

**DURHAM CATHOLIC DISTRICT SCHOOL BOARD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AUGUST 31, 2024**

**DURHAM CATHOLIC DISTRICT SCHOOL BOARD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AUGUST 31, 2024**

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## **DURHAM CATHOLIC DISTRICT SCHOOL BOARD**

**For The Year Ended August 31, 2024**

### **MANAGEMENT REPORT**

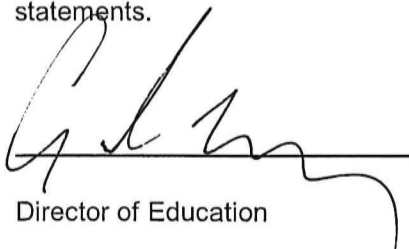
The accompanying consolidated financial statements of the Durham Catholic District School Board are the responsibility of the Board management and have been prepared in accordance with the Financial Administration Act, supplemented by Ontario Ministry of Education Memorandum 2004:B2 and Ontario Regulation 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 judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Board management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of 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 Baker Tilly KDN 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.



Director of Education



Superintendent of Business,  
Finance and Facilities Services

November 25, 2024

**Baker Tilly KDN LLP**  
272 Charlotte St.  
Peterborough, ON  
Canada K9J 2V4

## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Trustees of Durham Catholic District  
School Board**

**T: (705) 742-3418**  
**F: (705) 742-9775**

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### *Opinion*

We have audited the consolidated financial statements of the Durham Catholic District School Board (the Board), which comprise the consolidated statement of financial position as at August 31, 2024, the consolidated statements of operations and accumulated surplus, change in net debt and 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 present fairly, in all material respects, the consolidated financial position of the Board as at August 31, 2024, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with the Financial Administration Act, supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act").

### *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*

Without modifying our opinion, we draw attention to Note 1 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. The auditor's report 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 the Financial Administration Act, supplemented by the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the Act"), 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.

**ASSURANCE • TAX • ADVISORY**

*Baker Tilly KDN LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

*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.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Board to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

*Baker Tilly KDN LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
December 10, 2024



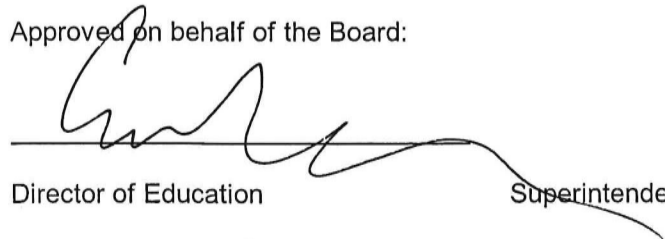
# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At August 31, 2024

	2024	2023
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	50,720,867	25,208,256
Investments (note 2)	-	31,196
Accounts receivable - other (note 3)	30,680,669	17,024,654
Accounts receivable - Government of Ontario - Approved Capital (note 4)	22,082,638	30,234,765
Assets held for resale (note 5)	-	5,933,683
<b>TOTAL FINANCIAL ASSETS</b>	<b>103,484,174</b>	<b>78,432,554</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	31,698,405	14,349,187
Accrued interest on net debt	234,007	309,430
Deferred revenue (note 7)	58,592,595	41,479,935
Deferred capital contributions (note 8)	268,532,226	265,951,608
Asset retirement obligations (note 9)	40,451,521	39,023,269
Retirement and other employee future benefits (note 10)	6,108,877	4,750,139
Debenture debt and capital loans (note 11)	16,504,377	22,144,397
<b>TOTAL LIABILITIES</b>	<b>422,122,008</b>	<b>388,007,965</b>
<b>NET DEBT</b>	<b>(318,637,834)</b>	<b>(309,575,411)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 1)	361,710,629	341,131,411
Prepaid expenses	8,277,207	6,514,195
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>369,987,836</b>	<b>347,645,606</b>
<b>ACCUMULATED SURPLUS (note 13)</b>	<b>51,350,002</b>	<b>38,070,195</b>

Approved on behalf of the Board:



Director of Education



Superintendent of Business, Finance and Facilities Services

The accompanying notes are an integral part of these financial statements

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended August 31, 2024

	Budget 2024 \$ (Unaudited)	Actual 2024 \$	Actual 2023 \$
<b>REVENUES</b>			
Provincial grants - Grants for Student Needs (note 14)	269,249,247	284,113,313	262,062,953
Provincial grants - Other	4,816,656	31,676,650	5,026,251
School generated funds	6,000,000	6,585,368	5,993,067
Federal grants and fees	992,908	992,373	910,969
Investment income	-	1,708,978	574,360
Amortization of deferred capital contributions	14,455,620	14,519,332	14,209,676
Education development charges	-	19,847,333	299,520
Other fees and revenues	4,341,313	4,689,852	3,772,835
Recovery on land disposal	(5,933,683)	(5,933,683)	(15,075,294)
<b>TOTAL REVENUES</b>	<b>293,922,061</b>	<b>358,199,516</b>	<b>277,774,337</b>
<b>EXPENSES</b>			
Instruction	234,435,875	274,687,957	230,016,568
Administration	7,939,895	8,352,188	8,428,409
Transportation (note 18)	9,478,102	9,476,217	8,110,856
Pupil accomodation	43,391,987	46,425,319	40,840,427
School generated funds	6,000,000	5,978,028	5,568,822
<b>TOTAL EXPENSES</b>	<b>301,245,859</b>	<b>344,919,709</b>	<b>292,965,082</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b><u>(7,323,798)</u></b>	<b>13,279,807</b>	<b>(15,190,745)</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>38,070,195</b>	<b>53,260,940</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>51,350,002</b>	<b>38,070,195</b>

The accompanying notes are an integral part of these financial statements

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT For the Year Ended August 31, 2024

	Budget 2024 \$ (Unaudited)	Actual 2024 \$	Actual 2023 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(7,323,798)	13,279,807	(15,190,745)
Amortization of tangible capital assets	20,726,957	16,290,489	15,593,477
Purchase of tangible capital assets	(20,240,309)	(35,441,455)	(15,060,976)
Addition to tangible capital asset - asset retirement obligation	-	(1,428,252)	(4,807,339)
Change in prepaid expenses and other non-financial assets	-	(1,763,012)	(4,228,051)
<b>CHANGE IN NET DEBT</b>	(6,837,150)	(9,062,423)	(23,693,634)
<b>NET DEBT - beginning of year</b>	(309,575,411)	(309,575,411)	(285,881,777)
<b>NET DEBT - end of year</b>	(316,412,561)	(318,637,834)	(309,575,411)

The accompanying notes are an integral part of these financial statements



# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended August 31, 2024

	2024 \$	2023 \$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual (deficit)/surplus	13,279,807	(15,190,745)
Items not involving cash		
Amortization of tangible capital assets	16,290,489	15,593,477
Amortization of deferred capital contributions	(14,519,332)	(14,209,676)
Retirement and other employee future benefits	1,358,738	446,778
Change in estimate - asset retirement obligations	1,428,252	-
Change in non-cash assets and liabilities		
Accounts receivable - other	(13,656,015)	530,895
Prepaid expenses	(1,763,012)	(4,228,051)
Accounts payable and accrued liabilities	17,350,755	4,425,859
Accrued interest on net debt	(75,423)	(71,747)
Deferred revenue	(711,973)	(884,691)
Assets held for sale	5,933,683	15,075,294
Net change in cash from operating activities	24,915,969	1,487,393
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(35,441,455)	(15,060,977)
<b>INVESTING ACTIVITIES</b>		
Change in investments	31,196	(15,701)
<b>FINANCING ACTIVITIES</b>		
Principal repayment on debenture and capital loans	(5,640,020)	(5,366,059)
Additions to deferred capital contributions	15,929,118	15,060,977
Increase in deferred revenue - capital	17,565,646	23,916,338
Decrease in accounts receivable - Government of Ontario - Approved Capital	8,152,157	5,055,447
Net change in cash from financing activities	36,006,901	38,666,703
<b>NET CHANGE IN CASH</b>	25,512,611	25,077,418
<b>CASH - beginning of year</b>	25,208,256	130,838
<b>CASH - end of year</b>	50,720,867	25,208,256

The accompanying notes are an integral part of these financial statements

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 1. 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 amortization, a proportionate reduction of the deferred capital contribution along with a proportionate increase in the revenue be recognized. For Ontario school boards, these contributions include government transfers, externally restricted contributions and, historically, property tax revenue.

The accounting policy requirements under 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
- education 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 would be recorded differently under Canadian Public Sector Accounting Standards.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (b) Reporting Entity

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

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.

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 they are not controlled by the board.

#### (d) Financial Instruments

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

Financial Instrument	Measurement Method
Cash and cash equivalents	Amortized Cost
Accounts receivable - other	Amortized Cost
Accounts receivable - Government of Ontario - Approved Capital	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost
Accrued interest on net debt	Amortized Cost
Debenture debt and capital loans	Amortized Cost

Fair value category: The board manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

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 financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

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

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy

The following hierarchy provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Board has no financial assets measured at fair value and as a result has nothing to report on the Statement of Remeasurement Gains and Losses.

#### (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.

#### (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 expenditures are incurred, or services are performed.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (g) Deferred Capital Contributions (DCC)

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; and
- Property taxation revenues which were historically used to fund capital assets.

#### (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, 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: Ontario English Catholic Teachers' Association (OECTA). The following ELHTs were established in 2017-2018: Canadian Union of Public Employees (CUPE), 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 (excluding casual and temporary staff), other school board staff and retired individuals up to a school 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. Upon transition of the employee groups' health, dental and life benefits plans to the ELHT, school boards are required to remit a negotiated amount per full-time equivalency (FTE) on a monthly basis. Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), additional Ministry funding in the form of a Crown contribution as well as a Stabilization Adjustment.

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for individuals who are retired under these plans.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

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 cost trends, disability recovery rates, long-term inflation rates and discount rates. The cost of retirement gratuities is actuarially determined using the employee's salary, banked sick days (if applicable) 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 accumulated over the periods of service provided by employees, such as 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 and long-term disability, 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.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 1. 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.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

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

Land improvements with finite lives	15
Buildings and building improvement	40
Portable structures	20
Other buildings	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	3
Computer software	5
Vehicles	5-10
Leasehold improvements	Over the lease term

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) 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 Regulation 395/11, recorded as deferred capital contributions and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.



# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (k) 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.

#### (l) 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.

#### (m) Use of Estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1(a) 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. The principal estimates used in the preparation of these financial statements are the determination of the liability for post-retirement benefits and the estimated useful life of tangible capital assets. Actual results could differ from these estimates, as additional information becomes available in the future.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$40,451,521. These estimates are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

#### (n) Education Property Tax Revenue

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 Grants for Student Needs under Education Property Tax.

#### (o) 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 obligation are recognized when the Board has the authority to claim or retain an inflow of economic resources and when a past transaction or event is an asset. Amounts received prior to the end of the year that will be recognized in subsequent fiscal year are deferred and reported as a liability. The majority of Board revenues do not fall under the new PS 3400 accounting standard.



# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### 2. INVESTMENTS

Investments are carried at amortized cost if not actively traded on the open market or at fair value if traded in the open market as follows:

	2024		2023	
	Cost	Market Value	Cost	Market Value
	\$	\$	\$	\$
Money market funds	-	-	31,196	31,196

### 3. ACCOUNTS RECEIVABLE - OTHER

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 Accounts Receivable - Other at August 31, 2024 is \$4,572,015 (2023 - \$2,461,703).

### 4. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

The Province of Ontario replaced variable capital funding with a one-time debt support grant in 2009-10. Durham Catholic 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 \$22,082,638 as at August 31, 2024 (2023 - \$30,234,765) with respect to capital grants.

### 5. ASSETS HELD FOR SALE

During the year, the school property, previously recorded as assets held for sale, was sold. Net proceeds of \$33,174,116 were received on the sale of this property, which had a carrying value of \$5,933,683, resulting in a gain of \$27,240,433. \$27,240,433 of that gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.

### 6. TEMPORARY BORROWING

The Board has lines of credit available to the maximum of \$90,000,000 to address operating requirements and to bridge capital expenditures.

Interest on these credit facilities are at the bank's prime lending rate. All loans are unsecured, due on demand and are in the form of bank overdrafts.

As at August 31, 2024 the amount drawn under these facilities was \$Nil (2023 - \$NIL). In addition, the Board has outstanding letters of credit in the amount of \$247,607 (2023 - \$247,607) as at August 31, 2024.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### 7. 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, 2024 is comprised of:

	Balance August 31, 2023 \$	Externally Restricted Revenue and Investment Income 2024 \$	Revenue Recognized in the Period 2024 \$	Transferred to DCC 2024 \$	Balance August 31, 2024 \$
Legislative Grants	1,579,439	42,909,227	42,918,659	-	1,570,007
Other Ministry Grants	600,250	4,429,561	4,873,383	-	156,428
Other Provincial Grants	-	16,008	-	-	16,008
Other	809,134	425,956	441,696	-	793,394
<b>Deferred Revenue - Operating</b>	<b>2,988,823</b>	<b>47,780,752</b>	<b>48,233,738</b>	<b>-</b>	<b>2,535,837</b>
School Renewal	2,482,489	3,239,706	873,387	4,848,808	-
Other Ministry Grants	735,082	9,763,903	9,495,422	530,211	473,352
Education Development Charges	30,701,526	12,695,022	19,847,333	-	23,549,215
Proceeds of Disposition	4,572,015	28,038,008	-	575,832	32,034,191
Third Party	-	86,946	-	86,946	-
<b>Deferred Revenue - Capital</b>	<b>38,491,112</b>	<b>53,823,585</b>	<b>30,216,142</b>	<b>6,041,797</b>	<b>56,056,758</b>
<b>Total Deferred Revenue</b>	<b>41,479,935</b>	<b>101,604,337</b>	<b>78,449,880</b>	<b>6,041,797</b>	<b>58,592,595</b>

### 8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions include grants and contributions received that are used for the acquisition of tangible capital assets in accordance with regulation 395/11 that have been expended by year end. The contributions are amortized into revenue over the life of the asset acquired.

	2024 \$	2023 \$
Balance, beginning of year	265,951,608	265,100,308
Additions to deferred capital contributions	17,099,950	15,060,976
Revenue recognized in the period	(14,519,332)	(14,209,676)
	268,532,226	265,951,608

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### 9. 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, 2024, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

	2024 \$	2023 \$
<b>Liabilities for Asset Retirement Obligations at Beginning of year</b>	39,023,269	34,215,930
<b>Increase in liabilities reflecting changes in the estimate of liabilities</b>	1,428,252	4,807,339
<b>Liabilities for Asset Retirement Obligations at End of Year</b>	40,451,521	39,023,269

The Board made an inflation adjustment increase in estimates of 3.66% as at March 31, 2024, in line with the Provincial government fiscal year end, to reflect costs as at that date. The Board did not make any inflation adjustment as of August 31, 2024.

### 10. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Liability	Retirement Gratuities \$	Retirement Benefits \$	Other Employee Future Benefits \$	2024 Total \$	2023 Total \$
Accrued employee benefit obligations at August 31	116,898	411,532	5,575,194	6,103,624	4,744,316
Unamortized actuarial gains (losses) at August 31	5,253	-	-	5,253	5,823
Employee Future Benefits Liability at August 31	122,151	411,532	5,575,194	6,108,877	4,750,139

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### 10. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS , continued

Change in retirement and other employee future benefit obligations	Retirement Gratuities	Retirement Benefits	Other Employee Future Benefits	2024 Total	2023 Total
	\$	\$	\$	\$	\$
Current year benefit cost <sup>(1)</sup>	-	-	2,809,364	2,809,364	1,506,752
Interest on accrued benefit obligation	6,732	18,361	143,341	168,434	139,874
Recognized actuarial gains	(4,265)	13,069	(52,532)	(43,728)	(107,926)
Benefit payments	(78,267)	(74,409)	(1,422,656)	(1,575,332)	(1,091,922)
	(75,800)	(42,979)	1,477,517	1,358,738	446,778

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

#### Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2024 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2024. 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:

	2024	2023
Inflation	2.0%	2.0%
Wage and salary escalation	n/a	n/a
Insurance and health care cost escalation	5.00%	3.00- 5.00%
Discount on accrued benefit obligations	3.8%	4.4%

#### Retirement Benefits

##### (a) Ontario Teacher's Pension Plan

Teachers and related employee groups are eligible to be members of Ontario Teachers 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 School Board's consolidated financial statements.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 10. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS , continued

#### (b) Ontario Municipal Employees Retirement System

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2024, the Board contributed \$4,207,770 (2023 - \$3,920,200) 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.

#### (c) Retirement Gratuities

The Board provides retirement gratuities to certain groups of employees hired prior to specified dates. 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. 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.

#### (d) Retirement Life Insurance and Health Care Benefits

The Board continues to provide life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. The premiums for certain classes of retirees are based on the School Board's experience and retirees' premiums may be subsidized by the Board. The premiums for retiree groups that have transitioned to the One-T ELHT are based on the trust retiree premium and 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. Effective September 1, 2013, employees retiring on or after this date, will no longer qualify for School Board subsidized premiums or contributions.

### Other Employee Future Benefits

#### (a) 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 agreements included such provision.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 10. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS , continued

#### (b) Sick Leave Top-Up Benefits

A maximum of 11 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 and disability plan in that year. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements.

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, 2024 and is based on the average daily salary and banked sick days of employees as at August 31, 2024.

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

The Board provides life insurance, dental and health care benefits to all employees on long-term disability leave. The Board is responsible for the payment of life insurance premiums and the costs of health care benefits under this plan. The Board provides these benefits through an unfunded defined benefit plan. The costs of salary compensation paid to employees on long-term disability leave are fully insured and not included in this plan.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### 11. DEBENTURE DEBT AND CAPITAL LOANS

- (a) The balance of debenture debt and capital loans reported on the Consolidated Statement of Financial Position is made up of the following:

	2024 \$	2023 \$
CIBC Mellon Global Series 2000 – A1 debenture, repayable semi-annually at \$944,244 principal and interest, with an effective interest rate of 7.20%, maturing June 2025	1,791,194	3,460,067
Ontario Financing Authority, term loan, repayable semi-annually at \$93,943 principal and interest at 4.56% due November 2031	1,182,193	1,311,724
Ontario Financing Authority, term loan, repayable semi-annually at \$86,308 principal and interest at 4.95%, due March 2033	1,221,542	1,330,290
Ontario Financing Authority, term loan, repayable semi-annually at \$25,973 principal and interest at 5.28%, due April 2035	427,642	456,093
Ontario Financing Authority, term loan, repayable semi-annually at \$380,620 principal and interest at 5.28%, due April 2035	6,266,824	6,683,752
Ontario Financing Authority, term loan, repayable semi-annually at \$65,392 principal and interest at 5.28%, due April 2035	1,076,669	1,148,299
Ontario Financing Authority, term loan, repayable semi-annually at \$1,745,072 principal and interest at 3.94%, due September 2025	4,538,313	7,754,172
	16,504,377	22,144,397

- (b) Interest paid during the year on long term debt amounted to \$1,043,086 (2023 - \$1,317,046).

- (c) The net debenture debt and capital loans reported in (a) of this note is repayable as follows:

	Principal \$	Interest \$	Total \$
2025	5,929,132	753,974	6,683,106
2026	2,029,284	486,028	2,515,312
2027	877,894	426,778	1,304,672
2028	922,767	381,706	1,304,473
2029	970,160	334,313	1,304,473
2030 and subsequent years	5,775,140	925,626	6,700,766
	16,504,377	3,308,425	19,812,802

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2024

### 12. DEBT CHARGES AND CAPITAL LOAN INTEREST

	2024 \$	2023 \$
Principal payments on long-term liabilities	5,640,019	5,366,059
Interest payments on long-term liabilities	1,043,086	1,317,046
	6,683,105	6,683,105

### 13. ACCUMULATED SURPLUS

	2024 \$	2023 \$
<b>Accumulated Surplus:</b>		
Operating	1,219,614	517,170
Invested in land	71,029,765	57,451,112
Other (see below)	(20,899,377)	(19,898,087)
<b>Total Accumulated Surplus</b>	<b>51,350,002</b>	<b>38,070,195</b>

Other comprised of:

	2024 \$	2023 \$
Committed sinking fund interest	1,030,017	1,125,388
Interest on long term debt	(234,007)	(309,430)
School generated funds	2,884,966	2,277,626
Employee benefits and post employment liabilities	(2,484,757)	(2,484,757)
Asset retirement obligations	(22,095,596)	(20,506,914)
	(20,899,377)	(19,898,087)



# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### 14. GRANTS FOR STUDENT NEEDS

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. 79.32% of the consolidated revenues of the Board are directly controlled by the provincial government through the grants for student needs. The payment amounts of this funding are as follows:

	2024 \$	2023 \$
Provincial Legislative Grants	243,447,347	221,870,643
Education Property Tax	40,665,966	40,192,310
Grants for Student Needs	284,113,313	262,062,953

### 15. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2024 \$ (Unaudited)	Actual 2024 \$	Actual 2023 \$
Salary and wages	205,317,651	245,801,696	201,086,096
Employee benefits	39,208,278	43,296,613	37,337,105
Staff development	614,050	549,904	651,071
Supplies and services	18,007,681	15,642,312	15,828,903
Interest charges on capital	1,116,320	967,663	1,245,300
Rental	1,543,284	1,674,375	1,614,585
Fees and contract services	12,653,484	13,923,624	13,356,938
School fund activities	6,000,000	5,978,028	5,568,822
Other	610,581	795,005	682,785
Amortization of tangible capital assets and TCA-ARO	16,174,530	16,290,489	15,593,477
	301,245,859	344,919,709	292,965,082

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 16. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The School Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$20 million per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2024 were \$684,328 (2023 - \$652,208). There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the School Board.

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

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

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

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

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

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

### 17. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

The Board has entered into contractual obligations for completion of school projects and capital initiatives. The Board has outstanding commitments of \$7,524,183 as at August 31, 2024 that will be incurred as capital expenditures in future years as the projects are completed.

The Board has entered into operating leases for premises in Ajax and Oshawa. In addition, the Board has entered into operating leases for computer equipment. The minimum annual lease payments for the next five years and thereafter are as follows:

2025	\$1,662,411
2026	1,336,142
2027	1,226,643
2028	1,228,042
2029 and thereafter	2,070,945

The Board is contingently liable with respect to litigation and claims, which arise from time to time in normal course of business. In the opinion of management, the liability that may arise from such contingencies would not have a significant adverse effect on the financial position of the Board, and therefore, no amounts have been recorded in these financial statements.

### 18. DURHAM STUDENT TRANSPORTATION SERVICES (DSTS) CONSORTIUM

On December 19, 2005, the Board entered into an agreement with the Durham District School Board (DDSB) in order to provide common administration of student transportation in the Region. This agreement was executed in an effort to increase delivery efficiency and cost effectiveness of student transportation for each of the Boards. Under the agreement, decisions related to the financial and operating activities of the Durham Student Transportation Services (DSTS) are shared. No member Board is in a position to exercise unilateral control.

The Board's consolidated financial statements reflect its pro-rata share of revenues and expenses. Expenses are shared on the basis of student ridership for transportation costs and a pro-rata sharing of administrative costs. The Board's pro-rata share for 2024 is 25.8% (2023 – 25.4%).

The following provides condensed financial information:

	DDSB \$	DCDSB \$	Total 2024 \$	Total 2023 \$
Student Transportation	24,991,768	8,076,083	33,067,851	28,978,086
Administrative Costs	2,263,272	1,400,134	3,663,406	2,952,987
<b>Total Expenditures</b>	<b>27,255,040</b>	<b>9,476,217</b>	<b>36,731,257</b>	<b>31,931,073</b>

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 19. IN-KIND TRANSFERS FROM THE MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY

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 (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MGCS and quantity information based on the Board's records. The in-kind revenue recorded for these transfers is \$Nil (2022 - \$138,444) with expenses based on use of \$Nil (2023 - \$138,444) for a net impact of \$Nil.

### 20. 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.

(a) Credit risk

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

(b) Market risk

The Board is exposed to interest rate risk on its long-term debt, which is regularly monitored.

(c) 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.

The Board's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, accrued interest on long-term debt 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.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### 21. CHANGE IN ACCOUNTING POLICY - ADOPTION OF NEW ACCOUNTING STANDARDS

The Board adopted the following standards concurrently beginning September 1, 2023 retroactively with restatement: PS 3160 Public Private Partnerships, PS 3400 Revenue and adopted PSG-8 Purchased Intangibles prospectively.

PS 3400 Revenue establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

The adoption of PS 3400 did not result in any changes to have any impact on financial statements.

PSG-8 Purchased Intangibles provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

The adoption of PSG-8 did not have any impact on financial statements.

PS 3160 Public Private Partnerships (P3s) provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

The adoption of PS 3160 did not have any impact on 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 the year ending August 31, 2027). Standards must be implemented at the same time:

#### New Public Sector Accounting Standards (PSAS) Conceptual Framework

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

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

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2024

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### 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; and
- 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
- 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
- Isolated financing transaction in the Cash Flow Statement

### 23. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended August 31, 2024

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### **24. MONETARY RESOLUTION TO BILL 124, THE PROTECTING A SUSTAINABLE PUBLIC SECTOR FOR FUTURE GENERATIONS ACT**

A monetary resolution to Bill 124 was reached between the Crown and the following education sector unions Elementary Teachers' Federation of Ontario (ETFO), Ontario Secondary School Teachers' Federation (OSSTF), Ontario English Catholic Teachers' Association (OECTA), and Association des Enseignantes et Enseignants Franco-Ontariens (AEFO), Elementary Teachers' Federation of Ontario- Education Workers (ETFO-EW), Ontario Secondary School Teachers' Federation- Education Workers (OSSTF-EW), Education Workers' Alliance of Ontario (EWAO), Ontario Council of Education Workers (OCEW). This agreement provides a 0.75% increase for salaries and wages on September 1, 2019, a 0.75% increase for salaries and wages on September 1, 2020, and a 2.75% increase in salaries and wages on September 1, 2021, in addition to the original 1% increase applied on September 1 in each year during the 2019-22 collective agreements. The same increases also apply to non-unionized employee groups [excluding Principals and Vice-Principals and school board executives].

The Crown has funded the monetary resolution for these employee groups to the applicable school boards through the appropriate changes to the Grants for Student Needs benchmarks and additional Priorities and Partnerships Funding (PPF).

Subsequent to the financial statement date, a monetary resolution to Bill 124 was reached between the Crown and the associations representing principals and vice-principals (Ontario Principals Council, Catholic Principals' Council of Ontario and Association des directions et directions adjointes des écoles franco-ontariennes). This agreement provides a 0.75% increase for salaries and wages on September 1, 2020, 2.75% increase for salaries and wages on September 1, 2021, and a 2.00% increase in salaries and wages on September 1, 2022, in addition to the original 1% increase applied on September 1 in each year during the 2020-23 collective agreements. The memorandum of settlement was reached on August 10, 2024 and was ratified on September 30, 2024.

Due to this resolution, there is an impact on salary and wages expenses of \$27,823,311 in the 2023-24 fiscal year. The portion related to 2019-20 to 2022-23 is \$19,807,261, with the remainder of \$8,016,050 related to 2023-24.

The Crown intends to fund the monetary resolution for principals and vice-principals to the applicable school boards through the appropriate changes to the GSN benchmarks.



# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended August 31, 2024

	Cost				Accumulated Amortization			Net Book Value	
	Opening Balance	Additions	Disposals	Asset Retirement Obligation	Closing Balance	Opening Balance	Amortization	Disposals, Write-offs & Other Adjustments	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Tangible Capital Assets</b>									
Land	51,542,347	19,512,336	-	-	71,054,683	-	-	-	71,054,683
Land Improvements	11,819,043	4,643,782	-	-	16,462,825	5,303,198	896,075	-	10,263,552
Buildings	479,433,361	8,880,342	-	1,428,252	489,741,955	201,219,912	13,817,910	-	274,704,133
Portable Structures	6,454,242	-	-	-	6,454,242	6,012,701	41,694	-	399,847
First time equipping	3,143,086	131,345	449,247	-	2,825,184	1,857,249	268,935	449,247	1,148,247
Furniture	788,893	-	207,219	-	581,674	671,944	43,747	207,219	73,202
Equipment	1,098,927	45,580	108,231	-	1,036,276	607,331	102,831	108,231	434,345
Computer hardware	4,512,542	396,844	1,172,744	-	3,736,642	3,356,390	891,620	1,172,744	661,376
Computer software	1,103,407	86,137	145,182	-	1,044,362	644,913	191,484	145,182	353,147
Vehicles	376,067	67,869	48,073	-	395,863	172,063	36,193	48,073	235,680
	560,271,915	33,764,235	2,130,696	1,428,252	593,333,706	219,845,701	16,290,489	2,130,696	359,328,212
									340,426,214
<b>Assets Under Construction</b>									
Buildings	705,197	1,677,220	-	-	2,382,417	-	-	-	2,382,417
	705,197	1,677,220	-	-	2,382,417	-	-	-	705,197
<b>Total</b>	560,977,112	35,441,455	2,130,696	1,428,252	595,716,123	219,845,701	16,290,489	2,130,696	361,710,629
									341,131,411

### a) Assets under construction

Assets under construction have a value of \$2,382,417 (2023 - \$705,197) and 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 (2023 - \$Nil)

### c) Asset inventories for resale (assets permanently removed from service)

The Board has not identified any properties that qualify as "assets permanently removed from service".