

Consolidated Financial Statements of

**HAMILTON-WENTWORTH 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 Hamilton-Wentworth 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.

A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

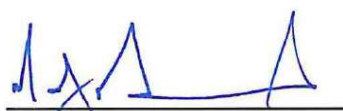
The Audit Committee of the Board meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the consolidated financial statements.

The consolidated financial statements have been audited by 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.



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Sheryl Robinson Petrazzini  
Director of Education & Secretary  
of the Board



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Matthew Gerard  
Associate Director, Business Services &  
Treasurer of the Board

November 17, 2025



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of the Hamilton-Wentworth District School Board:

### ***Opinion***

We have audited the consolidated financial statements of Hamilton-Wentworth 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 changes in net debt and its consolidated cash flows for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements.

### ***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 - Basis of Accounting***

We draw attention to Note 1 to the financial statements which describes the basis of accounting used in the preparation of these 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 Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in Note 1 to the financial statements 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.

- 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.



Page 4

- 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". The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

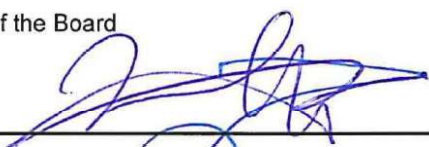
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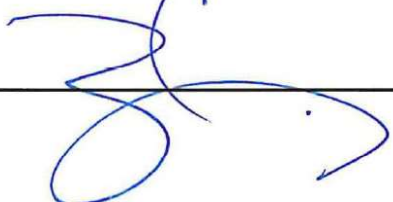
**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED AUGUST 31, 2025 (with comparative information for 2024)**

	2024-25	2023-24
	(\$000's)	(\$000's)
<b>FINANCIAL ASSETS</b>		
Cash	46,786	78,949
Accounts Receivable - Other	24,499	28,074
Accounts Receivable - Government of Ontario (note 2)	188,418	289,109
<b>TOTAL FINANCIAL ASSETS</b>	<b>259,703</b>	<b>396,132</b>
<b>FINANCIAL LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	29,102	134,562
Net Debenture Debt, Capital Loans and Leases (note 7)	92,934	99,984
Deferred Revenue (note 3)	96,231	102,461
Employee Benefits Payable (note 6)	40,822	42,132
Deferred Capital Contributions (note 4)	656,929	663,953
Asset Retirement Obligation (note 5)	48,169	47,492
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>964,187</b>	<b>1,090,584</b>
<b>NET DEBT</b>	<b>(704,484)</b>	<b>(694,452)</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid Expenses	6,617	3,218
Inventories of Supplies - MGCS	-	154
Tangible Capital Assets (note 11)	801,660	792,017
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>808,277</b>	<b>795,389</b>
<b>ACCUMULATED SURPLUS (note 12)</b>	<b>103,793</b>	<b>100,937</b>

Contingent Liabilities (note 15)  
Commitments (note 16)

On behalf of the Board

  
Chair

  
Director of Education & Secretary

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED AUGUST 31, 2025 (with comparative information for 2024)**

	<b>2024-25</b>	<b>2024-25</b>	<b>2023-24</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	<b>(\$000's)</b>	<b>(\$000's)</b>	<b>(\$000's)</b>
<b>REVENUES</b>			
Provincial Grants - Core Education (note 9)	670,924	713,264	683,188
Provincial Grants - Other	39,605	27,852	82,964
School Generated Funds	8,796	11,190	10,441
Federal Grants and Fees	1,454	2,102	1,972
Investment Income	1,749	3,351	4,235
Other Fees and Revenues	5,670	11,612	8,999
Amortization of Deferred Capital Contributions			
....related to Provincial Legislative Grants	39,072	35,270	36,736
....related to Third Parties	-	1,816	1,827
<b>TOTAL REVENUES</b>	<b>767,270</b>	<b>806,457</b>	<b>830,362</b>
<b>EXPENSES</b>			
Instruction	570,059	635,207	659,115
Administration	18,062	19,397	19,536
Transportation	22,245	21,031	21,004
Pupil Accommodation	104,623	113,788	110,821
School Generated Funds	8,796	10,754	9,927
Other	39,525	3,424	8,420
<b>TOTAL EXPENSES (note 10)</b>	<b>763,310</b>	<b>803,601</b>	<b>828,823</b>
<b>ANNUAL SURPLUS (Deficit) (note 12)</b>	<b>3,960</b>	<b>2,856</b>	<b>1,539</b>
<b>Accumulated Surplus at Beginning of Year</b>	<b>99,285</b>	<b>100,937</b>	<b>99,398</b>
<b>ACCUMULATED SURPLUS AT END OF YEAR (note 12)</b>	<b>103,245</b>	<b>103,793</b>	<b>100,937</b>



**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD  
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT  
FOR THE YEAR ENDED AUGUST 31, 2025 (with comparative information for 2024)**

	<b>2024-25</b>	<b>2023-24</b>
	<b>(\$000's)</b>	<b>(\$000's)</b>
<b>ANNUAL SURPLUS</b>	2,856	1,539
<b>TANGIBLE CAPITAL ASSET ACTIVITY</b>		
Acquisition of Tangible Capital Assets	(47,272)	(51,624)
Amortization of Tangible Capital Assets	38,868	40,256
Changes in Estimates of Tangible Capital Assets-ARO	(1,239)	(1,718)
<b>TOTAL TANGIBLE CAPITAL ASSET ACTIVITY</b>	<b>(9,643)</b>	<b>(13,086)</b>
<b>OTHER NON-FINANCIAL ASSET ACTIVITY</b>		
Consumption of supplies Inventories	154	386
Use of Prepaid Expenses	(3,399)	1,345
<b>TOTAL OTHER NON-FINANCIAL ASSET ACTIVITY</b>	<b>(3,245)</b>	<b>1,731</b>
<b>CHANGE IN NET FINANCIAL ASSETS (NET DEBT)</b>	<b>(10,032)</b>	<b>(9,816)</b>
<b>NET FINANCIAL ASSET (NET DEBT) AT BEGINNING OF YEAR</b>	<b>(694,452)</b>	<b>(684,636)</b>
<b>NET FINANCIAL ASSETS (NET DEBT) AT END OF YEAR</b>	<b>(704,484)</b>	<b>(694,452)</b>

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD  
CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED AUGUST 31, 2025 (with comparative information for 2024)**

	<b>2024-25</b>	<b>2023-24</b>
	<b>(\$000's)</b>	<b>(\$000's)</b>
<b>OPERATING TRANSACTIONS</b>		
Annual Surplus	2,856	1,539
Sources and (Uses):		
Non-cash items including Amortization, Write-downs and		
Loss on disposal of Tangible Capital Assets and excluding deferred gain		
on disposal of restricted assets	37,517	38,994
Amortization on Tangible Capital Assets - ARO	1,351	1,262
Increase of ARO Liabilities excluding Settlements	1,240	1,718
Increase of Tangible Capital Asset - ARO excluding amortization	(1,240)	(1,718)
Deferred Capital Contributions Revenue	(37,086)	(38,563)
Decrease (increase) in Accounts Receivable - Other	72,783	(71,822)
Decrease (increase) in Accounts Receivable - Delayed Grant Payment	10,055	(10,454)
(Decrease) increase in Accounts Payable and Accrued Liabilities	(105,460)	94,330
(Decrease) increase in Deferred Revenue - Operating	(3,376)	2,751
(Decrease) increase in Employee Benefits Payable	(1,309)	709
Decrease (increase) in Prepaid Expense	(3,399)	1,345
Decrease in Inventories of Supplies	154	386
Settlement of Asset Retirement Liability through abatement	(563)	(1,165)
<b>CASH PROVIDED BY (APPLIED TO) OPERATING TRANSACTIONS</b>	<b>(26,477)</b>	<b>19,312</b>
<b>CAPITAL TRANSACTIONS</b>		
Cash used to Acquire Tangible Capital Assets	(47,272)	(51,624)
<b>CASH APPLIED TO CAPITAL TRANSACTIONS</b>	<b>(47,272)</b>	<b>(51,624)</b>
<b>FINANCING TRANSACTIONS</b>		
Debt Repayments	(7,049)	(6,746)
Decrease in Accounts Receivable - Government of Ontario - Approved Capital	21,428	6,326
Net additions to Deferred Capital Contributions	30,062	51,622
(Decrease) increase in Deferred Revenues - Capital	(2,855)	325
<b>CASH PROVIDED BY FINANCING TRANSACTIONS</b>	<b>41,586</b>	<b>51,527</b>
<b>CHANGE IN CASH</b>	<b>(32,163)</b>	<b>19,215</b>
Opening Cash	78,949	59,734
<b>CLOSING CASH</b>	<b>46,786</b>	<b>78,949</b>

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Hamilton-Wentworth District School Board (the "Board") 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 the 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 the Canadian public sector accounting standards which require that

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

As a result, revenue recognized in the 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**

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Board and which are controlled by 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 reflected in the consolidated financial statements.

*Consolidated entities -*

- Hamilton-Wentworth District School Board
- Hamilton Foundation for Student Success
- School Generated Funds

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) Reporting Entity (continued)**

*Proportionately consolidated entities -*

- Hamilton-Wentworth Student Transportation Services

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

**(c) Trust Funds**

Trust funds for teacher funded leave under the “four over five plan” and of the Hamilton School Boards Energy Consortium are not included in the consolidated financial statements, as these funds are not controlled by the Board.

**(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
Accounts Receivable	Amortized cost
Accounts Payable and Accrued Liabilities	Amortized cost
Net Debenture Debt	Amortized cost
Cash	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. 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 is measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

The Board currently does not have any financial instruments that are measured at fair value. 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.

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Cash**

Cash is comprised of cash on hand.

**(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.

**(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, performance obligations and transactions. These amounts are recognized as revenue in the fiscal year the related 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 received or receivable 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
- Property taxation revenues which were historically used to fund capital assets

**(i) Retirement and other Employee Future Benefits**

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

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the Principals and Vice-principals Associations, the following Employee Life and Health Trusts (ELHTs) were established in 2016-17: ETFO and OSSTF. The following ELHTs were established in 2017-2018: CUPE, OCEW and ONE-T for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff. Currently ONE-T ELHT also provides benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on existing benefits funding embedded within the Core Education Funding, including additional ministry funding in the form of a Crown Contribution and Stabilization Adjustment.

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Retirement and other Employee Future Benefits (continued)**

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

- (i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs 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 year of service as at August 31, 2012 using 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 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 plan benefits, such as the Ontario Municipal Employees Retirement System pensions, are the employer's contributions due to the plan in the period.
- (iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

**(j) Tangible Capital Assets**

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

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

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

<b>Asset</b>	<b>Estimated Useful Life in Years</b>
Land Improvement with Finite Lives	15
Buildings and Building Improvements	40
Portable Structures	20
Other Buildings	20
First-Time Equipping of Schools	10
Furniture	10
Equipment	5-15
Computer Hardware	3
Computer Software	5
Vehicles	5-10
Leasehold Improvements	Over the lease term

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) Tangible Capital Assets (continued)**

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

Land permanently removed from service and held for resale is recorded at the lower of cost and estimated net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing. Buildings permanently removed from service and held for resale cease to be amortized and are recorded at the lower of carrying value and estimated net realizable value. Tangible capital assets which meet the criteria for financial assets are reclassified as "assets held for sale" on the Consolidated Statement of Financial Position.

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

**(k) 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.

**(l) 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.

**(m) 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.

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2025  
(All amounts in thousands of dollars)**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(n) 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.

**(o) 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.

**(p) 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. Accounts subject to significant estimates include assumptions used in estimating the collectability of accounts receivable to determine the allowance for doubtful accounts, in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits liabilities, including Asset Retirement Obligations liabilities. Actual results could differ from these estimates.

**(q) Education Property Tax Revenue**

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

**2. ACCOUNTS RECEIVABLE – GOVERNMENT OF ONTARIO**

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. Hamilton Wentworth District School 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.

The Board has an account receivable from the Province of Ontario of \$188,418 (2024 - \$289,109) as of August 31, 2025. The balance related to capital grants is \$103,316 (2024 - \$124,744).

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 payable to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2025 is \$79,957 (2024 - \$90,012). The remaining balance is related to priority and partnership funding.



**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

**3. DEFERRED REVENUE**

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

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

	Balance as at August 31, 2024	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers to deferred capital contributions	Balance as at August 31, 2025
Proceeds of Disposition	\$ 84,568	\$	\$ (19)	\$ (3,841)	\$ 80,708
Special Education	-	98,060	(93,678)	-	4,382
School Renewal	2,499	8,815	(1,593)	(5,673)	4,048
Other	15,394	48,952	(56,457)	(796)	7,093
<b>Total Deferred Revenue</b>	<b>\$ 102,461</b>	<b>\$ 155,827</b>	<b>\$ (151,747)</b>	<b>\$ (10,310)</b>	<b>\$ 96,231</b>

**4. 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 expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

	<b>2025</b>	<b>2024</b>
Balance at Beginning of Year	\$ 663,953	\$ 650,894
Additions to Deferred Capital Contributions	19,752	40,279
Transfers from Deferred Revenue	10,310	11,343
Revenue Recognized in period	(37,086)	(38,563)
<b>Balance at end of year</b>	<b>\$ 656,929</b>	<b>\$ 663,953</b>

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

**5. 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 can be found below:

	<b>2025</b>	<b>2024</b>
Liabilities for Asset Retirement Obligations at Beginning of Year	\$ 47,492	\$ 46,939
Increase in Liabilities Reflecting Changes in the Estimate of Liabilities <sup>1</sup>	1,240	1,718
Liabilities Settled During the Year	(563)	(1,165)
<b>Liabilities for Asset Retirement Obligations at End of Year</b>	<b>\$ 48,169</b>	<b>\$ 47,492</b>

<sup>1</sup> Increase in the carrying amount of a liability due to the passage of time

The Board made an inflation adjustment increase in estimate of approximately 2.61% as of August 31, 2025 (2024 – 3.7%).

**6. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS**

Retirement and Other Employee Future Benefit Liabilities	2025			2024
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued Benefit Obligation – Opening Balance	\$ 25,982	\$ 15,012	\$ 40,994	\$ 39,910
Current Year Benefit Expense	-	4,547	4,547	7,269
Interest on Accrued Benefit Obligation	937	479	1,416	1,569
Benefit Expense <sup>1</sup>	937	5,026	5,963	8,838
Actuarial Loss (Gain)	(58)	(118)	(176)	109
Benefits Payment	(2,646)	(4,218)	(6,864)	(7,863)
	(1,767)	690	(1,077)	1084
Accrued Benefit Obligation – Closing Balance	\$ 24,215	\$ 15,702	\$ 39,917	\$ 40,994
Unamortized Actuarial Gain	905	-	905	1,138
Accrued Benefit Liability – Ending	\$ 25,120	\$ 15,702	\$ 40,822	\$ 42,132

<sup>1</sup> Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan, described below.

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

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**6. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)**

Amortization of actuarial gain (loss) during the year is \$ 409 (2024 - \$ 265). The unamortized actuarial gain is amortized over the expected average remaining service life of 4.0 years (2024 – 4.4 years).

**Pension Plans:**

**(i) Ontario Teacher's Pension Plan**

Teachers and related employee groups are eligible to be members of Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are the 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 contributions equal the employee contributions to the plan. During the year ended August 31, 2025, the Board contributed \$10,130 (2024 – \$10,929) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

**Employee Future Benefits:**

**(i) Retirement Gratuities**

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

**(ii) Workplace Safety and Insurance Board Plan Obligations**

The Board is a Schedule 2 employer under the *Ontario 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 liabilities related to this plan are included in the Board's consolidated financial statements.

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

**(iii) 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 who are not yet members of an ELHT. The employees are required to pay 100% of the premium costs. 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.

**(iv) 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 cost expensed in the financial statements are \$460 (2024 - \$496).

The accrued benefit obligation for the sick leave top-up is based on an actuarial valuation for accounting purposes as of August 31, 2025. This actuarial valuation is based on assumptions about future events.

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

**6. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (continued)**

**Actuarial Assumptions**

The accrued benefit obligations for long-term disability life insurance and health care benefit plans as at August 31, 2025 are based on actuarial valuations for accounting purposes as at August 31, 2025. These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	<b>2025</b>	<b>2024</b>
Inflation	2%	2%
Wage and Salary Escalation	0%	0%
Discount on Accrued Benefit Obligations	3.8%	3.8%

**7. NET LONG TERM DEBT**

The net long-term liabilities reported on the Consolidated Statement of Financial Position consists of loans of \$ 92,934 (2024 – \$99,984). The debentures have a retractable feature, exercisable on specific dates only, at the option of the debenture holders. Details of the net long-term debt are as follows:

	<b>2025</b>	<b>2024</b>
Ontario Financing Authority Loan due Nov 15, 2031, 4.56%	4,290	4,846
Ontario Financing Authority Loan due Mar 3, 2033, 4.90%	14,912	16,449
Ontario Financing Authority Loan due Mar 13, 2034, 5.062%	5,828	6,340
Ontario Financing Authority Loan due Apr 13, 2035, 5.232%	13,429	14,440
Ontario Financing Authority Loan due Mar 11, 2036, 4.833%	6,198	6,626
Ontario Financing Authority Loan due Nov 15, 2036, 3.970%	7,241	7,729
Ontario Financing Authority Loan due Mar 9, 2037, 3.564%	11,098	11,842
Ontario Financing Authority Loan due Mar 19, 2038, 3.799%	28,872	30,589
Ontario Financing Authority Loan due Mar 11, 2039, 4.003%	1,066	1,123
	<b>\$ 92,934</b>	<b>\$ 99,984</b>

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

**7. NET LONG TERM DEBT (continued)**

The principal and interest payments required in each of the next five fiscal years and thereafter in respect of the outstanding net long-term debt are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	7,366	3,965	11,331
2027	7,698	3,633	11,331
2028	8,045	3,286	11,331
2029	8,408	2,923	11,331
2030	8,787	2,544	11,331
Thereafter	52,630	7,474	60,104
<b>Total</b>	<b>\$ 92,934</b>	<b>\$ 23,825</b>	<b>\$ 116,759</b>

**8. DEBT CHARGES**

The expenditure for debt charges includes principal and interest payments made on debentures as follows:

	<b>2025</b>	<b>2024</b>
Principal payments on debentures	\$ 7,049	\$ 6,746
Interest payment on debentures	4,282	4,585
<b>Total</b>	<b>\$ 11,331</b>	<b>\$ 11,331</b>

**9. 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. 90 percent of consolidated revenues of the board are directly controlled by the provincial government through the Core Education Funding. The payment amounts of this funding are as follows:

	<b>2025</b>	<b>2024</b>
Provincial Legislative Grant	\$ 563,541	\$ 536,804
Education Property Tax	149,723	146,384
<b>Core Education</b>	<b>\$ 713,264</b>	<b>\$ 683,188</b>

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

**10. EXPENDITURES BY OBJECT**

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

	<b>2025 Budget note 1(o)</b>	<b>2025 Actual</b>	<b>2024 Actual</b>
<b>Current Expenditures:</b>			
Salary and Wages	\$ 498,791	\$ 557,011	\$ 584,307
Employee Benefits	94,658	98,457	102,478
Staff Development	3,396	1,764	1,533
Supplies and Services	50,622	47,182	43,649
Interest Charges on Capital	4,504	4,177	4,497
Rental Expenditures	1,011	4,453	2,742
Fees & Contractual Services	33,031	38,928	37,267
Other	27,540	2,007	2,167
Amortization and Write Downs and Net Loss on Disposal – TCA	39,504	37,517	38,994
Amortization and Net Loss – TCA-ARO	1,459	1,351	1,262
School Funded Activities	8,796	10,754	9,927
<b>Total</b>	<b>\$ 763,312</b>	<b>\$ 803,601</b>	<b>\$ 828,823</b>

**11. TANGIBLE CAPITAL ASSETS**

**(a) Assets Under Construction**

Assets under construction having a value of \$2,626 (2024 - \$749) have not been amortized. Amortization of these assets will commence when the asset is put into service.

**(b) Write-down of Tangible Capital Assets**

There were no write-downs of tangible capital assets during the year (2024 – NIL).

**(c) Asset Inventories for Resale (Assets Permanently Removed from Service)**

There were no assets inventoried for resale or assets permanently removed from service during the year (2024 – Nil).

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

**11. TANGIBLE CAPITAL ASSETS (continued):**

**Year ended August 31, 2025**

	Cost (in 000's)				Accumulated Amortization (in 000's)						
	Balance at August 31, 2024	Additions, transfers and adjustment	Disposals and Write Offs	Change in Estimate of TCA- ARO	Balance at August 31, 2025	Balance at August 31, 2024	Amortizatio n and adjustment	Disposals and Write Offs	Balance at August 31, 2025	Net Book Value August 31, 2025	Net Book Value August 31, 2024
Land	\$ 99,058	\$ 17,210	\$ -	\$ -	\$ 116,268	\$ -	\$ -	\$ -	\$ -	\$ 116,268	\$ 99,058
Land Improvements	59,377	1,076	-	14	60,467	26,098	3,107	-	29,205	31,262	33,279
Buildings	1,228,319	24,981	(563)	1,225	1,253,962	575,618	33,950	(563)	609,005	644,957	652,701
Portable Structures	4,839	1,332	-	-	6,171	3,028	320	-	3,348	2,823	1,811
Furniture and Equipment	7,176	647	(695)	-	7,128	4,066	739	(695)	4,110	3,018	3,110
Computer Hardware	3,279	149	(1,324)	-	2,104	2,200	693	(1,324)	1,569	535	1,101
Computer Software	453	-	(28)	-	425	431	15	(28)	418	7	-
Vehicles	225	-	(6)	-	219	17	44	(6)	55	164	208
Construction in Progress	749	1,877	-	-	2,626	-	-	-	-	2,626	749
Capital Leased Assets	1,829	-	-	-	1,829	1,829	-	-	1,829	-	-
	<b>\$ 1,405,304</b>	<b>\$ 47,272</b>	<b>\$ (2,616)</b>	<b>\$ 1,239</b>	<b>\$ 1,451,199</b>	<b>\$ 613,287</b>	<b>\$ 38,868</b>	<b>\$ (2,616)</b>	<b>\$ 649,539</b>	<b>\$ 801,660</b>	<b>\$ 792,017</b>

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

**12. ACCUMULATED SURPLUS**

	<b>2025</b>	<b>2024</b>
Unappropriated	\$ 18,618	\$ 17,955
Amounts Restricted for Future Use of the Board		
School Budgets	-	13
Rentals	43	156
Computer Technology	156	206
Board Initiatives	5,231	5,817
Cafeteria Equipment Replacement	231	200
Support for Student Fund	326	235
Amounts Restricted for Capital Construction		
Administrative Building	12,725	13,157
Other Capital Projects	2,000	2,000
Available for Compliance	39,330	39,739
Amounts to be Recovered		
Interest Accrual	(1,417)	(1,522)
Other		
School Generated Funds	4,180	3,743
Asset Retirement Obligations	(32,432)	(31,642)
Revenues Recognized for Land	94,132	90,619
<b>Balance at August 31, 2025</b>	<b>\$ 103,793</b>	<b>\$ 100,937</b>

The in-year surplus is broken down as follows:

	<b>2025</b>	<b>2024</b>
In-Year Operating Surplus Unappropriated	\$ 663	\$ 919
Internally Appropriated	(640)	(396)
Surplus available for Compliance	23	523
Revenues Recognized for Land	3,513	(399)
Other Unavailable for Compliance Transfers	(680)	1,415
<b>In-Year Total Surplus</b>	<b>\$ 2,856</b>	<b>\$ 1,539</b>

**13. TRUST FUNDS**

Trust funds administered by the board amounting to \$1,665 (2024 - \$1,487) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations.



**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(All amounts in thousands of dollars)**

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**14. 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.

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.

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.

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

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

**15. CONTINGENT LIABILITIES**

The Board has been named in personal injury and property damage claims. The amounts specified in the claims are within the Board's insurance coverage. The Board, as well as its insurers, has instructed legal counsel to act on behalf of the Board to defend against these claims. No provision has been made in the financial statements for these claims.

**16. COMMITMENTS**

The Board has outstanding contractual obligations at August 31, 2025 of approximately \$ 9,418 (2024 - \$15,172), for the construction of new schools and for other capital projects.

The Board has long-term lease commitments with various expiry dates. The minimum payments are as follows:

2026	4,245
2027	3,692
2028	3,237
2029	2,347
2030	710
Thereafter	-
<hr/>	
<b>Total</b>	<b>\$ 14,231</b>
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**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2025  
(All amounts in thousands of dollars)**

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**17. PARTNERSHIP IN HAMILTON-WENTWORTH STUDENT TRANSPORTATION SERVICES, A TRANSPORTATION CONSORTIUM**

On May 31, 2009, the Board entered into an agreement with the Hamilton-Wentworth Catholic District School Board in order 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 Hamilton-Wentworth Student Transportation Services are shared. No partner is in a position to exercise unilateral control.

This entity is proportionately consolidated in the Board's consolidated financial statements to reflect the Board's portion of costs incurred. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

The Hamilton-Wentworth District School Board does not control any assets of the Hamilton-Wentworth Student Transportation Services. The Board has recorded its share of revenue and expenses in the Consolidated Statement of Operations.

**18. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING**

On June 1, 2003, the Board received \$16,675 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 re-finance 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 \$ 1,242 (2024 - \$1,242) in grants in respect of the above-agreement-for the year ended August 31, 2025, is recorded in these Consolidated Financial Statements.

**19. IN-KIND TRANSFERS FROM THE MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY AND PROCUREMENT**

The Board has recorded entries, both revenue and expenses, associated with centrally procured in-kind transfer of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Government and Consumer Services (MGCS). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the board's records. The in-kind revenue recorded for these transfers is \$273 (2023-\$273) with expenses based on use of \$273 (2023-\$130) for a net impact of Nil.

**20. 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 for as of September 1, 2026 for the year ending August 31, 2027). Standards must be implemented at the same time:

New Public Sector Accounting Standards (PSAS) Conceptual Framework:

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

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

**HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AUGUST 31, 2025  
(All amounts in thousands of dollars)**

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**20. FUTURE ACCOUNTING STANDARD ADOPTION (continued)**

The main changes are:

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

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202- Financial Statement Presentation:

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

The main changes are:

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