

**BRANT HALDIMAND NORFOLK  
CATHOLIC DISTRICT SCHOOL BOARD**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended August 31, 2019**

**BRANT HALDIMAND NORFOLK  
CATHOLIC DISTRICT SCHOOL BOARD**

**For the year ended August 31, 2019**

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## MANAGEMENT REPORT

### Financial Statements ended August 31, 2019

#### 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.

A handwritten signature in black ink, appearing to read "Mike McDonald".

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Mike McDonald  
Director of Education & Secretary

A handwritten signature in blue ink, appearing to read "Scott Keys".

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Scott Keys  
Superintendent of Business & Treasurer

## INDEPENDENT AUDITORS' REPORT

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

We have audited the consolidated financial statements of Brant Haldimand Norfolk Catholic District School Board (the 'Board'), which comprise the consolidated statement of financial position as at August 31, 2019, and the consolidated statements of operations, changes 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, 2019, and its results of operations, its changes in net debt, and its cash flows for the year then ended in accordance with the basis of accounting described in Note 1 to the consolidated financial statements.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 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. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation 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 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 relating 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.

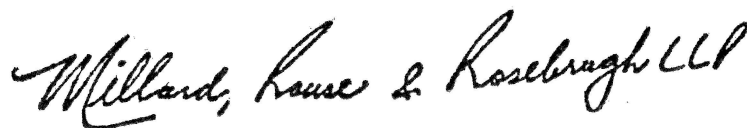
Those charged with governance are responsible for overseeing the Board's financial reporting process.

## **Auditors' Responsibilities for the Audit of the 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 auditors' 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 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



November 25, 2019  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at August 31	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents	15,076,226	22,272,804
Accounts receivable		
Municipalities	2,111,837	2,010,217
Government of Ontario - Approved Capital (Note 2)	41,726,930	45,470,034
Other (Note 3)	8,721,129	692,811
<b>Total Financial Assets</b>	<b>67,636,122</b>	<b>70,445,866</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	6,720,930	7,449,757
Accounts payable - other School Boards	132,193	316,841
Deferred revenue (Note 5)	4,099,136	4,975,058
Accrued vacation pay	505,562	509,697
Post employment/retirement benefits (Note 6)	997,527	763,227
Accrued interest on long term liabilities	739,237	789,666
Long term liabilities (Note 11)	42,945,306	45,800,863
Deferred capital contributions (Note 7)	99,201,213	97,336,958
<b>Total Liabilities</b>	<b>155,341,104</b>	<b>157,942,067</b>
<b>Net Debt</b>	<b>(87,704,982)</b>	<b>(87,496,201)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets	114,020,227	110,872,941
<b>NET ASSETS</b>	<b>26,315,245</b>	<b>23,376,740</b>
<b>ACCUMULATED SURPLUS (Note 13)</b>	<b>26,315,245</b>	<b>23,376,740</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 2019</b>	<b>Actual 2019</b>	<b>Actual 2018</b>
<b>Revenues</b>			
General legislative grants	127,040,552	127,987,783	122,222,812
Provincial grants - other	1,684,831	1,402,049	2,570,860
Federal grants and fees	1,162,060	1,149,512	1,126,789
Other fees and revenue	459,745	869,190	774,463
Investment income	130,000	353,273	310,800
School funded activities	3,500,000	3,713,283	3,676,416
Other revenue - school boards	324,144	362,769	360,886
	134,301,332	135,837,859	131,043,026
<b>Expenses</b>			
Instruction	101,931,276	100,339,438	97,237,462
Administration	4,342,197	4,400,236	3,903,026
Transportation	5,406,159	5,296,761	4,969,562
School operations and maintenance	18,931,769	19,073,364	18,644,557
Other	146,395	184,192	192,572
School funded activities	3,500,000	3,605,363	3,511,887
	134,257,796	132,899,354	128,459,066
<b>Annual Surplus</b>	43,536	2,938,505	2,583,960
<b>Accumulated Surplus - Beginning of Year</b>	23,376,740	23,376,740	20,792,780
<b>Accumulated Surplus - End of Year</b>	23,420,276	26,315,245	23,376,740

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

<b>For the year ended August 31</b>	<b>2019</b>	<b>2018</b>
<b>Annual Surplus</b>	2,938,505	2,583,960
Amortization of tangible capital assets	4,837,153	4,601,626
Acquisition of tangible capital assets (net of transferred CIP)	(7,984,439)	(6,322,229)
Proceeds on sale of tangible capital assets	-	2,369,239
Loss/(Gain) on sale of tangible capital assets	-	(2,020,991)
<b>Change in Net Debt</b>	(208,781)	1,211,605
<b>Net Debt - Beginning of Year</b>	(87,496,201)	(88,707,806)
<b>Net Debt - End of Year</b>	(87,704,982)	(87,496,201)



# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended August 31	2019	2018
<b>Cash Flows From Operating Activities</b>		
Annual surplus	2,938,505	2,583,960
<b>Non-cash Charges to Operations</b>		
Amortization of tangible capital assets	4,837,153	4,601,626
Loss/(Gain) on disposal of tangible capital assets	-	(2,020,991)
Amortization of deferred capital contributions	(4,447,286)	(4,420,761)
Deferred revenue transferred to deferred capital contributions	2,319,768	349,431
	5,648,140	1,093,265
<b>Sources (Uses) of Cash:</b>		
Accounts receivable - Municipalities	(101,620)	(172,826)
Accounts receivable - Government of Ontario, Approved capital	3,743,104	2,296,672
Accounts receivable - other	(8,028,318)	2,533,164
Assets held for sale	-	283,853
Accounts payable and accrued liabilities	(728,827)	403,626
Accounts payable - other School Boards	(184,648)	246,491
Deferred revenues	(875,922)	3,193,974
Accrued vacation pay	(4,135)	(19,405)
Post employment/retirement benefits	234,300	13,848
Accrued interest on long term liabilities	(50,429)	(47,758)
	(5,996,495)	8,731,639
<b>Cash Flows From Capital Activities</b>		
Acquisition of tangible capital assets (net of transferred CIP)	(7,984,439)	(6,322,229)
Proceeds on disposal of capital assets	-	2,369,239
	(7,984,439)	(3,952,990)
<b>Cash Flows From Financing Activities</b>		
Debenture and loan repayments	(2,855,557)	(2,716,357)
Capital grants received	3,991,773	3,737,733
	1,136,216	1,021,376
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(7,196,578)</b>	<b>6,893,290</b>
<b>Opening Cash and Cash Equivalents</b>	<b>22,272,804</b>	<b>15,379,514</b>
<b>Closing Cash and Cash Equivalents</b>	<b>15,076,226</b>	<b>22,272,804</b>

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2019

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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, 2019

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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, 2019

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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 insurance, 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: Ontario Secondary School Teachers' Federation (OSSTF), and Ontario English Catholic Teachers' Association (OECTA). The Ontario Non-union Education Trust (ONE-T) ELHT was established in 2017-2018 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), and other school board staff. Currently ONE-T ELHT also provides benefits to individuals who retired prior to the school board's participation date in the ELHT. These benefits are provided through a joint governance structure between the bargaining/employee groups, school board trustees associations and the Government of Ontario. Boards no longer administer health, life and dental plans for their employees and instead are required to fund the ELHTs on a monthly basis based on a negotiated amount per full-time equivalency (FTE). Funding for the ELHTs is based on the existing benefits funding embedded within the Grants for Student Needs (GSN), including additional Ministry funding in the form of a Crown contribution and Stabilization Adjustment.

Depending on prior arrangements and employee groups, the Board continues to provide health, dental and life insurance benefits for certain retired individuals.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2019

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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, 2019

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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, 2019

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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 Board 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, 2019

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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 \$41,726,930 as at August 31, 2019 (2018 - \$45,470,034) with respect to capital grants.

The Ministry of Education introduced a cash management strategy effective September 1, 2018. As part of the strategy, the Ministry delays part of the grant payment to school boards where the adjusted accumulated surplus and deferred revenue balances are in excess of certain criteria set out by the Ministry. The balance of delayed grant payments included in the receivable balance from the Government of Ontario at August 31, 2019 is \$5,792,498.

3. ACCOUNTS RECEIVABLE - OTHER	2019	2018
Other school boards	362,769	57,815
Government of Ontario	7,828,915	367,846
Government of Canada	351,322	198,877
Other	178,123	68,273
	8,721,129	692,811

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### 4. ASSETS HELD FOR SALE

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As of August 31, 2019 \$0 (2018- \$0) related to buildings and \$0 (2018- \$0) related to land were recorded as assets held for sale. During the current year, no properties were sold, and no properties were reclassified during the year. Net proceeds of \$0 (2018 - \$2,369,239) were received on the sale of the properties, which had a carrying value of \$0 (2018 - \$633,284), resulting in a gain of \$0 (2018 - \$2,020,991). 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, 2019

### 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, 2019 is comprised of:

	Balance at August 31, 2018	Externally restricted revenue and interest	Revenue recognized	Transferred to DCC	Balance at August 31, 2019
Proceeds of disposition Education	2,978,092	-	-	1,320,840	1,657,252
development charge	69,182	719,755	85,864	-	703,073
Legislative grants	936,598	7,193,007	6,332,030	998,928	798,647
Special education	489,448	17,204,197	17,097,739	-	595,906
Other education grants	296,657	42,020	171,262	-	167,415
Other grants	205,081	136,938	165,176	-	176,843
	4,975,058	25,295,917	23,852,071	2,319,768	4,099,136

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2019

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### 6. POST EMPLOYMENT / RETIREMENT BENEFITS

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#### **Actuarial Assumptions**

The accrued benefit obligations for employee future benefit plans as at August 31, 2019 are based upon actuarial assumptions of future events determined for accounting purposes as at August 31, 2019 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 7.25% for 2019-20, 7.00% for 2020-21, reducing by .25% in each subsequent year to an ultimate rate of 4.5%.
- ii) Dental costs are assumed to increase by a flat rate of 4.5%.
- 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 \$86,213 (2018 - \$48,646).

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, 2019 and is based on the average daily salary and banked sick days of employees as at August 31, 2019.

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2019

### 6. POST EMPLOYMENT / RETIREMENT BENEFITS (Continued)

<b>Retirement and Other Employee Future Benefit Liabilities</b>				<b>2019</b>	<b>2018</b>
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Accrued benefit at August 31	261,974	72,751	611,495	946,220	665,625
Unamortized actuarial gains/(losses) at August 31	51,307	-	-	51,307	97,602
	<b>313,281</b>	<b>72,751</b>	<b>611,495</b>	<b>997,527</b>	<b>763,227</b>

<b>Retirement and Other Employee Future Benefit Expenses</b>				<b>2019</b>	<b>2018</b>
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	28,061	72,751	317,908	418,720	147,246
Interest on accrued benefit obligation	4,999	-	15,030	20,029	15,003
Recognized Actuarial gains (losses)	(15,093)	13,462		(1,631)	(27,328)
Cost of (gain on) plan amendments	44,793	-	-	44,793	-
Benefit payments	(10,903)	(75,202)	(161,506)	(247,611)	(121,073)
Employee Future Benefits Expenses	<b>51,857</b>	<b>11,011</b>	<b>171,432</b>	<b>234,300</b>	<b>13,848</b>

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2019

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### 7. DEFERRED CAPITAL CONTRIBUTIONS

	2019	2018
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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	97,336,958	97,670,555
Additions to capital contributions (net)	3,991,773	3,737,733
Revenue recognized in the period	(4,447,286)	(4,420,761)
Transfers from deferred revenue	2,319,768	349,431
Ending balance	99,201,213	97,336,958

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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, 2019, the Board contributed \$1,687,934 (2018 - \$1,675,394) 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 \$337,366 (2018 - \$23,674) 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, 2019

### 11. LONG TERM LIABILITIES

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

	2019	2018
4.9% debenture payable, semi-annual payments of \$58,141 including principal and interest, maturing March 2033.	1,156,157	1,213,666
6.5% debenture payable, semi-annual payments of \$772,885 including principal and interest, maturing October 2026.	9,045,767	9,954,173
3.799% debenture payable, semi-annual payments of \$201,402 including principal and interest, maturing March 2038.	5,384,868	5,577,592
2.425% debenture payable, semi-annual payments of \$160,409 including principal and interest, maturing November 2021.	773,678	1,070,329
4.867% debenture payable, semi-annual payments of \$375,851 including principal and interest, maturing March 2029.	5,896,179	6,344,485
4.56% OFA debenture payable, semi-annual payments of \$114,507 including principal and interest, maturing November 2031.	2,163,799	2,289,818
5.062% OFA debenture payable, semi-annual payments of \$85,137 including principal and interest, maturing March 2034.	1,760,497	1,838,674
5.384% OFA debenture payable, semi-annual payments of \$462,624 including principal and interest, maturing May 2034.	9,439,556	9,840,325
5.232% PCS Stage 1 loan payable, semi-annual payments of \$52,483 including principal and interest, maturing April 2035.	1,124,046	1,168,452
5.232% GPL Stage 4 loan payable, semi-annual payments of \$32,797 including principal and interest, maturing April 2035.	702,422	730,171
5.232% PTR Phase 2 loan payable, semi-annual payments of \$253,921 including principal and interest, maturing April 2035.	5,438,337	5,653,178
3% promissory note payable to the Roman Catholic Episcopal Corp., payable at \$40,000 per year plus interest, maturing May 2020.	40,000	80,000
Interest free note payable to the Roman Catholic Episcopal Corp., payable at \$20,000 per year, maturing May 2020.	20,000	40,000
	42,945,306	45,800,863

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2019

### 11. LONG TERM LIABILITIES (Continued)

Of the net long term liabilities outstanding of \$42,945,306, principal and interest payments are payable over the next five years as follows:

	Principal	Interest Payments	Total
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
2024	3,282,382	1,536,677	4,819,059
	<u>15,591,201</u>	<u>9,371,413</u>	<u>24,962,614</u>

Interest paid on long-term debt amounted to \$2,300,253 (2018 - \$2,443,263).

As of August 31, 2019, the Board had \$331,900 (2018 - \$878,090) in letters of credit outstanding related to ongoing construction projects.

12. EXPENDITURES BY OBJECT	Budget 2019	Actual 2019	Actual 2018
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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	90,546,008	89,095,868	86,678,725
Employee benefits	14,932,865	14,703,326	13,520,133
Staff development	492,982	334,795	421,999
Supplies and services	13,125,443	13,057,847	13,077,338
Interest on long term debt	2,347,148	2,300,253	2,443,263
Rental expenditures	19,080	19,255	41,589
Fees and contract services	7,978,890	8,340,952	7,444,655
Other	186,695	209,905	229,739
Amortization	4,628,685	4,837,153	4,601,625
	<u>134,257,796</u>	<u>132,899,354</u>	<u>128,459,066</u>

# BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2019

### 13. ACCUMULATED SURPLUS (DEFICIT)

Accumulated surplus (deficit) consists of the following:

	2019	2018
<b>Surplus (Deficit):</b>		
Invested in non-depreciable tangible capital assets	6,677,353	6,677,353
Employee future benefits to be covered in the future	(997,527)	(763,227)
School generated funds	1,848,450	1,740,524
Other	18,786,969	15,722,090
	<b>26,315,245</b>	<b>23,376,740</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.

	2019		2018	
	Total	Board Portion	Total	Board Portion
<b>Financial Position</b>				
Financial Assets	104,750	32,113	29,117	50,070
Liabilities	104,750	32,113	29,117	50,070
<b>Accumulated Surplus</b>	-	-	-	-
<b>Operations</b>				
Revenues	18,111,438	12,655,135	17,074,190	4,863,146
Expenses	18,111,438	12,655,135	17,074,190	4,863,146
<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, 2019

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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.

### 18. COMPARATIVE FIGURES

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Certain prior year figures, provided for the purpose of comparison, have been reclassified to conform with current year presentation.



## BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

### SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended August 31, 2019

	Land & Land Improvements	Building (40 years)	Portable structures	Equipment (5 years)	Equipment (10 years)	Computer hardware	Computer software	Vehicles	Construction in progress	Total 2019	Total 2018
<b>Cost</b>											
Balance, beginning of year	9,209,003	149,961,737	3,684,134	35,503	3,246,819	4,092,623	568,314	247,246	2,499,472	173,544,851	168,029,038
Additions during the year	315,581	5,025,036	3,948,193	-	-	-	-	56,527	2,587,295	11,932,632	6,322,229
Disposals during the year	-	-	-	-	-	-	-	-	(3,948,193)	(3,948,193)	(806,416)
<b>Balance, end of year</b>	<b>9,524,584</b>	<b>154,986,773</b>	<b>7,632,327</b>	<b>35,503</b>	<b>3,246,819</b>	<b>4,092,623</b>	<b>568,314</b>	<b>303,773</b>	<b>1,138,574</b>	<b>181,529,290</b>	<b>173,544,851</b>
<b>Accumulated Amortization</b>											
Balance, beginning of year	-	51,893,962	3,189,360	34,904	2,669,312	4,092,623	568,314	223,435	-	62,671,910	58,528,452
Amortization during the year	168,777	4,324,573	191,836	599	145,415	-	-	5,953	-	4,837,153	4,601,626
Disposals, writeoffs and adjustments	-	-	-	-	-	-	-	-	-	-	(458,168)
<b>Balance, end of year</b>	<b>168,777</b>	<b>56,218,535</b>	<b>3,381,196</b>	<b>35,503</b>	<b>2,814,727</b>	<b>4,092,623</b>	<b>568,314</b>	<b>229,388</b>	<b>-</b>	<b>67,509,063</b>	<b>62,671,910</b>
<b>Net book value of tangible capital assets</b>	<b>9,355,807</b>	<b>98,768,238</b>	<b>4,251,131</b>	<b>-</b>	<b>432,092</b>	<b>-</b>	<b>-</b>	<b>74,385</b>	<b>1,138,574</b>	<b>114,020,227</b>	<b>110,872,941</b>