

Renfrew County Catholic District School Board

Consolidated Financial Statements

For the year ended 31 August 2024

MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements:

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

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

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 management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board of Trustees approval of the consolidated financial statements.

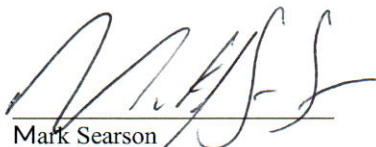
The consolidated financial statements have been audited by MacKillican and Associates, independent external auditors appointed by the Board of Trustees. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated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

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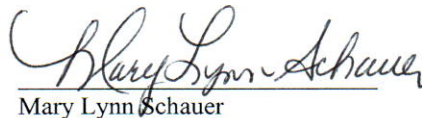
*We are an inclusive Catholic  
learning community called to  
love unconditionally and  
educate hearts and minds in  
the way of Christ.*

Director of Education

Associate Director of Business Affairs



Mark Searson



Mary Lynn Schauer

16 December 2024.

*Schools to believe in!*

Renfrew County Catholic District School Board  
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For the year ended 31 August 2024

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,  
Renfrew County Catholic District School Board.

### **Opinion**

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

- the consolidated statement of financial position as at 31 August 2024
- the consolidated statement 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, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Board as at 31 August 2024, and the results of its consolidated operations and its consolidated cash flows for the year then ended 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.

### **Basis for Opinion**

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

### **Emphasis of Matter**

We draw attention to Note 1 in the 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.

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

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

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

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

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*J.D. Healey, CPA, CA, LPA / R.K. Richards, CPA, CA, LPA / B.D. Thompson, CPA, CA, LPA / D.J. Thompson, CPA, CA, LPA*

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

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

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

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

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.

*MacKillicon & Associates*

RENFREW, Ontario.  
16 December 2024.

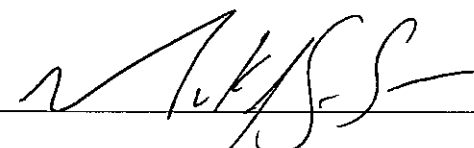
**Chartered Professional Accountants,**  
Licensed Public Accountants.


Renfrew County Catholic District School BoardConsolidated Statement of Financial Position

As at 31 August 2024  
(with 2023 figures for comparison)

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 3,480,035	\$ 5,417,556
Accounts receivable (Note 3)	12,671,335	5,462,963
Accounts receivable - Government of Ontario (Note 4)	36,747,546	27,437,670
Other	<u>9,793</u>	<u>9,793</u>
	<u>\$ 52,908,709</u>	<u>\$ 38,327,982</u>
Liabilities:		
Accounts payable and accrued liabilities	\$ 22,218,130	\$ 8,037,751
Net long term debt (Note 10)	9,437,655	10,217,393
Deferred revenue (Note 5)	7,302,998	6,761,415
Deferred capital contributions (Note 6)	69,302,413	54,412,282
Employee future benefits (Note 9)	2,365,479	2,205,893
Asset Retirement Obligations (Note 7)	<u>13,260,367</u>	<u>12,870,139</u>
	<u>\$ 123,887,042</u>	<u>\$ 94,504,873</u>
Net debt	<u>\$ (70,978,333)</u>	<u>\$ (56,176,891)</u>
Non-financial assets:		
Tangible capital assets - net (Notes 1 (k) and 16)	\$ 76,185,175	\$ 61,289,215
Prepaid expenses	<u>178,452</u>	<u>133,504</u>
	<u>\$ 76,363,627</u>	<u>\$ 61,422,719</u>
Accumulated surplus (Note 17)	<u>\$ 5,385,294</u>	<u>\$ 5,245,828</u>

Approved on behalf of the Board:

 Director of Education

 Chairperson of the Board

(See accompanying notes)

Renfrew County Catholic District School Board  
Consolidated Statement of Operations and Accumulated Surplus  
For the year ended 31 August 2024  
(with 2024 budget and 2023 actual figures for comparison)

	<u>2024</u> <u>Budget</u>	<u>2024</u> <u>Actual</u>	<u>2023</u> <u>Actual</u>
Revenue:			
Provincial grants - student needs	\$ 76,517,620	\$ 79,836,974	\$ 75,027,287
- other	2,048,759	9,400,555	1,301,470
Federal grants and fees	543,469	323,865	197,845
Other revenues - school boards	61,815	160,102	50,851
Other fees and revenues	667,275	1,066,208	1,208,321
Investment income	50,100	109,526	146,141
School fundraising	1,815,000	1,825,911	1,814,846
Recognition of deferred capital contributions	<u>6,451,032</u>	<u>6,576,413</u>	<u>5,499,102</u>
	<u>\$ 88,155,070</u>	<u>\$ 99,299,554</u>	<u>\$ 85,245,863</u>
Expenses:			
Instruction	\$ 58,957,232	\$ 64,249,836	\$ 58,290,375
Pupil accommodation	15,980,505	16,166,645	14,170,878
Transportation	6,336,033	6,473,396	6,334,201
Administration	3,802,979	3,808,778	3,814,721
Other operating expenses	1,928,391	6,712,091	1,305,872
School funded activities	<u>1,815,000</u>	<u>1,749,342</u>	<u>1,719,511</u>
	<u>\$ 88,820,140</u>	<u>\$ 99,160,088</u>	<u>\$ 85,635,558</u>
Surplus (deficit) for the year	\$ (665,070)	\$ 139,466	\$ (389,695)
Accumulated surplus, beginning of year	<u>5,245,828</u>	<u>5,245,828</u>	<u>5,635,523</u>
	<u>\$ 4,580,758</u>	<u>\$ 5,385,294</u>	<u>\$ 5,245,828</u>

(See accompanying notes)

Renfrew County Catholic District School Board

Consolidated Statement of Change in Net Debt

For the year ended 31 August 2024

(with 2023 figures for comparison)

	<u>2024</u>	<u>2023</u>
Surplus (deficit) for the year	\$ <u>139,466</u>	\$ <u>(389,695)</u>
Tangible capital assets:		
Acquisition of tangible capital assets	\$ (21,499,735)	\$ (8,666,997)
Amortization of tangible capital assets	7,071,969	5,984,297
Loss on disposal of tangible capital assets	-	(1,950)
Proceeds on disposal of tangible capital assets	-	1,950
Changes in estimate of TCA-ARO	<u>(468,194)</u>	<u>(1,585,492)</u>
	\$ <u>(14,895,960)</u>	\$ <u>(4,268,192)</u>
Other non-financial assets:		
Decrease (increase) in prepaid expenses	\$ <u>(44,948)</u>	\$ <u>98,218</u>
Decrease (increase) in net debt	\$ <u>(14,801,442)</u>	\$ <u>(4,559,669)</u>
Net debt, beginning of year	\$ <u>(56,176,891)</u>	\$ <u>(51,617,222)</u>
Net debt, end of year	\$ <u><u>(70,978,333)</u></u>	\$ <u><u>(56,176,891)</u></u>

(See accompanying notes)



Renfrew County Catholic District School Board

Consolidated Statement of Cash Flows

For the year ended 31 August 2024  
(with 2023 figures for comparison)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Surplus (deficit) for the year	\$ 139,466	\$ (389,695)
Add (deduct) items not involving cash:		
Amortization of tangible capital assets	6,738,511	5,660,593
Amortization on TCA-ARO	333,458	321,754
Increase (decrease) of ARO liabilities excluding settlements	468,194	1,585,492
Decrease (increase) of TCA-ARO asset excluding amortization on TCA-ARO	(468,194)	(1,585,492)
Deferred capital contributions revenue net of loss on disposal	(6,576,413)	(5,499,102)
Net change in non cash working capital balances related to operations:		
Decrease (increase) in accounts receivable	(7,208,372)	(1,774,038)
Decrease (increase) delayed grant payments	(719,765)	1,681,016
Increase (decrease) in accounts payable and accrued liabilities	14,180,379	2,740,208
Increase (decrease) in deferred revenue	161,653	64,161
Increase (decrease) in employee future benefits	159,586	(264,375)
Settlement of ARO Liability through abatement	(77,966)	-
Decrease (increase) in prepaid expenses	<u>(44,948)</u>	<u>98,218</u>
Cash flows from operating activities	\$ <u>7,085,589</u>	\$ <u>2,638,740</u>
Cash flows used for capital activities:		
Proceeds on disposal of tangible capital assets	\$ -	\$ 1,950
Cash used to acquire tangible capital assets	<u>(21,499,735)</u>	<u>(8,666,997)</u>
Cash flows used for capital activities	\$ <u>(21,499,735)</u>	\$ <u>(8,665,047)</u>
Cash flows from financing activities:		
Long term debt repayments	\$ (779,738)	\$ (745,009)
Increase in accounts receivable - Government of Ontario	(8,590,111)	(1,677,465)
Additions to deferred capital contributions	21,466,544	8,570,566
Increase (decrease) in deferred revenues - capital	<u>379,930</u>	<u>(1,269,614)</u>
Cash flows from financing activities	\$ <u>12,476,625</u>	\$ <u>4,878,478</u>
Net increase (decrease) in cash and cash equivalents during the year	\$ (1,937,521)	\$ (1,147,829)
Cash and cash equivalents at the beginning of the year	<u>5,417,556</u>	<u>6,565,385</u>
Cash and cash equivalents at the end of the year	\$ <u><u>3,480,035</u></u>	\$ <u><u>5,417,556</u></u>

(See accompanying notes)

Renfrew County Catholic District School Board  
Notes to the Consolidated Financial Statements  
For the year ended 31 August 2024

## 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Renfrew County Catholic District School Board (the Board) are prepared by management in accordance with the basis of accounting described below:

### a) Basis of Accounting:

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

The Financial Administration Act requires that the consolidated financial statements be prepared in accordance with the accounting principles determined by the relevant Ministry of the Province of Ontario. A directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Canadian Public Sector Accounting Standards commencing with their year ended 31 August 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 would be recorded differently under Canadian Public Sector Accounting Standards.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Renfrew County Catholic District School Board (the Board) and which are controlled by the Board.

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

Consolidated entities:

- School Generated Funds

Proportionately consolidated entities:

- Renfrew County Joint Transportation Consortium

Interdepartmental and interorganizational 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 these funds 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.

<u>Financial Instruments</u>	<u>Measurement Method</u>
Derivatives	Fair value
Portfolio instruments in equity	Fair value
Bonds	Amortized cost
Treasury bills	Amortized cost
Guaranteed investment certificates	Amortized cost
Term deposits	Cost

- Amortized cost category: Amounts are measured using the effective interest rate method. The effective interest method is a method calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.
- Cost category: Amounts are measured at cost less any amount of valuation allowance. Valuation allowances are made when collection is in doubt.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Fair value category: The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. The Board does not have any investments at Fair Value.

Establishing Fair Value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counter parties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair Value Hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

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

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

e) Cash and Cash Equivalents:

Cash and cash equivalents are comprised of cash on hand, cash in bank 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.

Renfrew County Catholic District School BoardNotes to the Consolidated Financial StatementsFor the year ended 31 August 2024

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

## f) Investments:

Portfolio investments are investments in organizations that do not form part of the government reporting entity. These are normally in equity instruments or debt instruments issued by the investee. Portfolio investments in equity instruments that are quoted in an active market must be recorded at fair value. Unrealized gains or losses are recorded in the Statement of Remeasurement Gains and Losses.

Since school boards are generally not allowed to hold stocks, mutual funds or other equity instruments per Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters, the Board does not have equity instruments that are quoted in an active market that must be recorded at fair value.

## g) Derivatives:

Derivatives are securities with a price that is dependent upon or derived from one or more underlying assets. The derivative itself is a contract between two or more parties based upon the asset or assets. The contract is settled at a future date, requires no initial net investment and the value of the contract changes over the life of the contract based on a term in the contract.

## h) 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.

## i) Deferred Capital Contributions:

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

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

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Retirement and Other Employee Future Benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include life insurance, retirement gratuity, workers' safety and insurance benefits, long term disability benefits and sick leave benefits.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified centrally and ratified central discussions with the principals and vice-principals associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: OECTA. The following ELHTs were established in 2017-18: CUPE, OCEW and ONE-T for non-unionized employees including principals, and vice-principals. The ELHTs provide health, life insurance and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual staff) and other school board staff (excluding casual and temporary staff). ONE-T ELHT also provides benefits to individuals who retired prior to the school board's participation dated in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. 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.

The Board continues to provide health, dental and life insurance benefits for certain OECTA retired individuals. The Board has no liability for these plans.

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

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

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

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation, 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;

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Capitalization threshold are as follows:

Land	\$	All
Land improvements		10,000
Buildings, portable structures and other buildings		10,000
Construction projects in progress		10,000
First-time equipping		All
Furniture and equipment		5,000
Computer hardware and software (including certain software licences)		5,000
Vehicles		All
Leasehold improvements - land		All
Leasehold improvements - buildings		10,000
Leasehold improvements - other		5,000

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

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

Buildings and building improvements	40 years
Portable structures	20 years
Land improvements with finite lives	15 years
Furniture	10 years
Equipment	5-15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5 years

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.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, recorded as deferred capital contributions (DCC) and recognized as revenue in the Consolidated Statement of Operations and Accumulated Surplus at the same rate and over the same periods as the asset is amortized.

m) 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.

n) 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.

o) Long Term Debt:

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

p) 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.



Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Use of Estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1 (a) requires management to make estimates and assumptions that affect the reported 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. Actual results could differ from these current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in net expenditures in the periods in which they become known. Significant estimates include assumptions used in estimating the collectability of accounts receivable to determine the allowance for doubtful accounts, in estimating provisions for accrued liabilities, in performing actuarial valuations of employee future benefits liabilities and the estimated useful lives of tangible capital assets.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$ 13,260,367. 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.

r) Education Property Tax Revenue:

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

2. CHANGE IN ACCOUNTING POLICY - ADOPTION OF NEW ACCOUNTING STANDARDS

The Board adopted the following standards concurrently beginning 1 September 2023 retroactively with restatement: PS 3400 *Revenue*.

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (ie. 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.

For 2022 - 2023, the year of transition, no adjustments to the opening balances were required.

Renfrew County Catholic District School Board  
Notes to the Consolidated Financial Statements  
For the year ended 31 August 2024

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	<u>2024</u>	<u>2023</u>
Government of Canada	\$ 2,551,416	\$ 1,450,589
Government of Ontario	8,970,584	2,868,356
Local municipalities	623,615	817,087
Other	<u>525,720</u>	<u>326,931</u>
	<u>\$ 12,671,335</u>	<u>\$ 5,462,963</u>

4. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

	<u>2024</u>	<u>2023</u>
School Condition Improvement	\$ 8,009,130	\$ 436,076
Permanently Financed Debt	9,437,654	10,217,393
Capital Priorities	2,680,243	3,741,351
Child Care Capital	2,487,061	-
EarlyON Child & Family Centre Capital	409,964	-
COVID-19 Resilience Infrastructure Stream	177,139	216,260
Delayed Grant Payment	<u>13,546,355</u>	<u>12,826,590</u>
	<u>\$ 36,747,546</u>	<u>\$ 27,437,670</u>

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009 - 2010. The Board received a one-time grant that recognizes capital debt as of 31 August 2010 that is supported by the existing capital programs. The Board will receive 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 long term receivable.

Delayed Grant Payments:

The Ministry of Education introduced a cash management strategy effective 1 September 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.

Renfrew County Catholic District School BoardNotes to the Consolidated Financial StatementsFor the year ended 31 August 2024

## 5. 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 31 August 2024 is comprised of:

	Balance as at 31 August <u>2023</u>	Externally Restricted Revenue and Investment <u>Income</u>	Revenue Recognized <u>in the Period</u>	Transfer to Deferred Capital <u>Contributions</u>	Balance as at 31 August <u>2024</u>
Legislative grants:					
Special Education/SEA formula based funding/ABA	\$ 767,960	\$ 11,305,180	\$ 11,322,291		\$ 750,849
Library Staff		94,038	94,038		
Targeted Student Support Envelope		266,964	266,964		
Indigenous Education	150,126	584,231	400,511		333,846
Student Mental Health		607,507	607,507		
FSL Areas of Intervention Component		87,261	87,261		
School renewal	4,616,465	1,200,331		\$ 820,806	4,995,990
Minor tangible capital assets		1,993,565	1,572,030	421,535	
Rural and Northern Education Fund		284,044	284,044		
Interest on capital		565,084	515,797	49,287	
Temporary accommodation	375,532	19,119	17,541		377,110
Experiential Learning Envelope	<u>61,758</u>	<u>345,881</u>	<u>347,054</u>	<u>          </u>	<u>60,585</u>
	<u>\$ 5,971,841</u>	<u>\$ 17,353,205</u>	<u>\$ 15,515,038</u>	<u>\$ 1,291,628</u>	<u>\$ 6,518,380</u>
Other Ministry of Education grants:					
Misc. EPO	<u>\$ 674,782</u>	<u>\$ 2,542,497</u>	<u>\$ 2,517,640</u>	<u>\$ -</u>	<u>\$ 699,639</u>
Third Party grants:					
Operating - Miscellaneous	\$ 100,758	\$ 4,000	\$ 33,813	\$ -	\$ 70,945
Capital - Proceeds of Disposition	<u>14,034</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>14,034</u>
	<u>\$ 114,792</u>	<u>\$ 4,000</u>	<u>\$ 33,813</u>	<u>\$ -</u>	<u>\$ 84,979</u>
	<u>\$ 6,761,415</u>	<u>\$ 19,899,702</u>	<u>\$ 18,066,491</u>	<u>\$ 1,291,628</u>	<u>\$ 7,302,998</u>

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

## 6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with Ontario 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 Consolidated Statement of Operations and Accumulated Surplus 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).

	<u>2024</u>	<u>2023</u>
Balance at the beginning of the year	\$ 54,412,282	\$ 51,340,818
Additions to deferred capital contributions	21,466,544	8,570,565
Revenue recognized in the year	<u>(6,576,413)</u>	<u>(5,499,101)</u>
Balance at the end of the year	\$ <u>69,302,413</u>	\$ <u>54,412,282</u>

## 7. 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 31 August 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:

	<u>2024</u>	<u>2023</u>
Liabilities for asset retirement obligations at beginning of year	\$ 12,870,139	\$ 11,284,646
Increase in liabilities reflecting changes in the estimate of liabilities <sup>1</sup>	468,194	1,585,493
Increase in liabilities due to accretions <sup>2</sup>	-	-
Liabilities settled during the year	<u>(77,966)</u>	<u>-</u>
Liabilities for asset retirement obligations at end of year	\$ <u>13,260,367</u>	\$ <u>12,870,139</u>

<sup>1</sup> Reflecting changes in the estimated cash flows and the discount rate

<sup>2</sup> Increase in the carrying amount of a liability due to the passage of time

The Board made an inflation adjustment increase in estimates of 3.66% at 31 August 2024, to reflect costs as at that date based on updated Building Construction Price Indexes (BCPI) information.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

## 8. FINANCIAL INSTRUMENTS

As the valuation of all financial instruments held by the Board at fair value are derived from quoted prices in active markets, all would be in Level 1 of the fair value hierarchy.

### **Risks arising from financial instruments and risk management**

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

#### **Credit Risk:**

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

#### **Liquidity Risk:**

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

#### **Market Risk:**

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

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

## 9. 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, workers' compensation and long term disability benefits.

### **(a) Retirement Benefits:**

#### **(i) Ontario Teachers' Pension Plan:**

Teachers and related employee groups are eligible to be members of Ontario Teachers' Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are the 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 qualifying non-teaching and support staff 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 31 August 2024, the Board contributed \$ 1,218,681 (2023 - \$ 1,052,703) 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.

**MACKILLICAN & ASSOCIATES**

CHARTERED PROFESSIONAL ACCOUNTANTS

Renfrew County Catholic District School BoardNotes to the Consolidated Financial StatementsFor the year ended 31 August 2024

## 9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (Continued)

## (iii) Retirement Gratuities:

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 now based on their salary, accumulated sick days and years of service at 31 August 2012. The liability as at 31 August 2024 is \$ 1,536,463 (2023 - \$ 1,741,875) and total payments for the year were \$ 107,077 (2023 - \$ 114,909).

## (b) Other Employee Future Benefits:

## (i) Workplace Safety and Insurance Board Obligations:

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4 1/2 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

The liability as at 31 August 2024 and total workplace and safety payments during the year are as follows:

	<u>2024</u>	<u>2023</u>
Liability	\$ 784,499	\$ 413,083
Payments (recovery)	582,328	(17,602)

## (ii) Sick Leave Top Up Benefits:

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illness paid through the short-term leave and disability plan in that year. The liability as of 31 August 2024 is \$ 44,517 (2023 - \$ 50,935). The benefit costs expensed in the consolidated financial statements are \$ 30,094 (2023 - \$ 29,748).

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 31 August 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 31 August 2024.

## (iii) Long Term Disability Benefits:

The Board provides long term disability benefits during the period an eligible employee is unable to work or until their normal retirement date. 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.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (Continued)

- (c) The accrued benefit obligations for employee future benefit plans as at 31 August 2024 are based on the most recent actuarial valuations completed for accounting purposes as at 31 August 2024 (date actuarial probabilities were determined) and based on updated average daily salary and banked sick days as at 31 August 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:

	<u>2024</u>	<u>2023</u>
	<u>%</u>	<u>%</u>
Inflation	2.0	2.0
Wages and salary escalation	-	-
Discount on accrued benefit obligations	3.80	4.40

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

Retirement and other  
employee future  
benefit liabilities:

	<u>2024</u>			<u>2023</u>	
	<u>Sick leave</u>	<u>Retirement Gratuity</u>	<u>WSIB</u>	<u>Total employee future benefits</u>	<u>Total employee future benefits</u>
Accrued employee future benefit obligations	\$ 44,517	\$ 1,613,780	\$ 784,499	\$ 2,442,796	\$ 2,262,956
Unamortized actuarial gains (losses)		(77,317)		(77,317)	(57,063)
Employee future benefit liabilities	<u>\$ 44,517</u>	<u>\$ 1,536,463</u>	<u>\$ 784,499</u>	<u>\$ 2,365,479</u>	<u>\$ 2,205,893</u>

Retirement and other  
employee future benefit  
expenses:

	<u>2024</u>			<u>2023</u>	
	<u>Sick leave</u>	<u>Retirement Gratuity</u>	<u>WSIB</u>	<u>Total employee future benefits</u>	<u>Total employee future benefits</u>
Current year benefit cost	\$ 44,517	\$ 72,279	\$ 568,792	\$ 685,588	\$ 85,443
Interest on accrued benefit			13,536	13,536	20,281
Amortization of interest on accrued actuarial gain (loss)	(14,423)	34,798		20,375	21,331
Employee future benefit expenses	<u>\$ 30,094</u>	<u>\$ 107,077</u>	<u>\$ 582,328</u>	<u>\$ 719,499</u>	<u>\$ 127,055</u>

## Renfrew County Catholic District School Board

## Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

## 9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (Continued)

	<u>2024</u>				<u>2023</u>
	<u>Sick leave</u>	<u>Retirement Gratuity</u>	<u>WSIB</u>	<u>Total employee future benefits</u>	<u>Total Employee future benefits</u>
Continuity of liabilities:					
Balance, beginning of year	\$ 50,935	\$ 1,741,875	\$ 413,083	\$ 2,205,893	\$ 2,470,268
Expenses for the year	30,094	107,077	582,328	719,499	127,055
Benefits paid	<u>(36,512)</u>	<u>(312,489)</u>	<u>(210,912)</u>	<u>(559,913)</u>	<u>(391,430)</u>
Balance, end of year	<u>\$ 44,517</u>	<u>\$ 1,536,463</u>	<u>\$ 784,499</u>	<u>\$ 2,365,479</u>	<u>\$ 2,205,893</u>
Continuity of obligations:					
Balance, beginning of year	\$ 50,935	\$ 1,798,938	\$ 413,083	\$ 2,262,956	\$ 2,612,457
Actuarial (losses) gains	(14,423)	55,052		40,629	(63,795)
Current period benefit cost	44,517		568,792	613,309	13,052
Interest on accrued benefits		72,279	13,536	85,815	92,672
Benefits paid	<u>(36,512)</u>	<u>(312,489)</u>	<u>(210,912)</u>	<u>(559,913)</u>	<u>(391,430)</u>
Balance, end of year	<u>\$ 44,517</u>	<u>\$ 1,613,780</u>	<u>\$ 784,499</u>	<u>\$ 2,442,796</u>	<u>\$ 2,262,956</u>
Continuity of unamortized actuarial losses:					
Balance, beginning of year	\$ -	\$ (57,063)	\$ -	\$ (57,063)	\$ (142,189)
Current year (loss) gain	14,423	(55,052)		(40,629)	63,795
Amortization actuarial losses (gains)	<u>(14,423)</u>	<u>34,798</u>		<u>20,375</u>	<u>21,331</u>
Balance, end of year	<u>\$ -</u>	<u>\$ (77,317)</u>	<u>\$ -</u>	<u>\$ (77,317)</u>	<u>\$ (57,063)</u>

## 10. NET LONG TERM DEBT

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

	<u>2024</u>	<u>2023</u>
Debenture #1 - 5.118%, matures on 6 April 2028	\$ 1,110,087	\$ 1,354,281
Debenture #2 - 4.560%, matures on 15 November 2031	708,469	786,095
Debenture #3 - 4.950%, matures on 3 March 2033	367,203	399,893
Debenture #4 - 5.112%, matures on 13 March 2034	531,903	572,808
Debenture #5 - 5.232%, matures on 13 April 2035	1,440,720	1,536,570
Debenture #6 - 4.833%, matures on 11 March 2036	426,655	452,884
Debenture #7 - 3.799%, matures on 19 March 2038	<u>4,852,618</u>	<u>5,114,862</u>
	<u>\$ 9,437,655</u>	<u>\$ 10,217,393</u>



Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

10. NET LONG TERM DEBT (Continued)

Principal and interest payments relating to net debenture debt of \$ 9,437,655 outstanding as at 31 August 2024 are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024 - 2025	\$ 816,116	\$ 405,083	\$ 1,221,199
2025 - 2026	853,862	367,338	1,221,200
2026 - 2027	893,731	327,468	1,221,199
2027 - 2028	935,495	285,703	1,221,198
2028 - 2029	665,352	245,424	910,776
Thereafter	<u>5,273,099</u>	<u>913,216</u>	<u>6,186,315</u>
	<u>\$ 9,437,655</u>	<u>\$ 2,544,232</u>	<u>\$ 11,981,887</u>

11. TEMPORARY BORROWING

The Board has a \$ 10,000,000 unsecured operating line of credit and a \$ 9,000,000 unsecured capital line of credit, both available bearing interest at the prime rate minus 0.5%, of which \$ Nil (2023 - \$ Nil) was drawn at year end.

12. DEBT CHARGES AND CAPITAL LOANS INTEREST

	<u>2024</u>	<u>2023</u>
Principal payments on long term debt	\$ 779,738	\$ 745,009
Interest payments on long term debt	<u>441,459</u>	<u>476,189</u>
	<u>\$ 1,221,197</u>	<u>\$ 1,221,198</u>

13. 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 taxes. 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. 81% 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:

	<u>2024</u>	<u>2023</u>
Provincial Legislative Grants	\$ 74,037,350	\$ 68,858,849
Education Property Taxes	<u>5,799,624</u>	<u>6,168,438</u>
Grants for Student Needs	<u>\$ 79,836,974</u>	<u>\$ 75,027,287</u>

14. REVENUE

Adoption of PS 3400 as resulted in changes in the timing of revenue recognition for certain revenue streams. Going forward, the Board will recognize revenues from these exchange transactions when it satisfies its performance obligations, rather than deferring the revenues over the term of the arrangements.

## Renfrew County Catholic District School Board

## Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

## 15. 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 <u>Budget</u> (unaudited)	2023 - 2024 <u>Actual</u>	2022 - 2023 <u>Actual</u>
Expenses by object:			
Salary and wages	\$ 49,923,784	\$ 60,086,550	\$ 49,720,915
Employee benefits	9,635,943	11,209,090	8,941,619
Staff development	907,980	768,736	675,188
Supplies and services	8,767,580	8,470,433	8,511,515
Interest	441,458	441,459	476,188
Rental expenses	43,385	69,900	78,375
Fees and contract services	8,307,783	8,386,287	8,112,903
Other	2,042,341	906,323	1,415,048
School funded activities	1,815,000	1,749,342	1,719,511
Amortization and write downs and net loss of disposal - TCA and TCA - ARO	6,613,132	6,738,510	5,662,542
Accretion and other expenses on ARO	<u>321,754</u>	<u>333,458</u>	<u>321,754</u>
	<u>\$ 88,820,140</u>	<u>\$ 99,160,088</u>	<u>\$ 85,635,558</u>

## 16. TANGIBLE CAPITAL ASSETS

<u>Cost</u>	<u>Balance at</u> <u>31 August 2023</u>	<u>Additions</u>	<u>Disposals,</u> <u>write-offs,</u> <u>(transfers) and</u> <u>adjustments</u>	<u>Balance at</u> <u>31 August 2024</u>
Land	\$ 1,568,408	\$ 33,187		\$ 1,601,595
Land improvements	5,349,236	20,692		5,369,928
Buildings	105,225,254		\$ 1,121,412	106,346,666
Construction in progress	5,848,083	20,389,223	(653,218)	25,584,088
Portable structures	1,636,604	635,098		2,271,702
Furniture	249,221			249,221
First time equipping	170,398			170,398
Equipment	278,835			278,835
Computer hardware	979,781	404,094		1,383,875
Computer software	108,383			108,383
Vehicles	<u>266,207</u>	<u>17,441</u>		<u>283,648</u>
Total	<u>\$ 121,680,410</u>	<u>\$ 21,499,735</u>	<u>\$ 468,194</u>	<u>\$ 143,648,339</u>

## Renfrew County Catholic District School Board

## Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

## 16. TANGIBLE CAPITAL ASSETS (Continued)

<u>Accumulated amortization</u>	<u>Balance at 31 August 2023</u>	<u>Amortization</u>	<u>Disposals, write-offs and adjustments</u>	<u>Balance at 31 August 2024</u>
Land improvements	\$ 2,439,538	\$ 374,551	\$ -	\$ 2,814,089
Buildings	55,159,573	6,437,359		61,596,932
Portable structures	1,004,315	64,649		1,068,964
Furniture	237,071	8,100		245,171
First time equipping	170,398			170,398
Equipment	257,507	11,627		269,134
Computer hardware	887,897	159,234		1,047,131
Computer software	108,383			108,383
Vehicles	126,513	16,449		142,962
Total	<u>\$ 60,391,195</u>	<u>\$ 7,071,969</u>	<u>\$ -</u>	<u>\$ 67,463,164</u>

<u>Net book value</u>	<u>Balance at 31 August 2023</u>	<u>Balance at 31 August 2024</u>
Land	\$ 1,568,408	\$ 1,601,595
Land improvements	2,909,698	2,555,839
Buildings	50,065,681	44,749,734
Construction in progress	5,848,083	25,584,088
Portable structures	632,289	1,202,738
Furniture	12,150	4,050
Equipment	21,328	9,701
Computer hardware	91,884	336,744
Vehicles	139,694	140,686
Total	<u>\$ 61,289,215</u>	<u>\$ 76,185,175</u>

## Assets under construction:

Assets under construction having a value of \$ 25,584,088 (2023 - \$ 5,848,082) have not been amortized.

Amortization of these assets will commence when the asset is put into service.

## 17. ACCUMULATED SURPLUS

In accordance with the Education Act of Ontario, Section 231(1), effective 1 September 2010, there is restriction on the use of the School Board's accumulated surplus equal to the lesser of the available balance of the accumulated surplus from the preceding year and 1% of a School Board's operating revenue. Operating revenue is defined as operating allocations from the School Board's Grants for Student Needs from the Ministry of Education of Ontario less any strike savings. Any use beyond 1% will require approval by the Ministry.

The portion of the School Board's accumulated surplus which is available to be used for compliance with this legislative requirement has also been defined by the Ministry. Therefore, the School Board's accumulated surplus presented herein has been segregated between available for compliance and unavailable for compliance.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

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17. ACCUMULATED SURPLUS (Continued)

Accumulated surplus consists of the following:	<u>2024</u>	<u>2023</u>
Available for compliance - unappropriated:		
Total operating accumulated surplus	\$ 135,970	\$ 135,970
Available for compliance - internally appropriated:		
Retirement Gratuities	428,642	428,642
Vacation Pay/Transportation/Information Technology	2,595,535	2,183,064
Maintenance, Buildings and grounds	3,721,622	3,657,658
Health and Safety/Miscellaneous	335,703	331,652
Committed capital projects:		
St. Francis of Assisi	846,770	876,481
Bishop Smith Catholic High School	365,974	422,277
St. John XXIII	46,645	77,739
St. Michael's	51,226	85,378
Our Lady of Sorrows	211,367	222,206
Future capital projects	<u>3,881,322</u>	<u>3,914,509</u>
Total accumulated surplus available for compliance	\$ <u>12,620,776</u>	\$ <u>12,335,576</u>
Unavailable for compliance - externally appropriated:		
School generated funds	\$ 664,103	\$ 587,534
Asset retirement obligation	(9,501,180)	(9,245,690)
Revenues recognized for land	<u>1,601,595</u>	<u>1,568,408</u>
Total externally appropriated	\$ <u>(7,235,482)</u>	\$ <u>(7,089,748)</u>
Total accumulated surplus	\$ <u><u>5,385,294</u></u>	\$ <u><u>5,245,828</u></u>

18. TRUST FUNDS

Trust funds administered by the Board amounting to \$ 853,974 (2023 - \$ 799,774) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

19. 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 \$ 27,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending 31 December 2024 were \$ 107,520 (2023 - \$ 106,811).

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 31 December 2026.

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Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

19. 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.

20. CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

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

The Board has commitments with respect to capital projects of \$ 10,946,598 (2023 - \$ 18,665,303). As of 31 August 2024, expenses of \$ 20,274,850 (2023 - \$ 4,005,321) have been incurred.

21. PARTNERSHIP IN RENFREW COUNTY JOINT TRANSPORTATION CONSORTIUM

On 23 November 2010, the Renfrew County Joint Transportation Consortium (RCJTC) was incorporated under the Corporations Act of Ontario. On 30 September 2010, the Board entered into an agreement with the Renfrew County District School Board in order to provide common administration of student transportation in the Region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of the Renfrew County Joint Transportation Consortium are shared. No partner is in a position to exercise unilateral control.

Renfrew County Catholic District School BoardNotes to the Consolidated Financial StatementsFor the year ended 31 August 2024

## 21. PARTNERSHIP IN RENFREW COUNTY JOINT TRANSPORTATION CONSORTIUM (Continued)

Each Board participates in the shared costs associated with this service for the transportation of their respective students through the RCJTC. 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 assets/liabilities is 36.4799% (2023 - 35.9179%). Interorganizational transactions and balances have been eliminated.

The following provides condensed financial information:

	<u>2024</u>		<u>2023</u>	
	<u>Total</u>	<u>Board Portion</u>	<u>Total</u>	<u>Board Portion</u>
Financial position:				
Financial assets	\$ 623,956	\$ 227,619	\$ 304,767	\$ 109,466
Liabilities	(654,423)	(238,733)	(333,738)	(119,872)
Non-financial assets	<u>30,467</u>	<u>11,114</u>	<u>28,971</u>	<u>10,406</u>
Accumulated surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Operations:				
Revenues	\$ 15,810,332	\$ 5,915,753	\$ 15,481,977	\$ 5,748,690
Expenses	<u>(15,810,332)</u>	<u>(5,915,753)</u>	<u>(15,481,977)</u>	<u>(5,748,690)</u>
Annual surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## 22. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

On 1 June 2003, the Board received \$ 8,891,329 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.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

23. RELATED PARTY TRANSACTIONS - ONTARIO FINANCING AUTHORITY

The Board has an existing agreement with the Ontario Financing Authority, a corporation established under the Capital Investment Plan Act, 1993, to provide financing for long term debt. The first loan agreement came into effect on 15 November 2006. All loans are repayable by semi-annual installments of combined (blended) principal and interest, with the last loan coming due by 19 March 2038. The specific loans pertaining to the agreement outlined in Note 10 Net Long Term Debt, are as follows:

	<u>Principal</u>	<u>Interest (%)</u>	<u>Annual Payment</u>	<u>Current Balance</u>
Debenture #2	\$ 1,669,353	4.560%	\$ 112,597	\$ 708,469
Debenture #3	740,125	4.950%	51,889	367,203
Debenture #4	974,468	5.112%	69,389	531,903
Debenture #5	2,420,881	5.232%	175,006	1,440,720
Debenture #6	686,788	4.833%	47,804	426,655
Debenture #7	7,259,466	3.799%	454,090	4,852,618

24. 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 transactions is \$ 33,890 (2023 - \$ 81,482) with expenses based on use of \$ 33,890 (2023 - \$ 81,482) for a net impact of \$ Nil.

25. FUTURE ACCOUNTING STANDARD ADOPTION

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

Applicable for fiscal years beginning on or after 1 April 2024 (in effect for the Board for as of 1 September 2024 for the year ending 31 August 2025). 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.

Renfrew County Catholic District School Board

Notes to the Consolidated Financial Statements

For the year ended 31 August 2024

25. FUTURE ACCOUNTING STANDARD ADOPTION (Continued)

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 PS1201 - Financial Statement Presentation.

The model is expected to be implemented retroactively 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
- Net Statement of Changes in Net Assets Liabilities
- Isolated financing transaction in the Cash Flow Statement

26. 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 Enseignants et Enseignants Franco - Ontariens (AEFO)*, *Canadian Union of Public Employees (CUPE)*, *Elementary Teacher's 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 1 September 2019, a 0.75% increase for salaries and wages on 1 September 2020, and a 2.75% increase in salaries and wages on 1 September 2021, in addition to the original 1% increase applied on 1 September in each year during 2019 - 2022 collective agreements. The same increases also apply to non-unionized employee groups, excluding Principals, 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).



Renfrew County Catholic District School BoardNotes to the Consolidated Financial StatementsFor the year ended 31 August 2024**26. MONETARY RESOLUTION TO BILL 124, THE PROTECTING A SUSTAINABLE PUBLIC SECTOR FOR FUTURE GENERATIONS ACT (Continued)**

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 adjointes des écoles franco-ontariennes). This agreement provides a 0.75% increase for salaries and wages on 1 September 2020, a 2.75% increase for salaries and wages on 1 September 2021, and a 2.00% increase in salaries and wages on 1 September 2022, in addition to the original 1% increase applied on 1 September in each year during the 2020 - 2023 collective agreements. The memorandum of settlement was reached on 10 August 2024 and was ratified on 30 September 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 \$ 11,088,194 in the 2023 - 2024 fiscal year. The portion related to 2019 - 2020 to 2022 - 2023 is \$ 6,471,506, with the remainder of \$ 4,616,688 related to 2023 - 2024.