Consolidated financial statements of
Toronto District School Board

August 31, 2025

Management Report

Year ended August 31, 2025
Re: Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Toronto 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(a) 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 recommending approval of the consolidated financial statements.

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

December 11, 2025

Clayton La Touche
Director of Education

Stacey Zucker
Associate Director
Modernization and Strategic Resource Alignment

Deloitte.

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Independent Auditor's Report

To the Supervisor of
Toronto District School Board

Opinion

We have audited the consolidated financial statements of Toronto District School Board (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2025, and the consolidated statements of operations, change in net debt, and cash flows 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(a) to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) of the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and 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(a) 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 consolidated 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
December 11, 2025

Toronto District School Board

Consolidated statement of financial position

As at August 31, 2025

(In thousands of dollars)

	Notes	2025 $	2024 $
Assets			
Financial assets			
Cash and cash equivalents		**329,659**	214,534
Investments	2	**243,244**	291,129
Due from City of Toronto		**214,612**	210,674
Accounts receivable (net of allowance of $3,633 ($3,184 in 2024))		**57,071**	64,106
Accounts receivable - Province of Ontario	3	**641,214**	846,305
Property held for sale	4	**—**	4,042
Restricted cash	19	**—**	46
		1,485,800	1,630,836
Liabilities			
Short-term borrowing	6	**331,300**	351,979
Accounts payable and accrued liabilities		**310,936**	506,372
Due to Province of Ontario		**23,840**	7,198
Accrued vacation pay		**18,534**	18,978
Deferred revenue	7	**340,581**	324,280
Deferred capital contributions	8	**3,127,391**	3,020,809
Retirement and other employee future benefits payable	5(b)	**335,248**	324,398
Net long-term debt	10	**250,296**	273,540
Asset retirement obligations ("ARO")	9	**1,091,800**	1,094,325
		5,829,926	5,921,879
Contractual obligations and commitments	13		
Net debt		**(4,344,126)**	(4,291,043)
Non-financial assets			
Tangible capital assets including ARO	11	**3,553,612**	3,464,962
Prepaid expenses and supplies		**16,864**	21,871
		3,570,476	3,486,833
Accumulated deficit	12	**(773,650)**	(804,210)

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

Approved by

_______________________________, Ministry of Education appointed Supervisor

_______________________________, Director of Education

Toronto District School Board

Consolidated statement of operations

Year ended August 31, 2025

(In thousands of dollars)

	Notes	Budget $	2025 $	2024 $
Revenue				
Core Education Funding				
Provincial Legislative Grants	16	**1,499,633**	**1,690,875**	1,622,577
Education Property Tax	1(s) and 16	**1,668,106**	**1,719,882**	1,677,999
Provincial grants - other		**166,013**	**115,665**	385,619
Federal grants and fees		**21,000**	**21,904**	23,295
Other fees and revenues		**169,272**	**151,238**	164,760
School fundraising		**42,000**	**46,976**	38,870
Amortization of deferred capital contributions	8			
Provincial Legislative Grants		**321,565**	**272,072**	254,722
Third Parties		**38,267**	**26,876**	25,730
		3,925,856	**4,045,488**	4,193,572
Expenses	15			
Instruction		**2,855,142**	**2,999,800**	3,072,420
Administration		**93,115**	**104,871**	110,745
Transportation		**82,304**	**88,044**	79,241
School operations and maintenance		**349,655**	**376,843**	376,927
Pupil accommodation		**434,727**	**390,362**	402,877
Other programs		**62,130**	**9,171**	142,880
School funded activities		**42,000**	**45,837**	38,443
		3,919,073	**4,014,928**	4,223,533
Annual surplus (deficit)		**6,783**	**30,560**	(29,961)
Accumulated deficit, beginning of year		**(804,210)**	**(804,210)**	(774,249)
Accumulated deficit, end of year		**(797,427)**	**(773,650)**	(804,210)

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

Toronto District School Board

Consolidated statement of change in net debt

Year ended August 31, 2025

(In thousands of dollars)

	Notes	2025 $	2024 $
Annual surplus (deficit)		**30,560**	(29,961)
Acquisition of tangible capital assets (including ARO)	11	**(405,530)**	(498,567)
Revaluation of TCA-ARO	11	**(21,176)**	(43,079)
Amortization of tangible capital assets	11	**338,056**	344,063
		(58,090)	(227,544)
Acquisition of inventories of supplies		**(11,669)**	(10,013)
Acquisition of prepaid expenses		**(18,978)**	(12,556)
Consumption of inventories of supplies		**13,575**	10,148
Use of prepaid expenses		**22,079**	21,246
Change in net debt		**(53,083)**	(218,719)
Net debt, beginning of year		**(4,291,043)**	(4,072,324)
Net debt, end of year		**(4,344,126)**	(4,291,043)

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

Toronto District School Board
Consolidated statement of cash flows
Year ended August 31, 2025
(In thousands of dollars)

	Notes	2025 $	2024 $
Operating activities			
Annual surplus (deficit)		**30,560**	(29,961)
Items not involving cash			
Amortization of tangible capital assets	11	**338,056**	344,063
Revaluation of TCA-ARO and ARO liability		**(6,592)**	(6,897)
Sale of property held for sale - net book value	4	**4,042**	—
Settlement of ARO liability - abatement	9	**(17,109)**	(15,698)
Deferred capital contributions recognized	8	**(298,948)**	(280,452)
Changes in non-cash assets and liabilities			
Due from City of Toronto		**(3,938)**	8,802
Accounts receivable		**7,035**	10,862
Accounts receivable - Province of Ontario - Operating		**50,166**	2,507
Prepaid expenses and supplies		**5,007**	8,825
Accounts payable and accrued liabilities and accrued vacation pay		**(195,880)**	138,100
Due to Province of Ontario		**16,642**	(380)
Deferred revenues - Operating		**(11,716)**	(4,320)
Retirement and other employee future benefits payable		**10,850**	1,900
		(71,825)	177,351
Capital activities			
Proceeds from sale of property held for sale	4	**61,200**	—
Acquisition of tangible capital assets	11	**(405,530)**	(498,567)
		(344,330)	(498,567)
Investing activity			
Net redemption of investments		**47,885**	98,284
Financing activities			
Capital grant contributions	8	**405,530**	498,567
Deferred revenue - Capital		**(33,183)**	(57,561)
Accounts receivable - Province of Ontario - Capital		**154,925**	(7,604)
Short-term borrowing - net		**(20,679)**	7,979
Long-term debt repayments		**(23,244)**	(23,715)
Decrease in restricted cash		**46**	—
		483,395	417,666
Net increase in cash and cash equivalents		**115,125**	194,734
Cash and cash equivalents, beginning of year		**214,534**	19,800
Cash and cash equivalents, end of year		**329,659**	214,534

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

1. Significant accounting policies

The consolidated financial statements are the representations of management and are prepared in accordance with the basis of accounting as described in Note 1(a) below.

Significant accounting policies adopted are as follows:

(a) Basis of accounting

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

The Financial Administration Act requires that the consolidated financial statements be prepared in accordance with the accounting principles determined by the relevant Ministry of the Province of Ontario. A directive was provided by the Ontario Ministry of Education within memorandum 2004:B2 requiring school boards to adopt Canadian public sector accounting standards commencing with their year ended 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 tangible capital asset is used to provide service at the same rate that amortization is recognized in respect of the related tangible capital 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, including amounts previously recognized as tax revenue, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with Canadian public sector accounting standard PS 3410; and
- 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 Canadian public sector accounting standard PS 3100.

As a result, revenue recognized in the consolidated statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

(b) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity includes all organizations which are controlled by the Toronto District School Board (the “Board”).

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

1. Significant accounting policies (continued)

(b) Reporting entity (continued)

The Board established the Toronto Lands Corporation ("TLC") in 2008, a wholly owned subsidiary. Its mandate is to manage designated real estate holdings of the Board to maximize rental income and dispose of surplus sites. This entity which is controlled by the Board is included in the consolidated financial statements.

The Board is a unit owner in Toronto Standard Condominium Corporation No. 2234, which was established for the management of common elements (consisting of the separation walls, sprinkler system, and fire alarm system) of the property located at 840 Coxwell and 555 Mortimer Avenues, which is jointly owned by the Board and Toronto East Health Network. The Board's share of activities relating to this entity is included in the consolidated financial statements.

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

(c) Trust funds

Trust funds and their related operations administered by the Board amounting to $13.59 million ($12.87 million in 2024) are not included in the consolidated financial statements.

(d) Financial instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost.

The following chart shows the measurement method for each type of financial instrument.

Financial Instrument	Measurement Method
Portfolio investment in bonds and treasury bills	Amortized cost
Bonds in Canadian Chartered Banks	Amortized cost
Cash and cash equivalents	Cost
Due from City of Toronto	Cost
Accounts receivable	Cost
Short-term borrowing and long-term debt	Cost
Accounts payable and accrued liabilities	Cost
Accrued vacation pay	Cost

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.

1. Significant accounting policies (continued)

(d) Financial instruments (continued)

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 and are therefore not recognized in these consolidated financial statements. Guarantees and letters of credit relating to construction are disclosed at their face value.

Fair value hierarchy

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

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

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

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

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

(e) Cash and cash equivalents

Cash and cash equivalents 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.

(f) Investments

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

Since school boards are generally not allowed to hold stocks, mutual funds or other equity instruments per Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters, the Board does not have equity instruments that are quoted in an active market that must be recorded at fair value, and has not included a consolidated statement of remeasurement gains and losses in these consolidated financial statements.

The Board holds portfolio investments in bonds and treasury bills, and bonds in Canadian Chartered Banks which are recorded at amortized cost.

1. Significant accounting policies (continued)

(g) Deferred revenue

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

(h) Deferred capital contributions

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

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

(i) Retirement and other employee future benefits

As part of ratified labour collective agreements for employees that bargain centrally and ratified central discussions, a number of Employee Life and Health Trusts ("ELHTs") were established. The ELHTs provide health, dental care, life and accidental death and dismemberment insurance coverage to eligible employees. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario.

The Board's employees belong to the following ELHTs:

- Elementary Teachers' Federation of Ontario ("ETFO");
- Ontario Secondary School Teachers' Federation ("OSSTF");
- OSSTF Education Workers ("OSSTF EW");
- Canadian Union of Public Employees ("CUPE");
- Ontario Council of Education Workers ("OCEW") (which includes Maintenance & Construction Skilled Trades Council ("MCSTC"));
- Non-unionized employees; and
- Principals and Vice Principals.

The Board is no longer responsible to provide certain benefits to employees who are part of the ELHTs.

Funding for the ELHTs is based on the existing benefits funding embedded within the Core Education Funding, additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. School boards are required to remit the negotiated amount per full-time equivalency on a monthly basis.

1. Significant accounting policies (continued)

(j) Defined retirement and other future benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, gratuity, long-term disability and workers' compensation.

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

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.

(i) 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 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group, which averages 6.60 (7.30 in 2024) years.

(ii) For post-retirement benefits, the benefit cost for health care, dental coverage and life insurance coverage is actuarially determined using the projected benefits method to the end of benefits period. Any actuarial gains and losses arising from changes to the discount rate and retiree claim cost assumptions are recognized in the period they arise.

(iii) For self-insured workers' compensation benefit obligations that arise from specific events that occur from time to time, the cost is recognized immediately in the period the events occur. Actuarial gains and losses that are related to obligations for workers' compensation are recognized immediately in the period they arise.

(iv) For long-term disability, life insurance and health care benefits for those on disability leave, actuarial gains and losses are amortized over the expected average service life of the employee group, which averages 7.30 (7.20 in 2024) years.

(v) The Board's contributions to multiemployer defined benefit pension plans, such as the Ontario Municipal Employees Retirement System (OMERS) pension, are recorded in the period in which they become payable.

(vi) The costs of insured benefits for active employees reflected in these consolidated financial statements are the Board's portion of insurance premiums owed for coverage of employees during the period.

(k) Tangible capital assets

Tangible capital assets are recorded at historical cost which includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets and legally or contractually required retirement activities. Cost includes overheads directly attributable to construction and development.

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

1. Significant accounting policies (continued)

(k) Tangible capital assets (continued)

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

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

Assets under construction and assets that relate to pre-acquisition and pre-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 estimated net realizable value. Cost includes amounts to prepare the land for sale or servicing. Buildings permanently removed from service cease to be amortized and are recorded at the lower of carrying value and net realizable value. Land and building permanently removed from service that meet the criteria for inventory held for resale are recorded as "properties held for sale" on the consolidated statement of financial position. Those that do not meet these criteria continue to be recorded as part of "tangible capital assets" on the consolidated statement of financial position.

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

(l) Asset retirement obligations

Asset retirement obligations ("ARO") 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:

- there is a statutory, contractual, or legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- 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 current cost 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.

1. Significant accounting policies (continued)

(l) Asset retirement obligations (continued)

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 consolidated statement of operations.

(m) Public Private Partnerships

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

(n) Purchased Intangibles

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

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

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

(o) 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, all 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 and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the related tangible capital asset is amortized.

1. Significant accounting policies (continued)

(p) Investment income

Interest and investment income are reported as revenue in the period earned.

Interest income earned on monies invested specifically for externally restricted funds is added to the fund balance and forms part of the respective deferred revenue balances.

Interest income includes interest earned on cash balances held with a Canadian Chartered Bank, which accrues interest income at a rate of prime minus 1.45% as at August 31, 2025 (prime minus 1.45% in 2024).

(q) Other revenues

Other revenues from transactions with performance obligations, for example, fees or royalties from the sale of goods or rendering of services, are recognized as the Board satisfies a performance obligation by providing the promised goods or services to the payor. Other revenue from transactions with no performance obligations, for example, fines and penalties, are recognized when the Board has the authority to claim or retain an inflow of economic resources and when a past transaction or event is an asset. Amounts received prior to the end of the year that will be recognized in a subsequent fiscal year are deferred and reported as a liability.

(r) Long-term debt

Long-term debt includes Ontario Financing Authority ("OFA") loans which were arranged for financing the Board's capital projects or high priority renewal projects.

(s) 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 City of Toronto is recorded as part of Core Education Funding, under Education Property Tax.

(t) Contributed materials

Contributed materials are recognized by the Board at the date of contribution when a fair value can be reasonably estimated.

(u) Budget figures

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Trustees on June 30, 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.

(In thousands of dollars)

1. Significant accounting policies (continued)

(v) Use of estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1(a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Estimates are reviewed periodically by management and, as adjustments become necessary, they are reported in the period in which they became known. Accounts subject to estimates include allowance for doubtful accounts receivable, certain accrued liabilities including legal claims and pay equity accruals, liability for contaminated sites, employee future benefits, asset retirement obligations, useful lives of tangible capital assets, the recognition of deferred amounts related to capital contributions, deferred revenue, and the valuation of contributed materials. Actual results could differ from these estimates.

2. Investments

Investments consist of $150 million ($200 million in 2024) in bonds in Canadian Chartered Banks and $93.24 million ($91.12 million in 2024) of portfolio investments in other bonds and treasury bills. Portfolio investments consist of Federal, Municipal, Provincial and Fixed income corporate Government bonds with varying maturities and interest rates and are managed as a portfolio.

Bonds investments in Canadian chartered banks as at August 31, 2025 consist of the following:

Issue date	Maturity date	Interest rate	**2025 Principal amount**
January 2023	January 2033	10% in year one, thereafter 3 months CORRA + 0.92%	**$50 million**
April 2024	April 2034	7% in year one and two, thereafter reduced by 0.65% per year	**$50 million**
April 2024	April 2039	5.35%	**$50 million**

Bonds investments in Canadian chartered banks as at August 31, 2024 consist of the following:

Issue date	Maturity date	Interest rate	2024 Principal amount
January 2023	January 2033	10% in year one, thereafter 3 months CORRA plus 1.12%	$50 million
January 2023	January 2033	10.5% in year one, thereafter 3 months CORRA plus 0.92%	$50 million
April 2024	April 2034	7% in year one and two, thereafter reduced by 0.65% per year	$50 million
April 2024	April 2039	5.35%	$50 million

3. Accounts receivable – Province of Ontario

The accounts receivable from the Province of Ontario are comprised primarily of amounts related to capital grants in the amount of $457.38 million ($568.95 million as at August 31, 2024) and delayed capital grant payments of $183.83 million ($223.33 million as at August 31, 2024).

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

Effective September 1, 2018, the Ministry of Education ("Ministry") introduced a cash management strategy. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry.

4. Property held for sale

As of August 31, 2025, nil ($4.04 million in 2024) related to buildings was recorded as property held for sale.

During the year, property previously held for sale was sold for proceeds of $61.2 million. At the time of the sale, the property had a carrying value of $4.04 million which includes $1.17 million of TCA-ARO. In accordance with Ontario Regulation 193/10, the proceeds on the sale were deferred as at August 31, 2025, for future capital asset purchases. As a result of the sale of the property, the Board also wrote-off $3.99 million of ARO liability and $2.87 million of deferred revenue related to capital funding previously received for the purchase of the property.

5. Retirement and other employee future benefits

(a) A brief overview of the Board's benefit plans is set out below

Pension benefits

(i) Supplementary War Veterans Allowance

The Supplementary War Veterans Allowance Plan (the "Plan") consists of allowances to be paid to retired employees of the former Board of Education for the City of Toronto. The Plan is closed to new members. The Plan includes survivor benefits of 66 2/3% for the surviving spouse. The pension is subject to indexing at 100% of the increase in CPI. This Plan is unfunded. The benefit costs and liability related to this plan are recorded in the Board's consolidated financial statements.

Retirement benefits

(ii) Sick leave credit gratuities

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

5. Retirement and other employee future benefits (continued)

(a) A brief overview of the Board's benefit plans is set out below (continued)

Retirement benefits (continued)

(iii) Retirement life insurance and health care benefits

All of the Board's benefit plans for active employees have transitioned to provincial ELHTs. As a result, the Board is no longer providing benefits to employees who retired after the transition dates. The Board, however, continues to provide health and dental benefits to ETFO, OSSTF, OSSTF EW, CUPE, and OCEW (which includes MCSTC) members who were enrolled in the Board's retiree benefit plans prior to the transition dates.

For the retired, non-unionized Senior team members and/or designated executives who were transitioned to their applicable ELHTs, former Board cost arrangements were maintained.

Employees who retired after the transition dates are not eligible to participate in the ELHT benefit programs, with the exception of Senior Officials, who were eligible to participate in the retiree benefit plans until August 12, 2021. Eligible Senior Officials who retired on or before August 12, 2021 are entitled to the core health and dental coverage to age 65 with board paying 100% of the premium rates for health and 90% for dental.

Other benefits

(iv) Workplace safety and insurance board obligations

The Board is a Schedule II employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and actuarially determined liabilities related to this plan based on management's best estimate are recorded in the Board's consolidated financial statements. Plan changes made in 2012 require school boards 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 agreement negotiated prior to 2012 included such a provision.

(v) Long-term disability benefits

The Board provides long-term disability insurance coverage for non-teaching employees. The benefit costs and actuarially determined liabilities related to this plan are included in the Board's consolidated financial statements. The long-term disability income benefit is event driven, and the Board's obligation is based on existing employees on long-term disability as at August 31, 2025.

Teaching staff have their own long-term disability plans through their Federations and are responsible for the entire cost. Accordingly, no costs or liabilities related to these plans are included in the Board's consolidated financial statements.

Effective August 31, 2018, there are no active employee groups remaining for which the Board is responsible for providing health, dental and life insurance benefits.

$15.0 million (nil in 2024) is held as an internally restricted reserve to cover reduced Board premiums otherwise required by the long-term disability plan (see Note 12).

(In thousands of dollars)

5. Retirement and other employee future benefits (continued)

(a) A brief overview of the Board's benefit plans is set out below (continued)

Other benefits (continued)

(vi) 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.

(b) Retirement and other employee future benefits liabilities

	Pension benefits $	**Retirement benefits $**	**Other benefits $**	**2025 Total $**
Unfunded accrued benefit obligation	**534**	**132,010**	**243,204**	**375,748**
Unamortized net actuarial gains (losses)	**—**	**1,158**	**(41,658)**	**(40,500)**
Accrued benefit liability	**534**	**133,168**	**201,546**	**335,248**

	Pension benefits $	Retirement benefits $	Other benefits $	2024 Total $
Unfunded accrued benefit obligation	752	147,079	223,212	371,043
Unamortized net actuarial losses	—	(7,292)	(39,353)	(46,645)
Accrued benefit liability	752	139,787	183,859	324,398

(c) Retirement and other employee future benefits expenses

	Pension benefits $	**Retirement benefits $**	**Other benefits $**	**2025 Total $**
Current year benefit costs	**—**	**—**	**51,915**	**51,915**
Interest on accrued benefit obligation	**25**	**5,306**	**8,140**	**13,471**
Net amortization of actuarial (gain)/loss	**(67)**	**2,964**	**7,663**	**10,560**
Employee future benefits expenses	**(42)**	**8,270**	**67,718**	**75,946**

(In thousands of dollars)

5. Retirement and other employee future benefits (continued)

(c) Retirement and other employee future benefits expenses (continued)

	Pension benefits $	Retirement benefits $	Other benefits $	2024 Total $
Current year benefit costs	—	—	44,643	44,643
Interest on accrued benefit obligation	32	6,476	7,953	14,461
Cost of plan amendments	—	209	—	209
Net amortization of actuarial loss	106	2,740	4,941	7,787
Employee future benefits expenses	138	9,425	57,537	67,100

These amounts are included in the respective expense categories on the consolidated statement of operations.

The amount of benefits paid during the year were $0.18 million ($0.22 million in 2024) for pension benefits, $14.89 million ($18.55 million in 2024) for retirement benefits, and $50.03 million ($46.42 million in 2024) for other employee future benefits.

(d) Actuarial assumptions

The accrued benefit obligations for the retirement and employee future benefit plans are based on the most recent actuarial valuation for accounting purposes completed as at August 31, 2025.

These valuations take into account any plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2025 %	2024 %
Estimated inflation		
Health	**5.00**	5.00
Dental	**5.00**	5.00
War veterans	**2.00**	3.00
WSIB	**2.00**	2.00
LTDI	**1.00**	2.00
Wages and salary increases	**2.00**	2.00
Discount on accrued benefit obligations	**3.80**	3.80

5. Retirement and other employee future benefits (continued)

(e) Multi-employer pension plans

(i) Ontario Teachers' Pension Plan

Employees who are Teacher-certified, regardless of the capacity in which they work, are required to be members of Ontario Teachers' Pension Plan, a multi-employer pension plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

(ii) Ontario Municipal Employees Retirement System ("OMERS")

Non-teaching employees of the Board are eligible to be members of OMERS, a multi-employer pension plan (the "Plan"). The Plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board's contributions equal the employees' contributions to the Plan. During the year ended August 31, 2025, the Board contributed $63.02 million ($69.75 million in 2024) to the Plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses and are included in the respective expense categories on the consolidated statement of operations. No pension liability for this type of plan is included in the Board's consolidated statement of financial position.

Each year, an independent actuary determines the funding status of OMERS Primary Pension by comparing the actuarial value of the invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted as at December 31, 2024. The results of this valuation disclosed total actuarial liabilities as at that date of $142.49 billion ($136.19 billion as at December 31, 2023) in respect of benefits accrued for service with actuarial assets as at that date of $139.58 billion ($131.98 billion as at December 31, 2023) indicating an actuarial deficit of $2.91 billion ($4.20 billion as at December 31, 2023). Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employers. As a result, the Board does not recognize any share of the OMERS pension deficit.

(f) Health and dental

The Board is still responsible for providing coverage to some retiree employee groups until they transition to their applicable ELHT. Funds to cover these benefits are held with Manulife. The current liabilities for the health and dental plans for these employee groups is in the amount of $0.64 million ($0.46 million as at August 31, 2024). These funds primarily cover estimated current period claims yet to be submitted by employees.

(In thousands of dollars)

6. Short-term borrowing

The Board has a $600 million credit facility with a Canadian chartered bank for operating and capital improvement purposes. The amount outstanding as at August 31, 2025 was $331.30 million ($351.98 million in 2024) bearing interest at 3.78% (5.58% in 2024) and was used to support the Board's capital projects. Upon maturity on October 24, 2025, the credit facility was renewed at an amount of $350 million, with a new maturity date of January 23, 2026.

In addition, the Board has outstanding letters of credit in the amount of $3.22 million as at August 31, 2025 ($3.62 million as at August 31, 2024).

The Ministry funds the interest cost incurred on the short-term borrowing. For Ministry arranged permanent financing under a long-term financing arrangement see Note 10 (c), (d), (e), (f), (g), (h), (i), (j) and (k)).

7. Deferred revenue

The continuity of deferred revenue including those set aside for specific purposes by legislation, regulation or agreement as at August 31, 2025 is as follows:

	Balance, August 31, 2024 $	**Externally restricted revenue and investment income $**	**Revenue recognized in the period $**	**Transfer to deferred capital contributions $**	**Balance, August 31, 2025 $**
Special Education	5,449	**400,913**	**(406,362)**	**—**	**—**
Other Ministry of Education grants	11,934	**104,969**	**(104,661)**	**—**	**12,242**
Other Provincial grants	2,285	**28,827**	**(29,727)**	**—**	**1,385**
Tuition fees	23,396	**18,935**	**(22,862)**	**—**	**19,469**
Other (operating)	10,465	**40,483**	**(41,390)**	**—**	**9,558**
Minor tangible capital assets	—	**83,557**	**(72,328)**	**(11,229)**	**—**
School renewal	14,642	**47,319**	**(31,715)**	**(15,982)**	**14,264**
Experiential learning	669	**—**	**(669)**	**—**	**—**
Temporary accommodation	—	**448**	**—**	**(448)**	**—**
Retrofitting school space for child care	1,369	**—**	**—**	**—**	**1,369**
Renewable energy	196	**—**	**—**	**—**	**196**
Proceeds of disposition	245,478	**61,567**	**(3,604)**	**(30,347)**	**273,094**
Property held for sale (Note 4)	2,870	**(2,870)**	**—**	**—**	**—**
Developer contributions	47	**—**	**—**	**(47)**	**—**
Other	5,480	**34,008**	**(514)**	**(29,970)**	**9,004**
Total	324,280	**818,156**	**(713,832)**	**(88,023)**	**340,581**

(In thousands of dollars)

8. Deferred capital contributions

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with Ontario Regulation 395/11 that have been spent by year end. The contributions are amortized into revenue at the rate used to amortize the related asset over its useful life.

	2025	2024
	$	$
Balance, beginning of year	**3,020,809**	2,802,694
Additions to deferred capital contributions	**405,530**	498,567
Revenue recognized in the period	**(298,948)**	(280,452)
Balance, end of year	**3,127,391**	3,020,809

9. Asset retirement obligations

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

As of August 31, 2025, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

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

	2025	2024
	$	$
Liabilities for ARO at beginning of year	**1,094,325**	1,073,841
Revaluation of liabilities due to inflation	**29,522**	55,305
Revaluation of liabilities due to change in estimates	**(10,944)**	(19,123)
Liabilities settled during the year due to abatements	**(17,109)**	(15,698)
Liability disposed from property sale (Note 4)	**(3,994)**	—
Liabilities for ARO at end of year	**1,091,800**	1,094,325

The Board has made an inflation adjustment increase in estimates of 1.10% as of March 31, 2025 (3.66% as of March 31, 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 from January 1, 2024 to December 31, 2024, and is the rate being used to update costs assumptions in the costing models in order to be reflective of March 31, 2025 costs.

An additional revaluation adjustment of 1.64% was made as of August 31, 2025 (1.50% as of August 31, 2024) to reflect an inflation adjustment subsequent to the March 31, 2025 (March 31, 2024 in 2024) liability revaluation. This rate represents the percentage increase in the Canada BCPI survey up to June 30, 2025 (June 30, 2024 in 2024).

The revaluation adjustments have also been added to the Tangible capital assets - asset retirement obligation to be amortized over the remaining useful life of the underlying asset.

The Board engages third-party consultants to review the asset retirement obligations for various school properties. This is done annually and on a rotation basis. The asset retirement obligations liability is updated to reflect the new estimated inputs from the external consultants.

(In thousands of dollars)

10. Net long-term debt

(a) Net long-term debt reported in the consolidated statement of financial position is comprised of the following:

		Interest rate %	Maturity date	**2025 $**	2024 $
Critical renewal debenture	Note 11(b)	5.07	December 17, 2024	**—**	1,565
Ontario Financing Authority	Note 11(c)	4.56	November 15, 2031	**40,484**	45,725
Ontario Financing Authority	Note 11(d)	4.90	March 3, 2033	**46,436**	51,222
Ontario Financing Authority	Note 11(e)	5.06	March 13, 2034	**44,202**	48,090
Ontario Financing Authority	Note 11(f)	5.23	April 13, 2035	**29,789**	32,033
Ontario Financing Authority	Note 11(g)	4.83	March 11, 2036	**28,115**	30,053
Ontario Financing Authority	Note 11(h)	3.59	March 9, 2037	**14,190**	15,142
Ontario Financing Authority	Note 11(i)	3.66	June 25, 2038	**24,249**	25,667
Ontario Financing Authority	Note 11(j)	4.00	March 11, 2039	**12,567**	13,236
Ontario Financing Authority	Note 11(k)	2.99	March 9, 2040	**10,264**	10,807
Balance as at August 31				**250,296**	273,540

(b) On December 17, 2004 the Board issued a $40 million debenture to fund an equivalent amount of major renovation projects. The debenture was fully repaid by the Board on December 17, 2024.

(c) On November 15, 2006, the Board entered into a loan agreement with the OFA to finance $107.74 million of the Good Places to Learn ("GPL") program. The loan is repayable by semi-annual installments of principal and interest of $3.63 million based on a 25-year amortization schedule and bears interest of 4.56%. The annual principal and interest costs are funded by the Ministry.

(d) On March 3, 2008, the Board entered into a loan agreement with the OFA to finance $103.24 million (GPL of $93.92 million and Primary Class Size ("PCS") of $9.32 million). The loan is repayable by semi-annual installments of principal and interest of $3.62 million based on a 25-year amortization schedule and bears interest of 4.90%. The annual principal and interest costs are funded by the Ministry.

(e) On March 13, 2009, the Board entered into a loan agreement with the OFA to finance $88.10 million (GPL of $81.10 million and PCS of $7.00 million). The loan is repayable by semi-annual installments of principal and interest of $3.14 million based on a 25-year amortization schedule and bears interest of 5.06%. The annual principal and interest costs are funded by the Ministry.

(f) On April 14, 2010, the Board entered into a loan agreement with the OFA to finance $53.83 million (GPL of $51.73 million and PCS of $2.10 million). The loan is repayable by semi-annual installments of principal and interest of $1.95 million based on a 25-year amortization schedule and bears interest of 5.23%. The annual principal and interest costs are funded by the Ministry.

(g) On March 11, 2011, the Board entered into a loan agreement with the OFA to finance $48.38 million (GPL of $33.92 million and PCS of $14.46 million). The loan is repayable by semi-annual installments of principal and interest of $1.68 million based on a 25-year amortization schedule and bears interest of 4.83%. The annual principal and interest costs are funded by the Ministry.

(h) On March 9, 2012, the Board entered into a loan agreement with the OFA to finance $24.28 million (GPL of $23.88 million and PCS of $0.40 million). The loan is repayable by semi-annual installments of principal and interest of $0.74 million based on a 25-year amortization schedule and bears interest of 3.59%. The annual principal and interest costs are funded by the Ministry.

(In thousands of dollars)

10. Net long-term debt (continued)

(i) On June 26, 2013, the Board entered into a loan agreement with the OFA to finance $37.83 million (GPL of $21.23 million and Capital Enveloping (ARC) of $16.60 million). The loan is repayable by semi-annual installments of principal and interest of $1.17 million based on a 25-year amortization schedule and bears interest of 3.66%. The annual principal and interest costs are funded by the Ministry.

(j) On March 12, 2014, the Board entered into a loan agreement with the OFA to finance $18.66 million (Prohibit to Repair of $14.06 million and Capital Priority Program of $4.60 million). The loan is repayable by semi-annual installments of principal and interest of $0.60 million based on a 25-year amortization schedule and bears interest of 4.00%. The annual principal and interest costs are funded by the Ministry.

(k) On March 11, 2015, the Board entered into a loan agreement with the OFA to finance $15.03 million (Primary Class Size of $3.60 million and Capital Priority Program of $11.43 million). The loan is repayable by semi-annual installments of principal and interest of $0.43 million based on a 25-year amortization schedule and bears interest of 2.99%. The annual principal and interest costs are funded by the Ministry.

(l) Principal and interest payments relating to net long-term debt of $311.51 million ($347.03 million as at August 31, 2024) outstanding as at August 31, 2025 are due as follows:

	Principal payments $	Interest $	Total $
2026	22,702	11,219	33,921
2027	23,773	10,148	33,921
2028	24,895	9,026	33,921
2029	26,071	7,850	33,921
2030	27,303	6,618	33,921
Thereafter	125,552	16,349	141,901
	250,296	61,210	311,506

(m) Interest on long-term debt amounted to $12.28 million ($13.10 million in 2024).

(In thousands of dollars)

11. Tangible capital assets

Opening and closing balances with activities for the year ended August 31, 2025

					Gross book value
$ in 000's	Balance at September 1 2024 $	**Additions & transfers $**	**Disposals, write-offs $**	**Revaluation of TCA - ARO $**	**Balance at August 31, 2025 $**
Land	110,700	**—**	**—**	**—**	**110,700**
Land improvements	381,440	**66,371**	**—**	**11**	**447,822**
Buildings (40 Years)	6,358,165	**374,387**	**—**	**18,261**	**6,750,813**
Buildings (20 Years)	566	**—**	**—**	**—**	**566**
Portable structures	48,558	**1,388**	**—**	**—**	**49,946**
Construction in Progress (CIP)	221,328	**(49,972)**	**—**	**—**	**171,356**
Equipment (5 Years)	205	**57**	**(29)**	**—**	**233**
Equipment (10 Years)	4,533	**663**	**(435)**	**—**	**4,761**
Equipment (15 Years)	6,047	**145**	**—**	**—**	**6,192**
First time equipping (10 Years)	4,642	**1,495**	**(245)**	**—**	**5,892**
Furniture (10 Years)	1,184	**96**	**(41)**	**—**	**1,239**
Computer hardware	30,490	**8,377**	**(14,454)**	**—**	**24,413**
Computer software	16,869	**589**	**(842)**	**—**	**16,616**
Vehicles (< 10,000 pounds)	3,650	**—**	**—**	**—**	**3,650**
Vehicles (> 10,000 pounds)	16,007	**1,305**	**—**	**—**	**17,312**
Leasehold improvement - building	7,768	**60**	**—**	**—**	**7,828**
Leasehold improvement - land	2,467	**569**	**—**	**—**	**3,036**
Total	7,214,619	**405,530**	**(16,046)**	**18,272**	**7,622,375**

(In thousands of dollars)

11. Tangible capital assets (continued)

Opening and closing balances with activities for the year ended August 31, 2025 (continued)

	Accumulated amortization					Net book value	
$ in 000's	Balance at September 1, 2024	Amortization and transfers	Disposals, write-offs	Revaluation of TCA - ARO	**Balance at August 31, 2025**	Balance at August 31, 2024	**Balance at August 31, 2025**
Land	—	—	—	—	**—**	110,700	**110,700**
Land improvements	197,858	20,820	—	—	**218,678**	183,582	**229,144**
Buildings (40 Years)	3,472,595	297,476	—	(2,904)	**3,767,167**	2,885,570	**2,983,646**
Buildings (20 Years)	105	29	—	—	**134**	461	**432**
Portable structures	27,408	2,528	—	—	**29,936**	21,150	**20,010**
Construction in Progress (CIP)	—	—	—	—	**—**	221,328	**171,356**
Equipment (5 Years)	75	39	(29)	—	**85**	130	**148**
Equipment (10 Years)	2,017	465	(435)	—	**2,047**	2,516	**2,714**
Equipment (15 Years)	4,133	243	—	—	**4,376**	1,914	**1,816**
First time equipping (10 Years)	2,334	492	(245)	—	**2,581**	2,308	**3,311**
Furniture (10 Years)	423	120	(41)	—	**502**	761	**737**
Computer hardware	16,133	10,581	(14,454)	—	**12,260**	14,357	**12,153**
Computer software	6,774	3,554	(842)	—	**9,486**	10,095	**7,130**
Vehicles (< 10,000 pounds)	2,781	231	—	—	**3,012**	869	**638**
Vehicles (> 10,000 pounds)	9,625	1,175	—	—	**10,800**	6,382	**6,512**
Leasehold improvement - building	6,534	162	—	—	**6,696**	1,234	**1,132**
Leasehold improvement - land	862	141	—	—	**1,003**	1,605	**2,033**
Total	3,749,657	338,056	(16,046)	(2,904)	**4,068,763**	3,464,962	**3,553,612**

Works of art and historic artifacts

The Board has an art collection in its possession with an insured value of $8.11 million ($8.10 million in 2024). In addition, the Board also has a number of historic artifacts. In accordance with Canadian public sector accounting standards, these works of art and historic artifacts are not recorded as an asset in these consolidated financial statements.

(In thousands of dollars)

12. Accumulated deficit

Accumulated deficit consists of the following:

	2025	2024
	$	$
Accumulated deficit		
Working funds	**(28,062)**	—
Internal reserves and reserve funds	**76,209**	26,733
Employee future benefits	**(165,090)**	(187,914)
Interest accrual	**(3,466)**	(3,798)
School generated funds	**21,921**	20,782
Capital grants used on land purchases	**110,698**	110,698
Asset retirement obligation	**(784,835)**	(769,686)
Liability for contaminated sites	**(1,025)**	(1,025)
	(773,650)	(804,210)

Internal reserve funds totaling $50.9 million were appropriated for various initiatives in 2025 (nil in 2024). In the prior year, $12.39 million of internal reserve funds were used to support the 2024 deficit.

Internal reserves and reserve funds set aside for specific purposes by management consist of the following:

	2025	2024
	$	$
Employee benefit plans (Note 5(a)(v))	**15,000**	—
Enterprise Resource Planning	**15,000**	—
School support	**12,692**	13,335
Special Education	**9,352**	—
Committed sinking fund interest earned	**8,563**	9,990
Department Carryforwards	**6,568**	—
System Modernization	**5,000**	—
Other	**4,034**	3,408
	76,209	26,733

13. Contractual obligations and commitments

(a) Capital, facility renewals and renovations

The Board’s commitments for approved capital and facility renewal programs as at August 31, 2025 amounted to $228.81 million ($328.43 million as at August 31, 2024).

(b) Other significant obligations

(i) The Board awarded contracts for student transportation commencing September 1, 2024 with a term of 6 years with two 2-year extensions. The estimated annual commitment under these contracts is $71.90 million ($89.30 million in 2024).

(ii) The Board is committed to purchase natural gas including transportation through supply contracts with various expiry dates; the latest contract expires on October 31, 2026. The estimated outstanding costs of these contracts are $9.94 million ($20.36 million in 2024).

(In thousands of dollars)

13. Contractual obligations and commitments (continued)

(b) Other significant obligations (continued)

(iii) The Board is committed to a Wide Area Network contract for a term of three years with 5 annual one year renewal options up to August 2028. The estimated annual commitment under this contract is $4.20 million each year ($4.20 million in 2024).

(iv) The Board is committed to a Multi-Functional Devices contract which expires in August 2027. The estimated commitment under the contract date is $1.85 million to $2.50 million per year depending on print volumes ($1.85 million to $2.50 million in 2024).

14. Contingent liabilities

Legal claims

The Board has been named as the defendant in certain legal actions, in which damages have been sought. Any losses arising from these actions are recorded in the year that the related litigation is settled or when any likely amounts are measurable. Where the outcomes of actions are not determinable as at August 31, 2025, no provision is made in the consolidated financial statements.

Pay equity

The Board is continuing to negotiate several pay equity claims with employee groups. Management records any future pay equity settlements in the year in which the claim is settled, or earlier, if the amount is determined to be likely and the liability is measurable.

15. Expenses by object

The following is a summary of the expenses reported on the consolidated statement of operations:

	2025	2024
	$	$
Expenses		
Salary and wages	**2,695,140**	2,900,651
Employee benefits	**508,129**	520,382
Amortization of tangible capital assets	**338,056**	344,063
Supplies and services	**201,551**	194,183
Fees and contract services	**151,461**	138,231
School funded activities	**45,837**	38,443
Other	**34,318**	40,426
Interest	**26,863**	33,338
Rental expenses	**11,122**	11,192
Staff development	**2,451**	2,624
	4,014,928	4,223,533

(In thousands of dollars)

16. 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. City of Toronto collects and remits 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. 93.9 percent (93.9 percent in 2024) of the consolidated revenues of the Board are directly controlled by the provincial government through Core Education Funding.

17. Repayment of "55 School Board Trust" funding

On June 1, 2003, the Board received $275.10 million from the "55 School Board Trust" for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The "55 School Board Trust" was created to refinance the outstanding not permanently financed ("NPF") debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, the "55 School Board Trust" repaid the board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

The flow through of $20.5 million ($20.5 million in 2024) in grants in respect of the above agreement for the year ended August 31, 2025, is not recorded in these consolidated financial statements.

18. Related party disclosures

Related parties of the Board include other school boards and the OFA. The OFA is an agency of the Province of Ontario that manages the province's debt and borrowing program. Please refer to Note 10 for additional disclosure on the Board's borrowing with the OFA.

Transactions with other school boards include shared cost of facilities and secondment of staff. Amounts of the transactions with other school boards are disclosed as follows:

	2025 **$**	2024 $
Toronto Catholic District School Board	**1,480**	1,418
Peel District School Board	**56**	5
Dufferin Peel Catholic District School Board	**4**	2
Other school boards	**2**	2
York Catholic District School Board	**—**	154
Hamilton-Wentworth District School Board	**—**	7

During the year, the Board disposed of a property that was held for sale (see Note 4) for $61.2 million to Toronto Catholic District School Board.

19. Financial contribution agreements

During 2001-2002, the Board established three joint trust accounts with the Toronto Catholic District School Board pertaining to Education Development Levy Agreements. These Agreements pertain to building developments that pre-date the passing of the Education Development Charges provisions of the Education Act. As at August 31, 2025, the total levy amount in these joint trust accounts is $38.62 million ($37.39 million in 2024) and was un-apportioned. Accordingly, the Board's financial interest in the joint trust accounts has not been reflected in the consolidated statement of financial position.

The funds in the joint trust accounts must be used for construction of school facilities in specific designated areas of the City of Toronto. There were no construction activities in the current or prior year.

20. Financial instruments

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

Credit risk

The Board's principal financial assets are cash, due from City of Toronto, 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.

Market risk

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

The Board's financial instruments consist of cash and cash equivalents, investments, accounts receivable, due from City of Toronto, accounts payable and accrued liabilities, accrued vacation pay, short-term borrowing and net long-term debt. It is the Board's opinion that the board is not exposed to significant interest rate or currency risks arising from these financial instruments.

21. Transportation agreement

In 2011, the Board entered into an agreement with the Toronto Catholic District School Board to provide common administration of student transportation in the region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of Toronto Transportation group are shared. No partner is in a position to exercise unilateral control.

The Board's portion of transportation expenses has been included in the consolidated statement of operations.

22. Liability for contaminated sites

As at August 31, 2025, the Board has a liability for contaminated sites of $1.33 million ($1.30 million in 2024). The liability relates to contamination at two Board properties that are no longer in productive use and was estimated based on a baseline phase II environmental site assessment performed by an environmental consulting firm. No recoveries are expected.

As contaminated site liabilities have not in the past been updated to reflect the current costs and discounting is not applied, a cost escalation rate has been applied for each year since the last revaluation to adjust the balance as at August 31, 2025 in the amount of nil ($0.27 million in 2024).

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

The Board has recorded entries, both revenue and expenses, associated with centrally procured in-kind transfers of personal protective equipment and critical supplies and equipment 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 and expenses recorded for these transfers is $0.15 million ($1.87 million in 2024).

24. 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 consolidated financial statements.

Standards applicable for fiscal years beginning on or after April 1, 2026 (in effect for the Board as of September 1, 2026 for the year ending August 31, 2027) are as follows:

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; and
- Consequential amendments throughout the Public Sector Accounting Handbook.

The framework is expected to be implemented prospectively.

24. Future accounting standard adoption (continued)

Reporting Model- PS 1202- Financial Statement Presentation

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

The main changes are:

- Restructured statement of financial position;
- Introduction of financial and non-financial liabilities;
- Amended non-financial asset definition;
- New components of net assets- accumulated other and issued share capital;
- 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; and
- Financing transactions presented separately from operating, capital and investing transactions on the statement of cash flows.

25. Minister of Education’s Appointment of Supervisor

On June 27, 2025, the Ontario Ministry of Education appointed a supervisor to the Board, who will replace the Board of Trustees on a temporary basis. The supervisor will provide oversight over financial management and operations of the School Board until such supervision is lifted.