Consolidated Financial Statements of

DISTRICT SCHOOL BOARD OF NIAGARA

And Independent Auditor's Report thereon

Year ended August 31, 2025

DISTRICT SCHOOL BOARD OF NIAGARA
191 CARLTON ST. • ST. CATHARINES, ON • L2R 7P4 • 905-641-1550 • DSBN.ORG

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the District School Board of Niagara are the responsibility of the Board management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act, as described in note 1 to the consolidated financial statements.

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

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

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

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

K Pisek
Kelly Pisek
Director of Education & Secretary

S. Veld
Stacy Veld
Associate Director of Education,
Corporate Services & Treasurer

November 18, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of District School Board of Niagara

Opinion

We have audited the consolidated financial statements of District School Board of Niagara (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, its consolidated remeasurement of gains and losses, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

Emphasis of Matter - Financial Reporting Framework

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

November 18, 2025

DISTRICT SCHOOL BOARD OF NIAGARA

Consolidated Statement of Financial Position

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

	2025	2024
Financial Assets		
Cash and cash equivalents	$ 66,728,814	$ 34,251,565
Accounts receivable	19,882,372	22,147,655
Accounts receivable – Government of Ontario (note 2)	134,238,359	156,826,465
Other investments (note 3)	1,642,155	1,355,855
Assets held for sale (note 4)	696,499	1,026,985
Total financial assets	223,188,199	215,608,525
Financial Liabilities		
Temporary borrowing (note 5)	18,904,814	10,573,327
Accounts payable and accrued liabilities	47,433,578	40,092,568
Deferred revenue (note 6)	28,311,053	39,986,896
Deferred capital contributions (note 7)	503,566,112	452,652,954
Net long-term liabilities (note 8)	62,408,507	67,748,175
Employee future benefits (note 9)	8,857,627	9,167,541
Asset retirement obligation liability (note 10)	45,292,488	45,859,520
Total financial liabilities	714,774,179	666,080,981
Net debt	(491,585,980)	(450,472,456)
Non-Financial Assets		
Prepaid expenses	2,993,663	4,199,154
Tangible capital assets (note 11)	584,576,135	534,712,283
Total non-financial assets	587,569,798	538,911,437
Commitments (note 18)		
Accumulated surplus (note 12)	$ 95,983,818	$ 88,438,981

See accompanying notes to consolidated financial statements.

On behalf of the Board

_______________ Chair

_______________ Director of Education

DISTRICT SCHOOL BOARD OF NIAGARA

Consolidated Statement of Operations and Accumulated Surplus

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

	2025 Budget	2025 Actual	2024 Actual
Revenue:			
Core education funding (note 14)	$ 538,229,981	$ 573,911,395	$ 545,687,149
Provincial grants - other	22,932,851	12,397,904	51,811,103
Investment income	4,400,000	2,900,732	4,310,353
Other	5,205,382	6,145,715	10,618,644
School fundraising and other revenue	6,722,359	13,212,909	12,386,995
Amortization of deferred capital contributions	51,170,130	34,181,246	35,742,211
Total revenue	628,660,703	642,749,901	660,556,455
Expenses (note 16):			
Instruction	459,407,645	482,966,595	503,872,392
Administration	14,205,242	13,389,404	14,695,401
Transportation	28,023,802	28,212,094	27,753,163
School operation and maintenance	53,979,551	56,543,377	55,969,778
Pupil accommodation	53,318,937	39,612,405	41,874,128
Other	15,279,569	853,999	1,784,668
School funded activities	6,722,359	13,627,190	12,162,953
Total expenses	630,937,105	635,205,064	658,112,483
Annual surplus (deficit)	(2,276,402)	7,544,837	2,443,972
Accumulated surplus, beginning of year	84,480,702	88,438,981	85,995,009
Accumulated surplus, end of year (note 12)	$ 82,204,300	$ 95,983,818	$ 88,438,981

See accompanying notes to consolidated financial statements.

DISTRICT SCHOOL BOARD OF NIAGARA

Consolidated Statement of Changes in Net Debt

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

	2025	2024
Annual surplus	$ 7,544,837	$ 2,443,972
Tangible capital assets activity:		
Acquisition of tangible capital assets	(87,243,975)	(74,858,947)
Amortization of tangible capital assets	35,723,981	37,195,421
Amortization of asset retirement obligation	2,117,523	1,944,453
Gain on sale of tangible capital assets	(5,121)	(19,487)
Proceeds on sale of tangible capital assets	5,121	19,487
Transfer to asset held for sale	696,499	1,026,985
Write-downs of tangible capital assets	–	188,304
Changes in estimates of asset retirement obligation	(1,157,880)	–
Other non-financial asset activity:		
Acquisition of prepaid expenses	(2,839,674)	(3,891,175)
Use of prepaid expenses	4,045,165	1,016,540
Change in net debt	(41,113,524)	(34,934,447)
Net debt, beginning of year	(450,472,456)	(415,538,009)
Net debt, end of year	$ (491,585,980)	$ (450,472,456)

See accompanying notes to consolidated financial statements.

DISTRICT SCHOOL BOARD OF NIAGARA

Consolidated Statement of Cash Flows

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

	2025	2024
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 7,544,837	$ 2,443,972
Items not involving cash:		
Amortization and write-off of tangible capital assets	36,750,966	37,454,489
Amortization of asset retirement obligation	2,117,523	1,944,453
Change in TCA-ARO asset excluding amortization	(1,157,880)	–
Gain on sale of capital assets and assets held for sale	(2,842,353)	(1,285,133)
Change in employee future benefits and other liabilities	(309,914)	(366,399)
Change in asset retirement obligation liabilities	(567,032)	(126,291)
Amortization of deferred capital contributions	(34,181,246)	(35,742,211)
	7,354,901	4,322,880
Change in non-cash assets and liabilities:		
Accounts receivable	2,265,283	4,134,099
Accounts payable and accrued liabilities	7,341,010	(7,115,622)
Deferred revenue	(11,675,843)	(7,682,617)
Prepaid expenses	1,205,491	(2,874,635)
Net change in cash from operating activities	6,490,842	(9,215,895)
Capital activities:		
Proceeds on sale of capital assets and assets held for sale	2,842,353	1,285,133
Cash used to acquire tangible capital assets	(87,243,975)	(74,858,947)
Net change in cash from capital activities	(84,401,622)	(73,573,814)
Investing activities:		
Other investments	(286,300)	–
Net change in cash from investing activities	(286,300)	–
Financing activities:		
Temporary borrowing	8,331,487	(1,927,742)
Long-term debt repaid	(5,339,668)	(5,107,356)
Accounts receivable - Government of Ontario	22,588,106	14,344,072
Deferred capital contributions	85,094,404	64,143,936
Net change in cash from financing activities	110,674,329	71,452,910
Net change in cash	32,477,249	(11,336,799)
Cash and cash equivalents, beginning of year	34,251,565	45,588,364
Cash and cash equivalents, end of year	$ 66,728,814	$ 34,251,565

See accompanying notes to consolidated financial statements.

1. Significant accounting policies:

The consolidated financial statements of the District School Board of Niagara (the “Board”) are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the Board are as follows:

(a) Basis of accounting:

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

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

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

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

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- 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.

1. Significant accounting policies (continued):

(a) Basis of accounting (continued):

As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions may be recorded differently under Canadian public sector accounting standards.

(b) Reporting entity:

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

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

Consolidated entities:
School Generated Funds

Proportionately consolidated entities:
Niagara Student Transportation Services

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

(c) Trust funds:

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

(d) Financial instruments

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument:

Financial instrument	Measurement method
Guaranteed Investment Certificates	Amortized cost

(e) Cash and cash equivalents:

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

1. Significant accounting policies (continued):

(f) Investments:

Portfolio investments are investments in organizations that do not form part of the government reporting entity. These are normally in equity instruments or debt instruments issued by the investee. Portfolio investments in equity instruments that are quoted in an active market must be recorded at fair value. Unrealized gains and losses are recorded in the Consolidated Statement of Remeasurement Gains and Losses.

Since school boards are generally not allowed to hold stocks, mutual funds or other equity instruments per Ontario Regulation 41/10: Board Borrowing, Investing and Other Financial Matters, the Board does not have equity instruments that are quoted in an active market that must be recorded at fair value.

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

(g) Tangible capital assets:

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

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

Asset	Useful life
Land improvements	15 years
Buildings	40 years
Portable structures	20 years
First-time equipping of schools	10 years
Furniture	10 years
Equipment	5-15 years
Computer hardware	3 years
Computer software	5 years
Vehicles	5-10 years

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

1. Significant accounting policies (continued):

(g) Tangible capital assets (continued):

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 are classified as assets held for sale and recognized as a financial asset only when the Board has committed to selling the asset, the asset is in a condition to be sold, the asset is publicly seen to be for sale, there is an active market for the asset and there is a plan in place to sell the asset. It must be anticipated that the sale will take place within one year of the date of the consolidated statement of financial position.

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

Donated or contributed assets are capitalized and recorded at their estimated fair value upon acquisition and recognized in deferred capital contributions and amortized to revenue over the estimated useful life.

(h) Deferred revenue:

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

(i) Deferred capital contributions:

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

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

1. Significant accounting policies (continued):

(j) Retirement and other employee future benefits:

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include life insurance, health care benefits, dental benefits, retirement gratuity, worker's 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, the following Employee Life and Health Trusts ("ELHTs") were established in 2016-2017: ETFO and OSSTF. The following ELHTs were established in 2017-2018: CUPE, EWBT and ONE-T for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals prior to the Board's participation date into the ELHT. These benefits are being provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. The Board no longer administers health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Core education funding, including additional ministry funding in the form of a Crown contribution as well as Stabilization Adjustment.

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for retired individuals that were previously represented by ETFO, OSSTF and CUPE.

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

(i) The costs of self-insured retirement and other employee future benefit plans are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care costs trends, disability recovery rates, long-term inflation rates and discount rates. For certain employee groups, the cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days, and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

1. Significant accounting policies (continued):

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

(i) (continued):

For self-insured retirement and other employee future benefits that vest over the periods of service provided by employees, such as retirement gratuities and life insurance and health care benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for 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 Employee Retirement System pensions, are the employer's contributions due to the plan in the period.

(iii) The costs of insured benefits are the employer's portion of insurance premiums owed for coverage of employees during the period.

(k) Other revenues:

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

(l) Investment income:

Investment income is reported as revenue in the period earned.

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

(m) School fundraising and other revenue:

School fundraising and other revenue are reported as revenue in the period earned.

1. Significant accounting policies (continued):

(n) Asset retirement obligations:

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

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

- there is a statutory, contractual or legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up;
- a reasonable estimate of the amount can be made.

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

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

(o) Government transfers:

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

Government transfers for capital are included in deferred capital contributions as described in note 1(i).

(p) 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 on June 25, 2024, 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.

1. Significant accounting policies (continued):

(q) 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. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in net expenses in the periods in which they become known. Significant estimates include asset retirement obligations, assumptions used in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits liabilities. Actual results could differ from these current estimates.

(r) Property tax revenue:

Under Public Sector Accounting Standards, the entity that determines and sets the tax levy records the revenue in the consolidated financial statements, which in the case of the Board, is the Province of Ontario. As a result, property tax revenue received from the municipalities is recorded as part of core education funding.

2. Accounts receivable – Government of Ontario:

The Province of Ontario (Province) 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 $95,621,945 as at August 31, 2025 (2024 - $95,701,718) with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2025 is $38,616,414 (2024 - $45,798,515).

3. Other investments:

Investments consist of Guaranteed Investment Certificates. The investments are carried on the Statement of Financial Position. Other investments are comprised of $1,642,155 recorded at amortized cost. Other investments consist of the following:

	2025	2024
Guaranteed investment certificate, issued September 16, 2022, maturing September 16, 2027, interest rate 5.05%	$ 1,355,230	$ 1,355,230
Guaranteed investment certificate, issued October 3, 2022, maturing October 3, 2027, interest rate 5.05%	625	625
Guaranteed investment certificate, issued June 27, 2025, maturing June 27, 2030, interest rate 3.84%	286,300	–
Total other investments	$ 1,642,155	$ 1,355,855

4. Assets held for sale:

As at August 31, 2025, $545,570 (2024 - $1,026,985) related to buildings and $150,929 (2024 - $nil) related to land were recorded as assets held for sale.

During the year, net proceeds of $2,837,232 (2024 - $1,327,532) were received on the sale of properties included in assets held for sale. The carrying value of the assets comprising this property was $845,469 (2024 - $61,886), resulting in a gain of $1,991,763 (2024 - $1,265,646). Proceeds were deferred for future capital assets purchases according to Ontario Regulation 193/10. Related asset retirement obligations were relieved at the time of sale (note 11).

5. Temporary borrowing:

Temporary borrowing reported on the consolidated statement of financial position bear interest at Canadian Overnight Repo Rate Average ("CORRA") plus 1.05% per annum or 1.20% per annum with maximum term of 90 days. Temporary borrowing comprises the following:

	2025	2024
CORRA loan, due September 3, 2025	$ 5,584,036	$ –
CORRA loan, due October 20, 2025	3,792,174	–
CORRA loan, due November 12, 2025	4,117,187	–
CORRA loan, due November 25, 2025	2,150,209	–
CORRA loan, due November 26, 2025	3,261,208	–
CORRA loan, due October 1, 2024	–	1,889,130
CORRA loan, due October 17, 2024	–	4,730,699
CORRA loan, due October 17, 2024	–	2,293,112
CORRA loan, due November 5, 2024	–	1,660,386
Balance, end of year	$ 18,904,814	$ 10,573,327

6. Deferred revenue:

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the consolidated statement of financial position.

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

	Balance, August 31, 2024	Externally restricted revenue	Revenue recognized in the period	Transfers to deferred capital contributions (note 7)	Balance, August 31, 2025
Legislative grants - capital	$ 17,323,426	$ 27,646,238	$ 14,956,875	$ 20,919,509	$ 9,093,280
Proceeds of disposition	13,182,412	3,472,485	241,143	4,243,295	12,170,459
Legislative grants - operating	7,615,010	79,376,569	81,260,966	–	5,730,613
Other	1,866,048	1,233,757	1,783,104	–	1,316,701
Total deferred revenue	$ 39,986,896	$ 111,729,049	$ 98,242,088	$ 25,162,804	$ 28,311,053

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 Ontario Regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

	2025	2024
Balance, beginning of year	$ 452,652,954	$ 424,251,229
Additions to deferred capital contributions	59,931,600	44,735,876
Transfer from deferred revenue (note 6)	25,162,804	19,408,060
Amortization of deferred capital contributions	(34,181,246)	(35,742,211)
Balance, end of year	$ 503,566,112	$ 452,652,954

8. Net long-term liabilities:

Net long-term liabilities reported on the consolidated statement of financial position comprises the following:

	2025	2024
Debenture, bearing interest at the rate of 5.054% due November 15, 2028	$ 1,075,036	$ 1,348,891
Debenture, bearing interest at the rate of 4.560% due November 15, 2031	10,409,089	11,756,663
Debenture, bearing interest at the rate of 4.900% due March 3, 2033	5,904,297	6,512,864
Debenture, bearing interest at the rate of 5.062% due March 13, 2034	9,315,463	10,134,816
Debenture, bearing interest at the rate of 5.232% due April 13, 2035	5,308,049	5,707,922
Debenture, bearing interest at the rate of 4.833% due March 11, 2036	3,073,342	3,285,180
Debenture, bearing interest at the rate of 3.564% due March 9, 2037	10,634,930	11,347,770
Debenture, bearing interest at the rate of 3.799% due March 19, 2038	12,409,906	13,147,679
Debenture, bearing interest at the rate of 4.003% due March 19, 2039	4,278,395	4,506,390
Balance, end of year	$ 62,408,507	$ 67,748,175

8. Net long-term liabilities (continued):

Principal and interest payments relating to net long-term liabilities of $62,408,507 outstanding as at August 31, 2025 are due as follows:

	Principal	Interest	Total
2026	$ 5,582,720	$ 2,657,542	$ 8,240,262
2027	5,837,015	2,404,872	8,241,887
2028	6,103,082	2,140,507	8,243,589
2029	6,213,576	1,863,900	8,077,476
2030	6,321,285	1,587,217	7,908,502
Thereafter	32,350,829	4,381,145	36,731,974
	$ 62,408,507	$ 15,035,183	$ 77,443,690

9. Employee future benefits:

Retirement and other employee future benefit liabilities	Retirement benefits	Other employee future benefits	2025 Total employee future benefits	2024 Total employee future benefits
Accrued benefit obligation	$ 1,719,099	$ 7,088,353	$ 8,807,452	$ 9,117,868
Unamortized actuarial gain	50,175	–	50,175	49,673
Balance, end of year	$ 1,769,274	$ 7,088,353	$ 8,857,627	$ 9,167,541

Retirement and other employee future benefit expenses	Retirement benefits	Other employee future benefits	2025 Total employee future benefits	2024 Total employee future benefits
Current year benefit costs	$ –	$ 1,717,168	$ 1,717,168	$ 1,869,720
Interest on accrued benefit obligation	71,096	224,408	295,504	349,393
Recognized actuarial loss (gain)	(31,672)	34,152	2,480	(204,977)
Employee future benefits expenses	$ 39,424	$ 1,975,728	$ 2,015,152	$ 2,014,136
Benefit payments	$ (381,542)	$ (1,943,524)	$ (2,325,066)	$ (2,380,535)

9. Employee future benefits (continued):

Expenses include $2,480 loss (2024 - $204,977 gain) for amortization of the unamortized actuarial gain. The unamortized actuarial gain/loss is amortized over the expected average remaining service life of 2.6 years (2024 - 2.9 years). The actuarial loss for the year was $1,978 (2024 - $192,748 gain).

Retirement benefits:

(i) Ontario Teacher's Pension Plan:

Teachers and related employee groups are eligible to be members of Ontario Teacher's Pension Plan. Employer contributions for these employees are provided directly by the Province of Ontario. The pension costs and obligations related to this plan are the direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

(ii) Ontario Municipal Employees Retirement System:

All non-teaching and support staff 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 $8,693,680 (2024 - $8,775,782) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

The OMERS pension plan had a deficit of $2.9 billion as at December 31, 2024 (2023 - $4.2 billion) based on the actuarial valuation of the pension benefit obligation. Ongoing adequacy of the current contribution rates will need to be monitored and may lead to increased future funding requirements.

(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 up to August 31, 2012.

9. Employee future benefits (continued):

Retirement benefits (continued):

(iv) Retirement life insurance and health care benefits:

The Board provides life insurance, dental and health care benefits to a certain employee group after retirement. The premiums are based on the Board experience and retirees' premiums may be subsidized by the Board. The benefit costs and liabilities related to the plan are provided through an unfunded defined benefit plan and are included in the Board's consolidated financial statements.

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. Plan changes made in 2012 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 the previously negotiated collective agreement included such provision.

(ii) Long-term disability:

The Board provides certain benefits to employees who were on long-term disability at the time of transition to the ELHT. As a result, salary compensation and benefits for these employees remain the responsibility of the Board. These costs are fully insured and not included in the defined benefit plan.

(iii) Sick leave top-up benefits:

A maximum of eleven unused sick leave days from the current year may be carried forward into the following year only, to be used to top-up salary for illnesses paid through the short-term leave and disability plan in that year. The benefit costs expensed in the consolidated financial statements are $372,144 (2024 - $200,419).

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

9. Employee future benefits (continued):

These valuations take into account the plan changes outlined above and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2025	2024
Inflation	2.00%	2.00%
Wage and salary escalation	nil	nil
Insurance and health care cost escalation	4.00%	4.00%
Dental cost escalation	5.00%	5.00%
Discount on accrued benefit obligations	3.80%	3.80%

10. Asset retirement obligation liability:

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 ARO liability is below:

	2025	2024
Balance, beginning of year	$ 45,859,520	$ 45,985,811
Liabilities incurred during the year	327,600	453,123
Increase in liabilities reflecting change in the estimate of liabilities	1,157,880	–
Liabilities settled during the year	(2,052,512)	(579,414)
Balance, end of year	$ 45,292,488	$ 45,859,520

The Board made an inflation adjustment increase in estimates of 2.61% in 2025 (0.0% in 2024).

DISTRICT SCHOOL BOARD OF NIAGARA
Notes to Consolidated Financial Statements (continued)

Year ended August 31, 2025

11. Tangible capital assets:

Cost	Balance at August 31, 2024	Additions	Disposals, write-offs and adjustments	Transfer to assets held for sale	Balance at August 31, 2025
Land	$ 43,454,244	$ –	$ –	$ (1,790)	$ 43,452,454
Land improvements	47,474,477	3,231,949	1,646,107	–	52,352,533
Buildings	815,594,371	25,309,505	43,301,905	(3,420,905)	880,784,876
Portable structures	10,934,181	706,328	(457,266)	–	11,183,243
First-time equipping of schools	6,091,217	499,895	(931,030)	–	5,660,082
Furniture	1,010,743	36,876	(107,234)	–	940,385
Equipment	3,665,010	184,378	(154,105)	–	3,695,283
Computer hardware	8,353,842	4,144,342	(2,998,630)	–	9,499,554
Computer software	880,499	119,736	(395,076)	–	605,159
Vehicles	2,796,925	284,239	(34,068)	–	3,047,096
Assets under construction	54,937,277	52,399,127	(45,189,595)	–	62,146,809
Asset retirement obligation	45,383,037	327,600	1,157,880	(640,078)	46,228,439
Total	$ 1,040,575,823	$ 87,243,975	$ (4,161,112)	$ (4,062,773)	$1,119,595,913

Accumulated Amortization	Balance at August 31, 2024	Amortization	Disposals, write-offs and adjustments	Transfer to assets held for sale	Balance at August 31, 2025
Land	$ –	$ –	$ –	$ –	$ –
Land improvements	16,786,360	2,961,629	(241,583)	–	19,506,406
Buildings	441,195,701	27,825,888	–	(2,970,203)	466,051,386
Portable structures	3,338,197	549,089	(457,266)	–	3,430,020
First-time equipping of schools	2,757,019	587,565	(931,030)	–	2,413,554
Furniture	652,710	97,556	(107,234)	–	643,032
Equipment	1,227,121	404,771	(154,105)	–	1,477,787
Computer hardware	4,448,765	2,975,566	(2,998,630)	–	4,425,701
Computer software	694,395	148,566	(395,076)	–	447,885
Vehicles	2,023,655	173,351	(34,068)	–	2,162,938
Assets under construction	–	–	–	–	–
Asset retirement obligation	32,739,617	2,117,523	–	(396,071)	34,461,069
Total	$ 505,863,540	$ 37,841,504	$ (5,318,992)	$ (3,366,274)	$ 535,019,778

11. Tangible capital assets (continued):

	Net book value August 31, 2024	Net book value August 31, 2025
Land	$ 43,454,244	$ 43,452,454
Land improvements	30,688,117	32,846,127
Buildings	374,398,670	414,733,490
Portable structures	7,595,984	7,753,223
First-time equipping of schools	3,334,198	3,246,528
Furniture	358,033	297,353
Equipment	2,437,889	2,217,496
Computer hardware	3,905,077	5,073,853
Computer software	186,104	157,274
Vehicles	773,270	884,158
Assets under construction	54,937,277	62,146,809
Asset retirement obligation	12,643,420	11,767,370
Total	$ 534,712,283	$ 584,576,135

(a) Assets under construction:

Assets under construction having a value of $62,146,809 (2024 - $54,937,277) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was $nil (2024 - $188,304).

(c) Contributed tangible capital assets:

The Board received no contributed tangible capital assets in 2025 or 2024.

(d) Works of arts and historical treasures:

The Board has works of arts and historical treasures including fine arts and archival collections that are preserved by the Board but are not recorded as tangible capital assets.

12. Accumulated surplus:

Accumulated surplus consists of the following:

	2025	2024
Internally appropriated	$ 80,251,957	$ 73,495,297
Externally appropriated:		
Interest to be accrued	(799,155)	(869,299)
School generated funds	4,979,042	5,393,323
Revenues recognized for land	44,833,085	43,454,244
Asset retirement obligations	(33,281,111)	(33,034,584)
Balance, end of year	$ 95,983,818	$ 88,438,981

13. Debt charges:

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

	2025	2024
Principal payments on long-term liabilities	$ 5,339,668	$ 5,107,356
Interest payments on long-term liabilities	2,918,751	3,151,063
	$ 8,258,419	$ 8,258,419

14. Core education funding:

School boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the Board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. 89.3% (2024 - 82.6%) 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	$ 448,161,485	$ 427,047,713
Education property taxes	125,749,910	118,639,436
Core education funding	$ 573,911,395	$ 545,687,149

15. Partnership in Niagara Student Transportation Services:

On March 6, 2007, the Board entered into an agreement with Niagara Catholic District School Board to provide common administration of student transportation services. On March 9, 2007, Niagara Student Transportation Services ("NSTS") was incorporated under the Corporations Act of Ontario. Each Board participates in the shared costs associated with this service for the transportation of their respective students through NSTS.

This entity is proportionately consolidated in the Board's consolidated financial statements whereby the Board's pro-rata share of assets, liabilities, revenues and expenses of the consortium are included in the Board's consolidated financial statements. The Board's pro-rata share for 2025 is 66.8% (2024 - 66.8%). Inter-organizational transactions and balances have been eliminated.

The following provides condensed financial information:

	2025		2024	
	Total	Board portion	Total	Board portion
Financial Position:				
Financial assets	$ 95,629	$ 63,880	$ 22,765	$ 15,207
Financial liabilities	(100,824)	(67,350)	(29,259)	(19,545)
Non-financial assets	5,195	3,470	6,494	4,338
Accumulated surplus	$ –	$ –	$ –	$ –
Operations:				
Revenues	$ 42,015,018	$ 28,066,032	$ 39,973,282	$ 26,702,152
Expenses	42,015,018	28,066,032	39,973,282	26,702,152
Annual surplus	$ –	$ –	$ –	$ –

16. Expenses by object:

The following is a summary of the reported on the consolidated statement of operations and accumulated surplus by object:

	2025 Budget	2025 Actual	2024 Actual
Current expenses:			
Salary and wages	$ 414,189,634	$ 433,782,526	$ 454,244,661
Employee benefits	75,892,743	73,570,471	76,159,275
Staff development	2,345,384	1,557,653	1,610,064
Supplies and services	41,583,408	43,159,908	42,310,664
Interest	4,557,810	4,135,348	4,897,068
Rental expenses	527,413	300,476	282,532
Fees and contract services	36,280,851	39,917,095	38,505,435
Other	906,278	940,083	962,910
Amortization and write-downs and net loss on disposal - TCA and TCA-ARO	54,653,584	37,841,504	39,139,874
	$ 630,937,105	$ 635,205,064	$ 658,112,483

17. Ontario School Board Insurance Exchange:

The Board is a member of the Ontario School Board Insurance Exchange (“OSBIE”), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks.

The ultimate premiums over a five-year period are based on the reciprocal’s 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.

18. Commitments:

The Board is committed to pay $53,521,000 for capital expenditures.

19. Trust funds:

Trust funds administered by the Board amounting to $3,779,875 (2024 - $3,735,549) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

20. Repayment of the “55 School Board Trust” funding:

On June 1, 2003, the Board received $9,176,721 from the 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (“NPF”) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, the 55 School Board Trust repaid the Board’s debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

As a result of the above agreement, the liability in respect of the NPF debt is no longer reflected in the Board’s financial position.

21. Litigation and claims:

The Board is involved from time to time in litigation, which arises in the normal course of business. In respect of any outstanding claims, the Board believes it has valid defenses. In Administration’s judgment, no material exposure exists on the eventual settlement of such litigation, and accordingly, no provision has been made in the accompanying consolidated financial statements.

22. Future accounting standard adoption:

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

Applicable for fiscal years beginning on or after April 1, 2026 (in effect for the Board for as of September 1, 2026 for the year ending August 31, 2027):

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.

22. Future accounting standard adoption (continued):

The main changes are:

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

The framework is expected to be implemented prospectively.

Reporting Model- PS 1202 - *Financial Statement Presentation*:

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

The main changes are:

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