

Consolidated Financial Statements of

**CATHOLIC DISTRICT
SCHOOL BOARD OF
EASTERN ONTARIO**

Year ended August 31, 2024

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

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MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

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

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

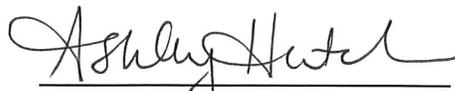
Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Audit Committee of the Board meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

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



Director of Education



Superintendent of Business & Treasurer

December 3, 2024



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Ottawa, ON K2P 2P8
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Catholic District School Board of Eastern Ontario

Opinion

We have audited the accompanying consolidated financial statements of the Catholic District School Board of Eastern Ontario, which comprise:

- the consolidated statement of financial position as at August 31, 2024
- the consolidated statements of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory information

(Hereinafter referred to as the “financial statements”)

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibility under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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Emphasis of Matter - Financial Reporting Framework

We draw attention to Note 1 in the consolidated financial statements, which describes the applicable financial reporting framework and the purpose of the financial statements.

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

Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



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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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity'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 the events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and extends to the right, ending under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

December 3, 2024

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Consolidated Statement of Financial Position

August 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash	\$ 16,350,264	\$ 10,291,663
Amounts receivable:		
Municipalities	2,261,878	1,974,305
Other	27,185,026	17,730,788
Approved capital funding - Government of Ontario (note 3)	35,198,372	40,247,747
Total financial assets	80,995,540	70,244,503
Liabilities:		
Accounts payable and accrued liabilities	24,619,526	10,292,152
Net long-term liabilities (note 4(a))	30,303,568	35,125,717
Deferred revenue (note 5)	10,962,458	11,928,556
Employee future benefits liability (note 6)	3,034,689	3,660,427
Asset retirement obligation (note 9)	2,829,280	2,879,692
Deferred capital contributions (note 7)	154,203,473	157,523,720
Total financial liabilities	225,952,994	221,410,264
Net debt	(144,957,454)	(151,165,761)
Non-financial assets:		
Prepaid expenses	6,107,504	5,589,746
Tangible capital assets (note 10)	158,961,308	162,351,891
Total non-financial assets	165,068,812	167,941,637
Commitments and contingent liabilities (note 14)		
Accumulated surplus	\$ 20,111,358	\$ 16,775,876

See accompanying notes to consolidated financial statements.

On behalf of the Board:


 _____ Chair of the Board


 _____ Director of Education

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Consolidated Statement of Operations and Accumulated Surplus

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

	2023-2024 Budget	2023-2024 Actual	2022-2023 Actual
Revenues:			
Government of Ontario grants:			
Grants for student needs	\$ 181,049,155	\$ 191,516,036	\$ 176,812,424
Provincial legislative grant	16,592,873	16,568,414	16,630,258
Other	2,730,893	20,576,920	4,498,989
Ontario Youth Apprenticeship Program	231,479	229,208	201,482
Amortization of deferred capital contributions (note 7)	12,306,022	12,260,209	11,237,320
Investment income	100,000	888,918	785,239
Other - school boards	—	—	12,000
Other fees and revenue	1,183,481	1,395,644	1,570,305
School generated funds (note 16)	2,171,370	4,799,356	4,061,779
Total revenue	216,365,273	248,234,705	215,809,796
Expenses (note 12):			
Instruction	155,421,671	171,782,978	153,220,357
Administration	5,020,841	5,719,210	5,714,531
Transportation	20,746,049	21,121,905	21,609,198
Pupil accommodation	31,806,936	31,199,597	30,339,534
Other	2,052,211	10,547,722	2,911,170
School generated funds (note 16)	1,616,695	4,527,811	3,791,312
Total expenses	216,664,403	244,899,223	217,586,102
Annual surplus (deficit)	(299,130)	3,335,482	(1,776,306)
Accumulated surplus, beginning of year	19,527,411	16,775,876	18,552,182
Accumulated surplus, end of year (note 15)	\$ 19,228,281	\$ 20,111,358	\$ 16,775,876

See accompanying notes to consolidated financial statements.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Consolidated Statement of Change in Net Debt

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

	2024	2023
Annual surplus (deficit)	\$ 3,335,482	\$ (1,776,306)
Tangible capital assets:		
Acquisition of tangible capital assets and addition of TCA-ARO	(8,939,963)	(10,848,903)
Amortization of tangible capital assets	12,330,546	11,323,044
	3,390,583	474,141
Prepaid expenses:		
Acquisition of supplies inventory	(118,142)	(186,557)
Acquisition of prepaid expenses	(5,874,446)	(5,276,264)
Consumption of supplies inventory	118,142	1,209,775
Use of prepaid expenses	5,356,688	4,954,207
	(517,758)	701,161
Decrease (increase) in net debt	6,208,307	(601,004)
Net debt, beginning of year	(151,165,761)	(150,564,757)
Net debt, end of year	\$ (144,957,454)	\$ (151,165,761)

See accompanying notes to consolidated financial statements.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Consolidated Statement of Cash Flows

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

	2024	2023
Operating transactions:		
Annual surplus (deficit)	\$ 3,335,482	\$ (1,776,306)
Items not involving cash:		
Amortization of tangible capital assets	12,262,329	11,261,921
Amortization of asset retirement obligation	68,217	61,123
Amortization of deferred capital contributions	(12,260,209)	(11,237,320)
Change in non-cash assets and liabilities:		
Decrease (increase) in amounts receivable - municipalities and other	(9,741,811)	1,562,616
Increase in prepaid expenses	(517,758)	(322,057)
Decrease in inventory of supplies	-	1,023,218
Increase (decrease) in accounts payable and accrued liabilities	14,327,374	(4,812,914)
Increase (decrease) in deferred revenue	(966,098)	712,179
Increase (decrease) in employee future benefits liability	(625,738)	62,575
Change in ARO asset	-	(202,492)
Change in asset retirement obligation liabilities	(50,412)	208,361
Cash provided by operating transactions	5,831,376	(3,459,096)
Capital transactions:		
Cash used to acquire tangible capital assets	(8,939,963)	(10,646,411)
Cash applied to capital transactions	(8,939,963)	(10,646,411)
Financing transactions:		
Decrease in temporary borrowing	-	(5,050,000)
Net debt principal repayments and sinking fund contributions (note 11)	(4,822,149)	(4,567,721)
Decrease in amounts receivable - approved capital funding	5,049,375	4,390,882
Additions to deferred capital contributions	8,939,962	10,646,411
Cash provided by financing transactions	9,167,188	5,419,572
Increase (decrease) in cash	6,058,601	(8,685,935)
Cash, beginning of year	10,291,663	18,977,598
Cash, end of year	\$ 16,350,264	\$ 10,291,663

See accompanying notes to consolidated financial statements.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements

Year ended August 31, 2024

1. Significant accounting policies:

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

(a) Basis of accounting:

These 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 and accumulated surplus over the periods during which the asset is used to provided service at the same rate that amortization is recognized in respect of the related asset. The regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than amortization, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions included 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, Government Transfers;
- 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, Restricted Assets and Revenues; and
- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510, Tax Revenue.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

As a result, revenue recognized in the statement of operations and accumulated surplus and certain related deferred revenues and deferred capital contributions would 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.

The consolidated financial statements include the following organizations:

- (i) Student Transportation of Eastern Ontario ("STEO"): STEO is accounted for using the proportionate consolidation method of accounting and reporting, whereby the Board's pro-rata share of each of the assets, liabilities, revenues and expenses is combined on a line-by-line basis in the financial statements. The Board is a member of STEO with the Upper Canada District School Board. STEO is a not-for-profit organization separately incorporated without share capital under the laws of Ontario. STEO's principal activity is to facilitate, organize and deliver safe, effective and efficient school transportation services to students in the eastern Ontario area on behalf of the member school boards.
- (ii) School generated funds: the assets, liabilities, revenues, expenses, and fund balances of various organizations that exist at the school level and which are deemed to be controlled by the Board, have been reflected in the consolidated financial statements.

Inter-departmental and inter-organizational transactions and balances are eliminated in these consolidated financial statements.

(c) Investment income:

Investment income is reported as revenue in the period earned.

Investment income earned on externally appropriated funds such as pupil accommodation, special education, energy efficient schools capital and proceeds of disposition, when required by the funding government or related Act, is added to the fund balance and forms part of the respective deferred revenue balances.

(d) Temporary investments:

Temporary investments consist of marketable securities which are liquid short-term investments with maturities of between three months and one year at the date of acquisition. Investments are recorded at cost which approximates market value.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

1. Significant accounting policies (continued):

(e) 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. The Board does not capitalize interest paid on debt used to finance the construction of tangible capital assets. When historical cost records were not available, other methods were used to estimate the cost and accumulated amortization.

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

Rate	Estimated Useful Lives
Land improvements with finite lives	15 years
Buildings	40 years
Portable structures	20 years
Other buildings	20 years
First-time equipping of schools	10 years
Furniture	10 years
Equipment	5 to 15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5 to 10 years

Assets under construction are not amortized until the asset is available for productive use.

Land permanently removed from service and held for resale is recorded at the lower of cost and net realizable value. 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. Cost includes amounts for improvements to prepare the land for sale or servicing. Other assets permanently removed from service cease to be amortized and the carrying value is written down to the residual 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.

(f) Deferred revenue:

The Board receives amounts pursuant to legislation, regulation or agreement that may only be used for certain programs or in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenses are incurred, or services performed.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

1. Significant accounting policies (continued):

(g) 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 the purchase or development of tangible capital assets are recorded as deferred capital contributions as described in note 1(h).

(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 of depreciable tangible capital assets received or receivable for use in providing services, are recorded as deferred capital contributions when the asset is acquired as required under Ontario Regulation 395/11 of the Financial Administration Act. Amounts are recognized into revenue at the same rate as the related tangible capital asset is amortized. The following items fall under this category:

- Government transfers received or receivable for capital purpose
- Other restricted contributions received or receivable for capital purpose
- 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, service awards, and worker's compensation. The Board accrues its obligation for these employee benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with principals and vice-principals associations, Employee Life and Health Trusts (ELHTs) were established between 2016 and 2018 for all employee groups. Additionally, retirees belonging to the Principal/Vice Principal and Non-union employee groups have transitioned to the ELHT in 2017-18. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. School boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN) and additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. After retirees transitioned, the Board continues to be responsible for its share of cost of benefits based on the cost sharing arrangement prior to the transition to the ELHT.

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

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

1. Significant accounting policies (continued):

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

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities are actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining services life of the employee group.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

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

- (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) Accumulated surplus - available for compliance, internally appropriated:

Certain amounts, as approved by the Board trustees, are set aside as internally appropriated funds for future operating and capital purposes. Transfers to and/or from internally appropriated funds are an adjustment to the respective fund when approved.

(k) 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.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

1. Significant accounting policies (continued):

(k) Budget figures (continued):

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

(l) Long-term debt:

Long-term debt is recorded net of related sinking fund asset balances.

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

(n) Use of estimates:

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

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

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

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.

- (a) 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.
- (b) 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.
- (c) 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.

There was no impact to the prior year and current year consolidated financial statements.

3. Accounts receivable - approved capital funding - Government of Ontario:

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

The Board has an account receivable from the Province of Ontario of \$35,198,372 (2023 - \$40,247,747) as at August 31, 2024 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 \$13,758,963 (2023 - \$14,602,986).

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

4. Long-term debt:

(a) Net long-term liabilities:

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

	2024	2023
Debentures	\$ 17,537,221	\$ 19,448,118
Loans	12,766,347	15,677,599
	\$ 30,303,568	\$ 35,125,717

The respective interest rates on the loan and debentures range from 3.5% to 7.2% and the respective maturity dates on the loans and debentures range from 2025 to 2038.

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

	Principal	Interest	Total
2024-2025	\$ 5,090,924	\$ 1,537,459	\$ 6,628,383
2025-2026	4,091,667	1,268,382	5,360,049
2026-2027	4,069,115	1,052,730	5,121,845
2027-2028	3,862,888	828,535	4,691,423
2028-2029	3,286,727	630,386	3,917,113
Thereafter	9,902,247	1,430,951	11,333,198
	\$ 30,303,568	\$ 6,748,443	\$ 37,052,011

(b) Temporary borrowing:

The Board has credit facilities available to a maximum of \$33,075,000 to address operating requirements and to bridge capital expenditures.

Interest on the operations facilities is charged at the bank's prime lending rate minus 0.7% or the banker's acceptance rate plus 0.2%. All loans are unsecured, due on demand.

As at August 31, 2024, the amount drawn on the credit facility was \$Nil (2023 - \$Nil).

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

5. Deferred revenue:

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

Deferred revenue is comprised of:

	2024	2023
By legislation, regulation or agreement:		
School Renewal	\$ 838,395	\$ 1,201,680
Specialized Equipment per Pupil Amount (SEA)	862,062	934,587
Targeted Student Supports	619,990	730,608
Indigenous Education	274,044	846,897
Proceeds on Disposition	841,623	841,623
Special Education	5,165,931	5,375,736
Experiential Learning	212,604	265,728
Special Education – ASSD Funding	161,109	87,389
Mental Health Workers	155,689	158,843
Student Mental Health	347,349	116,388
Priorities and Partnerships Fund (PPF)	34,748	–
	9,513,544	10,559,479
Amounts restricted by external funder	1,448,914	1,369,077
	\$ 10,962,458	\$ 11,928,556

(a) School Renewal:

The Province provides specific funding to address the costs of repairing and renovating schools.

(b) Specialized Equipment Per Pupil Amount (SEA):

Specific funding is provided by the Province to support computers, software, computer-related devices and required supporting furniture identified for use by students with special education needs as well as all training and technician costs for all SEA equipment.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

5. Deferred revenue (continued):

(c) Targeted Student Support:

Four components of the student achievement allocations in the Learning Opportunities Grant are enveloped as a group:

- (i) Literacy and Math Outside the School Day Allocation
- (ii) Student Success, Grade 7 to 12 Allocation
- (iii) Grade 7 & 8 Literacy and Numeracy and Student Success Teachers Allocation
- (iv) Tutoring Allocation

These allocation components are associated with improving student achievement. The enveloping applies to the sum of the four allocations, not to each allocation separately.

(d) Indigenous Education:

The province provides specific funding to be spent on expenses that support Indigenous education objectives.

(e) Proceeds on disposition:

The gains on disposition of deferred revenue are composed of gains generated from the sale of Board facilities. The Board intends to use this amount to fund future capital costs related to Board facilities.

(f) Special Education:

Specific funding is provided by the Province to support the incremental expenditures for special education.

(g) Experiential Learning:

Starting in 2020-21, three components in the Learning Opportunities Grant are enveloped as a group:

- (i) Specialist High Skills Major (SHSM) Allocation
- (ii) Outdoor Education Allocation
- (iii) Experiential Learning Allocation

These allocation components are associated with student experiential learning opportunities. The enveloping applies to the sum of the three allocations, not to each allocation separately.

(h) Special Education - ASSD Funding:

Starting in 2021-22, the funding for the ASSD program is enveloped through the GSN. This funding is provided to support additional targeted skills development opportunities, outside the instructional day to better equip students with ASD for classroom success.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

5. Deferred revenue (continued):

(i) Mental Health Workers Allocation:

Funding is provided for regulated mental health workers in secondary schools for specific roles.

(j) Student Mental Health Allocation:

Funding is provided for resources and staff to support students mental health.

(k) Priorities and Partnerships Fund (PPF):

Funding is provided by the Province for separate initiatives determined by the Government.

6. Retirement and other employee future benefits:

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

(a) Retirement benefits:

(i) Ontario Teacher's Pension Plan:

Teachers and related employee groups are eligible to be members of 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 \$2,866,859 (2023 - \$2,420,938) 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.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

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

(a) Retirement benefits (continued):

(iii) Retirement gratuity benefits:

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

In 2016, OECTA ratified agreements at the local and central level, which included a voluntary retirement gratuity early payout provision. The provision provided OECTA members the option of receiving discounted frozen retirement gratuity benefit payments by August 31, 2016. This provision was also made available to all non-unionized school board employees, including principals and vice-principals. All payments were accrued at August 31, 2016.

(b) Other employee future benefits:

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

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. Plan changes made in 2012 require the Board to provide a salary top-up to a maximum of 4½ years for employees receiving payments from the Workplace Safety and Insurance Board, where previously negotiated collective agreements included such provision.

(ii) Sick leave top-up benefits:

A maximum of 11 unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are \$115,583 (2023 - \$116,351).

The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as at August 31, 2024. This actuarial valuation is based on assumptions about future events.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

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

(b) Other employee future benefits (continued):

(iii) Long-term disability life insurance and health care benefits:

ELHTs were established for all employee groups. There are no employee groups remaining for which the Board is responsible for providing Health, dental and Life insurance benefits as at August 31, 2024, and as a result, the liability for this benefit has been eliminated.

(iv) Post-employment life insurance and health care benefits:

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the age of 65. The premiums are based on the Board's experience and retirees' premiums are subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013, employees retiring on or after this date, will no longer qualify for board subsidized premiums or contributions.

(c) Accrued benefit liability:

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

	2024	2023
Discount rate	3.8%	4.3%
Salary growth	0.00%	0.00%
Dental benefits escalation	5.0% for 2023/24 remaining at a flat rate each year	5.0% for 2022/23 remaining at a flat rate each year
Health benefits escalation	5.0% for 2023/24 remaining at a flat rate each year	5.0% for 2022/23 remaining at a flat rate each year

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

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

(c) Accrued benefit liability (continued):

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

	2024	2023
Accrued benefit liability, beginning of year	\$ 3,660,427	\$ 3,597,852
Expense recognized for the year:		
Current service cost	68,312	1,126,072
Amortization of actuarial gains and losses	(48,707)	(27,913)
Interest cost	137,252	112,584
	<u>3,817,284</u>	<u>4,808,595</u>
Benefits paid for the year	(782,595)	(1,148,168)
Accrued benefit liability, end of year	<u>\$ 3,034,689</u>	<u>\$ 3,660,427</u>

Accrued benefit obligation:

	2024	2023
Retirement gratuity	\$ 779,623	\$ 1,036,854
Sick leave top-up benefits	158,015	167,150
Post-employment benefits	49,485	90,566
WSIB	2,027,393	2,320,867
Accrued benefit obligation, end of year	<u>3,014,516</u>	<u>3,615,437</u>
Net unamortized actuarial gain	20,173	44,990
Accrued benefit liability, end of year	<u>\$ 3,034,689</u>	<u>\$ 3,660,427</u>

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

7. 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. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

	2024	2023
Opening balance, September 1	\$ 157,523,720	\$ 158,114,629
Additions to deferred capital contributions	8,939,962	10,646,411
Revenue/adjustments recognized in the period	(12,260,209)	(11,237,320)
Ending balance, August 31	\$ 154,203,473	\$ 157,523,720

8. In-kind transfers from the Ministry of Government and Consumer Services:

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 Government and Consumer Services (MGCS). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the board's records. The in-kind revenue recorded for these transfers is \$118,142 (2023 - \$1,209,774) with expenses based on use of \$118,142 (2023 - \$1,209,774) for a net impact of \$Nil (2023 - \$Nil). The Board has approved the transfer from an Internally Appropriated Accumulated Surplus in the amount of \$Nil (2023 - \$1,203,218) to offset inventory which has been reduced to \$Nil (2023 - \$Nil).

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

9. Asset retirement obligation liability:

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
Balance, beginning of year	\$ 2,879,692	\$ 2,671,331
Increase in liabilities reflecting change in the estimate	–	355,599
Liabilities settled during the year	(50,412)	(147,238)
Balance, end of year	\$ 2,829,280	\$ 2,879,692

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

10. Tangible capital assets:

Cost	Balance at August 31, 2023	Additions	Disposals, write-offs and adjustments	Balance at August 31, 2024
Land	\$ 3,845,837	\$ –	\$ –	\$ 3,845,837
Land improvements	5,286,801	727,222	–	6,014,023
Buildings	279,585,318	6,932,924	–	286,518,242
Construction-in-progress	126,186	118,998	–	245,184
Portable structures	8,673,853	207,175	–	8,881,028
Portable structures- in-progress	–	322,826	–	322,826
First-time equipping of schools	307,802	–	(113,609)	194,193
Furniture	290,172	39,393	(40,725)	288,840
Equipment	845,193	23,502	(21,753)	846,942
Computer hardware	3,885,012	529,857	–	4,414,869
Computer software	1,842	–	–	1,842
Vehicles	448,185	38,066	–	486,251
Total	\$ 303,296,201	\$ 8,939,963	\$ (176,087)	\$ 312,060,077

Accumulated amortization	Balance at August 31, 2023	Amortization	Disposals, write-offs and adjustments	Balance at August 31, 2024
Land	\$ –	\$ –	\$ –	\$ –
Land improvements	3,098,056	574,793	–	3,672,849
Buildings	130,006,284	9,725,861	–	139,732,145
Construction-in-progress	–	–	–	–
Portable structures	5,824,009	446,148	–	6,270,157
Portable structures- in-progress	–	–	–	–
First-time equipping of schools	272,541	25,100	(113,609)	184,032
Furniture	182,261	28,951	(40,725)	170,487
Equipment	298,708	129,584	(21,753)	406,539
Computer hardware	845,081	1,383,314	–	2,228,395
Computer software	1,657	–	–	1,657
Vehicles	415,713	16,795	–	432,508
Total	\$ 140,944,310	\$ 12,330,546	\$ (176,087)	\$ 153,098,769

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

10. Tangible capital assets (continued):

	Net book value August 31, 2024	Net book value August 31, 2023
Land	\$ 3,845,837	\$ 3,845,837
Land improvements	2,341,174	2,188,745
Buildings	146,786,097	149,579,034
Construction-in-progress	245,184	126,186
Portable structures	2,610,871	2,849,844
Portable structures-in-progress	322,826	–
First-time equipping of schools	10,161	35,261
Furniture	118,353	107,911
Equipment	440,403	546,485
Computer hardware	2,186,474	3,039,931
Computer software	185	185
Vehicles	53,743	32,472
Total	\$ 158,961,308	\$ 162,351,891

Included in the disposals, write-offs and adjustments column are adjustments of \$Nil (2023 - \$202,492) for the deemed disposal of assets and adjustment for change in estimate of the asset retirement obligation balance.

11. Debt charges and capital loans interest:

The payments made for debt charges and capital loans include principal and interest payments as follows:

	2024	2023
Debt principal repayments and sinking fund contributions	\$ 4,822,149	\$ 4,567,497
Interest payments on long-term liabilities	1,806,477	2,061,129
	\$ 6,628,626	\$ 6,628,626

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

12. Expenses by object:

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

	2023-2024 Budget	2023-2024 Actual	2022-2023 Actual
Expenses by object:			
Salary and wages	\$ 135,806,308	\$ 162,086,652	\$ 133,149,156
Employee benefits	24,113,772	25,085,499	23,923,944
Staff development	970,914	1,185,345	1,056,079
Supplies and services	14,574,734	16,231,810	17,702,789
Interest	1,729,267	1,809,304	2,251,093
Rental expenses	63,666	48,141	49,345
Fees and contract services	25,560,078	25,362,011	24,633,635
Other	1,757,819	759,915	3,508,334
Amortization of tangible capital assets	12,021,310	12,262,329	11,250,604
Amortization and net loss - ARO	66,535	68,217	61,123
	\$ 216,664,403	\$ 244,899,223	\$ 217,586,102

Included in the amortization of tangible capital assets is the write-down of capital assets.

13. Ontario School Board Insurance Exchange (OSBIE):

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks.

Liability insurance is available to a maximum of \$5,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2023 amounted to \$350,361 (2022 - \$267,371).

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.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

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

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.

14. Commitments and contingent liabilities:

(a) Litigation:

The Board is involved with pending litigation and claims which arose in the normal course of operations. In the opinion of the administration, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the Board. Any adjustments, arising from these matters, will be provided for in future years.

(b) Guarantees:

The Board has guaranteed work relating to their capital projects with the respective municipalities in the amount of \$Nil (2023 - \$Nil).

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

14. Commitments and contingent liabilities (continued):

(c) Contractual obligations:

The Board has a total of \$2,149,747 of contractual obligations at year end relating to the construction or renovation of buildings.

15. Accumulated surplus:

Accumulated surplus consists of the following:

	2024	2023
Available for compliance - unappropriated		
Total operating accumulated surplus	\$ 11,924,264	\$ 8,990,571
Available for compliance - internally appropriated		
ICT hardware	1,352,306	1,352,306
HR, Payroll, Finance Reporting Software	2,000,000	2,000,000
Workers' Safety Insurance Board (WSIB)	296,467	296,467
School budget carryover	321,973	321,973
Assistive technology	17,589	17,589
Assessment	7,853	7,853
Educational support professional development	36,501	36,501
Sinking Fund Interest – committed	40,508	43,040
Special Incidence Portion – Special Education	280,162	280,162
Religion Digital Resources	273,580	273,580
Student Support – P/VP	25,108	25,108
Total accumulated surplus available for compliance	4,652,047	4,654,579
Unavailable for compliance		
Interest to be accrued	(478,228)	(628,808)
School generated funds (note 16)	2,126,379	1,854,834
Asset retirement obligation	(1,958,941)	(1,941,137)
Revenue recognized for land	3,845,837	3,845,837
Total accumulated surplus unavailable for compliance	3,535,047	3,130,726
Total accumulated surplus	\$ 20,111,358	\$ 16,775,876

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

16. School generated funds:

	2023-2024 Budget	2023-2024 Actual	2022-2023 Actual
Revenues:			
School fundraising and other	\$ 2,171,370	\$ 4,799,356	\$ 4,061,779
Expenses:			
School funded activities	2,052,211	4,527,811	3,791,312
Annual surplus (deficit)	119,159	271,545	270,467
Opening accumulated surplus - school generated funds	1,854,834	1,854,834	1,584,367
Closing accumulated surplus - school generated funds	\$ 1,973,993	\$ 2,126,379	\$ 1,854,834

17. Transportation consortium:

The Board is a member of the Student Transportation of Eastern Ontario ("STEO") consortium with the Upper Canada District School Board, effective February 1, 2012. The consortium will provide joint governance and administration of student transportation services provided to students registered with the two member boards.

Related party transactions and balances with STEO include the following:

- (i) The Board paid STEO \$20,908,064 (2023 - \$23,370,657) for student transportation services in the year.
- (ii) The Board has a receivable from STEO of \$27,474 (2023 - payable of \$1,623,371) for student transportation services.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

17. Transportation consortium (continued):

STEO's assets, liabilities, revenue, expenses and surplus for the year ended August 31, 2024 are as follows:

	2024	2023
Financial assets	\$ 4,001,823	\$ 4,360,903
Financial liabilities	4,032,090	4,472,297
Net debt	(30,267)	(111,394)
Non-financial assets	(30,267)	111,394
Accumulated surplus	\$ –	\$ –

	2024	2023
Revenue	\$ 54,607,310	\$ 56,415,274
Expenses	54,607,310	56,415,274
Annual deficit	\$ –	\$ –

18. Repayment of "55 School Board Trust" funding:

On June 1, 2003, the Board received \$5,138,566 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.

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

19. Monetary resolution to Bill 124, the Protecting a Sustainable Public Sector for Future Generations Act:

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

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

Due to this resolution, there is an impact on Salary and wages and Employee benefits expenses of \$18,702,304 in the 2023-24 fiscal year. The portion related to 2019-20 to 2022-23 is \$14,108,648, with the remainder of \$4,593,656 related to 2023-24.

Subsequent to August 31, 2024, a monetary resolution to Bill 124 was reached between the Crown and Principals and Vice-Principals. 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 2020-22 collective agreements. Included in accrued liabilities is \$1,646,687 related to the resolution to Bill 124 between the Crown and Principals and Vice-Principals.

20. 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).

CATHOLIC DISTRICT SCHOOL BOARD OF EASTERN ONTARIO

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2024

20. Future accounting standards adoption (continued):

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