

**DURHAM CATHOLIC DISTRICT SCHOOL BOARD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AUGUST 31, 2025**

**DURHAM CATHOLIC DISTRICT SCHOOL BOARD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AUGUST 31, 2025**

**TABLE OF CONTENTS**

	Page Number
<b>MANAGEMENT REPORT</b>	
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Statement of Financial Position	1
Statement of Operations	2
Statement of Change in Net Debt	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 25
Schedule of Tangible Capital Assets	26



# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## **For The Year Ended August 31, 2025**

## 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 the Ontario Ministry of Education memorandum 2004:B2 and Ontario Regulation 395/11 of the Financial Administration Act ("the 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 the consolidated financial statements. These systems are monitored and evaluated by management.

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

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



### Director of Education



## Superintendent of Business, Finance and Facilities Services

November 24, 2025

**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**  
[www.bakertilly.ca](http://www.bakertilly.ca)

### *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, 2025, 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, 2025, 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.

### *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.*

Peterborough

Courtice

Lindsay

Cobourg

*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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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

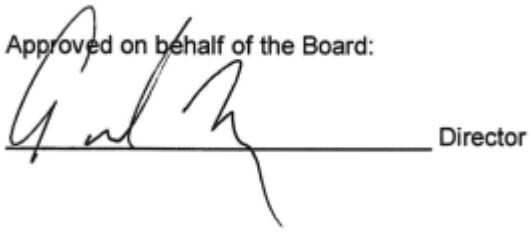
Peterborough, Ontario  
December 8, 2025

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

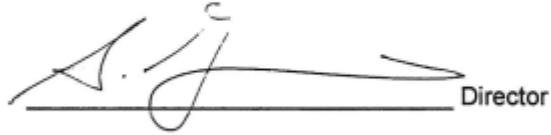
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION At August 31, 2025

	2025	2024
	\$	\$
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	10,635,346	50,720,867
Accounts receivable - other (note 2)	45,601,253	30,680,669
Accounts receivable - Government of Ontario - Approved Capital (note 3)	16,643,274	22,082,638
<b>TOTAL FINANCIAL ASSETS</b>	<b>72,879,873</b>	<b>103,484,174</b>
<b>LIABILITIES</b>		
Temporary borrowing (note 4)	16,600,000	-
Accounts payable and accrued liabilities	16,238,472	31,698,405
Accrued interest on net debt	154,263	234,007
Deferred revenue (note 5)	37,030,166	58,592,595
Deferred capital contributions (note 6)	265,619,650	268,532,226
Asset retirement obligations (note 7)	41,507,910	40,451,521
Retirement and other employee future benefits (note 8)	6,324,042	6,108,877
Debenture debt and capital loans (note 9)	10,575,244	16,504,377
<b>TOTAL LIABILITIES</b>	<b>394,049,747</b>	<b>422,122,008</b>
<b>NET DEBT</b>	<b>(321,169,874)</b>	<b>(318,637,834)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (schedule 1)	403,576,113	361,710,629
Prepaid expenses	5,393,311	8,277,207
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>408,969,424</b>	<b>369,987,836</b>
<b>ACCUMULATED SURPLUS (note 11)</b>	<b>87,799,550</b>	<b>51,350,002</b>

Approved on behalf of the Board:



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director

*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, 2025

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
<b>REVENUES</b>			
Provincial grants - Core Education Funding (note 12)	299,234,410	307,807,050	284,113,313
Provincial grants - Other	3,564,830	5,479,507	31,676,650
School generated funds	6,000,000	6,501,734	6,585,368
Federal grants and fees	1,008,300	869,538	992,373
Investment income	450,000	1,354,416	1,708,978
Amortization of deferred capital contributions (note 6)	14,623,834	14,610,249	14,519,332
Education development charges	-	29,959,211	19,847,333
Other fees and revenues	4,803,016	5,493,376	4,689,852
Recovery on land disposal	-	-	(5,933,683)
<b>TOTAL REVENUES</b>	<b>329,684,390</b>	<b>372,075,081</b>	<b>358,199,516</b>
<b>EXPENSES</b>			
Instruction	261,827,092	266,733,111	274,687,957
Administration	9,660,158	9,948,625	8,352,188
Transportation (note 16)	9,951,577	8,823,292	9,476,217
Pupil accomodation	43,689,964	43,957,088	46,425,319
School generated funds	6,000,000	6,163,417	5,978,028
<b>TOTAL EXPENSES</b>	<b>331,128,791</b>	<b>335,625,533</b>	<b>344,919,709</b>
<b>ANNUAL SURPLUS/(DEFICIT)</b>	<b>(1,444,401)</b>	<b>36,449,548</b>	<b>13,279,807</b>
<b>ACCUMULATED SURPLUS - beginning of year</b>		<b>51,350,002</b>	<b>38,070,195</b>
<b>ACCUMULATED SURPLUS - end of year</b>		<b>87,799,550</b>	<b>51,350,002</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, 2025

	Budget 2025 \$	Actual 2025 \$	Actual 2024 \$
<b>ANNUAL SURPLUS/(DEFICIT)</b>	(1,444,401)	36,449,548	13,279,807
Amortization of tangible capital assets	16,290,489	16,448,768	16,290,489
Purchase of tangible capital assets	(45,628,859)	(57,257,863)	(35,441,455)
Addition to tangible capital asset - asset retirement obligation	-	(1,056,389)	(1,428,252)
Change in prepaid expenses and other non-financial assets	-	2,883,896	(1,763,012)
<b>CHANGE IN NET DEBT</b>	(30,782,771)	(2,532,040)	(9,062,423)
<b>NET DEBT - beginning of year</b>	(318,637,834)	(318,637,834)	(309,575,411)
<b>NET DEBT - end of year</b>	(349,420,605)	(321,169,874)	(318,637,834)

*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, 2025

	2025 \$	2024 \$
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	36,449,548	13,279,807
Items not involving cash		
Amortization of tangible capital assets	16,448,768	16,290,489
Amortization of deferred capital contributions	(14,610,249)	(14,519,332)
Retirement and other employee future benefits	215,165	1,358,738
Change in estimate - asset retirement obligations	1,056,389	1,428,252
Change in non-cash assets and liabilities		
Accounts receivable - other	(14,920,584)	(13,656,015)
Prepaid expenses	2,883,896	(1,763,012)
Accounts payable and accrued liabilities	(15,459,933)	17,349,218
Accrued interest on net debt	(79,744)	(75,423)
Deferred revenue	2,101,160	(453,016)
Assets held for sale	-	5,933,683
<b>Net change in cash from operating activities</b>	<b>14,084,416</b>	<b>25,173,389</b>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(58,314,251)	(36,869,707)
<b>INVESTING ACTIVITIES</b>		
Change in investments	-	31,196
<b>FINANCING ACTIVITIES</b>		
Principal repayment on debenture and capital loans	(5,929,133)	(5,640,020)
Additions to deferred capital contributions	11,697,673	17,099,950
Change in deferred revenue - capital	(23,663,590)	17,565,646
Change in accounts receivable - Government of Ontario - Approved Capital	5,439,364	8,152,157
<b>Net change in cash from financing activities</b>	<b>(12,455,686)</b>	<b>37,177,733</b>
<b>NET CHANGE IN CASH</b>	<b>(56,685,521)</b>	<b>25,512,611</b>
<b>CASH - beginning of year</b>	<b>50,720,867</b>	<b>25,208,256</b>
<b>CASH - end of year</b>	<b>(5,964,654)</b>	<b>50,720,867</b>
<b>Comprised of:</b>		
Cash and cash equivalents	10,635,346	50,720,867
Temporary borrowing	(16,600,000)	-
	(5,964,654)	50,720,867

*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, 2025

---

### 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 Ontario 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, 2025

---

### 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	Cost
Accounts receivable - other	Amortized Cost
Accounts receivable - Government of Ontario - Approved Capital	Amortized Cost
Temporary borrowing	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.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

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. 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.

**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) and are therefore not recognized in these financial statements. For letters of guarantee and letters of credit relating to construction, disclosure is done at the face value of the guarantee or letter of credit.

**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.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (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.

#### (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 Core Education Funding, including 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, 2025

---

### 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.

#### (i) Asset Retirement Obligation

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; and
- 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 liability for the ARO are recognized as an expense in the period incurred.

---

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (j) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset, as well as legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate costs. The cost, less residual value, if any, is amortized on a straight-line basis, over the expected useful life of the asset, 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.

#### (k) 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, 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, 2025

---

### 1. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (l) 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.

#### (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) 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.

#### (o) 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.

#### (p) 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 Core Education Funding, under Education Property Tax.

# **DURHAM CATHOLIC DISTRICT SCHOOL BOARD**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** **For the Year Ended August 31, 2025**

---

### **2. 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, 2025 is \$32,034,191 (2024 - \$4,572,015).

### **3. 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 \$16,643,274 as at August 31, 2025 (2024 - \$22,082,638) with respect to capital grants.

### **4. 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.

Effective June 30, 2024 bankers' acceptances are no longer offered, and as a result, all term loans are available by Adjusted Term Canadian Overnight Repo Rate Average (CORRA) based advances, bearing interest at the Adjusted Term CORRA rate, which ranged from 2.77% to 4.53%, plus 0.79547% per annum. All loans are unsecured, due on demand and are in the form of Adjusted Term CORRA based advances and bank overdrafts.

Total Adjusted Term CORRA based advances totaled \$16,600,000 as at the end of 2025 (\$nil at the end of 2024).

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 5. DEFERRED REVENUE

Revenues received and that have been set aside for specific purposes by legislation, regulation or agreement are included in deferred revenue and reported on the Consolidated Statement of Financial Position.

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

		Externally Restricted Revenue and Investment Income 2025	Revenue Recognized in the Year 2025	Transferred to DCC 2025	Balance August 31, 2025
	Balance August 31, 2024	\$	\$	\$	\$
Legislative Grants	1,570,007	44,754,359	44,963,700	-	1,360,666
Other Ministry Grants	156,428	6,516,895	4,653,966	-	2,019,357
Other Provincial Grants	16,008	-	16,008	-	-
Other	793,394	853,148	389,567	-	1,256,975
 Deferred Revenue - Operating	 2,535,837	 52,124,402	 50,023,241	 -	 4,636,998
 Other Ministry Grants	 473,352	 12,300,090	 9,528,066	 2,886,399	 358,977
Education Development Charges	23,549,215	6,409,996	29,959,211	-	-
Proceeds of Disposition	32,034,191	-	-	-	32,034,191
 Deferred Revenue - Capital	 56,056,758	 18,710,086	 39,487,277	 2,886,399	 32,393,168
 <b>Total Deferred Revenue</b>	 <b>58,592,595</b>	 <b>70,834,488</b>	 <b>89,510,518</b>	 <b>2,886,399</b>	 <b>37,030,166</b>

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 6. DEFERRED CAPITAL CONTRIBUTIONS

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

	2025	2024
	\$	\$
Balance, beginning of year	268,532,226	265,951,608
Additions to deferred capital contributions	11,697,673	17,099,950
Revenue recognized in the period	(14,610,249)	(14,519,332)
	<hr/> 265,619,650	268,532,226

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 7. 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.

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

	2025	2024
	\$	\$
<b>Liabilities for Asset Retirement Obligations at Beginning of year</b>	40,451,521	39,023,269
Increase in liabilities reflecting changes in the estimate of liabilities	1,056,389	1,428,252
<b>Liabilities for Asset Retirement Obligations at End of Year</b>	<b>41,507,910</b>	<b>40,451,521</b>

The Board made an inflation adjustment increase in estimates of 2.61% as at March 31, 2025 (3.66% as at March 31, 2024), 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 2024 calendar year, as well as an adjustment to true up the estimated rate that was used at March 31, 2024. This rate is being used to update costs assumptions made in the ARO costing models in order to be reflective of March 31, 2025 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 2023 calendar year) to the actual rate for the 12-month period ending March 31, 2024. The Board did not make any inflation adjustment as of August 31, 2025.

The revaluation adjustment has been added to the Tangible Capital Asset - Asset Retirement Obligation balance to be amortized over the remaining useful life of the underlying asset, except in the case where the related ARO asset has no remaining useful life, in which case, it is expensed directly.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

### 8. EMPLOYEE FUTURE AMOUNTS PAYABLE

Liability	Retirement Gratuities \$	Retirement Benefits \$	Other Employee Future Benefits \$	2025 Total \$	2024 Total \$
Accrued employee benefit obligations at August 31	89,159	348,296	5,882,958	6,320,413	6,103,624
Unamortized actuarial gains (losses) at August 31	3,629	-	-	3,629	5,253
<b>Employee Future Benefits Liability at August 31</b>	<b>92,788</b>	<b>348,296</b>	<b>5,882,958</b>	<b>6,324,042</b>	<b>6,108,877</b>
<hr/>					
Change in retirement and other employee future benefit obligations	Retirement Gratuities \$	Retirement Benefits \$	Other Employee Future Benefits \$	2025 Total \$	2024 Total \$
Current year benefit cost <sup>(1)</sup>	-	-	1,769,087	1,769,087	2,809,364
Interest on accrued benefit obligation	3,911	14,281	177,285	195,477	168,434
Recognized actuarial gains	(5,334)	(6,069)	(30,499)	(41,902)	(43,728)
Benefit payments	(27,940)	(71,448)	(1,608,109)	(1,707,497)	(1,575,332)
	<b>(29,363)</b>	<b>(63,236)</b>	<b>307,764</b>	<b>215,165</b>	<b>1,358,738</b>

(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, 2025 are based on the most recent actuarial valuations completed for accounting purposes as at August 31, 2025. These valuations take into account any plan changes and the economic assumptions used in these valuations are the Board's best estimates of expected rates of:

	2025	2024
Inflation	2.0%	2.0%
Wage and salary escalation	n/a	n/a
Insurance and health care cost escalation	5.00%	5.00%
Discount on accrued benefit obligations	3.8%	3.8%

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 8. EMPLOYEE FUTURE AMOUNTS PAYABLE, continued

#### **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.

##### (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, 2025, the Board contributed \$4,897,250 (2024 - \$4,207,770) 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.

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 8. EMPLOYEE FUTURE AMOUNTS PAYABLE, continued

#### 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 4.5 years for employees receiving payments from the Workplace Safety and Insurance Board, where the previously negotiated collective agreements included such provision.

##### (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, 2025 and is based on the average daily salary and banked sick days of employees as at August 31, 2025.

##### (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, 2025

### 9. 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:

	2025	2024
	\$	\$
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
Ontario Financing Authority, term loan, repayable semi-annually at \$93,943 principal and interest at 4.56% due November 2031	1,046,687	1,182,193
Ontario Financing Authority, term loan, repayable semi-annually at \$86,308 principal and interest at 4.95%, due March 2033	1,107,400	1,221,542
Ontario Financing Authority, term loan, repayable semi-annually at \$25,973 principal and interest at 5.28%, due April 2035	397,683	427,642
Ontario Financing Authority, term loan, repayable semi-annually at \$380,620 principal and interest at 5.28%, due April 2035	5,827,796	6,266,824
Ontario Financing Authority, term loan, repayable semi-annually at \$65,392 principal and interest at 5.28%, due April 2035	1,001,242	1,076,669
Ontario Financing Authority, term loan, repayable semi-annually at \$1,745,072 principal and interest at 3.94%, due September 2025	1,194,436	4,538,313
	<hr/> 10,575,244	<hr/> 16,504,377

- (b) Interest paid during the year on long term debt amounted to \$753,972 (2024 - \$1,043,086).

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

	Principal	Interest	Total
	\$	\$	\$
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	1,019,994	284,475	1,304,469
2031 and subsequent years	4,755,145	641,147	5,396,292
	<hr/> 10,575,244	<hr/> 2,554,447	<hr/> 13,129,691

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

### 10. DEBT CHARGES AND CAPITAL LOAN INTEREST

	2025	2024
	\$	\$
Principal payments on long-term liabilities	5,929,133	5,640,019
Interest payments on long-term liabilities	753,972	1,043,086
	<u>6,683,105</u>	<u>6,683,105</u>

### 11. ACCUMULATED SURPLUS

	2025	2024
	\$	\$
<b>Accumulated Surplus:</b>		
Operating	3,414,291	1,219,614
Invested in land	106,553,234	71,029,765
Other (see below)	(22,167,975)	(20,899,377)
<b>Total Accumulated Surplus</b>	<b>87,799,550</b>	<b>51,350,002</b>
Other comprised of:		
Committed sinking fund interest	934,646	1,030,017
Interest on long term debt	(154,263)	(234,007)
School generated funds	3,223,282	2,884,966
Employee benefits and post employment liabilities	(2,484,757)	(2,484,757)
Asset retirement obligations	(23,686,883)	(22,095,596)
	<u>(22,167,975)</u>	<u>(20,899,377)</u>

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 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. 82.73% of the consolidated revenues of the Board are directly controlled by the provincial government through the core education funding. The payment amounts of this funding are as follows:

	2025	2024
	\$	\$
Provincial Legislative Grants	266,770,248	243,447,347
Education Property Tax	41,036,802	40,665,966
 Core Education Funding	 307,807,050	 284,113,313

### 13. EXPENSES BY OBJECT

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

	Budget 2025	Actual 2025	Actual 2024
	\$	\$	\$
Salary and wages	230,163,439	234,603,234	245,801,696
Employee benefits	42,913,713	42,403,364	43,296,613
Staff development	727,854	564,147	549,904
Supplies and services	19,035,810	17,915,540	15,642,312
Interest charges on capital	906,556	674,230	967,663
Rental	883,767	1,729,417	1,674,375
Fees and contract services	13,478,868	14,221,722	13,923,624
School fund activities	6,000,000	6,163,417	5,978,028
Other	713,947	901,697	795,005
Amortization of tangible capital assets and TCA-ARO	16,304,837	16,448,765	16,290,489
 331,128,791	 335,625,533	 344,919,709	

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 14. 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, 2025 were \$732,694 (2024 - \$684,328). 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 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, 2025

---

### 15. 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 \$94,520,881 as at August 31, 2025 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:

2026	\$1,579,139
2027	1,474,452
2028	1,475,850
2029	910,484
2030 and thereafter	1,812,231

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.

### 16. 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 2025 is 32.2% (2024 – 25.8%).

The following provides condensed financial information:

	DDSB \$	DCDSB \$	Total 2025 \$	Total 2024 \$
Student Transportation	22,102,270	7,355,096	29,457,366	33,067,851
Administrative Costs	2,229,524	1,059,139	3,288,663	3,268,401
Costs in Consortium	24,331,794	8,414,235	32,746,029	36,336,252
Costs Paid Directly by DCDSB	-	409,057	409,057	395,005
<b>Total Expenditures</b>	<b>24,331,794</b>	<b>8,823,292</b>	<b>33,155,086</b>	<b>36,731,257</b>

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended August 31, 2025

---

### 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.

(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 temporary borrowing and 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, temporary borrowing, 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.

### 18. 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, 2025

---

### 18. 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 retroactivity with restatement of prior year amounts.

The main changes are:

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

### 19. COMPARATIVE FIGURES

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

# DURHAM CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended August 31, 2025

	Cost			Accumulated Amortization				Disposals, Write-offs & Other Adjustments			Net Book Value	
	Opening Balance	Additions	Disposals	Asset Retirement Obligation	Closing Balance	Opening Balance	Amortization	Other	Closing Balance	2025	2024	\$
<b>Tangible Capital Assets</b>												
Land	71,054,683	45,560,189	-	-	116,614,872	6,199,273	1,158,449	-	-	116,614,872	71,054,683	
Land Improvements	16,462,825	2,375,350	-	-	18,838,175	215,037,822	14,142,649	-	-	11,480,453	10,263,552	
Buildings	489,741,955	7,179,226	-	1,056,389	497,977,570	-	-	-	-	229,180,471	274,704,133	
Portable Structures	6,454,242	137,686	-	-	6,591,928	6,054,395	45,137	-	-	6,099,532	399,847	
First time equipping	2,825,184	33,775	140,330	-	2,718,629	1,676,937	251,511	140,330	1,788,118	930,511	1,148,247	
Furniture	581,674	8,142	288,409	-	301,407	508,472	27,641	288,409	247,704	53,703	73,202	
Equipment	1,036,276	30,093	31,966	-	1,034,403	601,931	101,135	31,966	671,100	363,303	434,345	
Computer hardware	3,736,642	353,927	1,726,721	-	2,363,848	3,075,266	491,029	1,726,721	1,839,574	524,274	661,376	
Computer software	1,044,362	91,752	87,746	-	1,048,368	691,215	187,862	87,746	791,331	257,037	353,147	
Vehicles	395,863	75,377	-	-	471,240	160,183	43,355	-	203,538	267,702	235,680	
	593,333,706	55,845,517	2,275,172	1,056,389	647,960,440	234,005,494	16,448,768	2,275,172	248,179,090	399,781,350	359,328,212	
<b>Assets Under Construction</b>												
Buildings	2,382,417	1,412,346	-	-	3,794,763	-	-	-	-	3,794,763	2,382,417	
<b>Total</b>	<b>595,716,123</b>	<b>57,257,863</b>	<b>2,275,172</b>	<b>1,056,389</b>	<b>651,755,203</b>	<b>234,005,494</b>	<b>16,448,768</b>	<b>2,275,172</b>	<b>248,179,090</b>	<b>403,576,113</b>	<b>361,710,629</b>	

### a) Assets under construction

Assets under construction have a value of \$3,794,763 (2024 - \$2,382,417) 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 (2024 - \$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".