Consolidated financial statements of
Thames Valley District School Board

August 31, 2025

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Management Report

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Thames Valley District School Board (the "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 management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Supervisor's approval of the consolidated financial statements.

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

William Tucker	Cathy Lynd
Director of Education	Treasurer

November 19, 2025

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Independent Auditor's Report

To the Supervisor of
Thames Valley District School Board

Opinion

We have audited the consolidated financial statements of Thames Valley District School Board (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2025, and the consolidated statements of operations, cash flows, changes in net debt and remeasurement gains and losses 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, 2025 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

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 – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements, which describes the basis of accounting used in 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Board as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
November 19, 2025

Thames Valley District School Board

Consolidated statement of financial position

As at August 31, 2025

(In thousands of dollars)

	Notes	2025 $	2024 $
Financial assets			
Cash		**24,252**	—
Accounts receivable		**32,440**	34,906
Accounts receivable - Government of Ontario	2	**201,758**	227,964
Tangible capital assets held for sale	11	**85**	—
Portfolio investments	4	**9,242**	8,610
		267,777	271,480
Liabilities			
Bank overdraft	3	**—**	4,373
Temporary borrowing	3	**46,075**	38,788
Accounts payable and accrued liabilities		**79,310**	66,416
Deferred revenue	5	**24,495**	35,105
Employee future benefits	6	**17,958**	18,014
Net debenture debt	7, 22	**99,928**	109,774
Deferred capital contributions	8	**1,006,356**	909,286
Asset retirement obligation	9	**86,092**	82,559
		1,360,214	1,264,315
Net debt		**(1,092,437)**	(992,835)
Contractual obligations and contingent liabilities	18		
Non-financial assets			
Prepaid expenses		**7,736**	8,544
Inventories of supplies		**323**	228
Tangible capital assets	10	**1,181,655**	1,082,234
		1,189,714	1,091,006
Accumulated surplus		**97,277**	98,171
Accumulated surplus is comprised of			
Accumulated operating surplus	12	**95,973**	97,346
Accumulated remeasurement gains		**1,304**	825

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

Approved by the Board

______________________________, Supervisor of the Board

______________________________, Director of Education

Thames Valley District School Board

Consolidated statement of operations

Year ended August 31, 2025

(In thousands of dollars)

	Notes	2025 Approved budget $	2025 $	2024 $
Revenue				
Core Education Funding				
Provincial legislative grants	15	**871,125**	**943,653**	925,156
Education property tax	15	**176,494**	**183,883**	177,454
Provincial grants - other	26	**48,500**	**16,825**	121,087
Federal grants and fees	23	**5,914**	**8,283**	8,062
Other revenues - school boards		**373**	**443**	452
Fees and revenues from other sources		**7,286**	**11,767**	12,330
Investment income		**2,600**	**2,412**	2,787
School generated funds	25	**15,007**	**18,342**	17,469
Amortization of deferred capital contributions				
Related to provincial legislative grants	15	**53,306**	**48,849**	47,695
Related to third parties		**1,223**	**1,415**	1,314
		1,181,828	**1,235,872**	1,313,806
Expenses	16			
Instruction		**892,521**	**957,538**	1,032,899
Administration		**31,298**	**36,562**	34,642
Transportation		**54,765**	**57,483**	54,163
Pupil accommodation		**170,199**	**158,455**	163,838
Other	26	**33,298**	**9,488**	2,083
School generated funds	25	**15,007**	**17,719**	17,385
		1,197,088	**1,237,245**	1,305,010
Annual (deficit) surplus		**(15,260)**	**(1,373)**	8,796
Accumulated operating surplus, beginning of year		**97,346**	**97,346**	88,550
Accumulated operating surplus, end of year	12	**82,086**	**95,973**	97,346

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

Thames Valley District School Board

Consolidated statement of cash flows

Year ended August 31, 2025

(In thousands of dollars)

	2025	2024
	$	$
Operating activities		
Annual (deficit) surplus	**(1,373)**	8,796
Net remeasurement gain - foreign exchange	**83**	—
Sources and (uses)		
Non-cash items		
Amortization of tangible capital assets	**52,233**	51,640
Amortization of TCA - ARO	**2,326**	6,191
Gain on sale of tangible capital assets	**(15)**	(861)
Write-down of tangible capital assets	**21**	—
Gain on disposal of TCA-ARO	**2**	—
Transfer of deferred capital contributions to deferred revenue	**85**	—
Increase in tangible capital assets held for sale	**(85)**	—
Increase of ARO liabilities excluding settlements	**5,806**	3,652
Increase of TCA-ARO asset excluding amortization on TCA-ARO	**(5,816)**	(4,297)
Revenue recognized in period for deferred capital contributions	**(50,264)**	(49,009)
Deferred gain on disposal of tangible capital assets	**—**	(11,392)
Decrease (increase) in accounts receivable	**2,466**	(5,088)
Increase (decrease) in accounts payable and accrued liabilities	**12,894**	(7,074)
Decrease in deferred revenue - operating	**(99)**	(515)
(Decrease) increase in employee future benefits	**(56)**	673
Decrease (increase) in prepaid expenses	**808**	(4,725)
Increase in inventories of supplies	**(95)**	(53)
Settlement of asset retirement liability through abatement	**(2,273)**	(846)
	16,648	(12,908)
Capital activities		
Proceeds on sale of tangible capital assets	**15**	13,051
Acquisition of tangible capital assets	**(148,272)**	(130,073)
	(148,257)	(117,022)
Investing activities		
Proceeds on sale of portfolio investments	**270**	529
Purchase of portfolio investments	**(506)**	(374)
	(236)	155
Financing activities		
Debt repayments	**(9,846)**	(9,395)
Increase (decrease) in temporary borrowing	**7,287**	(4,076)
Decrease in accounts receivable - Government of Ontario	**26,206**	17,037
Net additions to deferred capital contributions	**147,334**	97,506
(Decrease) increase in deferred revenues - capital	**(10,511)**	6,285
	160,470	107,357
Change in cash	**28,625**	(22,418)
(Bank overdraft) cash, beginning of year	**(4,373)**	18,045
Cash (Bank overdraft), end of year	**24,252**	(4,373)

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

Thames Valley District School Board

Consolidated statement of changes in net debt

Year ended August 31, 2025

(In thousands of dollars)

	Budget $	2025 $	2024 $
Annual (deficit) surplus	**(15,260)**	**(1,373)**	8,796
Tangible capital asset activities			
Amortization of tangible capital assets	**57,206**	**54,559**	57,831
Acquisition of tangible capital assets	**(128,796)**	**(148,272)**	(130,073)
Gain on sale of tangible capital assets	**—**	**(15)**	(861)
Proceeds on sale of tangible capital assets	**—**	**15**	13,051
Gain on sale allocated to deferred revenue	**—**	**—**	(11,392)
Transfer to tangible capital assets held for sale	**—**	**85**	—
Write-down of tangible capital assets	**—**	**21**	—
Changes in estimate of TCA-ARO	**—**	**(5,816)**	(4,297)
Gain on disposal of TCA-ARO	**—**	**2**	—
	(71,590)	**(99,421)**	(75,741)
Other non-financial asset activities			
Increase in inventories of supplies	**—**	**(95)**	(53)
Decrease (increase) in prepaid expenses	**—**	**808**	(4,725)
	—	**713**	(4,778)
Change in net debt before net remeasurement losses	**(86,850)**	**(100,081)**	(71,723)
Net remeasurement gains			
Foreign exchange	**—**	**83**	—
Portfolio investments	**—**	**396**	778
	—	**479**	778
Change in net debt	**(86,850)**	**(99,602)**	(70,945)
Net debt, beginning of year	**(992,835)**	**(992,835)**	(921,890)
Net debt, end of year	**(1,079,685)**	**(1,092,437)**	(992,835)

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

Thames Valley District School Board

Consolidated statement of remeasurement gains and losses

Year ended August 31, 2025

(In thousands of dollars)

	2025 $	2024 $
Accumulated remeasurement gains, beginning of year	**825**	47
Unrealized gains attributable to		
Unrealized gains - foreign exchange	**83**	—
Unrealized gains - portfolio investments	**598**	795
Total unrealized gains	**681**	795
Amounts reclassified to the statement of operations		
Net realized losses - foreign exchange	**(1)**	—
Net realized gains - portfolio investments	**202**	17
Total amount reclassified to the statement of operations	**202**	17
Net remeasurement gains for the year	**479**	778
Accumulated remeasurement gains, end of year	**1,304**	825

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

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 reporting provision of the Financial Administration Act supplemented by Ontario Ministry of Education memorandum 2004:B2 and the accounting requirements of 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 Consolidated 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 Ontario Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which require that

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

As a result, revenue recognized in the Consolidated statement of operations and certain related deferred revenues and deferred capital contributions may 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 Thames Valley District School Board ("the Board"), including the following:

Thames Valley Education Foundation ("Foundation")

The Foundation is a registered charitable organization that exists to build partnerships with the community that enhance opportunities in our schools and enrich public education.

1. Significant accounting policies (continued)

Reporting entity (continued)

School generated funds

The consolidated financial statements include the assets, liabilities, revenues, and expenses of various activities that exist at the school level and which are controlled by the Board.

Southwestern Ontario Student Transportation Services

As detailed in Note 19, the Board proportionately consolidates its partnership interest in Southwestern Ontario Student Transportation Services. Decisions related to the financial and operating activities of the Southwestern Ontario Student Transportation Services are shared. No partner is in a position to exercise unilateral control.

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

Trust funds

The Board's trust funds for scholarships and awards (excluding scholarships and awards included in the Foundation) are not included in the consolidated financial statements as the Board does not control them. These trust funds are administered and maintained by the Board according to the terms and conditions specified by the donor. Specifically, the Board's trust funds include both the Student Awards/Scholarships and Self Funded Leaves. The total assets of each fund amount to $2,627 ($2,655 in 2024) and $3,688 ($2,956 in 2024) respectively.

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	Cost
Bank overdraft	Cost
Accounts receivable	Amortized cost
Portfolio investments	Fair value
Accounts payable and accrued liabilities	Amortized cost
Temporary borrowing	Amortized cost
Net debenture debt	Amortized cost

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 Consolidated statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Consolidated statement of operations and accumulated surplus and related balances reversed from the Consolidated statement of remeasurement gains and losses.

1. Significant accounting policies (continued)

Financial instruments (continued)

Amortized cost: Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to the acquisition of investments are added to the amortized cost. 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.

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 (if applicable) and are therefore not recognized in these financial statements. For letters of guarantee and letters of credit relating to construction, disclosure is done at the face value of the guarantee or letter of credit.

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

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 consolidated statement of remeasurement gains and losses.

1. Significant accounting policies (continued)

Tangible capital assets

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

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

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

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

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

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

A building permanently removed from service ceases to be amortized. 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.

Deferred revenue

Certain revenue 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 performed.

Education property tax revenue

Under Canadian public sector accounting standards, the entity that determines and sets the tax levy records the revenue in the consolidated 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 Core Education Funding, under Education Property Tax.

1. Significant accounting policies (continued)

Employee future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, health care benefits, dental benefits, retirement gratuities and workers' compensation.

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-Principals Associations, the following Employee Life and Health Trusts "(ELHTs)" were established in 2016-2017:

Elementary Teachers' Federation of Ontario (ETFO) and Ontario Secondary School Teachers' Federation (OSSTF). The following ELHTs were established in 2017-18: Canadian Union of Public Employees (CUPE) and Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals up to a school board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency "(FTE)". Funding for the ELHTs is based on the existing benefits funding embedded within the Core Education Funding, including additional ministry funding in the form of a Crown Contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by non-unionized employees including principals and vice-principals.

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

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

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

For those self-insured benefit obligations that arise from specific events that occur periodically, such as obligations for workers' compensation and long-term disability, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

(ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period.

(iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

1. Significant accounting policies (continued)

Asset retirement obligations

Asset retirement obligations (ARO) are provisions for legal obligations for the retirement of 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.

A corresponding amount is added to the carrying value of the related tangible capital asset and is then amortized over its remaining useful life.

The estimated amounts of future costs to retire the asset is reviewed annually and adjusted to reflect the current best estimate of the liability. Adjustments may result from changes in the assumption used to estimate the amount required to settle the obligation. These amounts are recognized as an increase or decrease in the carrying amount of the asset retirement obligation liability, with a corresponding adjustment to the carrying amount of the related asset. If the related asset is no longer in productive use, all subsequent changes in the estimate of the liability for the ARO are recognized as an expense in the period incurred.

Deferred capital contributions

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

(i) Government transfers received or receivable for capital purposes

(ii) Other restricted contributions received or receivable for capital purposes

(iii) Property taxation revenues which were historically used to fund capital assets.

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 Ontario 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.

Investment income

Investment income earned on surplus operating funds and capital funds are reported as revenue in the period earned.

Investment income earned on externally restricted funds such as proceeds of disposition is added to the fund balance and forms part of the respective deferred revenue balances.

(In thousands of dollars)

1. Significant accounting policies (continued)

Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees on June 25, 2024. 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.

Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in this note above, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates. Accounts subject to significant estimates include accrued liabilities (general & capital), useful lives of tangible capital assets, employee future benefits, contingent liabilities and asset retirement obligation liabilities.

2. Accounts receivable - Government of Ontario

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 at 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 accounts receivable.

As at August 31, 2025, the Board has a receivable from the Province of $178,683 ($198,954 in 2024) with respect to approved capital and land expenditures that is expected to be received as follows:

	$
2025/26	92,075
2026/27	10,269
2027/28	10,205
2028/29	9,926
2029/30	9,599
Thereafter	46,609
	178,683

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays parts of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2025 is $13,864 ($1,051 in 2024).

The remaining amount of $9,211 ($27,959 in 2024) relates to other accounts receivable from the Ministry, largely for the purchase of land and other Ministry funding.

3. Temporary borrowing

The Board has lines of credit available to the maximum of $208,000 ($118,000 in 2024) to address operating requirements and/or to bridge capital expenditures.

(In thousands of dollars)

3. Temporary borrowing (continued)

The balance drawn on the bank overdraft at August 31, 2025 was nil ($4,373 in 2024). Interest on the operating facility bears interest at prime less 0.65%.

Effective June 30, 2024, bankers' acceptances are no longer offered, and as a result, all term loans are available by Adjusted Term Canadian Overnight Repo Rate Average (CORRA) based advances, bearing interest at the Adjusted Term CORRA rate, which ranged from 3.68% to 5.67% per annum. All loans are unsecured, due on demand are in the form of Adjusted Term CORRA based advances and bank overdrafts.

As at August 31, 2025, the amount drawn under the banker's acceptance facility was nil ($26,454 in 2024 at a rate of 4.97%). Total Adjusted Term CORRA based advances totaled $46,075 at August 31, 2025 ($12,334 in 2024), for total short-term borrowings of $46,075 at August 31, 2025 ($38,788 in 2024).

4. Portfolio investments

Investments consist of mutual fund-type investments.

Portfolio investments are carried at fair value as follows:

		2025		2024
	Cost	**Fair value**	Cost	Fair value
	$	**$**	$	$
Thames Valley Education Foundation RBC PH&N Investment Council	**8,022**	**9,242**	7,785	8,610

These investments are assessed regularly for impairment and are written down if a permanent impairment exists. Impairment of nil was recorded for the year ended August 31, 2025 (nil in 2024).

5. Deferred revenue

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

Deferred revenue set aside for specific purposes by legislation, regulation or agreement as at August 31, 2025 is comprised of:

	Balance as at August 31 2024 $	**Externally restricted revenue and investment income $**	**Revenue recognized in the period $**	**Transferred to deferred capital contributions $ (Note 8)**	**Balance as at August 31 2025 $**
Operating Grants for Core Education Grants	4,388	**149,685**	**(149,512)**	**—**	**4,561**
Other Ministry of Education operating grants	276	**350**	**(187)**	**—**	**439**
Other provisional operating grants	189	**46**	**(189)**	**—**	**46**
Third party operating	4,316	**3,855**	**(4,147)**	**—**	**4,024**
Ministry of Education capital grants	10,765	**51,924**	**(36,242)**	**(12,550)**	**13,897**
Proceeds of disposition	13,864	**(13)**	**(1,903)**	**(11,872)**	**76**
Other third party capital	1,307	**1,328**	**—**	**(1,183)**	**1,452**
	35,105	**207,175**	**(192,180)**	**(25,605)**	**24,495**

(In thousands of dollars)

6. Employee future benefits

Employee future benefit liabilities

	Retirement benefits $	Other employee future benefits $	2025 Total employee future benefits $	2024 Total employee future benefits $
Accrued employee future benefit obligations, end of year	**991**	**17,017**	**18,008**	17,976
Unamortized actuarial (loss) / gain	**(50)**	**—**	**(50)**	38
Total employee future benefit liability, end of year	**941**	**17,017**	**17,958**	18,014

Employee benefits payable expenses

	Retirement benefits $	Other employee future benefits $	2025 Total employee future benefits $	2024 Total employee future benefits $
Current year benefit cost	**—**	**4,172**	**4,172**	6,017
Cost of plan amendment	**87**	**—**	**87**	—
Interest on accrued benefit obligation	**39**	**534**	**573**	608
Recognized unamortized actuarial gain	**(36)**	**(276)**	**(312)**	(631)
Employee future benefits expenses	**90**	**4,430**	**4,520**	5,994

The amounts above exclude pension contributions to the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer pension plan, described below.

Retirement benefits

Ontario Teacher's Pension Plan

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

Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of the OMERS, a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. For 2025, eligible employees contributed at rates of up to 14.6% (14.6% in 2024) of earnings. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2025, the Board contributed $16,004 ($17,066 in 2024) 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.

6. Employee future benefits (continued)

Retirement gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. The amount of the gratuities paid to eligible employees at retirement is based on their salary, accumulated sick days, and years of service at retirement. The Board provides these benefits through an unfunded defined benefit plan. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. The amount of the gratuities payable to eligible employees at retirement is based on their salary, accumulated sick days, and years of service up to August 31, 2012 or at the date of retirement. Plan amendments resulted in $87 (nil in 2024) of in-year expenses.

Retirement life insurance and health care benefits

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are based on the Board's experience and retirees' premiums may be subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements. Effective September 1, 2013, most employees retiring on or after this date, do not qualify for Board subsidized premiums or contributions.

Other employee future benefits

Workplace Safety and Insurance Board obligations

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act ("the Act") and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

School boards are required to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreements negotiated prior to 2012 included such a provision.

The Board's liability as at August 31, 2025 for worker's compensation is $15,986 ($15,388 in 2024) and is included in the retirement and other employee future benefits figure in the Board's consolidated statement of financial position.

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 sick leave benefit costs expensed in the consolidated financial statements are $394 ($249 in 2024).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2025 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at August 31, 2025.

Long-term disability life insurance and health care benefits

The ELHT may provide life insurance, dental and health care benefits to employees on long term disability leave at the request of employees; however employees are directly responsible for any associated costs. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in the defined benefit plan.

(In thousands of dollars)

6. Employee future benefits (continued)

Other employee future benefits (continued)

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2025 are per actuarial valuations for accounting purposes as of August 31, 2025. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are the actuary's best estimate of expected rates of:

	2025 %	2024 %
Inflation	**2.00**	2.00
Discount rate	**3.80**	3.80
Wage and salary escalation - retirement gratuity	**2.00**	2.00
Wage and salary escalation - sick leave top-up benefits	**2.00**	2.00
Health care cost escalation	**5.00**	5.00
Dental care cost escalation	**5.00**	5.00
WSIB only		
Inflation	**2.00**	2.00
Discount rate	**3.80**	3.80

7. Net debenture debt

Net debenture debt reported on the consolidated statement of financial position is comprised of the following:

	2025 $	2024 $
Ontario Financing Authority 2006 - 4.560%, due November 2031	**9,060**	10,233
Ontario Financing Authority 2008 - 4.900%, due March 2033	**14,778**	16,302
Ontario Financing Authority 2008 - 5.054%, due November 2028	**4,946**	6,206
Ontario Financing Authority 2009 - 5.062%, due March 2034	**6,924**	7,533
Ontario Financing Authority 2010 - 4.557%, due November 2026	**1,568**	2,555
Ontario Financing Authority 2010 - 5.232%, due April 2035	**15,405**	16,565
Ontario Financing Authority 2011 - 4.833%, due March 2036	**29,221**	31,235
Ontario Financing Authority 2011 - 3.970%, due November 2036	**1,301**	1,389
Ontario Financing Authority 2012 - 3.564%, due March 2037	**4,867**	5,193
Ontario Financing Authority 2013 - 3.799%, due March 2038	**11,858**	12,563
Balance as at August 31	**99,928**	109,774

(In thousands of dollars)

7. Net debenture debt (continued)

Principal and interest payments relating to net debenture debt of $99,928 outstanding as at August 31, 2025 are due as follows:

	Interest $	Principal $	Total $
2025/26	4,582	10,320	14,902
2026/27	4,086	10,269	14,355
2027/28	3,603	10,205	13,808
2028/29	3,110	9,926	13,036
2029/30	2,652	9,599	12,251
Thereafter	6,864	49,609	56,473
Net debenture debt	24,897	99,928	124,825

8. Deferred capital contributions (“DCC”)

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.

	2025 $	2024 $
Opening balance	**909,286**	860,789
Additions to deferred capital contributions	**136,847**	98,481
Transfer from deferred revenue	**10,572**	559
Disposals/transfers to financial assets	**(85)**	(1,534)
Amortization of deferred capital contributions	**(50,264)**	(49,009)
Closing balance	**1,006,356**	909,286

9. Asset retirement obligations

The Board has recorded asset retirement obligations as of the September 1, 2022 implementation date on a modified retroactive basis. 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, 2025, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

The Board has made an inflation adjustment increase in estimates of 2.61% as at March 31, 2025 (3.66% in 2024) in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index (BCPI) survey during the 2024 calendar year, as well as an adjustment to true up the estimated rate that was used at March 31, 2024. This rate is being used to update cost assumptions made in the ARO costing models in order to be reflective of March 31, 2025 costs. Since the March 31 rate each year is determined based on the BCPI for the prior year ending December 31, the rate is updated the following March 31 to true up the prior year estimated rate (based on the 2023 calendar year) to the actual rate for the 12-month period ending March 31, 2024.

(In thousands of dollars)

9. Asset retirement obligations (continued)

The revaluation adjustment has been added to the Tangible Capital Asset – Asset Retirement Obligation balance to be amortized over the remaining useful life of the underlying asset, except in the case where the related ARO asset has no remaining useful life, in which case, it is expensed directly.

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

	2025	2024
	$	$
Liability for asset retirement obligations, beginning of year	**82,559**	79,753
Increase in liabilities reflecting additions and changes in the estimate	**5,816**	4,295
Liabilities settled during the year	**(2,283)**	(1,489)
Ending balance, August 31	**86,092**	82,559

10. Tangible capital assets

				Cost
	Balance as at August 31, 2024	**Additions**	**Disposals, write-downs and transfers**	**Balance as at August 31, 2025**
	$	**$**	**$**	**$**
Land	**95,558**	**11,099**	**37**	**106,694**
Land improvements	**12,565**	**581**	**(184)**	**12,962**
Buildings	**1,542,687**	**73,982**	**4,932**	**1,621,601**
Other buildings	**230**	**—**	**—**	**230**
Portable structures	**35,189**	**—**	**—**	**35,189**
Equipment	**10,915**	**591**	**(315)**	**11,191**
First-time equipping of schools	**7,764**	**2,381**	**(743)**	**9,402**
Furniture	**1,058**	**—**	**(91)**	**967**
Computer hardware	**12,559**	**1,730**	**(2,963)**	**11,326**
Computer software	**1,902**	**68**	**—**	**1,970**
Assets under construction	**29,225**	**52,055**	**4,490**	**85,770**
Pre-acquisition costs	**743**	**11,601**	**(11,978)**	**366**
	1,750,395	**154,088**	**(6,815)**	**1,897,668**

(In thousands of dollars)

10. Tangible capital assets (continued)

				Accumulated amortization
	Balance as at August 31 2024	**Amortization**	**Disposals, write-downs and transfers**	**Balance as at August 31 2025**
	$	**$**	**$**	**$**
Land	**—**			**—**
Land improvements	**6,066**	**972**	**(184)**	**6,854**
Buildings	**636,503**	**45,390**	**(2,411)**	**679,482**
Other buildings	**61**	**11**	**—**	**72**
Portable structures	**8,209**	**1,760**	**—**	**9,969**
Equipment	**5,959**	**1,099**	**(316)**	**6,742**
First-time equipping of schools	**3,855**	**858**	**(742)**	**3,971**
Furniture	**503**	**101**	**(91)**	**513**
Computer hardware	**5,982**	**3,981**	**(2,963)**	**7,000**
Computer software	**1,023**	**387**	**—**	**1,410**
	668,161	**54,559**	**(6,707)**	**716,013**

	2025 Net book value	2024 Net book value
	$	$
Land	**106,694**	95,558
Land improvements	**6,108**	6,499
Buildings	**942,119**	906,184
Other buildings	**158**	169
Portable structures	**25,220**	26,980
Equipment	**4,449**	4,956
First-time equipping of schools	**5,431**	3,909
Furniture	**454**	555
Computer hardware	**4,326**	6,577
Computer software	**560**	879
Assets under construction	**85,770**	29,225
Pre-acquisition costs	**366**	743
	1,181,655	1,082,234

Adjustments, totaling $4,653 ($13,970 in 2024), relate to the removal of assets that are fully depreciated and represent a non-cash transaction that is not recorded in the consolidated statement of cash flows.

Assets under construction

Assets under construction having a value of $85,770 ($29,225 in 2024) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Write-down of tangible capital assets

The write down of tangible capital assets during the year was $21 (nil in 2024).

(In thousands of dollars)

10. Tangible capital assets (continued)

Disposal of tangible capital assets/ARO

During the year, one school portable was sold. Net proceeds of $15 ($13,051 in 2024) were received on the sale of this asset, which had a carrying value of nil ($1,629 in 2024), resulting in a gain of $15 ($11,392 in 2024). In addition, during the year, one ARO asset was fully decommissioned, resulting in a gain on disposal of TCA-ARO of $2 (nil in 2024).

11. Tangible Capital Assets Held for Sale

As of August 31, 2025, $85 (nil in 2024) related to buildings and nil (nil in 2024) related to land were recorded as assets held for sale. During the year, one property with a net book value of $85 was reclassified as an asset held for sale. The property reclassified did not have an associated asset retirement obligation.

12. Accumulated operating surplus

Accumulated operating surplus consists of the following:

	2025 **$**	2024 $
Total operating accumulated surplus - unappropriated	**4,991**	6,456
Available for budget compliance - internally appropriated		
School carry-forwards and support	**503**	343
Other internal appropriations	**28,711**	41,072
Thames Valley Education Foundation	**8,766**	8,439
	37,980	49,854
Total accumulated surplus available for budget compliance	**42,971**	56,310
Unavailable for budget compliance		
Employee future benefits	**(11,145)**	(11,145)
Other unavailable for compliance	**(1,365)**	(1,517)
Asset retirement obligations to be covered in the future	**(45,542)**	(45,497)
Revenues recognized for land	**106,895**	95,659
School generated funds	**4,159**	3,536
	53,002	41,036
	95,973	97,346

13. Financial instruments

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

Risks arising from financial instruments and risk management

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

(In thousands of dollars)

13. Financial instruments (continued)

Risks arising from financial instruments and risk management (continued)

Credit risk

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

Liquidity risk

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

Market risk

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

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

14. Debt charges and capital loans interest

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

	2025 **$**	2024 $
Principal payments on long-term liabilities	**9,846**	9,395
Interest payments on long-term liabilities	**5,055**	5,506
Interest payments on temporary financing of capital projects	**2,901**	3,147
	17,802	18,048

(In thousands of dollars)

15. Core Education Funding

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. 84 percent of the consolidated revenues of the Board are directly controlled by the provincial government through the core education funding. The payment amounts of this funding are as follows:

	2025	2024
	$	$
Core Education Funding		
Provincial legislative grants	**943,653**	925,156
Education property tax	**183,883**	177,454
Amortization of deferred capital contributions		
Related to provincial legislative grants	**48,849**	47,695
	1,176,385	1,150,305

16. Expenses by object

The following is a summary of the operating, capital and school generated funds expenses reported on the consolidated statement of operations by object:

	Budget	**2025**	2024
	$	**$**	$
Expenses			
Salary and wages	**805,201**	**861,684**	931,934
Employee benefits	**147,001**	**140,512**	150,314
Staff development	**2,010**	**955**	1,615
Supplies and services	**70,482**	**62,487**	62,045
Interest	**10,306**	**7,804**	8,525
Rental expenditures	**1,470**	**1,570**	1,043
Fees and contractual services	**72,311**	**79,840**	71,932
Other	**9,801**	**9,880**	2,163
Transfer to other boards	**196**	**214**	223
Amortization and writedowns, and losses on disposal - TCA and TCA-ARO	**63,303**	**54,580**	57,831
School generated funds (Note 25)	**15,007**	**17,719**	17,385
	1,197,088	**1,237,245**	1,305,010

17. Ontario School Board Insurance Exchange

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of $27,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2025 were $2,150 ($1,962 in 2024).

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.

(In thousands of dollars)

17. Ontario School Board Insurance Exchange (continued)

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

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

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

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

18. Contractual obligations and contingent liabilities

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, 2025 cannot be predicted with certainty, it is the opinion of the Board that their resolution will not have a material adverse effect on the Board's financial position or results of operations.

The Board is committed to capital expenditures in the amount of $93,824.

The Board has committed to three contracts to purchase natural gas and propane for specified delivery periods into the future expiring through to 2026/27. The sum of $1,615 is payable with respect to these contracts during the next two years.

	$
2025/26	1,382
2026/27	233
	1,615

The Board has ongoing commitments under operating leases for buildings, office equipment and vehicles expiring through to 2033/34. The sum of $4,498 is payable with respect to these operating leases during the next nine years as follows:

	$
2025/26	1,895
2026/27	823
2027/28	758
2028/29	656
2029/30	358
Thereafter	8
	4,498

(In thousands of dollars)

19. Transportation consortium

The consortium is incorporated and is a separate legal entity known as Southwestern Ontario Student Transportation Services (SWOSTS). SWOSTS includes the Thames Valley District School Board and the London District Catholic School Board.

The Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenues and expenses. Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information.

	2025 Total $	**2025 Board portion $**	2024 Total $	2024 Board portion $
Financial position				
Assets	**133**	**90**	192	132
Liabilities	**133**	**90**	192	132
	—	**—**	—	—
Operations				
Revenue	**79,531**	**55,977**	73,592	52,797
Expenses	**79,531**	**55,977**	73,592	52,797
	—	**—**	—	—

20. Thames Valley Education Foundation

The Foundation supports programs and initiatives that directly benefit students and that promote equity across Thames Valley. The Foundation was incorporated in Ontario on September 22, 1997 as a not-for-profit organization and is a registered charity under the Income Tax Act. The Foundation's mission is to provide enhanced learning opportunities for students across the District. The goal of the Foundation is to improve the quality of public education by fostering parent, community and business support and attracting resources that complement provincial funding and local school fundraising.

The Foundation has been consolidated in the Board's consolidated financial statements. A financial summary of the Foundation for the year ended August 31, 2025 is as follows:

	2025 $	2024 $
Financial assets		
Cash	**1,159**	1,152
Accounts receivable	**10**	9
Investments	**9,242**	8,610
	10,411	9,771
Liabilities	**425**	507
Accumulated surplus	**9,986**	9,264
	10,411	9,771
Operations		
Revenues	**1,520**	1,304
Expenses	**1,194**	1,337
Annual surplus (deficit)	**326**	(33)

(In thousands of dollars)

21. Repayment of “55 School Board Trust” funding

On June 1, 2003, the Board received $107,066 from the “55 School Board Trust” for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The “55 School Board Trust” was created to refinance without recourse the outstanding not permanently financed (“NPF”) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, the “55 School Board Trust” repaid the Board’s debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board’s financial position. The flow-through of $7,976 ($7,976 in 2024) in grants in respect of the above agreement for the year ended August 31, 2025 is recorded in these consolidated financial statements.

22. 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 $99,928 as at August 31, 2025 ($109,774 in 2024) as described in Note 7.

23. Education Services Agreements

Tuition fees for First Nation pupils attending the Board are recorded in the consolidated statement of operations and are as follows:

	2025	2024
	$	$
Chippewas of the Thames First Nation	**710**	659
Oneida Nation of the Thames	**1,946**	1,741
Munsee-Delaware Nation	**633**	573
	3,289	2,973

24. Letters of credit

The Board has letters of credit outstanding at August 31, 2025 in the amount of $2,859 ($2,242 in 2024).

(In thousands of dollars)

25. School generated funds

The following is a summary of the school generated funds reported in the consolidated statement of operations.

	Schools $	School Councils and other $	2025 Total $	2024 Total $
School generated funds				
Field trips/excursions	**4,269**	**—**	**4,269**	4,336
Fundraising for external charities	**449**	**—**	**449**	480
Student activities and resources (including fees)	**10,823**	**—**	**10,823**	9,934
Other	**1,023**	**1,778**	**2,801**	2,719
	16,564	**1,778**	**18,342**	17,469
School generated funds expenses				
Field trips/excursions	**4,245**	**—**	**4,245**	4,338
Donations to external charities	**479**	**—**	**479**	439
Student activities and resources	**10,391**	**—**	**10,391**	10,034
Other	**925**	**1,679**	**2,604**	2,574
	16,040	**1,679**	**17,719**	17,385

26. In-kind transfers from the Ministry of Public and Business Service Delivery And Procurement

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery and Procurement (MPBSDP). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSDP and quantity information based on the Board's records. The in-kind revenue recorded for these transfers is $90 ($85 in 2024) with expenses based on use of $90 ($85 in 2024) for a net impact of nil (nil in 2024).

27. Future accounting standard adoption

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

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

New Public Sector Accounting Standards (PSAS) Conceptual Framework:

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

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

27. Future accounting standard adoption (continued)

The main changes are:

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

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202- Financial Statement Presentation:

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

The main changes are:

- Restructured statement of financial position
- Introduction of financial and non-financial liabilities
- Amended non-financial asset definition
- New components of net assets- accumulated other and issued share capital
- Increased clarity regarding presentation of budget comparatives on the statement of operations
- 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
- Financing transactions presented separately from operating, capital and investing transactions on the statement of cash flows

28. Board Governance

On April 28, 2025, the Government of Ontario appointed a Supervisor of the Board, who supervises all financial and operational decisions of the Board. The role of the Supervisor is to replace the Board of Trustees on a temporary basis.