Consolidated financial statements of

Thames Valley District School Board

August 31, 2024

Management Report

Management's Responsibility for the Consolidated Financial Statements
The accompanying consolidated financial statements of the Thames Valley District School Board ("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 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. 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
Director of Education

Cathy Lynd
Treasurer

June 26, 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, 2024, 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, 2024 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the board to express an opinion of on 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 26, 2025

Thames Valley District School Board

Consolidated statement of financial position

As at August 31, 2024

(In thousands of dollars)

	Notes	2024 $	2023 $
Financial assets			
Cash		**—**	18,045
Accounts receivable		**34,906**	29,818
Accounts receivable - Government of Ontario	3	**227,964**	245,001
Portfolio investments	5	**8,610**	7,987
		271,480	300,851
Liabilities			
Bank overdraft	4	**4,373**	—
Temporary borrowing	4	**38,788**	42,864
Accounts payable and accrued liabilities		**66,416**	73,490
Deferred revenue	6	**35,105**	29,335
Employee future benefits	7	**18,014**	17,341
Net debenture debt	8,22	**109,774**	119,169
Deferred capital contributions	9	**909,286**	860,789
Asset retirement obligation	10	**82,559**	79,753
		1,264,315	1,222,741
Net debt		**(992,835)**	(921,890)
Contractual obligations and contingent liabilities	18		
Non-financial assets			
Prepaid expenses		**8,544**	3,819
Inventories of supplies		**228**	175
Tangible capital assets	11	**1,082,234**	1,006,493
		1,091,006	1,010,487
Accumulated surplus		**98,171**	88,597
Accumulated surplus is comprised of			
Accumulated operating surplus	12	**97,346**	88,550
Accumulated remeasurement gains		**825**	47

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, 2024

(In thousands of dollars)

	Notes	2024 Approved budget $ (Note 1)	2024 $	2023 $
Revenue				
Grants for student needs				
Provincial legislative grants	15	**850,588**	**925,156**	850,347
Education property tax	15	**173,959**	**177,454**	173,547
Provincial grants - other	26	**15,211**	**121,087**	44,455
Federal grants and fees	23	**6,275**	**8,062**	7,374
Other revenues - school boards		**352**	**452**	680
Fees and revenues from other sources		**7,700**	**12,330**	8,473
Investment income		**2,500**	**2,787**	2,212
School generated funds	25	**15,007**	**17,469**	15,174
Amortization of deferred capital contributions				
Related to provincial legislative grants	15	**51,772**	**47,695**	48,275
Related to third parties		**1,249**	**1,314**	677
		1,124,613	**1,313,806**	1,151,214
Expenses	16			
Instruction		**855,092**	**1,032,899**	850,874
Administration		**29,534**	**34,642**	32,688
Transportation		**52,820**	**54,163**	50,288
Pupil accommodation		**159,244**	**163,838**	149,181
Other	26	**23,734**	**2,083**	24,935
School generated funds	25	**15,007**	**17,385**	15,321
		1,135,431	**1,305,010**	1,123,287
Annual (deficit) surplus		**(10,818)**	**8,796**	27,927
Accumulated operating surplus, beginning of year		**88,550**	**88,550**	60,623
Accumulated operating surplus, end of year	12	**77,732**	**97,346**	88,550

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, 2024

(In thousands of dollars)

	2024 $	2023 $
Operating activities		
Annual surplus	**8,796**	27,927
Sources and (uses)		
Non-cash items		
Amortization of tangible capital assets	**51,640**	51,473
Amortization of TCA - ARO	**6,191**	2,133
Gain on sale of tangible capital assets	**(861)**	(6)
Increase of ARO liabilities excluding settlements	**3,652**	9,825
Increase of TCA-ARO asset excluding amortization on TCA-ARO	**(4,297)**	(9,737)
Total remeasurement losses opening PSAS adjustments	**—**	(223)
Total unrealized gain on portfolio investments	**—**	243
Loss on sale of portfolio investments	**—**	27
Revenue recognized in period for deferred capital contributions	**(49,009)**	(48,952)
Deferred gain on disposal of tangible capital assets	**(11,392)**	(213)
(Increase) decrease in accounts receivable	**(5,088)**	21,033
Increase in accounts payable and accrued liabilities	**(7,074)**	9,546
(Decrease) increase in deferred revenue - operating	**(515)**	1,242
Increase in employee future benefits	**673**	417
Increase in prepaid expenses	**(4,725)**	(347)
Increase in inventories of supplies	**(53)**	(28)
Settlement of asset retirement liability through abatement	**(846)**	(3,669)
	(12,908)	60,691
Capital activities		
Proceeds on sale of tangible capital assets	**13,051**	219
Acquisition of tangible capital assets	**(130,073)**	(152,507)
	(117,022)	(152,288)
Investing activities		
Proceeds on sale of portfolio investments	**529**	414
Purchase of portfolio investments	**(374)**	(297)
	155	117
Financing activities		
Debt repayments	**(9,395)**	(9,011)
(Decrease) increase in temporary borrowing	**(4,076)**	42,864
Decrease (increase) in accounts receivable - Government of Ontario	**17,037**	(23,515)
Additions to deferred capital contributions	**97,506**	103,900
Increase (decrease) in deferred revenues - capital	**6,285**	(22,746)
	107,357	91,492
Change in cash	**(22,418)**	12
Cash, beginning of year	**18,045**	18,033
(Bank overdraft) cash, end of year	**(4,373)**	18,045

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, 2024

(In thousands of dollars)

	Notes	Budget $	2024 $	2023 $
Annual (deficit) surplus		**(10,818)**	**8,796**	27,927
Tangible capital asset activities				
Amortization of tangible capital assets		**58,109**	**57,831**	53,606
Acquisition of tangible capital assets		**(114,814)**	**(130,073)**	(152,507)
Gain on sale of tangible capital assets		**—**	**(861)**	(6)
Proceeds on sale of tangible capital assets		**—**	**13,051**	219
Gain on sale allocated to deferred revenue		**—**	**(11,392)**	(213)
Changes in estimate of TCA-ARO		**—**	**(4,297)**	(9,737)
		(56,705)	**(75,741)**	(108,638)
Other non-financial asset activities				
Increase in inventories of supplies		**—**	**(53)**	(28)
Increase in prepaid expenses		**—**	**(4,725)**	(347)
		—	**(4,778)**	(375)
Change in net debt before net remeasurement losses		**(67,523)**	**(71,723)**	(81,086)
Net remeasurement gains				
Portfolio investments		**—**	**778**	270
		—	**778**	270
Change in net debt				
Net debt, beginning of year		**(921,890)**	**(921,890)**	(841,074)
Net debt, end of year		**(989,413)**	**(992,835)**	(921,890)

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, 2024

(In thousands of dollars)

	2024 $	2023 $
Accumulated remeasurement gains (losses), beginning of year	**47**	(223)
Unrealized gains attributable to		
Unrealized gains - portfolio investments	**795**	243
Total unrealized gains	**795**	243
Amounts reclassified to the statement of operations		
Net realized losses (gains) - portfolio investments	**17**	(27)
Total amount reclassified to the statement of operations	**17**	(27)
Net remeasurement gains for the year	**778**	270
Accumulated remeasurement gains, end of year	**825**	47

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 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:

1. Significant accounting policies (continued)

Reporting entity (continued)

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.

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 $2,655 ($2,599 in 2023) and $2,956 ($2,901 in 2023) 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. 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).

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 Grants for Student Needs, 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 Grants for Student Needs "(GSN)", including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the board continues to provide health, dental and life insurance benefits for 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'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

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 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.

1. Significant accounting policies (continued)

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.

Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees on June 20, 2023. 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 obligations.

2. Adoption of new accounting standards

The board adopted the following standards beginning September 1, 2023: PS 3160 Public Private Partnerships, PS 3400 Revenue and PSG-8 Purchased Intangibles.

PS 3160 Public Private Partnerships (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

PSG-8 Purchased Intangibles provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

The adoption of these accounting polices did not have an impact on the board's consolidated financial statements.

(In thousands of dollars)

3. 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, 2024, the Board has a receivable from the Province of $198,954 ($170,823 in 2023) with respect to approved capital and land expenditures that is expected to be received as follows:

	$
2024/25	99,026
2025/26	10,320
2026/27	10,269
2027/28	10,205
2028/29	9,926
Thereafter	59,208
	198,954

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, 2024 is $1,051 ($2,645 in 2023).

4. Temporary borrowing

The board has lines of credit available to the maximum of $118,000 ($118,000 in 2023) to address operating requirements and/or to bridge capital expenditures.

The balance drawn on the bank overdraft at August 31, 2024 was $4,373 (nil in 2023). Interest on the operating facility bears interest at prime less 0.65%.

Banker's acceptance facility ranges from the short-term interest costs for the one, two or three month banker's acceptance rate (BA) plus 75 points. As at August 31, 2024, the amount drawn under the banker's acceptance facility was $26,454 ($42,864 in 2023). Note – banks no longer issue this type of borrowing facility effective June 30, 2024; as such this facility is no longer available to the board once the current facility is repaid.

Canadian Overnight Repo Rate Average (CORRA) facility, a new short term borrowing facility effective July 1, 2024, ranges from the short-term interest costs for the one or three month CORRA term rate plus 105 points.

As at August 31, 2024, the amount drawn under the CORRA facility was $12,334.

(In thousands of dollars)

5. Portfolio investments

Investments consist of mutual fund type investments.

Portfolio investments are carried at fair value as follows:

		2024		2023
	Cost	**Fair value**	Cost	Fair value
	$	**$**	$	$
Thames Valley Education Foundation RBC PH&N Investment Council	**7,785**	**8,610**	7,940	7,987

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, 2024 (nil in 2023).

6. Deferred revenue

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

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

	Balance as at August 31, 2023	**Externally restricted revenue and investment income**	**Revenue recognized in the period**	**Transferred to deferred capital contributions (Note 8)**	**Balance as at August 31, 2024**
	$	**$**	**$**	**$**	**$**
Operating Grants for Student Needs (GSNs)	4,494	**147,059**	**(147,165)**	**—**	**4,388**
Other Ministry of Education operating grants	4	**514**	**(242)**	**—**	**276**
Other provisional operating grants	164	**189**	**(164)**	**—**	**189**
Third party operating	5,021	**3,857**	**(4,562)**	**—**	**4,316**
Ministry of Education capital grants	17,781	**53,825**	**(34,731)**	**(26,110)**	**10,765**
Proceeds of disposition	1,051	**13,011**	**(198)**	**—**	**13,864**
Other third party capital	820	**1,847**	**(1,360)**	**—**	**1,307**
	29,335	**220,302**	**(188,422)**	**(26,110)**	**35,105**

(In thousands of dollars)

7. Employee future benefits

Employee future benefit liabilities

	Retirement benefits $	Other employee future benefits $	2024 Total employee future benefits $	2023 Total employee future benefits $
Accrued employee future benefit obligations, end of year	**1,258**	**16,718**	**17,976**	17,326
Unamortized actuarial gain	**38**	**—**	**38**	15
Total employee future benefit liability, end of year	**1,296**	**16,718**	**18,014**	17,341

Employee benefits payable expenses

	Retirement benefits $	Other employee future benefits $	2024 Total employee future benefits $	2023 Total employee future benefits $
Current year benefit cost	**—**	**6,017**	**6,017**	5,404
Interest on accrued benefit obligation	**67**	**541**	**608**	528
Recognized unamortized actuarial gain	**—**	**(631)**	**(631)**	(168)
Employee future benefits expenses	**67**	**5,927**	**5,994**	5,764

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 2024, eligible employees contributed at rates of up to 14.6% (14.6% in 2023) of earnings. The board contributions equal the employee contributions to the plan. During the year ended August 31, 2024, the board contributed $17,066 ($13,702 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.

7. 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.

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, 2024 for worker's compensation is $15,388 ($14,021 in 2023) 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 $249 ($806 in 2023).

For accounting purposes, the valuation of the accrued benefit obligation for the sick leave top-up is based on actuarial assumptions about future events determined as at August 31, 2024 (the date at which the probabilities of usage were determined) and is based on the average daily salary and banked sick days of employees as at August 31, 2024.

(In thousands of dollars)

7. Employee future benefits (continued)

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.

Actuarial assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2024 are per actuarial valuations for accounting purposes as of August 31, 2024. 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:

	2024 %	2023 %
Inflation	**2.00**	2.00
Discount rate	**3.80**	4.40
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**	2.50
Discount rate	**3.80**	4.40

8. Net debenture debt

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

	2024 $	2023 $
Ontario Financing Authority 2006 - 4.560%, due November 2031	**10,233**	11,354
Ontario Financing Authority 2008 - 4.900%, due March 2033	**16,302**	17,753
Ontario Financing Authority 2008 - 5.054%, due November 2028	**6,206**	7,404
Ontario Financing Authority 2009 - 5.062%, due March 2034	**7,533**	8,112
Ontario Financing Authority 2010 - 4.557%, due November 2026	**2,555**	3,500
Ontario Financing Authority 2010 - 5.232%, due April 2035	**16,565**	17,668
Ontario Financing Authority 2011 - 4.833%, due March 2036	**31,235**	33,156
Ontario Financing Authority 2011 - 3.970%, due November 2036	**1,389**	1,473
Ontario Financing Authority 2012 - 3.564%, due March 2037	**5,193**	5,508
Ontario Financing Authority 2013 - 3.799%, due March 2038	**12,563**	13,241
Balance as at August 31	**109,774**	119,169

(In thousands of dollars)

8. Net debenture debt (continued)

Principal and interest payments relating to net debenture debt of $109,774 outstanding as at August 31, 2024 are due as follows:

	Interest $	Principal $	Total $
2024/25	5,055	9,846	14,901
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
Thereafter	9,516	59,208	68,724
Net debenture debt	29,952	109,774	139,726

9. 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.

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

	2024 **$**	2023 $
Opening balance	**860,789**	805,841
Additions to deferred capital contributions	**98,481**	103,900
Transfer from deferred revenue	**559**	—
Disposals/transfers to financial assets	**(1,534)**	—
Amortization of deferred capital contributions	**(49,009)**	(48,952)
Closing balance	**909,286**	860,789

10. 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, 2024, 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 3.66% as at March 31, 2024 to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index (BCPI).

(In thousands of dollars)

10. Asset retirement obligations (continued)

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

	2024 $	2023 $
Liability for asset retirement obligations, beginning of year	**79,753**	73,597
Increase in liabilities reflecting changes in the estimate	**4,295**	9,825
Liabilities settled during the year	**(1,489)**	(3,669)
Ending balance, August 31	**82,559**	79,753

11. Tangible capital assets

				Cost
	Balance as at August 31, 2023 $	Additions $	Disposals, write-downs and transfers $	Balance as at August 31, 2024 $
Land	**64,144**	**31,473**	**(59)**	**95,558**
Land improvements	**13,317**	**399**	**(1,151)**	**12,565**
Buildings	**1,468,399**	**67,766**	**6,522**	**1,542,687**
Other buildings	**214**	**16**	**—**	**230**
Portable structures	**32,676**	**2,513**	**—**	**35,189**
Equipment	**10,693**	**476**	**(254)**	**10,915**
First-time equipping of schools	**8,165**	**555**	**(956)**	**7,764**
Furniture	**902**	**216**	**(60)**	**1,058**
Computer hardware	**19,365**	**4,188**	**(10,994)**	**12,559**
Computer software	**2,458**	**—**	**(556)**	**1,902**
Assets permanently removed from service	**3,805**	**—**	**(3,805)**	**—**
Assets under construction	**7,335**	**26,085**	**(4,195)**	**29,225**
Pre-acquisition costs	**2,421**	**683**	**(2,361)**	**743**
	1,633,894	**134,370**	**(17,869)**	**1,750,395**

(In thousands of dollars)

11. Tangible capital assets (continued)

	Accumulated amortization			
	Balance as at August 31 2023	**Amortization**	**Disposals, write-downs and transfers**	**Balance as at August 31 2024**
	$	**$**	**$**	**$**
Land	**—**	**—**	**—**	**—**
Land improvements	**6,380**	**836**	**(1,150)**	**6,066**
Buildings	**589,784**	**47,550**	**(831)**	**636,503**
Other buildings	**50**	**11**	**—**	**61**
Portable structures	**6,513**	**1,696**	**—**	**8,209**
Equipment	**5,126**	**1,087**	**(254)**	**5,959**
First-time equipping of schools	**4,015**	**796**	**(956)**	**3,855**
Furniture	**465**	**98**	**(60)**	**503**
Computer hardware	**11,655**	**5,321**	**(10,994)**	**5,982**
Computer software	**1,143**	**436**	**(556)**	**1,023**
Assets permanently removed from service	**2,270**	**—**	**(2,270)**	**—**
	627,401	**57,831**	**(17,071)**	**668,161**

	2024 Net book value	2023 Net book value
	$	$
Land	**95,558**	64,144
Land improvements	**6,499**	6,937
Buildings	**906,184**	878,615
Other buildings	**169**	164
Portable structures	**26,980**	26,163
Equipment	**4,956**	5,567
First-time equipping of schools	**3,909**	4,150
Furniture	**555**	437
Computer hardware	**6,577**	7,710
Computer software	**879**	1,315
Assets permanently removed from service	**—**	1,535
Assets under construction	**29,225**	7,335
Pre-acquisition costs	**743**	2,421
	1,082,234	1,006,493

Adjustments, totaling $13,970 ($6,353 in 2023), 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.

(In thousands of dollars)

11. Tangible capital assets (continued)

Assets under construction

Assets under construction having a value of $29,225 ($7,335 in 2023) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Assets permanently removed from service

The board has identified nil (three in 2023) building properties that qualify as "assets permanently removed from service" totaling nil ($1,535 in 2023).

Disposal of tangible capital assets

During the year, four school properties were sold. Net proceeds of $13,051 ($213 in 2023) were received on the sale of these properties, which had a carrying value of $1,629 (nil in 2023), resulting in a gain of $11,392 ($213 in 2023). The gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.

12. Accumulated operating surplus

Accumulated operating surplus consists of the following:

	2024 $	2023 $
Total operating accumulated (deficit) surplus - unappropriated	**6,456**	16,355
Available for budget compliance - internally appropriated		
School carry-forwards and support	**343**	1,447
Other internal appropriations	**41,072**	49,081
Thames Valley Education Foundation	**8,439**	8,473
	49,854	59,001
Total accumulated surplus available for budget compliance	**56,310**	75,356
Unavailable for budget compliance		
Employee future benefits	**(11,145)**	(11,145)
Other unavailable for compliance	**(1,517)**	(1,648)
Asset retirement obligations to be covered in the future	**(45,497)**	(41,625)
Revenues recognized for land	**95,659**	64,159
School generated funds	**3,536**	3,453
	41,036	13,194
	97,346	88,550

(In thousands of dollars)

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.

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 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.

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:

	2024	2023
	$	$
Principal payments on long-term liabilities	**9,395**	8,965
Interest payments on long-term liabilities	**5,506**	5,937
Interest payments on temporary financing of capital projects	**3,147**	1,823
	18,048	16,725

(In thousands of dollars)

15. 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. 84 percent of the consolidated revenues of the board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2024	2023
	$	$
Grants for student needs		
Provincial legislative grants	**925,156**	850,347
Education property tax	**177,454**	173,547
Amortization of deferred capital contributions		
Related to provincial legislative grants	**47,695**	48,275
	1,150,305	1,072,169

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	**2024**	2023
	$	**$**	$
Expenses			
Salary and wages	**748,932**	**931,934**	753,213
Employee benefits	**135,451**	**150,314**	129,644
Staff development	**2,700**	**1,615**	1,870
Supplies and services	**85,560**	**62,045**	63,009
Interest	**8,905**	**8,525**	7,645
Rental expenditures	**1,225**	**1,043**	991
Fees and contractual services	**70,415**	**71,932**	72,165
Other	**8,931**	**2,163**	25,803
Transfer to other boards	**196**	**223**	20
Amortization and writedowns, and losses on disposal - TCA and TCA-ARO	**58,109**	**57,831**	53,606
School generated funds (Note 25)	**15,007**	**17,385**	15,321
	1,135,431	**1,305,010**	1,123,287

(In thousands of dollars)

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, 2023 were $1,962 ($1,673 in 2023).

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

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

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

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

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

18. Contractual obligations and contingent liabilities

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 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 $64,035.

The board has committed to two contracts to purchase natural gas for specified delivery periods into the future expiring in 2025/26. The sum of $1,134 is payable with respect to these contracts during the next two years.

	$
2024/25	985
2025/26	149
	1,134

(In thousands of dollars)

18. Contractual obligations and contingent liabilities (continued)

The board has ongoing commitments under operating leases for buildings, office equipment and vehicles expiring through to 2026/27. The sum of $2,424 is payable with respect to these operating leases during the next three years as follows:

	$
2024/25	1,344
2025/26	1,026
2026/27	54
	2,424

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.

	2024 Total $	**2024 Board portion $**	2023 Total $	2023 Board portion $
Financial position				
Assets	**192**	**132**	417	292
Liabilities	**192**	**132**	417	292
	—	**—**	—	—
Operations				
Revenue	**73,592**	**52,797**	67,600	49,054
Expenses	**73,592**	**52,797**	67,600	49,054
	—	**—**	—	—

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, 2024 is as follows:

(In thousands of dollars)

20. Thames Valley Education Foundation (continued)

	2024	2023
	$	$
Financial assets		
Cash	**1,152**	1,081
Accounts receivable	**9**	18
Investments	**8,610**	7,987
	9,771	9,086
Liabilities	**507**	560
Deferred revenue	**—**	7
Accumulated surplus	**9,264**	8,519
	9,771	9,086
Operations		
Revenues	**1,304**	1,003
Expenses	**1,337**	1,115
Annual deficit	**(33)**	(112)

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 2023) in grants in respect of the above agreement for the year ended August 31, 2024 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 $109,774 as at August 31, 2024 ($119,169 in 2023) as described in Note 8.

(In thousands of dollars)

23. Government of Canada

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

	2024	2023
	$	$
Chippewas of the Thames First Nation	**659**	645
Oneida Nation of the Thames	**1,741**	1,497
Munsee-Delaware Nation	**573**	548
	2,973	2,690

24. Letters of credit

The board has letters of credit outstanding at August 31, 2024 in the amount of $2,242 ($1,293 in 2023).

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**	**2024 Total**	2023 Total
	$	**$**	**$**	$
School generated funds				
Field trips/excursions	**4,336**	**—**	**4,336**	3,824
Fundraising for external charities	**480**	**—**	**480**	419
Student activities and resources (including fees)	**9,934**	**—**	**9,934**	8,549
Other	**1,244**	**1,475**	**2,719**	2,382
	15,994	**1,475**	**17,469**	15,174
School generated funds expenses				
Field trips/excursions	**4,338**	**—**	**4,338**	3,803
Donations to external charities	**439**	**—**	**439**	414
Student activities and resources	**10,034**	**—**	**10,034**	8,901
Other	**1,085**	**1,489**	**2,574**	2,203
	15,896	**1,489**	**17,385**	15,321

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

The board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the board's records. The in-kind revenue recorded for these transfers is $85 ($2,539 in 2023) with expenses based on use of $85 ($2,539 in 2023) for a net impact of nil (nil in 2023).

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.

The main changes are:

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

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202- Financial Statement Presentation:

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

The main changes are:

- Restructured statement of financial position
- Introduction of financial and non-financial liabilities
- Amended non-financial asset definition
- New components of net assets- accumulated other and issued share capital
- Relocated net debt to its own statement
- Renamed the net debt indicator
- Revised the net debt calculation
- Removed the statement of change in net debt
- New statement of net financial assets/liabilities
- New statement of changes in net assets/liabilities
- Isolated financing transaction in the cash flow statement

28. 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), Canadian Union of Public Employees (CUPE), Ontario Secondary School Teachers' Federation- Education Workers (OSSTF-EW). 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. The Principals and Vice-Principals 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 Crown has funded the monetary resolution for these employee groups to the applicable school boards though the appropriate changes to the Grants for Student Needs benchmarks and additional Priorities and Partnerships Funding ("PPF").

Due to this resolution, there is an impact on salary and wages expenses of $107,472 in the 2023-24 fiscal year, which excludes the proportional impact on benefits. The portion related to 2019-20 to 2022-23 is $78,740, with the remainder of $28,732 related to 2023-24.

29. Comparative amounts

Certain of the prior year comparative amounts have been reclassified to conform to the current year's financial statement presentation.

30. Subsequent event

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