Consolidated Financial Statements of

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

And Independent Auditor's Report thereon

Year ended August 31, 2024

Greater Essex County District School Board

451 Park St. W., P.O. Box 210, Windsor, ON N9A 6K1 · 519-255-3200

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Greater Essex County 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.

Vicki Houston
Director of Education

Shelley Armstrong
Superintendent of Business & Treasurer

KPMG LLP
618 Greenwood Centre
3200 Deziel Drive
Windsor, ON N8W 5K8
Canada
Telephone 519 251 3500
Fax 519 251 3530

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Greater Essex County District School Board

Opinion

We have audited the consolidated financial statements of the Greater Essex County District School Board (the Board) 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 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 Board as at August 31, 2024, and its consolidated results of operations, its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 board 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.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the 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.

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 the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of 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 board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the board or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 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 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 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 appropriate audit evidence regarding the financial information of the entities or business activities within the group 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

Windsor, Canada

November 19, 2024

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

August 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash and cash equivalents (note 3)	$ 64,072,280	$ 41,078,933
Accounts receivable	16,546,913	15,630,217
Accounts receivable - Government of Ontario (note 4)	171,898,029	177,093,766
Assets held for sale (note 5)	530,000	1,054,547
Total financial assets	253,047,222	234,857,463
Financial liabilities:		
Temporary borrowing (note 6)	20,000,000	-
Accounts payable and accrued liabilities	40,027,169	36,233,616
Amounts held in trust (note 7)	4,861,102	4,822,768
Net long-term debt (note 8)	114,553,829	124,247,951
Deferred revenue (note 9)	29,745,902	19,258,109
Employee future benefits (note 10)	38,248,242	39,928,239
Deferred capital contributions (note 11)	605,721,487	547,080,196
Asset retirement obligation (note 13)	34,064,445	39,087,563
Total financial liabilities	887,222,176	810,658,442
Net debt	(634,174,954)	(575,800,979)
Non-financial assets:		
Prepaid expenses	4,305,249	1,404,589
Inventories of supplies (note 17)	238,201	2,630,324
Tangible capital assets (note 12)	665,223,709	608,012,241
Total non-financial assets	669,767,159	612,047,154
Accumulated surplus (note 14)	$ 35,592,205	$ 36,246,175

Commitments and contingencies (notes 18, 19, 20, and 25)

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Director of Education

Chair of the School Board

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Consolidated Statement of Operations and Accumulated Surplus

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

	Budget (Unaudited)	2024 Actual	2023 Actual
Revenues:			
Grants for Student Needs (note 15)			
Provincial Legislative Grants	$ 414,894,523	$ 475,702,120	$ 408,078,355
Education Property Tax	63,985,793	69,486,799	68,840,385
Provincial grants - Other	7,681,021	12,348,523	14,265,080
Ministry of Government and Consumer Services (note 17)	-	2,920,633	2,501,336
Ministry of Labour, Immigration,Training and Skills Development - Ontario Youth Apprenticeship Program	275,031	376,385	333,853
Federal grants and fees	1,908,000	2,111,685	971,874
Other fees and revenues	5,948,500	10,775,364	8,665,024
Investment income	500,000	3,732,997	2,104,830
School fundraising and other activities	10,000,000	9,061,121	7,702,305
	505,192,868	586,515,627	513,463,042
Expenses:			
Instruction (note 25)	385,933,426	461,922,330	383,986,551
Administration	12,724,210	15,172,076	12,476,907
Transportation	17,073,438	18,956,730	17,505,755
Pupil accommodation	72,667,019	75,660,638	72,288,889
Other	10,982,960	6,243,274	14,041,266
School funded activities	10,000,000	9,214,549	7,982,132
	509,381,053	587,169,597	508,281,500
Annual surplus (deficit)	(4,188,185)	(653,970)	5,181,542
Accumulated surplus, beginning of year	36,246,175	36,246,175	31,064,633
Accumulated surplus, end of year	$ 32,057,990	$ 35,592,205	$ 36,246,175

See accompanying notes to consolidated financial statements.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Consolidated Statement of Net Debt

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

	2024	2023
Annual surplus (deficit)	$ (653,970)	$ 5,181,542
Acquisition of tangible capital assets	(87,896,244)	(84,245,520)
Amortization of tangible capital assets	27,407,533	25,947,824
Amortization of asset retirement obligations	1,016,880	853,519
Transfer of assets held for sale	3,434,657	524,548
Change in estimate of tangible capital assets - asset retirement obligations	(1,174,294)	(4,113,948)
	(57,865,438)	(55,852,035)
Acquisition of inventories of supplies	(560,098)	(2,648,182)
Acquisition of prepaid expenses	(3,804,934)	(1,202,253)
Consumption of inventories of supplies	2,952,221	2,470,087
Use of prepaid expenses	904,274	324,743
Change in net debt	(58,373,975)	(56,907,640)
Net debt, beginning of year	(575,800,979)	(518,893,339)
Net debt, end of year	$ (634,174,954)	$ (575,800,979)

See accompanying notes to consolidated financial statements.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

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

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	$ (653,970)	$ 5,181,542
Items not involving cash:		
Amortization of tangible capital assets	27,407,533	25,947,824
Amortization of tangible capital assets - asset retirement obligations	1,016,880	853,519
Increase of tangible capital assets - asset retirement obligations	(1,174,294)	(4,113,948)
Deferred net proceeds on disposal of restricted assets	(9,144,557)	-
Transfer to financial assets	3,434,657	524,548
Net proceeds on sale of assets held for sale	9,144,557	-
Decrease in employee future benefits	(1,679,997)	(3,439,523)
(Decrease) increase in asset retirement obligations	(5,023,118)	4,652,761
Change in net working capital:		
Decrease in accounts receivable	4,279,041	15,050,010
Decrease (increase) in assets held for sale	524,547	(524,547)
Decrease (increase) in inventories of supplies	2,392,123	(178,095)
Increase in prepaid expenses	(2,900,660)	(877,510)
Increase (decrease) in accounts payable and accrued liabilities	3,793,553	(2,515,256)
Increase (decrease) in amounts held in trust	38,334	(716,246)
Increase in deferred revenue	10,487,793	1,584,921
Increase in deferred capital contributions	58,641,291	53,740,337
Net change in cash from operating activites	100,583,713	95,170,337
Financing activities:		
Increase in temporary borrowing	20,000,000	-
Debt repayments	(9,694,122)	(9,484,999)
Net change in cash from financing activities	10,305,878	(9,484,999)
Capital activities:		
Purchase of tangible capital assets	(87,896,244)	(84,245,520)
Net change in cash from capital activities	(87,896,244)	(84,245,520)
Net change in cash and cash equivalents	22,993,347	1,439,818
Cash and cash equivalents, beginning of year	41,078,933	39,639,115
Cash and cash equivalents, end of year	$ 64,072,280	$ 41,078,933

See accompanying notes to consolidated financial statements.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2024

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1. Significant accounting policies:

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

(a) Basis of accounting:

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

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

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;

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 statement of operations and certain related deferred revenues and deferred capital contributions may be recorded differently under Canadian Public Sector Accounting Standards.

(b) Reporting entity:

These 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 Greater Essex County District School Board (the “board”) and which are controlled by the board.

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

The Ministry has deferred the requirement to consolidate the Ontario School Boards’ Insurance Exchange (OSBIE) into their financial results, school boards are not required to include them in their 2023-24 Financial Statements (see note 18).

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

1. Significant accounting policies (continued):

(c) 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
Accounts receivable	Amortized Cost
Short-term borrowing	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Accrued vacation pay	Amortized Cost
Debenture debt	Amortized Cost
Cash and cash equivalents	Cost

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

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

(d) 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.

(e) 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 expenses are incurred, or services are performed.

1. Significant accounting policies (continued):

(f) Deferred capital contributions:

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

- 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

(g) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to employees of certain employee groups. These benefits include life insurance, health care benefits, dental benefits, retirement/sick plan gratuities, workers' compensation benefits and long-term disability benefits.

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

1. Significant accounting policies (continued):

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

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for retired individuals for certain groups and for some retirees who are retired under these plans.

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

(i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance, 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 retirement gratuities and 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 workers' compensation and long-term disability, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(ii) The costs of multi-employer defined pension plans, such as the Ontario Municipal Employees Retirement System pension, 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.

1. Significant accounting policies (continued):

(h) Tangible capital assets:

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

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

TCA, except land and construction in progress, are amortized on a straight-line basis over their estimated useful lives as follows:

Assets	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
First-time equipping of schools	10
Furniture and equipment	5 - 15
Computer hardware	3
Computer software	1 - 5
Vehicles	5 - 10

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

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. TCA 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.

1. Significant accounting policies (continued):

(i) Government transfers:

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

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

(j) 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.

(k) 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.

1. Significant accounting policies (continued):

(l) 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.

(m) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1a requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to significant estimates include the carrying value of TCA, the valuation and estimate of asset retirement obligations, accrued liabilities relating to employee contract settlements, and employee future benefits. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $34,064,445. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

(n) 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, education 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 with restatement: 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.

As a result of applying these new accounting standards, there has been no impact to the Board's consolidated financial statements.

3. Cash and cash equivalents:

Cash and cash equivalents include the following:

	2024	2023
Non-restricted funds	$ 57,147,373	$34,016,902
Held in trust:		
Four/five deferred salary plans	2,779,945	2,792,042
School funds	4,112,336	4,237,363
Other	32,626	32,626
	$ 64,072,280	$ 41,078,933

4. Accounts receivable – Government of Ontario:

Accounts receivable from the Government of Ontario consist of:

	2024	2023
Capital [1]	$ 146,967,122	$ 150,881,172
Delayed grant payment [2]	14,226,770	21,069,458
Other operating [3]	10,704,137	5,143,136
	$171,898,029	$ 177,093,766

[1] 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.

[2] 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.

[3] Other operating grants relate to receivable balances for multiple Priorities and Partnerships Fund (PPF) grants from the Ministry of Education as well as amounts receivable from the Ministry of Labour, Immigration, Training and Skills Development.

5. Assets held for sale:

As of August 31, 2024, $530,000 (2023 - $1,054,547) relating to the former Prince Andrew Public School is recorded as assets held for sale. The asset held for sale includes an amount relating to the cost of asset retirement obligations of $nil (2023 - $212,614).

During the year, 5 board properties were sold. Net proceeds of $9,144,557 (2023 - $nil) were received on the sale of these properties, which had a carrying value of $2,685,679 (2023 - $nil), resulting in a net gain of $6,458,878 (2023 - $nil) that is deferred for future capital asset purchases according to Ontario Regulation 193/10.

6. Temporary borrowing

The board has a term credit facility available to a maximum of $25,000,000 to address operating requirements and/or to bridge capital expenditures. Interest on the term operating facility is equal to the term CORRA rate + 1.05%.

As at August 31, 2024, the amount drawn under the term credit facility was $20,000,000 (2023 - $nil) at a rate of 5.73%.

7. Amounts held in trust:

Amounts held in trust consist of:

	2024	2023
Bequests for scholarships and bursaries	$ 2,081,157	$ 2,030,726
Employee four/five plans	2,779,945	2,792,042
	$ 4,861,102	$ 4,822,768

8. Net long-term debt:

Net long-term debt reported on the Consolidated Statement of Financial Position consists of:

	2024	2023
The Canada Life Assurance Company Debenture Bylaw #A2003-001 due October 20, 2023, bearing interest at 6.33% per annum. Repaid during the year	$ -	$ 245,447
The Canada Life Assurance Company Debenture Bylaw #B2003-002 due October 20, 2028, bearing interest at 6.42% per annum. Blended payments of $92,987 due semi-annually	716,971	850,455
VersaBank Debenture Bylaw #130100 due May 1, 2026, bearing interest at 5.41% per annum. Blended payments of $122,412 due monthly	2,447,407	3,745,118
The Ontario Financing Authority (OFA) Debenture Bylaw #6 due November 15, 2031, bearing interest at 4.56% per annum. Blended payments of $678,717 due semi-annually	8,541,077	9,476,913
Manulife Financial Corporation Debenture Bylaw #7 due July 3, 2032, bearing interest at 5.398% per annum. Blended payments of $332,485 due semi-annually	4,274,117	4,691,401

8. Net long-term debt (continued):

	2024	2023
The Ontario Financing Authority (OFA) Debenture Bylaw #8 due March 3, 2033, bearing interest at 4.9% per annum. Blended payments of $717,054 due semi-annually	10,148,660	11,052,145
The Ontario Financing Authority (OFA) Debenture Bylaw #11 due November 15, 2030, bearing interest at 5.21% per annum. Blended payments of $447,710 due semi-annually	4,886,531	5,503,165
The Ontario Financing Authority (OFA) Debenture Bylaw #12 due March 13, 2034, bearing interest at 5.062% per annum. Blended payments of $689,939 due semi-annually	10,577,430	11,390,869
The Ontario Financing Authority (OFA) Debenture Bylaw #15 due May 15, 2034, bearing interest at 5.384% per annum. Blended payments of $1,363,757 due semi-annually	20,879,285	22,420,163
The Ontario Financing Authority (OFA) Debenture Bylaw #16 due April 13, 2035, bearing interest at 5.232% per annum. Blended payments of $231,038 due semi-annually	3,803,987	4,057,064
The Ontario Financing Authority (OFA) Debenture Bylaw #17 due March 11, 2036, bearing interest at 4.833% per annum. Blended payments of $56,278 due semi-annually	1,004,587	1,066,345
The Ontario Financing Authority (OFA) Debenture Bylaw #18 due November 15, 2036, bearing interest at 3.97% per annum. Blended payments of $374,246 due semi-annually	7,319,458	7,764,085
The Ontario Financing Authority (OFA) Debenture Bylaw #19 due March 9, 2037, bearing interest at 3.564% per annum. Blended payments of $449,733 due semi-annually	9,187,339	9,744,434
The Ontario Financing Authority (OFA) Debenture Bylaw #20 due March 19, 2038, bearing interest at 3.799% per annum. Blended payments of $394,992 due semi-annually	8,442,138	8,898,366
The Ontario Financing Authority (OFA) Debenture Bylaw #22 due March 11, 2039, bearing interest at 4.003% per annum. Blended payments of $6,557 due semi-annually	145,507	152,582
The Ontario Financing Authority (OFA) Debenture Bylaw #26 due March 9, 2040, bearing interest at 2.993% per annum. Blended payments of $274,485 due semi-annually	6,876,281	7,211,892
The Ontario Financing Authority (OFA) Debenture Bylaw #29 due March 15, 2041, bearing interest at 3.242% per annum. Blended payments of $593,510 due semi-annually	15,303,054	15,977,507
	$ 114,553,829	$ 124,247,951

Principal and interest payments relating to net long-term debt outstanding as at August 31, 2024 are due as follows:

	Principal Payment	Interest	Total
2024/25	$ 9,903,188	$ 4,972,741	$ 14,875,929
2025/26	10,010,828	4,497,868	14,508,696
2026/27	9,353,512	4,053,472	13,406,984
2027/28	9,793,802	3,613,172	13,406,974
2028/29	10,162,470	3,157,788	13,320,258
Thereafter	65,330,029	10,364,699	75,694,728
Total payments in respect of long-term debt	$ 114,553,829	$ 30,659,740	$ 145,213,569

Interest expense on net long-term debt amounted to $5,435,014 (2023 - $5,897,362).

Revenues received that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

Deferred revenue set-aside for specific purposes by legislation, regulation or agreement as at August 31, 2024 consists of:

	Balance as at August 31, 2023	Externally restricted additions (dispositions)	Transferred to DCC	Revenue recognized in the period	Balance as at August 31, 2024
Proceeds of disposition	$ 62,349	$ 9,122,554	$ -	$ -	$ 9,184,903
Assets held for sale	841,933	(311,933)	-	-	530,000
Education development charges	2,917,771	1,600,265	-	650,229	3,867,807
Restricted grants	15,436,056	107,538,375	9,154,672	97,656,567	16,163,192
	$ 19,258,109	$ 117,949,261	$ 9,154,672	$ 98,306,796	$ 29,745,902

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

	Balance as at August 31, 2022	Externally restricted additions (dispositions)	Transferred to DCC	Revenue recognized in the period	Balance as at August 31, 2023
Proceeds of Disposition	$ 1,544,939	$ 30,695	$ 1,513,285	$ -	$ 62,349
Assets held for sale	530,000	311,933	-	-	841,933
Education development charges	3,957,764	2,077,113	-	3,117,106	2,917,771
Restricted grants	11,640,485	108,257,623	6,161,262	98,300,790	15,436,056
	$ 17,673,188	$ 110,677,364	$7,674,547	$101,417,896	$ 19,258,109

10. Retirement and other employee future benefits:

The board provides defined post retirement and other future benefits to employees of certain employee groups. These benefits include post retirement life insurance and health care benefits, dental benefits, retirement/sick plan gratuity benefits, future paid sick leave benefits, and workers' compensation benefits. The liabilities associated with these plans are as follows:

	Retirement health benefits	Retirement gratuities	Sick leave/ top-up benefits	Workers' Compensation benefit	2024 Total employee future benefits
Balance at August 31,2023	$ 16,183,103	$ 14,478,280	$ 357,784	$ 8,909,072	$ 39,928,239
Net expense (gain) for the year [(1)]	864,732	644,989	215,864	1,313,676	3,039,261
Less: benefit payments	(1,117,935)	(2,115,261)	(292,485)	(1,193,577)	(4,719,258)
Balance at August 31,2024	$ 15,929,900	$ 13,008,008	$ 281,163	$ 9,029,171	$ 38,248,242

	Retirement health benefits	Retirement gratuities	Sick leave/ top-up benefits	Workers' Compensation benefits	2023 Total employee future benefits
Balance at August 31,2022	$17,591,511	$16,006,489	$416,327	$9,353,435	$43,367,762
Net (gain) expense for the year [1]	(293,955)	716,631	147,337	757,127	1,327,140
Less: benefit payments	(1,114,453)	(2,244,840)	(205,880)	(1,201,490)	(4,766,663)
Balance at August 31, 2023	$16,183,103	$14,478,280	$357,784	$8,909,072	$39,928,239

The components of the cost of providing these benefits for the year are as follows:

	Retirement health benefits	Retirement gratuities	Sick leave/ top-up benefits	Workers' Compensation benefits	2024 Total employee future benefits
Current year benefit cost	$ -	$ -	$ 281,163	$ 947,936	$ 1,229,099
Interest on accrued benefit obligation	687,462	571,333	-	365,740	1,624,535
	687,462	571,333	281,163	1,313,676	2,853,634
Amortization of actuarial (gain) loss	177,270	73,656	(65,299)	-	185,627
Net expense (gain) for the year [1]	$ 864,732	$ 644,989	$ 215,864	$ 1,313,676	$ 3,039,261

	Retirement health benefits	Retirement gratuities	Sick leave/ top-up benefits	Workers' Compensation benefits	2023 Total employee future benefits
Current year benefit cost	$ -	$ -	$ 357,784	$ 415,772	$ 773,556
Interest on accrued benefit obligation	664,337	586,309	-	341,355	1,592,001
	664,337	586,309	357,784	757,127	2,365,557
Amortization of actuarial (gain) loss	(958,292)	130,322	(210,447)	-	(1,038,417)
Net expense (gain) for the year [1]	$ (293,955)	$ 716,631	$ 147,337	$ 757,127	$ 1,327,140

[1] Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan described below.

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2024, are based on 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 (excluding health care and dental expenses)	2.0%	2.0%
Wage and salary escalation	0.0%	0.0%
Discount on accrued benefit obligations	3.8%	4.4%

Health care costs were assumed to increase by 7.0% for 2023-24, reducing by 0.1% in each subsequent year to an ultimate rate of increase of 5.0%. Dental costs were assumed to increase by a flat rate of 5.0% per annum.

The principal benefits provided, the costs and liabilities of which are included in the board's consolidated financial statements, are as follows:

(a) Retirement Life Insurance and Health Care Benefits

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

(b) 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 up to August 31, 2012.

(c) 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 financial statements are $215,864 (2023 - $147,337).

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 is based on the average daily salary and banked sick days of employees as at August 31, 2024.

10. Retirement and other employee future benefits (continued):

(d) Long-term Disability – Life Insurance and Health Care Benefits:

The Board provides life insurance, dental and health care benefits to employees on long-term disability leave to employees who are not yet members of an ELHT. The Board is responsible for the payment of life insurance premiums and the costs of dental and health care benefits under this plan. The board provides these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in this plan.

(e) Workplace Safety and Insurance Board (WSIB) obligations:

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

Other benefits

(i) Ontario Teachers' Pension Plan

Teachers and related employee groups are eligible to be members of 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.

(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's contributions equal the employee contributions to the plan. During the year ended August 31, 2024, the Board contributed $8,240,669 (2023 - $6,619,757) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for these arrangements is included in the Board's consolidated financial statements.

11. Deferred capital contributions:

Deferred capital contributions include grants and contributions received that are used for the acquisition of TCA 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	$ 547,080,196	$ 493,339,859
Additions to deferred capital contributions	87,219,519	78,961,451
Revenue recognized in the period	(26,337,186)	(24,909,181)
Transfers to deferred revenue	(2,241,042)	(311,933)
Balance, end of year	$ 605,721,487	$ 547,080,196

12. Tangible Capital Assets:

	Cost						Accumulated Amortization					Net Book Value
	Balance at August 31, 2023	Additions	ARO - Changes in Estimates	Transfers/ Reclass	Disposals/ Deemed Disposals/ Writedown	Balance at August 31, 2024	Balance at August 31, 2023	Amortization Expense	Transfers/ Reclass	Disposals/ Deemed Disposals/ Writedown	Balance at August 31, 2024	Balance at August 31, 2024
Land	$ 33,661,344	$	$	$ (132,705)	$	$ 33,528,639	$ -	$	$	$	$ -	$ 33,528,639
Land improvements	27,582,487	1,942,094		(48,368)		29,476,213	14,391,772	1,646,991	(37,080)		16,001,683	13,474,530
Buildings	736,042,400	39,287,462		79,048,214		854,378,076	257,869,470	20,938,920			278,808,390	575,569,686
Buildings ARO	32,371,057		1,174,294			33,545,351	16,400,134	1,016,880			17,417,014	16,128,337
Portable structures	11,964,260	1,107,008				13,071,268	4,265,758	625,888			4,891,646	8,179,622
Buildings 20 Year	181,825					181,825	22,728	9,091			31,819	150,006
Construction in progress	43,935,269	40,201,936		(79,048,214)		5,088,991	-				-	5,088,991
Pre-acquisition costs	80,452	399,360				479,812	-				-	479,812
Furniture and equipment	2,418,878	211,323			(60,572)	2,569,629	1,256,894	199,055		(60,572)	1,395,377	1,174,252
First time equipping	8,985,787	2,978,909			(760,043)	11,204,653	4,177,209	976,529		(760,043)	4,393,695	6,810,958
Computer hardware	12,107,916	1,649,374			(7,228,452)	6,528,838	8,289,090	2,576,210		(7,228,452)	3,636,848	2,891,990
Computer software	1,491,996					1,491,996	791,773	298,399			1,090,172	401,824
Vehicles	1,593,392	118,778			(91,549)	1,620,621	1,233,444	136,450		(91,549)	1,278,345	342,276
Assets Permanently Removed from Service	12,281,310			(8,973,846)		3,307,464	9,102,655		(6,744,090)		2,358,565	948,899
Assets Permanently Removed from Service ARO	4,622,439			(4,466,982)		155,457	3,507,644		(3,406,074)		101,570	53,887
Total	$ 929,320,812	$ 87,896,244	$ 1,174,294	$ (13,621,901)	$ (8,140,616)	$ 996,628,833	$ 321,308,571	$ 28,424,413	$ (10,187,244)	(8,140,616)	$ 331,405,124	$ 665,223,709

(a) Assets under construction:

Assets under construction having a value of $5,568,803 (2023 - $44,015,721) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Deemed disposals of tangible capital assets:

Pooled assets with a gross book value of $8,140,616 (2023 - $123,388) and a net book value of $nil (2023 - $nil) are deemed to be disposed of.

(c) Assets Permanently Removed from Service relates to Sun Parlor Jr. Public School (2011) and Eastwood (2023)

12. Tangible Capital Assets:

	Cost						Accumulated Amortization					Net Book Value
	Balance at August 31, 2022 (Restated)	Additions	ARO - Changes in Estimates	Transfers/ Reclass	Disposals/ Deemed Disposals/ Writedown	Balance at August 31, 2023	Balance at August 31, 2022 (Restated)	Amortization Expense	Transfers/ Reclass	Disposals/ Deemed Disposals/ Writedown	Balance at August 31, 2023	Balance at August 31, 2023
Land	$ 29,432,443	$ 4,228,901	$ -	$ -	$ -	$ 33,661,344	$ -	$ -	$ -	$	$ -	$ 33,661,344
Land improvements	25,393,675	2,449,718	-	(260,906)	-	27,582,487	13,123,682	1,528,101	(260,011)		14,391,772	13,190,715
Buildings	669,200,267	32,268,261	-	34,573,872	-	736,042,400	251,754,590	19,389,868	(13,274,988)		257,869,470	478,172,930
Buildings ARO	33,798,644	-	4,113,948	(5,541,535)	-	32,371,057	19,760,741	853,519	(4,214,126)		16,400,134	15,970,923
Portable structures	11,069,713	894,547	-	-	-	11,964,260	3,689,909	575,849			4,265,758	7,698,502
Buildings 20 Year	181,825	-	-	-	-	181,825	13,637	9,091			22,728	159,097
Construction in progress	54,513,210	40,056,105	-	(50,634,046)	-	43,935,269	-	-			-	43,935,269
Pre-acquisition costs	768,235	16,725	-	(704,508)	-	80,452	-	-			-	80,452
Furniture and equipment	2,132,898	409,368	-	-	(123,388)	2,418,878	1,198,143	182,139		(123,388)	1,256,894	1,161,984
First time equipping	7,311,054	1,674,733	-	-	-	8,985,787	3,438,959	738,250			4,177,209	4,808,578
Computer hardware	10,102,612	2,005,304	-	-	-	12,107,916	5,131,892	3,157,198			8,289,090	3,818,826
Computer software	1,283,772	208,224	-	-	-	1,491,996	536,275	255,498			791,773	700,223
Vehicles	1,559,758	33,634	-	-	-	1,593,392	1,121,614	111,830			1,233,444	359,948
Assets Permanently Removed from Service	552,500	-	-	11,728,810	-	12,281,310	552,500		8,550,155		9,102,655	3,178,655
Assets Permanently Removed from Service ARO	-	-	-	4,622,439	-	4,622,439	-		3,507,644		3,507,644	1,114,795
Total	$ 847,300,606	$ 84,245,520	$ 4,113,948	$ (6,215,874)	$ (123,388)	$ 929,320,812	$ 300,321,942	$ 26,801,343	$ (5,691,326)	(123,388)	$ 321,308,571	$ 608,012,241

(a) Assets under construction:

Assets under construction having a value of $44,015,721 (2022 - $55,281,445) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Deemed disposals of tangible capital assets:

Pooled assets with a gross book value of $123,388 (2022 - $4,794,750) and a net book value of $nil (2022 - $nil) are deemed to be disposed of.

(c) Assets Permanently Removed from Service relates to Sun Parlor Jr. Public School (2011), General Amherst (2023), and Eastwood (2023)

13. 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 ARO at Beginning of Year		
Opening Balance	$ 39,087,563	$ 34,434,802
Increase in liabilities reflecting changes in the estimate of liabilities[1]	1,393,001	4,830,940
Liabilities settled during the year	(6,416,119)	(178,179)
Liabilities for ARO at end of year	$ 34,064,445	$ 39,087,563

[1] Reflecting changes from an inflation rate adjustment

The board made an inflation adjustment increase in estimates of 3.66% as of March 31, 2024, to reflect costs as at that date. In the 2022-23 financial statements, it was noted that the board made an inflation adjustment increase in estimates of 14.05% as at March 31, 2023, in line with the Provincial government fiscal year end, to liability balances based on previous cost estimates, to reflect costs as at that date. However, based on a lookback of fiscal year 2022-23, the estimated rate of 14.05% (based on the Canada Building Construction Price Index (BCPI) data from October 1, 2021 to September 30, 2022, used to estimate the April 1, 2022 to March 31, 2023 escalation rate), was higher than the actual increase in BCPI of 10.88% during April 1, 2022 to March 31, 2023. As a result, the additional inflation applied to the ARO liability from the previous year's estimate was taken into account when determining how much to escalate as at March 31, 2024 in alignment with the Provincial government fiscal year end. Since no other adjustments were made to estimates as of August 31, 2023, the board used the recommended cost escalation rate of 3.66%.

Further evaluation was done on the board's liability balances as at August 31, 2024, where it was determined no further adjustment was necessary for inflation.

14. Accumulated surplus:

Accumulated surplus consists of the following:

	2024	2023
Surplus:		
Operating	$ 25,570,009	$ 31,413,780
Employee future benefits	(20,526,032)	(21,990,084)
Interest accruals	(1,313,086)	(1,313,086)
School generated funds	3,869,363	4,022,788
Revenues recognized for land	33,067,071	32,549,547
Asset Retirement Obligations to be covered in the future	(17,882,219)	(21,789,229)
Amounts restricted for future use by board motion:		
School budgets	-	51,153
Campbell Public School	719,787	745,962
LaSalle Public School	1,921,164	2,053,674
Better Places	3,684,291	4,342,200
Administrative buildings – capitalized assets	1,451,641	1,482,844
School buildings	2,014,504	1,560,326
Erie Migration District School	3,015,712	3,116,300
	$ 35,592,205	$ 36,246,175

Amounts restricted for future use by board motion – School budgets represents the current year's unspent school allocated budget.

Amounts restricted for future use by board motion – Campbell Public School represents amounts used to pay for the capital costs of Campbell Public School, net of amortization. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – LaSalle Public School represents amounts to be used to pay for the construction cost of LaSalle Public School, net of amortization. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

14. Accumulated surplus (continued):

Amounts restricted for future use by board motion – Better Places represents amounts used to pay for the capital costs of the Better Places renewal initiative, net of amortization. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – Administrative buildings – capitalized assets represent additions to Administrative buildings. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – School buildings represent capitalized additions and betterments to school buildings. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – Technology represent capitalized laptop additions. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – Erie Migration District School represents amounts to be used to pay for the Minor Tangible Capital Asset (MTCA) costs of furniture and equipment at Erie Migration District School. When expenditures are fully incurred in future years, this amount will be applied against the operating surplus on the same basis as the related assets are amortized.

15. 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. Seventy-six (76) percent of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs.

15. Grants for Student Needs (continued):

The payment amounts of this funding are as follows:

	2024	2023
Education Property Tax	$ 69,486,799	$ 68,840,385
Provincial Legislative Grants	475,702,120	408,078,355
Balance, end of year	$ 545,188,919	$ 476,918,740

16. Expenses by object:

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

	2024 Budget (Unaudited)	2024 Actual	2023 Actual
Current expenses			
Salary and wages	$ 337,586,536	$ 409,808,324	$ 341,062,419
Employee benefits	61,231,084	69,816,059	58,791,705
Staff development	932,001	1,948,372	2,306,181
Supplies and services	44,520,708	40,339,162	41,665,718
Interest	5,731,497	5,762,795	6,136,296
Rental expenses	248,911	658,392	487,325
Fees and contract services	21,893,065	24,821,422	23,526,795
Other	7,979,682	5,366,454	6,786,726
Amortization and write downs of TCA and TCA-ARO	29,257,569	28,429,912	26,801,344
Other expenses on ARO	-	218,705	716,991
	$ 509,381,053	$ 587,169,597	$ 508,281,500

17. In-kind transfers from the Ministry of Government and Consumer Services (MGCS):

To support school boards in implementing health and safety measures in response to COVID-19, the Ministry, through the Ministry of Government and Consumer Services provided personal protective equipment, critical supplies and equipment to school boards at no cost. For purposes of the financial statements, in-kind transfers are recorded to recognize the value of the contribution. The amounts recorded were calculated based on the weighted average cost of the personal protective equipment and critical supplies and equipment, as determined by the MGCS, and quantities received based on the Board's records. The in-kind revenues and expenses recorded in the Statement of Operations for these transfers totals $2,920,633 (2023 - $2,501,336).

Included in the inventory balance of $238,201 (2023 - $2,630,324) in the Statement of Financial Position is $235,809 (2023 - $2,627,845) related to supplies and equipment received from MGCS.

18. 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 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 $698,323 (2022 - $684,487).

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.

18. Ontario School Board Insurance Exchange (OSBIE) (continued):

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

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

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

19. Commitments:

At August 31, 2024, the Board is committed to capital expenditures in the amount of $23,433,066 (2023 - $70,477,647) to be funded by Ministry of Education capital grant programs.

20. Contingent liabilities:

In the normal course of operations, the Board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2024 cannot be predicted with certainty, it is the opinion of the Board that their resolution will not have a material adverse effect on the Board’s financial position or results of operations.

21. Transportation consortium:

On January 20, 2003, the Board entered into an agreement with the Windsor-Essex Catholic District School Board and Conseil scolaire catholique Providence, formerly named Conseil Scolaire de district des écoles catholiques du Sud-Ouest, in order to provide common administration of student transportation within the combined jurisdictions of the current member school boards. On September 10, 2009, a new agreement was entered into and included the Conseil scolaire Viamonde. The consortium agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards.

On July 18, 2013 the consortium incorporated and became a separate legal entity known as Service de transport des élèves - Windsor-Essex Student Transportation Services. Under the formal agreement, decisions related to the financial and operating activities 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 Windsor-Essex Student Transportation Services. The Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets it controls, the liabilities that it has incurred, and its pro-rata share of revenue and expenses. The board's pro-rata share for 2024 is 51.6% (2023 – 51.8%).

The following provides condensed financial information:

	2024		2023	
	Total	Board Portion	Total	Board Portion
Financial Position:				
Financial assets	$ 785,668	$ 80,998	$ 549,522	$ 336,437
Financial liabilities	788,573	685,535	549,522	462,208
Non-Financial assets	2,905			
Accumulated Deficit	-	(604,537)	-	(125,771)
Operations:				
Revenues	35,689,468	19,195,749	33,056,933	17,723,631
Expenses	35,689,468	19,195,749	33,056,933	17,723,631
Annual Surplus	$ -	$ -	$ -	$ -

22. Repayment of "55 School Board Trust" Funding:

On June 1, 2003, the Board received $1,779,682 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 $1,779,682 (2023 - $1,779,682) in grants in respect of the above agreement for the year ended August 31, 2024, is recorded in these consolidated financial statements.

23. Financial instruments:

Risks arising from financial instruments and risk management

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

Credit risk

The board's principal financial assets are cash and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the Statement of Financial Position represent the board's maximum credit exposure as at the Statement of Financial Position date.

Liquidity Risk

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

Market risk

The board is exposed to interest rate risk and price risk with regard to interest rate risk on its long-term debt, which is regularly monitored.

23. Financial instruments (continued):

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

24. Future accounting standard adoption:

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

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

New Public Sector Accounting Standards (PSAS) Conceptual Framework:

This new model is a comprehensive set of concepts that underlie and support financial reporting. It is the foundation that assists:

- preparers to account for items, transactions and other events not covered by standards;
- auditors to form opinions regarding compliance with accounting standards;
- users in interpreting information in financial statements; and
- Public Sector Accounting Board (PSAB) to develop standards grounded in the public sector environment.

The main changes are:

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

24. Future accounting standard adoption (continued):

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;
- New Statement of Changes in Net Assets Liabilities; and
- Isolated financing transaction in the Cash Flow Statement.

25. 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), Canadian Union of Public Employees (CUPE), and 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).

25. Monetary Resolution to Bill 124, The Protecting a Sustainable Public Sector for Future Generations Act (continued):

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).

Subsequent to the financial statement date, a monetary resolution to Bill 124 was reached between the Crown and the associations representing principals and vice-principals (Ontario Principals' Council). This agreement provides a 0.75% increase for salaries and wages on September 1, 2020, a 2.75% increase for salaries and wages on September 1, 2021, and a 2.00% increase in salaries and wages on September 1, 2022, in addition to the original 1.00% increase applied on September 1 in each year during the 2020-23 collective agreements. The memorandum of settlement was reached on August 10, 2024 and was ratified on September 30, 2024.

The Crown intends to fund the monetary resolution for principals and vice-principals to the applicable school boards through the appropriate changes to the GSN benchmarks.

Due to this resolution, there is an impact on salary and wages expenses of $50,183,519 in the 2023-24 fiscal year. The portion related to 2019-20 to 2022-23 is $35,705,119, with the remainder of $14,478,400 related to 2023-24.