Consolidated Financial Statements of

NEAR NORTH 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 Near North District School Board 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

May 12, 2026

KPMG LLP
Times Square
1760 Regent Street, Unit 4
Sudbury, ON P3E 3Z8
Canada
Telephone 705 675 8500
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the Near North District School Board

Opinion

We have audited the consolidated financial statements of Near North District School Board (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 consolidated financial statements, which describes the basis of accounting used in the preparation of these financial statements.

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 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 qualified 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 qualified 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 a qualified 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'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

May 12, 2026

NEAR NORTH DISTRICT SCHOOL BOARD

Consolidated Statement of Financial Position

As at August 31, 2025, with comparative information for 2024

	2025	2024
Financial assets		
Cash	$ 9,001,572	$ 8,322,943
Investments	635,991	634,959
Accounts receivable (note 2)	10,457,929	8,699,132
Accounts receivable - Province of Ontario (note 3)	77,444,277	93,481,405
Total financial assets	97,539,769	111,138,439
Financial liabilities		
Accounts payable and accrued liabilities (note 4)	15,976,404	26,215,068
Net long-term liabilities (note 10)	37,801,533	40,732,276
Deferred revenue (note 6)	13,111,929	13,818,899
Deferred capital contributions (note 7)	169,796,028	154,781,246
Employee future benefits (note 9)	6,638,420	6,824,516
Asset retirement obligation (note 8)	8,073,888	8,162,721
Total financial liabilities	251,398,202	250,534,726
Net debt	(153,858,433)	(139,396,287)
Non-financial assets		
Prepaid expenses	279,589	311,390
Inventory	30,630	216,359
Tangible capital assets (note 12)	177,787,154	163,032,937
Total non-financial assets	178,097,373	163,560,686
Contingent liabilities (note 15)		
Contractual obligation (note 16)		
Subsequent event (note 17)		
Accumulated surplus (note 13)	$ 24,238,940	$ 24,164,399

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board:

Director of Education

Supervisor of the Board

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NEAR NORTH DISTRICT SCHOOL BOARD

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 (note 21)	$ 159,317,222	$ 167,487,546	$ 159,372,479
- Other	6,695,876	3,760,825	18,744,793
Federal grants and fees	3,116,163	2,543,944	2,659,314
Other revenue - school boards	791,042	839,618	869,333
Other fees and revenue	500,073	4,156,754	3,852,060
Investment income	-	262,176	409,390
School generated funds	2,743,211	3,472,202	3,236,180
Amortization of deferred capital contributions (note 7):			
- Provincial legislative grants	14,965,549	15,774,216	14,448,822
- Third parties	667,667	672,907	672,907
Total revenue	188,796,803	198,970,188	204,265,278
Expenses (note 11):			
Instruction	129,572,264	136,238,861	143,058,765
Administration	4,615,921	4,959,319	5,211,839
Transportation	16,301,170	16,842,540	16,204,211
Pupil accommodation	34,059,934	35,072,011	33,305,749
School funded activities	2,778,441	3,303,591	3,193,452
Other	1,407,749	2,479,325	3,217,572
Total expenses	188,735,479	198,895,647	204,191,588
Annual surplus	61,324	74,541	73,690
Accumulated surplus, beginning of year	24,164,399	24,164,399	24,090,709
Accumulated surplus, end of year	$ 24,225,723	$ 24,238,940	$ 24,164,399

See accompanying notes to the consolidated financial statements.

NEAR NORTH DISTRICT SCHOOL BOARD

Consolidated Statement of Change in Net Debt

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

	2025 Budget	2025 Actual	2024 Actual
Annual surplus	$ 61,324	$ 74,541	$ 73,690
Tangible capital assets:			
Acquisition of tangible capital assets	(37,552,645)	(31,696,703)	(29,354,486)
Amortization of tangible capital assets	15,795,157	16,499,880	15,318,344
Loss on disposal of tangible capital assets	-	109,184	(1,208,891)
Proceeds on disposal of capital assets	-	-	1,475,000
Disposals of tangible capital assets - ARO	-	55,365	44,775
Amortization of tangible capital assets - ARO	432,813	491,104	443,376
Revaluation of tangible capital assets - ARO	-	(213,047)	(296,369)
	(21,324,675)	(14,754,217)	(13,578,251)
Prepaid expenses:			
Acquisition of prepaid expenses	-	(279,592)	(311,391)
Use of prepaid expenses	-	311,393	278,436
	-	31,801	(32,955)
Inventory:			
Use of inventory	-	185,729	2,055
Increase in net debt	(21,263,351)	(14,462,146)	(13,535,461)
Net debt, beginning of year	(139,396,287)	(139,396,287)	(125,860,826)
Net debt, end of year	$ (160,659,638)	$ (153,858,433)	$ (139,396,287)

See accompanying notes to consolidated financial statements.

NEAR NORTH DISTRICT SCHOOL BOARD

Consolidated Statement of Cash Flows

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

	2025	2024
Operating transactions:		
Annual surplus	$ 74,541	$ 73,690
Items not involving cash:		
Amortization of tangible capital assets	16,499,880	15,318,344
Amortization of deferred capital contributions	(16,447,123)	(15,121,729)
Amortization of tangible capital assets - ARO	491,104	443,376
Loss (gain) on disposal of tangible capital assets	109,184	(1,208,891)
Actuarial employee future benefit expense	953,171	1,751,780
Net increase in tangible capital assets - ARO excluding amortization of tangible capital assets - ARO	(157,682)	(251,594)
Asset retirement obligation non-cash remediation	(301,880)	-
Asset retirement obligation inflationary increase	213,047	65,199
	1,434,242	1,070,175
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(1,758,797)	417,367
Decrease (increase) in accounts receivable - Province of Ontario	16,037,128	(13,652,843)
Increase (decrease) in accounts payable and accrued liabilities	(10,238,664)	11,071,011
Increase (decrease) in deferred revenue	(706,970)	3,602,401
Decrease (increase) in prepaid expenses	31,801	(32,955)
Decrease in employee future benefits - payments	(1,139,267)	(1,696,539)
Decrease in inventory	185,729	2,055
Cash provided by operating transactions	3,845,202	780,672
Capital transactions:		
Cash used to acquire tangible capital assets	(31,696,703)	(29,354,486)
Proceeds on disposal of tangible capital assets	-	1,475,000
Cash applied to capital transactions	(31,696,703)	(27,879,486)
Financing transactions:		
Repayment of long-term debt	(2,930,743)	(3,095,650)
Net additions to deferred capital contributions	31,461,905	28,418,881
Cash provided by financing transactions	28,531,162	25,323,231
Investing transactions:		
Net increase in long-term investments	(1,032)	(688)
Increase (decrease) in cash	678,629	(1,776,271)
Cash, beginning of year	8,322,943	10,099,214
Cash, end of year	$ 9,001,572	$ 8,322,943

See accompanying notes to consolidated financial statements.

The Near North District School Board is an English Public school board which administers the operations of the English public elementary and secondary schools in the Districts of Nipissing and Parry Sound.

1. Significant accounting policies:

The consolidated financial statements of the Near North District School Board (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 consolidated 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
- 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.

1. Significant accounting policies (continued):

(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) Near North District School Board Charity Works: the assets, liabilities, revenues and expenses are controlled by the Board and have been reflected in the consolidated financial statements.

iii) Nipissing-Parry Sound Student Transportation Services/Services de Transport Scolaire Nipissing-Parry Sound ("NPSSTS") is accounted for using the consolidation method of accounting and reporting, whereby the Board's pro-rated share of net assets, revenues and expenses are combined in the statements.

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.

(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	Cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long term debt	Amortized cost

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Amortized cost

Amounts is measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. Transaction costs related to the acquisition of investments are added to the amortized cost. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

Cost

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 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.

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.

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

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

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

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

(e) Deferred revenue:

The Board receives amounts pursuant to legislation, regulation or agreement that may only be used for 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 performed.

(f) Deferred capital contributions:

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

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

(g) Retirement and other employee future benefits:

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

As part of ratified labour collective agreements for unionized employees that bargain centrally and ratified central discussions with the principals and vice-principals associations, Employee Life and Health Trusts (“ELHTs”) were established in 2016-17 for the Elementary Teachers’ Federation of Ontario (“ETFO”) and for the Ontario Secondary School Teachers’ Federation (“OSSTF”). ELHTs for the following employee groups were established in 2017-18: CUPE and 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 and retired individuals after a school board’s participation date into the ELHT.

1. Significant accounting policies (continued):

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

These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario.

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, insurance and 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 services 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 life insurance 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.

(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 during the period.

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

i) Tangible capital assets:

Tangible capital assets (“TCA”) are recorded at historical cost less accumulated amortization. Historical cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as interest related to financing during construction and legally or contractually required retirement activities. The Board does not capitalize interest paid on debt used to finance the construction of tangible capital assets. 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.

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

i) Tangible capital assets (continued):

Tangible capital assets, excluding land, are amortized over their estimated useful lives as follows:

Asset	Basis	Rate
Land improvements with finite lives	Declining-balance	15 years
Buildings	Declining-balance	20 - 40 years
First time equipping	Straight-line	10 years
Furniture and equipment	Straight-line	5 - 15 years
Vehicles	Straight-line	5 - 10 years
Computer hardware	Straight-line	3 years

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

Assets under construction and assets that related 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.

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

(i) 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.

(j) Inventory:

Inventory consists of supplies held for use by the Board. It is stated at the weighted average cost of the supplies.

(k) 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.

1. Significant accounting policies (continued):

(l) Government transfers:

Government transfers for capital are deferred as required by Regulation 395/11, recorded as deferred capital contributions (“DCC”) and recognized in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

(m) 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.

(n) 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.

The Board approves its budget annually. The approved operating budget for 2024-2025 is reflected on the Consolidated Statement of Operations and Accumulated Surplus, the budget was approved on July 15, 2024.

(o) Use of estimates:

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1a requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to significant estimates include amortization of tangible capital assets and deferred capital contributions, estimated costs and timing of asset retirement obligations and actuarial estimation of employee future benefits. Actual results could differ from these estimates.

(p) Education property tax revenue:

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

1. Significant accounting policies (continued):

(q) Other revenues:

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

(r) Asset retirement obligation:

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.

2. Accounts receivable:

	2025	2024
Government of Canada	$ 796,250	$ 1,085,138
Municipalities	5,587,793	5,973,076
Other	4,073,886	1,640,918
	$ 10,457,929	$ 8,699,132

3. Accounts receivable – Province of Ontario:

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

The Board has an account receivable from the Province of Ontario of $52,191,318 (2024 - $53,686,246) as at August 31, 2025 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 $24,130,808 (2024 - $23,042,393).

The remaining amount receivable from the Province of Ontario consists of operating grants of $1,115,333 (2024 - $7,688,288), funding adjustment for Bill 124 of $Nil (2024 - $6,113,267) and various other amounts totaling $6,817 (2024 - $2,951,211).

4. Accounts payable and accrued liabilities:

	2025	2024
Trade payables and accrued liabilities	$ 13,855,845	$ 22,135,895
Payroll related	2,120,559	4,079,173
	$ 15,976,404	$ 26,215,068

5. Temporary borrowing:

i) Facility one:

The Board has an authorized revolving demand facility to a maximum of $20,000,000 to finance current expenditures and bridge pending receipt of tax assessments and Ministry revenues. This line of credit bears interest at the bank's prime lending rate less 0.75%, is unsecured and is due on demand. As at August 31, 2025, the amount drawn on this facility was $Nil (2024 - $Nil).

ii) Facility two:

The Board has an authorized revolving demand facility to a maximum of $20,000,000 to bridge financing for various school construction and/or renovation projects pending receipt of Ministry funding. This credit facility bears interest at the bank's prime lending rate less 0.75% and is unsecured. As at August 31, 2025, the amount drawn on this facility was $Nil (2024 - $Nil).

5. Temporary borrowing (continued):

iii) Facility three:

The Board has an authorized revolving lease line of credit to a maximum of $1,000,000. Leases are governed by this agreement and separate agreements between the Board and the lender. As at August 31, 2025, the amount drawn on this facility was $Nil (2024 - $Nil).

The aggregate of facilities two and three shall not exceed $20,000,000 at any time.

The Board has provided letters of guarantee to the Corporation of the City of North Bay in the aggregate amount of $Nil (2024 - $56,338).

6. Deferred revenue:

Deferred revenue consists of amounts received by the Board that are restricted for specific purposes by the funder and amounts that are required to be set aside by the Board for specific purposes, legislation, regulation or agreement.

Deferred revenue is comprised of:

	Balance at August 31, 2024	Externally restricted revenue and investment income	Revenue recognized in the period	Transfers (to) deferred capital contributions	Balance at August 31, 2025
Grants for student needs	$ 10,779,588	$ 37,418,712	$(36,022,336)	$(1,736,996)	$10,438,968
Provincial grants - other	301,070	59,820	(30,321)	–	330,569
Proceeds of disposition	2,320,091	–	–	(155,547)	2,164,544
Other	418,150	639,884	(880,186)	–	177,848
Total	$ 13,818,899	$ 38,118,416	$(36,932,843)	$(1,892,543)	$13,111,929

7. 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	$ 154,781,246	$ 141,484,094
Additions to deferred capital contributions	31,461,905	28,418,881
Revenue recognized during the year	(16,447,123)	(15,121,729)
Balance, end of year	$ 169,796,028	$ 154,781,246

8. Asset retirement obligations:

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

As 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 asset retirement obligation is below:

	2025	2024
Liabilities for asset retirement obligations at beginning of year	$ 8,162,721	$ 8,097,522
Increase in liabilities reflecting changes in the estimate of liabilities[1]	213,047	296,369
Liabilities settled during the year	(301,880)	(231,170)
	$ 8,073,888	$ 8,162,721

[1] Reflecting changes in the estimated cash flows.

The Board made an inflation adjustment increase in estimates of 2.61% as at March 31, 2025 (3.66% as at March 31, 2024), in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index ("BCPI") survey during the 2024 calendar year, as well as an adjustment to true up the estimated rate that was used at March 31, 2024. This rate is being used to update costs assumptions made in the ARO costing models in order to be reflective of March 31, 2025 costs.

Since the March 31 rate each year is determined based on the BCPI for the prior year ending December 31, the rate is updated the following March 31 to true up the prior year estimated rate (based on the 2024 calendar year) to the actual rate for the 12-month period ending March 31, 2025.

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

9. 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) 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 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 $2,572,688 (2024 - $2,591,415) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses within the consolidated statement of operations. 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 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.

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

9. Employee future benefits:

b) Other employee future benefits (continued):

(ii) Long-term disability benefits:

The Board provides long-term disability benefits including partial salary compensation and payment of life insurance premiums and health care benefits during the period an employee is unable to work or until their normal retirement date to employees who are not yet members of an ELHT. 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 accrued benefit obligations for employee future benefit plans as at August 31, 2025 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2025 (date actuarial probabilities were determined) and based on updated average daily salary and banked sick days (if applicable) as at August 31, 2025. These valuations take into account any plan changes [board to disclose nature of plan changes if applicable] and 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%

9. Employee future benefits (continued):

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

Accrued benefit obligation			2025	2024
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Accrued employee future benefit obligations	$ 3,564,004	$ 2,804,350	$ 6,368,354	$ 6,740,818
Unamortized actuarial losses	270,066	–	270,066	83,698
	$ 3,834,070	$ 2,804,350	$ 6,638,420	$ 6,824,516

Employee future benefit expenses			2025	2024
	Retirement Benefits	Other Employee Future Benefits	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	$ –	$ 646,281	$ 646,281	$ 1,384,571
Interest on accrued benefit obligation	140,097	92,838	232,935	258,192
Benefit payments	(314,473)	(824,794)	(1,139,267)	(1,696,539)
Amortization on actuarial losses	80,751	(6,796)	73,955	109,017
	$ (93,625)	$ (92,471)	$ (186,096)	$ 55,241

The information included in the tables above excludes pension contributions to multi-employer pension plans, described in note 9 (a).

10. Net long-term liabilities:

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

	2025	2024
Ontario Financing Authority capital loan 1st issue – payable in semi-annual instalments of $196,665 including interest at 4.56% per annum, final installment due November 2031	$ 2,191,190	$ 2,474,944
Ontario Financing Authority capital loan 2nd issue – payable in semi-annual instalments of $240,278 including interest at 4.90% per annum, final installment due March 2033	3,082,962	3,400,729
Ontario Financing Authority capital loan 3rd issue – payable in semi-annual instalments of $91,117 including interest at 5.062% per annum, final installment due March 2034	1,283,979	1,396,913
Ontario Financing Authority capital loan 4th issue – payable in semi-annual instalments of $327,745 including interest at 3.799% per annum, final installment due March 2038	6,611,799	7,004,772
Debenture (White Woods) – payable in semi-annual instalments of $116,168 including interest at 5.054% per annum, final installment due November 2028	737,627	925,531
Debenture (Vincent Massey and Land of Lakes) – payable in semi-annual instalments of $298,016 including interest at 4.766% per annum, final installment due November 2024	–	293,444
Debenture (Almaguin PTR Stage 2) – payable in semi-annual instalments of $508,017 including interest at 3.564% per annum, final installment due March 2037	9,726,052	10,377,990
Debenture (Almaguin Capital Priorities) – payable in semi-annual instalments of $134,806 including interest at 3.564% per annum, final installment due March 2037	2,580,885	2,753,877
Debenture (Almaguin PTR Stage 2) – payable in semi-annual instalments of $73,438 including interest at 4.003% per annum, final installment due March 2039	1,547,277	1,629,731
Debenture (Almaguin PTR Stage 3) – payable in semi-annual instalments of $1,853 including interest at 2.993% per annum, final installment due March 2040	44,080	46,414
Debenture (GPL/Capital Funding Allocation 2010/11) – payable in semi-annual instalments of $49,579 including interest at 3.242% per annum, final installment due March 2041	1,220,163	1,278,345
Debenture (Capital Priorities) – payable in semi-annual instalments of $349,786 including interest at 3.594% per annum, final installment due March 2042	8,775,519	9,149,586
	$ 37,801,533	$ 40,732,276

10. Net long-term liabilities (continued):

Payments relating to the net long-term liabilities outstanding as at August 31, 2025 are due as follows:

	Principal	Interest	Total
2025-2026	$ 2,745,157	$ 1,433,747	$ 4,178,904
2026-2027	2,857,523	1,321,381	4,178,904
2027-2028	2,974,592	1,204,312	4,178,904
2028-2029	2,981,365	1,082,338	4,063,703
2029-2030	2,982,486	964,082	3,946,568
Thereafter	23,260,410	3,945,232	27,205,642
	$ 37,801,533	$ 9,951,092	$ 47,752,625

11. 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	$ 112,930,746	$ 120,079,948	$ 127,606,197
Employee benefits	21,772,366	20,609,338	21,347,256
Staff development	624,767	381,655	527,337
Supplies and services	13,838,005	12,876,937	13,245,281
Interest	1,548,654	1,513,405	1,641,620
Rental expenditures	133,500	688,013	652,313
Fees and contract services	20,966,079	24,150,094	21,329,648
Other	693,392	1,496,089	2,080,215
Amortization, write downs and net loss on disposal of tangible capital assets	15,795,157	16,609,064	15,318,345
Amortization of asset retirement obligation	432,813	491,104	443,376
	$ 188,735,479	$ 198,895,647	$ 204,191,588

12. Tangible capital assets:

Cost	Balance at August 31, 2024	Additions	Disposals, Write-offs Transfers and Adjustments	Revaluation of ARO	Balance at August 31, 2025
Land	$ 5,142,004	$ -	$ -	$ -	$ 5,142,004
Land improvements	21,312,042	305,023	(3,068,945)	-	18,548,120
Buildings	253,868,135	4,061,748	(1,928,164)	213,047	256,214,766
Furniture and equipment	3,010,235	136,965	(46,671)	-	3,100,529
First time equipping	1,274,710	255,608	(359,844)	-	1,170,474
Vehicles	119,316	51,203	-	-	170,519
Computer hardware	1,609,996	705,886	(597,064)	-	1,718,818
Construction in progress	27,879,418	26,180,270	-	-	54,059,688
Total	$ 314,215,856	$ 31,696,703	$ (6,000,688)	$ 213,047	$ 340,124,918

Amortization	Balance at August 31, 2024	Amortization Expense	Disposals, Write-offs Transfers and Adjustments	Revaluation of ARO	Balance at August 31, 2025
Land	$ -	$ -	$ -	$ -	$ -
Land improvements	13,367,743	1,518,800	(3,068,945)	-	11,817,598
Buildings	135,257,279	14,484,509	(1,763,615)	-	147,978,173
Furniture and equipment	968,456	300,896	(46,671)	-	1,222,681
First time equipping	708,967	109,507	(359,844)	-	458,630
Vehicles	41,437	22,469	-	-	63,906
Computer hardware	839,037	554,803	(597,064)	-	796,776
Total	$ 151,182,919	$ 16,990,984	$ (5,836,139)	$ -	$ 162,337,764

	Net book value, August 31, 2024	Net book value, August 31, 2025
Land	$ 5,142,004	$ 5,142,004
Land improvements	7,944,299	6,730,522
Buildings	118,610,856	108,236,593
Furniture and equipment	2,041,779	1,877,848
First time equipping	565,743	711,844
Vehicles	77,879	106,613
Computer hardware	770,959	922,042
Construction in progress	27,879,418	54,059,688
Total	$ 163,032,937	$ 177,787,154

13. Accumulated surplus:

Accumulated surplus consists of the following:

	2025	2024
Available for compliance – unappropriated:		
Total operating accumulated surplus	$ 21,848,739	$ 21,794,367
Available for compliance – internally appropriated:		
Charity	902,016	922,287
Local priorities fund funding	358,686	350,373
Committed capital projects	1,210,486	1,137,630
	2,471,188	2,410,290
Unavailable for compliance – externally appropriated:		
Revenues recognized for land	5,142,000	5,142,000
School generated funds	1,638,460	1,469,849
Accrued interest	(426,203)	(461,452)
Asset retirement obligation	(6,435,244)	(6,190,655)
	(80,987)	(40,258)
Total accumulated surplus	$ 24,238,940	$ 24,164,399

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. Liability insurance is available to a maximum of $27 million per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2024, were $239,535 (2023 - $223,040).

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

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

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

14. Ontario School Board Insurance Exchange ("OSBIE") (continued):

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

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

15. Contingent liabilities:

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 periods in which the matters are resolved.

16. Contractual obligation:

Within a previous fiscal year, the Board entered into a contractual obligation relating to the construction of a new JK-12 school in Parry Sound. At the year end date there was a contractual obligation of $53,218,487 of which $4,152,858 was unspent at year end. Subsequent to year end, on January 14, 2026, the Board terminated the construction contract. In March of 2026, a Construction Management Contract for Services and Construction in the amount of $6,154,000.00 was awarded to a new company.

17. Subsequent event:

Pursuant to paragraph 1 of subsection 230.3(1) of the Education Act, on December 1, 2025, the Ontario government made an order that vests in the Minister of Education control and charge over the administration of the affairs of the Near North District School Board, effective this same day. Since this date, the Minister of Education has appointed a Supervisor to exercise the powers and perform the duties of the Minister of Education that have been delegated to the Supervisor. The role of the Supervisor is to replace the Board of Trustees on a temporary basis.

18. Debt charges:

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

	2025	2024
Principal payments on long-term debt	$ 2,930,643	$ 3,095,650
Interest payment on long-term debt	1,548,754	1,679,285
	$ 4,479,397	$ 4,774,935

19. Partnership in the Nipissing-Parry Sound Student Transportation Services:

In 2003, the Board entered into an agreement with the Nipissing-Parry Sound Catholic District School Board, Conseil Scolaire Public du Nord-Est de L'Ontario and Conseil Scolaire Catholique France-Nord District School Boards, and formed the Nipissing-Parry Sound Student Transportation Services ("NPSSTS") to provide common administration of student transportation in the district. The agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation to each of the Boards. Under the agreement, decisions related to the financial and operating activities of the NPSSTS are shared. No partner is in a position to exercise unilateral control.

Expenses are shared on the basis of student ridership for transportation costs and a pro-rata sharing of administrative costs.

The following provides condensed financial information:

	2025 Total	2025 NNDSB Portion	2024 Total	2024 NNDSB Portion
Financial position:				
Financial assets	$ 2,210,381	$ 1,322,471	$ 2,719,019	$ 1,660,777
Financial liabilities	(2,267,389)	(1,356,579)	(2,787,584)	(1,702,657)
Non-financial assets	57,008	34,108	68,565	41,880
Accumulated surplus	$ –	$ –	$ –	$ –
Operations:				
Revenues	$ 27,923,894	$ 16,706,866	$ 26,741,147	$16,333,493
Expenses	(27,923,894)	(16,706,866)	(26,741,147)	(16,333,493)
Accumulated surplus	$ –	$ –	$ –	$ –

20. Repayment of "55 School Board Trust" funding:

On June 1, 2003, the Board received $5,277,832 from the "55 School Board Trust" for its capital related debt eligible for provincial funding support pursuant to a 30 year agreement it entered into with the trust. The "55 School Board Trust" was created to refinance the outstanding not permanently financed ("NPF") debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, the "55 School Board Trust" repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board's consolidated statement of financial position and the flow-through of $393,202 (2024 - $393,442) in respect of the above agreement is recorded in these consolidated financial statements.

21. 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. 84.2 percent of the 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:

	2025	2024
Provincial legislative grants	$ 126,566,258	$ 118,960,984
Education property tax	40,921,288	40,411,495
Core education funding	$ 167,487,546	$ 159,372,479

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 excess of revenue over expenses.

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 10 for additional disclosure on the Board's borrowing with the Ontario Financing Authority.

24. 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 areas and other approved costs are recoverable through an offset to the local taxation revenue.

25. Future accounting standards 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 are applicable for fiscal years beginning on or after April 1, 2026 (in effect for the Board for as of September 1, 2026, for the year ending August 31, 2027). Standards must be implemented at the same time:

New Public Sector Accounting Standards ("PSAS") Conceptual Framework:

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

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

The main changes are:

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

The framework is expected to be implemented prospectively.

Reporting Model PS 1202 *Financial Statement Presentation*:

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

The main changes are:

- Restructured Statement of Financial Position
- Introduction of financial and non-financial liabilities
- Amended non-financial asset definition
- New components of net assets- accumulated other and issued share capital
- Relocated net debt to its own statement
- Renamed the net debt indicator
- Revised the net debt calculation
- Removed the Statement of Change in Net Debt
- New Statement of Net Financial Assets/Liabilities
- New Statement of Changes in Net Assets Liabilities

Financing transactions presented separately from operating, capital and investing transactions on the Statement of Cash Flows.

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 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.

(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:

The Board mitigates liquidity risk by monitoring cash activities and expected outflows through extensive budgeting. 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	$ 15,676,404	$ –	$ 300,000	$ –	$ 15,976,404
Long-term debt	1,358,819	1,386,338	11,795,966	23,260,410	37,801,533
	$ 17,035,223	$ 1,386,338	$ 12,095,966	$ 23,260,410	$ 53,777,937

As at August 31, 2024	Within 6 months	6 - 12 months	1 - 4 years	4+ years	Total
Accounts payable	$ 25,915,068	$ –	$ 300,000	$ –	$ 26,215,068
Long-term debt	1,598,786	1,331,857	11,458,636	26,342,997	40,732,276
	$ 27,513,854	$ 1,331,857	$ 11,758,636	$ 26,342,997	$ 66,947,344