Consolidated Financial Statements of

JAMES BAY LOWLANDS SECONDARY 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 James Bay Lowlands Secondary School Board (the "Board") are the responsibility of the Board's management. The consolidated financial statements have been prepared in compliance with Public Sector Accounting Standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The preparation of consolidated financial statements necessarily involves the use of estimates based on Board management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's 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 Board's Trustees meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the 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

July 24, 2026

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the James Bay Lowlands Secondary School Board

Opinion

We have audited the accompanying consolidated financial statements of James Bay Lowlands Secondary School Board (the "Board"), 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 financial assets 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 Board 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 preparation 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 Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter – Basis of Preparation

We draw attention to note 1 to the consolidated financial statements which describes the basis of preparation used in these financial statements.

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 the basis of accounting described in note 1 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the School Board'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.

KPMG

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- 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.
- Obtain sufficient audit evidence regarding the financial information of the entities or business activities within the Board to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

July 24, 2026

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Consolidated Statement of Financial Position

August 31, 2025, with comparative information for 2024

	2025	2024
Financial assets		
Cash	$ 2,772,496	$ 3,180,921
Accounts receivable (note 2)	1,187,565	1,204,523
Total financial assets	3,960,061	4,385,444
Financial liabilities		
Accounts payable and accrued liabilities (note 3)	602,344	816,609
Deferred revenue (note 4)	127,802	270,292
Asset retirement obligation (note 9)	233,521	227,582
Employee future benefits (note 5)	4,092	61,467
Total financial liabilities	967,759	1,375,950
Net financial assets	2,992,302	3,009,494
Non-financial assets		
Prepaid expenses	48,876	21,149
Tangible capital assets (note 6)	6,390,900	5,841,448
Total non-financial assets	6,439,776	5,862,597
Contractual obligations (note 13)		
Commitments and contingent liabilities (note 15)		
Accumulated surplus (note 7)	$ 9,432,078	$ 8,872,091

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

____________________ Supervisory Officer

____________________ Chair of the Board

JAMES BAY LOWLANDS SECONDARY 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:			
- Grants for Student Needs	$ 7,657,377	$ 7,703,691	$ 7,749,881
- Other	91,130	520,404	558,366
Other fees and revenue	556,450	478,325	319,371
School generated funds	58,225	54,814	32,154
Municipal	2,602	2,776	3,789
Total revenue	8,365,784	8,760,010	8,663,561
Expenses (note 8):			
Instruction	4,470,597	4,225,653	4,850,712
Administration	757,099	879,763	752,795
Transportation	1,342,019	1,240,855	1,329,342
School operations and maintenance	1,110,398	1,701,328	1,370,649
Teacherages	694,100	109,398	332,106
School generated funds	58,225	43,026	21,097
Total expenses	8,432,438	8,200,023	8,656,701
Annual (deficit) surplus	(66,654)	559,987	6,860
Accumulated surplus, beginning of year	8,872,091	8,872,091	8,865,231
Accumulated surplus, end of year	$ 8,805,437	$ 9,432,078	$ 8,872,091

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

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Consolidated Statement of Change in Net Financial Assets

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

	2025 Budget	2025 Actual	2024 Actual
Annual surplus (deficit)	$ (66,654)	$ 559,987	$ 6,860
Tangible capital assets:			
Acquisition of tangible capital assets	-	(1,078,480)	(700,283)
Amortization of tangible capital assets	-	534,967	455,694
Amortization of tangible capital assets - ARO	-	-	7,335
Revaluation of tangible capital assets - ARO	-	(5,939)	(8,036)
	-	(549,452)	(245,290)
Prepaid expenses:			
Acquisition of prepaid expenses	-	(48,876)	(21,149)
Use of prepaid expenses	-	21,149	47,417
	-	(27,727)	26,268
Decrease in net financial assets	(66,654)	(17,192)	(212,162)
Net financial assets, beginning of year	3,009,494	3,009,494	3,221,656
Net financial assets, end of year	$ 2,942,840	$ 2,992,302	$ 3,009,494

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

JAMES BAY LOWLANDS SECONDARY SCHOOL BOARD

Consolidated Statement of Cash Flows

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

	2025	2024
Cash flows provided by (used in):		
Operating activities:		
Annual surplus	$ 559,987	$ 6,860
Item not involving cash:		
Amortization of tangible capital assets	534,967	455,694
Amortization of tangible capital assets - ARO	-	7,335
	1,094,954	469,889
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	16,958	(451,383)
Decrease in accounts payable and accrued liabilities	(214,265)	(584,854)
(Decrease) increase in deferred revenue	(142,490)	221,596
Decrease in employee future benefits	(57,375)	(1,475)
(Increase) decrease in prepaid expenses	(27,727)	26,268
Net change in cash from operating activities	670,055	(319,959)
Capital activities:		
Cash used to acquire tangible capital assets	(1,078,480)	(700,283)
Decrease in cash	(408,425)	(1,020,242)
Cash, beginning of year	3,180,921	4,201,163
Cash, end of year	$ 2,772,496	$ 3,180,921

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

The James Bay Lowlands Secondary School Board is a public school board providing school services in Moosonee Ontario and operates one secondary school.

1. **Significant accounting policies:**

   The consolidated financial statements (the "financial statements") of the James Bay Secondary School Board (the "Board") are prepared by management in accordance with Public Sector Accounting Standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

   (a) Basis of preparation:

   The financial statements have been prepared in accordance with the Financial Administration Act (the "Act") supplemented by Ontario Ministry of Education memorandum 2004:B2.

   The 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 Act, requiring contributions received or receivable for the acquisition or development of depreciable tangible capital assets be recorded as deferred capital contributions. Subsequent to Ontario Regulation 395/11, the Board has received instructions from the Ontario Ministry of Education to not recognize deferred capital contributions.

   As a result, the Board has adopted Public Sector Accounting Standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

   (b) Reporting entity:

   The 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 are owned and controlled by the Board, including:

   i) School generated funds which include the assets, liabilities, revenues, expenses and fund balances of various organizations that exist at the school level and which are deemed to be controlled by the Board, have been reflected in the financial statements.

   (c) Financial instruments:

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

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

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 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.

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.

Cost

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

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

Financial instrument	Measurement method
Cash and cash equivalents	Cost
Guaranteed investment certificates	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

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

(d) Accounts receivable and payable:

Accounts receivable and payable are accounted for on the accrual basis, which recognizes transactions as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal liability to pay.

1. Significant accounting policies (continued):

(e) Deferred revenue:

The Board receives amounts pursuant to legislation, regulation or agreement and may only be used for certain programs or in the delivery of specific services and transactions. 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.

These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(f) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include retirement gratuity, worker's compensation, long-term disability benefits and a contribution to pension. The Board accrues its obligation for these employee benefits.

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") were established between 2016 and 2018 for all employee groups. Additionally, retirees belonging to the Principal/Vice Principal and Non-union employee groups have transitioned to the ELHT in 2017-18. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. School boards are required to remit a negotiated amount per full-time equivalency ("FTE") on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs ("GSN") and additional ministry funding in the form of a Crown contribution and Stabilization Adjustment. After retirees transition, the Board continues to be responsible for its share of cost of benefits based on the cost sharing arrangement prior to the transition to the ELHT.

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, 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 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.

1. Significant accounting policies (continued):

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

(i) For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation 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.

(g) Non-financial assets:

Non-financial assets are not available to settle 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 are recorded at historical cost less accumulated amortization. Historical costs include amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The Board capitalizes interest paid on debt used to finance the construction of tangible capital assets.

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

Asset	Useful Life - Years
School buildings	40 years
Other buildings	20 years
Leasehold improvements	10 years
Land improvements	10 years
Furniture and equipment	5 – 15 years
Computers, hardware and software	3 years
Vehicles	5 years

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

Construction in progress assets are not amortized until the asset is available for productive use.

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

(ii) 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.

(h) Government transfers:

Government transfers, which include legislative grants, are recognized 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.

(i) Municipal taxation:

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 municipality is recorded as municipal taxation revenue when it is eligible for receipt.

(j) 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. The majority of board revenues do not fall under the new PS 3400 accounting standard.

(k) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board.

The budget approved by the Board 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 2024-2025 is reflected on the statement of operations. The budget was approved on November 6, 2024.

1. Significant accounting policies (continued):

(l) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from these current estimates. Significant estimates include assumptions used in performing actuarial valuations of employee future benefit liabilities and estimated costs and timing of asset retirement obligations.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of $233,521. 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 reported in earnings in the year in which they become known.

2. Accounts receivable:

	2025	2024
Government of Canada	$ 688,007	$ 748,443
Province of Ontario	228,776	212,722
Other	270,782	243,358
	$ 1,187,565	$ 1,204,523

3. Accounts payable and accrued liabilities:

	2025	2024
Province of Ontario	$ 229,356	$ 187,848
Trade accounts payable and accruals	174,092	424,488
Payroll and benefits	198,896	204,273
	$ 602,344	$ 816,609

4. Deferred revenue:

	Balance at August 31, 2024	Additions	Revenue recognized / transferred in the period	Balance at August 31, 2025
Ministry of Education:				
Special education (SEPPA)	$ 92,264	$ 861,132	$ (909,229)	$ 44,167
Pupil accommodation	–	181,679	(181,679)	–
Other grants for specific purposes	15,344	30,160	(15,344)	30,160
Other	162,684	9,676	(118,885)	53,475
Total deferred revenue	$ 270,292	$ 1,082,647	$ (1,225,137)	$ 127,802

	Balance at August 31, 2023	Additions	Revenue recognized / transferred in the period	Balance at August 31, 2024
Ministry of Education:				
Special education (SEPPA)	$ 36,746	841,836	(786,318)	$ 92,264
Pupil accommodation	–	43,395	(43,395)	–
Other grants for specific purposes	–	15,344	–	15,344
Other	11,950	239,305	(88,571)	162,684
Total deferred revenue	$ 48,696	$ 1,139,880	$ (918,284)	$ 270,292

5. Employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, retirement gratuity, worker's compensated absences, 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 Province of Ontario. The pension costs and obligations related to this plan are a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's financial statements.

5. Employee future benefits (continued):

(a) Retirement benefits (continued):

(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 $126,102 (2024 - $153,127). 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 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 financial statements. The amount of gratuities payable to eligible employees at retirement was based on their salary, accumulated sick days, and years of service as of August 31, 2012.

(b) Other employee future benefits:

(i) Workplace Safety and Insurance Board Obligations:

The Board is a Schedule 1 employer under the Workplace Safety and Insurance Act and, as such, the Board insures all claims by its injured workers under the Act. The Board's insurance premiums for the year ended August 31, 2025 were $24,341 (2024 - $15,925) and are included in the Board's current year benefit costs. No liabilities for claims by its injured workers under the Act are included in the Board's consolidated financial statements. Plan changes made in 2012 now requires school boards to provide salary top-up to a maximum of 4 ½ years for employees receiving payments from the Workplace Safety and Insurance Board, where previously negotiated collective agreement 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 a result, no liability for this benefit exists as at August 31, 2025.

(iii) Short-term leave and disability:

Under the short-term leave and disability 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.

5. Employee future benefits (continued):

(b) Other employee future benefits (continued):

(iii) Short-term leave and disability (continued):

The accrued benefit obligations for employee future benefit plans as at August 31, 2025 are based on actuarial valuations 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	2.00%	2.00%
Wage and salary escalation	N/A	N/A
Discount on accrued benefit obligations	3.80%	3.80%

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

	2025	2024
Accrued benefit liability, beginning of year	$ 61,467	$ 62,942
Expenses recognized for the year:		
Current service cost	3,593	4,898
Amortized of actuarial gains and losses	926	2,233
Interest loss (gain)	2,184	(3,178)
	68,170	66,895
Benefits payments made	(64,078)	(5,428)
Accrued benefit liability, end of year	$ 4,092	$ 61,467
Accrued future benefit obligation, end of year	$ –	$ 57,707
Net unamortized actuarial gain	4,092	3,760
Accrued benefit liability, end of year	$ 4,092	$ 61,467

6. Tangible capital assets:

Cost		Balance at August 31, 2024		Additions		ARO Revaluation		Disposals and Transfers		Balance at August 31, 2025
Land	$	46,500	$	-	$	-	$	-	$	46,500
Land improvements		356,633		-		-		-		356,633
School buildings		11,160,569		266,478		1,246		113,000		11,541,293
Other buildings		1,622,470		279,609		4,693		-		1,906,772
Leasehold improvements		461,311		-		-		-		461,311
Furniture and equipment		1,076,947		180,791		-		-		1,257,738
Computer hardware and software		363,841		12,918		-		-		376,759
Vehicles		129,779		127,728		-		-		257,507
Construction in progress		113,000		210,956		-		(113,000)		210,956
Total	$	15,331,050	$	1,078,480	$	5,939	$	-	$	16,415,469

Accumulated Amortization		Balance at August 31, 2024		Disposals and Transfers		ARO Amortization		Amortization		Balance at August 31, 2025
School buildings	$	7,207,507	$	-	$	-	$	246,257	$	7,453,764
Other buildings		789,548		-		-		54,339		843,887
Leasehold improvements		424,527		-		-		8,862		433,389
Furniture and equipment		623,921		-		-		130,559		754,480
Computer hardware and software		310,770		-		-		26,537		337,307
Vehicles		79,834		-		-		32,750		112,584
Land improvements		53,495		-		-		35,663		89,158
Total	$	9,489,602	$	-	$	-	$	534,967	$	10,024,569

		Net book value, August 31, 2024		Net book value, August 31, 2025
Land	$	46,500	$	46,500
Land improvements		303,138		267,475
School buildings		3,953,062		4,087,529
Other buildings		832,922		1,062,885
Leasehold improvements		36,784		27,922
Furniture and equipment		453,026		503,258
Computer hardware and software		53,071		39,452
Construction in progress		113,000		210,956
Vehicles		49,945		144,923
Total	$	5,841,448	$	6,390,900

7. Accumulated surplus:

Accumulated surplus consists of the following:

	2025	2024
Unappropriated operating accumulated surplus	$ 3,231,531	$ 3,284,219
Invested in tangible capital assets	6,390,900	5,841,448
Employee future benefits	(4,092)	(61,467)
School generated funds	47,260	35,473
Asset retirement obligation	(233,521)	(227,582)
Total accumulated surplus	$ 9,432,078	$ 8,872,091

8. Expenses by object:

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

	2025 Budget	2025 Actual	2024 Actual
Salary and wages	$ 3,737,375	$ 3,760,406	$ 4,003,360
Employee benefits	1,218,526	1,017,083	1,279,280
Staff development	106,220	93,576	56,224
Supplies and services	2,450,911	1,021,800	1,011,625
Rental	152,907	172,427	168,686
Fees and contract services	212,600	1,473,254	1,615,726
Other	136,100	126,778	58,772
Amortization of tangible capital assets	417,799	534,699	463,028
	$ 8,432,438	$ 8,200,023	$ 8,656,701

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 at beginning of year	$ 227,582	$ 219,546
Increase in liabilities reflecting changes in the estimate of liabilities[1] (note 10)	5,939	8,036
	$ 233,521	$ 227,582

[1] Reflecting changes in the estimated cash flows.

10. Revaluation of asset retirement obligations liability:

As a result of recent high levels of inflation and liability balances based on previous cost estimates, 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.

11. 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.

OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of $27 million per occurrence.

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.

Premiums paid to OSBIE for the policy year ending December 31, 2025 amount to $67,891.56.

12. Line of credit:

The School Board has available to it a $750,000 revolving line of credit by way of business operating account overdraft with a chartered bank, payable on demand, bearing interest at the prime rate plus 1% per annum. Security is provided in the form of a borrowing resolution. The Board did not utilize this credit facility during the year.

13. Contractual obligations:

The Board leases premises from the Town of Moosonee under a lease agreement that expires December 31, 2025. Rent is subject to monthly payments as scheduled in the terms of the lease agreement. In addition, applicable taxes are to be charged to the Board. The current years rent charge is $141,832 (2024 - $137,581).

14. In-kind transfers from the Ministry of Government and Consumer Services:

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of critical supplies and equipment (CSE) received from the Ministry of Government and Consumer Services (MGCS). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the board's records. The in-kind revenue recorded for these transfers is $583 with expenses based on use of $850.

15. Commitments and contingent liabilities:

(a) Leases and service agreements:

The Board has entered into various service agreements. Minimum payments (including taxes excluding tax rebates) are approximately as follows:

2026	$ 95,588
2027	16,684
2028	8,745
2029	8,745
2030	8,745
Thereafter	4,373

(b) 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.

16. Future accounting standard adoption:

The Board is in the process of assessing the impact of the upcoming new standards and the extent of the impact of their adoption on its financial statements.

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

<u>New Public Sector Accounting Standards (PSAS) Conceptual Framework:</u>

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.

<u>Reporting Model PS 1202 *Financial Statement Presentation*:</u>

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

<u>Reporting Model PS 1202 *Financial Statement Presentation* (continued):</u>

- 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

17. 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.

18. Subsequent event:

Subsequent to year-end, the Board received a signed funding approval letter for $599,077 from the Ministry of Education awarding capital under the Launch of the 2025-26 Capital Priorities Program. The related capital expenditures were incurred during the year; however, government approval did not occur. As the funding was not approved during the year, no receivable or revenue was recognized in the year-end financial statements.