

**BRANT HALDIMAND NORFOLK  
CATHOLIC DISTRICT SCHOOL BOARD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended August 31, 2018**

**BRANT HALDIMAND NORFOLK  
CATHOLIC DISTRICT SCHOOL BOARD**

**For the year ended August 31, 2018**

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## MANAGEMENT REPORT

**Financial Statements ended August 31, 2018**

### Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of the Brant Haldimand Norfolk 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 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 Millard, Rouse, Rosebrugh, Chartered Accountants, 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.

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Chris N. Roehrig  
Director of Education & Secretary

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Thomas R. Grice  
Superintendent of Business & Treasurer

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
**Brant Haldimand Norfolk Catholic District School Board**

We have audited the accompanying consolidated financial statements of Brant Haldimand Norfolk Catholic District School Board, which comprise the consolidated statement of financial position as at August 31, 2018, the consolidated statements of operations, changes in net debt and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these consolidated financial statements in accordance with the basis of accounting described in Note 1 to the consolidated financial statements, 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

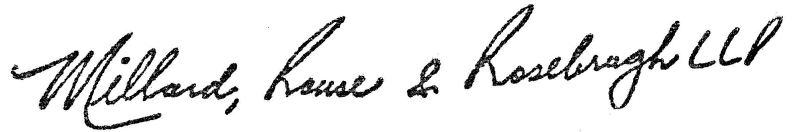
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements of Brant Haldimand Norfolk Catholic District School Board as at and for the year ended August 31, 2018 are prepared, in all material respects, in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

**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.



November 19, 2018  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at August 31	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	22,272,804	15,379,514
Accounts receivable		
Municipalities	2,010,217	1,837,391
Government of Ontario - Approved Capital (Note 2)	45,470,034	47,766,706
Other (Note 3)	692,811	3,225,975
Assets held for sale (Note 4)	-	283,853
<b>Total Financial Assets</b>	<b>70,445,866</b>	<b>68,493,439</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	7,449,757	7,046,131
Accounts payable - other School Boards	316,841	70,350
Deferred revenue (Note 5)	4,975,058	1,781,084
Accrued vacation pay	509,697	529,102
Post employment/retirement benefits (Note 6)	763,227	749,379
Accrued interest on long term liabilities	789,666	837,424
Long term liabilities (Note 11)	45,800,863	48,517,220
Deferred capital contributions (Note 7)	97,336,958	97,670,555
<b>Total Liabilities</b>	<b>157,942,067</b>	<b>157,201,245</b>
<b>Net Debt</b>	<b>(87,496,201)</b>	<b>(88,707,806)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	110,872,941	109,500,586
<b>NET ASSETS</b>	<b>23,376,740</b>	<b>20,792,780</b>
<b>ACCUMULATED SURPLUS (Note 13)</b>	<b>23,376,740</b>	<b>20,792,780</b>

Approved on behalf of the Board

Chair of the Board

Director of Education

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF OPERATIONS

<b>For the year ended August 31</b>	<b>Budget 2018</b>	<b>Actual 2018</b>	<b>Actual 2017</b>
<b>Revenues</b>			
General legislative grants	121,992,127	122,222,812	117,057,863
Provincial grants - other	1,511,606	2,570,860	1,612,994
Federal grants and fees	1,094,825	1,126,789	1,033,553
Other fees and revenue	374,785	774,463	910,554
Investment income	141,000	310,800	167,205
School funded activities	3,500,000	3,676,416	3,519,325
Other revenue - school boards	331,943	360,886	309,603
	128,946,286	131,043,026	124,611,097
<b>Expenses</b>			
Instruction	97,472,396	97,237,462	91,135,315
Administration	3,977,782	3,903,026	3,855,829
Transportation	5,070,320	4,969,562	4,731,089
School operations and maintenance	18,735,859	18,644,557	18,554,313
Other	146,395	192,572	146,395
School funded activities	3,500,000	3,511,887	3,450,404
	128,902,752	128,459,066	121,873,345
<b>Annual Surplus</b>	43,534	2,583,960	2,737,752
<b>Accumulated Surplus - Beginning of Year</b>	18,448,557	20,792,780	18,055,028
<b>Accumulated Surplus - End of Year</b>	18,492,091	23,376,740	20,792,780

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

<b>For the year ended August 31</b>	<b>2018</b>	<b>2017</b>
<b>Annual Surplus</b>	2,583,960	2,737,752
Amortization of tangible capital assets	4,601,626	4,425,261
Acquisition of tangible capital assets (net of transferred CIP)	(6,322,229)	(4,255,170)
Proceeds on sale of tangible capital assets	2,369,239	-
Loss/(Gain) on sale of tangible capital assets	(2,020,991)	-
Transfer to assets held for sale	-	283,853
<b>Change in Net Debt</b>	<b>1,211,605</b>	<b>3,191,696</b>
<b>Net Debt - Beginning of Year</b>	<b>(88,707,806)</b>	<b>(91,899,502)</b>
<b>Net Debt - End of Year</b>	<b>(87,496,201)</b>	<b>(88,707,806)</b>



# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended August 31	2018	2017
<b>Cash Flows From Operating Activities</b>		
Annual surplus	2,583,960	2,737,752
<b>Non-cash Charges to Operations</b>		
Amortization of tangible capital assets	4,601,626	4,425,261
Loss/(Gain) on disposal of tangible capital assets	(2,020,991)	-
Amortization of deferred capital contributions	(4,420,761)	(4,244,395)
Deferred revenue transferred to deferred capital contributions	349,431	480,437
	1,093,265	3,399,055
<b>Sources (Uses) of Cash:</b>		
Accounts receivable - Municipalities	(172,826)	131,379
Accounts receivable - Government of Ontario, Approved capital	2,296,672	431,755
Accounts receivable - other	2,533,164	(445,020)
Assets held for sale	283,853	(283,853)
Accounts payable and accrued liabilities	403,626	874,126
Accounts payable - other School Boards	246,491	(37,169)
Deferred revenues	3,193,974	508,688
Accrued vacation pay	(19,405)	73,088
Post employment/retirement benefits	13,848	(434,020)
Accrued interest on long term liabilities	(47,758)	(45,261)
	8,731,639	773,713
<b>Cash Flows From Capital Activities</b>		
Acquisition of tangible capital assets (net of transferred CIP)	(6,322,229)	(3,971,309)
Proceeds on disposal of capital assets	2,369,239	-
	(3,952,990)	(3,971,309)
<b>Cash Flows From Financing Activities</b>		
Debenture and loan repayments	(2,716,357)	(2,584,475)
Capital grants received	3,737,733	2,538,311
	1,021,376	(46,164)
<b>Net Increase in Cash and Cash Equivalents</b>	6,893,290	155,295
<b>Opening Cash and Cash Equivalents</b>	15,379,514	15,224,219
<b>Closing Cash and Cash Equivalents</b>	22,272,804	15,379,514

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 1. SIGNIFICANT ACCOUNTING POLICIES

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

#### a) Basis of Accounting

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

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

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

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

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

As a result, revenue recognized in the statement of operations and certain related deferred revenues and deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### **b) Reporting Entity**

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

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

Consolidated entities:  
Transportation Consortium  
School Generated Funds

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) Cash and Cash Equivalents**

Cash and cash equivalents are comprised 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.

#### **e) 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 and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services are performed.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### f) Deferred Capital Contributions

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

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

#### g) Retirement and Other Employee Future Benefits

The Board provides defined retirement and other future benefits to specified employee groups. These benefits include life, extended health care, 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 2016-17: OSSTF, OECTA. The following ELHTs were established in 2017-2018: CUPE, EWBT and, ONE-T, for non-unionized employees including principals and vice-principals. The ELHTs provide health, life and dental benefits to teachers (excluding daily occasional teachers), education workers (excluding casual and temporary staff), other school board staff and retired individuals 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. The Board is no longer responsible to provide certain benefits to OECTA members. Starting February 1, 2017, the Board is no longer responsible to provide certain benefits to OSSTF members. 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 group, the Board provides health, dental and life insurance benefits for retired individuals for all groups and continues to have a liability for payment of benefits for those who are on long-term disability and for some retirees who are retired under these plans.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### **g) Retirement and Other Employee Future Benefits (Continued)**

The Board provides future benefits to specified employee groups. These benefits include non-vesting accumulated sick leave benefits and subsidized post-retirement health, dental and life insurance for certain retirees. In 2012, changes were made to the Board's non-vesting accumulating sick leave plan and retiree health, life and dental plan. The Board has adopted the following policies with respect to accounting for these employee benefits:

(i) For self insured non-vesting accumulating sick leave plans and the retiree health, life and dental plan, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group.

For those self insured benefit obligations that arise from specific events that occur from time to time, such as obligations for worker's compensation, long-term disability and life insurance and health care benefits for those on disability leave, for those employees who are not yet members of an ELHT, 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.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### h) 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. 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 estimated useful lives as follows:

Asset	Estimated Useful Life in Years
Land improvements with finite lives	15
Buildings and building improvements	40
Portable structures	20
Other buildings	20
First-time equipping of schools	10
Furniture	10
Equipment	5-15
Computer hardware	5
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.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### **i) 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 (DCC) and recognized as revenue in the consolidated statement of operations at the same rate and over the same periods as the asset is amortized.

#### **j) 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.

#### **k) Long-term Debt**

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

#### **m) Use of Estimates**

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 1a) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Accounts subject to significant estimates include accruals, pension and post retirement benefits and deferred revenue. Actual results could differ from these estimates.

#### **n) 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, property tax revenue received from the municipalities is recorded as part of Provincial Legislative Grants.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 2. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

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The Province of Ontario (Province) replaced variable capital funding with a one-time debt support grant in 2009-10. The Board received a one time grant that recognized 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 accounts receivable from the Province of Ontario of \$45,470,034 as at August 31, 2018 (2017 - \$47,766,706) with respect to capital grants.

3. ACCOUNTS RECEIVABLE - OTHER	2018	2017
Other school boards	57,815	319,766
Government of Ontario	367,846	1,450,928
Government of Canada	198,877	1,272,660
Other	68,273	182,621
	692,811	3,225,975

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### 4. ASSETS HELD FOR SALE

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As of August 31, 2018, \$0 (2017 - \$283,853) related to buildings and \$0 (2017 - \$0) related to land were recorded as assets held for sale. During the year, two properties were sold, and no properties were reclassified during the year. Net proceeds of \$2,369,239 (2017 - \$0) were received on the sale of the properties, which had a carrying value of \$633,284 (2017 - \$0), resulting in a gain of \$2,020,991 (2017 - \$0). The gain was deferred for future capital asset purchases according to Ontario Regulation 193/10.



# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

### 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, 2018 is comprised of:

	Balance at August 31, 2017	Externally restricted revenue and interest	Revenue recognized	Transferred to DCC	Balance at August 31, 2018
Proceeds of disposition	608,853	2,369,239	-	-	2,978,092
Education development charge	-	469,680	400,498	-	69,182
Legislative grants	421,492	7,054,775	6,190,238	349,431	936,598
Special education	356,388	15,606,293	15,473,233	-	489,448
Other education grants	254,945	189,444	147,732	-	296,657
Other grants	139,406	155,054	89,379	-	205,081
	1,781,084	25,844,485	22,301,080	349,431	4,975,058

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 6. RETIREMENT AND ACCRUED FUTURE PAID SICK LEAVE BENEFITS

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#### **Actuarial Assumptions**

The accrued benefit obligations for employee future benefit plans as at August 31, 2018 are based upon actuarial assumptions of future events determined for accounting purposes as at August 31, 2018 and adjusted for census and changes to the actuarial assumptions.

The assumptions used in the current valuation are as follows:

- i) Health costs are assumed to increase by 7.75% for 2017-18, 7.50% for 2018-19 and 7.25% for 2019-20, reducing by 1/4% in each subsequent year to an ultimate rate of 4%.
- ii) Dental costs are assumed to increase by 3.75% for 2017-18, 3.5% for 2018-19 and 3.25% for 2019-20, reducing by 1/4% in each subsequent year to an ultimate rate of 3%.
- iii) Participation rates are assumed to be 100% of early retirement employees.

#### **Retirement Life Insurance and Health Care Benefits**

The Board provides life insurance, dental and health care benefits to certain employee groups after retirement until the members reach 65 years of age. Staff retired after August 2005 pay actual retiree rates, if they chose to stay in the plan. Staff retired prior to August 2005 are grandfathered and will continue to benefit from the reduced rates based on the entire benefit group. 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.

#### **Workplace Safety and Insurance Board Obligations**

The Board is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for the payment of all claims to its injured workers under the Act. The Board does not fund these obligations in advance of payments made under the Act. The benefit costs and liabilities related to this plan are included in the Board's consolidated financial statements. School boards are required to provide salary top-up to a maximum of 4 1/2 years for employees receiving payments from the Workplace Safety and Insurance Board, where the collective agreement negotiated prior to 2012 included such provision.

#### **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 leave and disability plan in that year. The benefit costs expensed in the financial statements are \$48,646 (2017 - \$77,301).

For accounting purposes, the valuation for the accrued benefit obligation for the sick leave top-up is based on an actuarial assumptions about future events determined as at August 31, 2018 and is based on the average daily salary and banked sick days of employees as at August 31, 2018.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

### 6. RETIREMENT AND ACCRUED FUTURE PAID SICK LEAVE BENEFITS (Continued)

Retirement and Other Employee Future Benefit Liabilities				2018	2017
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Accrued benefit at August 31	163,822	61,740	440,063	665,625	642,507
Unamortized actuarial gains/(losses) at August 31	97,602	-	-	97,602	106,872
	261,424	61,740	440,063	763,227	749,379

Retirement and Other Employee Future Benefit Expenses				2018	2017
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	28,699	61,740	56,807	147,246	(303,089)
Interest on accrued benefit obligation	4,034	-	10,969	15,003	16,268
Recognized Actuarial gains (losses)	(14,234)	(13,094)		(27,328)	4,206
Benefit payments	(15,553)	(46,559)	(58,961)	(121,073)	(151,405)
Employee Future Benefits Expenses	2,946	2,087	8,815	13,848	(434,020)

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 7. DEFERRED CAPITAL CONTRIBUTIONS 2018                      2017

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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.

Beginning balance	97,670,555	98,896,202
Additions to capital contributions (net)	3,737,733	2,538,311
Revenue recognized in the period	(4,420,761)	(4,244,395)
Transfers from deferred revenue	349,431	480,437
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Ending balance	97,336,958	97,670,555

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### 8. ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

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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, 2018, the Board contributed \$1,675,394 (2017 - \$1,586,216) to the plan. As this is a multi-employer pension plan, these contributions are the Board's pension benefit expenses. No pension liability for this type of plan is included in the Board's consolidated financial statements.

The OMERS pension plan has a deficit. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions may be required in the future.

### 9. ONTARIO TEACHER'S PENSION PLAN

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

### 10. TRUST FUNDS

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Trust funds administered by the Board amounting to \$23,674 (2017 - \$25,594) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

### 11. LONG TERM LIABILITIES

Debtenture debt, capital loans and obligation under capital leases reported on the Consolidated Statement of Financial Position comprises the following:

	2018	2017
4.9% debenture payable, semi-annual payments of \$58,141 including principal and interest, maturing March 2033.	1,213,666	1,268,456
6.5% debenture payable, semi-annual payments of \$772,885 including principal and interest, maturing October 2026.	9,954,173	10,805,879
3.799% debenture payable, semi-annual payments of \$201,402 including principal and interest, maturing March 2038.	5,577,592	5,763,198
2.425% debenture payable, semi-annual payments of \$160,409 including principal and interest, maturing November 2021.	1,070,329	1,359,915
4.867% debenture payable, semi-annual payments of \$375,851 including principal and interest, maturing March 2029.	6,344,485	6,771,743
4.56% OFA debenture payable, semi-annual payments of \$114,507 including principal and interest, maturing November 2031.	2,289,818	2,410,282
5.062% OFA debenture payable, semi-annual payments of \$85,137 including principal and interest, maturing March 2034.	1,838,674	1,913,039
5.384% OFA debenture payable, semi-annual payments of \$462,624 including principal and interest, maturing May 2034.	9,840,325	10,220,357
5.232% PCS Stage 1 loan payable, semi-annual payments of \$52,483 including principal and interest, maturing April 2035.	1,168,452	1,210,622
5.232% GPL Stage 4 loan payable, semi-annual payments of \$32,797 including principal and interest, maturing April 2035.	730,171	756,524
5.232% PTR Phase 2 loan payable, semi-annual payments of \$253,921 including principal and interest, maturing April 2035.	5,653,178	5,857,205
3% promissory note payable to the Roman Catholic Episcopal Corp., payable at \$40,000 per year plus interest, maturing May 2020.	80,000	120,000
Interest free note payable to the Roman Catholic Episcopal Corp., payable at \$20,000 per year, maturing May 2020.	40,000	60,000
	45,800,863	48,517,220

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

### 11. LONG TERM LIABILITIES (Continued)

Of the net long term liabilities outstanding of \$45,800,863, principal and interest payments are payable over the next five years as follows:

	Principal	Interest Payments	Total
2019	2,855,558	2,347,178	5,202,736
2020	3,002,496	2,199,018	5,201,514
2021	3,097,624	2,042,490	5,140,114
2022	3,101,004	1,879,901	4,980,905
2023	3,107,695	1,713,327	4,821,022
	<u>15,164,377</u>	<u>10,181,914</u>	<u>25,346,291</u>

Interest paid on long-term debt amounted to \$2,443,263 (2017 - 2,578,699).

As of August 31, 2018, the Board had \$878,090 (2017 - \$853,090) in letters of credit outstanding related to ongoing construction projects.

### 12. EXPENDITURES BY OBJECT

	Budget 2018	Actual 2018	Actual 2017
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The following is a summary of current expenditures reported on the Consolidated Statement of Operations by object:

**Current expenditures:**

Salary and wages	87,779,153	86,678,725	82,789,601
Employee benefits	13,600,820	13,520,133	11,942,343
Staff development	395,614	421,999	335,155
Supplies and services	12,444,361	13,077,338	12,643,307
Interest on long term debt	2,487,557	2,443,263	2,578,699
Rental expenditures	18,484	41,589	20,485
Fees and contract services	7,544,967	7,444,655	6,948,020
Other	186,695	229,739	190,474
Amortization	4,445,101	4,601,625	4,425,261
	<u>128,902,752</u>	<u>128,459,066</u>	<u>121,873,345</u>

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

### 13. ACCUMULATED SURPLUS (DEFICIT)

Accumulated surplus (deficit) consists of the following:

	2018	2017
<b>Surplus (Deficit):</b>		
Invested in non-depreciable tangible capital assets	9,209,003	7,804,344
Employee future benefits to be covered in the future	(763,227)	(749,379)
School generated funds	1,740,524	1,575,996
Other	13,190,440	12,161,819
	<b>23,376,740</b>	<b>20,792,780</b>

### 14. TRANSPORTATION CONSORTIUM

On October 1, 2008, the Board entered into an agreement with Grand Erie District School Board and Conseil Scolaire de District Catholique Centre-Sud Board 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 Student Transportation Services of Brant Haldimand Norfolk are shared. No partner is in a position to exercise unilateral control.

On October 14, 2010, Student Transportation Services of Brant Haldimand Norfolk was incorporated.

Below provides condensed financial information for the consortium.

	2018		2017	
	Total	Board Portion	Total	Board Portion
<b>Financial Position</b>				
Financial Assets	29,117	50,070	92,649	56,266
Liabilities	29,117	50,070	92,649	56,266
<b>Accumulated Surplus</b>	-	-	-	-
<b>Operations</b>				
Revenues	17,074,190	4,863,146	16,011,611	4,389,082
Expenses	17,074,190	4,863,146	16,011,611	4,389,082
<b>Annual Surplus</b>	-	-	-	-

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

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2018

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### 15. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

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The Board is involved from time to time in litigation, which arises in the normal course of business. Where the potential liability is likely and able to be estimated, management records its best estimate of the potential liability. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the year during which the liability is able to be estimated or adjustments to any amount recorded are determined to be required.

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

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The Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act. OSBIE insures general public liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27 million per occurrence.

The ultimate premiums over a five year period are based on the reciprocal's and the Board's actual claims experience. Periodically, the Board may receive a refund or be asked to pay an additional premium based on its pro rata share of claims experience. The current five year term expires December 31, 2021.

### 17. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

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On June 1, 2003, the Board received \$1,965,017 from The 55 School Board Trust for its capital related debt eligible for provincial funding support pursuant to a 30-year agreement it entered into with the trust. The 55 School Board Trust was created to refinance the outstanding not permanently financed (NPF) debt of participating boards who are beneficiaries of the trust. Under the terms of the agreement, The 55 School Board Trust repaid the Board's debt in consideration for the assignment by the Board to the trust of future provincial grants payable to the Board in respect of the NPF debt.

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



## BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

### SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended August 31, 2018

	Land	Building (40 years)	Portable structures	Equipment (5 years)	Equipment (10 years)	Computer hardware	Computer software	Vehicles	Construction in progress	Total 2018	Total 2017
<b>Cost</b>											
Balance, beginning of year	7,804,344	147,538,709	3,684,134	35,503	3,246,819	4,092,623	568,314	247,246	811,346	168,029,038	164,401,319
Additions during the year	1,414,658	3,219,445	-	-	-	-	-	-	1,688,126	6,322,229	7,328,362
Disposals during the year	(9,999)	(796,417)	-	-	-	-	-	-	-	(806,416)	(3,700,643)
<b>Balance, end of year</b>	<b>9,209,003</b>	<b>149,961,737</b>	<b>3,684,134</b>	<b>35,503</b>	<b>3,246,819</b>	<b>4,092,623</b>	<b>568,314</b>	<b>247,246</b>	<b>2,499,472</b>	<b>173,544,851</b>	<b>168,029,038</b>
<b>Accumulated Amortization</b>											
Balance, beginning of year	-	47,967,821	3,131,549	30,514	2,524,901	4,092,623	568,314	212,730	-	58,528,452	54,446,789
Amortization during the year	-	4,384,309	57,811	4,388	144,411	-	-	10,707	-	4,601,626	4,425,261
Disposals, writeoffs and adjustments	-	(458,168)	-	-	-	-	-	-	-	(458,168)	(343,598)
<b>Balance, end of year</b>	<b>-</b>	<b>51,893,962</b>	<b>3,189,360</b>	<b>34,902</b>	<b>2,669,312</b>	<b>4,092,623</b>	<b>568,314</b>	<b>223,437</b>	<b>-</b>	<b>62,671,910</b>	<b>58,528,452</b>
<b>Net book value of tangible capital assets</b>	<b>9,209,003</b>	<b>98,067,775</b>	<b>494,774</b>	<b>601</b>	<b>577,507</b>	<b>-</b>	<b>-</b>	<b>23,809</b>	<b>2,499,472</b>	<b>110,872,941</b>	<b>109,500,586</b>