
Report and consolidated financial
statements of
**Thames Valley District
School Board**

August 31, 2022

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Management Report

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Thames Valley District School Board ("board") are the responsibility of the board's management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act, as described in Note 1 to the consolidated financial statements.

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

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

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

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the board. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the board's consolidated financial statements.



Mark Fisher
Director of Education



Jeff Pratt
Associate Director & Treasurer

November 30, 2022

Independent Auditor's Report

To the Board of Trustees of
Thames Valley District School Board

Opinion

We have audited the consolidated financial statements of Thames Valley District School Board (the "board"), which comprise the consolidated statement of financial position as at August 31, 2022, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements, which describes the basis of accounting used in preparation of these consolidated financial statements and the significant differences between such basis of accounting and the Canadian Public Sector Accounting Standards. Our opinion is not modified in respect of this matter.

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

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

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

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

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 GAAS 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 GAAS, 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 to express an opinion on 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
November 30, 2022

Thames Valley District School Board
Consolidated statement of financial position

As at August 31, 2022
(In thousands of dollars)

	Notes	2022 \$	2021 \$
Financial assets			
Cash and cash equivalents		18,033	40,091
Accounts receivable		50,851	30,078
Accounts receivable - Government of Ontario	2	221,486	237,459
Assets held for sale	4	—	600
Temporary investments	5	8,104	7,716
		298,474	315,944
Liabilities			
Accounts payable and accrued liabilities		63,809	63,184
Deferred revenue	8	50,839	48,826
Employee future benefits	10	16,924	17,548
Net debenture debt, capital leases	11	128,315	136,916
Deferred capital contributions	9	805,841	762,889
		1,065,728	1,029,363
Net debt			
		(767,254)	(713,419)
Contractual obligations and contingent liabilities			
	16		
Non-financial assets			
Prepaid expenses		3,472	3,388
Inventories of supplies		147	127
Tangible capital assets	6	867,331	821,829
Total non-financial assets		870,950	825,344
Accumulated surplus	7	103,696	111,925

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

Approved by the Board

 _____, Chair of the Board

 _____, Director of Education

Thames Valley District School Board
Consolidated statement of operations

Year ended August 31, 2022

(In thousands of dollars)

		2022		
	Notes	Approved budget	2022	2021
		\$	\$	\$
		(Note 1)		
Revenues				
Grants for student needs				
Provincial legislative grants	13	791,334	831,999	798,156
Education property tax	13	188,832	166,746	175,736
Provincial grants - other	25	14,766	41,187	38,339
Federal grants and fees	21	5,376	7,746	6,087
Other revenues - school boards		339	238	118
Fees and revenues from other sources		7,345	7,195	7,902
Investment income		950	712	790
School generated funds	24	15,007	7,947	2,574
Total revenues		1,023,949	1,063,770	1,029,702
Expenses				
Instruction	14	796,027	821,282	794,796
Administration		27,566	30,375	27,154
Transportation		47,612	48,835	43,901
Pupil accommodation		138,930	139,160	136,959
Other	25	9,622	23,652	20,709
School generated funds	24	15,007	8,695	3,519
Total expenses		1,034,764	1,071,999	1,027,038
Annual (deficit) surplus		(10,815)	(8,229)	2,664
Accumulated surplus, beginning of year		97,866	111,925	109,261
Accumulated surplus, end of year	7	87,051	103,696	111,925

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

Thames Valley District School Board
Consolidated statement of cash flows

Year ended August 31, 2022

(In thousands of dollars)

	2022	2021
	\$	\$
Operating activities		
Annual (deficit) surplus	(8,229)	2,664
Sources and (uses)		
Non-cash items		
Amortization of tangible capital assets	50,012	47,706
Gain on sale of tangible capital assets	—	(36)
Disposals of tangible capital assets	—	(611)
Revenue recognized in period for deferred capital contributions	(47,733)	(45,565)
(Increase) decrease in accounts receivable	(20,773)	47,914
Decrease in assets held for sale	600	—
Increase (decrease) in accounts payable and accrued liabilities	625	(52,396)
Increase (decrease) in deferred revenue - operating	371	(987)
(Decrease) increase in employee future benefits	(624)	236
Increase in prepaid expenses	(84)	(1,216)
Increase in inventories of supplies	(20)	(9)
	(25,855)	(2,300)
Capital activities		
Proceeds on sale of tangible capital assets	—	47
Acquisition of tangible capital assets	(95,514)	(95,218)
	(95,514)	(95,171)
Investing activities		
Proceeds on sale of investments	197	671
Purchase of investments	(585)	(757)
	(388)	(86)
Financing activities		
Debt repayments	(8,601)	(8,178)
Increase in capital leases	—	233
Decrease (increase) in accounts receivable - Government of Ontario	15,973	(3,665)
Additions to deferred capital contributions	90,685	92,774
Increase in deferred revenues - capital	1,642	9,614
	99,699	90,778
Change in cash	(22,058)	(6,779)
Cash, beginning of year	40,091	46,870
Cash, end of year	18,033	40,091

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

Thames Valley District School Board
Consolidated statement of changes in net debt

Year ended August 31, 2022

(In thousands of dollars)

	Budget \$	2022 \$	2021 \$
Annual (deficit) surplus	(10,815)	(8,229)	2,664
Tangible capital asset activities			
Amortization of tangible capital assets	45,979	50,012	47,706
Acquisition of tangible capital assets	(101,503)	(95,514)	(95,218)
Gain on sale of tangible capital assets	—	—	(36)
Proceeds on sale of tangible capital assets	—	—	47
Transfer to assets held for sale	—	—	600
	(55,524)	(45,502)	(46,901)
Other non-financial asset activities			
Increase in inventories of supplies	—	(20)	(9)
Increase in prepaid expenses	—	(84)	(1,216)
	—	(104)	(1,225)
Increase in net debt	(66,339)	(53,835)	(45,462)
Net debt, beginning of year	(721,952)	(713,419)	(667,957)
Net debt, end of year	(788,291)	(767,254)	(713,419)

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

Thames Valley District School Board

Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

1. Significant accounting policies

The consolidated financial statements are prepared by management in accordance with the basis of accounting described below:

Basis of accounting

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

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

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

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

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

As a result, revenue recognized in the consolidated statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and fund balances of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Thames Valley District School Board ("the board"), including the following:

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

1. Significant accounting policies (continued)

Thames Valley Education Foundation ("Foundation")

The Foundation is a registered charitable organization that exists to build partnerships with the community that enhance opportunities in our schools and enrich public education.

School Generated Funds

The consolidated financial statements include the assets, liabilities, revenues, expenses and fund balances of various activities that exist at the school level and which are controlled by the board.

Southwestern Ontario Student Transportation Services

As detailed in Note 17, the board proportionately consolidates its partnership interest in Southwestern Ontario Student Transportation Services. Decisions related to the financial and operating activities of the Southwestern Ontario Student Transportation Services are shared. No partner is in a position to exercise unilateral control.

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

Trust funds

The board's trust funds for scholarships and awards (excluding scholarships and awards included in the Foundation) are not included in the consolidated financial statements as the board does not control them according to PSAB Section 1300. These trust funds are administered and maintained by the board according to the terms and conditions specified by the donor. Specifically, the board's trust funds include both the Student Awards/Scholarships and Self-Funded Leaves. The total assets of each fund amount to \$2,253 (\$2,289 in 2021) and \$3,372 (\$2,952 in 2021) respectively.

Cash and cash equivalents

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

Investments

Temporary investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition, and are carried on the consolidated statement of financial position at cost.

Long-term investments consist of investments that have maturities of more than one year. Long-term investments are recorded at cost, and assessed regularly for permanent impairment.

A write-down of the carrying value is charged against income when evidence indicates a permanent decline in the underlying value and earnings. Gains and losses on disposition of investments are determined on a completed transaction basis. The board's investments are governed by the Education Act while the Foundation's investments are governed by policies approved by the Foundation's Board of Directors.

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

1. Significant accounting policies (continued)

Tangible capital assets

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

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

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

	<u>Estimated useful life in years</u>
Asset	
Land improvements with finite lives	15
Buildings and building improvements	40
Other buildings	20
Portable structures	20
Equipment	5-15
First-time equipping of schools	10
Furniture	10
Computer hardware	3
Computer software	5
Capital leases	Over the lease term
Leasehold improvements	Over the lease term

Assets under construction are not amortized until the asset is available for productive use.

Land permanently removed from service and held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

A building permanently removed from service ceases to be amortized. Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the consolidated statement of financial position.

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

Deferred revenue

Certain revenue 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 expenses are incurred or services performed.

Thames Valley District School Board

Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

1. Significant accounting policies (continued)

Employee future benefits

The board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuities and workers' compensation.

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 2016-2017: Elementary Teachers' Federation of Ontario (ETFO) and Ontario Secondary School Teachers' Federation (OSSTF). The following ELHTs were established in 2017-18: Canadian Union of Public Employees (CUPE) and Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals up to a school board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency "(FTE)". Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs "(GSN)", including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by non-unionized employees including principals and vice-principals.

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

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 or the date of retirement and the actuary's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

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

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

- (ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period.
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

1. Significant accounting policies (continued)

Deferred capital contributions

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

- (i) Government transfers received or receivable for capital purpose
- (ii) Other restricted contributions received or receivable for capital purpose
- (iii) Property taxation revenues which were historically used to fund capital assets

Government transfers

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

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

Investment income

Investment income earned on surplus operating funds and capital funds are reported as revenue in the period earned.

Investment income earned on externally restricted funds such as proceeds of disposition is added to the fund balance and forms part of the respective deferred revenue balances.

Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees on June 22, 2021. 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. Given differences between the funding model and the basis of accounting used in the preparation of the consolidated financial statements, the budget figures presented have been adjusted to conform with this basis of accounting as it is used to prepare the consolidated financial statements.

Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in this note above, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Accounts subject to significant estimates include accrued liabilities (general & capital), useful lives of tangible capital assets, employee future benefits and contingent liabilities.

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

1. Significant accounting policies (continued)

Education property tax revenue

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

2. Accounts receivable - Government of Ontario

The Province of Ontario (the "Province") replaced variable capital funding with a one-time debt support grant in 2009-10. The board received a one-time grant that recognized capital debt as at August 31, 2010 that is supported by the existing capital programs. The board receives this grant in cash over the remaining term of the existing capital debt instruments. The board may also receive yearly capital grants to support capital programs, which would be reflected in this accounts receivable.

As at August 31, 2022, the board has a receivable from the Province of \$181,577 (\$187,279 in 2021) with respect to approved capital expenditures that is expected to be received as follows:

	\$
2022/23	62,408
2023/24	9,395
2024/25	9,846
2025/26	10,320
2026/27	10,269
Thereafter	79,339
	<u>181,577</u>

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the ministry delays parts 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, 2022 is \$39,909 (\$50,180 in 2021).

3. Borrowing facility

The board has a bank overdraft facility that bears interest at prime less 0.65%. The board has an authorized overdraft limit of \$118,000. The balance drawn on the overdraft at August 31, 2022 was \$nil (nil in 2021).

4. Assets held for sale

As of August 31, 2022, \$nil (\$600 in 2021) related to buildings recorded as assets held for sale. During the year, one school property was sold. Net proceeds of \$746 (2021 - \$nil) were received on the sale of this property, which had a carrying value of \$600 (2021 - \$600), resulting in a gain of \$146 (2021 - \$nil). \$146 of that gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

5. Investments

The temporary investment portfolio consists of equity. The investments are carried at cost on the consolidated statement of financial position and are as follows:

	2022		
	Cost	Market	2021
	\$	value	Market
		\$	value
			\$
Thames Valley Education Foundation			
RBC PH&N Investment Council	8,104	7,880	7,716
			8,767

6. Tangible capital assets

	Opening		Disposals,	Cost
	balance	Additions	write-downs	Closing
	\$	\$	and transfers	balance
			\$	\$
Land	19,848	—	—	19,848
Land improvements	13,627	225	(737)	13,115
Buildings	1,214,584	68,272	16,033	1,298,889
Other buildings	98	—	—	98
Portable structures	17,237	8,329	—	25,566
Equipment	10,273	942	(1,688)	9,527
First-time equipping of schools	8,952	1,186	(1,155)	8,983
Furniture	859	9	(65)	803
Computer hardware	19,948	2,963	(4,803)	18,108
Computer software	4,153	431	(2,682)	1,902
Assets permanently removed from service	568	—	3,237	3,805
Assets under construction	9,625	9,619	(15,316)	3,928
Pre-acquisition costs	619	3,538	(3,929)	228
Capital leases	266	—	(32)	234
Total	1,320,657	95,514	(11,137)	1,405,034

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

6. Tangible capital assets (continued)

	Opening balance	Amortization	Accumulated amortization	
			Disposals, write-downs and transfers	Closing balance
	\$	\$	\$	\$
Land	—	—	—	—
Land improvements	5,364	940	(716)	5,588
Buildings	468,254	38,632	(1,892)	504,994
Other buildings	37	5	—	42
Portable structures	3,985	1,071	—	5,056
Equipment	5,082	956	(1,688)	4,350
First-time equipping of schools	5,089	897	(1,155)	4,831
Furniture	397	83	(65)	415
Computer hardware	7,425	6,773	(4,803)	9,395
Computer software	2,783	606	(2,682)	707
Assets permanently removed from service	374	—	1,896	2,270
Assets under construction	—	—	—	—
Pre-acquisition costs	—	—	—	—
Capital leases	38	49	(32)	55
Total	498,828	50,012	(11,137)	537,703

	2022 Net book value \$	2021 Net book value \$
Land	19,848	19,848
Land improvements	7,527	8,263
Buildings	793,895	746,330
Other buildings	56	61
Portable structures	20,510	13,252
Equipment	5,177	5,191
First-time equipping of schools	4,152	3,863
Furniture	388	462
Computer hardware	8,713	12,523
Computer software	1,195	1,370
Assets permanently removed from service	1,535	194
Assets under construction	3,928	9,625
Pre-acquisition costs	228	619
Capital leases	179	228
Total	867,331	821,829

Adjustments, totaling \$11,137 (\$10,101 in 2021), relate to the removal of assets that are fully depreciated and represent a non-cash transaction that is not recorded in the consolidated statement of cash flows.

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

6. Tangible capital assets (continued)

Assets under construction

Assets under construction having a value of \$3,928 (\$9,625 in 2021) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Assets permanently removed from service

The board has identified three (one in 2021) building properties that qualify as "assets permanently removed from service" totaling \$1,535 (\$194 in 2021). This amount has been included in the net book value ending balance as of August 31, 2022.

Capital leases

The board has an obligation under capital leases for two photocopiers. The leases contain no renewal options and the asset reverts to the leasing company at the termination of the lease. Lease obligations are included in Note 11.

7. Accumulated surplus

Accumulated surplus consists of the following:

	2022	2021
	\$	\$
Total operating accumulated surplus - unappropriated	18,777	27,060
Available for budget compliance - internally appropriated		
School carry-forwards	3,603	4,171
Other internal appropriations	62,023	61,201
Thames Valley Education Foundation	8,585	8,292
	74,211	73,664
Total accumulated surplus available for budget compliance	92,988	100,724
Unavailable for budget compliance		
Employee future benefits	(11,145)	(11,145)
Other unavailable for compliance	(1,766)	(1,878)
Revenues recognized for land	20,019	19,875
School generated funds	3,600	4,349
	10,708	11,201
Total accumulated surplus	103,696	111,925

Thames Valley District School Board
Notes to the consolidated financial statements

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(In thousands of dollars)

8. Deferred revenue

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

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

	Opening balance	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions	Ending balance
	\$	\$	\$	\$	\$
Operating Grants for Student Needs (GSN's)	3,724	125,956	125,796	—	3,884
Other Ministry of Education operating grants	1,366	320	626	—	1,060
Other provincial operating grants	90	100	90	—	100
Third party - operating Ministry of Education	2,890	3,276	2,769	—	3,397
capital grants	38,230	48,618	29,913	17,145	39,790
Federal government grants	—	1,209	1,209	—	—
Proceeds of disposition	1,024	746	—	141	1,629
Assets held for sale	600	(600)	—	—	—
Third party - capital	902	419	—	342	979
	48,826	180,044	160,403	17,628	50,839

9. Deferred capital contributions ("DCC")

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

	2022	2021
	\$	\$
Opening balance	762,889	716,291
Additions to DCC	90,685	92,774
Amortization of deferred capital contributions	(47,733)	(45,565)
Disposals/transfers to financial assets	—	(611)
Closing balance	805,841	762,889

Thames Valley District School Board
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(In thousands of dollars)

10. Employee future benefits

Employee future benefit liabilities

	Retirement benefits	Other employee future benefits	2022 Total employee future benefits	2021 Total employee future benefits
	\$	\$	\$	\$
Accrued employee future benefit obligations, end of year	2,397	14,419	16,816	17,659
Unamortized actuarial gain (loss)	108	—	108	(111)
Total employee future benefit liability, end of year	2,505	14,419	16,924	17,548

Employee benefits payable expenses

	Retirement benefits	Other employee future benefits	2022 Total employee future benefits	2021 Total employee future benefits
	\$	\$	\$	\$
Current year benefit cost	29	3,716	3,745	4,390
Cost of plan curtailment	—	—	—	(1,111)
Interest on accrued benefit obligation	54	212	266	243
Recognized unamortized actuarial loss	11	62	73	844
Employee future benefits expenses	94	3,990	4,084	4,366

The amounts above exclude pension contributions to the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer pension plan, described below.

Retirement benefits

Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province of Ontario. 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 OMERS, a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. For 2022, eligible employees contributed at rates of up to 14.6% (14.6% in 2021) of earnings. The board contributions equal the employee contributions to the plan. During the year ended August 31, 2022, the board contributed \$13,202 (\$12,910 in 2021) 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.

Thames Valley District School Board
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August 31, 2022

(In thousands of dollars)

10. Employee future benefits (continued)

Retirement benefits (continued)

Retirement gratuities

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

Retirement life insurance and health care benefits

The board continues to provide 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's experience and retirees' premiums may be subsidized by the board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the board's consolidated financial statements. Effective September 1, 2013, most employees retiring on or after this date, do not qualify for board subsidized premiums or contributions. Plan curtailment resulted in \$nil (\$1,111 in 2021) of in-year gains.

Other employee future benefits

Workplace Safety and Insurance Board obligations

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

The board's liability as at August 31, 2022 for worker's compensation is \$12,777 (\$12,505 in 2021) and is included in the retirement and other employee future benefits figure in the board's consolidated statement of financial position.

Sick leave top-up benefits

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The sick leave benefit costs expensed in the consolidated financial statements are \$1,205 (\$1,844 in 2021).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2022 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at August 31, 2022.

Long-term disability life insurance and health care benefits

The ELHT may provide life insurance, dental and health care benefits to employees on long-term disability leave at the request of employees; however employees are directly responsible for any associated costs. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in the defined benefit plan.

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

10. Employee future benefits (continued)

Other employee future benefits (continued)

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2022 are per actuarial valuations for accounting purposes as of August 31, 2022. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the actuary's best estimate of expected rates of:

	2022	2021
	%	%
Inflation	2.00	1.50
Discount rate	3.90	1.80
Wage and salary escalation - retirement gratuity	2.00	2.00
Wage and salary escalation - sick leave top-up benefits	2.00	2.00
Health care cost escalation	5.00	7.00-4.50
Dental care cost escalation	5.00	4.50
WSIB only		
Inflation	2.70	2.00
Discount rate	3.90	1.80

11. Net debenture debt, capital leases

Net debenture debt, capital leases reported on the consolidated statement of financial position is comprised of the following:

	2022	2021
	\$	\$
Ontario Financing Authority 2006 - 4.560%, due November 2031	12,426	13,451
Ontario Financing Authority 2008 - 4.900%, due March 2033	19,136	20,453
Ontario Financing Authority 2008 - 5.054%, due November 2028	8,545	9,629
Ontario Financing Authority 2009 - 5.062%, due March 2034	8,663	9,187
Ontario Financing Authority 2010 - 4.557%, due November 2026	4,403	5,266
Ontario Financing Authority 2010 - 5.232%, due April 2035	18,714	19,708
Ontario Financing Authority 2011 - 4.833%, due March 2036	34,986	36,731
Ontario Financing Authority 2011 - 3.970%, due November 2036	1,554	1,632
Ontario Financing Authority 2012 - 3.564%, due March 2037	5,812	6,106
Ontario Financing Authority 2013 - 3.799%, due March 2038	13,895	14,525
Capital leases	181	228
Balance as at August 31	128,315	136,916

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

11. Net debenture debt, capital leases (continued)

Principal and interest payments relating to net debenture debt, capital leases of \$128,315 outstanding as at August 31, 2022 are due as follows:

	Interest \$	Principal \$	Total \$
2022/23	5,940	9,011	14,951
2023/24	5,508	9,442	14,950
2024/25	5,056	9,894	14,950
2025/26	4,582	10,360	14,942
2026/27	4,086	10,269	14,355
Thereafter	16,230	79,339	95,569
Net debenture debt, capital leases	<u>41,402</u>	<u>128,315</u>	<u>169,717</u>

12. Debt charges, capital loans and leases interest

The payments for debt charges, capital loans and capital lease interest include principal and interest payments as follows:

	2022 \$	2021 \$
Principal payments on long-term liabilities	8,554	8,162
Interest payments on long-term liabilities	6,348	6,739
Interest payments on temporary financing of capital projects	320	372
Principal payments on capital leases	47	16
Interest payments on capital leases	4	1
	<u>15,273</u>	<u>15,290</u>

13. 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. 94 percent of the consolidated revenues of the board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2022 \$	2021 \$
Provincial legislative grants	831,999	798,156
Education property tax	166,746	175,736
	<u>998,745</u>	<u>973,892</u>

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

14. Expenses by object

The following is a summary of the operating, capital and school generated funds expenses reported on the consolidated statement of operations by object:

	Budget	2022	2021
	\$	\$	\$
Expenses			
Salary and wages	708,569	732,313	712,974
Employee benefits	122,076	120,708	118,624
Staff development	2,311	1,548	1,353
Supplies and services	62,541	61,536	53,488
Interest	6,752	6,560	6,994
Rental expenditures	1,057	933	806
Fees and contractual services	60,598	64,725	59,810
Other	9,680	24,956	21,689
Transfer to other boards	194	13	75
Amortization, writedowns and losses on disposal	45,979	50,012	47,706
School generated funds (Note 24)	15,007	8,695	3,519
	1,034,764	1,071,999	1,027,038

15. Ontario School Board Insurance Exchange

The board is a member of the Ontario School Board Insurance Exchange ("OSBIE"), a reciprocal insurance company licensed under the Insurance Act. The school board entered into this agreement on January 1, 2022. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27,000 per occurrence.

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

16. Contractual obligations and contingent liabilities

In the normal course of operations, the board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2022 cannot be predicted with certainty, it is the opinion of the board that their resolution will not have a material adverse effect on the board's financial position or results of operations.

The board is committed to capital expenditures in the amount of \$8,676.

The board has committed to three contracts to purchase natural gas and propane for specified delivery periods into the future expiring in 2024/25. The sum of \$2,908 is payable with respect to these contracts during the next three years.

	\$
2022/23	1,762
2023/24	1,007
2024/25	139
	<u>2,908</u>

Thames Valley District School Board
Notes to the consolidated financial statements

August 31, 2022

(In thousands of dollars)

16. Contractual obligations and contingent liabilities (continued)

The board has ongoing commitments under operating leases for buildings, office equipment and vehicles expiring through to 2025/26. The sum of \$3,767 is payable with respect to these operating leases during the next four years as follows:

	\$
2022/23	1,152
2023/24	1,001
2024/25	897
2025/26	717
	<u>3,767</u>

17. Transportation consortium

The consortium is incorporated and is a separate legal entity known as Southwestern Ontario Student Transportation Services (SWOSTS). SWOSTS includes the Thames Valley District School Board and the London District Catholic School Board.

The board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses. Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information.

	Total \$	2022 Board portion \$	Total \$	2021 Board portion \$
Financial position				
Assets	151	109	129	91
Liabilities	151	109	129	91
	—	—	—	—
Operations				
Revenues	65,573	47,684	58,987	42,750
Expenses	65,573	47,684	58,987	42,750
	—	—	—	—

18. Thames Valley Education Foundation

The Foundation supports programs and initiatives that directly benefit students and that promote equity across Thames Valley. The Foundation was incorporated in Ontario on September 22, 1997 as a not-for-profit organization and is a registered charity under the Income Tax Act. The Foundation's mission is to provide enhanced learning opportunities for students across the District. The goal of the Foundation is to improve the quality of public education by fostering parent, community and business support and attracting resources that complement provincial funding and local school fundraising.

Thames Valley District School Board
Notes to the consolidated financial statements

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(In thousands of dollars)

18. Thames Valley Education Foundation (continued)

The Foundation has been consolidated in the board's consolidated financial statements. A financial summary of the Foundation for the year ended August 31, 2022 is as follows:

	2022	2021
	\$	\$
Financial assets		
Cash	1,110	1,176
Accounts receivable	8	13
Investments	8,104	7,716
	9,222	8,905
Liabilities	562	538
Deferred revenue	75	75
Accumulated surplus	8,585	8,292
	9,222	8,905
Operations		
Revenues	1,431	1,339
Expenses	1,138	1,173
Annual surplus	293	166

19. Repayment of "55 School Board Trust" funding

On June 1, 2003, the board received \$107,066 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 without recourse 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.

The flow-through of \$7,976 (\$7,976 in 2021) in respect of the above agreement for the year ended August 31, 2022, is recorded in these consolidated financial statements.

20. Related party disclosures

Ontario Regulation 41/10 under the Education Act requires school boards to borrow money for permanent improvements from the Ontario Financing Authority (OFA) when the initial maturity is more than one year. The OFA is a provincial agency of the Crown responsible for managing the Province's debt and issuing debt to public bodies and therefore a related party of the board. The net long-term debt issued to the board by the OFA in the form of debentures is \$128,134 as at August 31, 2022 (2021 - \$136,688) as described in Note 11.

21. Government of Canada

Tuition fees for First Nation pupils attending the board are recorded in the statement of operations and are as follows:

	2022	2021
	\$	\$
Chippewas of the Thames First Nation	722	676
Oneida Nation of the Thames	1,599	1,638
Munsee-Delaware Nation	508	303
	2,829	2,617

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(In thousands of dollars)

22. Ministry of Labour, Training and Skills Development Funding

The board has a transfer payment agreement with the Ministry of Labour, Training and Skills Development ("MLTSD") to provide Adult Non-Credit Language Training in the form of English as a Second Language ("ESL") and French as a Second Language ("FSL").

A requirement of the agreement with MLTSD is to provide audited financial statements for the funding year, including a schedule of revenue and expenses related to the agreement. The following is a breakdown of the revenue and expenses related to the Adult Non-Credit Language Training Program for the year ended August 31, 2022:

	2022	2021
	\$	\$
Program revenue		
MLTSD funding	2,817	2,817
MLTSD funding deferred from previous year	-	52
Benefits trust funding	77	74
	2,894	2,943
Program expense		
Salaries and benefits - program	2,483	2,672
Salaries and benefits - administration	39	46
Classroom resources	12	8
Administrative supplies	110	55
Technology - COVID-19 related	-	169
	2,644	2,950
Excess (shortfall) of revenue over expenses	250	(7)

The 2021-22 excess of revenue over expenses will reduce the final MLTSD funding to be received for the year to \$2,567.

23. Letters of credit

The board has letters of credit outstanding at August 31, 2022 in the amount of \$1,453 (\$1,208 in 2021).

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(In thousands of dollars)

24. School generated funds

The following is a summary of the school generated funds reported in the consolidated statement of operations.

	Schools	School Councils and other	2022 Total	2021 Total
	\$	\$	\$	\$
School generated funds				
Field trips/excursions	1,258	—	1,258	123
Fundraising for external charities	247	—	247	56
Student activities and resources (including fees)	5,251	—	5,251	1,919
Other	435	756	1,191	476
	7,191	756	7,947	2,574
School generated funds expenses				
Field trips/excursions	1,251	—	1,251	218
Donations to external charities	228	—	228	68
Student activities and resources	5,840	—	5,840	2,306
Other	535	841	1,376	927
	7,854	841	8,695	3,519

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

The board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the board's records. The in-kind revenue recorded for these transfers is \$14,440 (\$11,222 in 2021) with expenses based on use of \$14,440 (\$11,222 in 2021) for a net impact of \$nil (\$nil in 2021).

26. Impact of COVID-19

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since this time, the pandemic has had significant financial, market and social impacts, due to government imposed lockdowns and social distancing requirements. The board has experienced physical closure of schools based on public health recommendations, implemented temporary virtual schooling, implemented mandatory working from home requirements for those able to do so, and cancelled fundraising events and other programs.

The duration and ongoing impact of the COVID-19 pandemic remains unclear at this time. Although all 2021-22 financial impacts were managed, the full extent of the financial impact on the financial position and results of the board for future periods is not possible to reliably estimate.

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27. Future accounting standards 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.

While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments and PS 3450 Financial Instruments must be implemented at the same time. The board has not adopted any new accounting standards for the year ended August 31, 2022.

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

PS1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. 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 2601 *Foreign Currency Translation* replaces PS 2600 *Foreign Currency Translation*. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

PS 3401 *Portfolio Investments* replaces PS 3040 *Portfolio Investments*. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 *Financial Instruments*. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 *Temporary Investments* will no longer apply.

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

PS 3450 *Financial Instruments* establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

Thames Valley District School Board
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(In thousands of dollars)

27. Future accounting standards adoption (continued)

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

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

PSG-8 *Purchased Intangibles* provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

PS 3160 *Public Private Partnerships (P3s)* provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

28. Comparative figures

Certain figures for 2021 have been reclassified to conform to the presentation adopted in 2022.