

**Huron-Perth Catholic District
School Board
Consolidated Financial
Statements
For the year ended August 31, 2024**

Huron-Perth Catholic District School Board
Consolidated Financial Statements
For the year ended August 31, 2024

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

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

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

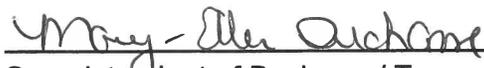
Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management. The Board meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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 BDO Canada LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.



Director of Education / Secretary



Superintendent of Business / Treasurer

December 9, 2024



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BDO Canada LLP
3630 Rhodes Drive
Windsor, Ontario
N8W 5A4

Independent Auditors' Report

To the Board of Trustees of the
Huron-Perth Catholic District School Board

We have audited the consolidated financial statements of Huron-Perth Catholic District School Board ("the Board"), which comprise the consolidated statement of financial position as at August 31, 2024, the consolidated statements of operations, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 1 of the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

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

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

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

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



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

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

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

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



We 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.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Ontario
December 9, 2024

Huron-Perth Catholic District School Board

Consolidated Statement of Financial Position

As at August 31,	2024	2023
Financial Assets		
Cash and cash equivalents	\$ 6,551,913	\$ 6,029,642
Investments (Note 2)	41,250	49,318
Accounts receivable		
Local government	926,052	879,512
Other	1,481,657	1,379,376
Province of Ontario - Approved Capital (Note 3)	9,087,863	8,909,222
Province of Ontario - Delayed Grant Payment (Note 3)	4,486,821	3,999,249
Province of Ontario - Other	2,112,695	887,953
	<u>24,688,251</u>	<u>22,134,272</u>
Financial Liabilities		
Accounts payable and accrued liabilities	8,336,850	4,854,146
Deferred revenue - mandatory (Note 4)	2,483,086	2,585,939
Deferred revenue - other	894,567	881,817
Deferred capital contributions (Note 5)	48,939,782	48,612,387
Asset retirement obligation (Note 6)	1,694,025	1,585,644
Employee future benefits liability (Note 8)	1,856,061	1,916,726
Net long-term debt (Note 10, 11 and Note 21)	6,118,434	6,826,776
	<u>70,322,805</u>	<u>67,263,435</u>
Net Debt	<u>(45,634,554)</u>	<u>(45,129,163)</u>
Non-Financial Assets		
Prepaid expenses and inventory	1,598,639	629,247
Tangible capital assets (Note 13)	51,547,278	51,270,196
	<u>53,145,917</u>	<u>51,899,443</u>
Accumulated Surplus (Note 15)	<u>\$ 7,511,363</u>	<u>\$ 6,770,280</u>

Signed on Behalf of The Board



Signature of Director of Education / Secretary



Signature of Chair of School Board

The accompanying notes are an integral part of these financial statements.

Huron-Perth Catholic District School Board

Consolidated Statement of Operations

For the year ended August 31,	Budget 2024	2024	2023
	(Unaudited)		
Revenues			
Grants for Student Needs (Note 16)	\$ 70,463,619	\$ 77,330,753	\$ 66,990,959
Provincial grants - other (Note 17)	1,680,448	1,991,847	1,647,763
Federal grants	-	-	51,272
Deferred capital contributions - related to third parties (Note 5)	210,588	246,074	226,601
Deferred capital contributions - related to provincial legislative grants (Note 5)	4,425,574	4,310,173	4,110,629
Investment income	250,000	438,328	288,059
Other fees and revenues	589,342	318,388	361,784
School fundraising	1,700,000	1,739,352	1,370,719
	<u>79,319,571</u>	<u>86,374,915</u>	<u>75,047,786</u>
Expenses (Note 18)			
Instruction	54,754,534	58,757,794	52,406,720
Administration	2,964,652	3,279,602	2,918,833
Transportation	7,377,584	6,714,397	6,220,180
Pupil accommodation	11,264,619	11,614,088	10,654,018
Other	1,258,182	3,528,599	850,956
School funded activities	1,700,000	1,739,352	1,370,719
	<u>79,319,571</u>	<u>85,633,832</u>	<u>74,421,426</u>
Annual surplus	-	741,083	626,360
Accumulated surplus, beginning of year	<u>6,770,280</u>	<u>6,770,280</u>	<u>6,143,920</u>
Accumulated surplus, end of year	<u>\$ 6,770,280</u>	<u>\$ 7,511,363</u>	<u>\$ 6,770,280</u>

The accompanying notes are an integral part of these financial statements.

Huron-Perth Catholic District School Board

Consolidated Statement of Cash Flows

For the year ended August 31,	2024	2023
Operations		
Annual surplus	\$ 741,083	\$ 626,360
Add: Amortization of tangible capital assets	4,643,588	4,419,975
Add: Amortization on tangible capital assets - Asset retirement obligation	71,352	51,445
Less: Amortization of deferred capital contributions	(4,556,246)	(4,337,230)
Add: Loss on disposal of tangible capital assets	-	4,597
Add: Loss on disposal of asset retirement obligation	-	18,534
	<u>158,694</u>	<u>157,321</u>
Change in non-cash working capital balances		
Accounts receivable - local government, other, and grants for student needs	(1,373,563)	(23,888)
Accounts payable and accrued liabilities	3,482,703	129,246
Deferred revenues - mandatory	(102,853)	(361,363)
Deferred revenues - other	12,750	484,652
Employee future benefits liability	(60,665)	(118,021)
Prepaid expenses and inventory	(969,392)	120,186
Asset retirement obligation	108,381	64,980
	<u>1,997,138</u>	<u>1,079,473</u>
Net increase in cash from operations		
Capital transactions		
Acquisition of tangible capital assets	(4,992,022)	(4,444,271)
Financing		
Delayed grant payment	(487,572)	(94,444)
Debt repayments	(708,341)	(671,856)
Deferred capital contributions received	4,883,641	4,268,956
Change in accounts receivable - Province of Ontario, approved capital	(178,641)	815,965
	<u>3,509,087</u>	<u>4,318,621</u>
Increase in cash and equivalents	514,203	953,823
Cash and equivalents, beginning of year	6,078,960	5,125,137
Cash and equivalents, end of year	\$ 6,593,163	\$ 6,078,960
Represented by:		
Cash	\$ 6,551,913	\$ 6,029,642
Short-term debt	41,250	49,318
	<u>\$ 6,593,163</u>	<u>\$ 6,078,960</u>

The accompanying notes are an integral part of these financial statements.

Huron-Perth Catholic District School Board

Consolidated Statement of Change in Net Debt

For the year ended August 31,	2024	2023
Annual Surplus	\$ 741,083	\$ 626,360
Tangible Capital Asset Activity		
Acquisition of tangible capital assets	(4,992,022)	(4,444,271)
Amortization of tangible capital assets	4,714,940	4,471,420
Loss on sale tangible capital assets	-	4,597
Loss of disposal of asset retirement obligation	-	18,534
	(277,082)	50,280
Other Non-Financial Asset Activity		
Acquisition of supplies inventories	(62,351)	(70,531)
Prepayment of expenses	(1,536,288)	(558,716)
Consumption of supplies inventories	70,531	186,917
Use of prepaid expenses	558,716	562,515
	(969,392)	120,185
(Increase) decrease in net debt	(505,391)	796,825
Net debt at beginning of year	(45,129,163)	(45,925,988)
Net debt at end of year	\$ (45,634,554)	\$ (45,129,163)

The accompanying notes are an integral part of these financial statements.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2024

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 require that:

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

As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions may be recorded differently under Canadian Public Sector Accounting Standards.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2024

b) Reporting Entity

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

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

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

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) Cash and Cash Equivalents

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

e) Investments

The board has Other Investments in guaranteed investment certificates, which are recorded at amortized cost using the effective interest rate method.

f) 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.

g) Deferred Revenue

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services, performance obligations and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred, or services are performed.

h) 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, are 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:

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Notes to Consolidated Financial Statements

August 31, 2024

- Government transfers received or receivable for capital purpose
- Other restricted contributions received or receivable for capital purposes
- Property taxation revenues which were historically used to fund capital assets

i) Retirement and Other Employee Future Benefits

The board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, retirement gratuity, life and accidental death and dismemberment insurance.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, an Employee Life and Health Trust (ELHT) was established for the Ontario English Catholic Teachers' Association (OECTA) in 2016-17 (excluding daily occasional teachers). The following ELHTs were established in 2017-18: Canadian Union of Public Employees (CUPE) (excluding casual and temporary staff), and ONE-T for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers, education workers (excluding casual and temporary staff), other school board staff and retired workers up to a 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 trustee associations and the Government of Ontario. The Board is no longer responsible to provide certain benefits to OECTA (February 1, 2017), CUPE (March 1, 2018), Principals and Vice-principals (April 1, 2018), and other school board staff (June 1, 2018). School Boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefit funding embedded within the Grants for Student Needs (GSN), additional Ministry funding in the form of a Crown contribution as well as a stabilization adjustment.

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

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 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 accumulated over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

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

Huron-Perth Catholic District School Board

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August 31, 2024

actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

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

j) Tangible Capital Assets

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

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

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

Asset	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable Structures	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	3
Computer software	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.

k) 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.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2024

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

l) Budget Figures

Budget figures have been provided for comparison purposes and have been derived from the Revised Estimates 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 employee future benefits. Actual results could differ from these estimates.

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

n) Education Property Tax Revenue

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

o) Other Revenue

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.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2024

2. INVESTMENTS

Investments are carried on the Statement of Financial Position. The board's investments are comprised of GICs recorded at amortized cost that are held in trust for student bursaries paid out annually. Investments consist of the following:

	Maturity Date	Interest Rate (%)	Amount as at August 31, 2024 (\$)	Amount as at August 31, 2023 (\$)
GIC #1	May 30, 2025	5.05%	\$ 4,481	\$ 5,220
GIC #2	May 21, 2025	5.05%	28,687	35,878
GIC #3	April 16, 2025	5.05%	8,082	8,220
Total			\$ 41,250	\$ 49,318

3. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. The Huron-Perth Catholic District School 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 \$9,087,863 as at August 31, 2024 (2023 - \$8,909,222) with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments at August 31, 2024 is \$4,486,821 (2023 - \$ 3,999,249).

4. DEFERRED REVENUE

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

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2024

	Balance as at August 31, 2023	Externally Restricted Revenue Received	Revenue Recognized in the Period	Transfers to Deferred Capital Contributions	Balance as at August 31, 2024
Legislative Grants, Operating	\$ 949,714	\$ 10,990,941	\$ 10,670,047	\$ -	\$ 1,270,608
Other Ministry of Education Grants	73,099	1,691,064	1,658,927	16,346	88,890
School Renewal	620,905	882,539	279,812	776,150	447,482
Temporary Accommodation	193,816	48,676	21,055	221,437	-
Rural & Northern Education Fund	526,627	342,722	410,589	-	458,760
Experiential Learning	200,000	662,086	662,086	-	200,000
Ministry of Public & Business Service Delivery	21,778	99,791	104,223	-	17,346
Total Deferred Revenue	\$ 2,585,939	\$ 14,717,819	\$ 13,806,737	\$ 1,013,933	\$ 2,483,086

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions (DCC) 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	\$ 48,612,387	\$ 48,680,661
Additions to DCC	4,833,642	4,268,956
Revenue recognized in the period - provincial legislative grants	(4,310,173)	(4,110,629)
Revenue recognized in the period - third parties	(246,074)	(226,601)
Balance, end of year	\$ 48,939,782	\$ 48,612,387

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

August 31, 2024

6. ASSET RETIREMENT OBLIGATIONS

The board's financial statements include an asset retirement obligation for the remediation of asbestos contained within school buildings, drinking water wells and septic tank and bed removal. The related asset retirement costs are being amortized on a straight-line basis. The estimated total undiscounted future expenditures are \$1,694,025 (2023 - \$1,585,644), which are to be incurred over the remaining productive useful life of the assets. The liability is expected to be settled at the end of the buildings' productive useful life.

	2024	2023
Balance, beginning of year	\$ 1,585,644	\$ 1,520,663
Increase due to accretion expense	108,381	150,899
Abatement of ARO	-	(85,918)
Balance, end of year	\$ 1,694,025	\$ 1,585,644

7. FINANCIAL INSTRUMENTS

The board's financial instruments consist of cash, other investments (GICs), accounts receivable, accounts payable and accrued liabilities, and long-term debt.

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, accounts receivable and investments, 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.

Huron-Perth Catholic District School Board

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Market risk

The board is exposed to interest rate risk and price risk with regard to its portfolio and other investments and interest rate risk on its long-term debt, all of which are regularly monitored.

The board's financial instruments consist of cash, other investments, 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.

8. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Retirement and Other Employee Future Benefit Liabilities		2024		2023	
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits	
Accrued Employee Future Benefit Obligations at August 31	\$ 1,137,953	\$ 693,969	\$ 1,831,922	\$ 1,860,168	
Unamortized Actuarial Gains (Losses) at August 31	24,139	-	24,139	56,558	
Employee Future Benefits Liability at August 31	\$ 1,162,092	\$ 693,969	\$ 1,856,061	\$ 1,916,726	

Retirement and Other Employee Future Benefit Expenses		2024		2023	
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits	
Current Year Benefit Cost	\$ -	\$ 254,938	\$ 254,938	\$ 179,165	
Interest on Accrued Benefit Obligation	50,782	21,510	72,292	70,616	
Recognized Actuarial (Gains)/Losses	3,079	(19,371)	(16,292)	(3,271)	
Employee Future Benefits Expenses¹	\$ 53,861	\$ 257,077	\$ 310,938	\$ 246,510	

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

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Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2024 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2024 and based on updated average daily salary and banked sick days as at August 31, 2024. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the board's best estimates of expected rates of:

	2024	2023
Inflation		
Retirement Gratuity	2.00%	2.00%
Other Future Employee Benefits	2.00%	2.50%
Wage and Salary Escalation		
Other Future Employee Benefits	2.00%	2.00%
Discount on Accrued Benefit Obligations		
Retirement Gratuity	3.80%	4.40%
Other Future Employee Benefits	3.80%	4.40%

Retirement Benefits

(i) Ontario Teacher's Pension Plan

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

(ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The board contributions equal the employee contributions to the plan. During the year ended August 31, 2024, the board contributed \$1,201,634 (2023 - \$983,133) 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.

As at December 31, 2023, the OMERS plan was in a deficit of \$4.2 billion (2022 - \$6.7 billion). There were no changes to contribution rates in 2023 and contribution rates and will remain unchanged in 2024. Pension payments increased by a cost-of-living adjustment of 6% in 2023 and 4.93% in 2024. The multiemployer plan is valued on a current market basis for all plan assets. The projected benefit method prorated on services was used for the actuarial valuation.

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(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 up to August 31, 2012.

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 4.5 years for employees receiving payments from the Workplace Safety and Insurance board, where the collective agreement negotiated prior to 2012 included such a provision. As at August 31, 2024 the board has established an internal reserve for WSIB obligations amounting to \$400,000 (2023 - \$400,000).

(ii) 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 \$33,452 (2023 – \$43,357).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial valuation 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.

9. TEMPORARY BORROWING

The board had established the following credit facilities to address operating requirements or to bridge capital expenditures:

Demand operating line of credit with a limit of \$3,000,000 at an interest rate of prime minus 0.25%. As at August 31, 2024 the board was not using this credit facility.

Huron-Perth Catholic District School Board

Notes to Consolidated Financial Statements

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10. NET LONG TERM DEBT

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

	2024	2023
BNY Mellon Trust Company, repayable in semi-annual payments of \$118,157 including interest at 5.80%, calculated semi-annually not in advance, due November 2028	\$ 924,288	\$ 1,099,342
BNY Mellon Trust Company, repayable in semi-annual payments of \$184,898 including interest at 5.483%, calculated semi-annually not in advance, due November 2029	1,735,549	1,999,290
Ontario Financing Authority, repayable in semi-annual payments of \$37,797 including interest at 4.56%, calculated semi-annually not in advance, due November 2031	475,647	527,763
Ontario Financing Authority, repayable in semi-annual payments of \$33,463 including interest at 4.90%, calculated semi-annually not in advance, due March 2033	473,606	515,768
Ontario Financing Authority, repayable in semi-annual payments of \$123,471 including interest at 5.047%, calculated semi-annually not in advance, due November 2034	1,993,708	2,134,671
Ontario Financing Authority, repayable in semi-annual payments of \$31,318 including interest at 5.232%, calculated semi-annually not in advance, due April 2035	515,636	549,942
	\$6,118,434	\$6,826,776

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Principal and interest payments relating to long-term debt of \$7,528,897 outstanding as at August 31, 2024 are due as follows:

	Principal Repayments	Interest	Total Future Payment by Year
2025	746,819	311,389	1,058,208
2026	787,395	270,813	1,058,208
2027	830,187	228,021	1,058,208
2028	875,315	182,892	1,058,207
2029	804,753	135,298	940,051
Thereafter	2,073,967	282,048	2,356,015
Future Year Total	\$ 6,118,436	\$ 1,410,461	\$ 7,528,897

11. DEBT CHARGES AND CAPITAL LOAN INTEREST

	2024	2023
Principal payments on long-term liabilities	\$ 708,341	\$ 671,856
Interest expense on long-term liabilities	339,221	375,925
	\$ 1,047,562	\$ 1,047,780

12. 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, 2024 were \$108,191 (2023 - \$98,938).

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

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

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

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- 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 within the board of directors to buy out such liability.

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13. TANGIBLE CAPITAL ASSETS

	Cost					Accumulated Amortization				Net Book Value	
	Balance at September 1, 2023	Additions & Transfers	Revaluation of TCA-ARO	Disposals	Closing August 31, 2024	Balance at September 1, 2023	Amortization	Disposals	Closing August 31, 2024	August 31, 2023	August 31, 2024
Land	\$ 1,156,106	\$ -	\$ -	\$ -	\$ 1,156,106	\$ -	\$ -	\$ -	\$ -	\$ 1,156,106	\$ 1,156,106
Land Improvements	2,489,920	1,817,452	-	(31,993)	\$ 4,275,379	795,676	225,510	(31,993)	\$ 989,193	\$ 1,694,244	\$ 3,286,186
Buildings	91,915,164	2,090,759	108,381	-	\$ 94,114,304	45,309,041	3,776,501	-	\$ 49,085,542	\$ 46,606,123	\$ 45,028,761
Portable Structures	848,542	405,488	-	-	\$ 1,254,030	168,956	53,724	-	\$ 222,680	\$ 679,586	\$ 1,031,350
Construction in Progress	-	32,446	-	-	\$ 32,446	-	-	-	\$ -	\$ -	\$ 32,446
First Time Equipping	327,075	-	-	(251,926)	\$ 75,149	293,942	20,111	(251,926)	\$ 62,127	\$ 33,133	\$ 13,022
Furniture	47,062	-	-	(34,433)	\$ 12,629	42,182	2,985	(34,433)	\$ 10,733	\$ 4,880	\$ 1,895
Equipment 15yrs	46,822	16,346	-	-	\$ 63,168	27,819	3,666	-	\$ 31,485	\$ 19,003	\$ 31,682
Equipment 10yrs	237,406	76,600	-	(7,866)	\$ 306,140	115,732	27,177	(7,866)	\$ 135,043	\$ 121,674	\$ 171,097
Equipment 5 yrs	343,866	26,285	-	-	\$ 370,151	197,833	71,401	-	\$ 269,234	\$ 146,033	\$ 100,916
Computer Hardware	1,666,426	418,266	-	(677,561)	\$ 1,407,132	895,036	512,260	(677,561)	\$ 729,735	\$ 771,390	\$ 677,397
Computer Software	79,788	-	-	-	\$ 79,788	50,233	15,957	-	\$ 66,190	\$ 29,555	\$ 13,598
Vehicle	28,233	-	-	-	\$ 28,233	19,764	5,647	-	\$ 25,411	\$ 8,469	\$ 2,822
TOTAL	\$ 99,186,411	\$ 4,883,641	\$ 108,381	\$ (1,003,780)	\$ 103,174,652	\$ 47,916,212	\$ 4,714,940	\$ (1,003,780)	\$ 51,627,375	\$ 51,270,196	\$ 51,547,278

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Notes to Consolidated Financial Statements

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15. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024	2023
Available for Compliance - Unappropriated		
Accumulated Operating Surplus	\$ 2,941,276	\$ 2,392,859
Available for Compliance – Internally Appropriated		
Retirement Gratuities	457,516	457,516
WSIB	400,000	400,000
Classroom Budget Allocation	226,232	226,232
Board Projects	770,707	832,250
OFSAA	90,000	90,000
Sinking Fund Interest	55,960	60,264
Board Capital	2,179,002	1,859,784
Total Internally Appropriated	\$ 4,179,417	\$ 3,926,046
Unavailable for Compliance		
Revenues Recognized for Land	\$ 1,156,106	\$ 1,156,106
Asset Retirement Obligation	(1,178,462)	(1,107,111)
School-Generated Funds	506,392	506,392
Interest to be Accrued	(93,366)	(104,011)
Total Externally Appropriated	\$ 390,670	\$ 451,376
Total Accumulated Surplus	\$ 7,511,363	\$ 6,770,281

16. 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. Eighty-seven 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:

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	Budget 2024	2024	2023
Education Property Tax	\$ 7,465,332	\$ 7,839,932	\$ 7,527,299
Provincial Legislative Grants	62,998,287	69,490,821	59,463,660
	\$ 70,463,619	\$ 77,330,753	\$ 66,990,959

17. PROVINCIAL GRANTS – OTHER

The following is a summary of other provincial grant revenue:

	Budget 2024	2024	2023
Educational Program – Other (PPF)	\$ 1,363,414	\$ 1,658,926	\$ 1,298,027
Government Entity Reporting	317,034	332,921	349,736
Other	-	-	-
	\$ 1,680,448	\$ 1,991,847	\$ 1,647,763

18. EXPENSES BY OBJECT

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

	Budget 2024	2024	2023
Salary and Wages	\$ 46,093,298	\$ 54,626,482	\$ 45,411,712
Employee Benefits	8,641,131	9,092,870	8,126,622
Staff Development	408,628	436,185	423,940
Supplies and Services	9,588,285	8,630,895	7,774,834
Interest	338,837	339,221	375,925
Rental Expenditures	83,867	94,760	85,446
Fees and Contract Services	8,170,545	7,547,625	6,907,611
Other	1,213,182	150,856	820,785
Amortization, Write-Downs and Net Loss on Disposal of TCA & ARO	4,781,798	4,714,938	4,494,551
	\$ 79,319,571	\$ 85,633,832	\$ 74,421,426

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19. TRANSPORTATION CONSORTIUM

The board provides transportation services in partnership with the Avon Maitland District School Board in order to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the boards. Under the agreement, decisions related to the financial and operating activities of the Huron Perth Student Transportation Services Consortium are shared. No partner is in a position to exercise unilateral control.

The board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses. The board's pro-rata share for 2024 is 28.7% (2023 – 29.1%)

The following provides condensed financial information.

	2024	2023
Operations		
Revenues	\$ 6,696,263	\$ 6,210,250
Transportation Expenses	6,494,179	6,043,507
Administration Expenses	202,084	166,743
Annual Surplus/ (Deficit)	\$ -	\$ -
Financial Position		
Financial Assets	\$ 102,175	\$ 69,688
Liabilities	102,175	69,688
Accumulated Surplus/ (Deficit)	\$ -	\$ -

20. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

On June 1, 2003, the board received \$1,823,717 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 \$135,868 (2023 \$135,868) in grants in respect of the above agreement for the year ended August 31, 2024, is recorded in these consolidated financial statements.

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21. RELATED PARTY DISCLOSURES

The board carries long term debt financed through the Ontario Financing Authority (OFA) which is a provincial agency and related party. This borrowing was incurred to finance capital projects and is included in the Statement of Financial Position as a long-term debt, in the amount of \$3,458,599 (2023- \$3,728,145). The board made principal payments of \$269,546 (2023 - \$256,676) and recorded an expense for interest payments of \$182,551 (2023 - \$195,422) related to this debt. Repayment terms are provided in Note 11.

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

The board has recorded revenues, expenses, deferred revenue and inventory entries 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 and expense recorded on the financial statements for these transfers is \$104,223 (2023 - \$134,189) with inventory and deferred revenue balances of \$17,346 at August 31, 2024 (2023 - \$21,778).

23. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

In the normal course of business, various claims and litigious matters may be pending by and against the board. In respect of any outstanding claims, in managements judgement, no material exposure exists on the eventual settlement of such litigation. Accordingly, no provision has been made in the accompanying consolidated financial statements.

At August 31, 2024 the board has commitments related to construction contracts in the amount of \$1,696,883 (2023 - \$966,859).

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.

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:

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.

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The main changes are:

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

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202- Financial Statement Presentation:

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

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 Ontario English Catholic Teachers' Association (OECTA) and the Canadian Union of Public Employees (CUPE). This agreement provides a 0.75% increase for salaries and wages on September 1, 2019, a 0.75% increase for salaries and wages on September 1, 2020, and a 2.75% increase in salaries and wages on September 1, 2021, in addition to the original 1% increase applied on September 1 in each year during the 2019-22 collective agreements. The same increases also apply to non-unionized employee groups excluding Principals and Vice-Principals and school board executives.

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

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

The Crown 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 \$7,414,813 in the 2023-24 fiscal year. The portion related to 2019-20 to 2022-23 is \$5,131,831, with the remainder of \$2,282,982 related to 2023-24.