Dufferin-Peel
Catholic District
School Board

Consolidated financial statements of Dufferin-Peel Catholic District School Board

August 31, 2024

Extraordinary lives start with a great Catholic education

Dufferin-Peel Catholic District School Board

Management Report

August 31, 2024
Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Dufferin-Peel Catholic District School Board (the 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(a) to the consolidated financial statements.

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

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

The Audit Committee of the Board meets with 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 BDO Canada 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.

Marianne Mazzorato

M. Mazzorato, Ed. D.
Director of Education

J. Cherepacha, CPA, CGA
Executive Superintendent, Finance,
Chief Financial Officer and Treasurer

S. Keys, CPA, CA
Superintendent, Financial
Services

December 02, 2024

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Independent Auditor's Report

To the Board of Trustees of the Dufferin-Peel Catholic District School Board

Opinion

We have audited the consolidated financial statements of Dufferin-Peel Catholic District School Board ("the Board"), which comprise the consolidated statement of financial position as at August 31, 2024, and the consolidated statements of operations, change 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.

In our opinion, the accompanying consolidated financial statements of the Board as at and for the year ended August 31, 2024 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1(a) to the financial statements.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1(a) 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 the basis of accounting described in Note 1(a) 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.

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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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
December 3, 2024

Dufferin-Peel Catholic District School Board

Consolidated statement of financial position

As at August 31, 2024

(In thousands of dollars)

	Notes	2024	2023
		$	$
Financial assets			
Cash		9,262	8,793
Accounts receivable – other		28,021	35,527
Accounts receivable – Province of Ontario	2	49,028	48,737
Accounts receivable – Province of Ontario – approved capital	2	180,467	215,622
Assets Held for Sale	3	5,947	—
		272,725	308,679
Financial liabilities			
Temporary borrowing	9	57,018	80,885
Accounts payable and accrued liabilities		106,739	52,241
Accounts payable – Province of Ontario		33,546	21,652
Deferred revenue	4	24,729	57,069
Obligation under capital leases	16	2,693	3,030
Net long-term debt	8	153,862	183,099
Retirement and other employee future benefits payable	7	13,029	10,256
Deferred capital contributions	5	907,694	901,425
Asset retirement obligation	6	13,303	13,500
		1,312,613	1,323,157
Net debt		(1,039,888)	(1,014,478)
Non-financial assets			
Prepaid expenses		5,747	6,341
Inventories of supplies		210	7,100
Tangible capital assets	13	1,257,286	1,218,578
Total non-financial assets		1,263,243	1,232,019
Accumulated surplus	14	223,355	217,541

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

Marianne Mazzorato, Director of Education

Luz del Rosario, Chair of the Board

Dufferin-Peel Catholic District School Board

Consolidated statement of operations

Year ended August 31, 2024

(In thousands of dollars)

	Notes	2024 Budget (Unaudited) $	2024 Actual $	2023 Actual $
Revenue				
Grant For Student Needs				
Provincial Legislative Grants	11	629,697	688,445	659,990
Education Property Tax	11	245,799	236,857	227,931
Amortization of Deferred capital contributions				
related to Provincial Legislative Grants	5	32,403	41,449	41,558
related to Third Parties	5	14,812	5,571	5,770
Other	11	13,421	111,086	15,584
School generated funds		16,000	20,944	18,903
Federal grants and fees		327	436	247
Investment income		-	1,109	241
Other fees and revenues		10,915	55,755	32,135
		963,374	1,161,652	1,002,359
Expenses	12			
Instruction		775,689	854,509	772,006
Administration		30,315	33,185	28,419
Transportation		28,280	25,514	24,536
School operations/pupil accommodation		153,932	166,830	161,937
School generated funds		16,000	20,498	18,831
Labour Provision		-	41,100	6,692
Other		15,908	14,202	9,736
		1,020,124	1,155,838	1,022,157
Annual surplus/(deficit)		(56,750)	5,814	(19,798)
Accumulated surplus, beginning of year		193,823	217,541	237,339
Accumulated surplus, end of year		137,073	223,355	217,541

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

Dufferin-Peel Catholic District School Board
Consolidated statement of change in net debt
Year ended August 31, 2024
(In thousands of dollars)

	Notes	2024 Budget (Unaudited) $	2024 Actual $	2023 Actual $
Annual surplus/(deficit)		(56,750)	5,814	(19,798)
Tangible capital asset activities				
Acquisition of tangible capital assets	13	(71,168)	(92,716)	(50,737)
Amortization and write downs of tangible capital assets	13	48,675	48,061	48,369
Net book value of tangible capital assets transferred to assets held for sale		-	5,947	-
Total tangible capital asset activities		(22,493)	(38,708)	(2,368)
Other non-financial asset activities				
Acquisition of inventories of supplies		-	(5,747)	(7,100)
Acquisition of prepaid expenses		-	(210)	(6,341)
Consumption of supplies inventories		-	7,100	10,098
Use of prepaid expenses		-	6,341	5,486
Total other non-financial asset activities		-	7,484	2,143
Increase in net debt		(79,243)	(25,410)	(20,023)
Net debt, beginning of year		(1,014,478)	(1,014,478)	(994,455)
Net debt, end of year		(1,093,721)	(1,039,888)	(1,014,478)

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

(In thousands of dollars)

	Notes	2024	2023
		$	$
Operating transactions			
Annual surplus/(deficit)		5,814	(19,798)
Items not involving cash			
Deferred capital contributions recognized as revenue	5	(47,020)	(47,328)
Amortization and write downs of tangible capital assets & transfer to assets held for sale	13	54,008	48,369
Accounts receivable – other		7,506	(297)
Accounts receivable – Province of Ontario		(291)	(4,426)
Increase in assets held for sale		(5,947)	-
Accounts payable and accrued liabilities		54,498	3,358
Accounts payable – Province of Ontario		11,894	19,466
Deferred revenue		(6,523)	(6,878)
Retirement and other employee future benefits payable		2,773	226
Prepaid expenses		594	(855)
Inventories of supplies		6,890	2,998
Settlement of asset retirement liability through abatement		(197)	(192)
Net change in cash from operating activities		83,999	(5,357)
Capital transactions			
Acquisition of tangible capital assets		(92,716)	(50,737)
Net change in cash from capital activities		(92,716)	(50,737)
Financing transactions			
(Decrease)/Increase in temporary borrowing	9	(23,867)	24,403
Debt principal repaid	10	(29,237)	(27,646)
(Decrease)/Increase in obligations under capital lease		(337)	1,159
Decrease in deferred revenue – capital		(25,817)	(9,894)
Deferred capital contributions received and change in accounts receivable – Province of Ontario		88,444	68,075
Net change in cash from financing activities		9,186	56,097
Change in cash		469	3
Cash, beginning of year		8,793	8,790
Cash, end of year		9,262	8,793

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

1. Significant accounting policies

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

(a) *Basis of accounting*

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

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

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the 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 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 consolidated statement of operations and certain related deferred revenues and deferred capital contributions may be recorded differently under Canadian Public Sector Accounting Standards (“PSAS”).

(b) *Reporting entity*

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Board and which are controlled by the Board.

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

1. Significant accounting policies (continued)

(b) Reporting entity (continued)

The reporting entity is comprised of:

- The Dufferin-Peel Catholic District School Board
- School Generated Funds

All material interdepartmental and inter-organizational transactions and balances between these organizations are eliminated on consolidation.

(c) Trust funds

Trust funds and their related operations administered by the Board amounting to $2,149 ($1,680 in 2023) are not included in the consolidated financial statements. Specifically, the Trust Funds include both student scholarships and awards and deferred salary leaves.

(d) 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
Derivatives	Fair Value
Accounts Receivable	Amortized Cost
Short-term borrowing	Amortized Cost
Accounts payable & accrued liabilities	Amortized Cost
Accrued vacation pay	Amortized Cost
Debenture debt	Amortized Cost
Cash	Cost

Amortized cost is measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

Cost category: Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis.

Establishing fair value:
The fair value of letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability.

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

1. Significant accounting policies (continued)

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

(e) Cash

Cash is comprised of cash on hand.

(f) Investments

Portfolio investments are investments in organizations that do not form part of the government reporting entity. These are normally in equity instruments or debt instruments issued by the investee. Portfolio investments in equity instruments that are quoted in an active market must be recorded at fair value. Unrealized gains and losses are recorded in the Statement of Remeasurement Gains and Losses.

Since school boards are generally not allowed to hold stocks, mutual funds or other equity instruments per Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters, the Board does not have equity instruments that are quoted in an active market that must be recorded at fair value.

Portfolio investments in bonds and treasury bills are recorded at amortized cost using the effective interest rate method.

Other investments in guaranteed investment certificates are recorded at amortized cost using the effective interest rate method.

(g) Derivatives

Derivatives are securities with a price that is dependent upon or derived from one or more underlying assets. The derivative itself is a contract between two or more parties based upon the asset or assets. The contract is settled at a future date, requires no initial net investment and the value of the contract changes over the life of the contract based on a term in the contract.

(h) 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, performance obligations and transactions. These amounts are recognized as revenue in the fiscal year the related qualifying expenses are incurred, or services are performed.

1. Significant accounting policies (continued)

(i) *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 purposes
- Other restricted contributions received or receivable for capital purposes
- Amounts previously recognized as property taxation revenues which were historically used to fund tangible capital assets

(j) *Public Private Partnerships*

Public Private Partnerships (P3) are an alternate financing and procurement model available to the Board to use private sector partners to design, build, acquire or better new or existing infrastructure projects with higher risk, multi-year construction period and significant investments. Assets procured via P3s are recognized as tangible capital assets, and the related obligations are recognized as other long-term financing liabilities for financial liability models and/or deferred revenue for P3 performance obligations arising from user pay obligations in the financial statements as the assets are constructed. At initial recognition, the total liability reflects the cost of the tangible capital asset. The total liability for combined consideration arrangements is allocated between a financial liability and performance obligation based on the portion of the asset cost financed through the respective models. Financial liabilities are measured at amortized cost using the implicit contract rate.

As at August 31, 2024 the Board is not engaged in any public private partnerships with third parties.

(k) *Retirement and other employee future benefits*

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

Employee Life and Health Trusts

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: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-18: Canadian Union of Public Employees (CUPE), Education Workers' Benefits Trust (EWBT), Educational Workers' Alliance of Ontario (EWAO), Ontario Council of Educational Workers (OCEW) 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) and other school board staff. Currently, ONE-T ELHT also provide benefits to individuals who retired prior to the Board's participation date in the ELHT. These benefits are being 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

1. Significant accounting policies (continued)

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 the following associations: Principals and Vice-Principals and Non-Union employees.

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 costs trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee is actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and 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.

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

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

(iii) The Board's contribution to multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are recorded in the period in which they become payable.

(iv) The costs of insured benefits for active employees reflected in these consolidated financial statements are the Board's portion of insurance premiums owed for coverage of employees during the period.

1. Significant accounting policies (continued)

(l) *Tangible Capital Assets*

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

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

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

Asset	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
Other buildings	20
First–time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	3
Computer software	5
Vehicles	5-10
Leasehold improvements	Over the lease term

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

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

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

(m) *Asset Retirement Obligation*

A liability for an asset retirement obligation is recognised when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing and amount required to settle

1. Significant accounting policies (continued)

the obligation or the discount rate. Upon the initial measurement of an assets retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use.

(n) 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, and 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.

(o) 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.

(p) Long-term Debt

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

(q) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by 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 have been adjusted reflect the same accounting policies that were used to prepare the consolidated financial statements. The budget figures are unaudited.

(r) Use of estimates

The preparation of financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these estimates. Estimates are reviewed periodically by management, and as adjustments become necessary, they are reported in the period in which they become known. Accounts subject to significant estimates include allowance for doubtful accounts receivable, asset retirement obligation, retirement and other employee future benefits payable, long-term disability benefits payable, liability for contaminated sites and the useful life of tangible capital assets.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $13.3 million (2023 – $13.5 million). These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of

1. Significant accounting policies (continued)

controlled materials used (e.g., asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities.

(s) Education Property tax revenue

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

(t) Contaminated sites

The Board is required to record a liability in the consolidated financial statements if the Board has a contaminated site that meets the requirements as set out in the Canadian public sector accounting standard PS 3260 Liability for Contaminated Sites (the “standard”). Based on the Board’s review of its sites, no liability has been identified in respect of this standard.

2. Accounts receivable - Province of Ontario

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 the board 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 from the Government of Ontario included in the Accounts receivable – Province of Ontario balance at August 31, 2024 is $65 (2023 - $23,066).

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 recognized capital debt as of August 31, 2010 that is supported by the capital programs existing at the time. The Board will receive this grant in cash over the remaining term of the existing capital debt instruments. The Board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

The Board has reported receivable from the Province of Ontario, as Accounts receivable – Province of Ontario – Approved Capital, of $180,467 as at August 31, 2024 (2023 - $215,622) with respect to capital grants.

3. Assets held for sale

As at August 31, 2024 the Board has transferred from tangible capital assets to assets held for sale an amount of $5,947 (2023-Nil) related to land and buildings ($2,761 and $3,186 respectively).

(In thousands of dollars)

4. Deferred revenue

(i) Deferred revenue externally restricted for specific purposes by legislation, regulation or agreement as at August 31 is comprised of the following:

	2024 $	2023 $
Proceeds from disposition	2,065	2,647
Deferred revenue – other		
Restricted Provincial capital grants received	14,050	14,429
Restricted Provincial operating grants received	1,103	7,737
Other – tuition fees, permits	7,511	32,256
	24,729	57,069

(ii) The continuity of deferred revenue of the board is summarized below:

	2024 $	2023 $
Balance, beginning of year	57,069	73,841
Increase in deferred revenue	183,745	172,733
Interest earned	322	1
Transferred to deferred capital contributions	(16,342)	(9,201)
Deferred revenue recognized in the year	(200,065)	(180,305)
Balance, end of year	24,729	57,069

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.

Amortization of deferred capital contributions reporting on the Statement of Operations has been modified to remove the reporting from the Provincial Legislative Grants line and identify the split between Amortization of DCC Related to Provincial Legislative Grants and Amortization of DCC related to Third Parties (for example, Federal Government capital funding).

	2024 $	2023 $
Balance, beginning of year	901,425	897,796
Deferred capital contributions received	56,492	50,957
Deferred capital contributions recognised from legislative grants	(41,449)	(41,558)
Deferred capital contributions recognised from third parties	(5,571)	(5,770)
Disposals & transfer to financial assets	(3,203)	-
Balance, end of year	907,694	901,425

(In thousands of dollars)

6. Asset retirement obligations

As at August 31, 2024, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

	2024 $	2023 $
Liabilities for Asset Retirement Obligations at Beginning of Year	13,500	13,692
Liabilities Settled During the Year	(197)	(192)
Liabilities for Asset Retirement Obligations at End of Year	13,303	13,500

The Board did not make an inflation adjustment as of August 31, 2024, based on the review of the inflation adjustments built into the 2022-23 year-end calculations being reasonable.

7. Retirement and other employee future benefits

			2024	2023
	Retirement gratuity $	Other employee future benefits $	Total $	Total $
Accrued employee future benefit obligations at August 31	75	12,951	13,026	10,253
Unamortized actuarial gains at August 31	3	-	3	3
Employee future benefits liability at August 31	78	12,951	13,029	10,256

Retirement and other employee future benefit expense

			2024	2023
	Retirement gratuity $	Other employee future benefits $	Total $	Total $
Current year benefit	-	6,474	6,474	3,215
Amortization of actuarial (gains)	(3)	(353)	(356)	(513)
Interest on accrued benefit obligation	3	342	345	309
Employee future benefits expense *	—	6,463	6,463	3,011

(In thousands of dollars)

7. Retirement and other employee future benefits (continued)

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

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2024 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2024. 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:

	2024	2023
	%	%
Wage and salary escalation	2.0	2.0
Insurance and health care cost escalation	5.0	5.0
Dental care cost escalation	5.0	5.0
Discount on accrued benefit obligation	3.8	4.4

Retirement benefits

(i) Retirement Gratuities

The Board provides retirement gratuities to certain groups of employees. The academic staff is the largest group. Employee eligibility is determined based on the date the individual commenced employment with the Board. Employees commencing employment after December 31, 1979, are not eligible for the retirement gratuity. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

The benefit costs in these consolidated financial statements are $Nil ($1 expensed in 2023). Based on the actuarial estimate, the liability for retirement gratuities of $78 ($78 in 2023) is included in retirement and other employee future benefits in the consolidated statement of financial position.

(ii) 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 age 65. The premiums are based on the Board experience and retirees' premiums are subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, do not qualify for Board subsidized premiums or contributions, unless specified by contractual obligations.

The coverage is provided for various terms up to a maximum age of 65. The benefit costs expensed in the consolidated financial statements are $7 ($4 expensed in 2023).

Based on the actuarial valuation for accounting purposes as at August 31, 2023, the total liability of all post-retirement benefits accrued to-date is $108 ($156 in 2023) and is included in retirement and other employee future benefits in the consolidated statement of financial position.

Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations ("WSIB")

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The

7. Retirement and other employee future benefits (continued)

liability for payments under WSIB are recognized at the time the event obligating the Board to pay occurs. 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 4½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision. At August 31, 2024 the board has a liability of $12,230 ($9,223 in 2023) in respect of WSIB obligations. The benefit costs expensed during the year in the consolidated financial statements are $6,197 ($2,716 in 2023).

As at August 31, 2024, the Board has a Workplace Safety and Insurance Board reserve of $Nil ($Nil in 2023).

(ii) 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 illness paid through the short-term leave and disability plan in that year. The benefit costs expensed in the statement of operations are $259 ($290 in 2023) and included as a liability in retirement and other employee future benefits in the consolidated statement of financial position are $613 ($798 in 2023).

The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as of August 31, 2024. This actuarial valuation is based on assumptions about future events determined as at August 31, 2024 and is based on the average daily salary and banked sick days of employees as at August 31, 2024.

Additional Retirement Benefits

(i) Ontario Teacher's Pension Plan

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

(ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2024, the Board contributed $14,502 ($13,085 in 2023) 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.

Each year, an independent actuary determines the funding status of OMERS Primary Pension by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted as at December 31, 2023. The results of this valuation disclosed total actuarial liability as at that date of $136,185 ($130,306 in December 31, 2022) in respect of benefits accrued for service with actuarial assets as at that date of $131,983 indicating an actuarial deficit of $4,202. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employers. As a result, the Board does not recognize any share of the OMERS pension deficit.

(In thousands of dollars)

8. Net long-term debt

(a) Net long-term debt reported on the consolidated statement of financial position is comprised of the following:

Debenture	Interest rate %	Maturity	2024 $	2023 $
OSBFC By-Law #99	7.20	June 9, 2025	4,994	9,647
OSBFC By-Law #103	6.55	October 19, 2026	15,999	21,710
OSBFC By-Law #111	5.48	November 26, 2029	45,066	51,915
OSBFC By-Law #113	4.79	August 8, 2030	9,359	10,677
OFA By-Law #124	3.94	September 19, 2025	5,382	9,195
OFA By-Law #116	4.56	November 15, 2031	5,623	6,239
OSBFC By-Law #118	5.38	June 25, 2032	55,608	61,043
OFA By-Law #120	4.90	March 3, 2033	2,478	2,698
OFA By-Law #123	5.23	April 13, 2035	9,353	9,975
Balance as at August 31			153,862	183,099

(b) Payments relating to net long-term debt of $153,862 outstanding as at August 31, 2024 are due as follows:

	Principal $	Interest $	Total $
2024/2025	30,923	7,955	38,878
2025/2026	24,644	6,268	30,912
2026/2027	21,042	4,914	25,956
Thereafter	77,253	10,525	87,778
Net long-term debt	153,862	29,662	183,524

9. Temporary borrowing

In accordance with Section 243(1) of the Education Act, the Board has two resolutions to authorize the borrowing, by way of promissory note, bankers' acceptance or operating overdraft, up to a maximum of $150,000 (2023 - $150,000) for operating purposes and $65,000 (2023 - $65,000) for capital purposes. The outstanding amount at any given time would substantially represent the unreceived or uncollected balance of the estimated revenues.

The Board has two available credit facilities which include a $80,000 (2023 - $60,000) general operating facility and a $60,000 (2023 - $60,000) capital facility to provide interim funding for capital projects pending receipt of the Ministry of Education capital grants. Due to cash flow requirements, the general operating facility was temporarily increased to $80,000 until December 31, 2024 after which the limit is to revert to $60,000. At year-end, the general operating facility had $44,213 outstanding (2023 - $60,292) and the capital facility had $12,805 outstanding (2023 - $20,593). The interest on temporary borrowings, when drawn, would be at the bank's prime lending rate minus 0.25%, or a Term CORRA loan at a Term CORRA rate plus 1.50% per annum. Any temporary borrowings would be unsecured and due on demand.

The Board also has $580 (2023 - $121) in renewable, irrevocable standby letters of credit with a Canadian chartered bank. The letters of credit provide security for capital construction being done on behalf of the Board. There is an annual service fee of 1.0% until they are either utilized or cancelled upon completion of the project.

(In thousands of dollars)

10. Debt charges

Debt charges for the year include principal and interest payments as follows:

	2024 $	2023 $
Principal payments on long-term debt	29,237	27,646
Interest payments on long-term debt	9,648	11,239
Total	38,885	38,885

11. 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. 89.2 percent (2023 – 90.1 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:

	2024 $	2023 $
Provincial Legislative Grants	688,445	659,990
Education Property Tax	236,857	227,931
Other	111,086	15,584
Grants for Student Needs	1,036,388	903,505

12. Expenses by object

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

	Budget $	2024 Actual $	2023 Actual $
Operating expenses			
Salary and wages	666,929	801,087	674,649
Employee benefits	157,990	154,960	143,875
Staff development	3,165	1,441	1,436
Supplies and services	53,983	52,781	54,448
Interest charges on capital	9,227	9,287	10,850
Rental expenses	3,119	1,331	1,405
Fees and contractual services	45,448	52,355	52,318
School generated funds	16,000	20,498	18,831
Other	15,588	14,037	15,976
Amortization and write downs and net Loss on disposal - TCA and TCA-ARO	48,675	48,061	48,369
Total operating expenses	1,020,124	1,155,838	1,022,157

(In thousands of dollars)

13. Tangible Capital Assets

	Cost					Accumulated amortization						
	Opening September 1, 2023	Additions	Disposals/ Deemed Disposals	Transfer to Financial Assets	Closing August 31, 2024	Opening September 1, 2023	Amortization	Disposals/ Deemed Disposals	Transfer to Financial Assets	Closing August 31, 2024	Net Book Value 2024	Net Book Value 2023
	$	$	$	$	$	$	$	$	$		$	$
Land	303,847	36,223	-	(2,744)	337,326			-		—	337,326	303,847
Land improvements	52,318	5,668	-	(142)	57,844	27,609	3,783	-	(125)	31,267	26,577	24,709
Building and building					—							—
improvements	1,600,284	36,203	(316)	(10,365)	1,625,806	730,996	36,903	(316)	(7,179)	760,404	865,402	869,288
Portable structures	7,450	951	-		8,401	3,972	262	—	-	4,234	4,167	3,478
First time equipping	2,579		(898)	-	1,681	1,808	213	(898)	-	1,123	558	771
Furniture	641	9	(42)	-	608	314	62	(42)	-	334	274	327
Equipment 5 years	1,145	159	(120)	-	1,184	450	233	(120)	-	563	621	695
Equipment 10 years	9,567	268	(111)	-	9,724	4,162	965	(111)	-	5,016	4,708	5,405
Equipment 15 years	546	—	—	-	546	96	36	—	-	132	414	450
Computer hardware	18,972	1,917	(15,271)	-	5,618	13,833	4,099	(15,271)	-	2,661	2,957	5,139
Computer software	98	-	(98)	-	—	87	11	(98)	-	—	—	11
Vehicles <10,000	87	14	-	-	101	68	11	-	-	79	22	19
Vehicles >10,000	141	-	-	-	141	105	14	-	-	119	22	36
Pre-acquisition cost - land	28	-	-	-	28	-	-	-	-	—	28	28
Pre-acquisition cost - Building	1,395	10,181	-	-	11,576	-	-	-	-	—	11,576	1,395
Leased tangible					—							
capital assets	5,057	1,123	(35)	-	6,145	2,077	1,469	(35)	-	3,511	2,634	2,980
Total	2,004,155	92,716	(16,891)	(13,251)	2,066,729	785,577	48,061	(16,891)	(7,304)	809,443	1,257,286	1,218,578

13. Tangible capital assets (continued)

a) Assets under construction

Assets under construction having a value of $11,576 (2023 - $1,395) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Write-down of tangible capital assets

The write-down of tangible capital assets during the year was $Nil (2023 - $Nil).

c) Asset inventories for resale (assets permanently removed from service)

The Board has identified no land or building properties that qualify as “assets permanently removed from service”. $Nil related to land and $Nil related to building have been included in the net book value ending balance as of August 31, 2024.

(In thousands of dollars)

14. Accumulated surplus

Accumulated surplus consists of the following:

	2024	2023
	$	$
Invested in non-depreciable tangible capital assets	331,870	303,877
School generated funds	8,693	8,246
Employee future benefits	(18,279)	(18,279)
Interest accrual	(2,557)	(3,013)
Asset retirement obligation	(13,303)	(13,500)
Accumulated deficit – unappropriated	(97,791)	(75,536)
Accumulated surplus – internally appropriated	8,442	8,770
Sinking fund interest	6,280	6,976
Accumulated surplus	223,355	217,541

15. Repayment of "55 School Board Trust" funding

On June 1, 2003, the board received $45,226 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 to the agreement, the "55 School Board Trust" repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position. The flow-through of $3,369 (2023 - $3,369) in grants in respect of the above agreement for the year ended August 31, 2024, is recorded in these consolidated financial statements.

(In thousands of dollars)

16. Obligation under capital leases

The Board has obligations under various capital leases with expiries ranging from 2024 to 2029 and interest rates ranging from 0.45% to 2.66%. Principal and interest payments relating to capital lease obligations of $2,693 ($3,030 in 2023) outstanding as at August 31 are due as follows:

	Principal payment	Interest	Total
	$	$	$
2024/2025	1,566	83	1,649
2025/2026	546	45	591
2026/2027	231	26	257
2027/2028	244	13	257
2028/2029	106	1	107
	2,693	168	2,861

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

Premiums paid to OSBIE for the policy year ending December 31, 2024 amounted to $ 3,566 (2023 - $4,089), of which $2,377 (2023 - $2,726) was expensed.

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.

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.

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.

(In thousands of dollars)

18. Contractual obligations and contingent liabilities

(a) The Board enters into contracts for the capital construction and renovation of various new and existing schools. The following summarizes the board's commitment under these contracts as at August 31, 2024:

	Contract value	Incurred to date	Amount remaining
	$	$	$
Construction of schools	62,885	26,595	36,290

(b) The Board is committed to various operating leases for premises and equipment expiring in fiscal 2028/2029. The aggregate minimum lease payments are as follows:

	Minimum lease payments
	$
2024/2025	1,386
2025/2026	1,108
2026/2027	1,109
2027/2028	582
Thereafter	470
Total	4,655

(c) The Board is committed to a contract to purchase natural gas into the future. The contract ends on Aug 31, 2025, and has a minimum daily purchase volume of 13 gigajoules (GJ) of gas at the Twin Eagle Resource Management of Canada LLC. Arithmetic Average price per GJ, plus $1.880 per GJ respectively for transportation.

19. Contractual rights and contingent assets

The Board leases space to childcare operators to operate childcare centres and before-and-after school programming.

(In thousands of dollars)

20. Partnership in Student Transportation of Peel Region (STOPR) Transportation Consortium

On December 14, 2007, the Board entered into an agreement with the Peel District School Board in order to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery, efficiency and cost effectiveness of student transportation for each of the boards. Under the agreement, decisions related to the financial and operating activities of the STOPR Transportation Consortium are shared. Neither board is in a position to exercise unilateral control.

The Board's consolidated financial statement reflects its share of the Ministry transportation grants and related expenses.

The following provides condensed financial information:

		2024		2023
	Total	Board portion	Total	Board portion
	$	$	$	$
Revenue	79,222	22,740	77,398	23,611
Expenses	90,121	25,508	84,788	24,529
Annual deficit	(10,899)	(2,768)	(7,390)	(918)

The Board is also a member of Wellington-Dufferin Student Transportation Services Consortia. The Board is not actively involved in the management of this consortia. For the 2024 fiscal year, transportation costs of $2,200 (2023 - $2,077) have been expensed in the consolidated financial statements.

21. Related Party Disclosures

The Board has a financing relationship with the Ontario Financing Authority (OFA) and the Ontario School Boards Financing Corporation (OSBFC) for long-term debt. These debt instruments are disclosed in Note 8.

22. 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 $7,421 (2023 - $3,308) with expenses based on use of $7,421(2023 - $3,308) for a net impact of $Nil (2023 - $Nil).

23. 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.

Applicable for fiscal years beginning on or after April 1, 2026 (in effect for the board as of September 1, 2026 for the year ending August 31, 2027): Standards must be implemented at the same time:

New Public Sector Accounting Standards (PSAS) Conceptual Framework:

This new model is a comprehensive set of concepts that underlie and support financial reporting. It is the foundation that assists:
- preparers to account for items, transactions and other events not covered by standards;
- auditors to form opinions regarding compliance with accounting standards;
- users in interpreting information in financial statements; and
- Public Sector Accounting Board (PSAB) to develop standards grounded in the public sector environment.

The main changes are:
- Additional guidance to improve understanding and clarity
- Non-substantive changes to terminology/definitions
- Financial statement objectives foreshadow changes in the Reporting Model
- Relocation of recognition exclusions to the Reporting Model
- Consequential amendments throughout the Public Sector Accounting Handbook

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202- Financial Statement Presentation:
This reporting model provides guidance on how information should be presented in the financial statements and will replace PS 1201- Financial Statement Presentation. The model is expected to be implemented retroactively with restatement of prior year amounts.

The main changes are:
- Restructured Statement of Financial Position
- Introduction of financial and non-financial liabilities
- Amended non-financial asset definition
- New components of net assets- accumulated other and issued share capital
- Relocated net debt to its own statement
- Renamed the net debt indicator
- Revised the net debt calculation
- Removed the Statement of Change in Net Debt
- New Statement of Net Financial Assets/Liabilities
- New Statement of Changes in Net Assets Liabilities
- Isolated financing transaction in the Cash Flow Statement

24. Monetary resolution to Bill 124, the protecting a sustainable public sector for future generations act

A monetary resolution to Bill 124 was reached between the Crown and the following education sector unions: Elementary Teachers' Federation of Ontario (ETFO), Ontario Secondary School Teachers' Federation (OSSTF), Ontario English Catholic Teachers' Association (OECTA), and Association des Enseignantes et Enseignants Franco-Ontariens (AEFO) <Canadian Union of Public Employees (CUPE), Elementary Teachers' Federation of Ontario- Education Workers (ETFO-EW), Ontario Secondary School Teachers' Federation- Education Workers (OSSTF-EW), Education Workers' Alliance of Ontario (EWAO), Ontario Council of Education Workers (OCEW). . This agreement provides a 0.75% increase for salaries and wages on September 1, 2019, a 0.75% increase for salaries and wages on September 1, 2020, and a 2.75% increase in salaries and wages on September 1, 2021, in addition to the original 1% increase applied on September 1 in each year during the 2019-22 collective agreements. The same increases also apply to non-unionized employee groups [excluding Principals and Vice-Principals and school board executives].

The Crown has funded the monetary resolution for these employee groups to the applicable school boards through the appropriate changes to the Grants for Student Needs benchmarks and additional Priorities and Partnerships Funding (PPF).

During the year a monetary resolution to Bill 124 was reached between the Crown and the associations representing principals and vice-principals (Ontario Principals' Council, Catholic Principals' Council of Ontario and Association des directions et directions adjointes des écoles franco-ontariennes). This agreement provides a 0.75% increase for salaries and wages on September 1, 2020, a 2.75% increase for salaries and wages on September 1, 2021, and a 2.00% increase in salaries and wages on September 1, 2022, in addition to the original 1% increase applied on September 1 in each year during the 2020-23 collective agreements. The memorandum of settlement was reached on August 10, 2024 and was ratified on September 30, 2024.

The Crown will fund the monetary resolution for principals and vice-principals to the applicable school boards through the appropriate changes to the GSN benchmarks. Due to this resolution, there is an impact on salary and wages expenses of $143,597, in the 2023-24 fiscal year. The portion related to 2019-20 to 2022-23 is $117,697, with the remainder of $25,900 related to 2023-24.

25. 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.

<u>Credit risk</u>

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

<u>Liquidity risk</u>

Liquidity risk is the risk that the Board will encounter difficulty in meeting obligations associated with financial liabilities. The Board is exposed to liquidity risk through its accounts payable and accrued liabilities and long-term debt. The Board manages its liquidity by monitoring expected outflows through budgeting.

<u>Market risk</u>

The Board is exposed to interest rate risk with regard to short-term borrowing through credit facilities which is regularly monitored. The risk is due to the variable rate on the credit facility agreement.

25. Risks arising from financial instruments and risk management (continued)

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

26. Comparative Figures

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