Consolidated Financial Statements of

DISTRICT SCHOOL BOARD ONTARIO NORTH EAST

And Independent Auditor's Report thereon

Year ended August 31, 2025

MANAGEMENT'S RESPONSIBILITY REPORT

Management's responsibility for the consolidated financial statements

The accompanying consolidated financial statements of the District School Board Ontario North East are the responsibility of Board management and have been prepared in compliance 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.

Director of Education

Superintendent of Business

February 9, 2026

KPMG LLP
Times Square
1760 Regent Street, Unit 4
Sudbury, ON P3E 3Z8
Canada
Telephone 705 675 8500
Fax 705 675 7586

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of District School Board Ontario North East

Opinion

We have audited the consolidated financial statements of District School Board Ontario North East (the Entity), which comprise:

- the consolidated statement of financial position as at August 31, 2025
- the consolidated statement of operations and accumulated surplus 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 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 - Financial Reporting Framework

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.

As a result, the financial statements may not be suitable for another purpose.

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 these financial statements in accordance with a basis of accounting described in the notes 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.

KPMG

- 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's 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

February 9, 2026

DISTRICT SCHOOL BOARD ONTARIO NORTH EAST

Consolidated Statement of Financial Position

August 31, 2025, with comparative information for 2024

		2025		2024
Financial assets				
Cash and cash equivalents	$	2,934,280	$	2,024,896
Accounts receivable - other (note 3)		21,472,847		12,690,011
Accounts receivable - Government of Ontario (note 4)		63,953,438		69,654,502
Long-term investments		130,917		130,917
Other assets		472,556		472,556
Total financial assets		88,964,038		84,972,882
Financial liabilities				
Temporary borrowings (note 5)		4,200,000		-
Accounts payable and accrued liabilities (note 6)		19,407,920		17,907,774
Deferred revenue (note 7)		22,043,399		21,142,317
Deferred capital contributions (note 8)		155,197,963		150,561,685
Net long-term debt (note 10)		20,855,709		23,943,873
Retirement and other employee future benefits (note 11)		1,418,796		1,621,802
Asset retirement obligations (note 9)		14,779,888		14,970,335
Total financial liabilities		237,903,675		230,147,786
Net debt		(148,939,637)		(145,174,904)
Non-financial assets				
Prepaid expenses		40,875		346,705
Tangible capital assets (note 14)		171,050,730		166,427,840
Total non-financial assets		171,091,605		166,774,545
Commitments and contingent liabilities (note 20)				
Accumulated surplus (note 16)	$	22,151,968	$	21,599,641

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Leeleigh McDyre _______________ Director of Education and Secretary of the Board

_______________ Chair of the Board

DISTRICT SCHOOL BOARD ONTARIO NORTH EAST

Consolidated Statement of Operations and Accumulated Surplus

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

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Government of Ontario grants:			
- Core education funding (note 13)	$ 128,292,134	$ 132,635,936	$ 128,647,910
- Other	4,466,823	3,866,115	16,723,225
Amortization of deferred capital contributions	14,785,640	20,977,223	17,685,143
Education service agreement fees and other (note 21)	2,119,444	2,955,777	2,818,210
Other revenues - School boards	655,678	98,884	669,207
Other fees and revenues	5,793,189	9,556,496	5,122,177
Investment income	-	111,712	247,156
School generated funds	2,094,798	2,849,483	2,469,877
Total revenue	158,207,706	173,051,626	174,382,905
Expenses (note 12):			
Instruction	105,267,549	105,132,849	116,610,005
Administration	5,179,143	6,771,295	6,225,431
Transportation (note 18)	9,691,683	10,169,549	10,088,868
Pupil accommodation	29,946,876	39,699,666	33,981,731
Other	6,020,866	8,214,020	5,248,105
School funded activities	2,094,798	2,511,920	2,270,377
Total expenses	158,200,915	172,499,299	174,424,517
Annual surplus (deficit)	6,791	552,327	(41,612)
Accumulated surplus, beginning of year	21,599,641	21,599,641	21,641,253
Accumulated surplus, end of year	$ 21,606,432	$ 22,151,968	$ 21,599,641

See accompanying notes to the consolidated financial statements.

DISTRICT SCHOOL BOARD ONTARIO NORTH EAST

Consolidated Statement of Changes in Net Debt

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

	2025 Budget	2025 Actual	2024 Actual
Annual surplus (deficit)	$ 6,791	$ 552,327	$ (41,612)
Tangible capital assets:			
Acquisition of tangible capital assets	(20,313,180)	(25,909,527)	(20,613,309)
Amortization of tangible capital assets	15,316,275	20,981,401	18,013,763
Amortization of tangible capital assets - ARO	-	305,236	618,720
	(4,996,905)	(4,622,890)	(1,980,826)
Prepaid expenses:			
Acquisition of prepaid expenses	-	(40,875)	(346,705)
Use of prepaid expenses	-	346,705	382,196
	-	305,830	35,491
Increase in net debt	(4,990,114)	(3,764,733)	(1,986,947)
Net debt, beginning of year	(145,174,904)	(145,174,904)	(143,187,957)
Net debt, end of year	$ (150,165,018)	$ (148,939,637)	$ (145,174,904)

See accompanying notes to consolidated financial statements.

DISTRICT SCHOOL BOARD ONTARIO NORTH EAST

Consolidated Statement of Cash Flows

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

	2025	2024
Operating transactions:		
Annual surplus (deficit)	$ 552,327	$ (41,612)
Items not involving cash:		
Amortization of tangible capital assets	20,981,401	18,013,763
Amortization of deferred capital contributions	(20,977,223)	(17,685,143)
Amortization of tangible capital assets - ARO	305,236	618,720
	861,741	905,728
Change in non-cash assets and liabilities:		
Increase in accounts receivable	(8,782,836)	(606,335)
Decrease in other assets	-	145
Increase (decrease) in accounts payable and accrued liabilities	1,500,145	(253,873)
Increase in deferred revenue	901,082	3,518,557
Increase (decrease) in employee future benefits	(203,005)	426,288
Decrease in prepaid expenses	305,830	35,491
Increase (decrease) in asset retirement obligation	(190,447)	392,799
Cash provided by operating transactions	(5,607,490)	4,418,800
Capital transactions:		
Cash used to acquire tangible capital assets	(25,909,527)	(20,613,309)
Cash applied to capital transactions	(25,909,527)	(20,613,309)
Investing transactions:		
Decrease in long-term investments	-	110,183
Cash used in investing transactions	-	110,183
Financing transactions:		
Increase in temporary borrowing	4,200,000	-
Long-term debt principal repayments	(3,088,164)	(2,924,474)
Decrease (increase) in accounts receivable - Approved Capital Funding	5,701,064	(1,886,605)
Additions to deferred capital contributions	25,613,501	20,417,302
Cash provided by financing transactions	32,426,401	15,606,223
Change in cash and cash equivalents	909,384	(478,103)
Cash and cash equivalents, beginning of year	2,024,896	2,502,999
Cash and cash equivalents, end of year	$ 2,934,280	$ 2,024,896

See accompanying notes to consolidated financial statements.

1. Significant accounting policies:

The consolidated financial statements of the District School Board Ontario North East (the "Board") have been prepared by management in accordance with the basis of accounting described below. The consolidated financial statements contain the following significant accounting policies:

(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 Government 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 and accumulated surplus 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 amortization, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

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

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

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

- property taxation revenue be reported as revenue when received or receivable in accordance with public sector accounting standard PS3510.

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

(b) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity 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 including;

(i) School generated funds: the assets, liabilities, revenues, expenses that exist at the school level and which are deemed to be controlled by the Board, have been reflected in the consolidated financial statements.

(ii) The Board is one of three school boards that entered into a partnership agreement to share certain costs related to transportation. As a result, the Board's consolidated financial statements reflect proportionate consolidation, whereby they include the pro-rated share of the assets that it controls, the liabilities that it has incurred, and its pro-rata share of revenue and expenses.

Interdepartmental and inter-organizational transactions are eliminated in these consolidated financial statements.

(c) Trust funds:

Trust funds and their related operations administered by the Board are not included in the consolidated financial statements as they are not controlled by the Board.

1. Significant accounting policies (continued):

(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
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Long-term investments	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

Amortized cost

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

Upon standard implementation, amortized cost will be measured using the effective interest rate method, as opposed to the straight-line method.

Cost

Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

Fair value

The Board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment.

At the time of derecognition, the related realized gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses. A statement of remeasurement gains and losses has not been included as there are no matters to report therein.

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable) and are therefore not recognized in these financial statements. For letters of guarantee and letters of credit relating to construction, disclosure is done at the face value of the guarantee or letter of credit.

Fair value hierarchy

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

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

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

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

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

1. Significant accounting policies (continued):

(e) Cash and cash equivalents:

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

(f) Investments:

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.

The Board has Other Investments in guaranteed investment certificates, which are recorded at amortized cost using the effective interest rate method.

(g) Deferred revenue:

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services and transactions. These amounts 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 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 purpose
- Other restricted contributions received or receivable for capital purpose
- 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 and dental benefits, retirement gratuity, worker’s compensation and long-term disability benefits.

1. Significant accounting policies (continued):

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

As part of the ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, Employee Life and Health Trusts ("ELHTs"), Elementary Teachers' Federation of Ontario ("ETFO"), Ontario Secondary School Teachers' Federation ("OSSTF"), and Ontario Secondary School Teachers' Federation - Education Workers ("OSSTF-EW"). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees ("CUPE"), Council of Educational Workers ("COPE"), and Ontario Non-union Education Trust ("ONE-T") for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), and other school board staff. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency ("FTE"). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs ("GSN"), including additional ministry funding in the form of a Crown contribution and Stabilization Adjustment.

The Board has adopted the following accounting 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, health care costs trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities are 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 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 worker's compensation, long-term disability and health care benefits for those on disability leave, 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.

1. **Significant accounting policies (continued):**

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

(ii) The costs of multi-employer defined pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") 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.

(j) Non-financial assets:

(i) Tangible capital assets

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

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

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

Asset	Estimated Useful Life in Years
Land improvements with finite lives	15 years
Buildings and building improvements	20 to 40 years
Leased assets - buildings	3 years
Portable structures	20 years
First time equipping of schools	10 years
Furniture and equipment	5 to 10 years
Vehicles	5 to 10 years
Computer hardware and software	5 years

Amortization is taken at 50% of the above rates in the year of acquisition.

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

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(i) Tangible capital assets (continued):

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

(ii) Prepaid expenses:

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

(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.

1. Significant accounting policies (continued):

(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 Regulation 395/11, recorded as deferred capital contributions and recognized as revenue in the consolidated statement of operations and accumulated surplus 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.

(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 proceeds of disposition, special education, transition, distance schools and school renewal 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 board approves its budget annually. The approved operating budget for 2025-2026 is reflected on the Consolidated Statement of Operations and Accumulated Surplus, and was approved on June 24, 2025.

1. Significant accounting policies (continued):

(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. Significant estimates include assumptions used in performing actuarial valuations of employee future benefit liabilities. Actual results could differ from these estimates.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $14,779,888 (2024 - $14,970,335). These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used, indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

These estimates are reviewed annually and, as adjustments become necessary, they are recorded in the period in which they become known.

(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 consolidated financial statements, which in the case of the Board, is the Province of Ontario. As a result, education property tax revenue received from the municipalities is recorded as part of Grants for Student Needs, under Education Property Tax.

(r) Public private partnerships:

Public private partnerships (“P3”) are an alternate financing and procurement model available to the Board to use private sector partners to design, build, acquire or better new or existing infrastructure projects with higher risk, multi-year construction period and significant investments. Assets procured via P3 are recognized as tangible capital assets, and the related obligations are recognized as other long-term financing liabilities for financial liability models and/or deferred revenue for P3 performance obligations arising from user pay obligations in the financial statements as the assets are constructed. At initial recognition, the total liability reflects the cost of the tangible capital asset.

The total liability for combined consideration arrangements is allocated between a financial liability and performance obligation based on the portion of the asset cost financed through the respective models. Financial liabilities are measured at amortized cost using the implicit contract rate.

2. School leave program:

Under the school leave program, teachers have the opportunity to be paid 80% of their salaries over four years. The remaining 20% is accumulated in a bank account to cover 80% of their salaries in the fifth year when they take a year leave of absence. The cash and related liability in the amount of $247,545 (2024 - $174,738) have been included with cash and cash equivalents and accounts payable and accrued liabilities on the Consolidated Statement of Financial Position.

3. Accounts receivable - other:

	2025	2024
Municipalities	$ 252,974	$ 398,473
Government of Canada	3,264,777	4,980,899
Other	17,955,096	7,310,639
	$ 21,472,847	$ 12,690,011

4. Accounts receivable - Government of Ontario:

The Government 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.

The Board has an account receivable from the Government of Ontario of $27,017,728 as at August 31, 2025 (2024 - $28,822,884) with respect to capital grants.

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. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2025 is $38,097,391 (2024 - $37,580,937).

5. Temporary borrowings:

The Board has authorized operating credit facilities with Scotiabank of $10,000,000 at prime less 0.5% and $5,000,000 at 1%. Both are used to address operating requirements and/or to bridge capital expenditures. Both lines of credit are unsecured and due on demand. As at August 31, 2025, the amount drawn from the operating line of credit was $4,200,000 (2024 - $Nil).

6. Accounts payable and accrued liabilities:

	2025	2024
Trade payables	$ 10,183,517	$ 7,052,827
Accrued liabilities	6,041,264	9,844,858
Government of Ontario	2,822,103	788,753
Other	361,036	221,336
	$ 19,407,920	$ 17,907,774

7. Deferred revenue:

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

Deferred revenue as at August 31, 2025 is comprised of:

	Balance as at August 31, 2024	Contributions received	Transferred to revenue	Transferred to DCC	Balance as at August 31, 2025
Child Care Capital Retrofit	$ 5,300	$ –	$ –	$ –	$ 5,300
School Renewal	2,786,200	3,242,841	(154,795)	(4,527,466)	1,346,780
Renewable Energy - Capital	99,687	–	–	–	99,687
Proceeds of Disposition	1,644,472	–	–	–	1,644,472
Northern Supports Initiative	3,194,472	–	–	–	3,194,472
GSN – Envelope	9,006,097	21,127,035	(18,923,084)	(1,031,242)	10,178,806
GSN – Northern Adjustment	2,186,572	4,654,026	(4,269,536)	–	2,571,062
Contributed Personal Protective Equipment	10,000	–	(10,000)	–	–
Education Programs - Other	1,465,258	2,990,757	(2,179,396)	–	2,276,619
Other Ministry	49,256	–	–	–	49,256
Other	449,789	–	–	–	449,789
Amounts restricted by external contributor	245,214	25,160	(43,218)	–	227,156
	$ 21,142,317	$ 32,039,819	$ (25,580,029)	$ (5,558,708)	$ 22,043,399

8. Deferred capital contributions:

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with 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	$ 150,561,685	$ 147,829,526
Additions to deferred capital contributions	25,613,501	20,417,302
Revenue recognized in the period	(20,977,223)	(17,685,143)
Balance, end of year	$ 155,197,963	$ 150,561,685

9. 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 asset retirement obligations, beginning of year	$ 14,970,335	$ 14,577,536
Increase in liabilities reflecting changes in the estimate of liabilities[1]	390,726	392,799
Liabilities settled during the year	(581,173)	–
Liabilities for asset retirement obligations end of year	$ 14,779,888	$ 14,970,335

[1] Reflecting changes in the estimated cash flows.

Changes in the estimate reflect the changes in the estimated future cash flows. The Board has made an inflation adjustment increase in estimates of 2.61% as at March 31, 2025, in line with the Provincial government fiscal year end, to reflect costs as at that date based on the updated Building Construction Price Index.

The revaluation adjustment has been added to the Tangible Capital Asset – Asset Retirement Obligation balance to be amortized over the remining 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.

10. Net long-term debt:

The Ontario Finance Authority (“OFA”) was established on November 15, 1993 as an agency of the Province of Ontario and as such is considered a related party to the Board. The Board has certain financing arrangements entered into the OFA as seen below.

Net long-term debt consists of the following:

	2025	2024
Loans payable to the Ontario Financing Authority with interest rates ranging from 3.56% to 5.23%, due in semi-annual installments including interest, with maturity dates ranging from November 2031 to March 2038	$ 12,725,054	$ 13,790,586
Loans payable to Corpfinance International Limited with interest rates ranging from 6.15% to 7.04%, due in semi-annual installments including interest, with maturity dates ranging from July 2023 to June 2028	3,746,933	5,075,604
Loans payable to Manufacturers Life Insurance Co. with interest rates ranging from 4.92% to 5.36%, due in semi-annual installments including interest, with maturity dates ranging from April 2028 to December 2031	4,383,722	5,077,683
	$ 20,855,709	$ 23,943,873

The principal payments on the long-term liabilities are as follows:

2026	$ 3,262,858
2027	3,447,943
2028	2,820,232
2029	1,845,205
2030	1,929,608
Thereafter	7,549,863

Interest on net long-term debt amounted to $935,125 (2024 - $1,250,196).

11. 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 and health care benefits, retirement gratuity, worker's compensation and long-term disability benefits.

(a) Plan changes:

In 2013, changes were made to the short term leave and disability plan. Under the new short-term leave and disability sick leave plan, 11 unused sick leave days may be carried forward into the following year only, to be used to top-up benefits received under the short-term leave and disability plan in that year. A provision has been established representing the expected usage of sick days that have been carried forward for benefit top-up in the following year.

Effective September 1, 2013, any new retiree accessing health care benefits will pay the full premiums for such benefits and will be included in a separate experience pool that is self-funded.

(b) Retirement benefits:

(i) Ontario Teacher's Pension Plan:

Teachers and related employee groups are eligible to be members of the Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Government 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 contributions equal the employee contributions to the plan. During the year ended August 31, 2025, the Board contributed $2,746,665 (2024 - $2,655,782) 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.

(iii) 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 plan change, the amount of the gratuities payable to eligible employees at retirement is now based on their salary, accumulated sick days, and years of service at August 31, 2012.

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

(b) Retirement benefits (continued):

(iv) Retirement life insurance and health care benefits:

The Board provides life insurance benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums are 100% paid by the retirees. 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 or contributions.

(c) Other employee future benefits:

(i) Workplace Safety and Insurance Board Obligations:

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. The plan changes made in 2012 requires the Board to provide a salary top-up to a maximum of 4.5 years for employees receiving payments from the Workplace Safety and Insurance Board, where previously negotiated collective agreements included such provision.

(ii) Long-term disability, dental and health care benefits:

ELHTs were established for all employee groups. There are no employee groups remaining for which the Board is responsible for providing health, dental and life insurance benefits as at August 31, 2024, and as a result, the liability for this benefit has been eliminated.

(iii) Accumulated sick leave:

As a result of the plan changes, the Board's liability relating to non-vesting accumulated sick leave has been eliminated effective September 1, 2012.

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

(c) Other employee future benefits (continued):

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

	2025	2024
Inflation	2.0%	2.0%
Discount on accrued benefit obligations	3.8%	3.8%
Discount on accrued benefit obligations - WSIB	3.8%	3.8%

The Board has internally appropriated an amount for retirement gratuities totaling $95,830 (2024 - $95,830).

Information with respect to the Board's retirement and other employee future benefit liability is as follows:

Employee future benefits liability			2025	2024
	Retirement benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Accrued benefit liability, beginning of year	$ 380,468	$ 1,241,334	$ 1,621,802	$ 1,195,514
Expenses recognized for the year:				
Current service costs	–	239,250	239,250	848,132
Amortization of actuarial losses (gains)	(8,677)	162	(8,515)	(32,484)
Interest on accrued benefit obligations	74,460	37,117	111,577	19,560
	65,783	276,529	342,312	835,208
Benefits paid for the year	(75,817)	(469,501)	(545,318)	(408,920)
Accrued benefit liability, end of year	$ 370,434	$ 1,048,362	$ 1,418,796	$ 1,621,802

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

(c) Other employee future benefits (continued):

Employee future benefit expenses			2025	2024
	Retirement benefits	Other employee future benefits	Total employee future benefits	Total employee future benefits
Accrued employee future benefit obligations	$ 298,034	$ 1,048,362	$ 1,346,396	$ 1,621,802
Unamortized actuarial losses	72,400	–	72,400	–
Employee future benefits expense[1]	$ 370,434	$ 1,048,362	$ 1,418,796	$ 1,621,802

[1]Excluding pension contributions to multi-employer pension plans, described in note 11.

12. Expenses by object:

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

	2025 Budget	2025 Actual	2024 Actual
Current expenses:			
Salary and wages	$ 87,620,074	$ 95,530,065	$ 101,823,554
Employee benefits	16,170,507	17,528,188	18,628,090
Staff development	705,145	810,610	779,879
Supplies and services	14,217,029	12,845,728	12,681,875
Interest	1,373,135	935,125	1,250,196
Rental	186,949	188,427	178,428
Fees and contract services	17,938,242	19,484,866	17,734,287
Other	882,461	796,557	445,348
Transfer to other boards	3,791,098	–	–
School generated activities	–	2,511,920	2,270,377
Amortization of tangible capital assets and write downs	15,316,275	21,562,577	18,013,763
Amortization of tangible capital assets and write downs - ARO	–	305,236	618,720
	$ 158,200,915	$ 172,499,299	$ 174,424,517

13. 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 Government of Ontario. The Government of Ontario provides additional funding up to the level set by the education funding formulas. 76% percent of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2025	2024
Provincial legislative grants	$ 114,662,503	$ 110,979,705
Education property tax	17,973,433	17,668,205
	$ 132,635,936	$ 128,647,910

14. Tangible capital assets:

Cost	Balance at August 31, 2024	Additions and Transfers	Disposals and Write-offs	Balance at August 31, 2025
Land	$ 1,101,051	$ -	$ -	$ 1,101,051
Land improvements	26,617,300	2,680,052	-	29,297,352
Buildings	251,826,706	14,479,418	-	266,306,124
Portable structures	602,433	92,216	-	694,649
Leased assets - buildings	29,785	-	-	29,785
Furniture	2,491,846	1,848,402	(7,408)	4,332,840
Equipment	6,680,357	1,441,965	(571,801)	7,550,521
Computer hardware	6,450,079	1,160,014	(2,847,095)	4,762,998
Computer software	690,385	175,652	(269,639)	596,398
Vehicles	1,875,198	721,942	-	2,597,140
Construction in progress	29,380,933	3,309,866	-	32,690,799
Total	$ 327,746,073	$ 25,909,527	$ (3,695,943)	$ 349,959,657

Accumulated Amortization	Balance at August 31, 2024	Amortization and Write-downs	Disposals and Write-offs	Balance at August 31, 2025
Land	$ -	$ -	$ -	$ -
Land improvements	11,004,706	1,480,882	-	12,485,588
Buildings	141,137,776	16,601,823	-	157,739,599
Portable structures	209,670	29,977	-	239,647
Leased assets - buildings	16,385	2,978	-	19,363
Furniture	650,595	259,521	(7,408)	902,708
Equipment	3,068,975	1,032,457	(571,801)	3,529,631
Computer hardware	3,838,344	1,714,330	(2,847,095)	2,705,579
Computer software	382,081	76,816	(269,639)	189,258
Vehicles	1,009,701	87,853	-	1,097,554
Construction in progress	-	-	-	-
Total	$ 161,318,233	$ 21,286,637	$ (3,695,943)	$ 178,908,927

	Net book value, August 31, 2024	Net book value, August 31, 2025
Land	$ 1,101,051	$ 1,101,051
Land improvements	15,612,594	16,811,764
Buildings	110,688,930	108,566,525
Portable structures	392,763	455,002
Leased assets - buildings	13,400	10,422
Furniture	1,841,251	3,430,132
Equipment	3,611,382	4,020,890
Computer hardware	2,611,735	2,057,419
Computer software	308,304	407,140
Vehicles	865,497	1,499,586
Construction in progress	29,380,933	32,690,799
Total	$ 166,427,840	$ 171,050,730

15. Ontario School Board Insurance Exchange:

The Board is a member of the Ontario School Board Insurance Exchange (“OSBIE”), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of $27 million per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2024 amounted to $467,038 (2023 - $479,113).

The premiums over a five-year period are based on the reciprocals and the Board’s actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five-year term expires 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.

a) 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.

b) 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.

16. Accumulated surplus:

Accumulated surplus consists of the following:

	2025	2024
Available for compliance – unappropriated:		
Total operating accumulated surplus	$ 18,005,450	$ 20,411,250
Available for compliance – internally appropriated:		
Retirement gratuities	95,830	95,830
Pay equity	1,000,000	1,000,000
Transportation	336,466	336,466
Student iPad initiative	1,151,623	1,151,623
Strategic Priority Projects	982,650	1,472,934
A/S Project	3,585,912	–
Capitalized Strategic Priority Projects	603,245	1,438,964
Committed Capital Projects	5,758,685	5,673,968
Total accumulated surplus available for compliance	13,514,411	11,169,785
Unavailable for compliance – externally appropriated:		
Employee future benefits	(1,396,065)	(1,396,065)
Other	(407,600)	(407,600)
Asset retirement obligation	(10,966,943)	(11,242,880)
School generated funds	2,301,664	1,964,100
Revenue recognized for land	1,101,051	1,101,051
Total externally appropriated	(9,367,893)	(9,981,394)
Total accumulated surplus	$ 22,151,968	$ 21,599,641

17. Trust funds:

Trust funds administered by the Board amounting to $978,919 (2024 - $907,573) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus.

18. Partnership in Tri-Board Transportation Consortium:

On April 26, 2005, the Board entered into an agreement with Conseil Scolaire Public du Nord-Est de l'Ontario and Northeastern 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 the Tri-Board are shared. No partner is in a position to exercise unilateral control.

Since the Board is in charge of administering the consortium, the Board's consolidated financial statements reflect all the transportation expenses of the Tri-Board. The revenue includes the recoveries from the other boards for their share of the expenses.

The total Tri-Board transportation expenses are $15,520,725 (2024 - $14,699,534) and the recoveries from the other boards are $5,430,612 (2024 - $5,272,615).

At year end, the Board has a receivable of $Nil (2024 - receivable of $Nil) from the two other Boards.

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the partners.

19. Board performs duties of a municipal council:

The Board performs the duties of levying and collecting taxes and conducting elections of members in territory without municipal organization. The outlay by the Board in 2025 in respect of performing duties of municipal council is reported by area in a separate statement.

Certain costs are recoverable through a levy on all rateable property in the area and other approved costs are recoverable through an offset to the local taxation revenue.

20. Commitments and contingent liabilities:

(a) Leases and service agreements:

The Board has entered into various lease and service agreements for vehicles, equipment and building. Minimum payments (including taxes excluding tax rebates) are approximately as follows:

2026	$	129,166
2027		80,338
2028		54,511
2029		54,511

20. Commitments and contingent liabilities (continued):

(b) Contractual obligations:

The Board has a total of $8,881,908 (2024 - $8,229,618) of contractual obligations at year end relating to various projects.

(c) Contingencies:

The Board is involved in certain legal matters and litigation, the outcomes of which are not presently determinable. The loss if any, from these contingencies will be accounted for in the year in which the matters are resolved. Management is of the opinion that these matters are mitigated by adequate insurance coverage.

21. Education service agreement fees and other:

Education service agreement fees and other consists of the fees paid by our First Nation partners for students attending our schools as well as recoveries for transportation and additional support staff costs. These amounts are as follows:

	2025	2024
Education services agreement fees	$ 115,591	$ 1,695,047
Additional support staff recoveries	2,840,186	1,123,163
	$ 2,955,777	$ 2,818,210

22. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.

23. Related party disclosures:

Related parties of the Board include other school boards and the Ontario Financing Authority. The Ontario Financing Authority is an agency of the Province of Ontario that manages the province's debt and borrowing program. Please refer to Note 11 for additional disclosure on the Board's borrowing with the Ontario Financing Authority.

24. Future accounting standard adoption:

The Board is in the process of assessing the impact of the upcoming new standards and the extent of the impact of their adoption on its financial statements 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 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 to develop standards grounded in the public sector environment.

The main changes are:

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

The framework is expected to be implemented prospectively.

25. Future accounting standard adoption (continued):

Reporting Model PS 1202 Financial Statement Presentation:

This reporting model provides guidance on how information should be presented in the financial statements and will replace PS 1201 Financial Statement Presentation. The model is expected to be implemented 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
- Isolated financing transaction in the Cash Flow Statement

26. 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.

(a) Credit risk:

The Board's principal financial assets are cash and cash equivalents 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.

26. Risk management (continued):

(b) Market risk:

The Board is exposed to interest rate risk on its long-term debt, which is regularly monitored.

The Board's financial instruments consist of cash and cash equivalents, 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.

(c) 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 liquidity risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining sufficient cash on hand if unexpected cash outflows arise. Accounts payable and accrued liabilities are all current and the terms of long-term debt are disclosed in note 11. There have been no significant changes from the previous year in the Board’s exposure to liquidity risk or policies, procedures and methods used to measure the risk.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

As at August 31, 2025	Within 6 months	6 - 12 months	1 - 4 years	4+ years	Total
Accounts payable	$ 19,407,920	$ –	$ –	$ –	$ 19,407,920
Long-term debt	1,631,429	1,631,429	10,042,988	7,549,863	20,855,709
	$ 21,039,349	$ 1,631,429	$ 10,042,988	$ 7,549,863	$ 40,263,629

As at August 31, 2024	Within 6 months	6 - 12 months	1 - 4 years	4+ years	Total
Accounts payable	$ 17,907,774	$ –	$ –	$ –	$ 17,907,774
Long-term debt	1,544,082	1,544,082	11,376,238	9,479,471	23,943,873
	$ 19,451,856	$ 1,544,082	$ 11,376,238	$ 9,479,471	$ 41,851,647