Grand Erie District School Board

Consolidated Financial Statements

August 31, 2024

Grand Erie District School Board

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements for the Grand Erie 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 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 Board policies 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 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 Millard, Rouse and Rosebrugh LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors’ Report outlines their responsibilities, the scope of their examination, and their opinion on the Board’s consolidated financial statements.

JoAnna Roberto, Director of Education

Rafal Wyszynski, Superintendent of Business & Treasurer

Brantford, Ontario
November 25, 2024

Millards
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Grand Erie District School Board

Opinion

We have audited the consolidated financial statements of Grand Erie District School Board (the Board), which comprise the consolidated statement of financial position as at August 31, 2024, and the consolidated statements of operations and accumulated surplus, changes in net debt, and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the financial statements).

In our opinion, the accompanying statements present fairly, in all material respects, the consolidated financial position of the Board as at August 31, 2024, and the results of its operations and its cash flow for the year then ended in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements, which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. As a result, the consolidated financial statements may not be suitable for another purpose.

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

Management is responsible for the preparation and fair presentation of the 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 relating 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.

(continues)

Millard, Rouse & Rosebrugh LLP
85 Robinson Street, Simcoe, ON N3Y 1W7 T: 519.426.1606
SIMCOE BRANTFORD HAGERSVILLE

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit, in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Board 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.

Millard, Rouse & Rosebrugh LLP

Millard, Rouse & Rosebrugh LLP
Chartered Professional Accountants
Licensed Public Accountants

November 25, 2024
Simcoe, Ontario

Grand Erie District School Board

Consolidated Statement of Financial Position

As at August 31, 2024

	2024	2023
Financial assets		
Cash and cash equivalents	**$ 2,887,165**	$ 2,775,578
Accounts receivable *(Note 3)*	**30,182,519**	29,838,762
Accounts receivable - Government of Ontario *(Note 4)*	**81,661,704**	78,003,475
	$114,731,388	$110,617,815
Liabilities		
Temporary borrowing *(Note 5)*	**13,290,000**	2,920,000
Accounts payable and accrued liabilities *(Note 6)*	**30,049,608**	27,696,439
Deferred revenue *(Note 7)*	**2,971,729**	4,759,039
Deferred capital contributions *(Note 8)*	**240,989,956**	227,607,788
Asset retirement obligation *(Note 9)*	**22,055,973**	21,820,103
Employee benefits payable *(Note 10)*	**14,642,397**	15,639,661
Net debenture debt and capital loans *(Note 11)*	**56,622,283**	61,515,925
	380,621,946	361,958,955
Net debt	**(265,890,558)**	(251,341,140)
Non-financial assets		
Prepaid expenses	**2,767,740**	2,489,949
Inventories of supplies	**194,000**	318,916
Tangible capital assets *(Note 12)*	**271,624,511**	250,911,119
	274,586,251	253,719,984
Accumulated surplus *(Note 13)*	**$ 8,695,693**	$ 2,378,844

ON BEHALF OF THE BOARD

________________________________ *Chair of the Board*

________________________________ *Vice-Chair of the Board*

The accompanying notes to the financial statements are an integral part of this financial statement

Grand Erie District School Board

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2024

	Budget 2024	**2024**	2023 *(Note 24)*
Revenues			
Grants for student needs *(Note 14)*	$ 332,892,444	**$ 369,321,065**	$ 333,299,605
Provincial grants - other	15,011,052	**43,905,842**	10,397,566
School generated funds	8,083,298	**9,126,146**	7,836,690
Federal grants and fees	6,735,682	**7,313,564**	7,368,001
Other revenue from school boards	300,000	**497,776**	335,571
Other fees and revenue	2,132,089	**4,269,827**	3,257,541
Amortization of deferred capital contributions *(Note 8)*	19,541,709	**19,298,799**	17,722,883
	384,696,274	**453,733,019**	380,217,857
Expenses *(Note 15)*			
Instruction	281,897,152	**347,458,466**	286,508,864
Administration	9,038,975	**11,892,101**	10,278,588
Transportation	17,728,444	**17,356,512**	16,128,471
Pupil accommodation	52,563,488	**56,912,718**	52,289,282
School generated funds	8,083,298	**8,963,314**	7,603,700
Other	7,488,693	**4,833,059**	6,548,661
	376,800,050	**447,416,170**	379,357,566
Annual surplus	7,896,224	**6,316,849**	860,291
Accumulated surplus - beginning of year	1,018,549	**2,378,844**	1,518,553
ACCUMULATED SURPLUS - END OF YEAR	$ 8,914,773	**$ 8,695,693**	$ 2,378,844

Grand Erie District School Board

Consolidated Statement of Cash Flow

Year ended August 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Annual surplus for the year	**$ 6,316,849**	$ 860,291
Items not affecting cash:		
Amortization of tangible capital assets (TCA)	**19,945,495**	18,288,634
Amortization of TCA - asset retirement obligations	**608,081**	625,004
Increase of asset retirement obligations excluding abatement	**798,618**	2,707,754
Increase in estimate of TCA - asset retirement obligation	**(798,618)**	(2,712,803)
Amortization of deferred capital contributions	**(19,298,799)**	(17,722,883)
Disposals and transfer of deferred capital contributions	**(50,009)**	-
Gain on disposal of tangible capital assets	**(383,494)**	-
	7,138,123	2,045,997
Sources (uses):		
Accounts receivable	**(343,757)**	(11,017,725)
Accounts payable and accrued liabilities	**2,358,846**	1,487,661
Deferred revenue - operating	**(293,549)**	(3,851,935)
Employee benefits payable	**(997,264)**	(2,289,245)
Prepaid expenses	**(277,791)**	(493,181)
Inventories of supplies	**124,916**	1,664,835
Settlement of asset retirement liability through abatement	**(562,748)**	(226,856)
	8,653	(14,726,446)
Cash flow from (used by) operating activities	**7,146,776**	(12,680,449)
CAPITAL ACTIVITY		
Cash used to acquire tangible capital assets	**(40,548,606)**	(28,393,789)
Proceeds on sale of tangible capital assets	**458,073**	-
Cash flow used by capital activity	**(40,090,533)**	(28,393,789)
FINANCING ACTIVITIES		
Accounts receivable - Government of Ontario	**(3,658,229)**	2,199,631
Increase in temporary borrowing	**10,370,000**	2,920,000
Decrease in deferred revenue - capital	**(1,493,761)**	(1,499,494)
Additions to deferred capital contributions	**32,730,976**	27,737,646
Debt and capital loan repayments	**(4,893,642)**	(4,690,029)
Cash flow from financing activities	**33,055,344**	26,667,754
Net change in cash and cash equivalents during the year	**111,587**	(14,406,484)
Cash and cash equivalents - beginning of year	**2,775,578**	17,182,062
CASH AND CASH EQUIVALENTS - END OF YEAR	**$ 2,887,165**	$ 2,775,578

The accompanying notes to the financial statements are an integral part of this financial statement

Grand Erie District School Board

Consolidated Statement of Change in Net Debt

Year ended August 31, 2024

	Budget 2024	**2024**	2023
Annual surplus for the year	$ 7,896,224	**$ 6,316,849**	$ 860,291
Tangible capital asset activity			
Acquisition of tangible capital assets	(41,082,505)	**(40,548,606)**	(28,393,789)
Amortization of tangible capital assets	20,057,178	**20,559,253**	18,913,642
Proceeds on disposal of tangible capital assets	-	**458,073**	-
Gain on disposal of tangible capital assets	-	**(383,494)**	-
Increase in estimate of TCA - asset retirement obligation	-	**(798,618)**	(2,712,803)
	(21,025,327)	**(20,713,392)**	(12,192,950)
Other non-financial asset activity			
Consumption of supplies inventories (net)	-	**124,916**	1,664,835
Purchase of prepaid expenses (net)	-	**(277,791)**	(493,181)
	-	**(152,875)**	1,171,654
Increase in net debt	(13,129,103)	**(14,549,418)**	(10,161,005)
Net debt - beginning of year	(251,341,140)	**(251,341,140)**	(241,180,135)
NET DEBT - END OF YEAR	$ (264,470,243)	**$ (265,890,558)**	$ (251,341,140)

1. SUMMARY OF 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 Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act.

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

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

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

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

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Reporting entity

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

Transportation consortium, which include the Board's pro-rata share of assets, liabilities, revenues, and expenses of the consortium, which are controlled unilaterally by the participating boards, are reflected in the consolidated financial statements.

Trust funds

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

Cash and cash equivalents

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

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 expenditures are incurred or services performed.

Deferred capital contributions

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

- Government transfers received or receivable for depreciable tangible capital asset purpose
- Other restricted contributions received or receivable for depreciable capital asset purpose
- Property taxation revenues that were historically used to fund depreciable capital assets

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Retirement and other employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, and health care benefits, dental benefits, retirement gratuity, worker's compensation, and long-term disability benefits (long-term disability is available; however, premiums are paid by employees).

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: ETFO and OSSTF. The following were established in 2017-18: CUPE and ONE-T for non-unionized employees, including principals and vice-principals.

The ELHTs provide health, life, and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations, and the Government of Ontario. The Board is no longer responsible to provide certain benefits to ETFO, OSSTF, CUPE, and non-unionized employees including principals and vice-principals, effective June 1, 2018.

Upon transition of the employee groups' health, dental, and life benefit plans to the ELHTs, school boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), additional ministry funding in the form of a Crown contribution, as well as 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 unions/federations: ETFO, OSSTF and CUPE.

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

(a) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, disability recovery rates, long-term inflation rates, and discount rates.

The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days, and years of service as at August 31, 2012, and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

For self-insured retirement and other employee future benefits that vest or accumulate 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 pro-rated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

(b) 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.

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

Government transfers

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criterion 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 depreciable tangible capital assets 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.

Government transfers for non-depreciable tangible capital assets, such as land, are recognized as revenue in the consolidated statement of operations in the period in which the events giving rise to the transfer occur.

Other fees and revenues

Other fees and revenues from transactions with performance obligations, for example, fees or royalties from the sale of goods or rendering of services, are recognized as the Board satisfies a performance obligation by providing the promised goods or services to the payor. Other fees and revenue from transactions with no performance obligations, for example, fines and penalties, are recognized when the Board has the authority to claim or retain an inflow of economic resources and when a past transaction or event is an asset. Amounts received prior to the end of the year that will be recognized in subsequent fiscal year are deferred and reported as a liability. The majority of Board revenues do not fall under the new PS 3400 accounting standard.

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.

(continues)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Education property tax revenue

Under 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.

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

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

Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years
Furniture and equipment	5-15 years
Computer hardware	3 years
Computer software	5 years
Capital leased assets	10 years
Vehicles	5 years

Construction in progress assets 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 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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Budget figures

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

Measurement uncertainty

The preparation of consolidated financial statements in conformity with the basis of accounting described earlier in this note 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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The most significant estimates in these consolidated financial statements include the useful life of tangible capital assets, the determination of retirement and other employee future benefits and the determination of the asset retirement obligation.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $22,055,973 (2023 - $21,820,103). These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates and the allocation of costs between required and discretionary activities.

Future changes in significant accounting policies

The following accounting standards have been issued by the Chartered Professional Accountants of Canada (CPA Canada) but are not yet effective for the Board. 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 consolidated financial statements. While the timing of standard adoption can vary, certain standards must be adopted concurrently.

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1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Applicable for fiscal years beginning on or after April 1, 2026 (in effect for the Board for as of September 1, 2026 for the year ending August 1, 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 retroactivity 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
- Isolated financing transaction in the Cash Flow Statement

2. CHANGE IN ACCOUNTING POLICY-ADOPTION OF NEW ACCOUNTING STANDARDS

The Board adopted PS 3400 Revenue concurrently beginning September 1, 2023.

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. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

There has been no impact to the opening balances as at September 1, 2023 as a result of this adoption.

3. ACCOUNTS RECEIVABLE

	2024	2023
Municipalities	**$ 10,082,373**	$ 9,487,378
Province of Ontario	**12,472,459**	9,522,457
Government of Canada	**5,351,967**	9,035,352
Other school boards	**386,104**	835,938
Other	**1,889,616**	957,637
	$ 30,182,519	$ 29,838,762

4. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

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

The Board has an account receivable from the Province of Ontario of $81,661,704 as at August 31, 2024, (2023 - $78,003,475) with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2024 is $716,807 (2023 - $1,173,782).

5. TEMPORARY BORROWING

Temporary borrowing is comprised of short-term bank loans as follows:

	2024	2023
Short-term loan	**$ 13,290,000**	$ 2,920,000

The Board has credit facility agreement consisting of revolving demand term facility with a limit of $35,000,000. The facility bears interest at prime minus 0.75% and is unsecured.

The Board also has non-revolving term facilities available of $56,310,000 at year end for the purpose of financing new school construction. These term facilities are unused as at year end.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade	**$ 29,372,047**	$ 27,268,746
Teachers wage deferral plan payable	**465,773**	171,278
Province of Ontario	**211,788**	256,415
	$ 30,049,608	$ 27,696,439

7. DEFERRED REVENUE

Revenues received and that have been set aside for specific purposes by legislation, regulation, or agreement are included in deferred revenue. Deferred revenue for specific purposes by legislation, regulation, or agreement as at August 31, 2024, is comprised of:

	Balance as at August 31, 2023	Revenue received and interest earned	Revenue recognized in the period	Transfer to deferred capital contributions	**Balance as at August 31, 2024**
Provincial - operating	$ 1,580,292	$ 56,226,788	$ (56,525,840)	$ -	**$ 1,281,240**
Third party - operating	15,730	347,165	(341,662)	-	**21,233**
Provincial - capital	2,015,257	19,771,491	(16,605,373)	(4,554,552)	**626,823**
Third party - capital	1,147,760	537,897	(430,953)	(212,271)	**1,042,433**
	$ 4,759,039	$ 76,883,341	$ (73,903,828)	$ (4,766,823)	**$ 2,971,729**

8. 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 and are reported separately on the consolidated statement of operations.

	2024	2023 *(Note 24)*
Balance - beginning of year	**$227,607,788**	$217,593,025
Additions	**32,730,976**	27,737,646
Revenue recognized - Provincial legislative grants	**(18,700,023)**	(17,166,173)
Revenue recognized - Third parties	**(598,776)**	(556,710)
Disposal and transfers	**(50,009)**	-
Balance - end of year	**$240,989,956**	$227,607,788

9. ASSET RETIREMENT OBLIGATIONS

As at August 31, 2024, all liabilities for asset retirement obligations are reported at current costs without discounting due to significant uncertainty surrounding the timing of the cash flows.

The Board made an inflation adjustment increase in estimates of 3.66% (2023 - 14.05%) as at March 31, 2024 (2023 - March 31, 2023), to reflect cost escalations as at that date in line with provincial government fiscal year end. This rate was based on information from the Building Construction Price Index (BCPI). Further evaluation was done on the Board's ARO balances as at August 31, 2024, and it was deemed no further inflation adjustment was warranted as at August 31, 2024.

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

	2024	2023
ARO at beginning of year	**$ 21,820,103**	$ 19,339,204
Increase in ARO reflecting changes in the estimate	**798,618**	2,707,754
ARO settled during the year through abatement	**(562,748)**	(226,855)
ARO at year end	**$ 22,055,973**	$ 21,820,103

10. EMPLOYEE BENEFITS PAYABLE

Retirement and other employee future benefit liabilities:

	2024	2023
Accrued employee future benefit obligations		
Retirement gratuity plan	**$ 9,436,859**	$ 11,128,611
Retirement life insurance and health care benefits	**236,874**	284,147
Workplace Safety and Insurance Board obligations	**4,672,010**	3,922,010
Sick leave top-up benefits	**296,654**	304,893
Total employee future benefit liability at August 31	**14,642,397**	15,639,661

Retirement and other employee future benefit expenses:

	2024	2023
Current year benefit cost		
Sick leave top-up benefits	**296,654**	304,893
Workplace Safety and Insurance Board obligations	**1,436,803**	500,125
	1,733,457	805,018
Interest on accrued benefit obligation		
Retirement gratuity plan	**396,094**	424,377
Retirement life insurance and health care benefits	**11,665**	11,740
Workplace Safety and Insurance Board obligations	**154,069**	142,981
	561,828	579,098
Recognition of unamortized actuarial (gain) loss		
Retirement gratuity plan	**(208,142)**	(104,912)
Retirement life insurance and health care benefits	**(20,851)**	(10,407)
Sick leave top-up benefits	**(103,968)**	(95,932)
	(332,961)	(211,251)
Total employee future benefit expenses	**$ 1,962,324**	$ 1,172,865

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10. EMPLOYEE BENEFITS PAYABLE *(continued)*

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2024 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2024, and based on updated average daily salary and banked sick days 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
	%	%
Inflation		
Retirement gratuity plan	**2**	2
Retirement life insurance and health care benefits	**5**	5
Workplace Safety and Insurance Board obligations	**2**	2.5
Insurance and health care cost escalation		
Health costs	**4**	4
Dental costs	**4**	4
Workplace Safety and Insurance Board obligations	**4**	4
Discount on accrued benefit obligations		
Retirement gratuity plan	**3.8**	4.4
Retirement life insurance and health care benefits	**3.8**	4.4
Workplace Safety and Insurance Board obligations	**3.8**	4.4

Retirement benefits

Ontario Teachers' Pension Plan

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

Ontario Municipal Employees Retirement System

Qualifying 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 $5,386,787 (2023 - $4,426,807) to the plan. These contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

The OMERS pension plan as at December 31, 2023 had a funding deficit of $4.2 billion (December 31, 2022 - deficit of $6.7 billion) which will be addressed through temporary contribution rate increases, benefit reductions and investment returns.

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10. EMPLOYEE BENEFITS PAYABLE *(continued)*

Retirement gratuities

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

Life insurance benefits

The Board sponsors a separate plan for retirees to provide life insurance benefits. The Board is responsible for the payment of life insurance premiums under this plan, however all or a portion of the cost are recovered from the employees as specified in their collective agreement. 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, employees retiring on or after this date, will no longer qualify for Board subsidized premiums or contributions.

Health care and dental benefits

The Board sponsors a separate plan for retirees to provide group health care and dental benefits. The Board is responsible for the payment of health care premiums under this plan, however all or a portion of the cost is recovered from the employees as specified in their collective agreement once a certain time period has been reached. Benefits provided by the Board are provided through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

Other employee future benefits

Workplace Safety and Insurance Board obligations

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

Long-term disability life insurance and dental and health care benefits

The costs of salary compensation paid to employees on long-term disability leave are fully insured and are not included in the defined benefit plan.

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10. EMPLOYEE BENEFITS PAYABLE *(continued)*

Sick leave top-up benefits

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are $296,654 (2023 – $304,893).

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, 2024 and was based on the most recent three full years of Board carry-over sick leave experience (September 1, 2021 to August 31, 2024).

11. NET DEBENTURE DEBT AND CAPITAL LOANS

	2024	2023
Royal Bank of Canada - Demand loan payable, bearing interest at 3.31%, repayable in blended monthly principal and interest payments of $22,073, due January 10, 2025.	**$ 90,693**	$ 347,882
Royal Bank of Canada - Demand loan payable, bearing interest at 3.18%, repayable in blended monthly principal and interest payments of $22,042, due July 8, 2025.	**238,795**	491,293
Royal Bank of Canada - Demand loan payable, bearing interest at 3.39%, repayable in blended monthly principal and interest payment of $22,390, due December 23, 2025.	**350,075**	602,175
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 4.76%, repayable in blended semi-annual principal and interest payments of $529,236, due November 15, 2029.	**5,069,065**	5,857,867
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 4.56%, repayable in blended semi-annual principal and interest payments of $399,470, due November 15, 2031.	**5,026,990**	5,577,791
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 4.90%, repayable in blended semi-annual principal and interest payments of $331,482, due March 3, 2033.	**4,691,557**	5,109,224
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 5.23%, repayable in blended semi-annual principal and interest payments of $659,390, due April 13, 2035.	**10,856,686**	11,578,976

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11. NET DEBENTURE DEBT AND CAPITAL LOANS *(continued)*

	2024	2023
Ontario Financing Authority - Debenture for Good Places to Learn expenditures, bearing interest at 4.83%, repayable in blended semi-annual principal and interest payments of $129,343, due March 11, 2036.	**2,308,821**	2,450,758
Ontario Financing Authority - Debenture for Good Places to Learn, prohibitive to repair and capital priorities expenditures, bearing interest at 3.79%, repayable in blended semi-annual principal and interest payments of $1,290,173, due March 19, 2038.	**27,574,779**	29,064,965
Ontario Financing Authority - Debenture for Good Places to Learn, prohibitive to repair and capital priorities expenditures, bearing interest at 4.00% repayable in blended semi-annual principal and interest payments of $18,692, due March 11, 2039.	**414,822**	434,994
	$ 56,622,283	$ 61,515,925

Principal repayment terms are approximately:

2025	$ 4,910,000
2026	4,604,000
2027	4,720,000
2028	4,935,000
2029	5,159,000
Thereafter	32,294,283
	$ 56,622,283

12. TANGIBLE CAPITAL ASSETS

	Cost				
	Balance at September 1, 2023	Additions	Disposals and Transfers out (in)	Revaluation of ARO	**Balance at August 31, 2024**
Land	$ 4,808,982	$ 5,457,943	$ (146,487)	$ -	**$ 10,413,412**
Land improvements	25,919,402	2,089,878	-	-	**28,009,280**
Buildings	441,670,250	25,887,994	155,500	764,769	**468,167,513**
Portable structures	6,114,295	1,482,852	-	28,802	**7,625,949**
Furniture and equipment	4,346,180	183,670	549,765	-	**3,980,085**
Computer hardware	3,329,592	537,069	1,440,841	-	**2,425,820**
Computer software	-	224,970	-	-	**224,970**
Pre-acquisition costs	1,348,589	1,385,058	460,343	-	**2,273,304**
Construction in progress	-	3,043,370	(288,656)	-	**3,332,026**
Capital leased assets	534,779	-	167,085	-	**367,694**
Vehicles	1,112,517	255,802	126,554	-	**1,241,765**
	$ 489,184,586	$ 40,548,606	$ 2,464,945	$ 793,571	**$ 528,061,818**

12. TANGIBLE CAPITAL ASSETS *(continued)*

	Accumulated Amortization				
	Balance at September 1, 2023	Amortization	Disposals and Transfers	Amortization of ARO	**Balance at August 31, 2024**
Land improvements	$ 11,727,408	$ 1,977,537	$ -	$ -	**$ 13,704,945**
Buildings	219,140,518	16,172,475	105,866	568,115	**235,775,242**
Portable structures	2,008,842	303,439	-	39,966	**2,352,247**
Furniture and equipment	2,154,930	407,543	549,390	-	**2,013,083**
Computer hardware	1,814,872	959,235	1,440,841	-	**1,333,266**
Computer software	-	22,497	-	-	**22,497**
Capital leased assets	534,779	-	167,085	-	**367,694**
Vehicles	892,118	102,769	126,554	-	**868,333**
	$ 238,273,467	$ 19,945,495	$ 2,389,736	$ 608,081	**$ 256,437,307**

12. TANGIBLE CAPITAL ASSETS *(continued)*

	2024	2023
Net Book Value		
Land	**$ 10,413,412**	$ 4,808,982
Land improvements with finite lives	**14,304,335**	14,191,994
Buildings	**232,392,271**	222,529,732
Portable structures	**5,273,702**	4,105,453
Furniture and equipment	**1,967,002**	2,191,250
Computer hardware	**1,092,554**	1,514,720
Computer software	**202,473**	-
Pre-acquisition costs	**2,273,304**	1,348,589
Construction in progress	**3,332,026**	-
Vehicles	**373,432**	220,399
	$271,624,511	$250,911,119

13. ACCUMULATED SURPLUS

	2024	2023
Surplus (deficit):		
Invested in non-depreciable tangible capital assets	**$ 10,414,229**	$ 4,980,669
Employee future benefits	**(3,101,179)**	(3,101,179)
Asset retirement obligations to be covered in the future	**(13,758,983)**	(13,708,601)
School generated funds	**4,030,453**	3,867,621
Accumulated surplus	**11,111,173**	10,340,334
	$ 8,695,693	$ 2,378,844

14. 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.

	2024	2023 *(Note 24)*
Provincial legislative grants	**$298,610,555**	$266,584,879
Education property tax	**70,710,510**	66,714,726
	$369,321,065	$333,299,605

15. EXPENSES BY OBJECT

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

	2024 Budget	**2024**	2023
Salary and wages	$244,420,977	**$307,866,676**	$246,217,578
Employee benefits	42,355,283	**49,466,931**	42,301,534
Staff development	1,160,097	**2,290,082**	1,801,648
Supplies and services	32,569,623	**34,886,889**	33,687,150
Interest charges on capital	4,027,992	**2,370,226**	4,154,994
Rental expenses	208,600	**120,664**	116,196
Fees and contract services	25,876,627	**29,156,037**	27,280,952
Amortization and loss on disposal of tangible capital assets and assets held for sale	20,057,179	**20,020,695**	18,288,634
Other	4,900	**504,973**	485,487
Provision for contingencies	5,614,996	**124,916**	4,398,389
Amortization of tangible capital assets - ARO	503,776	**608,081**	625,004
	$376,800,050	**$447,416,170**	$379,357,566

16. DEBT CHARGES AND CAPITAL LOAN INTEREST

The debt charges and capital loan interest charges includes principal and interest payments as follows:

	2024	2023
Principal payments on debenture debt and capital loans	**$ 4,893,645**	$ 4,690,029
Interest payments on debenture debt and capital loans	**2,619,999**	3,594,450
	$ 7,513,644	$ 8,284,479

17. TRUST FUNDS

Trust funds administered by the Board amounting to $1,344,945 (2023 - $1,309,306) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

18. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of $27,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2023 were $752,802 (2022 - $759,092).

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

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

1. In the event that the Board of directors determines, in its absolute discretion, that the exchange has accumulated funds in excess of those required to meet the obligations of the exchange, in respect of claims arising in prior years in respect of the underwriting group, the Board of directors may reduce the actuarially determined rate for policies of insurance or may grant premium credits or policyholder dividends for that underwriting group in any subsequent underwriting year.

2. Upon termination of the exchange of reciprocal contracts of insurance within an underwriting group, the assets related to the underwriting group, after payment of all obligations, and after setting aside an adequate reserve for further liabilities, shall be returned to each subscriber in the underwriting group according to its subscriber participation ratio and after termination the reserve for future liabilities will be reassessed from time to time and when all liabilities have been discharged, any remaining assets returned as the same basis upon termination.

In the event that a board or other board organization ceases to participate in the exchange of contracts of insurance within an underwriting group or within the exchange, it shall continue to be liable for any assessment(s) arising during or after such ceased participation in respect of claims arising prior to the effective date of its termination of membership in the underwriting group or in the exchange, unless satisfactory arrangements are made with in the Board of directors to buy out such liability.

19. RELATED PARTY TRANSACTIONS

The Board is related through common ownership to all Province of Ontario ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations. Transactions with these entities are considered to be in the normal course of operations and are recorded at the exchange amount.

The Ontario Financing Authority provides financing to the Board for capital projects. There were no new loans provided during the year. Repayments totaling $6,715,573 representing interest of $2,583,716 and principal of $4,131,857 are funded by the Ministry of Finance.

20. EDUCATIONAL SERVICES TRANSFERS

The Board has education services agreements with Indigenous Services Canada (ISC) and The Mississaugas of the Credit First Nations (MCFN). The agreements provide accommodation, instruction, and special services for Indigenous pupils. Revenues earned by the Board during the year are included in federal grants and fees in the consolidated statement of operations and accumulated surplus and are as follows:

	2024	2023
Indigenous Services Canada (Six Nations)		
Educational services - secondary	**$ 4,280,464**	$ 4,485,950
Educational services - reciprocal education agreement	**267,195**	365,216
Special services agreement - educational counsellor/native advisor	**595,080**	510,806
Special services agreement - high cost special secondary	**735,000**	700,000
Other	**322,996**	172,053
	6,200,735	6,234,025
The Mississaugas of the Credit First Nations		
Educational services - secondary	**624,108**	614,131
Special services agreements	**102,330**	102,717
	726,438	716,848
Total	**$ 6,927,173**	$ 6,950,873

21. REPAYMENT OF "THE 55 SCHOOL BOARD TRUST" FUNDING

On June 1, 2003, the Board received $3,520,453 from The 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, The 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's financial position. The flow-through of $262,276 (2023 - $262,276) in grants in respect of the above agreement for the year ended August 31, 2024, is recorded in these consolidated financial statements.

22. PARTNERSHIP IN TRANSPORTATION CONSORTIUM

	2024		2023	
	Total	**Board portion**	Total	Board portion
Financial position:				
Financial assets	**$ 66,013**	**$ 66,013**	$ 335,030	$ 335,030
Liabilities	**(66,013)**	**(66,013)**	(335,030)	(335,030)
Accumulated surplus	**-**	**-**	-	-
Operations:				
Revenues	**25,226,064**	**16,995,880**	23,242,322	15,749,212
Expenses	**(25,226,064)**	**(16,995,880)**	(23,242,322)	(15,749,212)
Annual surplus	**$ -**	**$ -**	$ -	$ -

Transportation consortium

On October 14, 2010, Student Transportation Services of Brant Haldimand Norfolk was incorporated under the Corporations Act of Ontario. On September 1, 2011, the Board entered into an agreement with Brant Haldimand Norfolk Catholic District School Board and CSC MonAvenir 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 Student Transportation Services of Brant Haldimand Norfolk are shared. No partner is in a position to exercise unilateral control. Each board participates in the shared costs associated with this service for the transportation of their respective student.

The Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses. The Board’s pro-rata share for 2024 is approximately 67% (2023 – 67%). The above provides condensed financial information, which is reported net of harmonized sales tax.

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

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (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 $124,916 (2023 - $1,664,434) with expenses based on use of $124,916 (2023 - $1,664,434) for a net impact of $NIL.

24. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

25. CONTRACTUAL OBLIGATIONS & COMMITMENTS

The Board has ongoing operating leases and efficiency services agreements. Anticipated payments over the next five years are as follows:

2025	**$ 4,598,000**
2026	**4,538,000**
2027	**4,401,000**
2028	**2,794,000**
2029	**2,319,000**
	$ 18,650,000

The Board had $1,568,335 in letters of credit outstanding with the bank as at August 31, 2024 (2023 - $582,000), which were required for security on some of the construction projects.

The Board has entered into an agreement for the purchase of land in one location which is expected to close subsequent to year end. The Board has also entered into agreements or are finalizing agreements related to the construction of two new elementary schools and one significant school addition subsequent to year end. The Board is planning to fund these purchases through a combination of government funding, temporary funding and capital loans.

26. FINANCIAL INSTRUMENTS

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

Credit risk

The Board's principal financial assets are cash and cash equivalents and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the consolidated statement of financial position represent the Board's maximum credit exposure as at year end.

Liquidity risk

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

The Board is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, temporary borrowing, asset retirement obligation, employee benefits payable and net debenture debt and capital loans.

Market risk

The Board is exposed to interest rate risk and price risk with regard to its cash equivalents and interest rate risk on its net debenture debt and capital loans, all of which are regularly monitored.

It is the Board's opinion that the Board is not exposed to significant other price risks arising from these financial instruments.

27. CONTINGENT LIABILITY

The Board has been named as the defendant in certain legal actions, in which damages have been sought. Not all legal actions may be covered by insurance and any losses arising from these actions are recorded in the year that the related litigation is settled or when any likely amounts are measurable. Where the outcomes of actions are not determinable as at August 31, 2024, no provision has been made in the consolidated financial statements.

28. SUBSEQUENT EVENTS

Subsequent to the financial statement date, a monetary resolution was reached between the provincial government and the Principals and Vice Principals. The agreement provides for a 0.75% increase in salaries and wages for the 2020-21 school year, a 2.75% increase in salaries and wages for the 2021-22 school year and a 2.00% increase in salaries and wages for the 2022-23 school year.

This agreement includes a provision whereby the provincial government has committed to funding this monetary resolution for this employee group to the Board consistent with the appropriate changes to the Grants for Student Needs benchmarks. As the provincial government has transferred an obligation to the Board subsequent to August 31, 2024 and the Grants for Student Needs (GSN) regulation amendments have been made as of the report date of the Board's financial statements, impact of the agreement has been reflected in the Board’s financial statements relating to this resolution. The impact on salary and wages expenses and accrued liabilities was $2,764,694 for the 2024 year end.

29. 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 provincial government and the following education sector unions: Elementary Teachers’ Federation of Ontario (ETFO), Ontario Secondary School Teachers’ Federation (OSSTF), Canadian Union of Public Employees (CUPE), Elementary Teachers’ Federation of Ontario- Education Workers (ETFO-EW) and the Ontario Secondary School Teachers’ Federation- Education Workers (OSSTF-EW). 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 provincial government has funded the monetary resolution for these employee groups to the applicable school boards though the appropriate changes to the Grants for Student Needs benchmarks and additional Priorities and Partnerships Funding (PPF).

As the provincial government had transferred an obligation to the Board during the year due to this resolution, there is an impact on salary and wages expenses of $45,924,647 in the Board's 2024 fiscal year end.