946,565	649,378	131,595,950
Asset retirement obligation liability	-	72,105,334	72,105,334
Employee benefits payable	24,038,496	(13,466)	24,025,030
Deferred Capital Contributions	621,715,007	662,850	622,377,857
Statement of Change in Net Debt			
Annual Surplus (deficit)	6,989,449	(4,886,060)	2,103,389
Amortization of TCA - ARO	-	1,908,405	1,908,405
Change in Net Debt	(38,193,370)	(2,977,656)	(41,171,026)
Statement of Operations			
Amortization of TCA-ARO	-	1,908,405	1,908,405
Accretion- Asset Retirement Obligations	-	2,977,656	2,977,656
Surplus for the year	6,989,449	(4,886,060)	2,103,389
Accumulated Surplus (deficit), at beginning of the year	177,604,325	(44,130,089)	133,474,236

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3. Accounts receivable – Government of Ontario and Other

Government of Ontario

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. The 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 the account receivable balance.

The board has an account receivable from the Province of Ontario of $112,221,196 with respect to capital grants (2022 - $140,188,116).

Cash management strategy

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 included in the receivable balance from the Government of Ontario at August 31, 2023 is $27,410,242 (2022 - $37,467,745).

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4. Deferred revenue

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

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2023 comprises:

	Balance at August 31 2022	Externally restricted revenue and investment income 2023	Adjustment	Revenue recognized in the period	Transfers to deferred capital contributions	**Balance at August 31 2023**
Pupil accommodation	$ 5,334,033	$ 37,191,249	$ -	$ 21,319,997	$ 17,673,481	**$ 3,531,804**
Education development charges	8,660,514	19,120,090	-	2,842,661	-	**24,937,943**
Proceeds of disposition – minister exemptions and other	959,753	-	-	-	-	**959,753**
Proceeds of disposition – regular	1,626,428	-	-	-	139,394	**1,487,034**
Special education	6,028,936	95,249,020		94,691,540	-	**6,586,416**
Restricted grants	11,317,807	11,294,444	(90,053)	11,622,348	1,583,643	**9,316,207**
Other	1,430,456	1,346,775	(62,738)	1,127,110	-	**1,587,383**
Total deferred revenue	$ 35,357,927	$164,201,578	$ (152,791)	$131,603,656	$ 19,396,518	**$ 48,406,540**

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5. Deferred capital contributions

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

	2023	2022 (Restated)
Opening balance	**$ 622,377,857**	$ 590,946,259
Opening balance adjustment (Note 2)	**-**	662,850
Additions to deferred capital contributions	**53,844,293**	75,017,901
Revenue recognized in the period	**(47,386,011)**	(44,249,153)
Closing balance	**$ 628,836,139**	$ 622,377,857

6. Asset retirement obligations

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

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

As at August 31, 2023, all liabilities for asset retirement obligations are reported at present value as determined through a discounted cash flow model.

	2023	2022 (Restated)
Liabilities for Asset Retirement Obligations at Beginning of Year	**$ 72,105,334**	$ 69,127,678
Liabilities Incurred During the Year	**39,587**	-
Increase in Liabilities Reflecting Changes in the Estimate of Liabilities[1]	**10,153,873**	-
Increase in Liabilities due to Accretions[2]	**2,977,656**	2,977,656
Liabilities Settled During the Year	**(1,011,025)**	-
Liabilities for Asset Retirement Obligations at End of Year	**$ 84,265,425**	$ 72,105,334

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

7. Revaluation of asset retirement obligations liability

As a result of recent high levels of inflation, liability balances based on previous cost estimates, the board has made an inflation adjustment increase in estimates of 14.05% as at March 31, 2023, in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index (BCPI) survey from October 1, 2021 to September 30, 2022 and is the rate being used to update costs assumptions in the costing models in order to be reflective of March 31, 2023 costs.

8. Financial instruments

Risks arising from financial instruments and risk management

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

Credit risk

The board's principal financial assets are cash, accounts receivable and 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.

Liquidity risk

Liquidity risk is the risk that the board will not be able to meet all cash flow obligations as they come due. The Board mitigates the risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining sufficient cash on hand if unexpected cash outflows arise.

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, portfolio investments, other investments, accounts receivable, investments, 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.

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9. Employee benefits payable

	Retirement gratuities	WSIB benefits	Sick leave benefits	**2023** **Total employee future benefits**	2022 Total employee future benefits
Opening balance accrued employee future benefit obligations at August 31	$ 17,335,837	$ 5,976,187	$ 713,006	**$ 24,025,030**	$ 27,182,413
Current period benefit cost	-	1,958,444	549,328	**2,507,772**	3,158,351
Interest accrued	639,106	195,920	-	**835,026**	475,610
Less: benefit payments	(2,772,359)	(1,905,180)	(561,950)	**(5,239,489)**	(5,893,023)
Amortization of actuarial loss (gain)	470,601	-	(151,056)	**319,545**	(898,321)
Employee future benefit liability at August 31	$ 15,673,185	$ 6,225,371	$ 549,328	**$ 22,447,884**	$ 24,025,030

	Retirement gratuities	WSIB benefits	Sick leave benefits	**2023** **Total employee future benefits**	2022 Total employee future benefits
Current period benefit cost	$ -	$ 1,958,444	$ 549,328	**$ 2,507,772**	$ 3,158,351
Interest on accrued benefit obligation	639,106	195,920	-	**835,026**	475,610
Recognized actuarial losses (gains)	470,601	-	(151,056)	**319,545**	(898,321)
Employee future benefit expenses*	$ 1,109,707	$ 2,154,364	$ 398,272	**$ 3,662,343**	$ 2,735,640

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

9. Employee benefits payable (continued)

Retirement benefits

Ontario Teacher's Pension Plan

Teachers and employees in related 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.

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 $10,490,293 (2022 - $10,241,225) 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

Retirement gratuities

The board provides retirement gratuities to certain groups of employees hired prior to specified dates. The board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the board's consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days and years of service at August 31, 2012.

Retirement 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. Employees retiring on or after September 1, 2013 do not qualify for board subsidized premiums or contributions.

9. Employee benefits payable (continued)

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based on actuarial assumptions of future events determined for account purposes as at August 31, 2023 and based on updated average daily salary and banked sick days as at August 31, 2022. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the board's best estimates of expected rates of:

	2023	2022
Inflation	**2.0%**	2.0%
Discount on accrued benefit obligations	**4.4%**	3.9%

Workplace Safety and Insurance Board (WSIB) benefits

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

The Workplace Safety and Insurance Board obligations for employee future benefit plans as at August 31, 2023 are based on actuarial valuations for accounting purposes as at August 31, 2023. These actuarial valuations are based on assumptions about future events. For purposes of these calculations, the economic assumptions used in these valuations are the board's best estimates of expected rates of:

	2023	2022
Inflation	**2.5%**	2.7%
Discount on accrued benefit obligations	**4.4%**	3.9%

Sick leave top-up benefits

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are $549,328 (2022 - $713,006).

The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as of August 31, 2023.

9. Employee benefits payable (continued)

Life insurance benefits

Based on the updated triennial Post-Retirement Benefits valuation prepared as at August 31, 2022 and special claims fluctuation reserve (CFR) information provided by the board as at September 1, 2022, the PSAS liability was set to nil for the Post-Retirement Benefits as at August 31, 2022 to reflect that no future premium is expected to be required to be paid by the board for the life insurance benefits.

Based on the valuation assumptions, the special CFR balance combined with the expected future premium payments made by the retirees is expected to be sufficient to cover the future death benefit payments and related administrative expenses and taxes and the board is not expected to be required to make any additional future premium payments to the insurer. The premium held in the special CFR by the insurer is required to be used solely for the payment of future life insurance claims. The insurer will continue to monitor the volumes over time and in the event the death benefit payments are made earlier than expected (i.e. amounts paid at the higher coverage level for certain retirees who have not reached the ultimate coverage amount of $100,000) and/or the administration costs are higher, the board may be required to make additional premium payments in the future.

The PSAS liability will be monitored annually to ensure the board’s expected future liability continues to be nil.

	2023	2022
Inflation	**2.0%**	2.0%
Discount on accrued benefit obligations	**4.4%**	3.9%

Health care and dental benefits

The board sponsors a separate plan for retirees to provide group health care and dental benefits. The premiums are based on the experience or demographics of the group and retirees are required to pay 100% of the premium costs.

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10. Net long-term debt

Net debenture debt and capital loans reported on the consolidated statement of financial position comprises the following:

	2023	2022
Debenture #CDS 02-45 due on November 21, 2022. Interest payments semi annually at 6.05%.	**$ -**	$ 2,645,000
Debenture #CDS 04-49 due on November 29, 2024. Interest payments semi annually at 5.161%.	**3,246,993**	5,277,804
Debenture #CDS 06-53 due on October 30, 2026. Interest payments semi annually at 4.746%.	**4,527,377**	5,690,154
Ontario Financing Authority Loan (OFA#1) due on November 17, 2031. Interest payments semi annually at 4.560%.	**11,646,305**	12,745,664
Ontario Financing Authority Loan (OFA#2) due on March 3, 2033. Interest payments semi annually at 4.900%.	**8,430,285**	9,086,873
Ontario Financing Authority Loan (OFA#3) due on November 15, 2033. Interest payments semi annually at 5.347%.	**7,426,060**	7,941,391
Ontario Financing Authority Loan (OFA#4) due on March 13, 2034. Interest payments semi annually at 5.062%.	**3,326,580**	3,552,552
Ontario Financing Authority Loan (OFA#5) due on November 15, 2034. Interest payments semi annually at 5.047%.	**983,770**	1,045,575
Ontario Financing Authority Loan (OFA#6) due on April 13, 2035. Interest payments semi-annually at 5.230%	**5,732,567**	6,072,162
Ontario Financing Authority Loan (OFA#7) due on April 13, 2036. Interest payments semi-annually at 4.833%	**7,898,525**	8,334,640
Ontario Financing Authority Loan (OFA#8) due on November 15, 2036. Interest payments semi-annually at 3.970%	**4,924,949**	5,196,116
Ontario Financing Authority Loan (OFA#9) due on March 9, 2037. Interest payments semi-annually at 3.564%	**10,789,281**	11,384,701

10. Net long-term debt (continued)

	2023	2022
Ontario Financing Authority Loan (OFA#10) due on March 19, 2038. Interest payments semi-annually at 3.799%	**20,754,612**	21,779,419
Ontario Financing Authority Loan (OFA#11) due on March 11, 2039. Interest payments semi-annually at 4.003%	**563,518**	588,630
	$ 90,250,822	$ 101,340,681

Principal and interest payments relating to net long-term liabilities of $115,479,102 outstanding as at August 31, 2023 are due as follows:

	Principal payments	Interest	Total
2023/24	$ 8,844,729	$ 3,912,136	$ 12,756,865
2024/25	8,125,137	3,493,064	11,618,201
2025/26	7,336,777	3,142,760	10,479,537
2026/27	6,963,812	2,806,128	9,769,940
2027/28	5,658,207	2,019,134	7,677,341
Thereafter	53,322,160	9,855,060	63,177,218
Net long-term liabilities	$ 90,250,822	$ 25,228,282	$ 115,479,104

11. Debt charges and capital loans interest

Expenditures for debt charges, capital loans and interest include principal and interest expense as follows:

	2023	2022
Principal payments on long-term liabilities	**$ 11,089,860**	$ 10,567,306
Interest expense on long-term liabilities	**4,392,677**	4,930,643
	$ 15,482,537	$ 15,497,949

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August 31, 2023

12. Grants for Student Needs

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property 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: 88.6% (2022 – 87.3%) of the consolidated revenues of the board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2023	2022
Provincial Legislative Grants	**$ 575,969,437**	$ 567,804,814
Education Property Tax	**173,945,894**	153,803,565
Grants for Student Needs	**$ 749,915,331**	$ 721,608,379

13. Expenses by object

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

	2023		2022
	Budget (Restated)	**Actual**	Actual (Restated)
Salary and wages	$ 583,095,868	**$ 581,971,053**	$ 576,790,247
Employee benefits	99,145,019	**98,432,828**	94,121,675
Staff development	4,427,105	**1,736,674**	1,564,517
Supplies and services	49,241,994	**53,374,269**	40,542,084
Interest charges on capital	4,275,870	**4,225,492**	4,896,106
Rental	1,865,550	**2,040,093**	2,157,408
Fees and contract services	35,639,658	**41,355,191**	41,026,496
Other	6,275,079	**16,891,905**	13,192,548
Amortization of tangible assets	48,338,078	**48,076,003**	45,014,065
Transfer to Other Boards	-	**338,333**	13,800
Accretion and Other Expenses – ARO	2,977,656	**2,977,656**	2,977,656
Amortization and Net Loss - ARO	1,908,403	**1,908,403**	1,908,405
	$ 837,190,282	**$ 853,327,902**	$ 824,205,007

Waterloo Region District School Board
Notes to the Consolidated Financial Statements
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14. Tangible capital assets

	Cost				Accumulated amortization					
	Balance at August 31 2022 (Restated)	Additions and transfers	Disposals	**Balance at August 31 2023**	Balance at August 31 2022 (Restated)	Amortization	Disposals, writeoffs and adjustments	**Balance at August 31 2023**	**Net book value August 31 2023**	Net book value August 31 2022 (Restated)
Land	$ 110,124,295	$ 2,809,227	$ -	**$ 112,933,522**	$ -	$ -	$ -	**$ -**	**$ 112,933,522**	$ 110,124,295
Land improvements	22,995,581	1,852,269	-	**24,847,850**	9,974,283	1,804,199	-	**11,778,485**	**13,069,368**	13,021,298
Buildings	1,058,722,704	57,975,073	-	**1,116,697,777**	446,354,040	36,627,140	-	**482,981,180**	**633,716,597**	612,368,664
Portable structures	7,405,719	153,838	(938,528)	**6,621,029**	5,943,185	350,668	(938,528)	**5,355,325**	**1,265,704**	1,462,534
Construction in progress	7,087,948	(5,044,036)	-	**2,043,912**	-	-	-	**-**	**2,043,912**	7,087,948
Pre-acquisition and construction cost	218,251	1,224,326	-	**1,442,577**	-	-	-	**-**	**1,442,577**	218,251
Furniture and equipment	12,319,550	668,296	(1,906,985)	**11,080,861**	7,193,384	1,168,717	(1,906,985)	**6,455,116**	**4,625,745**	5,126,166
Computer hardware and software	27,768,360	7,237,847	(6,647,558)	**28,358,349**	12,002,677	9,668,261	(6,647,558)	**15,023,080**	**13,335,269**	15,765,683
Vehicles	2,139,844	192,504	-	**2,332,349**	1,805,021	137,409	-	**1,942,430**	**389,919**	334,820
Leasehold improvements	2,657,069	34,778	-	**2,691,847**	1,393,806	228,012	-	**1,621,818**	**1,070,029**	1,263,263
	$ 1,251,439,321	$ 67,104,122	$ (9,493,371)	**$1,309,050,072**	$ 484,666,396	$ 49,984,406	**$ (9,493,371)**	**$ 525,157,431**	**$ 783,892,641**	$ 766,772,922

Assets under construction
Assets under construction (which include construction in progress and pre-acquisition cost) having a value of $3,486,493 (2022 - $7,306,198) have not been amortized.

Writedown of tangible capital assets
The writedown of tangible capital assets during the year was $1,149,679 (2022 - $nil).

Asset inventories for resale (assets permanently removed from service)
The board has identified no land and no building properties that qualify as “assets permanently removed from service”.

Waterloo Region District School Board
Notes to the Consolidated Financial Statements
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15. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022 (Restated)
Accumulated surplus - unappropriated	**$ 51,182,708**	$ 54,674,742
Invested in non-depreciable tangible capital assets (land)	**113,116,696**	110,342,546
Amounts restricted for future use by Board motion	**12,996,401**	14,093,879
Asset Retirement Obligation	**(52,891,184)**	(49,016,150)
Other	**5,630,085**	5,482,608
Total accumulated surplus	**$ 130,034,706**	$ 135,577,625

The annual deficit of $(5,542,919) for 2023 (2022 – surplus of $2,103,389) includes revenues recognized for land of $2,774,150 (2022 - $12,909,973), transfers to internally appropriated of $1,657,420 (2022 - $2,445,071), transfers (from)/ to externally appropriated of $(2,848,071) (2022 - $(1,101,450)) and recognized actuarial gain of ($319,545) (2022 - gain of $898,321). The impact of these adjustments is summarized below:

	2023	2022 (Restated)
Annual surplus/(deficit) before the following items	**$ (3,492,033)**	$ (8,158,384)
Revenues recognized for land	**2,774,150**	12,909,973
Transfer (from) internally appropriated	**(1,657,420)**	(2,445,071)
Transfer (from)/ to externally appropriated	**(2,848,071)**	(1,101,450)
Recognized actuarial gain (loss)	**(319,545)**	898,321
Annual surplus	**$ (5,542,919)**	$ 2,103,389

16. Trust funds

Trust funds administered by the board amounting to $1,868,732 (2022 - $1,905,494) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

17. Ontario School Board Insurance Exchange (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of $27 million per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2022 amount to $1,156,108 (2022 - $1,198,292).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.

17. 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 with in the board of directors to buy out such liability.

18. Contractual obligations and contingent liabilities

Contractual obligations

The cost to complete construction contracts in progress at August 31, 2023 is estimated to be $19,074,455 (2022 - $21,089,393).

Contingent liabilities

The board has various labour related and legal issues that are outstanding. Although the outcome of these matters is not known, management has made an estimate of what it believes represents the minimum amount that will become payable and this estimate has been recorded in these financial statements. The amount of the estimate has not been disclosed, as proceedings relating to these matters are ongoing. Based on the nature of the matters and existing knowledge, it is reasonably possible that changes in future conditions in the near term could require a material change in the recognized amounts. The difference between the recognized amount and the actual amount will be recorded in the period that the settlement of this matter is reached.

Operating lease commitments

The following is a schedule of minimum lease payments under significant operating leases required in each of the following years:

2024	$ 3,128,235
2025	2,895,536
2026	2,576,080
2027	2,578,159
2028	842,155
Thereafter	413,659

Waterloo Region District School Board
Notes to the Consolidated Financial Statements
August 31, 2023

19. 2022-23 Budget reconciliation

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

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

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

As school boards only budget the Statement of Operations, the budget figures in the Consolidated Statement of Change in Net Debt have not been provided. The adjustments do not represent a formal amended budget as approved by the board. This is an amendment to make the 2023 budget information more comparable.

Consolidated Statement of Operations (Simplified)
For the year ended August 31

	2022-23 Budget	Change	2022-23 Budget Restated
Revenues	$ 840,865,029	$ -	$ 840,865,029
Expenses			
Amortization of TCA-ARO	832,304,221	4,886,061	837,190,282
Annual surplus (deficit)	8,560,808	(4,886,061)	3,674,747
Accumulated Surplus (Deficit) at beginning of year	174,010,333	-	174,010,333
Accumulated Surplus (Deficit) PSAS Adjustments	-	(44,130,089)	(44,130,089)
Adjusted Accumulated Surplus (Deficit) at beginning of year	174,010,333	(44,130,089)	129,880,244
Accumulated Surplus/ (Deficit) at the end of year	$ 182,571,141	$ (49,016,150)	$ 133,554,991

Waterloo Region District School Board
Notes to the Consolidated Financial Statements
August 31, 2023

20. Partnership in Student Transportation Services of Waterloo Region Inc.

Transportation consortium

On September 1, 2007, Student Transportation Services of Waterloo Region Inc. ("STSWR") was incorporated. On February 27, 2008, the board entered into an agreement with Waterloo Catholic District School Board in order to provide common administration of student transportation in the Region of Waterloo. 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 created at the time STSWR was established, decisions related to the financial and operating activities of STSWR are shared. No partner is in a position to exercise unilateral control.

Each board participates in the shared costs associated with this service for the transportation of their respective students through STSWR. This entity is proportionately consolidated in the board's consolidated financial statements, whereby the board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the board's consolidated financial statements. The board's pro-rata share for 2023 is 62.00% (2022 – 62.50%). Inter-organizational transactions and balances between these organizations have been eliminated.

The following provides condensed financial information.

	2023		2022	
	Total	**Board portion**	Total	Board portion
Financial position				
Financial assets	**$ 221,379**	**$ 137,255**	**$ 1,811,713**	**$ 1,380,706**
Liabilities	**237,948**	**147,528**	**1,834,800**	**1,391,552**
Non-financial assets	**16,569**	**10,273**	**23,087**	**15,979**
Accumulated deficit	**-**	**-**	**-**	**5,133**
Operations				
Revenues	**29,185,014**	**18,094,709**	**28,277,930**	**17,673,706**
Expenses	**29,185,014**	**18,094,709**	**28,277,930**	**17,673,706**
Annual surplus	**$ -**	**$ -**	**$ -**	**$ -**

Waterloo Region District School Board
Notes to the Consolidated Financial Statements
August 31, 2023

21. Repayment of the "55 School Board Trust" funding

On June 1, 2003, the board received $1,407,664 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.

22. Related party disclosures

The Ontario Financing Authority (OFA) provides financing to various public bodies on direction from the Province. These loans are included in the Province's consolidated financial statements.

The board has principal amounts payable to OFA of $82,476,449 (2022 - $87,727,723). These loans bear interest ranging from 3.564% to 5.347% and mature from 2031 to 2039. Details of the loans are disclosed under Note 10.

23. In-kind transfers from the Ministry of Public and Business Service Delivery

The board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBS). The amounts recorded were calculated based on the weighted avenge cost of the supplies as determined by MPBS and quantity information based on the board's records. The in-kind revenue recorded for these transfers is $1,272,696 with expenses based on use of $1,272,696 for a net impact of $nil.

24. Future accounting standard adoption

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

Standards applicable for fiscal years beginning on or after 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 pufblic sector entity procures infrastructure using a private sector partner.

Waterloo Region District School Board
Notes to the Consolidated Financial Statements
August 31, 2023

25. Comparative figures

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

Report to Committee of the Whole

November 13, 2023

Subject: 2022-23 Final Financial Report

Recommendation

This report is for the information of the Board.

Status

The Board of Trustees (Board) approved the 2022-23 operating budget on June 15, 2022, and at that time the expected in-year deficit was $7.43M, or 0.95% of operating revenues.

The development of the Waterloo Region District School Board's (WRDSB) operating budget includes many underlying assumptions which, over the course of a school year, can change. The process used in the development of the annual operating budget for the board has evolved over the years but the underlying factors that influence its development continue to be:

- Ministry funding and directives;
- The board's underlying financial position (accumulated surplus/ deficit); and,
- The board's strategic plan and operational goals.

On a quarterly basis throughout the year, staff have been providing updates to the Board regarding our key assumptions, key risks and planned mitigation strategies. The quarterly updates referenced above were provided to the Board on the following dates:

- 1st Quarter (Q1) Report (September 1, 2022, to November 30, 2022)- January 23, 2023
- 2nd Quarter (Q2) Report (December 1, 2022, to February 28, 2023)- March 20, 2023
- 3rd Quarter (Q3) Report (March 1, 2023, to May 31, 2023)- June 7, 2023 (verbal)

The 2022-23 year-end financial position is an in-year (unappropriated) deficit of $3.49M; this represents approximately 0.46% of the WRDSB's operating budget for the year and decreases our Accumulated Unappropriated Surplus to $51.18M as of August 31, 2023. The 202-23 Final Financial Report, comparing the budget to the actual year-end position is attached as Appendix A.

The following comments represent material changes from the 2022-23 budget forecast, which help to explain the year-end results; it should be noted that these items are consistent with information previously presented to the Board throughout the year.

Revenues

- In previous updates provided to the Board, material variances were identified and discussed for the following areas: GSN Revenues (Student Enrolment), Extended Day Program Revenues and Other Revenues (Priorities & Partnerships Funding (PPF)). The information provided below confirms that actual results were consistent with previous updates.

- Student Enrolment
  - o In-year change: Total enrolment was 201 full-time equivalent (FTE) students higher than the budget forecast; an increase of 0.3%.
  - o Impact: As part of ongoing updates to the Board, staff identify changes in student enrolment as a financial risk to the organization. Student enrolment data, which is confirmed through the Ontario Student Information System (OnSIS) on October 31st and March 31st each year, is the primary driver of funding through the Grants for Student Needs (GSN). As such, any material change in student enrolment has an impact on funding to the board; positive or negative. A summary of our year-end enrolment results is provided in Appendix A.
  - o Strategy: The increase noted above is not significant when compared to the total number of students in the system. Staff attribute the increase to a gradual return to normal operations following the pandemic, and continued migration into the Region. Compared to actual enrolment in 2021-22, we realized an increase of 454 FTE year-over-year; an increase of 0.71%. Over the medium to long term, we anticipate continued, positive, growth in both the elementary and secondary panel.
  - o 2023-24 Outlook: The 2023-24 budget forecast included total enrolment of 65,329 FTE; an increase of 843 FTE compared to the prior year's budget. While information for October 31st, 2023, has not yet been confirmed, we anticipate that actual enrolment will exceed the budget forecast for 2023-24. If realized, this will have an overall positive effect on board finances in 2023-24.
- Other Grants
  - o In-year change: After the completion of the Q1 report, the Ministry announced additional funding would be made available to school boards through Priorities & Partnerships Funding (PPF). More specifically, the WRDSB received an additional $4.76M in relation to a remedy payment agreement made between the Province of Ontario and the Elementary Teachers Federation of Ontario (ETFO). Furthermore, an additional $472 thousand was provided for the Tutoring Supports Program.
  - o Impact: PPF grants are used to support targeted Ministry initiatives, such as those identified above, and can change from year-to-year based on Ministry priorities and the availability of financial resources. Utilization of these funds is reflected in the expenditures included as part of this report. A detailed breakdown of changes in Other Grants is provided in Appendix A.
  - o Strategy: Changes in PPF funding have a net neutral impact on the board's budget since they are accompanied by a corresponding expense to support the program or initiative in question. Generally, any unspent funds are returned to the Ministry, or carried forward to the following school year, to support the program or initiative.
  - o 2023-24 Outlook: The 2023-24 budget included approximately $8.5M in Priorities and Partnerships Funding. At this point, we do not anticipate any significant announcements regarding additional priorities and partnerships funding for the

current school year, but staff will continue to monitor and will provide updates throughout the course of the 2023-24 school year.

Expenditures

- In previous updates to the Board, staff provided information to explain expenditure changes for Professionals and Paraprofessionals, School Operations, Supply Staff and Other Non-operating expenses. As such, only a few of these items are touched on below because the actual results varied from previous updates.
- Short-term Supply Costs
    - In-year change: Short-term supply cost expenses (Teachers, DECEs and Educational Assistants) were $2.15M higher than the budget forecast, an increase of 9.3%.
    - Impact: Prior to the onset of the pandemic in March 2020, there had been a consistent upward trend in supply staff costs. The pandemic disrupted this trend and staff noted a significant decline in utilization of short-term sick leave across all employee groups in the latter part of the 2019-20 school year and the entire 2020-21 school year. This disruption continued in the early part of 2021-22, since then, we have witnessed a return to pre-pandemic utilization and the financial and operational pressures associated with short-term sick leave. The fact that our year-end position shows we exceeded our budget for supply costs by almost 10% illustrates the ongoing financial and operational impact this is having on our board.
    - Strategy: Staff closely monitor sick-time utilization, and expenditures, throughout the year and provide updates to the board at each reporting period.
    - 2023-24 Outlook: As we look ahead to the remainder of the 2023-24 school year, we anticipate continued pressure on this line within the budget. Staff have taken some preliminary steps to improve our ability to monitor and support staff in areas where short-term sick leave utilization exceed board and industry averages, but it will take some time before these efforts begin to impact the financial and operational challenges presented by short-term absenteeism. As outlined in the 2023-24 budget report (Folio 17), the Ministry of Education continues to underfund school boards relative to the short-term sick leave provisions it has centrally negotiated with various labour groups. Staff will continue to raise this with our counterparts at the Ministry.
- Other Non-operating Expenses
    - In-year Change: Total expenditures related to other non-operating items were $10.74M higher than the budget forecast, an increase of 18.7%.
    - Impact: In accounting terms, other non-operating expenses describe expenses that occur outside of an organization’s day-to-day activities and may include one-time or unusual costs. The Ministry Code of Accounts indicates that non-operating expenses may include expenses for material claims or settlements, as well as programs that are non-educational. Prior to the pandemic, most costs included in non-operating related to the provision of the board’s Extended Day

program. For the 2022-23 fiscal year, there are two items in particular (not including the Extended Day program) which need to be addressed.

Throughout the pandemic, the Ministry of Public and Business Service Delivery (MPBSD) provided school boards with Personal Protective Equipment (PPE) and critical supplies to help keep our students and staff safe. Boards were directed to record an in-kind contribution of revenue associated with these supplies and record the expenses as non-operating. At the time the 2022-23 budget was being developed, there was uncertainty regarding the pandemic and the direction that would be provided by the Ministry regarding PPE requirements in September 2022; as such, no expenditures were included for PPE and critical supplies.

The non-operating expenses outlined in expenditure summary provided in Appendix A include $1.15M related to a write-down of a Tangible Capital Asset. The details regarding this write-down were provided during the in-camera Audit Committee meeting on February 8, 2023, and subsequently at an in-camera Board meeting on March 6, 2023.

- Strategy: Staff monitor expenditures in this area and provide updates to both the Audit Committee and the Board as material items or issues arise that would affect this area of the budget.
- 2023-24 Outlook: As we look ahead to the remainder of the 2023-24 school year, staff will continue to follow Ministry direction regarding PPE requirements. Furthermore, we anticipate continued growth in our Extended Day program as a result of our participation in the Canada Wide Early Learning and Child Care Program (CWELCC); the associated expenditures will appear as non-operating in 2023-24.

Overall, staff continue to identify ongoing risks and develop mitigation strategies that help ensure the fiscal well-being of the organization. As noted above, the 2022-23 in-year deficit is $3.49M; this has reduced the WRDSB's Accumulated Surplus (Unappropriated), which is now $51.18M, or approximately 6.72% of the 2022-23 operating budget.

The Accumulated Surplus (Unappropriated) represents funds that are available on a one-time basis to address strategic priorities, financial pressures and respond to unforeseen circumstances. Given the board's current fiscal position, as communicated throughout the 2022-23 school year and during the 2023-24 budget process, no additional appropriations from accumulated surplus will be brought forward for consideration in 2023-24 or during the 2024-25 budget process.

Background

It is the sole responsibility of the Board to approve the annual operating budget and it is the responsibility of staff to oversee and monitor day-to-day spending within the budget framework. The Board plays a key role in the budget process, ensuring that funding is aligned with the WRDSB's strategic priorities and legislative requirements.

In an effort to support the Board in fulfilling their fiduciary duties, staff provide quarterly financial updates on in-year spending forecasts relative to the budget. These updates identify potential risks and opportunities that may be on the horizon, as well as the strategies staff have in place to address the identified items. These actions are intended to support the Board in making evidence-based decisions and fulfilling their governance responsibilities.

Financial Implications

No Financial implications.

Communications

Financial Services will work with our communications department to ensure that financial information is readily available to the public via our corporate website.

Prepared by: Nicole Litt, Manager of Accounting
Wenqi Zhou, Manager of Budget
Miruna Armellini, Controller, Financial Services
Nick Landry, Superintendent of Business & Treasurer
in consultation with Leadership Council

APPENDIX A

2022-23 Final Financial Report (Fourth Quarter- September 1, 2022 to August 31, 2023)

SUMMARY OF FINANCIAL RESULTS (000s)	Budget	Actual	In-Year Change	
			$	%
Revenue				
Provincial Grants-GSN	$761,424	$766,718	$5,294	0.7%
Revenue transferred from/(to) deferred revenue	1,131	879	(251)	(22.2%)
Other Grants	6,900	14,454	7,554	109.5%
Other Revenue	33,593	27,049	(6,545)	(19.5%)
School Generated Funds	7,145	8,973	1,828	25.6%
Transferred from DCC**	47,659	47,386	(273)	(0.6%)
Transferred to DCC**	(16,987)	(17,673)	(687)	4.0%
Total Revenue	**$840,865**	**$847,785**	**$6,920**	**0.8%**
Expenses				
Instruction	$649,109	$647,332	($1,777)	(0.3%)
Administration	19,385	21,033	1,647	8.5%
Transportation	20,165	21,918	1,753	8.7%
School Operations & Maintenance	72,483	75,492	3,009	4.2%
Debt & Other Non-operating	17,271	24,914	7,643	44.3%
School Generated Funds	7,145	8,432	1,287	18.0%
Provision for Contingency	5,662	9,881	4,219	74.5%
Amortization Expense	41,085	44,326	3,242	7.9%
Total Expenses	**$832,304**	**$853,328**	**$21,024**	**2.5%**
Surplus/(Deficit)	**$8,561**	**($5,543)**	**($14,104)**	**(164.7%)**

Changes in Revenue

- Provincial Grants- Net effect of changes in enrolment, variance in Teacher/DECE Qualifications and Experience
- Deferred Revenue- Changes are related to net transfers for School Renewal, Targeted Student Supports, Indigenous Education, Mental Health, Support for Students, Internal Audit, Library and Special Equipment
- Other Grants- Increase due to additional Priorities and Partnerships Funding (PPF) announcements following 2022-23 budget submission (ETFO Remedy Payment, Tutoring Supports, Professional Assessments)
- Other Revenue- Decrease is the net impact of lower Education Development Charge (EDC) revenues being recognized in-year and an increase in extended day fees, insurance proceeds, recoverable billings.

Change in Expenditures

- Instruction- Net impact of position vacancies, increased supply costs (short-term sick leave), compensation expense related to qualifications and experience. Additional details provided below on expense summary.
- Transportation - Impact of fuel escalator payments made to operators, which are offset by additional Ministry
- Debt & Other Non-Operating- Additional expenses related to ETFO remedy payment, additional PPF grants and extended day.

**DCC - Deferred Capital Contributions

2022-23 Final Financial Report (Fourth Quarter- September 1, 2022 to August 31, 2023)

DETERMINATION OF ANNUAL OPERATING SURPLUS (000s)	Budget	Actual
PSAB Surplus/(Deficit) (from above)	$8,561	($5,543)
LESS: Internally Appropriated		
Committed Capital Projects	-	-
Sub-Total: In-Year Appropriations	-	-
Previous year one-time initiatives	-	-
Committed capital projects	(210)	1,097
Total: Internally Appropriated	**(210)**	**1,097**
Less: Unavailable for Compliance		
PSAB Adjustments	(16,517)	393
Total Adjustments	**($16,727)**	**$1,491**
In-year unappropriated Operating Surplus/(Deficit)	($8,166)	($4,052)
Committed capital projects annual amortization	713	536
Committed sinking fund interest	24	24
ANNUAL Unappropriated Operating Surplus/(Deficit)	**($7,429)**	**($3,492)**

SUMMARY OF CAPITAL TO BE FINANCED (000s)	Budget	Actual
Funding		
New Building and Additions	$3,450	$1,299
Child Care Capital	337	2,055
School Condition Improvement	32,561	29,976
Full Day Kindergarten	129	(27)
Renewal	8,166	9,077
Education Development Charge (EDC)	16,400	2,774
Proceeds of Disposition	2,500	139
Minor Tangible Capital Assets	8,758	7,666
Rural and Norther Education	63	77
COVID-19 Resilience Infrastructure Stream (CVRIS)	1,510	1,114
Retrofitting School Space for Child Care Funding Source	-	854
School Generated Funds Funding Source	-	266
Other	1,436	1,640
Total Capital by Funding Source	**$75,309**	**$56,911**
Expenditure		
Buildings (new, additions & renewal)	$46,489	$43,997
Land	16,400	2,774
Land Improvements	3,500	1,852
Leasehold Improvements	0	35
Moveable Assets	8,920	8,252
Total Capital Expenditure	**$75,309**	**$56,911**

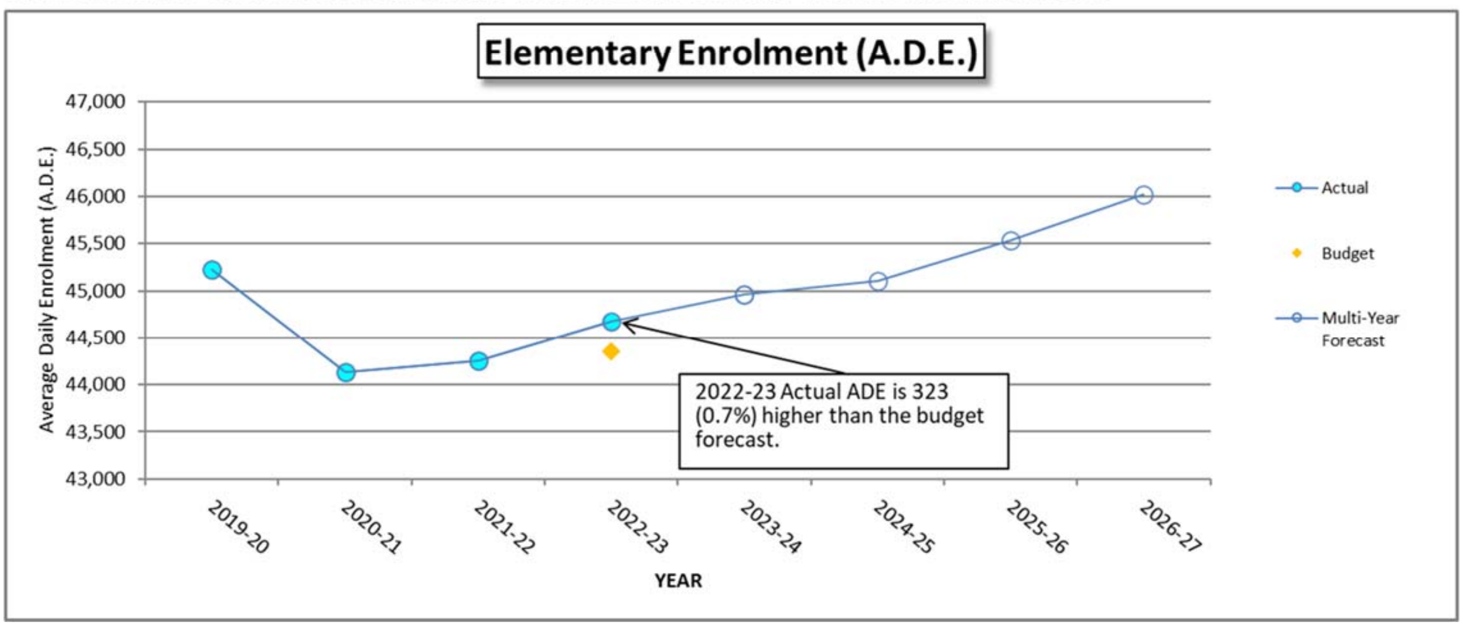
2022-23 Final Financial Report (Fourth Quarter- September 1, 2022 to August 31, 2023)

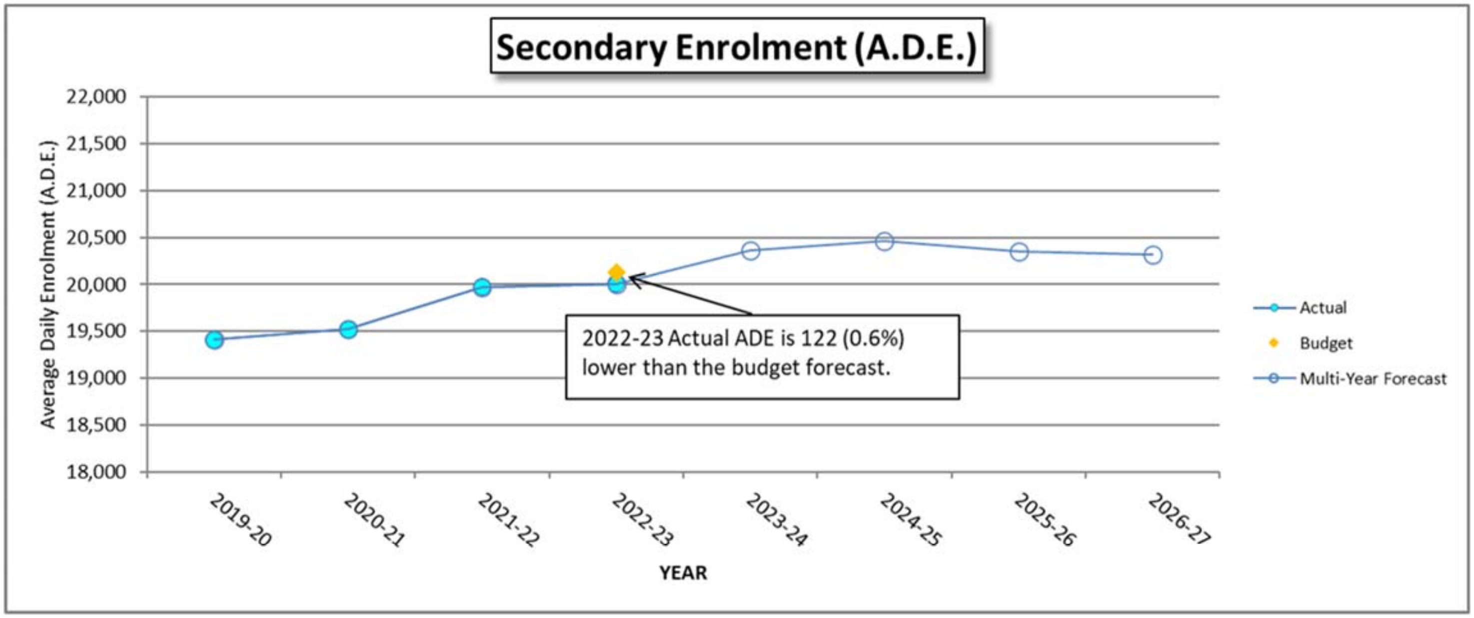
SUMMARY OF AVERAGE DAILY ENROLMENT (ADE)	Budget	Actual	In-Year Change #	In-Year Change %
Elementary				
JK	3,837	4,151	314	8.2%
SK	4,345	4,320	(25)	-0.6%
Grades 1-3	13,465	13,475	10	0.1%
Grades 4-6	13,487	13,457	(30)	-0.2%
Grades 7-8	9,214	9,268	54	0.6%
Other Pupils (International)	9	10	1	5.6%
Total Elementary	**44,357**	**44,680**	**323**	**0.7%**
Secondary				
Pupils of the Board <21	20,047	19,925	(122)	-0.6%
High Credit Pupils	13	20	8	62.5%
Pupils of the Board >21	10	9	(2)	-15.0%
Other Pupils (International)	59	53	(6)	-10.6%
Total Secondary	**20,129**	**20,007**	**(122)**	**-0.6%**
Total	**64,486**	**64,687**	**201**	**0.3%**

Highlights of Changes in Enrolment:

- Increase in the elementary panel is largely concentrated in JK; this is consistent with pre-pandemic attraction rates and bodes well for the medium to long-term.

HISTORIC AND PROJECTED ENROLMENTS WITH 2022-23 BUDGET VS ACTUAL COMPARISON





2022-23 Final Financial Report (Fourth Quarter- September 1, 2022 to August 31, 2023)

SUMMARY OF STAFFING (FTE)	Budget	Actual	In-Year Change	
			#	%
Instruction			-	
Classroom Teachers	3,904.95	3,902.58	(2.37)	-0.1%
Non-Classroom	2,120.70	2,073.96	(46.74)	-2.2%
Total Instruction	**6,025.65**	**5,976.54**	**(49.11)**	**-0.8%**
Non-Instruction	845.95	836.26	(9.69)	-1.1%
Total	**6,871.60**	**6,812.80**	**(58.80)**	**-0.9%**

Highlights of Changes in Staffing:

- Actual numbers exclude vacant permanent positions; as such, the variance identified for classroom teachers and non-classroom positions relates to vacant positions and not a reduction in compliment.
- Instruction non-classroom includes a number of different employee groups; Educational Assistants, DECEs, Professionals and Para-professionals, ITS, Library & Guidance teachers, Principals and Vice Principals, School Secretaries, Consultants.

2022-23 Final Financial Report (Fourth Quarter- September 1, 2022 to August 31, 2023)

OTHER GRANT REVENUE- INCLUDING PROGRAM AND PARTNERSHIPS FUNDING (PPF)	Budget	Actual	Variance
Anti-Sex Trafficking	-	9,488	9,488
De-streaming Implementation Supports	69,300	69,254	(46)
Digital Math Tools		160,812	160,812
Early Intervention Math for Special Education Needs	114,000	114,031	31
Early Development Instrument	-	93,730	93,730
Entrepreneurship Education Pilot Projects	30,000	30,000	-
ETFO Remedy Payment	-	4,756,680	4,756,680
Excellence in Education Administration Fund		41,518	41,518
Experiential Leaning-Guidance Teacher Counsellors	-	70,740	70,740
Graduation Coach for Black Students	-	86,859	86,859
Health Resources, Training and Supports	32,200	-	(32,200)
Human Rights and Equity Advisors	170,430	170,430	-
Identity-Based Data Collection, Analysis & Use		38,514	38,514
Learn and Work Bursary	22,000	25,438	3,438
Math AQ Subsidy	-	73,125	73,125
Math Strategy	1,196,000	1,196,000	-
NTIP-New Teacher Induction Program		12,937	12,937
Professional Assessments & Evidence Based Reading	-	240,654	240,654
Skills Trade Bursary	19,000	19,000	-
Special Education Educator Additional Qualification Subsidy	23,400	21,102	(2,298)
Special Education Summer Learning	220,100	219,706	(394)
Specialist High Skills Major	398,000	398,000	-
Summer Experience Opportunity	-	3,812	3,812
Summer Mental Health Supports	-	193,865	193,865
Transportation and Stability Supports for Children and Youth in Care	-	90,000	90,000
Tutoring Supports Program	2,800,550	3,272,847	472,297
Total PPF Grants	**$5,094,980**	**$11,408,542**	**$6,313,562**
Other Grants			
Literacy & Basic Skills (LBS)	$370,900	$303,277	($67,623)
Ontario Youth Apprenticeship Program (OYAP)	316,191	373,369	57,178
Other EDU Grants- Amounts from Deferred Revenue	1,117,605	2,368,550	1,250,945
Total Other Grants	**$6,899,676**	**$14,453,738**	**$7,554,062**

2022-23 Final Financial Report (Fourth Quarter- September 1, 2022 to August 31, 2023)

DETAIL OF PSAB ACCUMULATED SURPLUS (DEFICIT)	Sept 1, 2022 Balance	2022-23 In-Year Change	August 31, 2023 Balance	Notes
Available for Compliance - Unappropriated				
OPERATING SURPLUS/(DEFICIT)	**$54,674,742**	**($3,492,034)**	**$51,182,708**	
Available for Compliance - Internally Appropriated				
One-time Initiatives	$1,532,275	($1,532,275)	$0	1
Internally Restricted- Contractual PD P/VPs	250,378	52,191	302,569	2
International Baccalaureate Program (Cumulative Deficit)	(64,130)	64,130	-	
CHIRP (Infrastructure Replacement)	271,217	100,000	371,217	3
WREPNET	645,532	114,951	760,483	4
Other Capital- Education Centre	1,323,576	(91,600)	1,231,976	5
Committed Sinking Fund Interest	175,525	(24,045)	151,480	6
Committed Capital Projects	10,490,270	(340,772)	10,149,498	7
Equity in Transportation Consortium	5,133	-	5,133	8
TOTAL INTERNALLY APPROPRIATED	**$14,629,776**	**($1,657,420)**	**$12,972,356**	
Unavailable for Compliance				
School Generated Fund Balances	$6,270,775	$540,239	$6,811,014	9
Interest Accruals	(1,324,064)	167,179	(1,156,885)	10
Asset Retirement Obligations	(49,016,150)	(3,875,034)	(52,891,184)	
Revenues Recognized for Land	110,342,546	2,774,150	113,116,696	11
TOTAL EXTERNALLY APPROPRIATED	**$66,273,107**	**($393,466)**	**$65,879,641**	
Total PSAB Accumulated Surplus/(Deficit)	**$135,577,625**	**($5,542,920)**	**$130,034,705**	

1. One time operating (non-capital) approved new initiatives - student information system, French Immersion review, ERP
2. Approved carryovers (contractual PD for Principals and Vice Principals)
3. Carry over of budget allocation not spent in year on CHIRP
4. Carry over of budget allocation not spent in year on WREPNET
5. Carryover of balance allocated for Education Centre (non-committed capital) and school based projects
6. Interest on board sinking fund debentures
7. One-time capital new-initiatives funded through accumulated surplus (i.e. Ed Centre renovations, Tech Revitalization equipment, Jean Steckle & Groh childcare, science room upgrades, HVAC upgrades)
8. Arising from the change in Employee Future Benefits (EFB) in 2010-2011 and the asset recognition change (i.e. 2008-2009- 60.4%, whereas in 2010-11 - 67%)
9. Accumulated surplus from consolidating School Funds, SAC, WEFI into the Boards general ledger
10. Interest accrual on Long term debt (Ontario Financing Authority and Region of Waterloo)
11. Represents revenues recognized for all board owned lands- recently acquired land, vacant lands, administrative buildings

2022-23 Final Financial Report (Fourth Quarter- September 1, 2022 to August 31, 2023)

Public Sector Accounting Board (PSAB) Revenues by Ministry Category	Budget	Actual	$ Increase (Decrease)	% Increase (Decrease)	Material Variance Note
Provincial Grants for Student Needs					
Pupil Foundation-Elementary	$250,330,004	$253,651,564	$3,321,560	1.33%	1
Pupil Foundation-Secondary	118,734,968	118,330,327	(404,641)	(0.34%)	1
School Foundation	46,706,128	47,244,256	538,128	1.15%	1
Special Education	94,390,185	95,249,020	858,835	0.91%	1
French as a Second Language	9,675,122	9,676,121	999	0.01%	1
English as a Second Language	12,882,540	12,960,337	77,797	0.60%	
Remote and Rural Allocation	62,653	63,157	504	0.80%	
Learning Opportunities	8,653,345	8,250,045	(403,300)	(4.66%)	
Continuing Education	1,522,854	1,484,126	(38,728)	(2.54%)	
High Credit	45,535	69,367	23,832	52.34%	
Teacher Q&E	73,279,259	70,673,050	(2,606,209)	(3.56%)	2
New Teacher Induction Program (NTIP)	258,281	215,358	(42,923)	(16.62%)	
ECE Q&E	3,931,151	3,874,809	(56,342)	(1.43%)	2
Transportation	18,680,730	20,809,609	2,128,879	11.40%	3
Admin and Governance	18,127,635	18,353,219	225,584	1.24%	
Trustees' Association Fee	58,084	40,733	(17,351)	(29.87%)	
School Operations	65,021,308	65,733,971	712,663	1.10%	1
Community Use of Schools	856,197	856,197	-	0.00%	
Declining Enrolment	-	-	-	0.00%	
Temporary accommodation - relocation and leasing	1,804,547	1,804,547	-	0.00%	
Indigenous Education	2,321,669	2,125,974	(195,695)	(8.43%)	
Mental Health and Well-Being	3,021,794	3,062,096	40,302	1.33%	
School Renewal	10,322,947	10,316,659	(6,288)	(0.06%)	
Approved Debt	104,872	104,872	-	0.00%	
Debt Charges-Interest Portion	4,620,378	4,625,679	5,301	0.11%	
Supports for Students Fund	6,217,109	6,431,329	214,220	3.45%	
Program Leadership Grant	1,000,496	1,002,180	1,684	0.17%	
Restraint Savings	(129,030)	(129,030)	-	0.00%	
Teacher Job Protection Funding	-	-	-	0.00%	
COVID-19 Learning Recovery Fund	8,922,865	8,922,865	-	0.00%	
ARO Abatement	-	915,639	915,639	0.00%	
Total Provincial Grants for Student Needs (GSN)	**$761,423,626**	**$766,718,077**	**$5,294,451**	**0.70%**	
Amortization of Deferred Capital Contributions	**$47,659,279**	**$47,386,011**	**($273,268)**	**(0.57%)**	
Legislative Grants transferred from/(to) Deferred Revenue	**$1,130,656**	**$879,413**	**($251,243)**	**(22.22%)**	
Other Grants	**$6,899,676**	**$14,453,738**	**$7,554,062**	**109.48%**	3
Non Grant Revenue					
Fees	$1,202,700	$1,114,480	($88,220)	(7.34%)	
Transportation Recoveries	35,300	133,585	98,285	278.43%	
Rental Revenue	1,423,450	1,310,983	(112,467)	(7.90%)	
Education Development Charges	16,400,000	2,842,661	(13,557,339)	(82.67%)	4
Other Revenue	14,532,000	21,646,946	7,114,946	48.96%	5
Non Grant Revenue	**$33,593,450**	**$27,048,655**	**($6,544,795)**	**-19.48%**	
School Generated Funds Revenue	**$7,145,000**	**$8,972,568**	**$1,827,568**	**25.58%**	
Grants Transferred to Deferred Capital Contributions	**($16,986,659)**	**($17,673,479)**	**($686,820)**	**4.04%**	
Total PSAB Revenues	**$840,865,028**	**$847,784,983**	**$6,919,955**	**0.82%**	

EXPLANATIONS OF MATERIAL GRANT VARIANCES

1	Grants directly impacted by changes in enrolment; elementary grants are higher and secondary lower
2	Placement on grid of Teachers/DECEs is different than the budget forecast based on actual years of experience and qualifications
3	Additional PPF grants announced after budget submission; including ETFO Remedy Payment ($4.7M), funding for Tutoring not utilized in 2021-22 that was carried forward to 2022-23 ($472K), and additional PPF grants announced after the budget was passed.
4	Education Development Charges revenue is only recognized (through matching principle) to eligible expenditures incurred; since no major land acquired in 2022-23, expenditures and revenue are lower than budgeted.
5	Net impact of projected changes in other revenue streams (i.e. extended day fees, investment income, insurance proceeds, recoverable billings)

2022-23 Final Financial Report (Fourth Quarter- September 1, 2022 to August 31, 2023)

Public Sector Accounting Board (PSAB)- Expenses by Ministry Category	Budget	Actual	In-Year Change #	In-Year Change %	Material Variance Note
OPERATING					
Classroom					
Classroom Teachers	$424,349,036	$421,445,815	($2,903,221)	(0.7%)	1
Supply Staff	$23,118,330	25,266,038	2,147,708	9.3%	2
Teacher Assistants	$37,268,527	37,089,138	(179,389)	(0.5%)	
Early Childhood Educator	$19,589,470	18,207,698	(1,381,772)	(7.1%)	3
Textbooks and Classroom Supplies	$13,550,049	14,555,413	1,005,364	7.4%	
Computers	$2,868,300	3,384,688	516,388	18.0%	
Professionals & Paraprofessionals	$35,378,566	34,270,908	(1,107,658)	(3.1%)	3
Library & Guidance	$14,354,964	14,311,929	(43,035)	(0.3%)	
Staff Development	$3,290,283	3,819,283	529,000	16.1%	
Department Heads	$1,456,530	1,524,094	67,564	4.6%	
Principal and Vice-Principals	$32,034,080	32,094,739	60,659	0.2%	
School Secretaries & Office Supplies	$17,130,305	16,935,739	(194,566)	(1.1%)	
Teacher Consultants	$14,247,886	12,995,891	(1,251,995)	(8.8%)	3
Continuing Education	$3,218,758	2,795,002	(423,756)	(13.2%)	
Instruction- Amortization Expense	$7,253,522	8,635,587	1,382,065	19.1%	
Sub-Total Instruction Expenses	**$649,108,606**	**$647,331,962**	**($1,776,644)**	**(0.3%)**	
Other Expenses					
Board Administration	$19,385,225	$21,032,594	$1,647,369	8.5%	4
School Operations	72,482,732	75,491,559	3,008,827	4.2%	5
Transportation	20,165,200	21,918,180	1,752,980	8.7%	6
Other- Amortization Expense	914,114	1,055,432	141,318	15.5%	
Sub-Total Other Expenses	**$112,947,271**	**$119,497,765**	**$6,550,494**	**5.8%**	
TOTAL OPERATING EXPENSE	**$762,055,877**	**$766,829,727**	**$4,773,850**	**0.6%**	
NON-OPERATING					
Other Non-Operating Expenses					
Debt Charges	4,275,870	4,225,492	(50,378)	(1.2%)	
Other Non-Operating Expenses	12,995,072	20,688,552	7,693,480	59.2%	7
Loss on Disposal of TCA and Assets	-	-	-	0.0%	
Amortization	40,170,442	43,271,043	3,100,601	7.7%	8
Sub-Total Other Non-Operating Expense	**$57,441,384**	**68,185,087**	**$10,743,703**	**18.7%**	
School Generated Funds	**$7,145,000**	**$8,432,329**	**$1,287,329**	**18.0%**	
Provision for Contingencies	**$5,661,960**	**$9,880,760**	**$4,218,800**	**74.5%**	
TOTAL EXPENSES	**$832,304,221**	**$853,327,903**	**$16,804,882**	**2.0%**	

EXPLANATIONS OF MATERIAL EXPENSE VARIANCES
1. Net impact of temporary position vacancies and lower than estimated expenses for teacher qualifications and experience; as new teachers are hired to replace teachers with more experience and qualifications (retirements), our average cost goes down.
2. Utilization of short-term sick leave continues to exceed estimates
3. Net impact of position vacancies incurred throughout the year, as well as re-classification of some FTE (DECEs) to support our extended day program which experienced significant enrolment growth.
4. Net impact of higher than anticipated costs for fees and contracts (Legal), one-time costs incurred for re-structuring and temporary support (SO Supply costs), changes to compensation and higher than anticipated interest revenues.
5. Increased costs for fees and contracts (Grounds, Maintenance, Security, Snow- $1.2M), higher costs for supplies (custodial & maintenance- $1.1M), minor increase for utilities ($324K) and higher expenses related to risk and insurance claims (vandalism, property, building) which are offset by insurance claim revenues.
6. Increase related to fuel escalator payments to operators; direct offset from Ministry adjusted revenues.
7. Increase related to ETFO remedy payment and expense incurred for Ministry provided supplies (PPE, HEPA Filters)
8. Accretion expense incurred to increase discounted ARO liability and TCA asset write-down

Report to Committee of the Whole

November 13, 2023

Subject: 2022-23 Trustee Expenses

Recommendation

This report is for the information of the Board.

Status

The Schedule of Trustee Expenses attached (Appendix A) is for the period September 1, 2022 to August 31, 2023. Trustee expenses have been reviewed by our external auditors, Grant Thorton; the scope of their review was to:

- Ensure all trustee reports listed were approved by the Chairperson of the Board and the Chairperson's reports were approved by the Vice-Chairperson as required by Board policy.
- Ensure that all trustee mileage and expenses reimbursed were appropriate with reference to Board Policy 3001, Administrative Procedure 4380 and Administrative Procedure 4400.
- Agreed the total expenses on the Schedule of Trustee Expenses to the amounts recorded in the Waterloo Region District School Board's (WRDSB) records. Any items that were not correctly classified in the WRDSB's accounting records have been reclassified to agree to the amounts disclosed in the attached appendix.

Background

Board Policy 3001 Travel, Meals, Hospitality – Trustees directs staff to present, annually, a public report regarding Trustee expenses that were reimbursed during the previous fiscal year. Staff are required to present the report in November as part of our year-end financial reporting process.

Financial Implications

No financial implications.

Communications

Staff will continue to present annual updates to the Board of Trustees and make available, through our corporate website, the annual report on Trustee Expenses.

Prepared by: Nick Landry, Superintendent, Business Services & Treasurer of the Board in consultation with Leadership Council

Schedule of Trustee Expenses for Professional Development and Travel

	Travel	Professional Development	Total Expenses
Student Trustees	$ 755	$ 3,331	$ 4,086
Carla Johnson	408	3,549	3,957
Cindy Watson	536	-	536
Fred Meissner	976	2,383	3,359
Joanne Weston	841	2,033	2,874
Joe Meissner	-	-	-
Kathleen Woodcock	1,149	3,883	5,032
Maedith Radlein	245	2,814	3,059
Marie Snyder	-	-	-
Meena Waseem	-	-	-
Mike Ramsay	1,003	1,062	2,065
Samantha Estoesta	-	-	-
Scott Piatkowski	1,097	2,917	4,014
William Cody	-	199	199
Grand Total			**$ 29,181**