Consolidated Financial Statements of

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

And Independent Auditor's Report thereon

Year ended August 31, 2024

MANAGEMENT REPORT

Year ended August 31, 2024

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Sudbury Catholic District School Board are the responsibility of the board 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 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 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 KPMG 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.

Joanne Bénard	Cheryl Ann Corallo
Director of Education	Superintendent of Business

November 28, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Sudbury Catholic District School Board

Opinion

We have audited the consolidated financial statements of Sudbury Catholic District School Board (the Entity), which comprise:

- the consolidated statement of financial position as at August 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows 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 financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with the basis of accounting described in note 1 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 Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 - Financial Reporting Framework

We draw attention to note 1 to the consolidated financial statements, which describes the basis of accounting used in the preparation of these financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards.

As a result, the financial statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Entity’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity's internal control.

KPMG

- 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 Entity'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 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 Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

November 28, 2024

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

As at August 31, 2024, with comparative information for 2023

	2024	2023
Financial assets		
Cash and cash equivalents	$ 7,204,459	$ 3,099,822
Accounts receivable (note 3)	14,289,052	13,774,060
Accounts receivable - Approved Capital Funding (note 4)	23,510,688	25,038,310
Total financial assets	45,004,199	41,912,192
Financial liabilities		
Accounts payable and accrued liabilities (note 5)	10,906,554	6,110,368
Net long-term liabilities (note 11)	20,851,032	22,430,788
Deferred revenue (note 7)	5,470,742	5,355,462
Deferred capital contributions (note 8)	90,864,214	91,195,676
Retirement and other employee future benefits (note 10)	1,088,881	1,067,623
Asset retirement obligation (note 9)	2,321,583	2,234,010
Total financial liabilities	131,503,006	128,393,927
Net debt	(86,498,807)	(86,481,735)
Non-financial assets		
Prepaid expenses	1,504,960	1,841,193
Tangible capital assets (note 13)	99,615,843	99,200,205
Total non-financial assets	101,120,803	101,041,398
Contractual obligations (note 16)		
Accumulated surplus (note 14)	$ 14,621,996	$ 14,559,663

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

Joanne Bénard Director of Educatior

Chair of the Boarc

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
Revenue:			
Government of Ontario grants:			
- Grants for Student Needs (note 19)	$ 100,217,025	$ 102,908,136	$ 97,130,899
- Other	2,522,516	11,391,281	2,131,309
Federal grants and fees	1,111,191	1,685,465	613,112
Other revenue - school boards	446,298	447,791	457,733
Other fees and revenue	1,168,257	1,359,065	1,611,908
Investment income	134,000	412,777	132,424
School generated funds	3,093,667	3,160,278	3,093,669
Amortization of deferred capital contributions (note 8):			
- Provincial legislative grants	6,054,430	6,132,147	5,997,971
- Third parties	-	71,153	49,078
Total revenue	114,747,384	127,568,093	111,218,103
Expenses: (note 12)			
Instruction	81,398,617	90,260,335	79,110,201
Administration	5,405,763	5,929,342	5,288,753
Transportation	7,547,843	7,595,253	7,219,667
Pupil accommodation	15,203,496	15,807,014	15,249,154
School funded activities	2,860,757	3,099,581	2,860,756
Other	2,171,113	4,814,235	1,048,892
Total expenses	114,587,589	127,505,760	110,777,423
Annual surplus	159,795	62,333	440,680
Accumulated surplus, beginning of year	14,559,663	14,559,663	14,118,983
Accumulated surplus, end of year	$ 14,719,458	$ 14,621,996	$ 14,559,663

See accompanying notes to the consolidated financial statements.

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Changes in Net Debt

Year ended August 31, 2024, with comparative information for 2023

	2024 Budget	2024 Actual	2023 Actual
Annual surplus	$ 159,795	$ 62,333	$ 440,680
Tangible capital assets:			
Acquisition of tangible capital assets	(12,491,179)	(6,643,616)	(7,557,829)
Amortization of tangible capital assets	6,127,616	6,303,050	6,124,395
Proceeds on sale of tangible capital assets	-	819,163	-
Gain on sale of tangible capital assets	-	(812,163)	-
Revaluation of tangible capital assets - ARO	-	(82,072)	(276,256)
	(6,363,563)	(415,638)	(1,709,690)
Prepaid expenses:			
Use of prepaid expenses	336,233	336,233	(36,751)
Increase in net debt	(5,867,535)	(17,072)	(1,305,761)
Net debt, beginning of year	(86,481,735)	(86,481,735)	(85,175,974)
Net debt, end of year	$ (92,349,270)	$ (86,498,807)	$ (86,481,735)

See accompanying notes to consolidated financial statements.

SUDBURY CATHOLIC DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

Year ended August 31, 2024, with comparative information for 2023

	2024	2023
Operating transactions:		
Annual surplus	$ 62,333	$ 440,680
Items not involving cash:		
Amortization of tangible capital assets	6,303,050	6,124,395
Amortization of deferred capital contributions	(6,203,300)	(6,047,049)
Gain on sale of tangible capital assets	(812,163)	-
	(650,080)	518,026
Change in non-cash assets and liabilities:		
Increase in accounts receivable	(514,992)	(277,233)
Increase (decrease) in accounts payable and accrued liabilities	4,796,186	(3,934,544)
Increase (decrease) in deferred revenue	115,280	(544,906)
Increase (decrease) in employee future benefits	21,258	(238,399)
Decrease (increase) in prepaid expenses	336,233	(36,751)
Increase (decrease) in asset retirement obligation	87,573	(8,480)
Cash provided by operating transactions	4,191,458	(4,522,287)
Capital transactions:		
Cash used to acquire tangible capital assets	(6,725,688)	(7,557,829)
Proceeds on disposal of tangible capital assets	819,163	-
Cash applied to capital transactions	(5,906,525)	(7,557,829)
Financing transactions:		
Long-term debt repaid	(1,579,756)	(1,510,195)
Decrease in accounts receivable - Approved Capital Funding	1,527,622	6,084,300
Additions to deferred capital contributions	5,871,838	6,756,370
Cash provided by financing transactions	5,819,704	11,330,475
Increase (decrease) in cash	4,104,637	(749,641)
Cash and cash equivalents, beginning of year	3,099,822	3,849,463
Cash and cash equivalents, end of year	$ 7,204,459	$ 3,099,822

See accompanying notes to consolidated financial statements.

The Sudbury Catholic District School Board is an English Catholic school board formed in January of 1999 from the English Language sections of four separate school boards. The School Board, which covers Greater Sudbury and the southern Sudbury District in Ontario, has one adult learning, four secondary and thirteen elementary schools under its jurisdiction.

1. Significant accounting policies:

The consolidated financial statements of the Sudbury Catholic District School Board (the "Board") have been prepared by management in accordance with the basis of accounting described below. The consolidated financial statements contain the following significant accounting policies:

(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 and accumulated surplus 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 amortization, 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 Ontario 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;

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

- 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 accumulated surplus and certain related deferred revenues and deferred capital contributions may be recorded differently under Canadian Public Sector Accounting Standards.

(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, including:

(i) School generated funds: the assets, liabilities, revenues, expenses that exist at the school level and which are deemed to be controlled by the Board, have been reflected in the consolidated financial statements.

(ii) Sudbury Student Services Consortium/Consorteum de Services Aux Elèves de Sudbury (“SSSC’) is accounted for using the consolidation method of accounting and reporting, whereby the Board’s pro-rated share of net assets, revenues and expenses are combined in the statements.

Interdepartmental and inter-organizational transactions are eliminated in these consolidated financial statements.

(c) 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.

(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
Cash and cash equivalents	Cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Amortized cost

Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or 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

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

Fair value

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

At the time of derecognition, the related realized gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

Establishing fair value

The fair value of guarantees and 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 (if applicable).

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:

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

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Fair value hierarchy (continued)

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 and cash equivalents:

Cash and cash equivalents consist 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.

(f) Deferred revenue:

The Board receives amounts pursuant to legislation, regulation or agreement that may only be used for 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.

(g) 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 of depreciable tangible capital assets received or receivable for use in providing services, are recorded as deferred capital contributions when the asset is acquired as required under Ontario Regulation 395/11 of the Financial Administration Act. Amounts are recognized into 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
- Property taxation revenues which were historically used to fund capital assets

1. Significant accounting policies (continued):

(h) 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, retirement gratuity, workers' compensation and long-term disability benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, Employee Life and Health Trusts (ELHTs) were established in 2016-17 for the Ontario English Catholic Teachers Association (“OECTA”) employee group. ELHTs for the following employee groups were established in 2017-18: Canadian Union of Public Employees (“CUPE”) and 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 after a school board’s participation date into the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario.

The Board has adopted the following accounting 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, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities are actuarially determined using the employee’s salary, banked sick days and years of service as at August 31, 2012 and management’s best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining services 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 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, 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.

1. Significant accounting policies (continued):

(h) Retirement and other employee future benefits (continued):

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

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

(i) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets ("TCA") are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction and legally or contractually required retirement activities. The Board does not capitalize interest paid on debt used to finance the construction of tangible capital assets. When historical records were not available, other methods were used to estimate the cost 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, excluding 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
First time equipping	10 years
Furniture and equipment	5 - 15 years
Vehicles	5 - 10 years
Computer hardware and software	3 years

Amortization is taken at 50% of the above rates in the year of acquisition.

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

1. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(i) Tangible capital assets (continued):

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.

(ii) Prepaid expenses:

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

(j) 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 in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

(k) Other revenues:

Other 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 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.

1. Significant accounting policies (continued):

(l) 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 proceeds of disposition, special education, transition, distance schools and school renewal forms part of the respective deferred revenue balances.

(m) 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.

The Board approves its budget annually. The approved operating budget for 2023-2024 is reflected on the Consolidated Statement of Operations and Accumulated Surplus, the budget was approved on June 20, 2023, and the revised budget was approved on December 19, 2023.

(n) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in note 1 a) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these current estimates. Significant estimates include assumptions used in performing actuarial valuations of employee future benefit liabilities and estimated costs and timing of asset retirement obligations.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $2,321,583. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used, indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

1. Significant accounting policies (continued):

(o) Education property tax revenue:

Under 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, property tax revenue received from the municipalities is recorded as part of Grants for Student Needs, under Education Property Tax.

2. Change in accounting policy – adoption of new accounting standards:

The Board adopted the following standards concurrently beginning September 1, 2023 retroactively: PS 3160 *Public Private Partnerships,* PS 3400 *Revenue* and adopted PSG-8 *Purchased Intangibles* prospectively.

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.

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

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

3. Accounts receivable:

	2024	2023
Government of Canada	$ 1,393,026	$ 1,312,974
Government of Ontario	11,293,994	9,878,620
Municipalities	1,307,254	1,280,402
Other	294,778	1,302,064
	$ 14,289,052	$ 13,774,060

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 $5,677,605 (2023 - $7,278,576).

4. Accounts receivable – Approved Capital Funding:

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 $23,510,688 as at August 31, 2024 (2023 - $25,038,310) with respect to capital grants.

5. Accounts payable and accrued liabilities:

	2024	2023
Trade payables and accrued liabilities	$ 4,336,988	$ 3,596,090
Payroll related	6,569,566	2,514,278
	$ 10,906,554	$ 6,110,368

6. Temporary borrowing:

The Board has an operating line of credit available to a maximum of $4,000,000 to address operating requirements. This line of credit bears interest at the bank's prime lending rate, is unsecured and is due on demand.

The Board has an authorized revolving term credit available to a maximum of $8,500,000 to bridge ongoing capital expenditures. This credit facility bears interest at the bank's prime lending rate less 0.75% and is unsecured.

As at August 31, 2024, the amount drawn from the operating line of credit was $Nil (2023 - $Nil). The amount drawn from the revolving term credit was $Nil (2023 - $Nil).

The Board has various letters of credit outstanding totaling $24,000 (2023 - $24,000).

7. Deferred revenue:

Deferred revenue consists of amounts received by the Board that are restricted for specific purposes by the funder and amounts that are required to be set aside by the Board for specific purposes, legislation, regulation or agreement.

7. Deferred revenue (continued):

Deferred revenue is comprised of:

	Balance at August 31, 2023	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers (to) deferred capital contributions	Balance at August 31, 2024
Amounts restricted by legislation, regulation or agreement:					
Internal audit	$ 679,247	$ 449,172	$ (551,023)	$ –	$ 577,396
Proceeds of disposition	325,923	812,162	–	–	1,138,085
Special education	1,201,055	14,996,541	(14,530,233)	–	1,667,363
School renewal	785,478	4,968,808	(2,669,855)	(2,614,066)	470,365
Other	2,363,759	8,193,679	(8,929,905)	(10,000)	1,617,533
Total	$ 5,355,462	$ 29,420,362	$ (26,681,016)	$ (2,624,066)	$5,470,742

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.

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	$ 91,195,676	$ 90,486,355
Additions relating to school renewal	1,705,996	1,495,600
Other additions to deferred capital contributions	4,165,842	5,260,770
Revenue recognized during the year	(6,203,300)	(6,047,049)
Balance, end of year	$ 90,864,214	$ 91,195,676

9. 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	$ 2,234,010	$ 1,966,234
Liabilities incurred during the year	30,951	–
Increase in liabilities reflecting changes in the estimate of liabilities[1]	82,075	276,256
Liabilities settled during the year	(25,453)	(8,480)
	$ 2,321,583	$ 2,234,010

[1]Reflecting changes in the estimated cash flows.

As a result of recent high levels of inflation, liability balances based on previous cost estimates, the Board has made an inflation adjustment increase in estimates of 3.66% as at March 31, 2024, in line with the Provincial government fiscal year end, to reflect costs as at that date.

10. 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, retirement gratuity, worker's compensation and long-term disability benefits.

(a) Retirement benefits:

(i) Ontario Teacher's Pension Plan:

Teachers and related employee groups are eligible to be members of the Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Government 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.

10. Employee future benefits (continued):

(a) Retirement benefits (continued):

(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 $1,708,127 (2023 - $1,552,836) 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.

(iii) Retirement gratuities:

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

(iv) Retirement life insurance, dental and health care benefits:

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

(b) Other employee future benefits:

(i) 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. School boards are required to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

10. Employee future benefits (continued):

(b) Other employee future benefits (continued):

(ii) Long-term disability benefits:

The Board provides long-term disability benefits including partial salary compensation and payment of life insurance premiums and health care benefits during the period an employee is unable to work or until their normal retirement date to employees who are not yet members of an ELHT. 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.

(iii) Sick leave top-up benefits:

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are $72,876 (2023 - $59,361).

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.

The accrued benefit obligations for employee future benefit plans as at August 31, 2024 are based on the most recent actuarial valuation completed for accounting purposes as at August 31, 2024. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the Board’s best estimates of expected rates of:

	2024	2023
	%	%
Inflation	2.0	2.0
Inflation - WSIB	2.0	2.5
Discount on accrued benefit obligations	3.8	4.4
Discount on accrued benefit obligations - WSIB	3.8	4.4

Assumed health care cost trend rates:

	2024	2023
Health care cost escalation	Increase by a flat rate of 5.0%	Increase by a flat rate of 5.0%
Dental care cost escalation	Increase by a flat rate of 5.0%	Increase by a flat rate of 5.0%
Insurance and health care cost escalation - WSIB	4.0%	4.0%

10. Employee future benefits (continued):

Information with respect to the Board's retirement and other employee future benefit liability is as follows:

Accrued benefit obligation	Retirement benefits	Other employee future benefits	2024 Total employee future benefits	2023 Total employee future benefits
Accrued employee future benefit obligations	$ 62,273	$ 1,001,083	$ 1,063,356	$ 1,047,854
Unamortized actuarial losses (gains)	–	25,525	25,525	19,769
	$ 62,273	$ 1,026,608	$ 1,088,881	$ 1,067,623

Employee future benefit expenses	Retirement benefits	Other employee future benefits	2024 Total employee future benefits	2023 Total employee future benefits
Current year benefit cost	$ –	$ 453,005	$ 453,005	$ 27,319
Interest on accrued benefit obligation	3,839	29,799	33,638	43,133
Benefit payments	(49,895)	(420,514)	(470,409)	(254,003)
Amortization of actuarial (gains) losses	(11,297)	8,926	(2,371)	(54,027)
Employee future benefits expenses[1]	$ (57,353)	$ 71,216	$ 13,863	$ (237,578)

[1]Excluding pension contributions to multi-employer pension plans, described in note 11(b).

11. Net long-term liabilities:

The Ontario Finance Authority ("OFA") was established on November 15, 1993 as an agency of the Province of Ontario and as such is considered a related party to the Board. The Board has certain financing arrangements entered into the OFA as disclosed below:

	2024	2023
Ontario Financing Authority Debentures – amortizing, payable in semi-annual instalments of $1,260,805 including interest at rates ranging from 3.56% to 5.80%, final installment due between November 2028 and March 2038	$ 20,851,032	$ 22,430,788

11. Net long-term liabilities (continued):

Payments relating to the net long-term liabilities outstanding as at August 31, 2024 are due as follows:

	Principal	Interest	Total
2024-2025	$ 1,652,574	$ 863,908	$ 2,516,482
2025-2026	1,728,860	787,970	2,516,830
2026-2027	1,808,784	708,411	2,517,195
2027-2028	1,892,527	625,049	2,517,576
2029-2030	1,745,535	537,697	2,283,232
Thereafter	12,022,752	2,018,405	14,041,157
	$ 20,851,032	$ 5,541,440	$ 26,392,472

Interest on long-term debt amounted to $923,999 (2023 - $997,300).

12. Expenses by object:

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

	2024 Budget	2024 Actual	2023 Actual
Current expenses:			
Salary and wages	$ 69,952,020	$ 83,012,036	$ 68,933,709
Employee benefits	13,265,709	14,455,109	12,102,346
Staff development	562,943	338,068	309,914
Supplies and services	6,201,027	6,038,415	5,826,453
Interest	947,150	923,999	997,300
Rentals	65,317	39,069	53,721
Fees and contract services	12,411,643	12,672,320	12,446,492
Other	2,193,406	624,113	1,109,738
Amortization , write downs and net loss on disposal of tangible capital assets	6,054,431	6,243,490	6,054,431
Amortization of asset retirement obligation	73,186	59,560	59,111
Transfer to other boards	–	–	23,452
School funded activities	2,860,757	3,099,581	2,860,756
	$ 114,587,589	$ 127,505,760	$ 110,777,423

13. Tangible capital assets:

Cost	Balance at August 31, 2023	Additions	Disposals	Revaluation of ARO	Balance at August 31, 2024
Land	$ 5,535,522	$ -	$ (7,000)	$ -	$ 5,528,522
Land improvements	3,281,270	-	-	-	3,281,270
Buildings	158,543,956	4,984,740	-	82,072	163,610,768
First-time equipping	1,117,147	-	-	-	1,117,147
Furniture and equipment	1,197,348	149,945	-	-	1,347,293
Vehicles	88,668	-	-	-	88,668
Computer hardware	3,311,214	768,125	-	-	4,079,339
Computer software	469,878	-	-	-	469,878
Portable structures	800,520	740,806	-	-	1,541,326
Total	$ 174,345,523	$ 6,643,616	$ (7,000)	$ 82,072	181,064,211

Accumulated amortization	Balance at August 31, 2023	Amortization expense	Disposals	Balance at August 31, 2024
Land	$ -	$ -	$ -	$ -
Land improvements	1,630,384	208,480	-	1,838,864
Buildings	68,883,872	5,024,273	-	73,908,145
First-time equipping	980,655	69,653	-	1,050,308
Furniture and equipment	554,729	181,051	-	735,780
Vehicles	88,668	-	-	88,668
Computer hardware	2,580,484	742,591	-	3,323,075
Computer software	426,526	43,350	-	469,876
Portable structures	-	33,652	-	33,652
Total	$ 75,145,318	$ 6,303,050	$ -	$ 81,448,368

	Net book value, August 31, 2023	Net book value, August 31, 2024
Land	$ 5,535,522	$ 5,528,522
Land improvements	1,650,886	1,442,406
Buildings	89,660,084	89,702,623
First-time equipping	136,492	66,839
Furniture and equipment	642,619	611,513
Vehicles	-	-
Computer hardware	730,730	756,264
Computer software	43,352	2
Portable structures	800,520	1,507,674
Total	$ 99,200,205	$ 99,615,843

14. Accumulated surplus:

Accumulated surplus consists of the following:

	2024	2023
Available for compliance – unappropriated:		
Total operating accumulated surplus	$ 7,658,125	$ 8,342,651
Available for compliance – internally appropriated:		
Reserve funds	1,508,516	781,243
Unavailable for compliance – externally appropriated:		
Employee future benefits	(652,782)	(652,782)
Accrued interest	(349,628)	(349,628)
School generated funds	2,183,597	2,122,903
Revenues recognized for land	5,528,522	5,535,522
Asset retirement obligation	(1,254,354)	(1,220,246)
	5,455,355	5,435,769
Total accumulated surplus	$ 14,621,996	$ 14,559,663

15. Ontario School Board Insurance Exchange (OSBIE):

The School Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act.

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

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

Premiums paid to OSBIE for the policy year ending December 31, 2023 amounts to $139,672 (2022 - $134,314).

16. Contractual obligations:

The Board has entered into contracts for various projects. As at August 31, 2024, there was approximately $1,727,357 (2023 - $1,386,233) of work remaining to be completed.

17. Contingent liabilities:

The Board is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss, if any, from these contingencies will be accounted for in the periods in which the matters are resolved.

18. Debt charges:

The expenditure for debt charges includes principal and interest payments as follows:

	2024	2023
Principal payments on long-term debt	$ 1,579,756	$ 1,510,195
Interest payment on long-term debt	923,999	997,300
	$ 2,503,755	$ 2,507,495

19. 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. 80.7% 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	$ 92,349,055	$ 86,614,118
Education property tax	10,559,081	10,516,781
Grants for student needs	$ 102,908,136	$ 97,130,899

20. Transportation consortium:

On July 18, 2009, the Sudbury Student Services Consortium / Consortium de services aux élèves de Sudbury ("SSSC") was incorporated under the *Corporations Act* of Ontario. On January 1, 2001, the Board entered into an agreement with four local boards 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 created at the time SSSC was established, decisions related to the financial and operating activities of SSSC are shared. No partner is in a position to exercise unilateral control.

Each board participates in the shared costs associated with this service for the transportation of their respective students through SSSC. This entity is proportionately consolidated in the Board's consolidated financial statements whereby the Board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. The Board's pro-rata share for 2024 is 23% (2023 - 23%). Inter-organizational transactions and balances have been eliminated.

20. Transportation consortium (continued):

The following provides condensed financial information:

	2024	2023
Statement of Financial Position		
Financial Assets	$ 4,310,257	$ 1,617,705
Liabilities	(4,438,547)	(1,656,458)
Non-Financial Assets	332,634	281,223
Accumulated surplus	$ 204,344	$ 242,470
Operations		
Revenues	$ 26,577,073	$ 24,483,727
Expenses	(26,615,199)	(24,595,477)
Annual deficit	$ (38,126)	$ (111,750)

	2024	2023
Board Portion:		
Statement of Financial Position		
Financial Assets	$ 991,359	$ 372,072
Liabilities	(1,020,866)	(380,985)
Non-Financial Assets	76,506	64,681
Accumulated surplus	$ 46,999	$ 55,768

	2024	2023
Board Portion:		
Operations		
Revenues	$ 6,112,727	$ 5,631,257
Expenses	(6,121,496)	(5,656,960)
Annual deficit	$ (8,769)	$ (25,703)

21. Trust funds:

Trust funds administered by the Board amounting to $47,867 (2023 - $10,802) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

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 $65,488 with expenses based on use of $65,488 for a net impact of $Nil.

23. Board performs duties of a municipal council:

The Board performs the duties of levying and collecting taxes and conducting elections of members in territory without municipal organization. The outlay by the Board in 2024 in respect of performing duties of municipal council is reported by area in a separate statement.

Certain costs are recoverable through a levy on all rateable property in the area and other approved costs are recoverable through an offset to the local taxation revenue.

24. Repayment of “55 School Board Trust” Funding:

On June 1, 2003, the Board received $6,156,190 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

25. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.

26. Related party disclosures:

Related parties of the Board include other school boards and the Ontario Financing Authority. The Ontario Financing Authority is an agency of the Province of Ontario that manages the province's debt and borrowing program. Please refer to Note 11 for additional disclosure on the Board's borrowing with the Ontario Financing Authority.

27. Future accounting standard adoption:

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

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

<u>New Public Sector Accounting Standards (PSAS) Conceptual Framework:</u>

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.

<u>Reporting Model PS 1202 *Financial Statement Presentation*:</u>

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

27. Future accounting standard adoption (continued):

Reporting Model PS 1202 *Financial Statement Presentation* (continued):

- 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

28. 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 though the appropriate changes to the Grants for Student Needs benchmarks and additional Priorities and Partnerships Funding (PPF).

Due to this resolution, there is an impact on salary and wages expenses of $10,397,997 in the 2023-24 fiscal year. The portion related to 2019-20 to 2022-23 is $6,763,691, with the remainder of $3,634,306 related to 2023-24.

29. 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.

(a) 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 the Consolidated Statement of Financial Position date.

(b) Market risk:

The Board is exposed to interest rate risk on its long-term debt, which is regularly monitored.

The Board's financial instruments consist of cash and cash equivalents, 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.

(c) 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 liquidity risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining sufficient cash on hand if unexpected cash outflows arise. Accounts payable and accrued liabilities are all current and the terms of long-term debt are disclosed in note 11. There have been no significant changes from the previous year in the Board's exposure to liquidity risk or policies, procedures and methods used to measure the risk.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

As at August 31, 2024	Within 6 months	6 - 12 months	1 - 4 years	4+ years	Total
Accounts payable	$ 10,906,554	$ –	$ –	$ –	$ 10,906,554
Long-term debt	826,287	826,287	7,175,706	12,022,752	20,851,032
	$ 11,732,841	$ 826,287	$ 7,175,706	$ 12,022,752	$ 31,757,586

As at August 31, 2023	Within 6 months	6 - 12 months	1 - 4 years	4+ years	Total
Accounts payable	$ 6,110,368	$ –	$ –	$ –	$ 6,110,368
Long-term debt	789,878	789,878	7,082,745	13,768,287	22,430,788
	$ 6,900,246	$ 789,878	$ 7,082,745	$ 13,768,287	$ 28,541,156