# Trillium Lakelands District School Board
# Consolidated Financial Statements

*August 31, 2026*

# Trillium Lakelands District School Board

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Trillium Lakelands District School Board

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Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the Trillium Lakelands District School Board are the responsibility of the Board's 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(a) 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 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 consolidated financial statements.

The consolidated financial statements have been audited by MNP 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.

November 17, 2026

Chief Executive Officer

Chief Financial Officer

# Independent Auditor's Report

To the Board of Trustees of Trillium Lakelands District School Board:

## Opinion

We have audited the consolidated financial statements of Trillium Lakelands District School Board and its controlled entities (the "Board"), which comprise the consolidated statement of financial position as at August 31, 2026, and the consolidated statements of operations and accumulated surplus, consolidated changes in net debt and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Board as at and for the year ended August 31, 2026 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1(a) to the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter - Basis of Accounting

We draw attention to Note 1(a) to the consolidated financial statements which describes the basis of accounting used in the preparation of these consolidated financial statements and the significant differences between such basis of accounting and Canadian public sector accounting standards. Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Board's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Peterborough, Ontario

November 23, 2026

MNP LLP

# Trillium Lakelands District School Board
## Consolidated Statement of Financial Position

| *August 31* | | *2026* | | *2025* |
|---|---|---|---|---|
| | | | | *(in thousands of dollars)* |
| **Financial assets** | | | | |
| Cash and cash equivalents (Note 3) | $ | **20,064** | $ | 19,934 |
| Accounts receivable | | | | |
| Government of Ontario - capital (Note 4) | | **19,811** | | 25,898 |
| Municipalities | | **11,888** | | 11,260 |
| Other (Note 4) | | **31,922** | | 28,476 |
| **Total financial assets** | | **83,685** | | 85,568 |
| **Financial liabilities** | | | | |
| Accounts payable and accrued liabilities | | | | |
| Government of Ontario | | **4,079** | | 4,011 |
| Trade payables and accrued liabilities | | **11,438** | | 20,071 |
| Net long-term debt (Note 8) | | **13,418** | | 14,687 |
| Deferred revenue (Note 6) | | **14,002** | | 11,798 |
| Employee future benefits liability (Note 7) | | **9,345** | | 9,190 |
| Deferred capital contributions (Note 5) | | **212,185** | | 212,519 |
| Asset retirement obligations (Note 2) | | **21,633** | | 20,853 |
| **Total financial liabilities** | | **286,101** | | 293,129 |
| **Net debt** | | **(202,415)** | | (207,561) |
| **Non-financial assets** | | | | |
| Prepaid expenses | | **1,613** | | 5,446 |
| Inventory | | **44** | | 50 |
| Tangible capital assets (Note 15) | | **231,084** | | 231,253 |
| **Total non-financial assets** | | **232,741** | | 236,749 |
| **Accumulated surplus (Note 13)** | $ | **30,326** | $ | 29,188 |

**Approved on behalf of the Board**

**Chief Executive Officer** **Chair of the Board**

*The accompanying notes are an integral part of these financial statements*

# Trillium Lakelands District School Board
## Consolidated Statement of Operations and Accumulated Surplus

| *For the year ended August 31* | *Budget* | *2026* | *2025* |
|---|---|---|---|
| | | | *(in thousands of dollars)* |
| **Revenue** | | | |
| Core Education Funding (Note 12) | | | |
| Education property tax | $ 92,023 | **$ 91,802** | $ 89,646 |
| Provincial legislative grants | 169,899 | **169,121** | 161,528 |
| Provincial grants - other | 3,008 | **3,083** | 4,495 |
| Federal grants and fees | 470 | **573** | 697 |
| Other revenues - school boards | 1,795 | **1,846** | 1,913 |
| Investment income | 400 | **459** | 651 |
| Other fees and revenues | 2,227 | **3,096** | 2,743 |
| School generated funds | 7,025 | **6,505** | 6,034 |
| Amortization of deferred capital contributions | | | |
| *Related to Provincial Legislative Grants* | 12,807 | **12,792** | 12,019 |
| *Related to Third Parties* | 216 | **214** | 217 |
| **Total revenue** | 289,870 | **289,491** | 279,943 |
| | | | |
| **Expenses (Note 14)** | | | |
| Instruction | 211,457 | **209,780** | 198,874 |
| Administration | 8,666 | **8,348** | 8,008 |
| Transportation | 21,109 | **20,450** | 20,407 |
| Pupil accommodation | 40,572 | **41,479** | 40,424 |
| School generated funds | 7,025 | **6,233** | 5,951 |
| Other | 1,809 | **2,063** | 2,032 |
| **Total expenses** | 290,638 | **288,353** | 275,696 |
| | | | |
| **Annual surplus (deficit)** | (768) | **1,138** | 4,247 |
| | | | |
| **Accumulated surplus, beginning of year** | 29,188 | **29,188** | 24,941 |
| **Accumulated surplus, end of year** | $ 28,420 | **$ 30,326** | $ 29,188 |

*The accompanying notes are an integral part of these financial statements*

# Trillium Lakelands District School Board
## Consolidated Statement of Change in Net Debt

| *For the year ended August 31* | *Budget* | *2026* | *2025* |
|---|---|---|---|
| | | | *(in thousands of dollars)* |
| **Annual surplus (deficit)** | **$ (768)** | **$ 1,138** | $ 4,247 |
| **Tangible capital asset activity** | | | |
| Acquisition of tangible capital assets | **$ (6,750)** | **(12,976)** | (25,623) |
| Amortization of tangible capital assets | **13,303** | **13,287** | 12,497 |
| Amortization of tangible capital assets ARO | **635** | **638** | 598 |
| Increase of tangible capital asset ARO liability | **-** | **(13)** | (17) |
| Disposals of tangible capital asset ARO liabilities | **-** | **16** | - |
| Change in estimate of tangible capital assets ARO | **-** | **(783)** | (530) |
| Total tangible capital asset activity | **7,188** | **169** | (13,075) |
| **Other non-financial asset activity** | | | |
| Consumption of supplies inventories | **-** | **6** | 271 |
| Change in prepaid expenses | **-** | **3,833** | 1,514 |
| Total other non-financial asset activity | - | **3,839** | 1,785 |
| **Change in net debt** | **6,420** | **5,146** | (7,043) |
| **Net debt, beginning of year** | **(207,561)** | **(207,561)** | (200,518) |
| **Net debt, end of year** | **$ (201,141)** | **$ (202,415)** | $ (207,561) |

*The accompanying notes are an integral part of these financial statements*

# Trillium Lakelands District School Board
## Consolidated Statement of Cash Flows

| *For the year ended August 31* | | *2026* | | *2025* |
|---|---|---|---|---|
| | | | | *(in thousands of dollars)* |
| **Operating activities** | | | | |
| Annual surplus | **$** | **1,138** | $ | 4,247 |
| Changes in non-cash items: | | | | |
| Amortization of tangible capital assets | | **13,287** | | 12,497 |
| Amortization of deferred capital contributions | | **(13,006)** | | (12,235) |
| Amortization of tangible capital assets ARO | | **638** | | 598 |
| Increase in ARO liability | | **780** | | - |
| | | **2,837** | | 5,107 |
| Changes in non-cash working capital balances | | | | |
| Accounts receivable | | **2,013** | | 111 |
| Inventory | | **6** | | 271 |
| Accounts payable and accrued liabilities | | **(8,565)** | | (970) |
| Deferred revenues - operating | | **322** | | (1,597) |
| Employee future benefits liability | | **155** | | (1,008) |
| Prepaid expenses | | **3,833** | | 1,514 |
| Net increase in cash from operations | | **601** | | 3,428 |
| **Capital transactions** | | | | |
| Cash used to acquire tangible capital assets | | **(13,756)** | | (25,623) |
| **Financing transactions** | | | | |
| Additions to deferred capital contributions | | **12,672** | | 24,877 |
| Debt repayments | | **(1,269)** | | (1,212) |
| Deferred revenues - capital | | **1,882** | | 1,841 |
| Cash used in capital activities | | **13,285** | | 25,506 |
| **Increase in cash, during the year** | | **130** | | 3,311 |
| **Cash, beginning of year** | | **19,934** | | 16,623 |
| **Cash, end of year** | **$** | **20,064** | $ | 19,934 |

*The accompanying notes are an integral part of these financial statements*

## 1. Summary of significant accounting policies

The consolidated financial statements are prepared by management in accordance with the basis of accounting described below.

### *a. Basis of accounting*

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

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

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for 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 Regulation 395/11 are significantly different from the requirements of Canadian public sector accounting standards which require that:

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

As a result, revenue recognized in the 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, expenses and fund balances 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, expenses and fund balances of various organizations that exist at the school level and which are controlled by the Board are reflected in the consolidated financial statements.

**1. Summary of significant accounting policies (continued)**

***c. Trust funds***

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

***d. Financial instruments***

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

| Financial Instrument | Measurement Method |
|---|---|
| Cash and cash equivalents | Cost |
| Accounts receivable | Amortized Cost |
| Accounts payable | Amortized Cost |
| Accrued liabilities | Amortized Cost |
| Long-term debt | Amortized Cost |

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

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

***e. Cash and cash equivalents***

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments.

***f. 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.

***g. Deferred capital contributions***

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

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

**1. Summary of significant accounting policies (continued)**

***h. Retirement and other employee future benefits***

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include pension, life insurance, and health care benefits, 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: Elementary Teachers' Federation of Ontario (ETFO) and Ontario Secondary School Teachers' Federation (OSSTF). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees (CUPE), Education Workers' Benefits Trust (EWBT) and Ontario Non-union Education Trust (ONE-T) for non-unionized employees including principals and vice-principals. The ELHTs provide health, dental and life insurance benefits to teachers (excluding daily occasional teachers), education workers, and other school board staff. Currently AEFO and ONE-T ELHTs also provide benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees' associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Core Education Funding, including additional ministry funding in the form of a Crown Contribution and Stabilization Adjustment.

Depending on prior arrangements and employee group, the Board continues to provide health, dental and life insurance benefits for eligible retired individuals for all groups and continues to have a liability for payment of benefits for those who are on long-term disability and for some retirees who are retired under these plans.

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 & health care cost trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities are actuarially determined using the employee's salary, banked sick days and years of service as at August 31, 2012 and management's best estimate of discount rates. Any actuarial gains and losses arising from changes to the discount rate are amortized over the expected average remaining service life of the employee group.

For self insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as life insurance & 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 insurance benefit obligations that arise from specific events that occur from time to time, such as obligations for workers compensation and, long-term disability and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

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

**1. Summary of significant accounting policies (continued)**

***i. 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 – years |
|---|---|
| Land improvements with finite lives | 15 |
| Buildings and building improvements | 40 |
| Portable structures | 20 |
| Furniture | 10 |
| Equipment | 5-15 |
| First-time equipping | 10 |
| Computer hardware | 3 |
| Computer software | 5 |
| Vehicles | 5-10 |

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

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

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

***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.

**1. Summary of significant accounting policies (continued)**

***k. Asset Retirement Obligations***

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

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

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

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

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

***l. Government Transfers***

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

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

***m. Investment income***

Investment income is reported as revenue in the period earned.

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

***n. Long-term debt***

Long-term debt is recorded net of related sinking fund asset balances.

**1. Summary of significant accounting policies (continued)**

***o. Budget figures***

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Trustees. The budget approved by the Trustees is developed in accordance with the provincially mandated funding model for school boards and is used to manage program spending within the guidelines of the funding model. The budget figures presented have been adjusted to reflect the same accounting policies that were used to prepare the consolidated financial statements. The budget figures are unaudited.

***p. Use of estimates***

The preparation of consolidated financial statements in conformity with the basis of accounting described in (a) above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to significant estimates include the determination of the liability for post-retirement benefits, estimation of liabilities for asset retirement obligations and the estimated useful life of tangible capital assets. Actual results could differ from these estimates.

***q. Education property tax review***

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

**2. Asset Retirement Obligation**

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 based on the uncertainty of the future obligation settlement.

A reconciliation of the beginning and ending aggregate carrying amount of the ARO liability is below:

| | ***2026*** | *2025* |
|---|---|---|
| Liability for asset retirement obligations, beginning of the year | **$ (20,853)** | $ (20,306) |
| Increase in liabilities | **(13)** | (17) |
| Disposals | **16** | - |
| Change in estimate of liabilities | **(783)** | (530) |
| Liability for asset retirement obligations, end of year | **$ (21,633)** | $ (20,853) |

The board made an inflation adjustment increase in estimates of 6.10% as at March 31, 2026 (2.61% as at March 31, 2025), in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index ("BCPI") survey during the 2025 calendar year, as well as an adjustment to true up the estimated rate that was used at March 31, 2025. This is being used to update costs assumptions made in the ARO costing models in order to be reflective of March 31, 2026 costs. Since the March 31 rate each year is determined based on the BCPI for the prior year ending December 31, the rate is updated the following March 31 to true up the prior year estimated rate (based on the 2024 calendar year) to the actual rate for the 12-month period ending March 31, 2025.

### 3. Credit Facilities

The Board has authorized credit facilities of $25,000,000 which bears interest at prime less 0.75%. During the year the Board utilized the credit facility as part of its cash management strategy. On August 31, 2026 this credit facility was not drawn on.

### 4. Accounts receivable

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

The Board has an account receivable from the Province of Ontario of $19,811,198 as at August 31, 2026 (2025 - $25,898,144) with respect to capital grants.

Other accounts receivable as at August 31, 2026 is comprised of:

| | ***2026*** | *2025* |
|---|---|---|
| Province of Ontario | **$ 28,731** | $ 26,052 |
| Other | **3,191** | 2,424 |
| | **$ 31,922** | $ 28,476 |

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 Province of Ontario at August 31, 2026 is $28,220,465 (2025 - $25,580,807).

### 5. 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.

| | ***2026*** | *2025* |
|---|---|---|
| Opening balance | **$ 212,519** | $ 199,877 |
| Additions to deferred capital contributions | **12,672** | 24,877 |
| Revenue recognized in the year | **(13,006)** | (12,235) |
| | **$ 212,185** | $ 212,519 |

## 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, 2026 is comprised of:

| | ***Balance as at August 31, 2025*** | ***Externally restricted revenue and investment income*** | ***Revenue recognized in the period*** | ***Transferred to DCC*** | ***Balance as at August 31, 2026*** |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| School renewal | $ 1,231 | $ 3,574 | $ - | $ 1,906 | **$ 2,899** |
| Rural and northern education | - | 1,493 | 1,493 | - | **-** |
| Minor tangible capital assets | - | 6,522 | 5,250 | 1,272 | **-** |
| Other capital | - | 706 | 706 | - | **-** |
| Childcare retrofitting | 503 | - | - | - | **503** |
| Temporary accommodation | - | 400 | | 400 | **-** |
| Proceeds of disposition – school | 1,179 | 214 | - | - | **1,393** |
| Proceeds of disposition – other | 12 | - | - | - | **12** |
| Experiential learning | - | - | - | - | **-** |
| | 2,925 | 12,909 | 7,449 | 3,578 | **4,807** |
| **Operating** | | | | | |
| Legislative Grants – Operating | 8,698 | 39,521 | 39,525 | - | **8,694** |
| REP Grants | 67 | 2,532 | 2,546 | - | **53** |
| Other | 108 | 791 | 451 | - | **448** |
| | 8,873 | 42,843 | 42,522 | - | **9,195** |
| | 11,798 | 55,752 | 49,971 | 3,578 | **14,002** |

## 7. Retirement and Other Employee Future Benefits

**Liabilities**

| | ***Retirement Benefits*** | ***Sick Leave Benefits*** | ***Workplace Safety and Insurance Board Benefits*** | ***Other Employee Future Benefits*** | ***2026 Total Employee Future Benefits*** | *2025 Total Employee Future Benefits* |
|---|---|---|---|---|---|---|
| Accrued benefit obligation | **$ 4,094** | **$ 135** | **$ 5,459** | **$ 248** | **$ 9,936** | $ 10,113 |
| Unamortized actuarial gains (loses) | **226** | **-** | **-** | **-** | **226** | 9 |
| Employee future benefits liability | **$ 4,320** | **$ 135** | **$ 5,459** | **$ 248** | **$ 10,162** | $ 10,122 |

The Board has determined that the liability related to the identified retirees amounts to $816,323 (2025 - $932,049). This portion of the total employee future benefit liability is included in accounts payable and accrued liabilities.

**Change in Employee Future Benefit Liability**

| | ***Retirement Benefits*** | ***Sick Leave Benefits*** | ***Workplace Safety and Insurance Board Benefits*** | ***Other Employee Future Benefits*** | ***2026 Total Employee Future Benefits*** | *2025 Total Employee Future Benefits* |
|---|---|---|---|---|---|---|
| Current year benefit cost | **$ -** | **$ 135** | **$ 1,936** | **$ -** | **$ 2,071** | $ 878 |
| Interest on accrued benefit obligation | **226** | **-** | **157** | **11** | **394** | 373 |
| Benefit payments[1] | **(733)** | **(131)** | **(1,512)** | **(90)** | **(2,466)** | (2,140) |
| Amortization of actuarial (gains)/losses | **67** | **(7)** | **-** | **(20)** | **40** | 59 |
| Net change | **$ (440)** | **$ (3)** | **$ 581** | **$ (99)** | **$ 39** | $ (830) |

[1]Excluding pension contributions to the Ontario Municipal Employees Retirement System, a multi-employer pension plan described below.

Actuarial Assumption

The accrued benefit obligations for employee future benefit plans as at August 31, 2026 are based on actuarial assumptions of future events determined for accounting purposes as at August 31, 2026 and based on updated average daily salary and banked sick days as at August 31, 2026. These valuations take into account any plan changes and the economic assumptions used in these valuation as the Board's best estimates of expected rates of:

| | ***2026*** | *2025* |
|---|---|---|
| Inflation | **2.00%** | 2.00% |
| Wage and salary escalation | **-%** | -% |
| Insurance and health care cost escalation | **5.00%** | 5.00% |
| Dental cost escalation | **5.00%** | 5.00% |
| Discount rate | **4.20%** | 3.80% |

**7. Retirement and Other Employee Future Benefits (continued)**

**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 a direct responsibility of the Province. Accordingly, no costs or liabilities related to this plan are included in the Board's consolidated financial statements.

(ii) Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. Each year an independent actuary determines the funding status of the plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the plan was conducted at December 31, 2025. The results of this valuation disclosed an actuarial deficit of $1.322 billion as at that date. During the year ended August 31, 2026, the Board contributed $3,671,355 (2025 - $3,464,724) 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 financial statements.

(iii) Retirement Gratuities

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

(iv) Retirement Life Insurance and Health Care Benefits

The Board provides life insurance, dental and health care benefits to eligible employee groups after retirement until the members reach 65 years of age. 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. School boards are required to provide salary top-up to a maximum of 4.5 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such provision. The actuarially determined future benefit obligation for WSIB claims is $5,458,626 (2025 - $4,877,430). The Board holds funds on account with TD Bank in the amount of $3,816,087 (2025 - $4,279,311) with the purpose of meeting this obligation when necessary.

**7. Retirement and Other Employee Future Benefits (continued)**

(ii) Long-Term Disability Life Insurance and Health Care Benefits

The Board provided life insurance, dental and health care benefits to employees on long-term disability leave to employees who were not yet members of an ELHT. The Board was responsible for the payment of life insurance premiums and the costs of health care benefits under this plan. The Board provided these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave were fully insured and not included in this plan. The Board is not anticipated to provide these benefits in the future as all employees have become members of an ELHT.

(iii) Sick Leave Top-Up Benefits

A maximum of eleven unused sick 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 financial statements are $134,889 (2025 - $138,055).

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, 2026 and is based on the average daily salary and banked sick days of employees as at August 31, 2026.

**8. Net Long-Term Debt**

| | ***2026*** | ***2025*** |
|---|---|---|
| Ontario Financing Authority (OFA) loan payable - Bylaw #2006-1, for Stage 1 of the Good Places to Learn Initiative, 4.560% per annum, repayable $172,259 semi-annually principal and interest, due November 2031 | **$ 1,659** | $ 1,919 |
| Ontario Financing Authority (OFA) loan payable - Bylaw #2008-1 for Stage 1 and 2 of the Good Places to Learn Initiative; Primary Class Size and Prohibitive to Repair Programs, 4.90% per annum, repayable in semi-annual blended payments of $223,432, maturing March 2033 | **2,557** | 2,867 |
| Ontario Financing Authority (OFA) loan payable - Bylaw #2009-1 for Stage 2 of the Good Places to Learn Initiative and Primary Class Size, 5.062% per annum, repayable in semi-annual blended payments of $86,865, maturing March 2034 | **1,111** | 1,224 |
| Ontario Financing Authority (OFA) loan payable - Bylaw #2010-1 for Stage 2 and 3 of the Good Places to Learn Initiative, 5.232% per annum, repayable in semi-annual blended payments of $112,878, maturing April 2035 | **1,591** | 1,728 |
| Ontario Financing Authority (OFA) loan payable – By-law #2011-1 for Stage 3 and Stage 4 of the Good Places to Learn initiative, 4.833% per annum, repayable in semi-annual blended payments of $88,615, maturing March 2036 | **1,373** | 1,480 |
| Ontario Financing Authority (OFA) loan payable – By-law #2012-1 for Stage 4 of the Good Places to Learn initiative, 3.564% per annum, repayable in semi-annual blended payments of $23,168, maturing March 2037 | **413** | 444 |
| Ontario Financing Authority (OFA) loan payable - Bylaw #2013-1 for New Pupil Places, 3.799% per annum, repayable in semi-annual blended payments of $249,083, maturing March 2038 | **4,714** | 5,025 |
| | **$ 13,418** | $ 14,687 |

### 8. Net Long-Term Debt (continued)

Payments relating to net long-term debt outstanding as at August 31, 2026 are due as follows:

| | *Principal* | *Interest* | *Total* |
|---|---|---|---|
| 2027 | $ 1,327 | $ 586 | $ 1,913 |
| 2028 | 1,388 | 524 | 1,913 |
| 2029 | 1,453 | 460 | 1,913 |
| 2030 | 1,520 | 393 | 1,913 |
| 2031 | 1,591 | 322 | 1,913 |
| Thereafter | 6,139 | 737 | 6,876 |
| | $ 13,418 | $ 3,022 | $ 16,440 |

### 9. Debt Charges and Capital Loan Interest

| | ***2026*** | *2025* |
|---|---|---|
| Principal payments on long-term liabilities | **$ 1,268** | $ 1,212 |
| Interest payments on long-term liabilities | **644** | 700 |
| | **$ 1,912** | $ 1,912 |

### 10. Ontario School Board Insurance Exchange (OSBIE)

The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. The school board entered into this agreement on January 1, 2021. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of $27,000,000 per occurrence.

The 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 rate 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, amounted to $417,776 (2025 - $443,901). Premiums are recorded at the exchange amount, as the transactions are undertaken on similar terms and conditions to arm’s length transactions with a non-related party.

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

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

1. In the event that the board of directors determines, in its absolute discretion, that the exchange has accumulated funds in excess of those required to meet the obligations of the Exchange, in respect of claims arising in prior years in respect of the underwriting group, the Board of Directors may reduce the actuarially determined rate for policies of insurance or may grant premium credits or policyholder dividends for that underwriting group in any subsequent underwriting year.
2. Upon termination of the exchange of reciprocal contracts of insurance within an Underwriting Group, the assets related to the Underwriting Group, after payment of all obligations, and after setting aside an adequate reserve for further liabilities, shall be returned to each Subscriber in the Underwriting Group according to its subscriber participation ratio and after termination the reserve for future liabilities will be reassessed from time to time and when all liabilities have been discharged, any remaining assets returned as the same basis upon termination.

**10. Ontario School Board Insurance Exchange (OSBIE) (continued)**

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

**11. Trust funds**

Trust funds administered by the Board amounting to $379,094 (2025 - $299,912) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

**12. 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 percent of the consolidated revenues of the board are directly controlled by the provincial government through the core education funding.

The payment amounts of this funding are as follows:

| | ***2026*** | *2025* |
|---|---|---|
| Provincial Legislative Grants | **$ 169,121** | $ 161,528 |
| Education Property Tax | **91,802** | 89,646 |
| Core Education Funding | **$ 260,923** | $ 251,174 |

**13. Accumulated Surplus**

The accumulated surplus is comprised of the following:

| | ***2026*** | *2025* |
|---|---|---|
| **Available for Compliance - Unappropriated** | | |
| Operating accumulated surplus | **$ 20,193** | $ 22,229 |
| **Available for Compliance – Internally Appropriated** | | |
| Retirement gratuities | **2,000** | 2,000 |
| Committed capital projects | **6,726** | 6,670 |
| OEID reserve | **3,502** | - |
| Capital reserve | **1,240** | 1,240 |
| Operating contingency | **2,000** | 2,000 |
| Supporting Student Funding | **160** | 160 |
| Benefit surplus reserve | **346** | 346 |
| Pay Equity | **1,000** | 1,000 |
| Total Internally Appropriated | **16,974** | 13,416 |
| **Unavailable for Compliance** | | |
| Invested in tangible capital assets | **2,788** | 2,838 |
| School generated funds | **2,795** | 2,523 |
| Interest to be accrued | **(175)** | (191) |
| Asset retirement obligation | **(12,249)** | (11,627) |
| Total Unavailable for Compliance | **(6,841)** | (6,457) |
| **Total Accumulated Surplus** | **$ 30,326** | $ 29,188 |

**14. Expenses by Object**

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

| | Budget 2026 | **Actual 2026** | Actual 2025 |
|---|---|---|---|
| **Current expenses** | | | |
| Salary and wages | $ 186,512 | **$ 186,046** | $ 178,699 |
| Employment benefits | 32,772 | **33,186** | 30,275 |
| Staff development | 1,011 | **855** | 814 |
| Supplies and services | 24,927 | **21,883** | 20,454 |
| Interest | 668 | **628** | 682 |
| Rental expenses | 171 | **308** | 278 |
| Fees and contract services | 29,808 | **30,652** | 30,250 |
| Other | 830 | **870** | 1,149 |
| Amortization of tangible capital assets | 13,303 | **13,287** | 12,497 |
| Amortization of asset retirement obligation | 636 | **638** | 598 |
| Total current expenses | $ 290,638 | **$ 288,353** | $ 275,696 |

**15. Tangible Capital Assets**

| | Cost | | | | Accumulated Amortization | | | | NBV | NBV |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening | Additions | Disposals | Closing | Opening | Amortization | Disposals | Closing | 2026 | 2025 |
| Land | $ 2,838 | $ - | $ 49 | $ 2,789 | $ - | $ - | $ - | $ - | $ 2,789 | $ 2,838 |
| Land Improvements | 7,467 | 1,150 | - | 8,617 | 2,419 | 516 | - | 2,935 | 5,682 | 5,048 |
| Buildings | 396,385 | 10,865 | - | 407,250 | 178,601 | 11,800 | - | 190,401 | 216,849 | 217,784 |
| Portable Structures | 3,116 | 504 | 3 | 3,617 | 327 | 170 | 16 | 481 | 3,136 | 2,789 |
| Computer hardware | 3,691 | 1,047 | 970 | 3,768 | 1,587 | 1,243 | 970 | 1,860 | 1,908 | 2,104 |
| Computer software | 463 | 13 | 149 | 327 | 246 | 79 | 149 | 176 | 151 | 217 |
| Equipment – 5 year | 56 | - | - | 56 | 25 | 11 | - | 36 | 20 | 31 |
| Equipment – 10 year | 777 | 65 | 46 | 796 | 393 | 76 | 46 | 423 | 373 | 384 |
| Equipment – 15 year | 98 | 88 | - | 186 | 83 | 6 | - | 89 | 97 | 15 |
| Furniture | 9 | - | - | 9 | 1 | 1 | - | 2 | 7 | 8 |
| First-time equipping – 10 years | - | 3 | - | 3 | - | - | - | - | 3 | - |
| Vehicles | 585 | 57 | - | 642 | 550 | 23 | - | 573 | 69 | 35 |
| **Total** | $ 415,485 | $ 13,792 | $ 1,217 | $ 428,060 | $ 184,232 | $ 13,925 | $ 1,181 | $ 196,976 | $ 231,084 | $ 231,253 |

## 16. In-Kind Transfers from the Ministry of Public and Business Service Delivery and procurement

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery and Procurement (MPBSDP). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the records. The in-kind revenue recorded for these transfers is $29,659 with expenses based on use of $29,659 for a net impact of $nil.

## 17. Financial Instruments

The board is exposed to a variety of financial risks including credit risk, liquidity risk and market risk. The board's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the board's financial performance.

### Credit risk

The board's principal financial assets are cash and accounts receivable, which are subject to credit risk. The carrying amounts of financial assets on the Consolidated Statement of Financial Position represent the board's maximum credit exposure as at the Consolidated Statement of Financial Position date.

### Liquidity Risk

Liquidity risk is the risk that the board will not be able to meet all cash flow obligations as they come due. The board mitigates the risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining sufficient cash on hand if unexpected cash outflows arise.

### Market risk

The board is exposed to interest rate risk on its long-term debt all of which are regularly monitored.

The board's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is the board's opinion that the board is not exposed to significant interest rate or currency risks arising from these financial instruments except as otherwise disclosed.

## 18. Related party Disclosures

Related parties of the Board include other school boards, the Ontario Financing Authority (OFA) and the Ontario School Boards' Insurance Exchange (OSBIE).

The OFA is an agency of the Province of Ontario that manages the province's debt and borrowing program. Please refer to Note 8 for additional disclosure on the Board's borrowing with the OFA.

OSBIE is a non-profit insurance reciprocal, the members of which are Ontario school boards or Ontario school board organizations. Please refer to Note 10 for additional disclosure on the Board's transactions with OSBIE.

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

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

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

- prepares 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 to 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 retroactively 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