

Committee Meeting Agenda

Audit Committee

Public Session

November 12, 2024

J.W. Singleton Education Centre, 2050 Guelph Line, Burlington, ON

Large Boardroom

2:00 p.m.

1. Routine Matters

- 1.1. Call to Order
- 1.2. Acknowledgement of Traditional Lands
- 1.3. Approval of the Agenda
- 1.4. Declarations of Possible Conflict of Interest

2. Private Session

- 2.1. Private Session (2:05 pm - 2:45 pm)
- 2.2. Approval of Business Transacted in Audit Committee Private Session

3. Presentations

4. Ratification/Action

- 4.1. Minutes of the Audit Committee Meetings
 - 4.1.1. Audit Committee Meeting, September 24, 2024 Page 3-6
- 4.2. Recommendation to Board - 2023/2024 Financial Statements
 - 2023/2024 Financial Statements and Accumulated Surplus Balances (R. Negoï) Page 7-49
 - Report to the Audit Committee on the 2023/2024 Audit (Deloitte) Page 50-69

5. Communication to the Audit Committee

- 5.1. For Information
 - 5.1.1. Supplemental Reporting
 - Annual Statement of Education Development Charges (EDC) Report (R. Negoï) Page 70-74
 - Summary of Trustee Expenses Report as of 2023/2024 (R. Negoï) Page 75-79
 - Summary of School Generated Funds 2023/2024 (R. Negoï) Page 80-87

Committee Meeting Agenda

Audit Committee

Public Session

November 12, 2024

J.W. Singleton Education Centre, 2050 Guelph Line, Burlington, ON

Large Boardroom

2:00 p.m.

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|--------|--|--------------|
| 5.1.2. | Halton Student Transportation Services 2023/2024 Financial Statements (R. Negoï) | Page 88-101 |
| 5.1.3. | Indirect Tax Audit (R. Negoï) | Page 102-109 |
| 5.1.4. | Regional Internal Audit Status Report (A. Eltherington) | Page 110 |
| 5.1.5. | Timelines for Financial Reporting Presentation to Board (R. Negoï) | Page 111-113 |

6. Adjournment

Date of Next Meeting - TBD



Audit Committee Meeting Minutes

Public Session

September 24, 2024, 2:00 p.m.

J.W. Singleton Education Centre, 2050 Guelph Line, Burlington, ON

Large Boardroom

1. Routine Matters

1.1. Welcome and Call to Order

The Audit Committee Chair called the meeting to order at 2:04 p.m.

1.2. Acknowledgement of Traditional Lands

On behalf of the Board, acknowledgement and thanks was given to the Mississaugas of the Credit First Nation for sharing their traditional territory with us.

1.3. Approval of the Agenda

Motion: R. Brydon & S. Malik

Be it resolved that the Agenda for the Public session of the Audit Committee Meeting for September 24, 2024 be approved as distributed. **Carried Unanimously.**

1.4. Declarations of Possible Conflict of Interest/Annual Conflict of Interest Declaration Form

- No conflicts of interest were declared
- Declaration forms are distributed and to be signed by members of the Audit Committee at the first meeting of the year

2. Presentations

There were no presentations made to the Audit Committee.

3. Ratification/Action

3.1. Minutes of the Audit Committee Meetings

3.1.1. Audit Committee Meeting, May 2, 2024



Audit Committee Meeting Minutes

Public Session

September 24, 2024, 2:00 p.m.

J.W. Singleton Education Centre, 2050 Guelph Line, Burlington, ON

Large Boardroom

Motion: S. Malik & P. Gonsalves

Be it resolved that the Minutes from the Public session Audit Committee Meeting held on May 2, 2024 be approved as amended. **Carried Unanimously.**

3.2. Elections of Audit Committee Chair and Vice-Chair

3.2.1. Election of the Audit Committee Chair for 2024/2025 Per Regulation 361/10 Section 6(1)

Motion: S. Malik & R. Brydon

Be it resolved that Donna Danielli be appointed as Chair of the Audit Committee for the 2024-2025 fiscal year. **Carried Unanimously.**

3.2.2. Election of the Audit Committee Vice-Chair for 2024/2025

Motion: D. Danielli & P. Gonsalves

Be it resolved that Sana Malik be appointed as Vice-Chair of the Audit Committee for the 2024/2025 fiscal year. **Carried Unanimously.**

3.3. Action Items

3.3.1. Audit Annual Report to the Board and Ministry

Motion: R. Brydon & T. Rocha

Be it resolved that the Audit Committee approve the 2023/2024 Annual Report to the Board of Trustees and the 2023/2024 Annual Report to the Ministry and forward the reports to the Board of Trustees for acceptance. **Carried Unanimously.**

4. **Communication to the Audit Committee**

4.1. Information Items

4.1.1. Agreed-upon Procedures Report – 7 Month Report

- The Superintendent of Business Services presented the report
- No major findings or discrepancies identified as it is in accordance with the policies and procedures from the Ministry of Education with the exception of three new PSAS

Audit Committee Meeting Minutes

Public Session

September 24, 2024, 2:00 p.m.

J.W. Singleton Education Centre, 2050 Guelph Line, Burlington, ON

Large Boardroom

accounting standards that came into effect for fiscal years beginning on or after April 1, 2023. Out of three new standards, only Public Private Partnerships will have an impact on the school board at this time and the results are reflected in the seven-month report

4.1.2. Regional Internal Auditor Status Report

- The Regional Internal Auditor Manager presented the report
- For information, the Regional Internal Auditor Manager confirms Regional Internal Audit Team Training has been completed as it is required to maintain their professional designation

4.1.3. Student Achievement Post-Pandemic Terms of Reference

- The Regional Internal Auditor Manager presented the report
- The Student Achievement Post-Pandemic audit was part of the 2023/24 audit plan and is in final review
- This audit was selected based on the corporate risk profile of HDSB which is aligned to the strategic priorities of the Board, and as agreed to in the Internal Audit Plan approved in May

4.1.4. Indirect Tax Audit – Verbal Update

- The Superintendent of Business Services provided a verbal update
- An indirect tax audit is performed every four years to ensure to capture all tax credits and recoveries where possible
- The audit is complete. There is one more item that requires additional fieldwork, which has resulted in a delay to providing the report
- An overall total of \$1500 was recovered which results in taking advantage of maximizing all our tax rebates
- Further looking into working with the schools to see where additional recoveries can be provided. This includes considering commercial use space within a school, for the purposes of determining whether an election under Section 211 of the Excise Tax Act (the “211 Election”) is beneficial to HDSB. Results will be brought back to Audit Committee with the final report



Audit Committee Meeting Minutes

Public Session

September 24, 2024, 2:00 p.m.

J.W. Singleton Education Centre, 2050 Guelph Line, Burlington, ON

Large Boardroom

4.1.5. Timelines for Financial Reporting Presentation to Board

- The Superintendent of Business Services presented the timelines for financial reporting presentation to Board for information.
- Financial Statements will be brought to the Audit Committee on November 12 and will be presented to the Board for approval at the December 3 Board Meeting
- Under the 2024/25 Fiscal Year, the Budget Development Report will provide the budget for the current year and interim report will be added and updated as it becomes available

5. Private Session

5.1. Motion to rise to Private Session

Motion: R. Brydon & P. Gonsalves

Be it resolved that the Audit Committee rise from Public Session to Private Session.

5.2. Approval of Business Transacted in Private Session

Motion: R. Brydon & T. Rocha

Be it resolved that the Audit Committee approve the Business Transacted in Private Session in regards to the approval of the Audit Committee and will report to the Board

6. Adjournment

Next scheduled meeting date – Tuesday, November 12, 2024



Halton District School Board

Date: November 12, 2024
FOR ACTION

TO: The Chair and Members of the Audit Committee
Halton District School Board

FROM: Roxana Negoï, Superintendent of Business Services & Treasurer

RE: **2023/2024 Financial Statements**

Warrant

This report recommends approval of the 2023/2024 Financial Statements.

Recommendation

Be it resolved that the Audit Committee recommends the audited financial statements of the Halton District School Board for the fiscal year ended August 31, 2024 be approved by the Board of Trustees.

Background

Each year, the treasurer of every board is required (subsection 252(1) of the Education Act) to prepare the financial statements for the school board and, on receiving the auditor's report on the financial statements, promptly submit them to the Ministry of Education.

Financial statements must be prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of The Chartered Professional Accountants, Canada. A summary of the significant accounting policies that form the basis of accounting in financial statements is provided in Note 1 to the financial statements.

Audit

The financial statements have been audited by Deloitte LLP, Chartered Accountants; independent external auditors appointed by the Board. In accordance with subsection 253(5) of the Education Act, the auditors have received full access to all books, records, documents of the Board, as well as any other information that in the auditor's opinion was necessary to enable them to carry out their duties. The audit was conducted in accordance with Canadian generally accepted auditing standards as outlined in the Auditors' Report. Based on their audit opinion, the auditors agree that the consolidated financial statements of Halton District School Board as at and for the year ended August 31, 2024 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements. In addition, the Halton District School Board was in compliance with all Ministry funding regulations.

Respectfully Submitted,

Roxana Negoï
Superintendent of Business Services and Treasurer

Board Report Number: TBD

For Action

Report Title: 2023-2024 Financial Statements and Accumulated Surplus
Submitted by: Roxana Negoii, Superintendent of Business Services and Treasurer
Curtis Ennis, Director of Education
Meeting Date: December 3, 2024

Recommendation

Be it resolved that the Board of Trustees authorize the 2023/2024 Year-end Deficit of \$1,047,839 to be drawn from the Accumulated Surplus category for Non-Designated Surplus.

Be it resolved that the Board of Trustees authorize the draw-down of \$1,524,793 from various categories of Accumulated Surplus Internally Restricted for Future Use, as outlined in Appendix A.

And

Be it resolved that the Board of Trustees approve the audited financial statements for the fiscal year ended August 31, 2024, as appended to this report.

1. Analysis

2023/2024 Financial Year

The Halton District School Board continues to be financially responsible with a clear focus on providing the system with the resources and supports necessary to create learning conditions that elevate student achievement, champion supportive and inclusive practices within safe and caring environments and provide opportunities to take action for a sustainable world.

The 2023/2024 Financial Statements reflect the financial results of the Board's operating and capital activity for the year. The Accumulated Surplus, as detailed in the Financial Statements, represents the net financial resources of the Board.

The Board experienced an operating deficit available for compliance of \$2.6 million (detailed in Appendix A), compared to the \$7.2 million deficit estimated in the approved Budget. This means the year end is in a more favorable financial position by \$4.6 million when compared to budget. The audited Consolidated Financial Statements are provided in Appendix B.

Board Report Number: TBD

For Action

Accumulated Surplus/Deferred Revenues

Under PSAB, traditional descriptions of Reserves and Reserve Funds have been changed to fall into two categories:

- (i) Accumulated Surplus – Boards have the authority to set aside funds for a restricted purpose and make local expenditure decisions.
- (ii) Deferred Revenues – Externally Restricted which are those amounts received subject to external restrictions arising from legislation or regulations.

Appendix A summarizes the changes to Accumulated Surplus from 2022/2023 to 2023/2024.

Approximately \$1.0 million is recommended to be drawn from the Non-Designated surplus to fund the Board's operating deficit. Furthermore, \$1.6 million was drawn from various internally appropriated surplus funds to support Multi Year Plan initiatives approved in the Budget Estimates and school level resources. The combined closing balances of the Board's Non-Designated and Student Achievement surplus funds amount to approximately 3.6% of the Board's annual provincial funding allocation, which is considered a healthy reserve to address any potential budget pressures.

1.1. Governance Alignment

Each year, the treasurer of the board is required (under subsection 252(1) of the Education Act) to prepare the financial statements for the school board and, on receiving the auditor's report on the financial statements, promptly submit them to the Ministry of Education.

Financial statements must be prepared in compliance with legislation outlined under the Financial Administration Act, and in accordance with public sector accounting standards established by the Public Sector Accounting Board (PSAB) of The Chartered Professional Accountants, Canada. A summary of the significant accounting policies that form the basis of accounting in financial statements is provided in Note 1 to the financial statements.

1.2. Alternatives

This report aligns with the compliance requirements under the Education Act, Financial Administration Act and the Public Sector Accounting Board (PSAB) of The Chartered Professional Accountants, Canada. Should the audited financial statements not be approved and submitted to the Ministry of Education by December 4, 2024, the Ministry may implement cash flow withholding of 50% until the submission is received.

2. Background

Audit

The financial statements have been audited by Deloitte LLP, Chartered Accountants; independent external auditors appointed by the Board. In accordance with subsection 253(5) of the Education Act, the auditors have received full access to all books, records, documents of the Board, as well as any other information that in the auditor's opinion was necessary to enable them to carry out their duties. The audit was conducted in accordance with Canadian generally accepted auditing standards as outlined in the Auditors' Report. Based on their audit opinion, the auditors agree that the consolidated financial statements of Halton District School Board as at and for the year ended August 31, 2024 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements. In addition, the Halton District School Board was in compliance with all Ministry funding regulations.

Audit Committee

Per Ontario Regulation 361/10: Audit Committees, Section 9(4), the duties of the Audit Committee is "to recommend, if the audit committee considers it appropriate to do so, that the board approve the annual audited financial statements". *The Board's Audit Committee met on November 12, 2024 and recommended that the audited financial statements of the Halton District School Board for the fiscal year ended August 31, 2024 be approved by the Board of Trustees.*

3. Financial Impact

The Board of Trustees are required to approve the audited financial statements and the use of Surplus funds. While there is no direct financial impact associated with this decision, the financial statements summarize the assets, liabilities, surplus, revenues and expenses of the Halton District School Board, and are compared to the prior year financial statements and the current year budget.

4. Multi-Year Strategic Plan Alignment

Priority Alignment: Environmental and Global Citizenship ▾ ;
Human Rights, Equity and Inclusion ▾ ; Indigenous Rights and Education ▾ ;
Kindness, Connection and Community ▾ ; Learning, Engagement and Achievement ▾ ;
Mental Health and Well-Being ▾

Board Report Number: TBD**For Action**

The Board of Trustees have governance over the financial resources allocated to the Halton District School Board, and the strategic allocation to support the Multi-Year Plan in a manner that is fiscally responsible and compliant with appropriate statutes and regulations. The audited financial statements are the culmination of the use of resources to meet all areas of the strategic plan.

5. Attachment(s):

- 5.1. Appendix A - Summary of Accumulated Surplus
- 5.2. Appendix B - Consolidated financial statements of Halton District School Board

Respectfully submitted,

Roxana Negoï

Superintendent of Business Services

Curtis Ennis

Director of Education

Halton District School Board
Summary of Accumulated Surplus
(Per Note 15 to the Consolidated Financial Statements)
Year Ended August 31, 2024

	2023/2024	Increase	Decrease	Transfers	2022/2023 (restated)
Non-designated Surplus	12,058,610	-	(1,047,839)	-	13,106,449
Amounts Internally Restricted For Future Use By The Board					
Operating:					
Decentralized School Budgets	263,419		(273,247)	-	536,666
Student Achievement	16,641,666	-	(898,266)	-	17,539,932
Technology	471,148	-	(28,852)	-	500,000
	17,376,233	-	(1,200,365)	-	18,576,598
Accommodation:					
Administrative Facility	32,234,613	-	(427,300)	-	32,661,913
	32,234,613	-	(427,300)	-	32,661,913
Committed Capital Projects and Sinking Fund Interest	7,336,989	102,872	(577,996)	-	7,812,113
Committed Capital Projects and Sinking Fund Interest Adjustment	-	577,996	-	-	-
Total Internally Restricted For Future Use By The Board	56,947,835	680,868	(2,205,661)	-	59,050,624
Unavailable for Compliance					
Interest to be Accrued	(2,336,175)	201,742	-	-	(2,537,917)
Committed Capital Projects and Sinking Fund Interest Adjustment	-	-	(577,996)	-	-
	(2,336,175)	201,742	(577,996)	-	(2,537,917)
Revenues Recognized for Land					
Land & Pre-Acquisition Land Costs	314,108,245	2,436,488	-	-	311,671,757
Educational Development Charges Outstanding	-	5,719,218	(2,422,492)	-	(3,296,726)
	314,108,245	8,155,706	(2,422,492)	-	308,375,031
School Generated Funds	5,698,106	484,625	-	-	5,213,481
Asset Retirement Obligation	(40,804,633)	-	(1,500,458)	-	(39,304,175)
Total Accumulated Surplus Balance, end of year	345,671,988	9,522,941	(7,754,446)	-	343,903,493

Consolidated financial statements of Halton District School Board

August 31, 2024

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Management Report

Management's responsibility for the consolidated financial statements

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

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

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

The 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 Deloitte LLP, 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.

Director of Education

Superintendent of Business Services
And Treasurer

December 3, 2024

Independent Auditor's Report

To the Trustees of the
Halton District School Board

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 of the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and the Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of the consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 GAAS, 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.
- 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.

Chartered Professional Accountants
Licensed Public Accountants
[DATE]

Halton District School Board
Consolidated statement of financial position
As at August 31, 2024

	Notes	2024 \$	2023 \$
			(Restated see Note 2)
Financial assets			
Cash		111,734,449	68,745,387
Other deposits		—	10,688,801
Other investments	3	—	18,750,000
Accounts receivable		60,984,710	63,136,564
Accounts receivable – Government of Ontario	4	251,773,037	248,500,950
		424,492,196	409,821,702
Liabilities			
Accounts payable and accrued liabilities		90,196,285	94,532,658
Net long-term debt	6	181,169,155	196,499,039
Deferred revenue	8	71,610,625	41,404,257
Employee benefits payable	13	24,391,394	21,312,688
Deferred capital contributions	9	716,828,315	696,820,941
Asset retirement obligations	11	70,805,164	69,159,145
		1,155,000,938	1,119,728,728
Net debt		(730,508,742)	(709,907,026)
Non-financial assets			
Prepaid expenses		4,580,991	4,139,685
Tangible capital assets	14	1,071,599,739	1,049,670,834
		1,076,180,730	1,053,810,519
Contractual obligations and contingent liabilities	21		
Accumulated surplus	15	345,671,988	343,903,493

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Board

_____, Chair of the Board

_____, Director of Education

Halton District School Board
Consolidated statement of operations
Year ended August 31, 2024

	Notes	2024 Budget \$	2024 Actual \$	2023 Actual \$
		(see Note 22)		(Restated see Note 2)
Revenue				
Grants for Student Needs				
Provincial legislative grants	16	514,104,449	549,454,844	508,086,836
Education property tax	16	274,236,351	281,973,354	271,357,627
Provincial grants – other	17	8,512,516	89,701,164	16,080,462
School generated funds		20,000,000	20,351,701	17,423,028
Federal grants and fees		3,094,848	3,228,457	3,256,212
Investment income		1,370,000	4,621,576	3,577,352
Fees and revenues from other sources		31,219,193	18,989,347	66,405,326
Amortization of deferred capital contributions				
Provincial legislative grants	9 and 16	37,722,732	39,234,325	38,263,393
Third parties	9	1,731,490	1,921,317	1,683,001
		891,991,579	1,009,476,085	926,133,237
Expenses				
Instruction		660,437,814	790,077,421	658,283,916
Administration		18,350,729	21,030,561	18,919,957
Transportation		22,167,495	21,799,278	21,404,455
Pupil accommodation		127,761,430	130,624,599	125,837,993
School generated funds		20,000,000	19,867,076	16,441,108
Other		32,821,146	24,308,655	31,705,014
	19	881,538,614	1,007,707,590	872,592,443
Annual surplus		10,452,965	1,768,495	53,540,794
Accumulated surplus at beginning of year		329,228,762	343,903,493	290,362,699
Accumulated surplus at end of year	15	339,681,727	345,671,988	343,903,493

The accompanying notes are an integral part of the consolidated financial statements.

Halton District School Board
Consolidated statement of cash flows
Year ended August 31, 2024

	Notes	2024 \$	2023 \$
			(Restated see Note 2)
Operating transactions			
Annual surplus		1,768,495	53,540,794
Non-cash items including			
Amortization and write-downs of tangible capital assets	14	42,211,248	40,868,575
Amortization on tangible capital assets – asset retirement obligation	14	2,385,662	1,834,910
Net asset retirement obligation liability extinguished	11	—	(2,507,149)
Deferred capital contributions revenue	9	(41,155,642)	(39,946,394)
Deferred gain on sale of restricted assets		—	(179,651)
Other deposits		10,688,801	(10,688,801)
Other investments	3	18,750,000	6,250,000
Net change in non-cash working capital balances			
Accounts receivable – other		2,151,854	(5,237,260)
Assets held for sale	5	—	3,725,793
Accounts receivable – delayed grant payment	4	(15,823,027)	12,601,586
Accounts payable and accrued liabilities		(4,336,373)	8,213,214
Deferred revenues – operating	8	(269,019)	(230,414)
Employee benefits payable		3,078,706	(1,010,014)
Prepaid expenses		(441,306)	36,312
Settlement of asset retirement liability through abatement	11	(885,204)	(931,723)
		18,124,195	66,339,778
Capital transaction			
Proceeds on sale of tangible capital assets		—	180,104
Cash used to acquire tangible capital assets	14	(63,994,592)	(117,020,695)
		(63,994,592)	(116,840,591)
Financing transactions			
Debt repaid		(15,329,884)	(14,633,650)
Decrease in accounts receivable – Government of Ontario – Approved capital	4	12,550,940	23,131,402
Net additions to deferred capital contributions	10	61,163,016	56,333,580
Net increase (decrease) to deferred revenue – capital	8	30,475,387	(8,012,227)
		88,859,459	56,819,105
Change in cash		42,989,062	6,318,292
Cash, beginning of year		68,745,387	62,427,095
Cash, end of year		111,734,449	68,745,387

The accompanying notes are an integral part of the consolidated financial statements.

Halton District School Board
Consolidated statement of change in net debt
Year ended August 31, 2024

	Notes	2024 \$	2023 \$
			(Restated see Note 2)
Annual surplus		1,768,495	53,540,794
Tangible capital asset activities			
Acquisition of tangible capital assets and addition of TCA-ARO	14	(63,994,592)	(120,624,844)
capital asset disposals			
Amortization of tangible capital assets	14	44,596,910	42,703,485
Net book value of tangible capital asset disposals		—	453
Revaluation of TCA-ARO due to inflation	11	(2,531,223)	(8,619,585)
		(21,928,905)	(86,540,491)
Other non-financial asset activities			
Acquisition of prepaid expenses		(4,816,822)	(4,424,429)
Use of prepaid expenses		4,375,516	4,460,741
		(441,306)	36,312
Change in net debt		(20,601,716)	(32,963,385)
Net debt at beginning of year		(709,907,026)	(676,943,641)
Net debt at end of year		(730,508,742)	(709,907,026)

The accompanying notes are an integral part of the consolidated financial statements.

Halton District School Board
Notes to the consolidated financial statements
 August 31, 2024

1. Significant accounting policies

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

Basis of accounting

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

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

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

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

- government transfers, including amounts previously recognized as tax revenue, 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 consolidated statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

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 Halton District School Board ("the Board") and which are controlled by the Board.

- Halton Student Transportation Services ("HSTS"); and
- 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.

Halton District School Board
Notes to the consolidated financial statements
 August 31, 2024

1. Significant accounting policies (continued)

Reporting entity (continued)

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

Trust funds

Trust funds and their related operations administered by the Board are not included in the consolidated financial statements as they are not controlled by the Board.

Financial instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Cash	Amortized cost
Other deposits	Amortized cost
Guaranteed Investment Certificates	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Accrued vacation pay	Amortized cost
Net long-term debt	Amortized cost

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

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

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 Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. The Board does not have any financial instruments in the fair value category.

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 counterparties 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.

Halton District School Board
Notes to the consolidated financial statements
 August 31, 2024

1. Significant accounting policies (continued)

Financial instruments (continued)

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.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and demand deposits.

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 and losses are recorded in the Statement of Remeasurement Gains and Losses, if any.

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.

The Board previously held Other Investments in guaranteed investment certificates.

Deferred revenue

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

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, is recognized as deferred capital contribution as defined in Ontario Regulation 395/11 of the *Financial Administration Act*.

Halton District School Board
Notes to the consolidated financial statements
 August 31, 2024

1. Significant accounting policies (continued)

Deferred capital contributions (continued)

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; and
- Property taxation revenues which were historically used to fund capital assets

Asset Retirement Obligations

Asset retirement obligations (ARO's) are provisions for legal obligations for the retirement of the Board's tangible capital assets that are either in productive use or no longer in productive use.

An ARO liability is recognized when, as at the financial reporting date:

- (a) there is a statutory, contractual, or legal obligation to incur retirement costs in relation to a tangible capital asset;
- (b) the past transaction or event giving rise to the liability has occurred;
- (c) it is expected that future economic benefits will be given up; and
- (d) a reasonable estimate of the amount can be made.

Liabilities are recognized by the Board in the period in which an obligation arises for statutory, contractual, or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development, or normal operation of the tangible capital assets. The obligations are measured initially at management's best estimate of the present value of the estimated future cash flows required to settle the retirement obligation. For tangible capital assets that are still in productive use, there is a corresponding increase to the carrying value of the related tangible capital asset. For assets that are not recorded or are no longer in productive use, the liability is expensed in the period. The capitalized asset retirement costs are amortized on the same basis as the related asset and is included in the Statement of Operations.

Public private partnerships

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

Halton District School Board
Notes to the consolidated financial statements
 August 31, 2024

1. Significant accounting policies (continued)

Retirement and other future benefits

The Board provides defined retirement, post retirement and workers' safety insurance benefits to specified employee groups. These benefits include pension, retirement gratuity, health and dental, workers' safety insurance benefits, carry-over sick leave and long-term disability benefits.

(a) Employee Life and Health Trusts

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, a number of Employee Life and Health Trusts (ELHTs) were established. The ELHTs provide health, life and dental benefits to teachers, education workers and other school board staff and retired individuals starting with a school board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario.

The Board's employees belong to the following ELHTs: Elementary Teachers' Federation of Ontario (ETFO), Elementary Teachers' Federation of Ontario Education Workers (ETFO-EW), Ontario Secondary School Teachers' Federation (OSSTF), Ontario Secondary School Teachers' Federation Education Workers (OSSTF-EW), Education Workers' Alliance of Ontario (EWAO), Canadian Union of Public Employees (CUPE), Education Council of Associations for Benefits (ECAB), and ONE-T for non-unionized employees including Principals and Vice-Principals.

The Board is no longer responsible to provide these benefits to ETFO, OSSTF, OCTU (under OSSTF-EW), PSSP (under OSSTF-EW), DECE (under ETFO-EW), CUPE, HDEAA (under EWAO), Principals and Vice-Principals and non-unionized employees.

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. School boards are required to remit the negotiated amount per full-time equivalency (FTE) on a monthly basis.

The Board continues to provide health and dental benefits for retired individuals in certain employee groups and continues to have a liability for payment of benefits for individuals who are retired under these plans.

(b) Retirement gratuity plan, sick leave plan, and post-retirement health and dental plan

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 benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates.

Halton District School Board
Notes to the consolidated financial statements
 August 31, 2024

1. Significant accounting policies (continued)

Retirement and other future benefits (continued)

(b) Retirement gratuity plan, sick leave plan, and post-retirement health and dental plan (continued)

- (ii) In prior years, the cost of retirement gratuities that vested or accumulated over the periods of service provided by the employee were actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement and discount rates. As a result of the plan change, the cost of retirement gratuities were 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. The changes resulted in a plan curtailment and any unamortized actuarial gains and losses were recognized as at August 31, 2012. 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 post-retirement health and dental benefits, the cost is actuarially determined using the projected benefit method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. The changes to the post-retirement health and dental plan resulted in a plan curtailment and any unamortized actuarial gains and losses associated with the employees impacted by the change were recognized as at August 31, 2012.

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

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

Tangible capital assets

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

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

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

1. Significant accounting policies (continued)

Tangible capital assets (continued)

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

Asset	Estimated useful life in years
Land improvements with finite lives	15
Buildings	40
Other buildings	20
Portable structures	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer software	5
Leasehold improvements – buildings	5
Computer hardware	3

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

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

Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the consolidated statement of financial position.

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

Purchased intangibles

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

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

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

Halton District School Board
Notes to the consolidated financial statements
 August 31, 2024

1. Significant accounting policies (continued)

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 at the same rate and over the same periods as the asset is amortized.

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.

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.

Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees of the Halton District School Board. 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. Budget figures in the consolidated statement of change in net debt have not been provided.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant estimates include employee future benefits, certain accruals, useful lives of tangible capital assets and asset retirement obligations. Actual results could differ from these estimates.

Halton District School Board
Notes to the consolidated financial statements
 August 31, 2024

1. Significant accounting policies (continued)

Education Property tax revenue

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

2. Adoption of new accounting standards

The Board adopted the following standards concurrently beginning September 1, 2023, retroactively with restatement: PS 3160 *Public Private Partnerships*, PS 3400 *Revenue* and adopted PSG-8 *Purchased Intangibles* prospectively.

PS 3400 Revenue

This 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. The adoption of this standard had no impact on the financial statements of the Board.

PSG-8 Purchased Intangibles

This 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. The adoption of this standard had no impact on the financial statements of the Board.

PS 3160 Public Private Partnerships (P3s)

This provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

As a result of applying the Public Private Partnerships accounting standard, a P3 asset of \$3,511,453 was recognized as an asset and a performance obligation of \$3,432,522 was recognized as a liability in the Consolidated Statement of Financial Position in 2023. The impact to opening accumulated surplus as at September 1, 2022 was nil. The Board has restated the prior period to reflect the P3 liabilities and assets on the Consolidated Statement of Financial Position as at August 31, 2023, and to reflect the impact to the Consolidated Statement of Operations for the amortization expense and P3 rental revenue for the year ended August 31, 2023.

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

2. Adoption of new accounting standards (continued)

PS 3160 *Public Private Partnerships (P3s) (continued)*

The adoption of PS 3160 P3 was applied to the comparative period as follows:

	As previously reported \$	Adjustments \$	As restated \$
2023			
Consolidated statement of financial position			
Tangible capital assets	1,046,159,381	3,511,453	1,049,670,834
Deferred revenue	(37,971,735)	(3,432,522)	(41,404,257)
Accumulated surplus as at August 31, 2023	343,824,562	78,931	343,903,493
Consolidated statement of change in net debt			
Change in net debt	(29,530,863)	(3,432,522)	(32,963,385)
Net debt as at August 31, 2023	(29,530,863)	(3,432,522)	(32,963,385)
Consolidated statement of operations			
Fees and revenues from other sources	—	171,627	171,627
Pupil accommodation	(40,775,879)	(92,696)	(40,868,575)
Annual surplus	53,461,863	78,931	53,540,794

3. Investments

There are no Other investments held as at August 31, 2024. The composition of Other investments as at August 31, 2023 are as follows:

	Issue date \$	Maturity date \$	Interest rate %	2023 Principal amount \$
Guaranteed investment certificate	January 16, 2023	January 16, 2024	5.24	6,250,000
Guaranteed investment certificate	January 16, 2023	January 16, 2024	5.24	6,250,000
Guaranteed investment certificate	January 16, 2023	July 15, 2024	5.00	6,250,000
				18,750,000

4 Accounts receivable – Government of Ontario

Capital grants

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

The Board has an account receivable from the Province of Ontario of \$207,909,450 as at August 31, 2024 (\$220,460,390 in 2023) with respect to capital grants.

Operating grants

The Ministry of Education (the "Ministry") 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

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

included in the receivable balance from the Government of Ontario at August 31, 2024 is \$43,863,587 (\$28,040,560 in 2023).

5. Temporary borrowing

The Board's banking resolutions allow aggregate borrowings to the maximum of \$135 million. The Board has credit facilities available to the maximum of \$100 million with a Canadian chartered bank to address operating requirements, bridge capital expenditures and education development charges outstanding. As at August 31, 2024, the amount drawn was nil (nil in 2023).

6. Net long-term debt

Net long-term debt reported on the consolidated statement of financial position is comprised of Ontario Financing Authority (OFA) and Ontario School Boards Financing Corporation (OSBFC) debentures as follows:

	2024 \$	2023 \$
Debentures		
OSBFC, Series 2003-A2, 5.800%, maturing November 2028	8,402,615	9,994,015
OSBFC, Series 2004-A1, 5.483%, maturing November 2029	14,057,945	16,194,250
OSBFC, Series 2005-A1, 4.789%, maturing August 2030	4,294,086	4,898,544
	26,754,646	31,086,809
OFA, Bylaw 06090, 4.560%, maturing November 2031	8,591,325	9,532,667
OFA, Bylaw 08012, 4.900%, maturing March 2033	19,117,683	20,819,637
OFA, Bylaw 09037, 5.062%, maturing March 2034	664,064	715,133
OFA, Bylaw 09036, 5.062%, maturing March 2034	3,591,930	3,868,162
OFA, Bylaw 09125, 5.384%, maturing May 2034	5,612,969	6,027,202
OFA, Bylaw 10052, 5.232%, maturing May 2035	7,841,995	8,363,719
OFA, Bylaw 10107, 4.947%, maturing May 2035	12,356,512	13,184,437
OFA, Bylaw 11034, 4.833%, maturing March 2035	12,353,842	13,113,305
OFA, Bylaw 11155, 3.970%, maturing November 2036	10,015,571	10,623,977
OFA, Bylaw 12024, 3.564%, maturing March 2037	12,381,408	13,132,183
OFA, Bylaw 13030, 3.799%, maturing March 2038	33,234,274	35,030,309
OFA, Bylaw 13120, 4.037%, maturing October 2028	6,350,562	7,625,577
OFA, Bylaw 14025, 4.003%, maturing March 2039	20,137,863	21,117,121
OFA, Bylaw 15010, 2.993%, maturing March 2040	887,280	930,586
OFA, Bylaw 16024, 3.242%, maturing March 2041	128,584	134,251
OFA, Bylaw 17020, 3.594%, maturing March 2042	1,148,647	1,193,964
	154,414,509	165,412,230
Net long-term debt	181,169,155	196,499,039

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

6. Net long-term debt (continued)

Of the net long-term debt outstanding of \$181,169,155, principal plus interest payable over the next five years and subsequent payments to maturity are as follows:

	Principal \$	Interest \$	Total \$
2024/25	16,060,023	7,977,653	24,037,676
2025/26	16,825,748	7,211,928	24,037,676
2026/27	17,628,833	6,408,842	24,037,675
2027/28	18,471,140	5,566,536	24,037,676
2028/29	17,432,361	4,683,162	22,115,523
Total	86,418,105	31,848,121	118,266,226
Thereafter	94,751,050	15,936,927	110,687,977
Net long-term debt	181,169,155	47,785,048	228,954,203

Interest on long-term debt amounted to \$8,707,791 (\$9,404,028 in 2023) (Note 7).

7. Debt charges and capital loan interest

Debt charges and capital loan interest includes principal and interest payments as follows:

	2024 \$	2023 \$
Principal payments on long-term debt	15,329,884	14,633,650
Interest payments on long-term debt	8,707,791	9,404,028
Interest payments on temporary financing of capital projects	209,407	191,604
	24,247,082	24,229,282

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

8. Deferred revenue

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the consolidated statement of financial position.

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

	Balance as at August 31, 2023 \$	Externally restricted revenue \$	Revenue recognized in the period \$	Transfers to deferred capital contributions \$	Balance as at August 31, 2024 \$
	(as restated)				
Special education	1,477,612	105,639,761	106,425,005	—	692,368
Legislative grants	1,431,523	43,421,637	40,872,898	2,325,562	1,654,700
Other provincial grants	—	1,011,418	958,326	—	53,092
Other Ministry of Education grants	466,639	10,436,938	10,495,582	—	407,995
School renewal	5,562,502	10,596,045	3,315,700	8,894,903	3,947,944
Education development charges	—	41,247,701	5,991,767	—	35,255,934
Performance Obligation - P3	3,432,522	—	171,627	—	3,260,895
Other third party	15,494	8,761,913	6,399,741	1,380,207	997,459
Proceeds (costs) of disposition	29,017,965	—	—	3,677,727	25,340,238
Total deferred revenue	41,404,257	221,115,413	174,630,646	16,278,399	71,610,625

9. Deferred capital contributions

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

	2024 \$	2023 \$
Balance, beginning of year	696,820,941	680,433,755
Net additions to deferred capital contributions	61,163,016	56,333,580
Revenue recognized in the period	(41,155,642)	(39,946,394)
Balance, end of year	716,828,315	696,820,941

10. Public private partnerships

A public private partnership has been entered into with a third party to provide a seasonal dome structure from October to May and an artificial turf field available year-round for paid use by the school community during designated hours. This arrangement, effective December 2022, is valued at \$3,604,149 based on the original construction costs incurred by the third party. This is a user pay-performance obligation public private partnership. Under the terms of the arrangement, the third party is responsible for the maintenance and operation of the asset, with no costs to the Board for its use, and the third party is not required to pay rent to the Board.

In recording this public private partnership, the Board has recorded an asset value equivalent to the actual construction costs incurred by the third party. Correspondingly, the performance liability has been set at the same value, which will be amortized over the life of the 21-year arrangement.

Halton District School Board
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11. Asset retirement obligations

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

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

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

	2024	2023
	\$	\$
Liabilities for asset retirement obligations at beginning of year	69,159,145	63,978,432
Liabilities incurred during the year	—	46,806
Revaluation of ARO liability due to inflation	2,531,223	8,619,585
Liabilities settled during the year due to abatement	(885,204)	(931,723)
Liabilities settled during the year due to sale of asset held for sale	—	(2,553,955)
Liabilities for asset retirement obligations at end of year	70,805,164	69,159,145

Revaluation of asset retirement obligations liability

The Board made an inflation adjustment increase in estimates of 3.66% as at March 31, 2024, to reflect costs as at that date based on updated information from the Building Construction Price Indexes (BCPI). Further evaluation was done on the Board's liability balances as at August 31, 2024, and no further adjustments were recorded as at August 31, 2024.

12. Financial instruments

The Board does not measure any financial instruments at fair value.

Risks arising from financial instruments and risk management

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

Credit risk

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

Liquidity risk

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

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

12. Financial instruments (continued)

Market risk

The Board is exposed to interest rate risk on its long-term debt, which is regularly monitored.

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.

13. Retirement and other employee future benefits

	Retirement gratuities \$	Post retirement benefits \$	Work place safety insurance board %	Sick leave top-up benefits \$	2024 Total employee future benefits %	2023 Total employee future benefits %
Accrued employee future benefit obligation	7,456,153	215,876	15,555,196	685,397	23,912,622	20,956,755
Unamortized actuarial gains	478,772	—	—	—	478,772	355,933
Employee future benefits liability	7,934,925	215,876	15,555,196	685,397	24,391,394	21,312,688
Recognition of unamortized actuarial losses (gains)	(9,025)	1,973	—	(263,992)	(271,044)	(164,512)
Current year benefit cost	—	—	7,421,778	685,397	8,107,175	3,889,976
Interest on accrued benefit obligation	340,674	10,572	427,072	—	778,318	734,203
Employee future benefits expense	331,649	12,545	7,848,850	421,405	8,614,449	4,459,667

Above amounts exclude pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2024 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2024. These valuations take into account any plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2024 %	2023 %
Inflation		
Retirement gratuities	2.00	2.00
Healthcare cost escalation		
Dental	5.00	5.00
Health	5.00	5.00
Discount on accrued benefit obligations	3.80	4.40

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Notes to the consolidated financial statements
 August 31, 2024

13. Retirement and other employee future benefits (continued)

Ontario Teachers' Pension Plan

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

During the year ended August 31, 2024, the employee contributions to this plan were \$60,782,147 (\$48,993,048 in 2023).

Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of 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 \$12,226,215 (\$10,127,821 in 2023) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements, as these obligations are a direct responsibility of OMERS.

Retirement gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's Consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at August 31, 2012. Retirement gratuities expensed amounted to \$331,649 (\$442,594 in 2023).

Post-retirement benefits

The Board continues to provide post-retirement health and dental benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board experience and retirees' premiums 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. Employees retiring on or after August 12, 2021, no longer qualify for board subsidized premiums or contributions.

Healthcare spending account

The Board also provides additional supplemental benefits in the form of a healthcare spending account ("HCSA") of \$3,000 per year for all eligible members of the Senior Officers group who retired before August 13, 2021, until age 65.

Other employee future benefits

Workplace Safety Insurance Board

The Board is a Schedule 2 employer under the *Workplace Safety and Insurance Act* ("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 4½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreements negotiated prior to 2012 included such provisions.

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

13. Retirement and other employee future benefits (continued)

Occurrences between \$1,000,000 and \$25,000,000 are insured under third party insurance coverage. The Board participates in the Workers' Compensation Assistance Program with the School Boards' Co-operative Inc. (SBCI). For an annual fee, this program provides funds to Participating Members that incur claim costs on any workers' compensation incident between \$500,000 and \$1,000,000. The Board is self-insured for all other occurrences.

Other employee future benefits (continued)

Workplace Safety Insurance Board (continued)

As of August 31, 2024, these obligations, as actuarially determined, amounted to \$15,555,196 (\$11,706,015 in 2023) and are included in Employee future benefits payable.

The change in this amount from the previous year has been reflected in the consolidated statement of operations.

Long-term disability salary compensation

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

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 recoveries recorded in the consolidated statement of operations are \$50,314 (benefit recoveries of \$118,822 in 2023).

For accounting purposes, the accrued benefit obligation for the sick leave top-up is based on an actuarial assumption about future events determined as at August 31, 2024 and is based on the average daily salary and banked sick days of employees as at August 31, 2024.

Halton District School Board
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14. Tangible capital assets

	Cost August 31, 2023 \$	Adjustment for PS3160 \$	Cost August 31, 2023 as adjusted \$	Additions and betterments \$	Disposals \$	Transfers to/ from construction in progress \$	Write downs \$	Transfer to assets held for sale \$	Revaluation of TCA- ARO \$	Cost August 31, 2024 \$
(as previously reported)										
Land	311,463,358	—	311,463,358	1,845,381	—	—	—	—	—	313,308,739
Land improvements	69,070,492	311,146	69,381,638	6,628,202	—	—	—	—	8,317	76,018,157
Buildings (40 yrs)	1,081,635,916	—	1,081,635,916	31,170,404	—	—	—	—	2,522,906	1,115,329,226
Other buildings	112,268	3,293,003	3,405,271	—	—	—	—	—	—	3,405,271
Portable structures	8,945,239	—	8,945,239	21,149	—	—	—	—	—	8,966,388
Construction in progress	17,954,134	—	17,954,134	18,717,567	—	—	—	—	—	36,671,701
Pre-acquisition costs - land	208,399	—	208,399	591,107	—	—	—	—	—	799,506
Pre-acquisitions costs - buildings	1,239,260	—	1,239,260	1,143,379	—	—	—	—	—	2,382,639
Equipment (5 years)	758,081	—	758,081	70,680	(92,082)	—	—	—	—	736,679
Equipment (10 years)	4,644,743	—	4,644,743	359,399	(514,629)	—	—	—	—	4,489,513
Equipment (15 years)	2,267,594	—	2,267,594	—	(43,417)	—	—	—	—	2,224,177
First time equipping	9,517,449	—	9,517,449	931,841	(2,137,580)	—	—	—	—	8,311,710
Furniture	691,646	—	691,646	10,160	(113,316)	—	—	—	—	588,490
Computer hardware	11,761,848	—	11,761,848	1,885,323	(7,284,725)	—	—	—	—	6,362,446
Computer software	—	—	—	—	—	—	—	—	—	—
Leasehold improvements buildings	2,011,590	—	2,011,590	620,000	—	—	—	—	—	2,631,590
	1,522,282,017	3,604,149	1,525,886,166	63,994,592	(10,185,749)	—	—	—	2,531,223	1,582,226,232

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

14. Tangible capital assets (continued)

	Accumulated amortization August 31, 2023 as previously reported \$	Adjustment for PS3160 \$	Cost August 31, 2023 as adjusted \$	Additions and betterments \$	Disposals, write downs, revaluation of TCA- AROs, additions and transfers \$	Transfers to assets held for sale \$	Write downs \$	Accumulated amortization August 31, 2024 \$	Net book value 2024 \$	Net book value 2023, as adjusted \$
Land	—	—	—	—	—	—	—	—	313,308,739	311,463,358
Land improvements	31,633,970	10,371	31,644,341	4,594,793	—	—	—	36,239,134	39,779,023	37,737,297
Buildings (40 yrs)	422,546,439	—	422,546,439	34,320,736	—	—	—	456,867,175	658,462,051	659,089,477
Other buildings	53,325	82,325	135,650	170,263	—	—	—	305,913	3,099,358	3,269,621
Portable structures	3,737,485	—	3,737,485	452,181	—	—	—	4,189,666	4,776,722	5,207,754
Construction in progress	—	—	—	—	—	—	—	—	36,671,701	17,954,134
Pre- acquisition costs - land	—	—	—	—	—	—	—	—	799,506	208,399
Pre- acquisitions costs - buildings	—	—	—	—	—	—	—	—	2,382,639	1,239,260
Equipment (5 years)	354,380	—	354,380	149,476	(92,082)	—	—	411,774	324,905	403,701
Equipment (10 years)	2,723,486	—	2,723,486	456,713	(514,629)	—	—	2,665,570	1,823,943	1,921,257
Equipment (15 years)	1,083,027	—	1,083,027	149,726	(43,417)	—	—	1,189,336	1,034,841	1,184,567
First time equipping	4,846,839	—	4,846,839	891,458	(2,137,580)	—	—	3,600,717	4,710,993	4,670,610
Furniture	392,514	—	392,514	64,007	(113,316)	—	—	343,205	245,285	299,132
Computer hardware	7,781,496	—	7,781,496	3,020,715	(7,284,725)	—	—	3,517,486	2,844,960	3,980,352
Computer software	—	—	—	—	—	—	—	—	—	—
Leasehold improvements buildings	969,675	—	969,675	326,842	—	—	—	1,296,517	1,335,073	1,041,915
	476,122,636	92,696	476,215,332	44,596,910	(10,185,749)	—	—	510,626,493	1,071,599,739	1,049,670,834

Halton District School Board
Notes to the consolidated financial statements
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14. Tangible capital assets (continued)

(a) *Assets under construction*

Assets under construction which include construction in progress, pre acquisition costs – land and pre-acquisition costs – building for a total value of \$39,853,846 (\$19,401,793 in 2023) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(i) *Write-down of tangible capital assets*

The write-down of tangible capital assets during the year was nil (\$200,822 in 2023).

15. Accumulated surplus

Accumulated surplus consists of the following:

	2024	2023
	\$	\$
		(restated see Note 2)
Non-designated surplus	12,058,610	13,106,449
Amounts internally restricted for future use of the Board		
Other operating	17,376,233	18,576,598
Accommodation	32,234,613	32,661,913
Committed capital projects and sinking fund interest	7,336,989	7,812,113
	56,947,835	59,050,624
Unavailable for compliance	(40,804,633)	(39,304,175)
Asset retirement obligation	(2,336,175)	(2,537,917)
Interest accrual	(43,140,808)	(41,842,092)
Revenue recognized for land		
Land (Note 14)	313,308,739	311,463,358
Pre-acquisition costs land (Note 14)	799,506	208,399
Education development charges outstanding (i)	—	(3,296,726)
	314,108,245	308,375,031
School generated funds	5,698,106	5,213,481
Total accumulated surplus	345,671,988	343,903,493

- (i) The Education Act, Part IX, Division E and Ontario Regulation 20/98 (amended by Ontario Regulation 95/02) provide requirements for determining a board's eligibility to impose Education Development Charges ("EDC") on new development, and the calculation of these charges. The accumulated eligible education development charge expenditures may be financed through cash and cash equivalents or temporary borrowing on the consolidated statement of financial position. Interest on education development charges outstanding amounted to nil (nil in 2023).

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16. Grants for student needs

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. Approximately 86.25% (88.29% in 2023) of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2024	2023
	\$	\$
Provincial legislative grants	588,689,169	546,350,229
Education property tax	281,973,354	271,357,627
Grants for student needs	870,662,523	817,707,856

17. Ministry of Labour, Immigration, Training and Skills Development funding

The Board has a transfer payment agreement with the Ministry of Labour, Immigration, Training and Skills Development ("MLITSD") to provide Adult Non-Credit Language Training in the form of English as a Second Language ("ESL") and French as a Second Language ("FSL").

A requirement of the agreement with MLITSD is to provide audited financial statements for the funding year, including a schedule of revenue and expenses related to the agreement. The following is a breakdown of the revenue and expenses related to the Adult Non-Credit Language Training Program for the year ended August 31, 2024:

	2024	2023
	\$	\$
Program revenue		
Funds received	511,495	524,571
Program expenses		
Salaries and benefits	593,946	464,969
Classroom resources	7,944	7,661
Cleaning, phone and other expenses	12,361	9,065
Administration fee	65,238	76,724
	679,489	558,419
Deficiency of revenue over expenses	(167,994)	(33,848)

Halton District School Board
Notes to the consolidated financial statements
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18. Ministry of Labour, Immigration, Training and Skills Development funding – Asylum Claimants

The Board has a transfer payment agreement with the Ministry of Labour, Immigration, Training and Skills Development (MLITSD) to provide Adult Non-Credit Language Training in the form of English as a Second Language (ESL) and French as a Second Language (FSL) to support asylum claimants.

A requirement of the agreement with MLITSD is to provide audited financial statements for the funding year, including a schedule of revenue and expenses related to the agreement. The following is a breakdown of the revenue and expenses related to the Adult Non-Credit Language Training Program for the year ended August 31, 2024:

	2024	2023
	\$	\$
Program revenue		
Funds received	235,865	—
Program expenses		
Salaries and benefits	142,383	—
Classroom resources	3,722	—
Cleaning, phone and other expenses	1,288	—
Administration fee	35,380	—
	182,773	—
Excess of revenue over expenses	53,092	—

19. Expenses by object

The following is a summary of expenses reported in the consolidated statement of operations by object:

	Budget, as adjusted	2024 Actual	2023 Actual
	\$	\$	\$
	(Note 22)		(restated see Note 2)
Salary and wages	568,305,666	695,646,476	568,783,841
Employee benefits	104,411,693	121,524,232	102,013,562
Staff development	4,150,828	5,649,928	5,376,489
Supplies and services	67,291,219	64,938,762	64,069,614
Interest charges on capital	11,556,499	8,715,455	9,399,720
Rental expenses	147,600	148,809	592,672
Fees and contract services	49,928,285	48,234,449	47,078,263
Other	33,431,480	18,252,569	32,574,797
Amortization and write-downs of tangible capital assets and tangible capital assets-asset retirement obligations	42,315,344	44,596,910	42,703,485
	881,538,614	1,007,707,590	872,592,443

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20. Ontario School Board Insurance Exchange ("OSBIE")

The school board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the *Insurance Act of Ontario*. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27 million per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2023, were \$1,413,964 (\$1,307,396 in 2022).

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

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

- (1) In the event that the board of directors determines, in its absolute discretion, that the exchange has accumulated funds in excess of those required to meet the obligations of the Exchange, in respect of claims arising in prior years in respect of the underwriting group, the Board of Directors may reduce the actuarially determined rate for policies of insurance or may grant premium credits or policyholder dividends for that underwriting group in any subsequent underwriting year.
- (2) Upon termination of the exchange of reciprocal contracts of insurance within an Underwriting Group, the assets related to the Underwriting Group, after payment of all obligations, and after setting aside an adequate reserve for further liabilities, shall be returned to each Subscriber in the Underwriting Group according to its subscriber participation ratio and after termination the reserve for future liabilities will be reassessed from time to time and when all liabilities have been discharged, any remaining assets returned as the same basis upon termination.

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

21. Contractual obligations and contingent liabilities

- (a) The Board has the following annual lease and contract commitments over the next 5 years with respect to furniture, equipment, computer hardware and software, construction, and portables, totaling \$24,869,398 (\$45,771,969 in 2023).

	\$
2025	11,366,974
2026	8,143,448
2027	2,989,433
2028	1,334,157
2029	688,706
Thereafter	346,680
	<u>24,869,398</u>

- (b) As of August 31, 2024, the Board had guarantees outstanding of \$1,402,365 (\$2,222,970 in 2023) relating to construction projects in progress.

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

21. Contractual obligations and contingent liabilities (continued)

- (c) In the normal course of operations, the Board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2024 cannot be predicted with certainty, it is 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.
- (d) The Board has entered into a multiple-year Public Private Partnership contract for the construction of assets and delivery of services as at August 31, 2024. P3s are an alternative finance and procurement model where the school board uses a private sector partner to design, build, acquire or better infrastructure.

In exchange, the school board provides a contractual right to the private partner to earn revenue from third-party users or access to another revenue-generating asset, resulting in a performance obligation. See Note 10 for details on this performance obligation.

22. Budget reconciliation

The budget data presented in these consolidated financial statements is based upon the 2024 budgets approved by the board. The budget was prepared prior to the implementation of the PS 3160 Public Private Partnerships standard.

The chart below reconciles the approved budget to the budget figures reported in the Consolidated Statement of Operations.

Where amounts were not budgeted for rental revenue and P3 amortization expenses, the actual amounts for 2024 were used to adjust the budget numbers to reflect the same accounting policies that were used to report the actual results.

As school boards only budget the Statement of Operations, the budget figures in the Consolidated Statement of Change in Net Debt have not been provided. The adjustments do not represent a formal amended budget as approved by the board. This is an amendment to make the 2024 budget information more comparable.

	Budget, as approved \$	Adjustments \$	2024 Budget, as adjusted \$
Revenues	891,819,952	171,627	891,991,579
Expenses	881,353,221	185,393	881,538,614
Annual surplus	10,466,731	(13,766)	10,452,965
Accumulated surplus at beginning of year	329,228,762	—	329,228,762
Accumulated surplus at end of year	339,695,493	(13,766)	339,681,727

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23. Partnership in Halton Student Transportation Services

On February 10, 2009, Halton Student Transportation Services ("HSTS") was incorporated under the Corporations Act of Ontario. On September 1, 2021, the Board renewed the agreement with Halton Catholic District School Board to provide common administration of student transportation in the region. This agreement, originally entered into in 2009, was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the boards. Under the agreement created at the time HSTS was established, decisions related to the financial and operating activities of HSTS are shared. No partner is in a position to exercise unilateral control.

Each board participates in the shared costs associated with this service for the transportation of their respective students through HSTS. This entity is proportionately consolidated in the Board's consolidated financial statements whereby the Board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. The Board's pro-rata share of the assets and liabilities for 2024 is 62.38% (62.17% in 2023). Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information:

	Total	2024 Board portion	Total	2023 Board portion
	\$	\$	\$	\$
Financial position				
Financial assets	251,384	156,813	330,613	205,542
Liabilities	263,189	164,177	342,642	213,021
Non-financial assets	12,565	7,838	12,789	7,951
Accumulated surplus	760	474	760	472
Operations				
Revenue	32,215,525	20,096,044	31,137,053	19,357,906
Expenses	32,215,525	20,096,044	31,137,053	19,357,906
Annual surplus	—	—	—	—

24. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received \$7,294,000 from the 55 School Board Trust (the "Trust") for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered with the Trust. The Trust was created to refinance the outstanding not permanently financed debt of participating boards who are beneficiaries of the Trust. Under the terms of the agreement, The 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 not permanently financed debt.

As a result of the above agreement, the liability in respect of the not permanently financed debt is no longer reflected in the Board's financial position. The flow-through of \$543,389 (\$543,389 in 2023) in grants in respect of the above agreement for the year ended August 31, 2024, is recorded in these consolidated financial statements.

Halton District School Board
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25. Related party disclosures

Ontario Regulation 41/10 under the Education Act requires school boards to borrow money for permanent improvements from the Ontario Financing Authority (OFA) when the initial maturity is more than one year. The OFA is a provincial agency of the Crown responsible for managing the province's debt and issuing debt to public bodies and therefore a related party of the Board. The net long-term debt issued to the Board by the OFA in the form of debentures is \$154,414,509 as at August 31, 2024 (\$165,412,230 as at 2023) as described in Note 6.

26. Funds administered by the Board

Trust funds administered by the Board amounting to \$2,758,854(\$2,873,906 in 2023) have not been included in the consolidated financial statements, as they are not controlled by the Board.

	Trust funds	Deferred leave plan	2024 Total	2023 Total
	\$	\$	\$	\$
Opening balance at August 31, 2023	677,721	2,196,185	2,873,906	2,868,112
Contributions received in 2024	31,500	1,042,719	1,074,219	1,077,515
Earnings on investments in 2024	37,592	89,913	127,505	113,419
	746,813	3,328,817	4,075,630	4,059,046
Disbursements in 2024	51,075	1,265,701	1,316,776	1,185,140
Closing balance at August 31, 2024	695,738	2,063,116	2,758,854	2,873,906

27. 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 (EWA), 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).

Halton District School Board
Notes to the consolidated financial statements
 August 31, 2024

27. 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 et directions adjointes des écoles franco-ontariennes). This agreement provides a 0.75% increase for salaries and wages on September 1, 2020, a 2.75% increase for salaries and wages on September 1, 2021, and a 2.00% increase in salaries and wages on September 1, 2022, in addition to the original 1% increase applied on September 1 in each year during the 2020-23 collective agreements. The memorandum of settlement was reached on August 10, 2024 and was ratified on September 30, 2024. The Crown intends to fund the monetary resolution for principals and vice-principals to the applicable school boards through the appropriate changes to the GSN benchmarks.

Due to this resolution, there is an impact on salary and wages expenses of \$93,175,421 in the 2023-24 fiscal year. The portion related to 2019-20 to 2022-23 is \$64,553,168, with the remainder of \$28,622,253 related to 2023-24.

28. 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.

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

New Public Sector Accounting Standards (PSAS) Conceptual Framework:

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

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

The main changes are:

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

The framework is expected to be implemented prospectively.

Halton District School Board
Notes to the consolidated financial statements
August 31, 2024

28. Future accounting standard adoption (continued)

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

29. Comparative figures

Certain of the comparative figures have been reclassified to conform with current year presentation.

Amortization of deferred capital contributions reporting on the Consolidated Statement of Operations has been modified to remove the reporting from the Provincial Legislative Grants line and identify the split between Amortization of DCC related to Provincial Legislative Grants and Amortization of DCC related to Third Parties.



Halton District School Board Report to the Audit Committee on the 2024 audit

November 12, 2024

November 12, 2024

Private and confidential

To the Audit Committee
Halton District School Board
J.W. Singleton Education Centre
2050 Guelph Line
Burlington ON L7R 3Z2

Report on audited annual financial statements

Dear Audit Committee Members:

We are pleased to submit this report on the status of our audit of Halton District School Board ("the School Board") for the 2024 fiscal year. This report summarizes the scope of our audit, our findings to date and reviews certain other matters that we believe to be of interest to you.

As agreed in our engagement letter ("EL") dated April 29, 2024, we have performed an audit of the consolidated financial statements of Halton District School Board as at, and for the year ended, August 31, 2024, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS") and expect to issue our Independent Auditor's Report thereon dated December 3, 2024 once the consolidated financial statements are approved by the Board of Trustees.

Our audit has been conducted in accordance with the audit plan that was presented to the Audit Committee at the meeting on May 2, 2024.

This report is intended solely for the information and use of the Audit Committee, management and others within the School Board and is not intended to be, and should not be, used by anyone other than these specified parties.

We would like to express our appreciation for the cooperation we received from the employees of the School Board with whom we worked during the execution of our engagement.

We look forward to discussing this report summarizing the outcome of our audit with you, and to answering any questions you may have.

Yours truly,

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

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Executive summary



Audit scope and terms of engagement

We were engaged to perform an audit of the School Board's consolidated financial statements (the "financial statements") 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. ("Financial Reporting Framework") as at and for the year ended August 31, 2024. Our audit was conducted in accordance with Canadian Generally Accepted Auditing Standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the EL dated April 29, 2024, which was signed on behalf of the Audit Committee and management.

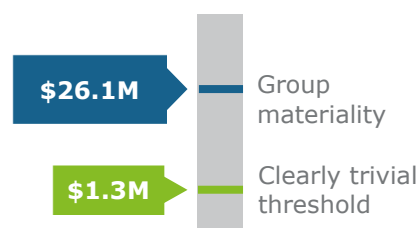


Audit risks

- | | |
|---|--|
| 1 | Revenue recognition |
| 2 | Management override of controls |
| 3 | School generated funds and school council funds |
| 4 | Government transfers relating to capital contributions |
| 5 | Employee future benefits |
| 6 | Bill 124 implications |
| 7 | Adoption of new PSAS accounting standards |



Uncorrected misstatements



Materiality levels were determined on the basis of 3% of consolidated expenses, as disclosed in our audit plan. Given this is a group audit, our testing on the non-consolidated balances of the School Board was conducted at a lower component materiality.

There were no uncorrected misstatements identified during our audit.

**Outstanding matters & next steps**

Receipt of signed management representations letter

Receipt of legal letters

Completion of certain audit procedures

**Highlights**

Significant effort has been put in by management on the **implication of Bill 124** related expenses and revenues on our audit. We have performed procedures at both a detailed granular level by employee as well as on an overall basis to gain sufficient coverage of Bill 124 related revenue and expenses, as well as year end accruals, for our audit. At the time of mailing, we are still in the process of completing final procedures. **No findings** have been identified to date.

No significant deficiencies identified in internal controls. We have included our recommendations resulting from our school visits under separate cover.

During the year, **PS 3160 Public Private Partnerships (P3)** standard was adopted and resulted in an asset and liability of \$3.6M in relation to a dome and turf field in Milton. Through our audit procedures, no findings or deficiencies were noted in management's assessment of the impact of P3 on the financial statements and related disclosures.

**Going concern**

Management has completed its assessment of the ability of the School Board to continue as a going concern and in making its assessment did not identify any material uncertainties related to events or conditions that may cast significant doubt upon the School Board's ability to continue as a going concern. We agree with management's assessment.

**Results**

No restrictions have been placed on the scope of our audit. We intend to issue an unmodified audit report on the financial statements of the School Board for the year ended August 31, 2024 once the outstanding items referred to above are completed satisfactorily and the financial statements are approved by the Board of Trustees.

Audit risks

The audit risks identified as part of our risk assessment, together with our responses and conclusions, are described below.

Revenue recognition*

Analysis of risk	Audit response and results
<p>Assurance standards include the presumption of a fraud risk involving improper revenue recognition.</p> <p>As part of our audit planning, we pinpointed the presumed fraud risk in revenue recognition to specific revenue streams and associated assertions, as follows:</p> <ul style="list-style-type: none"> • Grants for student needs (occurrence, accuracy) • Provincial grants – other (occurrence, accuracy) • Education development charges (completeness, accuracy) • School generated funds (occurrence, accuracy) • Other fees (manual journal entries) 	<ul style="list-style-type: none"> • We tested the design and implementation of controls over revenue and performed substantive analytic procedures, detailed testing, and confirmation procedures in the various revenue streams • With respect to grants revenue, we reviewed funding letters, if available, as well as associated B and SB memos issued by the Ministry of Education, to understand the grant stipulations and assessed management's recording of the associated revenue and deferred revenue. We tested a sample of underlying expenses where revenue recognition was dependent on the incurrence of eligible expenses using funding received. We performed the same procedures for grants received from other parties. • We performed confirmation procedures relating to grants from the Ministry of Education, as well as amounts from area municipalities, including EDCs and property taxes. • We tested a sample of enrolment registers given that enrolment figures impacted total grants for student needs. • Our audit procedures did not indicate any evidence of material misstatement.

Risk of management override of controls*

Analysis of risk	Audit response and results
<p>Assurance standards include the presumption of a significant risk of management override of controls.</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> • We discussed fraud with management. • We asked the Audit Committee for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the School Board and their role in the oversight of management's antifraud programs. • We tested a sample of journal entries made throughout the period, and adjustments made at the end of the reporting period. This procedure remains in progress at this time. • We evaluated the business rationale for any significant unusual transactions.

Risk of management override of controls*

Analysis of risk	Audit response and results
	<ul style="list-style-type: none"> • We determined whether the judgments and decisions related to management estimates indicate a possible bias, which included performing retrospective analysis of significant accounting estimates. • Our audit procedures to date did not indicate any evidence of material misstatement.

School generated funds and school council funds

Analysis of risk	Audit response and results
There is an increased risk of misstatement of School Generated Funds and School Council Funds due to the fact that transaction processing is decentralized and internal controls implemented at each school site and their operating effectiveness may vary.	<ul style="list-style-type: none"> • We selected a sample of schools to audit and performed internal control testing and substantive tests of details to obtain assurance over assets, liabilities, revenues and expenses. • We also performed testing on internal controls over the p-card process at the selected schools. • We also performed testing on the maintenance of enrolment registers and enrolment reporting at each selected school. • Our audit procedures did not indicate any evidence of material misstatement.

Government transfers relating to capital contributions

Analysis of risk	Audit response and results
The accounting for government transfers relating to capital contributions is a distinct area which has been prescribed by the Ministry of Education, and can be complex given the significance of capital transactions and balances at the School Board. Ministry directives in this area differs from Canadian Public Sector Accounting Standards and thus requires additional scrutiny.	<ul style="list-style-type: none"> • We detail tested transactions and balances impacted, including tangible capital assets and capital contributions received and recognized through annual amortization, and determined whether the School Board has accounted for these transactions in accordance with regulations and relevant policies. • We reviewed adequacy of disclosure of the basis of accounting in the notes to the financial statements. • Our audit procedures did not indicate any evidence of material misstatement.

Employee future benefits

Analysis of risk	Audit response and results
Employee future benefits liabilities and expenses are valued by the School Board's actuary based on certain significant judgments and assumptions, which are subject to a higher level of risk.	<ul style="list-style-type: none"> • We communicated with the School Board's actuary, School Boards' Co-operative Inc., to ensure our ability to rely on the results of their valuation.

Employee future benefits

Analysis of risk	Audit response and results
	<ul style="list-style-type: none"> • We reviewed the actuarial report including assumptions and data upon which estimates were based. We selected a sample of data inputs provided to the actuary and validated them against supporting documents. We also evaluated the reasonableness of assumptions used in the valuation against independent source. • We evaluated the reliability and qualifications of the School Board's actuary. • We ensured proper disclosure in the financial statements. • Our audit procedures did not indicate any evidence of material misstatement.

Bill 124 implications

Analysis of risk	Audit response and results
<p>The obligation to employees for Bill 124 is carried at the Ministry level. However, a few steps were undertaken to operationalize the payment of funds to employees, including the signing of multiple implementation letters to operationalize the monetary resolutions, the flow of funds to the School Board through an increase to grants for student needs, as well as the announcement of future funding for those employee groups for which monetary settlement has not yet been outflowed. The recognition of both the expenses and revenue will be of focus during this audit.</p>	<ul style="list-style-type: none"> • We performed substantive tests of details to gain sufficient and appropriate audit evidence over the amounts received from the Ministry, and the amounts paid to employees in relation to Bill 124, including the testing of management's computation of amounts due to employees based on the negotiated settlements. • Our audit procedures to date did not indicate any evidence of material misstatement.

Adoption of new PSAS accounting standards

Analysis of risk	Audit response and results
<p>In fiscal 2024, three new accounting standards, PS 3160 Public Private Partnerships, PS 3400 Revenue and PSG-8 Purchases Intangibles, came into effect. All three standards will require early preparation by the School Board, including development of accounting policies, information gathering with various School Board departments, engagement of external consultants (where needed) to assist with valuation, and development of go-forward processes for policy maintenance.</p> <p>The only standard that had an effect on the School Board was PS 3160.</p>	<ul style="list-style-type: none"> • We discussed with management as they considered the implications of an implementation plan for the new standards and provided support as needed. • Through the implementation and information gathering process, we connected with management to monitor status and ensured implementation decisions were reasonable and judgments were properly documented and substantiated. We provided input as requested by management and have done a review of management's assessment of the impact of PS 3160. • We reviewed the P3 agreement and the accounting treatment of the associated asset and liability. • We agree with management's conclusion that there is no impact on the adoption of PS 3400 and PSG-8. • We worked with management to review disclosure of the first-time adoption in the financial statements, including introduction of new accounting policy notes and financial statement presentation.

Adoption of new PSAS accounting standards

Analysis of risk

Audit response and results

- Our audit procedures did not identify any evidence of material misstatement.

* Area of Significant audit risk

Other matters

Group audit

The Financial Statements of the School Board include their share of the accounts and activities of the Halton Student Transportation Services ("HSTS"). As the group auditor of the School Board, we communicated with the auditors of HSTS and provided direction on the planning, performance, and results of their audit, including their risk assessment, materiality, and audit strategy. We are responsible to assess the impact of any uncorrected misstatements and disclosure misstatements they identify as part of their audit of HSTS on our overall audit opinion on the financial statements of the School Board.

Our communications with HSTS's auditors did not identify any issues impacting the audit of the School Board's financial statements.

Use of the work of specialists

We used our internal IT specialists to assess the design and implementation of information technology computer controls. Our review did not identify any significant deficiencies or material weaknesses in computer controls to be reported to the Audit Committee.

We also relied on the work of the School Board's actuary, School Boards' Co-operative Inc., in their valuation of the School Board's post-employment benefit plans and communicated with them directly to obtain confirmation on our ability to rely on their reports.

Appendix 1 – Communication requirements and other reportable matters

Required communication	Reference	Refer to this report or document described below
Audit service plan		
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	CAS ¹ 260.14	Engagement letter dated April 29, 2024.
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> a. Timing of the audit b. Significant risks, including fraud risks c. Nature and extent of specialized skill or knowledge needed to perform the planned audit procedures related to significant risk 	CAS 260.15	Audit plan communicated May 2, 2024
3. Significant transactions outside of the normal course of business, including related party transactions	CAS 260 App. 2, CAS 550.27	None noted.
Enquiries of those charged with governance		
4. How those charged with governance exercise oversight over management's process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	CAS 240.21	Discussed during the Audit plan presentation on May 2, 2024.
5. Any known suspected or alleged fraud affecting the School Board	CAS 240.22	None noted.
6. Whether the School Board is in compliance with laws and regulations	CAS 250.15	None noted.

¹ CAS: Canadian Auditing Standards – CAS are issued by the Auditing and Assurance Standards Board of CPA Canada

Required communication	Reference	Refer to this report or document described below
Year end communication		
7. Fraud or possible fraud identified through the audit process	CAS 240.40-.42	<p>We were made aware of cheque frauds that occurred at the school level during the fiscal year. We performed the following procedures to obtain comfort that the fraud instances were isolated, and did not pose a more pervasive risk to the School Board:</p> <ul style="list-style-type: none"> - Obtained an understanding of each instance identified, and the reason behind the occurrence including what process or control gap enabled the fraud to occur. - Obtained an understanding of the control changes put in place by School Board management subsequent to the detection of these instances. - Performed a walkthrough of the new process and control (ie. daily review at School Board level of cheque clearing and reconciliation against School Cash Online) and assessed its design and implementation. <p>Based on the above procedures, we believe the new process and controls put in place by the School Board have been properly designed and implemented to address the previous gap and mitigate against the exposure to school-level cheque frauds.</p>
8. Significant accounting policies, practices, unusual transactions, and our related conclusions	CAS 260.16 a.	See Note 1 to the financial statements for significant accounting policies
9. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	CAS 260.16 a.	Significant accounting practices and policies selected and applied by management are, in all material respects, acceptable under the Financial Reporting Framework and are appropriate to the particular circumstances of the School Board.
10. Matters related to going concern	CAS 570.25	We concluded that there was no substantial doubt about the School Board's ability to continue as a going concern.
11. Consultation with other accountants	CAS 260.16(c),(i), A22	We are not aware of consultations with other accountants.
12. Management judgments and accounting estimates	CAS 260.16 a.	No issues noted with management judgments and accounting estimates.
13. Significant difficulties, if any, encountered during the audit	CAS 260.16 b.	We did not encounter any significant difficulties while performing the audit. There were no significant delays in receiving information from management required for the audit nor was there an unnecessarily brief timetable in which to complete the audit.
14. Material written communications between management and us, including management representation letters	CAS 260.16 c.	Management representation letter.
15. Other matters that are significant to the oversight of the financial reporting process	CAS 260.16e.	None.

Required communication	Reference	Refer to this report or document described below
16. Modifications to our opinion(s)	CAS 260.A21	None.
17. Other significant matters discussed with management	CAS 260.A.22	No significant matters noted.
18. Under our professional standards we are required to communicate, unless we are prohibited by a law or regulation, matters involving non-compliance by the School Board with applicable laws and regulations, including illegal or possibly illegal acts that come to our attention	CAS 250.23	Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the School Board, that are not otherwise prohibited to disclosed by law or regulation.
19. Litigation	CAS 260.16(a), A19-20, App. 2	No litigation matters to report.
20. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	CAS 265	No deficiencies to report. We have prepared a management letter of recommendations identified during our school visits.
21. Key Audit Matters	CAS 701.17	None noted.
22. Uncorrected misstatements and disclosure items	CAS 450.12-13	None noted.
Other reportable matters		
23. Changes to the audit plan	CAS 260.A26	No changes to audit plan.
24. Concerns regarding management competence and integrity	CAS 260.11, A38	We have not determined any concerns regarding management competence and integrity.
25. Disagreements with management	CAS 260.16(c)(i), A22	In the course of our audit, we did not encounter any disagreements with management about matters that individually or in the aggregate could be significant to the financial statements.
26. Subsequent events	CAS 260.10(a), 260.13(b), 260.14(a), 260.17	None noted.
27. Limitations when sending confirmations	CAS 505.9	Not applicable.
28. Other significant matters arising from the audit	CAS 260.16(e), A26-A28	None noted.

Appendix 2 – Draft management representations letter

[School Board Letterhead]

December 3, 2024

Deloitte LLP
8 Adelaide Street West
Suite 200
Toronto ON M5H 1L6

Subject: Consolidated financial statements of Halton District School Board for the year ended August 31, 2024

Dear Sirs/Madams:

This representation letter is provided in connection with the audit by Deloitte LLP (“Deloitte” or “you”) of the consolidated financial statements of Halton District School Board (the “School Board” or “HDSB” or “us”) as of and for the years ended August 31, 2024, and a summary of significant accounting policies (the “Financial Statements”) for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Organization in accordance with Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act (“the special purpose framework”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter between the Organization and Deloitte dated April 29, 2024 for the preparation of the Financial Statements in accordance with the special purpose framework. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of the Organization as at August 31, 2024 and the results of its operations and cash flows for the year then ended in accordance with the special purpose framework.

2. The Financial Statements have been prepared for the Ministry of Education, and Board of Trustees of HDSB using the basis of accounting described in Note 1 to the Financial Statements for the purpose of assessing the financial position of HDSB and the results of its operations.

3. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

In preparing the Financial Statements in accordance with the special purpose framework, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with the special purpose framework. The Organization has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with PSAS and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity. No events have occurred subsequent to August 31, 2024 that require adjustment to the estimates and disclosures included in the Financial Statements.

There are no changes in management's method of determining significant estimates in the current year.

4. We have determined that the Financial Statements are complete as of the date of this letter as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected. The Financial Statements have been approved in accordance with our process to finalize financial statements.
5. We have completed our review of events after August 31, 2024 and up to the date of this letter.
6. The Financial Statements are free of material errors and omissions.

As a result of our evaluation process, we identified certain disclosures that, although required by the special purpose framework, have been omitted from our Financial Statements. Those omitted disclosures that are more than inconsequential are attached as Appendix A. We believe the effects of the omitted disclosures are quantitatively and qualitatively immaterial, both individually and in the aggregate, to the Financial Statements as a whole.

Internal Controls

7. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
8. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies in internal control over financial reporting.

Information provided

9. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters.
 - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit;

- c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and,
 - d. All minutes of the meetings of directors and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared. All significant board and committee actions are included in the summaries.
10. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
11. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
- a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the Financial Statements.
12. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting the Organization.
13. There have been no communications with regulatory agencies concerning actual or potential noncompliance with or deficiencies in financial reporting practices. There are also no known or possible instances of non-compliance with the requirements of regulatory or governmental authorities.
14. We have disclosed to you the identities of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration.

Independence matters

For purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

15. Prior to the Organization having any substantive employment conversations with a former or current Deloitte engagement team member, the Organization has held discussions with Deloitte and obtained approval from the Audit Committee.
16. We have ensured that all non-audit services provided to the Organization have been pre-approved by the Audit Committee. Further, we have adhered to all regulatory requirements regarding the provision of non-audit services by Deloitte to the Organization in accordance with applicable laws, regulations and rules that apply to the Organization, including the Audit Committee approval requirements.
17. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by the Audit Committee in accordance with its established approval policies and procedures.

Other matters

Except where otherwise stated below, immaterial matters less than \$1,305,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the Financial Statements.

18. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.

19. The School Board has identified all related parties in accordance with the special purpose framework. Management has determined that such disclosure is not necessary because the transactions have not occurred at a value different from that which would have been arrived at if the parties were unrelated and do not or could not have a material effect on the financial statements.
20. There are no instances of identified or suspected noncompliance with laws and regulations.
21. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with the special purpose framework.
22. All events subsequent to the date of the Financial Statements and for which the special purpose framework requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
23. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.
24. We have disclosed to you, and the Organization has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
25. The Organization has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.

Title to assets

26. The School Board has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.

Work of management's experts

27. We agree with the work of management's experts in evaluating the Retirement Benefits, Post Retirement Benefits, Workers' Safety Insurance Board and Non-Vesting Sick Leave Accumulation Benefits and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to management's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.

Loans and receivables

28. The School Board is responsible for determining and maintaining the adequacy of the allowance for doubtful notes, loans, and accounts receivable, as well as estimates used to determine such amounts. Management believes the allowance is adequate to absorb currently estimated bad debts in the account balance.

Environmental liabilities/contingencies

29. We have considered the effect of environmental matters on the School Board and have disclosed to you all liabilities, provisions or contingencies arising from environmental matters. All liabilities, provisions, contingencies and commitments arising from environmental matters, and the effect of environmental matters on the carrying values of the relevant assets are recognized, measured and disclosed, as appropriate, in the Financial Statements.

Employee future benefits

30. Employee future benefit costs, assets, and obligations have been properly recorded and adequately disclosed in the Financial Statements including those arising under defined benefit and defined contribution plans as well as termination arrangements. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Plans or intentions affecting carrying value/classification of assets and liabilities

31. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.

Asset retirement obligations

32. We have disclosed to you our calculations for adjusting our opening balances of asset retirement obligations for a change in inflation rate, in line with ministry guidance. We have also disclosed to you a complete listing of additions and abatements related to asset retirement obligations.

Public private partnerships

33. The School Board has made the accounting policy choice to apply CPA Canada Public Sector Accounting Handbook Section PS 3160, Public Private Partnerships using retroactive application. We have applied Section PS 3160 to events and transactions from the date of origin of such items. There has been no impact on the opening balance of the accumulated surplus/deficit as at September 1, 2022 and comparative periods have been restated.

Various matters

34. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:

- a. economic dependence on another party
- b. losses arising from sale and purchase commitments;
- c. losses arising from onerous contracts;
- d. agreements to buy back assets previously sold;
- e. provisions for future removal and site restoration costs;
- f. financial instruments with significant individual or group concentration of credit risk, and related maximum credit risk exposure;
- g. sales with recourse provisions;
- h. sales incentives, including cash consideration provided to customers and vendor rebates;

- i. arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements;
- j. all impaired loans receivable;
- k. loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties;
- l. Adoption of *PSG-8 Purchased Intangibles*;
- m. Adoption of *PS 3400 Revenue*.

Yours truly,

Halton District School Board

Curtis Ennis
Director of Education

Roxana Negoï
Superintendent of Business Services

Heather Camastro
Manager of Accounting

Appendix A
Summary of disclosure items passed
Halton District School Board
Year ended August 31, 2024

Footnote number	Footnote title	Description of omitted or unclear disclosure	Authoritative literature reference	Dollar amount of omitted or unclear disclosure (if applicable)
1	Non-cash transactions	<p>The School Board presents its Statement of Cash Flows similar to the Statement of Cash Flows included in the Education Finance Information System (EFIS), which does not identify all non-cash items.</p> <p>Examples of such non-cash items are tangible capital asset acquisitions acquired through accounts payable, employee future benefit expenses relating to actuarial valuation adjustments, and recognition of previously deferred revenue.</p>	PS 1201.104 to .126	Amount has not been determined.
2	Budget Figures	The statement of changes in net debt should include budget figures.	PS 1201.131	Amount has not been determined.

Appendix 3 – Deloitte resources a click away

At Deloitte, we are devoted to excellence in the provision of professional services and advice, always focused on client service. We have developed a series of resources, which contain relevant and timely information.

Register [here](#) to receive practical insights, invitations to Deloitte events/webcasts, and newsletters via email and other electronic channels. You will be able to select business topics and industries that align with your interests.

<p>Canada's Best Managed Companies (www.bestmanagedcompanies.ca)</p> <p>Target audience</p> <p>Directors and CEO/CFO</p>	<p>The Canada's Best Managed Companies designation symbolizes Canadian corporate success: companies focused on their core vision, creating stakeholder value and excelling in the global economy.</p>
<p>Centre for financial reporting (https://www.iasplus.com/en-ca/standards)</p> <p>Target audience</p> <ul style="list-style-type: none"> • Directors and CEO/CFO • Controller and Financial reporting team 	<p>Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.</p>
<p>Deloitte Viewpoints (https://www.iasplus.com/en-ca/tag-types/deloitte-viewpoints)</p> <p>Target audience</p> <ul style="list-style-type: none"> • CFO • Controller and Financial reporting team 	<p>Electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.</p>
<p>CFO's corner (https://www.iasplus.com/en-ca/cfos-corner)</p> <p>Target audience</p> <ul style="list-style-type: none"> • CFO and VP Finance • Controller and Financial reporting team 	<p>Editorial providing insights into key trends, developments, issues and challenges executives face, with a Deloitte point of view.</p>
<p>Deloitte Dbriefs (https://www.iasplus.com/en-ca/dbriefs/webcasts)</p> <p>Targeted audience</p> <ul style="list-style-type: none"> • CFO and VP Finance • Controller and Financial reporting team 	<p>Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.</p>



Board Report Number: TBD

For Information

Report Title: Annual Statement of Education Development Charges
Submitted by: Roxana Negoï, Superintendent of Business Services and Treasurer
Curtis Ennis, Director of Education
Meeting Date: December 3, 2024

1. Analysis

This report provides the Board of Trustees with a summary of the revenues received, expenses incurred and the closing balance of the Education Development Charges (EDC) account, as at August 31, 2024. During the 2023-2024 fiscal year, Halton District School Board (HDSB) received a total of \$41.3 million in EDC revenue, while spending \$2.7 million in site acquisition related expenses. The closing balance for the year was \$35.3 million surplus.

The main reason for a surplus balance in the EDC account is the delayed purchase of four sites in North Oakville and South Milton, which are expected to close over the next one to two fiscal years. Once these sites close, the HDSB expects to be in an EDC deficit position of approximately \$70 million. Once in a deficit position, the HDSB will be required to either internally or externally borrow funds to cover the deficit, putting a strain on the cashflow and decreasing the availability of the operating line of credit.

1.1. Governance Alignment

Each year, the treasurer of the board is required (under subsection 257.98 (1) of the Education Act) to give the board a financial statement relating to education development charge by-laws and education development charge accounts. This report aligns with this regulatory requirement.

2. Background

The Education Act, Part IX, Division E and Ontario Regulation 20/98 (in effect as of November 8, 2019) provides requirements for determining a board's eligibility to impose EDCs on new development, and calculation of the charges. Ontario Regulation 20/98 outlines the triggers (only one of which must be met) for a board to qualify for an EDC by-law:

- I. The estimated average number of elementary school pupils of the board over the five years immediately following the day the board intends to have the by-law come into force exceeds the total capacity of the board to accommodate elementary school pupils throughout its jurisdiction on the day the by-law is passed.

Board Report Number: TBD

For Information

- II. The estimated average number of secondary school pupils of the board over the five years immediately following the day the board intends to have the by-law come into force exceeds the total capacity of the board to accommodate secondary school pupils throughout its jurisdiction on the day the by-law is passed.
- III. At the time of expiry of the board's last education development charge by-law that applies to all or part of the area in which the charges would be imposed, the balance in the education development charge reserve fund is less than the amount required to pay outstanding commitments to meet growth-related net education land costs, as calculated for the purposes of determining the education development charges imposed under that by-law.

The Board has approved seven by-laws since it met the eligibility requirements in 1996. The Education Act requires by-laws to be updated every five years (in addition to the ability to amend the by-law once per year). The last by-law was approved by the Board on May 17, 2023 and is in effect until May 31, 2028. Prior to a by-law being adopted, the Education Act requires a background study to be conducted to determine the EDC by-law amount. The background study was conducted by Watson & Associates Economists Ltd. ("Watson") due to their development charge expertise. The background study considered the region's growth projection, enrolment forecasts, new building requirements, the board's capital plans and the cost of land.

The latest amendments to O. Reg. 20/98 in 2018 introduced caps on, or limits to, the amount a Board can increase their residential and non-residential charges annually, and phasing in the maximum amount. As a result of this change, the Board has had challenges in reaching the maximum charge set by the Background Studies and Amending By-laws.

The legislative caps are as follows:

1. A maximum yearly increase of the greater of 5% or \$300 per residential dwelling unit; and,
2. A maximum yearly increase of the greater of 5% or \$0.10 per square foot of non-residential space.¹

On November 9, 2021, staff advised the Board that the 2018 EDC By-Law would reach its 5-year term in July of 2023, requiring a full EDC By-law renewal. A new Background Study was developed and on May 16, 2023, the Ministry advised that the necessary portions of the Background Study listed in O. Regulation 20/98, s.10, paragraph 1 were approved. This allowed the Board to enact the bylaw at its May 17, 2023 Regular Meeting of the Board, effective June 1, 2023.

¹ Note that effective Year 2 of the new by-law, the greater of the two annual capped increases will be 5%, which is greater than the \$300 per year.

Board Report Number: TBD

For Information

The chart below identifies the phase-in of the new EDC rates in accordance with amendments to O. Reg 20/98:

Table 1: HDSB Residential and Non-Residential Rates

	2018 Year 5 BY-LA W CHARGE	2023 MAX RATE (CAP)	Year 1 June 1, 2023 to May 31, 2024	Year 2 June 1, 2024 to May 31, 2025	Year 3 June 1, 2025 to May 31, 2026	Year 4 June 1, 2026 to May 31, 2027	Year 5 June 1, 2027 to May 31, 2028
Residential	\$5,792	\$8,715	\$6,092	\$6,396.60	\$6,716.43	\$7,052.25	\$7,404.86
Non-Res.	\$ 1.41	\$ 2.64	\$ 1.51	\$ 1.61	\$ 1.71	\$ 1.81	\$ 1.91

As the caps limit the amount a Board can increase its overall charge, and seeing the Board has yet to reach the max rate of the 2023 Background Study for both residential and non-residential rates, there is no need to pursue an amendment. Staff will more than likely need to wait to pass a new by-law in five years, or in the event that legislation changes, allowing boards to increase beyond the cap. No further actions are anticipated at this time.

A summary of EDC revenues, expenditures and closing balance as at August 31, 2024 are attached in Section 5 below.

3. Financial Impact

The current balance in the EDC account is a surplus of \$35.3 million. However with four pending site purchases over the next two years, the HDSB expects the EDC account will be in a \$70 million deficit position. As more sites are purchased, the deficit will increase given the caps imposed on the EDC levies. The current EDC by-law, with the cap restrictions in place, can no longer recover the EDC expenses within a 15 year period, as originally intended.

4. Multi-Year Strategic Plan Alignment

Priority Alignment:

Human Rights, Equity and Inclusion ; Learning, Engagement and Achievement ;

HDSB is supporting a growing student population, in particular in South Milton and North Oakville. The ability to set and charge EDC levies creates a funding mechanism for the procurement of new school sites in areas of growth. This is key in being able to



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open new schools that meet the increasing student demand. As such, EDCs support the creation of student learning spaces, which contribute to Student Achievement, Mental Health and Wellbeing, as well as to Equitable and Inclusive education opportunities.

5. Attachment(s):

- 5.1. Annual Statement of EDC Revenues, Expenses and Closing Balance as at August 31, 2024

Respectfully submitted,

Roxana Negoï

Superintendent of Business Services and Treasurer

Curtis Ennis

Director of Education

**Halton District School Board
Report on Education Development Charges**

Opening EDC Balance/ (Deficit) as at September 1, 2023 **\$ (3,296,726)**

EDC Revenues received in 2023/2024:

Interest paid on EDC Surplus \$ 1,597,244

Residential

City of Burlington	8,049,360	
Town of Oakville	14,470,328	
Town of Milton	10,483,722	
Town of Halton Hills	1,851,140	
	34,854,550	

Non-Residential

City of Burlington	348,249	
Town of Oakville	900,416	
Town of Milton	2,081,141	
Town of Halton Hills	1,466,101	
	4,795,907	41,247,701

EDC Expenditures in 2023/2024:

Site acquisition expenditure (multiple sites)	(1,727,765)	
Site preparation expenditure (multiple sites)	(694,727)	
Interest on debt service costs	-	
Refunds paid	(11,284)	
Expenses related to the Milton #12 temporary easement	(148,765)	
Study Costs/ legal fees	(112,500)	
	(2,695,041)	(2,695,041)

Closing EDC Balance/ (Deficit) **\$ 35,255,934**

Board Report Number: TBD

For Information

Report Title: 2023-2024 Summary of Trustee Expenses
Submitted by: Roxana Negoï, Superintendent of Business Services and Treasurer
 Curtis Ennis, Director of Education
Meeting Date: December 3, 2024

1. Analysis

This report provides the Board of Trustees with a summary of Trustee Expenses for the fiscal year ended August 31, 2024, in accordance with the requirements of the Education Act, section 191 (3) and the established Trustee Expenses Governance Policy.

1.1. Governance Alignment

Section 191 (3) of the Education Act states that Board members should establish a policy to guide the reimbursement of out of pocket expenses reasonably incurred in connection with carrying out the responsibilities of a board member. The Board has established the Trustee Expenses Governance Policy, and under its transparency requirements, each year, the Superintendent of Business Services and Treasurer of the board is required to provide the Board with a summary of Trustee expenses for the prior fiscal year. This report is aligned with the regulatory requirements and Board policy.

2. Background

The Trustee Expenses Governance Policy states:

The Halton District School Board (HDSB) recognizes the need to reimburse Trustees for expenses reasonably incurred in carrying out their role as Trustee. In addition, the HDSB recognizes Trustees must be equipped properly so they may consult with and contact their constituents.

Sections 3.26 and 3.27 of the "Trustee Expenses Governance Procedure" state that:

An annual summary of Trustee expenses will be reported as an information item by the Superintendent of Business Services.

A Trustee expense report will be posted to the board's website annually by December 31 following the end of the fiscal year. The report will include expense totals by Trustee in each of the following categories:

- OPSBA Conferences



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For Information

- *Other Professional Development*
- *Meeting Expenses*
- *Supplies*
- *Other Expenses*

HDSB paid:

- *Telecommunications*
- *Technology*
- *Board Leadership & Mandatory Training*
- *Trustees' Prior Term Reserve Account*
- *Travel*

It is the policy of the Halton District School Board that trustees, upon their election, shall be equipped with a personal computer including peripherals; software in accordance with the HDSB standard for administrators; high speed home internet access; a home phone; and a mobile communication device.

In addition, each trustee, on an annual basis, will have access to a \$6,000 for personal professional development, meetings and office supplies. This account may be used to reimburse the trustee for expenses reasonably incurred in carrying out their role as trustee. The policy identifies the expenses that are recognized by the HDSB as appropriate Trustee expenses. It also allows any approved travel expenditure not to be charged against the trustee account, but rather the Trustees Mileage/Travel account. In addition, where a trustee incurs approved expenditures as a representative of the Board (e.g. Ontario Public School Board Association meeting, Student Trustee mentoring, Audit Committee training) these costs will not be charged against the trustee account, but rather the Board's Leadership account.

Summary of Expenses - HSDB paid/reimbursed (on a cash basis):

Telecommunications (internet, cell, phone)	\$17,944.56
Travel	\$18,400.97
Technology	\$1,614.39
Conferences (Board Leadership Mandatory Training)	\$4,241.68
Prior Term Reserve (Professional Development)	\$13,691.82
	<hr/>
	\$55,893.42



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For Information

Summary of Expenses Reimbursed as of August 31, 2024 (on a cash basis)

OPSBA Conferences	\$9,161.72
Other Professional Development (registration, accommodation, meals)	\$24,370.62
Meeting Expenses (refreshments, meals, hospitality)	\$524.32
Office Supplies	\$3,490.94
Other Expenses (eg. subscriptions, books, childcare)	\$3,734.67
	\$41,282.27

**Cash basis refers to actual reimbursement received from September 1, 2023 to August 31, 2024.*

Details of expenditures by individual Trustee will be posted on the board website prior to December 31, 2024.

As at the end of the previous term (November 14th, 2022), \$88,155 representing the unused portion of the expense budget rolled over to 2022/2023. As of August 31, 2024, the reserve balance is up to \$122,727.

Unused portions of an individual trustee's expense budget, on an annual basis, shall rollover to the next year. At the end of the term of the Board, unused portions of the Trustee expense budget shall be allocated to a Reserve Account for the purpose of future trustee professional development. The use of these Reserve Account funds will be decided by the incoming Board of Trustees by Board motion. A summary of the Reserve Account is attached as Appendix A.

3. Financial Impact

There is no direct financial impact to this report. This is a summary of expenses reimbursed through the year as board members discharge their responsibilities in accordance with the Education Act and Board Policy.

4. Multi-Year Strategic Plan Alignment

Priority Alignment: Learning, Engagement and Achievement ▾ ;

Trustees are responsible for governance over student achievement and effective stewardship of resources. This report aligns both with the Learning, Engagement &



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For Information

Achievement strategic priority, as well as with the financial accountability under the Education Act.

5. Attachment(s):

5.1. Appendix A - Trustee Reserve Balance as at August 31, 2024

Respectfully submitted,

Roxana Negoï

Superintendent of Business Services and Treasurer

Curtis Ennis

Director of Education

Reserve Balance, August 31, 2022	\$	<u>62,731</u>
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<u>Transfer End of Term Balance (2018-2022):</u>		88,155
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Included in Trustee Expenses - Governance Procedure:

Ontario Public School Board Association Public Education Symposium Registration Fees January 26-28, 2023	(5,613)	
Lori Lukinuk, CP-T, PRP Parliamentary Services Boardroom Decorum and Robert's Rules of Order Parliamentary Workshop Fee February 16, 2023	(2,364)	
Ontario Public School Board Association Labour Relations and Human Resources Symposium Registration Fees April 28, 2022	(103)	
April 27-28, 2023	<u>(526)</u>	(8,606)

Board Motions:

M23-0023 Ontario Education Services Corporation Director's Performance Appraisal Review Professional Development March 8, 2023	(1,769)	
M23-0067 Marion Thomson Howell (M23-0080 - Fees approved) Joint Board and Senior Management Team Workshop May 1, 2023	(1,750)	
M23-0068 Ontario Public School Board Association 2023 Annual General Meeting Registration Fees June 8-10, 2023	<u>(2,342)</u>	(5,861)

Reserve Balance, August 31, 2023	\$	<u>136,419</u>
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Included in Trustee Expenses - Governance Procedure:

Ontario Public School Board Association Public Education Symposium Registration Fees January 25-26, 2024	(8,498)	
Lori Lukinuk, CP-T, PRP Parliamentary Services Boardroom Decorum and Robert's Rules of Order Parliamentary Workshop Fee February 28, 2024	(1,500)	
May 27, 2024	(2,000)	
Ontario Public School Board Association Labour Relations and Human Resources Symposium Registration Fees April 25-26, 2024	<u>(1,694)</u>	(13,692)

Reserve Balance, August 31, 2024	\$	<u>122,727</u>
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Report Title: **Summary of School Generated Funds - 2023/2024**
Submitted by: R. Negoj, Superintendent of Business and Treasurer
C. Ennis, Director of Education
Meeting Date: December 3, 2024

1. Analysis

This report summarizes school generated revenues and expenditures for the year ended August 31, 2024, which are consolidated into the Halton District School Board's (HDSB) Audited Financial Statements.

1.1. Governance Alignment

This is a compliance requirement. Each year, the treasurer of the board is required (under subsection 252(1) of the Education Act) to prepare the financial statements for the school board and, on receiving the auditor's report on the financial statements, promptly submit them to the Ministry of Education. Public Sector Accounting Board (PSAB) standards require that all school boards consolidate funds generated at the school level with the annual financial statements of the school board. All funds collected through school, or school council, fundraising are subject to the school board's regular audit and accountability requirements.

2. Background

The HDSB recognizes that schools and school councils raise funds to supplement student programs and for specific student activities. The HDSB has a responsibility to ensure that all school generated funds are collected in accordance with board policies/procedures and municipal, provincial and federal laws and regulations. This responsibility includes ensuring that all funds are adequately protected, that they are controlled through proper accounting procedures and that accountability for the funds is maintained.

The School Generated Funds Administrative Procedure provides appropriate guidance, authority and protection to school staff and fundraising volunteers by identifying specific directions for the administering, recording and reporting of school generated funds. In addition, Halton District School Board elementary and secondary schools have implemented the Student Fees Administrative Procedure to ensure equity of access to programs and services while maintaining quality and breadth of programming choices.

Board Report Number: TBD

For Information

This report summarizes school generated revenues and expenditures for the year ended August 31, 2024.

For the year ended August 31, 2024, the Halton District School Board recorded school generated revenues of \$20.4 million and related expenditures of \$19.9 million. Additional information is provided in the attached appendices.

School generated funds revenues and expenses typically represent approximately 2% of the total Board's revenue and expenses annually.

Schools are permitted to carry forward a surplus of funds up to a maximum of \$30 per student without approval. Surpluses exceeding this limit must be explained with a documented surplus plan that is approved by the School Superintendent. The carry forward is usually as a result of a timing difference between the collection of funds and the outlay of expenditures, e.g., end of year Fun Fairs in May and June and transition activities that occur in the summer in preparation for the following school year.

There was approximately \$34,000 in capital projects revenues and expenses that were reallocated to Tangible Capital Assets in the Board's financial statements. These were larger capital projects that were either partially or wholly funded by School Generated Funds.

There was approximately \$5.7 Million in carryforwards at the end of the 2023/2024 year, which is up by 9% compared to 2022/2023.

The continued increase in School Generated Funds revenues and expenses are an indication of the close return to pre-pandemic levels of school activities and extracurriculars.

3. Financial Impact

There is no direct impact of this report. School Generated Funds typically operate based on a cost recovery basis for school based activities, field trips and excursions. Fundraising activities allow schools to support students who would otherwise be excluded from these activities in addition to supporting supplementary curricular or capital expenditures not covered by Ministry Funding.

4. Multi-Year Strategic Plan Alignment

Priority Alignment: Environmental and Global Citizenship ;
 Human Rights, Equity and Inclusion ; Indigenous Rights and Education ;
 Kindness, Connection and Community ; Learning, Engagement and Achievement ;
 Mental Health and Well-Being



Board Report Number: TBD

For Information

School Generated Funds are utilized by schools to support all areas of the Multi-Year Plan.

5. Attachment(s):

- 5.1. Appendix A-1 – Summary of School Generated Funds by Category – Total
- 5.2. Appendix A-2 – Summary of School Generated Funds by Category – Secondary
- 5.3. Appendix A-3 – Summary of School Generated Funds by Category – Elementary
- 5.4. Appendix B – Category Structure for School Generated Funds

Respectfully submitted,

Roxana Negoï

Superintendent of Business and Treasurer

Curtis Ennis

Director of Education

Halton District School Board

Summary of School Generated Funds (including School Councils)

		2023/2024	2022/2023	Year Ended 2021/2022	2020/2021	2019/2020
Balance, Beginning of Year	\$	5,213,481	4,231,560	3,992,826	5,301,650	5,837,622
Receipts By Category (1)						
Athletics		2,083,979	1,811,565	927,094	43,175	1,366,242
Charity		141,006	126,061	91,383	8,648	186,949
Extracurricular		2,923,159	2,806,600	1,293,621	236,329	1,418,115
Field Trips		4,127,489	3,377,122	816,390	220,754	1,474,523
Food & General Fundraising		6,912,197	6,547,187	2,891,590	152,626	4,161,860
Fundraising - Capital (3)		33,662	183,865	13,003	40,741	11,791
Fundraising - Curricular/ Enhancements (2)		1,888,676	1,546,882	1,149,829	518,781	1,085,634
Grants		1,322,510	1,096,553	683,672	231,138	603,953
Other(Non-Student, HST)		952,685	83,507	376,838	155,107	772,969
Summary of Receipts		20,385,363	17,579,343	8,243,420	1,607,297	11,082,036
Disbursements By Category (1)						
Athletics		2,317,434	2,070,809	792,216	171,578	1,266,498
Charity		134,207	134,623	98,552	18,358	182,420
Extracurricular		3,409,367	2,944,190	1,408,396	673,099	1,831,558
Field Trips		4,495,329	3,441,253	874,867	65,159	2,040,345
Food & General Fundraising		5,222,040	4,720,823	2,608,491	764,181	3,722,776
Fundraising - Capital (3)		33,662	466,548	118,230	247,096	514,479
Fundraising - Curricular/ Enhancements (2)		2,980,131	1,535,929	1,494,792	413,200	1,163,158
Grants		1,259,571	1,128,781	573,740	185,831	427,575
Other(Non-Student, HST)		48,998	154,467	35,401	377,618	469,198
Summary of Disbursements		19,900,738	16,597,422	8,004,685	2,916,121	11,618,008
Receipts Less Disbursements		484,625	981,921	238,734	(1,308,824)	(535,972)
Balance, End of Year	\$	5,698,106	5,213,481	4,231,560	3,992,826	5,301,650

The terms "school generated funds" and "school council funds" refer to funds raised to benefit students in the school. Funds are generated in schools from a number of different sources and used in a number of different ways. The Administrative Procedure applies to all funds that are received, raised, or collected in the name of the school or school activity. These funds are under the direction and control of the school Principal. Generally, this will mean all funds available to the school other than funds provided by the approved budget of the board. The Board is required to ensure that these funds are properly administered and transactions are accurately recorded. This Administrative Procedure is not mandatory for Home and School Associations.

(1) A summary of HDSB Standard Category Structure For School Generated Funds (per Administrative Procedure) is attached. Note: The categories have not been audited to ensure that all receipts/disbursements are recorded in the appropriate/consistent category across all schools in the district.

Details by category not readily available at the board consolidated level.

(2) Effective September 2010, HDSB implemented a "Student Fees" Administrative Procedure which eliminated fees for standard course materials and/or consumables.

(3) Fundraising - Capital receipts and disbursements include \$33,662 in capitalized revenue and expenses. This is related to a capital project funded through School Generated Funds completed at E.J.James Elementary School.

Halton District School Board

Summary of School Generated Funds (including School Councils) - Secondary

	Year Ended				
	<u>2023/2024</u>	<u>2022/2023</u>	<u>2021/2022</u>	<u>2020/2021</u>	<u>2019/2020</u>
Balance, Beginning of Year	\$ 2,219,484	1,876,060	1,735,846	2,064,639	2,185,482
Receipts By Category (1)					
Athletics	1,933,394	1,695,561	901,459	42,943	1,301,326
Charity	78,680	59,901	42,222	2,535	67,199
Extracurricular	2,448,125	2,301,012	981,003	198,980	1,216,210
Field Trips	735,648	615,238	125,706	51,371	300,915
Food & General Fundraising	374,834	717,017	339,986	50,587	601,114
Fundraising - Capital	0	11,580	10,094	11,860	8,080
Fundraising - Curricular/ Enhancements (2)	1,399,436	1,160,393	823,414	504,853	824,002
Grants	382,395	282,751	235,974	74,365	132,974
Other (Non-Student, HST)	271,969	18,192	152,878	62,321	252,313
Summary of Receipts	7,624,482	6,861,644	3,612,737	999,816	4,704,133
Disbursements By Category (1)					
Athletics	2,022,215	1,893,538	731,365	162,880	1,182,926
Charity	67,912	64,189	48,080	6,677	59,123
Extracurricular	2,695,153	2,274,405	1,014,990	511,654	1,510,678
Field Trips	785,550	563,094	138,100	17,278	499,869
Food & General Fundraising	313,768	578,013	258,075	101,183	378,743
Fundraising - Capital	0	34,200	9,709	35,693	177,435
Fundraising - Curricular/ Enhancements (2)	1,374,715	890,611	1,052,381	288,608	672,307
Grants	320,936	268,770	159,050	53,475	106,325
Other (Non-Student, HST)	11,597	(48,600)	60,772	151,161	237,571
Summary of Disbursements	7,591,845	6,518,220	3,472,523	1,328,609	4,824,976
Receipts Less Disbursements	32,637	343,424	140,214	(328,793)	(120,843)
Balance, End of Year	\$ <u>2,252,121</u>	<u>2,219,484</u>	<u>1,876,060</u>	<u>1,735,846</u>	<u>2,064,639</u>

The terms "school generated funds" and "school council funds" refer to funds raised to benefit students in the school. Funds are generated in schools from a number of different sources and used in a number of different ways. The Administrative Procedure applies to all funds that are received, raised, or collected in the name of the school or school activity. These funds are under the direction and control of the school Principal. Generally, this will mean all funds available to the school other than funds provided by the approved budget of the board. The Board is required to ensure that these funds are properly administered and transactions are accurately recorded. This Administrative Procedure is not mandatory for Home and School Associations.

(1) A summary of HDSB Standard Category Structure For School Generated Funds (per Administrative Procedure) is attached. Note: The categories have not been audited to ensure that all receipts/disbursements are recorded in the appropriate/consistent category across all schools in the district.

Details by category not readily available at the board consolidated level.

(2) Effective September 2010, HDSB implemented a "Student Fees" Administrative Procedure which eliminated fees for standard course materials and/or consumables.

Halton District School Board

Summary of School Generated Funds (including School Councils) - Elementary

		<u>2023/2024</u>	<u>2022/2023</u>	<u>Year Ended 2021/2022</u>	<u>2020/2021</u>	<u>2019/2020</u>
Balance, Beginning of Year	\$	2,993,997	2,355,500	2,256,980	3,237,011	3,652,140
Receipts By Category (1)						
Athletics		150,585	116,004	25,635	231	64,916
Charity		62,326	66,160	49,160	6,112	119,751
Extracurricular		475,034	505,588	312,619	37,349	201,905
Field Trips		3,391,841	2,761,884	690,683	169,383	1,173,608
Food & General Fundraising		6,537,363	5,830,170	2,551,604	102,039	3,560,746
Fundraising - Capital (3)		33,662	172,285	2,909	28,881	3,710
Fundraising - Curricular/ Enhancements (2)		489,240	386,489	326,414	13,928	261,632
Grants		940,115	813,802	447,698	156,773	470,979
Other (Non-Student, HST)		680,716	65,315	223,960	92,785	520,656
Summary of Receipts		12,760,881	10,717,698	4,630,683	607,481	6,377,903
Disbursements By Category (1)						
Athletics		295,218	177,271	60,851	8,698	83,572
Charity		66,295	70,434	50,472	11,681	123,298
Extracurricular		714,214	669,786	393,406	161,446	320,880
Field Trips		3,709,779	2,878,158	736,767	47,881	1,540,477
Food & General Fundraising		4,908,272	4,142,809	2,350,416	662,999	3,344,034
Fundraising - Capital (3)		33,662	432,348	108,520	211,404	337,044
Fundraising - Curricular/ Enhancements (2)		1,605,416	645,317	442,411	124,592	490,851
Grants		938,635	860,012	414,690	132,356	321,251
Other (Non-Student, HST)		37,401	203,067	(25,370)	226,457	231,627
Summary of Disbursements		12,308,894	10,079,202	4,532,163	1,587,513	6,793,032
Receipts Less Disbursements		451,987	638,496	98,520	(980,031)	(415,130)
Balance, End of Year	\$	<u>3,445,984</u>	<u>2,993,997</u>	<u>2,355,500</u>	<u>2,256,980</u>	<u>3,237,011</u>

The terms "school generated funds" and "school council funds" refer to funds raised to benefit students in the school. Funds are generated in schools from a number of different sources and used in a number of different ways. The Administrative Procedure applies to all funds that are received, raised, or collected in the name of the school or school activity. These funds are under the direction and control of the school Principal. Generally, this will mean all funds available to the school other than funds provided by the approved budget of the board. The Board is required to ensure that these funds are properly administered and transactions are accurately recorded. This Administrative Procedure is not mandatory for Home and School Associations.

(1) A summary of HDSB Standard Category Structure For School Generated Funds (per Administrative Procedure) is attached. Note: The categories have not been audited to ensure that all receipts/disbursements are recorded in the appropriate/consistent category across all schools in the district.

Details by category not readily available at the board consolidated level.

(2) Effective September 2010, HDSB implemented a "Student Fees" Administrative Procedure which eliminated fees for standard course materials and/or consumables.

(3) Fundraising - Capital receipts and disbursements include \$33,662 in capitalized revenue and expenses. This is related to a capital project funded through School Generated Funds completed at E.J.James Elementary School.

HDSB Standard Category Structure for School Generated & School Council Funds

CATEGORY	DEFINITION	EXAMPLES
Athletics	Money received to offset the cost for buses, referees, tournament fees, uniforms; money disbursed for those items; fundraising specific to athletic teams or events.	Team sports (Football, Hockey, Basketball, Volleyball); intramural house league teams; inter-school tournaments; referee fees; OFSAA costs; buses for track meets / relays / cross country meets
Charity	Money raised for and disbursed to an external registered charity.	Terry Fox, World Vision, United Way, Halton Learning Foundation, Heart & Stroke
Extra Curricular	Money collected and distributed to cover costs of clubs, non-athletic co-curriculars and optional school spirit items; fundraising specifically for a single extracurricular event.	Band, Choir, Clubs, Drama/Musical Performances; School Spirit Wear (not gym clothes, which are athletic); Yearbook; Commencement /Graduation, Student Parliament; Environment Club; Link Crew
Field Trips	All money fundraised or collected to support the cost of off-site activities or in-school presentations, including admissions, transportation and accommodations.	Field trips: Science Centre, ROM, Metro Zoo Presentations: Scientists in Schools, musical performers, traveling theatre troupes Excursions: all out-of-province travel; all travel involving overnight accommodation
Food & Fundraising	<p>Money collected by the sale of food directly for student consumption and money spent on the goods being sold. Profits may offset expenses in all other areas except Non-Student.</p> <p>All money raised/received from, and all expenses related to, products sold or activities that are intended to generate profits and be beneficial to the entire school as opposed to a specific area (e.g. athletics, extra-curriculars).</p> <p>Separate subcategories (capital, curricular) are required to record the cost of the items purchased in those areas.</p>	<p>SEC: Cafeteria, Food Schools, catering</p> <p>ELEM: Milk, Pizza, Sub Days, Popcorn</p> <p>Dance-A-Thon, Raffles, Fall Fair events, Gift Card Sales, Fruit/Muffin Mix, Cheese, Wrapping Paper sales, car washes, magazine drives.</p> <p>Fundraising Category may be subcategorized into specific events; expenses come out of the subcategories or may be a subcategory called "event expense".</p>
Capital	All money raised/received from, and all expenses related to, products sold or activities that are intended to generate profits to be specifically used to purchase capital items or support school infrastructure.	<p>Money raised to offset purchases of computers, furniture or equipment ordered through the Board's Purchasing Department.</p> <p>Money raised to offset purchases of landscaping, painting, or structural modifications ordered through the Board's Facility Services Department.</p>

CATEGORY	DEFINITION	EXAMPLES
Curricular	All money raised/received from, and all expenses related to, products related to classroom learning.	Library book fairs
Grants	Money received from third parties for a specific purpose, the detailed use of which must be reported.	Parent Involvement Policy, Halton Food for Thought, TD Friends of the Environment
Other: Non-Student & Temporary Clearing	<p>All money raised/received for and spent on items that do not directly benefit students.</p> <p>Expenses that will be reimbursed by HDSB or School Council, who will claim the expense in their financial statements, and offsetting income.</p>	<p>Inflows: HST rebate, photographer commissions.</p> <p>Outflows: Bank charges, cheque printing fees, Volunteer Appreciation</p>



Halton District School Board

Date: November 12, 2024
FOR INFORMATION

TO: The Chair and Members of the Audit Committee
Halton District School Board

FROM: Roxana Negoï, Superintendent of Business Services & Treasurer

RE: **2023/2024 Halton Student Transportation Services (HSTS)
Financial Statements**

Background

The proportion of revenue and costs for Halton Student Transportation Services (HSTS) are consolidated into the financial statements of the Halton District School Board. Additional information on this consolidation can be found in Note 23 in the Notes to the Consolidated Financial Statements.

The financial statements for HSTS are being shared with the Audit Committee and Board of Trustees for information.

Rationale

The financial statements for HSTS have been audited by KPMG LLP, Chartered Accountants. The audit was conducted in accordance with Canadian generally accepted auditing standards as outlined in the Auditors' Report. Based on their audit opinion, the auditors agree that the consolidated financial statements of Halton Student Transportation Services as at and for the year ended August 31, 2024 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

Respectfully Submitted,

Roxana Negoï
Superintendent of Business Services and Treasurer

Financial Statements of

**HALTON STUDENT
TRANSPORTATION SERVICES**

And Independent Auditor's Report thereon

Year ended August 31, 2024



KPMG LLP
Commerce Place
21 King Street West, Suite 700
Hamilton, ON L8P 4W7
Canada
Telephone 905 523 8200
Fax 905 523 2222

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Halton Student Transportation Services

Opinion

We have audited the accompanying financial statements of Halton Student Transportation Services (the "Entity"), which comprise:

- the statement of financial position as at August 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at August 31, 2024, and its results of changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the 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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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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the 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.

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Page 3

- 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 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
October 18, 2024

HALTON STUDENT TRANSPORTATION SERVICES

Financial Statements

Year ended August 31, 2024

Financial Statements

Statement of Financial Position	1
Statement of Operations	2
Statement of Change in Net Debt	3
Statement of Cash Flows	4
Notes to Financial Statements	5

HALTON STUDENT TRANSPORTATION SERVICES

Statement of Financial Position

August 31, 2024, with comparative information for 2023

	2024	2023
Financial assets		
Due from related parties (note 4)	\$ 251,384	\$ 330,613
Financial liabilities		
Accounts payable and accrued liabilities	107,209	89,176
Due to related parties (note 4)	155,980	253,215
Deferred capital contributions (note 5)	–	251
	263,189	342,642
Net debt	(11,805)	(12,029)
Non-financial assets		
Tangible capital assets (note 2)	–	251
Prepaid expense	12,565	12,538
	12,565	12,789
Accumulated surplus	\$ 760	\$ 760

See accompanying notes to financial statements.

On behalf of the Board of Directors:

Director

Director

HALTON STUDENT TRANSPORTATION SERVICES

Statement of Operations

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

	2024 Budget	2024 Actual	2023 Actual
Revenues	\$ 32,462,816	\$ 32,215,525	\$ 31,137,053
Expenses:			
Transportation services	30,563,131	30,183,748	29,361,912
Administrative expenses:			
Salaries and benefits	1,562,453	1,772,011	1,486,452
Professional fees	78,830	67,296	69,410
Rent	72,680	69,869	69,203
Contractual services	74,000	36,855	54,210
Software fees and licenses	52,100	49,015	48,537
Office supplies	17,960	15,510	14,779
Professional development	16,062	4,677	10,851
Communication	5,200	4,857	7,977
Insurance	5,000	4,947	4,858
Equipment	2,000	—	4,111
Travel and meetings	2,500	3,012	1,884
Day to day maintenance	900	766	1,203
Advertising	10,000	2,711	1,164
Amortization of tangible capital assets	—	251	502
Total expenses	32,462,816	32,215,525	31,137,053
Annual surplus		—	—
Accumulated surplus, beginning of year		760	760
Accumulated surplus, end of year	\$	\$ 760	\$ 760

See accompanying notes to financial statements.

HALTON STUDENT TRANSPORTATION SERVICES

Statement of Changes in Net Debt

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

	2024	2023
Annual surplus	\$ —	\$ —
Amortization of tangible capital assets	251	502
		502
Other non-financial asset activity:		
Acquisition of prepaid expenses	(7,714)	(7,687)
Use of prepaid expenses	7,687	7,249
Total other non-financial asset activity	(27)	(438)
Change in net debt	224	64
Net debt, beginning of year	(12,029)	(12,093)
Net debt, end of year	\$ (11,805)	\$ (12,029)

See accompanying notes to financial statements.

HALTON STUDENT TRANSPORTATION SERVICES

Statement of Cash Flows

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

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ —	\$ —
Item not involving cash:		
Amortization of tangible capital assets	251	502
Revenue recognized from deferred capital contributions	(251)	(502)
Changes in non-cash working capital:		
Increase (decrease) in accounts payable and accrued liabilities	18,033	(26,377)
Increase in prepaid expenses	(27)	(438)
	18,006	(26,815)
Investing activities:		
Decrease (increase) in due from related parties (note 4)	79,229	(62,911)
(Decrease) increase in due to related parties (note 4)	(97,235)	89,726
	18,006	26,815
Net change in cash	—	—
Cash, beginning of year	—	—
Cash, end of year	\$ —	\$ —

See accompanying notes to financial statements.

HALTON STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2024

Halton Student Transportation Services ("HSTS") on behalf of Halton District School Board and the Halton Catholic District School Board (the "School Boards") was set up to provide transportation services.

HSTS was incorporated on February 10, 2009 under the Corporations Act of Ontario as a non-profit corporation without share capital and is exempt from income taxes.

1. Significant accounting policies:

The financial statements are prepared by management in accordance with Canadian public sector accounting standards.

(a) Basis of accounting:

Revenue is recognized as performance obligations are satisfied by providing services; Expenses are reported on an accrual basis of accounting, the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

(b) 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.

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

Asset	Estimated useful life in years
Computer software	5
Computer hardware	3
Leasehold improvements	5
Furniture and equipment	10

(c) Government transfers:

Government transfers, which include legislative grants, are recognized in the 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.

Government transfers for capital that meet the definition of liability are referred to as deferred capital contributions ("DCC"). Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

HALTON STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2024

1. Significant accounting policies (continued):

(d) Budget figures:

Budget figures have been provided for comparison purposes and have been approved by the Board of Directors of the Halton Student Transportation Services. Budget figures, which are reported in the statement of operations, were originally approved on November 23, 2023. The figures have been reported for the purposes of these statements to comply with Public Sector Accounting Board ("PSAB") reporting requirements. Budget figures were excluded from the Statement of Change in Net Debt as these amounts were not included in management's revised budgeted figures.

(e) Use of estimates:

The preparation of financial statements 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 financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating accrued liabilities. Amounts recorded for amortization of tangible capital assets are based on estimates of useful service life. Actual results could differ from these estimates.

(f) Change in accounting policy – Adoption of new accounting standards:

During the year HSTS adopted PS 3400 Revenue which 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. The adoption of PS 3400 Revenue did not have an impact on the financial statements of HSTS.

HALTON STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2024

2. Tangible capital assets:

Cost	Balance at August 31, 2023	Additions	Disposals	Balance at August 31, 2024
Furniture and equipment	\$ 5,016	\$ –	\$ –	\$ 5,016
Accumulated amortization	Balance at August 31, 2023	Disposals	Amortization Expense	Balance at August 31, 2024
Furniture and equipment	\$ 4,765	\$ –	\$ 251	\$ 5,016
Net book value	August 31, 2023			August 31, 2024
Furniture and equipment	\$ 251			–

3. Economic dependence:

HSTS's operations consist exclusively of supplying services to Halton District School Board and Halton Catholic District School Board. HSTS is economically dependent on these boards for its busing revenues.

HALTON STUDENT TRANSPORTATION SERVICES

Notes to Financial Statements (continued)

Year ended August 31, 2024

4. Due from/to related party:

Amounts included in due from related parties are due from the following partners of HSTS:

	2024	2023
Halton District School Board	\$ 251,384	\$ 330,613

Amounts included in due to related parties are due to the following partners of HSTS:

	2024	2023
Halton Catholic District School Board	\$ 155,980	\$ 253,215

Amounts due from/to related parties are non-interest bearing with no fixed repayment terms.

5. Deferred capital contributions:

Government transfers for capital that meet the definition of a liability are referred to as deferred capital contributions. Amounts are recognized into revenue as the liability is extinguished over the useful life of the asset.

	2024	2023
Balance, beginning of year	\$ 251	\$ 753
Additions to deferred capital contributions	—	—
Revenue recognized in the period	(251)	(502)
Balance, end of year	\$ —	\$ 251

6. Lease commitment:

The HSTS leases office premises with terms to October 31, 2027. The minimum annual rental under this agreement is as follows:

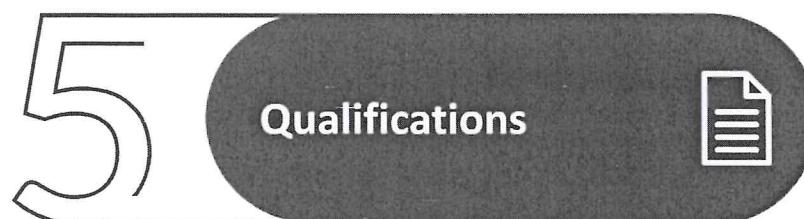
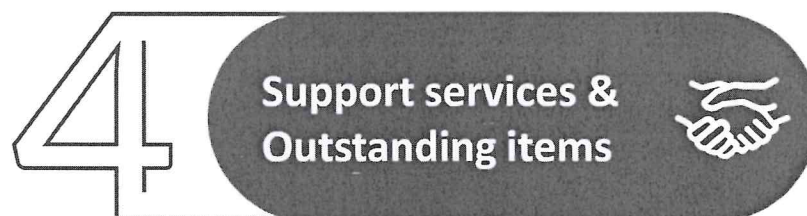
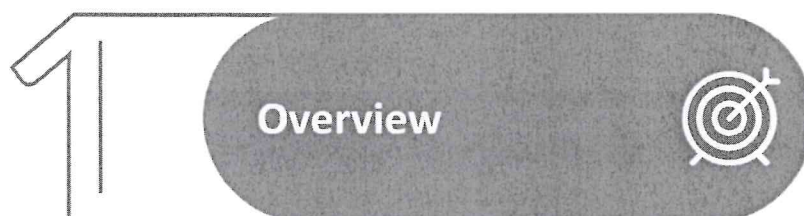
Fiscal year ending August 31:		
2025	\$	72,678
2026		72,678
2027		72,678
2028		12,113
	\$	230,147



April 19, 2024



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Halton District School Board



Indirect Tax Recovery Interim Report



Total Indirect
tax recoveries

\$1,517.60



Time Frame

March 2020 to February 2024



Contacts
@ Deloitte

Michael Nutbeem, Senior Manager
mnutbeem@deloitte.ca
416-874-3470

OR

Peter Tseung, Senior Manager
ptseung@deloitte.ca
416-874-3490



Deloitte LLP
Mara Belgrave, Indirect Tax

2

Recoverable taxes & Technical support



Harmonized Sales Tax (HST)

Unclaimed Public Service Bodies (PSB) Rebates	HST	\$1,517.60
Total Taxes Recoverable		\$1,517.60

- [View Recovery Schedule details](#)

Technical Support

HST: Unclaimed Public Service Bodies Rebates

- Under s.259 of the GST/HST legislation, school authorities are entitled to claim a 68% rebate of the federal component of the HST and 93% of the provincial component of the HST on otherwise unrecoverable HST paid on their purchases. We identified \$1,517.60 HST recoverable for tax paid on supplier invoices where the allowable rebates were not claimed.



3

Claiming the recoveries

**PSB Rebates**

The invoice date of the recovery is more than two years old, therefore, Halton District School Board needs to file amended return for the period July 2021 to claim the \$1,517.60 of missed rebate.

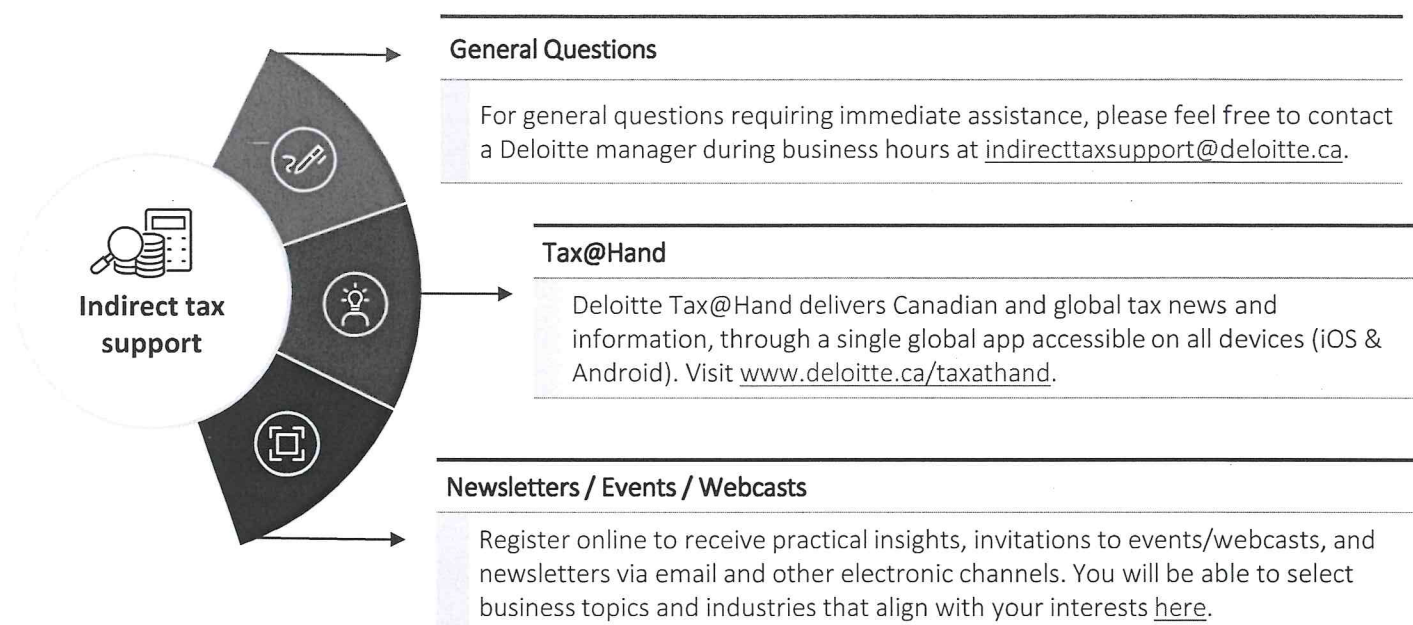


4

Support services & Outstanding items




We are pleased to offer a multi-tier support service:



Outstanding Items

We continue to review and analyze the data for tax planning ideas and for accounts payable opportunities. We will provide our reports of findings in the near future.

5

Qualifications



This report is based on what we consider to be the relevant authorities (i.e., the statutory, administrative and relevant case law) as at the date of the report. Each of these authorities is subject to change at any time, and any such change could have retroactive effect. Further, there is no certainty that proposed legislative or regulatory amendments will be enacted in their current form or that new proposals will not be introduced with retroactive effect. Any such development could cause the comments provided herein to become invalid, in whole or in part, with respect to the matters discussed. Our comments are valid as of the date of the report and we have no responsibility to report any changes in applicable law or authorities occurring after this date or to update these comments for any changes in applicable law or authorities occurring after this date.

There can be no assurance that the Canada Revenue Agency (“CRA”) or the relevant provincial/territorial tax administrations will not disagree with, or challenge, the views set forth in the report or that any such challenge will be unsuccessful.

The comments are based on the accuracy and completeness of the facts and assumptions as noted herein. Changes in the facts and assumptions could change the conclusions reached in this letter.

An engagement of this type is not designed to detect tax compliance errors or liabilities which might exist in your systems or files. We therefore can make no general representation or quantified statements as to the liability or compliance status regarding indirect tax at your organization.

All amounts referenced herein are in Canadian dollars unless otherwise indicated.





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Halton District School Board



**INTERNAL
AUDIT TEAM**
West of Central Region

Date: November 12, 2024

FOR INFORMATION

TO: The Chair and Members of the Audit Committee

FROM: Andrea Eltherington, Regional Internal Audit Manager

RE: **Regional Internal Audit Status Report**

Background

This report will serve to update the Audit Committee of the Regional Internal Audit Team's work since September 24, 2024.

A. RIAT Team Update

Effective September 30, 2024, Mohamad Alkhen is no longer working with the RIAT.

Respectfully submitted,

Andrea Eltherington, Regional Internal Audit Manager



Halton District School Board

INFORMATION FOR AUDIT COMMITTEE

2023/2024 FISCAL YEAR

Budget Development	December 7, 2022	Report 22153
Committee of the Whole Budget Planning Presentation and Trustee Input	March 8, 2023	Committee of the Whole Budget Presentation
Budget Survey Feedback Board Report	April 19, 2023	Budget Survey Results
Release of the Grants for Student Needs Board report	May 3, 2023	Report 23076
Committee of the Whole Budget Presentations	May 10, 2023 and May 24, 2023	Committee of the Whole Budget Presentation
Draft Budget Report	June 7, 2023	Report 23091
Budget Approval	June 21, 2023	Report 23091
Revised Estimates	January 10, 2024	Report 24008
Quarterly Financial Report for the period ending November 2023	January 24, 2024	Report 24011
Quarterly Financial Report for the period ending February 2024	April 3, 2024	Report 24051

Quarterly Financial Report for the period ending May 2024	June 19, 2024	Report 24095
Financial Statements – Audit Committee	November 12, 2024	
Financial Statements – Board Presentation and Board Approval	December 3, 2024	

2024/2025 FISCAL YEAR

Budget Development	December 6, 2023	Report 23184
Committee of the Whole Budget Planning Presentation and Trustee Input	January 17, 2024	Committee of the Whole Presentation
Budget Survey Feedback Board Report	April 3, 2024	Budget Survey Results
Committee of the Whole Budget Presentations	March 20, 2024	Committee of the Whole Budget Planning Presentation
Release of the Grants for Student Needs Board report	May 1, 2024	Report 24067
Committee of the Whole Budget Presentation	May 22, 2024	Committee of the Whole Budget Presentation
Draft Budget Report	June 5, 2024	Report 24082
Budget Approval	June 19, 2024	Report 24091
Revised Estimates	January 7, 2025	
Quarterly Financial Report for the period ending November 2024	January 7, 2025	
Quarterly Financial Report for the period ending February 2024	April 2025	
Quarterly Financial Report for the period ending May 2024	June 2025	

Financial Statements – Audit Committee	November 2025	
Financial Statements – Board Presentation and Board Approval	November 2025	