# Local Services Board of Nolalu
## Financial Statements
*September 30, 2025*

## Contents

# Independent Practitioner's Review Engagement Report

To the Residents and Board Members of the Local Services Board of Nolalu:

We have reviewed the accompanying financial statements of the Local Services Board of Nolalu (the "Local Services Board of Nolalu") which comprise the statement of financial position as at September 30, 2025, and the statements of operations and accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the Local Services Board of Nolalu, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Local Services Board of Nolalu as at September 30, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

MNP LLP

Thunder Bay, Ontario

February 5, 2026

**Chartered Professional Accountants**

**Licensed Public Accountants**

# Local Services Board of Nolalu
## Statement of Financial Position
*As at September 30, 2025*

| | **2025** | *2024* |
|---|---|---|
| **Financial assets** | | |
| Cash *(Note 2)* | **57,415** | 53,462 |
| Government remittances | **596** | 629 |
| | **58,011** | 54,091 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities | **15,177** | 14,593 |
| **Net financial assets and accumulated surplus** *(Note 3)* | **42,834** | 39,498 |

**Approved on behalf of the Board**

Rox-Ann Moore **Chair**

**Treasurer**

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

# Local Services Board of Nolalu
## Statement of Operations and Accumulated Surplus
*For the year ended September 30, 2025*

| | ***2025 Budget (Note 7)*** | ***2025*** | *2024* |
|---|---|---|---|
| **Revenue** | | | |
| Eligible revenue | | | |
| Provincial land tax levy | 143,440 | **144,315** | 133,660 |
| Ineligible revenue | | | |
| Ministry of Northern Economic Development and Growth *(Note 5)* | 2,910 | **2,910** | 2,910 |
| Interest and other revenue | 50 | **144** | 107 |
| | 146,400 | **147,369** | 136,677 |
| **Expenses** | | | |
| Administration *(Schedule 1)* | 19,500 | **18,993** | 18,704 |
| Fire protection | 81,369 | **81,369** | 76,849 |
| Recreation | 43,671 | **43,671** | 41,327 |
| | 144,540 | **144,033** | 136,880 |
| **Excess (deficit) of revenue over expenses** | 1,860 | **3,336** | (203) |
| **Accumulated surplus, beginning of year** | 39,498 | **39,498** | 39,701 |
| **Accumulated surplus, end of year** | 41,358 | **42,834** | 39,498 |

# Local Services Board of Nolalu
## Statement of Cash Flows
*For the year ended September 30, 2025*

| | ***2025*** | *2024* |
|---|---|---|
| **Operating activities** | | |
| Excess (deficit) of revenue over expenses | **3,336** | (203) |
| Changes in working capital accounts | | |
| Government remittances | **33** | 127 |
| Accounts payable and accrued liabilities | **584** | 762 |
| **Increase in cash resources** | **3,953** | 686 |
| **Cash resources, beginning of year** | **53,462** | 52,776 |
| **Cash resources, end of year** | **57,415** | 53,462 |

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

## 1. Significant accounting policies

These financial statements of the Local Services Board of Nolalu ("the Board")` are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Nature of Business***

The Local Services Board of Nolalu is a corporation without share capital established under The Northern Service Boards Act of the Province of Ontario on March 29, 2003. The Local Services Board of Nolalu was organized for the purpose of providing, maintaining and improving fire protection services in the Nolalu area and maintaining the Nolalu Community Centre.

***Revenue Recognition***

The Board records the provincial land tax levy annually based on approved rates on an accrual basis when earned.

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made unless the transfer contains stipulations that create a liability. If the transfer contains stipulations that create a liability, the related revenue is recognized over the period that the liability is extinguished.

Interest is recognized as it is earned.

***Contributed Materials and Services***

Contributed materials and services, which are used in the normal course of operations and would otherwise have been purchased, are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

***Use of Estimates***

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

***Contingency Reserve***

The Board has established a contingency reserve fund for the purpose of funding future contingencies of the Nolalu Community Centre and the Nolalu Emergency Services Team. These internally restricted amounts are not available for other purposes and must be approved by representatives of the Board.

***Cash and Cash Equivalents***

Cash and cash equivalents are comprised of cash on hand and balances with banks with maturities of three months or less.

***Financial instruments***

The Local Services Board of Nolalu recognizes its financial instruments when the Local Services Board of Nolalu becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Local Services Board of Nolalu may irrevocably elect to subsequently measure any financial instrument at fair value. The Local Services Board of Nolalu has not made such an election during the year.

## 1. Significant accounting policies *(Continued from previous page)*

***Financial instruments*** *(Continued from previous page)*

The Local Services Board of Nolalu subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The Local Services Board of Nolalu has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating excess (deficit) of revenue over expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

## 2. Cash

Included in cash is $11,881 (2024 - $11,549) that is set aside for the Board's internally restricted contingency reserve. This bank account earns interest at 1.00% (2024 - 1.00%) per annum.

## 3. Accumulated surplus

Accumulated surplus consists of the following:

| | **2025** | *2024* |
|---|---|---|
| Contingency reserve | **11,881** | 11,567 |
| Operating surplus | **30,953** | 27,931 |
| | **42,834** | 39,498 |

The Board has established a contingency reserve fund for the purpose of funding future contingencies of the Nolalu Community Centre and the Nolalu Emergency Services Team. These internally restricted amounts are not available for other purposes and must be approved by representatives of the Board. All interest earned in the reserve bank account is to be included in the contingency reserve.

| | | |
|---|---|---|
| Beginning balance | **11,567** | 11,460 |
| Interest income and transfers | **314** | 107 |
| Board approved allocation | **11,881** | 11,567 |

## 4. Commitments

On November 25, 2025, the Board entered into service contracts for fire protection and emergency services with Nolalu Energy Services Team and recreation services with Nolalu Community Centre both with terms expiring in September 2026. Under the provisions of the agreements, the Local Services Board is committed to pay $90,519 and $48,865 to Nolalu Emergency Services Team and Nolalu Community Centre, respectively.

## 5. Due from Ministry of Northern Development and Mines

| | | |
|---|---|---|
| **Balance**, beginning of year | | |
| Grant for current year | | |
| Least of: | | |
| 1/2 eligible expenditure | $ 73,315 | |
| Eligible revenue | $ 144,315 | |
| Eligible grant limit | $ 2,910 | |
| | | 2,910 |
| Advance for current year | | (2,910) |
| **Balance**, end of year | | $ - |

## 6. Nolalu Emergency Services Team and Nolalu Community Centre

During the year the Board paid pre-determined contracted amounts to Nolalu Emergency Services Team and Nolalu Community Centre totaling $122,171 (2024 - $118,176) to provide fire protection and recreation services to the community of Nolalu.

Included in accounts payable and accrued liabilities as at September 30, 2025 is $6,781 (2024 - $6,404) payable to Nolalu Emergency Services Team and $3,639 (2024 - $3,444) payable to Nolalu Community Centre.

## 7. Budget information

The budgeted figures are presented for comparison purposes only and are those approved by the Board of Directors for the year ended September 30, 2025.

## 8. Segmented Information

The Board provides a range of services to its residents. For management reporting purposes, operations and activities are organized and reported by program. Programs were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Certain programs that have been separately disclosed in the statement of operations and accumulated surplus are as follows:

*Administration*

The administration program oversees the delivery of all government services. The Board is responsible for ensuring that there are adequate policies and procedures in place to safeguard assets and to properly report financial statements.

**8. Segmented Information** *(Continued from previous page)*

*Fire Protection*

The Board is responsible to provide fire suppression service, fire prevention programs, training and education related to prevention, detection and extinguishments of fires to its residents. The Board has entered into a contract with the Nolalu Emergency Services Team to provide these services.

*Recreation*

The Board is responsible to provide recreation services and to maintain the community centre for residents and property owners in the service area. The Board has entered into a contract with the Nolalu Community Centre to provide these services.

**9. Financial Instrument Risk Management**

Financial instruments consist of cash, government remittances and accounts payable. At September 30, 2025, there are no significant differences between carrying values and their estimated market value.

The Board is exposed to liquidity risk from its financial instruments. It is management's opinion that the Board is not exposed to significant credit, currency, or interest risk arising from its financial instruments. This note describes the Board's objectives, policies, and processes for managing those risks and the methods used to measure them.

**Liquidity Risk**

Liquidity risk is the risk that the Board will encounter difficulty in meeting obligations associated with financial liabilities. The Local Services Board is exposed to liquidity risk through its accounts payable. The Board manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The contractual maturities (representing undiscounted contractual cash-flows) of its financial liabilities are $15,177 (2024 - $14,593) all due within 6 months.

There have not been any changes from the prior year in the Board's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

# Local Services Board of Nolalu - FOR REFERENCE ONLY
## Schedule 1 - Schedule of Administration
*For the year ended September 30, 2025*

| | 2025 Budget (Note 7) | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Administration** | | | |
| Audit | 5,500 | **5,065** | 5,172 |
| Bank charges | 100 | **11** | 96 |
| Honorarium | 9,500 | **9,799** | 9,797 |
| Insurance | 3,500 | **3,282** | 3,114 |
| Office | 600 | **836** | 525 |
| Other | 300 | **-** | - |
| | 19,500 | **18,993** | 18,704 |