

Consolidated Financial Statements of

**GREATER ESSEX COUNTY
DISTRICT SCHOOL BOARD**

And Independent Auditor's Report thereon

Year ended August 31, 2025



MANAGEMENT REPORT

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Greater Essex County District School Board are the responsibility of the Board 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 judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The Audit Committee of the Board meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG 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.

Handwritten signature of Vicki Houston in blue ink.

Vicki Houston
Director of Education

Handwritten signature of Shelley Armstrong in blue ink.

Shelley Armstrong
Superintendent of Business & Treasurer



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Greater Essex County District School Board

Opinion

We have audited the consolidated financial statements of Greater Essex County District School Board (the Entity), which comprise:

- the consolidated statement of financial position as at August 31, 2025
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at August 31, 2025, and its consolidated results of operations, its consolidated remeasurement of gains and losses, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter - Financial Reporting Framework

We draw attention to Note 1 to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

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

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



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

November 24, 2025

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

August 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash and cash equivalents (note 2)	\$ 65,882,421	\$ 64,072,280
Accounts receivable	17,727,977	16,546,913
Accounts receivable - Government of Ontario (note 3)	143,486,085	171,898,029
Assets held for sale (note 4)	3,073,873	530,000
Total financial assets	230,170,356	253,047,222
Financial liabilities:		
Temporary borrowing (note 5)	-	20,000,000
Accounts payable and accrued liabilities	39,328,310	40,027,169
Amounts held in trust (note 6)	5,206,298	4,861,102
Net long-term debt (note 7)	104,650,641	114,553,829
Deferred revenue (note 8)	32,867,786	29,745,902
Employee future benefits (note 9)	37,151,921	38,248,242
Deferred capital contributions (note 10)	614,775,393	605,721,487
Asset retirement obligation (note 11)	35,188,792	34,064,445
Total financial liabilities	869,169,141	887,222,176
Net debt	(638,998,785)	(634,174,954)
Non-financial assets:		
Prepaid expenses	2,880,820	4,305,249
Inventories of supplies (note 16)	139,623	238,201
Tangible capital assets (note 12)	673,728,717	665,223,709
Total non-financial assets	676,749,160	669,767,159
Accumulated surplus (note 13)	\$ 37,750,375	\$ 35,592,205

Commitments and contingencies (notes 17, 18, and 19)

See accompanying notes to consolidated financial statements.

On behalf of the Board:



Director of Education



Chair of the School Board

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Consolidated Statement of Operations and Accumulated Surplus

Year ended August 31, 2025, with comparative information for 2024

	Budget (Unaudited)	2025 Actual	2024 Actual
Revenues:			
Core Education Funding (note 14)			
<i>Provincial Legislative Grants</i>	\$ 419,363,878	\$ 450,004,468	\$ 475,702,120
<i>Education Property Tax</i>	68,306,282	70,773,062	69,486,799
Provincial grants - Other	19,623,797	14,767,269	12,348,523
Ministry of Public and Business Service Delivery and Procurement (note 16)	-	201,627	2,920,633
Ministry of Labour, Immigration, Training and Skills Development - Ontario Youth Apprenticeship Program	400,000	297,536	376,385
Federal grants and fees	2,303,700	2,561,816	2,111,685
Other fees and revenues	3,674,885	4,218,608	10,775,364
Investment income	2,140,621	2,476,924	3,732,997
School fundraising and other activities	10,000,000	9,599,728	9,061,121
	<u>525,813,163</u>	<u>554,901,038</u>	<u>586,515,627</u>
Expenses (note 15):			
Instruction	382,646,748	428,702,335	461,922,330
Administration	13,065,226	16,168,395	15,172,076
Transportation	19,682,010	18,734,645	18,956,730
Pupil accommodation	76,668,433	76,528,266	75,660,638
Other	29,959,997	3,212,588	6,243,274
School funded activities	10,000,000	9,396,639	9,214,549
	<u>532,022,414</u>	<u>552,742,868</u>	<u>587,169,597</u>
Annual surplus (deficit)	(6,209,251)	2,158,170	(653,970)
Accumulated surplus, beginning of year	35,592,202	35,592,205	36,246,175
Accumulated surplus, end of year	<u>\$ 29,382,951</u>	<u>\$ 37,750,375</u>	<u>\$ 35,592,205</u>

See accompanying notes to consolidated financial statements.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Consolidated Statement of Net Debt

Year ended August 31, 2025, with comparative information for 2024

	2025	2024
Annual surplus (deficit)	\$ 2,158,170	\$ (653,970)
Acquisition of tangible capital assets	(42,554,805)	(87,896,244)
Amortization of tangible capital assets	29,992,551	27,407,533
Amortization of asset retirement obligations	1,128,010	1,016,880
Gain on sale of tangible capital assets	(4,807,601)	-
Proceeds on sale of tangible capital assets	6,573,539	-
Transfer of assets held for sale	2,543,873	3,434,657
Change in estimate of tangible capital assets - asset retirement obligations	(1,380,575)	(1,174,294)
	(6,346,838)	(57,865,438)
Acquisition of inventories of supplies	(105,441)	(560,098)
Acquisition of prepaid expenses	(1,621,099)	(3,804,934)
Consumption of inventories of supplies	204,019	2,952,221
Use of prepaid expenses	3,045,528	904,274
Change in net debt	(4,823,831)	(58,373,975)
Net debt, beginning of year	(634,174,954)	(575,800,979)
Net debt, end of year	\$ (638,998,785)	\$ (634,174,954)

See accompanying notes to consolidated financial statements.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

Year ended August 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 2,158,170	\$ (653,970)
Items not involving cash:		
Amortization of tangible capital assets	29,992,551	27,407,533
Amortization of tangible capital assets - asset retirement obligations	1,128,010	1,016,880
Increase of tangible capital assets - asset retirement obligations	(1,380,575)	(1,174,294)
Deferred net proceeds on disposal of restricted assets	(4,807,601)	(9,144,557)
Transfer to financial assets	2,543,873	3,434,657
Net proceeds on sale of assets held for sale	-	9,144,557
Decrease in employee future benefits	(1,096,321)	(1,679,997)
Increase (decrease) in asset retirement obligations	1,124,347	(5,023,118)
Change in net working capital:		
Decrease in accounts receivable	27,230,880	4,279,041
(Increase) decrease in assets held for sale	(2,543,873)	524,547
Decrease in inventories of supplies	98,578	2,392,123
Decrease (increase) in prepaid expenses	1,424,429	(2,900,660)
(Decrease) increase in accounts payable and accrued liabilities	(698,859)	3,793,553
Increase in amounts held in trust	345,196	38,334
Increase in deferred revenue	3,121,884	10,487,793
Increase in deferred capital contributions	9,053,906	58,641,291
Net change in cash from operating activities	67,694,595	100,583,713
Financing activities:		
(Decrease) increase in temporary borrowing	(20,000,000)	20,000,000
Debt repayments	(9,903,188)	(9,694,122)
Net change in cash from financing activities	(29,903,188)	10,305,878
Capital activities:		
Proceeds on sale of capital assets	6,573,539	-
Purchase of tangible capital assets	(42,554,805)	(87,896,244)
Net change in cash from capital activities	(35,981,266)	(87,896,244)
Net change in cash and cash equivalents	1,810,141	22,993,347
Cash and cash equivalents, beginning of year	64,072,280	41,078,933
Cash and cash equivalents, end of year	\$ 65,882,421	\$ 64,072,280

See accompanying notes to consolidated financial statements.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements

Year ended August 31, 2025

1. Significant accounting policies:

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

(a) Basis of accounting:

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

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

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

The accounting policy requirements under Ontario Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which requires 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;

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100; and
- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions may be recorded differently under Canadian Public Sector Accounting Standards.

(b) Reporting entity:

These 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 Greater Essex County District School Board (the “board”) and which are controlled by the board.

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

The Board’s consolidated financial statements are prepared using the proportionate consolidation method to account for its interest in the transportation consortium, Service de transport des élèves – Windsor-Essex Student Transportation Services. Under this method, the Board’s financial statements include its proportionate share of the assets, liabilities, revenues, and expenses of the consortium that it jointly controls.

The Ministry has deferred the requirement to consolidate the Ontario School Boards’ Insurance Exchange (OSBIE) into their financial results, school boards are not required to include them in their 2024-25 Financial Statements (see note 17).

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

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(c) 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
Accounts Receivable	Amortized Cost
Short-term borrowing	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Accrued vacation pay	Amortized Cost
Debenture debt	Amortized Cost
Cash and cash equivalents	Cost

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

(d) Cash and cash equivalents:

Cash and cash equivalents are comprised 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.

(e) Deferred revenue:

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

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(f) Deferred capital contributions:

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

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

(g) Retirement and other employee future benefits:

The board provides defined retirement and other future benefits to employees of certain employee groups. These benefits include life insurance, health care benefits, dental benefits, retirement/sick plan gratuities, workers' compensation benefits and long-term disability benefits.

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 the Ontario Secondary School Teachers' Federation (OSSTF). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees Education Workers' Benefits Trust (CUPE EWBT) and 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 staff), and other school board staff. Currently ONE-T ELHTs also provide benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. 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 existing benefits funding embedded within the Core Education Funding, including additional ministry funding in the form of a Crown Contribution and Stabilization Adjustment.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(g) Retirement and other employee future benefits (continued):

Depending on prior arrangements and employee groups, the board continues to provide health, dental and life insurance benefits for retired individuals for certain groups and for some retirees who are retired under these plans.

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

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance, 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 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement gratuities and 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 from time to time, 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 plans, such as the Ontario Municipal Employees Retirement System pension, 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.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(h) Tangible capital assets:

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

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

TCA, except land and construction in progress, are amortized on a straight-line basis over their estimated useful lives as follows:

Assets	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
First-time equipping of schools	10
Furniture and equipment	5 – 15
Computer hardware	3
Computer software	1 – 5
Vehicles	5 – 10

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

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

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(i) Asset Retirement Obligations

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

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

- 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
- a reasonable estimate of the amount can be made

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

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

(j) Government transfers:

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. If government transfers contain stipulations which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

Government transfers for capital are deferred as required by Ontario Regulation 395/11 and 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.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(k) Other revenues:

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

(l) Investment income:

Investment income is reported as revenue in the period earned.

When required by the funding government or related Act, investment income earned on externally restricted funds such as pupil accommodation, education development charges and special education forms part of the respective deferred revenue balances.

(m) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. The budget figures presented have been adjusted to reflect the same accounting policies that were used to prepare the consolidated financial statements. The budget figures are unaudited.

(n) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1a 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. Accounts subject to significant estimates include the carrying value of TCA, the valuation and estimate of asset retirement obligations, accrued liabilities relating to employee contract settlements, and employee future benefits. Actual results could differ from these estimates.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

1. Significant accounting policies (continued):

(o) Education property tax revenue:

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

2. Cash and cash equivalents:

Cash and cash equivalents include the following:

	2025	2024
Non-restricted funds	\$ 58,762,202	\$ 57,147,373
Held in trust:		
Deferred salary plans	2,807,427	2,779,945
School funds	4,280,166	4,112,336
Other	32,626	32,626
Balance, end of year	\$ 65,882,421	\$ 64,072,280

3. Accounts receivable – Government of Ontario:

Accounts receivable from the Government of Ontario consist of:

	2025	2024
Capital ⁽¹⁾	\$ 115,127,223	\$ 146,967,122
Delayed grant payment ⁽²⁾	20,841,570	14,226,770
Other operating ⁽³⁾	7,517,292	10,704,137
	\$ 143,486,085	\$ 171,898,029

⁽¹⁾ The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. The board received a one-time grant that recognizes capital debt as of August 31, 2010 that is supported by the existing capital programs. The board receives this grant in cash over the remaining term of the existing capital debt instruments. The board may also receive yearly capital grants to support capital programs which would be reflected in this account receivable.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

3. Accounts receivable – Government of Ontario (continued):

⁽²⁾ The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry.

⁽³⁾ Other operating grants relate to receivable balances for multiple Responsive Education Programs (REP) grants from the Ministry of Education as well as amounts receivable from the Ministry of Labour, Immigration, Training and Skills Development.

4. Assets held for sale:

As of August 31, 2025, \$3,073,873 (2024 - \$530,000) relating to building and land is recorded as assets held for sale. The asset held for sale includes an amount relating to the cost of asset retirement obligations of \$732,651 (2024 - \$nil).

During the year, one board property was sold. Net proceeds of \$6,573,539 (2024 - \$9,144,557) was received on the sale of Western Secondary School, which had a carrying value of \$1,765,938 (2024 - \$2,685,679), resulting in a net gain of \$4,807,601 (2024 - \$6,458,878) that is deferred for future capital asset purchases according to Ontario Regulation 193/10.

5. Temporary borrowing

The board has a term credit facility available to a maximum of \$30,000,000 to address operating requirements and/or to bridge capital expenditures. Interest on the term operating facility is equal to the term Canadian Overnight Repo Rate Average (CORRA) rate + 1.05%.

As at August 31, 2025, the amount drawn under the term credit facility was \$nil (2024 - \$20,000,000).

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

6. Amounts held in trust:

Amounts held in trust consist of:

	2025	2024
Bequests for scholarships and bursaries	\$ 2,398,872	\$ 2,081,157
Employee deferred salary plans	2,807,426	2,779,945
	\$ 5,206,298	\$ 4,861,102

7. Net long-term debt:

Net long-term debt reported on the Consolidated Statement of Financial Position consists of:

	2025	2024
The Canada Life Assurance Company Debenture Bylaw #B2003-002 due October 20, 2028, bearing interest at 6.42% per annum. Blended payments of \$92,987 due semi-annually	\$ 574,780	\$ 716,971
VersaBank Debenture Bylaw #130100 due May 1, 2026, bearing interest at 5.41% per annum. Blended payments of \$122,412 due monthly	1,077,251	2,447,407
The Ontario Financing Authority (OFA) Debenture Bylaw #6 due November 15, 2031, bearing interest at 4.56% per annum. Blended payments of \$678,717 due semi-annually	7,562,080	8,541,077
Manulife Financial Corporation Debenture Bylaw #7 due July 3, 2032, bearing interest at 5.398% per annum. Blended payments of \$332,485 due semi-annually	3,834,005	4,274,117
The Ontario Financing Authority (OFA) Debenture Bylaw #8 due March 3, 2033, bearing interest at 4.9% per annum. Blended payments of \$717,054 due semi-annually	9,200,361	10,148,660
The Ontario Financing Authority (OFA) Debenture Bylaw #11 due November 15, 2030, bearing interest at 5.21% per annum. Blended payments of \$447,710 due semi-annually	4,237,351	4,886,531

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

7. Net long-term debt (continued):

	2025	2024
The Ontario Financing Authority (OFA) Debenture Bylaw #12 due March 13, 2034, bearing interest at 5.062% per annum. Blended payments of \$689,939 due semi-annually	9,722,294	10,577,430
The Ontario Financing Authority (OFA) Debenture Bylaw #15 due May 15, 2034, bearing interest at 5.384% per annum. Blended payments of \$1,363,757 due semi-annually	19,254,330	20,879,285
The Ontario Financing Authority (OFA) Debenture Bylaw #16 due April 13, 2035, bearing interest at 5.232% per annum. Blended payments of \$231,038 due semi-annually	3,537,495	3,803,987
The Ontario Financing Authority (OFA) Debenture Bylaw #17 due March 11, 2036, bearing interest at 4.833% per annum. Blended payments of \$56,278 due semi-annually	939,809	1,004,587
The Ontario Financing Authority (OFA) Debenture Bylaw #18 due November 15, 2036, bearing interest at 3.97% per annum. Blended payments of \$374,246 due semi-annually	6,857,004	7,319,458
The Ontario Financing Authority (OFA) Debenture Bylaw #19 due March 9, 2037, bearing interest at 3.564% per annum. Blended payments of \$449,733 due semi-annually	8,610,212	9,187,339
The Ontario Financing Authority (OFA) Debenture Bylaw #20 due March 19, 2038, bearing interest at 3.799% per annum. Blended payments of \$394,992 due semi-annually	7,968,414	8,442,138
The Ontario Financing Authority (OFA) Debenture Bylaw #22 due March 11, 2039, bearing interest at 4.003% per annum. Blended payments of \$6,557 due semi-annually	138,145	145,507
The Ontario Financing Authority (OFA) Debenture Bylaw #26 due March 9, 2040, bearing interest at 2.993% per annum. Blended payments of \$274,485 due semi-annually	6,530,550	6,876,281
The Ontario Financing Authority (OFA) Debenture Bylaw #29 due March 15, 2041, bearing interest at 3.242% per annum. Blended payments of \$593,510 due semi-annually	14,606,560	15,303,054
	\$ 104,650,641	\$ 114,553,829

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

7. Net long-term debt (continued):

Principal and interest payments relating to net long-term debt outstanding as at August 31, 2025 are due as follows:

	Principal Payment	Interest	Total
2025/26	\$ 10,010,828	\$ 4,497,868	\$ 14,508,696
2026/27	9,353,512	4,053,472	13,406,984
2027/28	9,793,802	3,613,172	13,406,974
2028/29	10,162,470	3,151,521	13,313,991
2029/30	10,544,517	2,676,488	13,221,005
Thereafter	54,785,512	7,688,211	62,473,723
Total payments in respect of long-term debt	\$ 104,650,641	\$ 25,680,732	\$ 130,331,373

Interest expense on net long-term debt amounted to \$4,873,616 (2024 - \$5,435,014).

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

8. Deferred revenue:

Revenues received that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

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

	Balance as at August 31, 2024	Externally restricted additions	Transferred to DCC	Revenue recognized in the period	Balance as at August 31, 2025
Proceeds of disposition	\$ 9,184,903	\$ 6,573,539	\$ -	\$ -	\$ 15,758,442
Assets held for sale	530,000	1,746,442	-	-	2,276,442
Education development charges	3,867,807	1,304,427	-	461,566	4,710,668
Restricted grants	16,163,192	108,063,981	10,286,153	103,818,786	10,122,234
	\$ 29,745,902	\$117,688,389	\$ 10,286,153	\$104,280,352	\$ 32,867,786

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

	Balance as at August 31, 2023	Externally restricted additions (dispositions)	Transferred to DCC	Revenue recognized in the period	Balance as at August 31, 2024
Proceeds of disposition	\$ 62,349	\$ 9,122,554	\$ -	\$ -	\$ 9,184,903
Assets held for sale	841,933	(311,933)	-	-	530,000
Education development charges	2,917,771	1,600,265	-	650,229	3,867,807
Restricted grants	15,436,056	107,538,375	9,154,672	97,656,567	16,163,192
	\$ 19,258,109	\$117,949,261	\$ 9,154,672	\$ 98,306,796	\$ 29,745,902

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

9. Retirement and other employee future benefits:

The board provides defined post retirement and other future benefits to employees of certain employee groups. These benefits include post retirement life insurance and health care benefits, dental benefits, retirement/sick plan gratuity benefits, future paid sick leave benefits, and workers' compensation benefits. The liabilities associated with these plans are as follows:

	Retirement health benefits	Retirement gratuities	Sick leave/ Top-up benefits	Workers' compensation benefit	2024 Total employee future benefits
Balance at August 31, 2024	\$15,929,900	\$13,008,008	\$ 281,163	\$ 9,029,171	\$ 38,248,242
Net expense for the year ⁽¹⁾	785,055	562,480	233,871	1,058,257	2,639,663
Less: benefit payments	(1,081,760)	(1,322,662)	(188,898)	(1,142,664)	(3,735,984)
Balance at August 31, 2025	\$15,633,195	\$12,247,826	\$ 326,136	\$ 8,944,764	\$ 37,151,921
Balance at August 31, 2023	\$16,183,103	\$14,478,280	\$ 357,784	\$ 8,909,072	\$ 39,928,239
Net expense for the year ⁽¹⁾	864,732	644,989	215,864	1,313,676	3,039,261
Less: benefit payments	(1,117,935)	(2,115,261)	(292,485)	(1,193,577)	(4,719,258)
Balance at August 31, 2024	\$15,929,900	\$13,008,008	\$ 281,163	\$ 9,029,171	\$ 38,248,242

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

9. Retirement and other employee future benefits (continued):

The components of the cost of providing these benefits for the year are as follows:

	Retirement health benefits	Retirement gratuities	Sick leave/ Top-up benefits	Workers' compensation benefit	2025 Total employee future benefits
Current year benefit cost	\$ -	\$ -	\$ 326,136	\$ 736,859	\$ 1,062,995
Interest on accrued benefit obligation	584,783	461,405	-	321,398	1,367,586
Amortization of actuarial (gain) loss	584,783	461,405	326,136	1,058,257	2,430,581
	200,272	101,075	(92,265)	-	209,082
Net expense for the year ⁽¹⁾	\$ 785,055	\$ 562,480	\$ 233,871	\$ 1,058,257	\$ 2,639,663

	Retirement health benefits	Retirement gratuities	Sick leave/ Top-up benefits	Workers' compensation benefit	2024 Total employee future benefits
Current year benefit cost	\$ -	\$ -	\$ 281,163	\$ 947,936	\$ 1,229,099
Interest on accrued benefit obligation	687,462	571,333	-	365,740	1,624,535
Amortization of actuarial (gain) loss	687,462	571,333	281,163	1,313,676	2,853,634
	177,270	73,656	(65,299)	-	185,627
Net expense for the year ⁽¹⁾	\$ 864,732	\$ 644,989	\$ 215,864	\$ 1,313,676	\$ 3,039,261

⁽¹⁾ Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan described below.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

9. Retirement and other employee future benefits (continued):

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2025, are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2025 and based on updated average daily salary and banked sick days 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
Inflation (excluding health care and dental expenses)	2.0%	2.0%
Wage and salary escalation	0.0%	0.0%
Discount on accrued benefit obligation	3.8%	3.8%

Health care costs were assumed to increase by 7.0% for 2022-23, reducing by 0.1% in each subsequent year to an ultimate rate of increase of 5.0%. Dental costs were assumed to increase by a flat rate of 5.0% per annum.

The principal benefits provided, the costs and liabilities of which are included in the board's consolidated financial statements, are as follows:

(a) Retirement Life Insurance and Health Care Benefits

The board provides 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 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, employees retiring on or after this date, do not qualify for board subsidized premiums of contributions.

(b) Retirement Gratuities:

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

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

9. Retirement and other employee future benefits (continued):

(c) Sick Leave Top-Up Benefits:

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the financial statements are \$233,871 (2024 - \$215,864).

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

(d) Long-term Disability – Life Insurance and Health Care Benefits:

The board provides life insurance, dental and health care benefits to employees on long-term disability leave to employees who are not yet members of an ELHT. The board is responsible for the payment of life insurance premiums and the costs of dental and health care benefits under this plan. The board provides these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in this plan.

(e) Workplace Safety and Insurance Board (WSIB) 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 the 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 4.5 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such a provision.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

9. Retirement and other employee future benefits (continued):

Other benefits

(i) Ontario Teachers' Pension Plan

Teachers and related employee groups are eligible to be members of Ontario Teachers' Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are 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

All non-teaching employees of the board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The board's contributions equal the employee contributions to the plan. During the year ended August 31, 2025, the board contributed \$7,859,224 (2024 - \$8,240,669) to the plan. As this is a multi-employer pension plan, these contributions are the board's pension benefit expenses. No pension liability for these arrangements is included in the board's consolidated financial statements.

10. Deferred capital contributions:

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

	2025	2024
Balance, beginning of year	\$ 605,721,487	\$ 547,080,196
Additions to deferred capital contributions	41,364,602	87,219,519
Revenue recognized in the period	(28,832,919)	(26,337,186)
Transfers to deferred revenue	(3,477,777)	(2,241,042)
Balance, end of year	\$ 614,775,393	\$ 605,721,487

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

11. Asset retirement obligations:

As at 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, beginning of year	\$34,064,445	\$ 39,087,563
Increase in liabilities reflecting changes in the estimate of liabilities ⁽¹⁾	1,418,838	1,393,001
Liabilities settled during the year	(294,491)	(6,416,119)
Liabilities for ARO, end of year	\$35,188,792	\$ 34,064,445

⁽¹⁾ Reflecting changes from an inflation rate adjustment

The board made an inflation adjustment increase in estimates of 4.19% as of March 31, 2025, (2024 – 3.66%) to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index (“BCPI”) survey during the 2024 calendar year, as well as an adjustment to true up the estimated rate that was used at March 31, 2024. This rate is being used to update costs assumptions made in the ARO costing models in order to be reflective of March 31, 2025 costs. Since the March 31 rate each year is determined based on the BCPI for the prior year ending December 31, the rate is updated the following March 31 to true up the prior year estimated rate (based on the 2023 calendar year) to the actual rate for the 12-month period ending March 31, 2024.

Further evaluation was done on the board’s liability balances as at August 31, 2025, where it was determined no further adjustment was necessary for inflation.

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

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

12. Tangible Capital Assets:

	Cost					Accumulated Amortization					Net Book Value	
	Balance at August 31, 2024	Additions	ARO - Changes in Estimates	Transfers/Reclass	Disposals/Deemed Disposals/Writedown	Balance at August 31, 2025	Balance at August 31, 2024	Amortization Expense	Transfers/Reclass	Disposals/Deemed Disposals/Writedown	Balance at August 31, 2025	Balance at August 31, 2025
Land	\$ 33,528,639	\$ -	\$ -	\$ (41,781)	\$ (57,601)	\$ 33,429,257	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,429,257
Land improvements	29,476,213	3,075,054	-	(285,270)	(513,268)	31,752,729	16,001,683	1,850,164	(155,377)	(439,611)	17,256,859	14,495,870
Buildings	854,378,076	29,048,197	-	(14,031,037)	(7,528,654)	861,866,582	278,808,390	24,274,836	(12,020,623)	(5,893,974)	285,168,629	576,697,953
Buildings ARO	33,545,351	-	1,380,575	(3,580,650)	-	31,345,276	17,417,014	1,128,010	(2,844,749)	-	15,700,275	15,645,001
Portable structures	13,071,268	757,144	-	-	(1,189,366)	12,639,046	4,891,646	668,983	-	(1,189,366)	4,371,263	8,267,783
Buildings 20 Year	181,825	-	-	-	-	181,825	31,819	9,091	-	-	40,910	140,915
Construction in progress	5,088,991	7,342,612	-	(4,743,717)	-	7,687,886	-	-	-	-	-	7,687,886
Pre-acquisition costs	479,812	77,080	-	-	-	556,892	-	-	-	-	-	556,892
Furniture and equipment First time equipping	2,569,629	95,057	-	-	-	2,664,686	1,395,377	231,902	-	-	1,627,279	1,037,407
Computer hardware	11,204,653	630,775	-	-	(2,853)	11,832,575	4,393,695	980,280	-	(2,853)	5,371,122	6,461,453
Computer software	6,528,838	1,407,798	-	-	(214,069)	7,722,567	3,636,848	1,666,928	-	(214,069)	5,089,707	2,632,860
Vehicles	1,491,996	-	-	-	-	1,491,996	1,090,172	164,858	-	-	1,255,030	236,966
Assets Permanently Removed from Service	1,620,621	121,088	-	-	(22,031)	1,719,678	1,278,345	145,509	-	(22,031)	1,401,823	317,855
Assets Permanently Removed from Service ARO	3,307,464	-	-	5,595,768	-	8,903,232	2,358,565	-	481,185	-	2,839,750	6,063,482
	155,457	-	-	59,997	-	215,454	101,570	-	56,747	-	158,317	57,137
Total	\$ 996,628,833	\$ 42,554,805	\$ 1,380,575	\$ (17,026,690)	\$ (9,527,842)	\$ 1,014,009,681	\$ 331,405,124	\$ 31,120,561	\$ (14,482,817)	\$ (7,761,904)	\$ 340,280,964	\$ 673,728,717

(a) Assets under construction:

Assets under construction having a value of \$8,244,778 (2024 - \$5,568,803) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Disposals / deemed disposals of tangible capital assets:

Western Secondary School, with a net book value of \$1,765,938 was sold during the year.

Pooled assets with a gross book value of \$1,428,319 (2024 - \$8,140,616) and a net book value of \$nil (2024 - \$nil) are deemed to be disposed of.

(c) Assets permanently removed from service relate to Forest Glade (2025), which was closed for a complete renovation. The school is expected to reopen in the 2026–27 school year upon completion of the renovation.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

12. Tangible Capital Assets:

	Cost					Accumulated Amortization					Net Book Value	
	Balance at August 31, 2023	Additions	ARO - Changes in Estimates	Transfers/Reclass	Disposals/Deemed Disposals/Written Down	Balance at August 31, 2024	Balance at August 31, 2023	Amortization Expense	Transfers/Reclass	Disposals/Deemed Disposals/Written Down	Balance at August 31, 2024	Balance at August 31, 2024
Land	\$ 33,661,344	\$ -	\$ -	\$ (132,705)	\$ -	\$ 33,528,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,528,639
Land improvements	27,582,487	1,942,094	-	(48,368)	-	29,476,213	14,391,772	1,646,991	(37,080)	-	16,001,683	13,474,530
Buildings	736,042,400	39,287,462	-	79,048,214	-	854,378,076	257,869,470	20,938,920	-	-	278,808,390	575,569,686
Buildings ARO	32,371,057	-	1,174,294	-	-	33,545,351	16,400,134	1,016,880	-	-	17,417,014	16,128,337
Portable structures	11,964,260	1,107,008	-	-	-	13,071,268	4,265,758	625,888	-	-	4,891,646	8,179,622
Buildings 20 Year	181,825	-	-	-	-	181,825	22,728	9,091	-	-	31,819	150,006
Construction in progress	43,935,269	40,201,936	-	(79,048,214)	-	5,088,991	-	-	-	-	-	5,088,991
Pre-acquisition costs	80,452	399,360	-	-	-	479,812	-	-	-	-	-	479,812
Furniture and equipment	2,418,878	211,323	-	-	(60,572)	2,569,629	1,256,894	199,055	-	(60,572)	1,395,377	1,174,252
First time equipping	8,985,787	2,978,909	-	-	(760,043)	11,204,653	4,177,209	976,529	-	(760,043)	4,393,695	6,810,958
Computer hardware	12,107,916	1,649,374	-	-	(7,228,452)	6,528,838	8,289,090	2,576,210	-	(7,228,452)	3,636,848	2,891,990
Computer software	1,491,996	-	-	-	-	1,491,996	791,773	298,399	-	-	1,090,172	401,824
Vehicles	1,593,392	118,778	-	-	(91,549)	1,620,621	1,233,444	136,450	-	(91,549)	1,278,345	342,276
Assets Permanently Removed from Service	12,281,310	-	-	(8,973,846)	-	3,307,464	9,102,655	-	(6,744,090)	-	2,358,565	948,899
Assets Permanently Removed from Service ARO	4,622,439	-	-	(4,466,982)	-	155,457	3,507,644	-	(3,406,074)	-	101,570	53,887
Total	\$ 929,320,812	\$ 87,896,244	\$ 1,174,294	\$ (13,621,901)	\$ (8,140,616)	\$ 996,628,833	\$ 321,308,571	\$ 28,424,413	\$ (10,187,244)	\$ (8,140,616)	\$ 331,405,124	\$ 665,223,709

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

13. Accumulated surplus:

Accumulated surplus consists of the following:

	2025	2024
Surplus:		
Operating	\$ 29,120,330	\$ 25,570,009
Employee future benefits	(19,061,979)	(20,526,032)
Interest accruals	(1,313,086)	(1,313,086)
School generated funds	4,072,452	3,869,363
Revenues recognized for land	33,471,036	33,067,071
Asset Retirement Obligations to be covered in the future	(18,753,999)	(17,882,219)
Amounts restricted for future use by board motion:		
Campbell Public School	654,914	719,787
LaSalle Public School	1,797,203	1,921,164
Better Places	3,026,382	3,684,291
Administrative buildings – capitalized assets	1,278,366	1,451,641
School buildings	2,729,201	2,014,504
Erie Migration District School	729,555	3,015,712
	\$ 37,750,375	\$ 35,592,205

Amounts restricted for future use by board motion – School budgets represents the current year's unspent school allocated budget.

Amounts restricted for future use by board motion – Campbell Public School represents amounts used to pay for the capital costs of Campbell Public School, net of amortization. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – LaSalle Public School represents amounts to be used to pay for the construction cost of LaSalle Public School, net of amortization. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

13. Accumulated surplus (continued):

Amounts restricted for future use by board motion – Better Places represents amounts used to pay for the capital costs of the Better Places renewal initiative, net of amortization. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – Administrative buildings – capitalized assets represent additions to Administrative buildings. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – School buildings represent capitalized additions and betterments to school buildings. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – Technology represent capitalized laptop additions. This amount will be applied against the operating surplus on the same basis as the related assets are amortized.

Amounts restricted for future use by board motion – Erie Migration District School represents amounts to be used to pay for the Minor Tangible Capital Asset (MTCA) costs of furniture and equipment at Erie Migration District School. When expenditures are fully incurred in future years, this amount will be applied against the operating surplus on the same basis as the related assets are amortized.

14. Core Education Funding:

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. Eighty-nine (89) percent of the consolidated revenues of the board are directly controlled by the provincial government through the core education funding.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

14. Core Education Funding (continued):

The payment amounts of this funding are as follows:

	2025	2024
Education property tax	\$ 70,773,062	\$ 69,486,799
Provincial legislative grants	450,004,468	475,702,120
	\$ 520,777,530	\$ 545,188,919

15. Expenses by object:

The following is a summary of the expenses reported on the Consolidated Statement of Operations and Accumulated Deficit by object:

	2025 Budget (unaudited)	2025 Actual	2024 Actual
Current expenses			
Salaries and wages	\$ 348,110,907	\$ 381,441,950	\$ 409,808,324
Employee benefits	63,003,453	64,986,508	69,816,059
Staff development	683,300	1,443,892	1,948,372
Supplies and services	43,928,039	40,884,244	40,339,162
Interest	4,972,739	5,203,511	5,762,795
Rental expenses	147,180	561,133	658,392
Fees and contract services	24,494,479	24,933,314	24,821,422
Other	15,968,682	2,129,495	5,366,454
Amortization and write downs of TCA and TCA-ARO	30,713,635	31,120,557	28,429,912
Other expenses on ARO	-	38,264	218,705
	\$ 532,022,414	\$ 552,742,868	\$ 587,169,597

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

16. In-kind transfers from the Ministry of Public and Business Service Delivery and Procurement (MPBSDP):

The board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery and Procurement (MPBSDP). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSDP and quantity information based on the board's records. The in-kind revenues and expenses recorded in the Statement of Operations for these transfers totals \$201,627 (2024 - \$2,920,633).

The inventory balance of \$139,623 (2024 - \$238,201) in the Statement of Financial Position is related to supplies and equipment received from MPBSDP.

17. Ontario School Board Insurance Exchange (OSBIE):

The school board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2024, were \$835,636 (2023 - \$698,323).

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.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

17. Ontario School Board Insurance Exchange (OSBIE) (continued):

- 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. Commitments:

At August 31, 2025, the board is committed to capital expenditures in the amount of \$22,431,943 (2024 - \$23,433,066) to be funded by Ministry of Education capital grant programs.

19. Contingent liabilities:

In the normal course of operations, the board becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at August 31, 2025 cannot be predicted with certainty, it is the opinion of the board that their resolution will not have a material adverse effect on the board's financial position or results of operations.

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

20. Transportation consortium:

On January 20, 2003, the board entered into an agreement with the Windsor-Essex Catholic District School Board and Conseil scolaire catholique Providence, formerly named Conseil Scolaire de district des écoles catholiques du Sud-Ouest, in order to provide common administration of student transportation within the combined jurisdictions of the current member school boards. On September 10, 2009, a new agreement was entered into and included the Conseil scolaire Viamonde. The consortium agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards.

On July 18, 2013 the consortium incorporated and became a separate legal entity known as Service de transport des élèves - Windsor-Essex Student Transportation Services. Under the formal agreement, decisions related to the financial and operating activities are shared. No partner is in a position to exercise unilateral control.

Each board participates in the shared costs associated with this service for the transportation of their respective students through Windsor-Essex Student Transportation Services. The board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets it controls, the liabilities that it has incurred, and its pro-rata share of revenue and expenses. The board's pro-rata share for 2025 is 51.2% (2024 – 51.6%).

The following provides condensed financial information:

	2025 Total	2025 Portion	2024 Total	2024 Portion
Financial Position:				
Financial assets	\$ 2,297,349	\$ 95,687	\$ 785,668	\$ 80,998
Financial liabilities	2,297,349	2,192,307	788,573	685,535
Non-financial assets	-	-	2,905	-
Accumulated Deficit	-	(2,096,620)	-	(604,537)
Operations:				
Revenues	35,505,719	18,922,027	35,689,468	19,195,749
Expenses	35,505,719	18,922,027	35,689,468	19,195,749
Accumulated Deficit	\$ -	\$ -	\$ -	\$ -

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

21. Repayment of “55 School Board Trust” Funding:

On June 1, 2003, the board received \$1,779,682 from The 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30 year agreement it entered into with the Trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the Trust. Under the terms of the agreement, The 55 School Board Trust repaid the board's debt in consideration for the assignment by the board to the Trust of future provincial grants payable to the board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the board's financial position. The flow-through of \$1,779,682 (2024 - \$1,779,682) in grants in respect of the above agreement for the year ended August 31, 2025, is recorded in these consolidated financial statements.

22. Financial instruments:

Risks arising from financial instruments and risk management

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

Credit risk

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

Liquidity risk

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

Market risk

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

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

22. Financial instruments (continued):

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

23. 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.

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

GREATER ESSEX COUNTY DISTRICT SCHOOL BOARD

Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

23. Future accounting standard adoption (continued):

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202- Financial Statement Presentation:

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

The main changes are:

- Restructured Statement of Financial Position;
- Introduction of financial and non-financial liabilities;
- Amended non-financial asset definition;
- New components of net assets- accumulated other and issued share capital;
- Increased clarity regarding presentation of budget comparatives on the Statement of Operations
- Relocated net debt to its own statement;
- Renamed the net debt indicator;
- Revised the net debt calculation;
- Removed the Statement of Change in Net Debt;
- New Statement of Net Financial Assets/Liabilities;
- New Statement of Changes in Net Assets/Liabilities; and
- Financing transactions presented separately from operating, capital and investing transactions on the Statement of Cash Flows.

24. Subsequent events:

Subsequent to year end, Prince Andrew Public School was sold. The property had been classified as assets held for sale in the consolidated statement of financial position as at year end. The sale was completed after year end, and any resulting gain or loss will be reflected in the following fiscal year's financial statements.