Keewatin Patricia
DISTRICT SCHOOL BOARD

November 26, 2024

SPECIAL Board Meeting Package

VIRTUAL MEETING

KEEWATIN-PATRICIA DISTRICT SCHOOL BOARD

SPECIAL BOARD MEETING # 1

Tuesday, November 26, 2024 Time: directly after COTW - IC	Virtual Meeting via Google Meet *(Google Link for internal use only)*
AGENDA	

1. Call to Order — Chair

2. Land Acknowledgement — Chair

3. Roll Call — Exec Asst

4. Approval of Special Agenda for November 26, 2024 ∆ — Chair

5. Declaration of Conflict of Interest — Chair

6. Presentation of Reports – Finance
   6.01 – 2023-2024 DRAFT Financial Statements for the year ended August 31, 2024 ∆

   - Variance Analysis - Revenue and Expenditures — R. Findlay, N. Pearson
     - 2023-2024 Actual v Budget

   - Variance Analysis - Revenue and Expenditures — J. Pyzer
     - 2023-2024 Actual v Prior Year
   - Balance Sheet

7. Adjournment — Chair

   Next meeting date: December 10, 2024

∆ indicates an attachment included in the meeting package

Report to Board

November 26, 2024

Subject: 2023-24 DRAFT Financial Statements

Purpose: Decision ☑ Information ☐ Discussion ☐

Recommendation

That the Keewatin-Patricia District School Board approve the audited Financial Statements for the year ended August 31, 2024.

Link to Strategic Plan

Management of Keewatin-Patricia District School Board resources to support programming.

Background Information

2023-24 Audited Financial Statements are due to the MInistry of Education by December 4, 2024. Management's Report on the Audited Financial Statements is presented to Trustees annually in November.

Current Situation

See Appendices.

Financial Implications: Yes ☐ No ☑ Budget cost ☐ Additional ☐

If yes, please briefly describe the financial implications

Appendices (Executive Summary, Powerpoints, Additional Documents etc.)

Management's Report on the 2023-24 Audited Financial Statements.

2023-24 DRAFT Financial Statements will be provided prior to the Board meeting once they are received from the Auditor (BDO).

Keewatin Patricia
DISTRICT SCHOOL BOARD

Board Meeting

November 26, 2024

2023-24 DRAFT Financial Statements
Executive Summary

Attached are the 2023-24 DRAFT Financial Statements (including Notes).

The numbers in the 2023-24 DRAFT Financial Statements are not expected to change. Nonetheless, these Financial Statements are still in DRAFT form, meaning that they are subject to change because the Auditors are still in their final stages of reviewing the Statements and Notes.

The auditors still have to complete an extra level of detailed review because of changes in accounting policies and Bill 124 impacts. This review also includes our Management Report (with variance analysis comparing Budget to Actual) and the Auditor's Report.

We will provide the complete package from the Auditors (BDO) on Monday, November 25, 2024.

Respectfully submitted by:
Richard Findlay, Superintendent of Business
Natalie Pearson, Finance Manager

Keewatin Patricia
DISTRICT SCHOOL BOARD

DRAFT

FINANCIAL

STATEMENTS

2023 - 2024

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of Keewatin-Patricia 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 judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's 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 their approval of the consolidated financial statements.

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

Christy Radbourne
Director of Education

Richard Findlay
Chief Financial Officer

November 26, 2024

(in thousands of dollars)

Consolidated Statement of Financial Position
As at August 31

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents	**1,211**	1,193
Accounts receivable (Note 3)	**55,800**	53,149
Other	**40**	253
TOTAL FINANCIAL ASSETS	**57,051**	54,595
LIABILITIES		
Temporary borrowing (Note 9)	**9,286**	6,839
Accounts payable and accrued liabilities	**14,288**	10,928
Long term debt (Note 8)	**13,737**	14,627
Deferred revenue (Note 4)	**2,130**	5,235
Employee benefits payable (Note 7)	**2,211**	2,199
Deferred capital contributions (Note 5)	**136,629**	121,590
Asset retirement obligation (Note 6)	**3,869**	3,732
TOTAL LIABILITIES	**182,150**	165,150
NET DEBT	**(125,099)**	(110,555)
NON-FINANCIAL ASSETS		
Prepaid expenses	**546**	314
Tangible capital assets (Note 14)	**161,425**	147,739
TOTAL NON-FINANCIAL ASSETS	**161,971**	148,053
ACCUMULATED SURPLUS (Note 15)	**36,872**	37,498

Signed On Behalf Of The Board On November 26, 2024

Signature of Chief Executive Officer

Signature of Chair of the Board

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

(in thousands of dollars)

Consolidated Statement of Operations
For the year ended August 31

	2024 Budget	2024 Actual	2023 Actual
REVENUES			
Provincial grants - Grants for Student Needs	71,459	**73,705**	70,862
Provincial grants - Other	3,602	**11,256**	3,559
Education Property Tax	13,815	**14,180**	13,731
School generated funds	1,235	**2,342**	2,094
Federal grants and fees	10,168	**9,695**	8,592
Investment income	0	**22**	85
Other revenues - school boards	160	**448**	216
Other fees and revenues	1,476	**2,074**	2,550
Amortization of Deferred Capital Contributions (Note 5)			
Related to Provincial Legislative Grants	7,216	**8,197**	7,079
Related to Third Parties	152	**167**	158
TOTAL REVENUE	109,283	**122,086**	108,926
EXPENSES			
Instruction	75,037	**84,726**	73,428
Administration	5,663	**6,764**	5,861
Transportation	7,212	**6,900**	6,719
Pupil accommodation	18,310	**19,783**	18,685
School generated funds	1,235	**2,348**	2,186
Other	2,532	**2,191**	2,098
TOTAL EXPENSES	109,989	**122,712**	108,977
Annual Deficit	(706)	**(626)**	(51)
Accumulated Surplus at beginning of year	27,588	**37,498**	37,549
Accumulated Surplus at end of year	26,882	**36,872**	37,498

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

(in thousands of dollars)

Consolidated Statement of Cash Flows
For the year ended August 31

	2024	2023
OPERATING TRANSACTIONS		
Annual Deficit	**(626)**	(51)
Items not involving cash		
Amortization of tangible capital assets	**9,790**	8,588
Amortization on TCA-ARO	**97**	115
Deferred capital contributions revenue	**(8,364)**	(7,236)
Net gain on disposal of tangible capital assets	**0**	(6,683)
Change in non-cash assets and liabilities		
Accounts receivable	**(2,285)**	(4,090)
Accounts receivable - Delayed Grant Payment	**4,208**	2,603
Other financial assets	**213**	239
Accounts payable and accrued liabilities	**3,360**	(1,126)
Deferred revenue	**418**	344
Employee future benefits payable	**12**	(201)
Prepaid expenses	**(232)**	(110)
	6,591	(7,608)
CAPITAL TRANSACTIONS		
Proceeds on sale of tangible capital assets	**0**	6,683
Acquisition of tangible capital assets	**(23,437)**	(17,716)
Cash provided by (applied to) capital transactions	**(23,437)**	(11,033)
FINANCING TRANSACTIONS		
Temporary borrowing	**2,447**	6,614
Debt repaid	**(890)**	(2,297)
Accounts receivable - Government of Ontario - Approved Capital	**(4,574)**	(691)
Net deferred capital contributions	**23,403**	13,583
Deferred revenues - capital	**(3,522)**	110
Cash provided by (applied to) financing transactions	**16,864**	17,319
Increase (decrease) in Cash and Cash Equivalents	**18**	(1,322)
Opening Cash and Cash Equivalents	**1,193**	2,515
Closing Cash and Cash Equivalents	**1,211**	1,193

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

(in thousands of dollars)

Consolidated Statement of Change in Net Debt
For the year ended August 31

	2024	2023
Annual Deficit	**(626)**	(51)
TANGIBLE CAPITAL ASSET ACTIVITY		
Acquisition of tangible capital assets	**(23,437)**	(17,716)
Amortization of tangible capital assets	**9,887**	8,703
Proceeds on sale of tangible capital assets	**0**	6,683
Net loss (gain) on disposal of tangible capital assets	**0**	(6,683)
Changes in estimate of TCA-ARO	**(136)**	(460)
Total tangible capital asset activity	**(13,686)**	(9,473)
OTHER NON-FINANCIAL ASSET ACTIVITY		
Acquisition of prepaid expenses	**(744)**	(305)
Use of prepaid expenses	**512**	195
Total other non-financial asset activity	**(232)**	(110)
Increase in net debt	**(14,544)**	(9,634)
Net debt at beginning of year	**(110,555)**	(100,921)
Net debt at end of year	**(125,099)**	(110,555)

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

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

All amounts referenced in these notes and financial statements are in thousands (000's) of Canadian dollars unless otherwise noted.

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.

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.

Northwestern Ontario Student Services Consortium is accounted for on a proportional consolidated basis, whereby each participating board reports its pro-rata share of the assets, liabilities, revenues and expenses of the consortium that are subject to shared control, combined on a line-by-line basis with similar line items.

Consolidated entities –
Northwestern Ontario Student Services Consortium
School Generated Funds

Interdepartmental 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) 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	Cost
Other	Cost
Temporary borrowing	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost

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

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

e) 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 short maturity term of less than 90 days.

f) Deferred Revenue

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

g) Deferred Capital Contributions

Contributions received or receivable for the purpose of acquiring or developing a depreciable tangible capital asset for use in providing services, or any contributions 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 purpose
- Other restricted contributions received or receivable for capital purpose
- Property taxation revenues which were historically used to fund capital assets

h) Public Private Partnerships

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

i) Purchased Intangibles

Purchased Intangibles (PI) are identifiable non-monetary economic resources without physical substance that:

- Are held for use in the production or supply of goods and services, for rental to others, for administrative purposes or for the development, construction, maintenance or repair of other intangible assets or tangible capital assets;
- Have useful economic lives extending beyond one year;
- Are to be used on a continuing basis;
- Are purchased through an arm's length exchange transaction between knowledgeable, willing parties that are under no compulsion to act;
- Are not for sale in the ordinary course of operations; and
- Are not held as part of a collection.

Examples of purchased intangibles include copyrights, patents, flooding easements, licenses, rights, brand recognition, trade names, and customer lists.

A purchased intangible asset is recognized and capitalized on its acquisition date and is recorded at acquisition cost as a non-financial asset.

j) Retirement and Other Employee Future Benefits

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

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Association the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: ETFO, OSSTF, CUPE and a trust for non-unionized employees including principals and vice-principals. The following ELHTs were established in 2017-2018: CUPE and a trust for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to the member employees.

These benefits are 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 the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional ministry funding in the form of a Crown Contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for some retired individuals.

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

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

k) Tangible Capital Assets

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

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

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

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

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

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

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

l) 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 period as the asset is amortized.

m) 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.

n) 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.

o) 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.

p) 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 allowances for doubtful accounts receivable, useful lives of tangible capital assets and liabilities for retirement and other employee future benefits. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $3.869 million. 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.

q) 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.

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.

3. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

The Province of Ontario (Province) replaced variable capital funding with a one-time debt support grant in 2009-10. The Board received a one-time grant that recognized capital debt as of August 31, 2010 that is supported by the 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 $22,332 as at August 31, 2024 (2023 - $17,758) with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2024 is $17,792 (2023 - $25,571).

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:

	Balance as at August 31, 2023	Externally restricted revenue and investment income	Transfers to deferred capital contributions	Transfers to revenue	Balance as at August 31, 2024
Proceeds of Disposition	854	1,479	2,333	0	0
Minor Tangible Capital Assets and Other	0	3,944	1,106	2,838	0
School Renewal	2,832	1,888	3,319	1,238	163
Temporary Accommodation	116	0	0	0	116
Other - Operating	1,433	21,757	0	21,339	1,851
Total Deferred Revenue	**5,235**	**29,068**	**6,758**	**25,415**	**2,130**

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

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

	2024	2023
Balance, beginning of year	121,590	115,243
Additions to deferred capital contributions	23,403	6,900
Revenue recognized in the period	(8,364)	(7,236)
Transfer to (from) deferred revenue (proceeds of disposition)	0	6,683
Balance, end of year	**136,629**	**121,590**

6. ASSET RETIREMENT OBLIGATIONS

The Board discounts significant obligations where there is a high degree of confidence on the amount and timing of cash flows and the obligation will not be settled for at least five years from the reporting date. The discount and inflation rate is reflective of the risks specific to the asset retirement liability.

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

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

	2024	2023
Liabilities for asset retirement obligations at beginning of year	3,732	3272
Increase in liabilities reflecting changes in the estimate of liabilities [1]	137	460
Liabilities for asset retirement obligations at end of year	**3,869**	**3,732**

[1] Reflecting changes in the estimated cash flows and the discount rate

The board made an inflation adjustment increase in estimates of 3.66% as at March 31, 2024, to reflect costs as at that date 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 prior 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. The Board also made an inflation adjustment of 3.66% as of August 31, 2024 based on the same rationale.

7. 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 (ABO) at August 31	1,294	904	2,198	2,158
Unamortized Actuarial Gains (Losses) at August 31	13	0	13	41
Employee Future Benefits Liability at August 31	**1,307**	**904**	**2,211**	2,199

Retirement and Other Employee Future Benefit Expenses		**2024**		**2023**
	Retirement Benefits	**Other Employee Future Benefits**	**Total Employee Future Benefits**	**Total Employee Future Benefits**
Amortized (gain) loss	15	(12)	3	33
Current Year Benefit Cost	0	594	594	123
Interest Accrued	62	17	79	85
Employee Future Benefits Expenses[1]	**77**	**599**	**676**	241

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 the most recent actuarial valuations completed for accounting purposes as at August 31, 2012 for frozen retirement gratuities and grandfathered subsidized post-retirement benefits and as at August 31, 2024 for sick leave carry-over benefits (date actuarial probabilities were determined) 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	2.00	2.00
Wage and salary escalation	2.00	2.00
WSIB discount rate	3.80	4.40
Insurance, health and dental care cost escalation	4.0	4.0-6.50
Discount on accrued benefit obligations	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 $1,980 (2023 - $1,575) 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.

The OMERS pension plan has approximately 600,000 members and approximately 1,000 employers. At December 31, 2023, the estimated accrued pension obligation for all members (including survivors) of the Plan was $134,574 million (2022 - $128,789 million). The resulting funding deficit was $(7,571) million at December 31, 2023 (2022 – ($6,100) million). The actuary does not attribute portions of the unfunded liability to individual employers. The Board contributions equal the employee contributions to the plan.

(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 gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service up to August 31, 2012.

(iv) Retirement Life Insurance and Health Care Benefits

The Board provides life insurance, dental and health care benefits to a certain employee group after retirement until the members reach 65 years of age. 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. Effective September 1, 2013, employees retiring on or after this date, do not qualify for board subsidized premiums or contributions.

Other Employee Future Benefits

(i) Workplace Safety and Insurance Board Obligations

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such provision.

(ii) Long-Term Disability

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

(iii) 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 2024 are $63 (2023 - $60).

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 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at August 31, 2024.

8. LONG TERM DEBT

Debenture debt and capital loans reported on the Consolidated Statement of Financial Position comprises of the following:

Capital Loans	Maturity Date	Rate	2024	2023
Ontario Financing Authority (a related party)				
Loan #1 - semi-annual payment of $142	11/17/2031	4.560%	1,781	1,976
Loan #2 - semi-annual payments of $64	3/3/2033	4.900%	899	979
Loan #3 - semi-annual payments of $37	3/13/2034	5.062%	561	605
Loan #4 - semi-annual payments of $30	3/9/2037	3.564%	619	656
Loan #5 - semi-annual payments of $462	3/19/2038	3.799%	9,877	10,411
Balance as at August 31			**13,737**	**14,627**

Principal and interest payments relating to net debenture debt and capital loans outstanding as at August 31, 2024 are due as follows:

	Principal	Interest	Total
2025	927	541	1,468
2026	965	501	1,466
2027	1,005	460	1,465
2028	1,047	419	1,466
2029	1,091	375	1,466
Thereafter	8,702	1,500	10,202
Total	**13,737**	**3,796**	**17,533**

9. TEMPORARY BORROWING

The Board has an operating line of credit with a Canadian financial institution. The maximum drawing is $12 million to address operating requirements. Interest is payable on the operating line at prime less 0.75% on loans and 0.25% on bankers' acceptances. At year end, $4,004 (2023 - $6,644) was drawn on this facility. The Board also has a capital line of credit with a Canadian financial institution. The maximum drawing is $15 million to address capital purchase requirements prior to receiving funding from the Ministry of Education. Interest is payable on the capital line of credit at prime less 0.75% on loans and 0.25% on bankers' acceptances. At year end, $5,052 (2023 - $0) was drawn on this facility. The Board has temporary borrowing of $223 (2023 - $195) for credit cards as at August 31, 2024.

10. DEBT CHARGES AND CAPITAL LOANS INTEREST

	2024	2023
Principal payments on long-term liabilities	890	2,296
Interest payments on long-term liabilities	568	631
	1,458	2,927

11. GRANTS FOR STUDENT NEEDS

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the Board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. 72 percent of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2024	2023
Provincial Legislative Grants	82,069	78,099
Education Property Tax	14,180	13,731
Grants for Student Needs	96,249	91,830

12. EXPENSES BY OBJECT

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

	2024 Budget	2024 Actual	2023 Actual
Expenses:			
Salary and wages	63,804	75,608	63,005
Employee benefits	11,918	13,616	11,652
Staff development	625	733	726
Supplies and services	10,872	10,035	11,674
Interest charges on capital	576	568	624
Rental expenses	270	193	255
Fees and contract services	10,593	10,584	10,327
Other	2,492	1,488	2,012
Amortization and write downs and net loss on disposal - TCA and TCA ARO	8,839	9,887	8,702
	109,989	**122,712**	**108,977**

13. BOARD PERFORMS DUTIES OF A MUNICIPAL COUNCIL

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

Since January 1, 2009, the City of Thunder Bay collects the taxes in territory without municipal organization on behalf of the Board.

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

14. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value	
	Balance September 1, 2023	Additions and Transfers	Disposals	Balance August 31, 2024	Balance September 1, 2023	Amortization	Disposals, Write-offs, Adjustments	Balance August 31, 2024	Balance August 31, 2024	Balance August 31, 2023
Land	2,272	0	0	2,272	0	0	0	0	2,272	2,272
Land Improvements	7,849	122	0	7,971	4,172	514	0	4,686	3,285	3,677
Buildings	220,739	22,292	0	243,031	81,280	8,356	0	89,636	153,395	139,459
Furniture and Equipment	6,173	765	0	6,938	4,505	835	0	5,340	1,598	1,668
Vehicles	1,070	341	0	1,411	812	123	0	935	476	258
Leasehold improvements	588	4	0	592	410	59	0	469	123	178
Construction in Progress	227	49	0	276	0	0	0	0	276	227
Total	**238,918**	**23,573**	**0**	**262,491**	**91,179**	**9,887**	**0**	**101,066**	**161,425**	**147,739**

See Note 2 Change in Accounting Policy

a) Assets under construction

Assets under construction having a value of $276 (2023 - $227) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Write-down of Tangible Capital Assets

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

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

The Board has not identified properties that qualify as “assets permanently removed from service”.

15. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2024	2023
Surplus		
Operating accumulated surplus	17,500	16,912
Amounts internally designated for future use	18,605	19,728
School Generated Funds	1,044	1,050
Asset Retirement Obligations to be covered in the future	(2,388)	(2,291)
Other	2,111	2,099
Accumulated Surplus	**36,872**	**37,498**

16. TRUST FUNDS

Trust funds administered by the Board amounting to $315 (2023 - $310) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.

17. 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 $24,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2024 were $152 (2023 - $140).

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

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

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

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

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

18. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

a) The Board has a contractual obligation through the Northwestern Ontario Student Services Consortium for transportation services with various providers to July 31, 2028. The Consortium has elected to invoke the mutual agreement clause to extend the transportation contract to July 2029. The value of the contract and portion attributable to the Board fluctuates year to year based on ridership and the routes added or subtracted. For 2024 - 2025, the contracts are valued at $9,226 of which $6,825 is estimated to be attributed to the Board.

b) Various proceedings and claims have been filed against the Board. The Board reviews the validity of these claims and proceedings and management believes any settlement would be adequately covered by its insurance policies and would not have a material effect on the consolidated financial position or future consolidated results of operations of the Board. Accordingly, no provision has been made in these consolidated financial statements for any liability that may result. Any losses arising from these actions will be recorded in the year that the related litigation is settled.

c) At year end, the following contracts are in place:

Project	Contract Description	Estimated Cost	Percent Complete
Dryden High School	Client / Architect Agreement	80 + net HST	86%
Dryden High School	Building Entry	837 + net HST	88%
Ignace PS	Client / Architect Agreement	170 + net HST	63%
Keewatin PS	Client / Architect Agreement	974 + net HST	87%
Keewatin PS	Major Capital renovation	5,273 + net HST	70%
Lillian Berg PS	Childcare Renovation	2,139 + net HST	95%
Sioux Mountain PS	Site & Facility Upgrade	4,895 + net HST	73%
Sioux North High School	New construction	24,966 + net HST	96%
Sioux North High School	Correct Construction Deficiencies	2,351 + net HST	98%
System	Safeschools Upgrades	4,369 + net HST	98%

19. PARTNERSHIP IN NORTHWESTERN ONTARIO STUDENT SERVICES CONSORTIUM

Effective the first day of the 2010-11 school year, the Board entered into an agreement with Kenora Catholic District School Board and The Northwest Catholic District School Board and Conseil Scolaire de District Catholique des Aurores Boreales 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 Northwestern Ontario Student Services Consortium 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 the Northwestern Ontario Student Services Consortium. 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 73.80% (2023 – 73.36%).

The following provides condensed financial information.

	2024		2023	
	Total	**Board Portion**	Total	Board Portion
Financial Position:				
Financial Assets	158	102	215	139
Liabilities	158	102	215	139
Accumulated Surplus/(Deficit)	**0**	**0**	**0**	**0**
Operations:				
Revenues	8,560	6,318	8,521	6,251
Expenses	8,560	6,318	8,521	6,251
Annual Surplus/(Deficit)	**0**	**0**	**0**	**0**

20. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

On June 1, 2003, the Board received $9,353 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.

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

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the board's records. The in-kind revenue recorded for these transfers is $0 (2023 - $0) with expenses based on use of $0 (2023 - $0) for a net impact of $0.

22. 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, accounts receivable and other receivables, which are subject to credit risk. With the exception of cash, 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. The Board is exposed to credit risk arising from cash in bank accounts being held at one financial institution and deposits are only insured up to $100,000.

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 on its long-term debt, which is regularly monitored.

The Board's financial instruments consist of cash, accounts and other receivables, temporary borrowing, 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.

23. FUTURE ACCOUNTING STANDARDS 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.

The main changes are:

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

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202- Financial Statement Presentation:

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

The main changes are:

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

24. MONETARY REOLUTION TO BILL 124, THE PROTECTING A SUSTAINABLE PUBLIC SECTOR FOR FUTURE GENERATIONS ACT

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

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

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

The Crown 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 $8,578,219 in the 2023-24 fiscal year. The portion related to 2019-20 to 2022-23 is $6,825,903, with the remainder of $1,752,316 related to 2023-24.