



**Special Meeting of the Board
Tuesday, November 28, 2023 ♦ 3:30 p.m.
Microsoft Teams/ Boardroom**

Trustees:

Rick Petrella (Chair), Carol Luciani (Vice-Chair), Dennis Blake, Bill Chopp, Dan Dignard, Mark Watson
Caroline Goveas (Student Trustee), Mia Martorelli (Student Trustee)

Senior Administration:

Michael McDonald (Director of Education & Secretary), Scott Keys (Superintendent of Business & Treasurer)
John Della Fortuna, Kevin Greco, Lorrie Temple, Phil Wilson (Superintendents of Education)

1. Opening Business

1.1 Opening Prayer

Almighty God, bless us as we gather today for this meeting. Guide our minds and hearts so that we will work for the good of our community and be a help to all people. Teach us to be generous in our outlook, courageous in the face of difficulty, and wise in our decisions. We give you praise and glory, Lord our God, for ever and ever. Amen

1.2 Attendance

1.3 Approval of the Agenda

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1.4 Declaration of Interest

2. Committee and Staff Reports

2.1 Appointment of External Audit Committee Member

Page 2

Presenter: Scott Keys, Superintendent of Business and Treasurer

2.2 Q4 Financial Report

Presenter: Scott Keys, Superintendent of Business and Treasurer

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3. Business In-Camera

207 (2) *Closing of certain committee meetings. A meeting of a committee of a board, including a committee of the whole board, may be closed to the public when the subject-matter under consideration involves:*

- a. The security of the property of the board;*
- b. The disclosure of intimate, personal or financial information in respect of a member of the board or committee, an employee or prospective employee of the board or a pupil or his or her parent or guardian;*
- c. The acquisition or disposal of a school site;*
- d. Decisions in respect of negotiation with employees of the board; or*
- e. Litigation affecting the board.*

4. Report on the In-Camera Session

5. Closing Prayer

Heavenly Father, we thank you for your gifts to us: for making us, for saving us in Christ, for calling us to be your people. As we come to the end of this meeting, we give you thanks for all the good things you have done in us. We thank you for all who have shared in the work of this Board and ask you to bless us all in your love. We offer this prayer, Father, through Christ our Lord. Amen

6. Adjournment

REPORT TO THE BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Prepared by: Scott Keys, Superintendent of Business & Treasurer
Presented to: Board of Trustees
Submitted on: November 28, 2023
Submitted by: Mike McDonald, Director of Education & Secretary

APPOINTMENT OF EXTERNAL AUDIT COMMITTEE MEMBER

Public Session

BACKGROUND INFORMATION:

Ontario Regulation 361/10 made under the Education Act requires every board to establish an Audit Committee. Audit Committees include external community members to assist in providing the Board of Trustees independent advice in the areas of financial reporting, external audit, risk management, internal controls, and compliance.

External Community Member, Glenn Pick's, first term lapsed in October 2023. In accordance with Ontario Regulation 361/10 and the Audit Committee Terms of Reference, advertisements recruiting potential members were placed in local newspapers, on the school board website and through social media.

DEVELOPMENTS:

The Selection Committee, comprised of the Chair, Director of Education, and the Superintendent of Business and Treasurer, meet to identify potential candidates for appointment as external community members of the Audit Committee. The Selection Committee did not receive any applicants.

As a result and in accordance with Ontario Regulation 361/10, Glenn Pick may serve an additional three-year term as an external community member and has agreed to do so. The Selection Committee recommends Glenn Pick for continued appointment as an external community member of the Audit Committee for an additional three-year term ending November 2026.

RECOMMENDATION:

THAT the Brant Haldimand Norfolk Catholic District School Board approves the appointment of Glenn Pick as an external community member of the Audit Committee for an additional three-year term ending November, 2026.

REPORT TO THE BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

Prepared by: Scott Keys, Superintendent of Business & Treasurer
Presented to: Audit Committee
Submitted on: November 28, 2023
Submitted by: Mike McDonald, Director of Education & Secretary

Q4 FINANCIAL REPORT (AUGUST 31, 2023) Public Session

BACKGROUND INFORMATION:

Interim and year-end financial reports are presented to the Board to assist Trustees in their monitoring of the financial well-being of the school board. Interim reports are presented to the Board of Trustees three times per school year (as of November 30, February 28 and May 31) and a final year-end report (as of August 31) is provided with an external audit report in November.

Annually, the Audit Committee is required to review and recommend to the Board, if the Audit Committee considers it appropriate to do so, that the Board approve the annual financial statements.

Ontario Regulation 395/11 of the *Financial Administration Act* identifies the accounting treatment for revenue received for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets. These are to be recorded as deferred capital contributions and recognized as revenue in the statement of operations over the periods during which the asset is used to provide service and is at the same rate that amortization is recognized for the related assets.

Since this is a deviation of the Canadian Public-Sector Accounting Board standards, the statements are referred to as being prepared in accordance with the *Financial Administration Act* supplemented by the direction from the Ministry of Education.

DEVELOPMENTS:

Draft Financial Statements

The draft financial statements for the year ended August 31, 2023, as well as the independent audit report by the Board's external auditor, Millard, Rouse, and Rosebrugh LLP, are presented in **Appendix A**.

If the Board of Trustees approve the consolidated financial statements, management will publish the consolidated financial statements as required by s. 252(2) of the *Education Act* to the Board website.

2022-23 Q4 Dashboard

A surplus of \$19,964 for the fiscal year ending August 31, 2023 is shown in the *Statement of Operations*. The surplus is attributed to higher average daily revenue than planned, additional fuel escalator funding for transportation, Jordan's Principle resources, higher interest rates, demand for, and cancelled/postponed professional development. These favourable variances were offset by higher than anticipated supply/casual costs related to coverage for staff leaves, inclusion of a Ministry directed salary provision, and increased consumable and utility costs.

Further details on the revenue and expenses compared to revised budget is presented in the Q4 Financial Dashboard in **Appendix B**.

Rural and Northern Education Funding (RNEF)

The Ministry provides funding, through the Grants for Student Needs (GSN), dedicated for school boards to further improve educational opportunities for students from rural communities.

Funding was allocated to school boards based on the number of rural students and two factors measuring the density of rural student enrolment in the board.

School boards must use the funding for rural education based on local needs and report publicly on how the funding is used, such as:

- Improving programming and support services in rural schools
- Continuing the operation of rural schools; or
- Enhancing student transportation options such as late bus runs and mobile e-learning through tablets or Wi-Fi.

Schools must utilize the funding allocated to the Board using a preliminary school list from the Ministry. The list is comprised of schools in which at least half of their students are from rural communities.

Boards are required to publicly post details of RNEF expenditures as well as those schools in which RNEF funding was spent. The report that will be posted is attached as **Appendix C**.

RECOMMENDATION:
THAT the Brant Haldimand Norfolk Catholic District School Board approves the Consolidated Financial Statements for the year-ended August 31, 2023.

**BRANT HALDIMAND NORFOLK
CATHOLIC DISTRICT SCHOOL BOARD**

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

Draft

**BRANT HALDIMAND NORFOLK
CATHOLIC DISTRICT SCHOOL BOARD**

For the year ended August 31, 2023

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Draft

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, 2023, 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, 2023, 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. 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.

UPON APPROVAL
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at August 31	2023	2022 <i>(Restated - Note 2)</i>
FINANCIAL ASSETS		
Cash and cash equivalents	16,065,876	16,657,892
Accounts receivable		
Government of Ontario - Approved Capital (Note 4)	30,248,526	33,834,043
Other (Note 5)	15,306,419	14,634,085
Municipalities	2,131,936	1,956,111
Total Financial Assets	63,752,757	67,082,131
FINANCIAL LIABILITIES		
Accounts payable - Government of Canada	-	259,373
Accounts payable and accrued liabilities	9,362,566	7,051,728
Accounts payable - other School Boards	528,615	592,962
Deferred revenue (Note 6)	8,542,965	8,193,694
Accrued vacation pay	607,423	647,616
Retirement and other employee future benefits (Note 9)	1,833,643	1,453,495
Accrued interest on long term liabilities	513,194	572,894
Long term liabilities (Note 14)	30,636,485	33,744,180
Deferred capital contributions (Note 10)	102,839,783	104,812,186
Asset retirement obligations (Note 8)	1,845,515	1,567,120
Total Financial Liabilities	156,710,189	158,895,248
Net Debt	(92,957,432)	(91,813,117)
NON-FINANCIAL ASSETS		
Prepaid	70,538	75,760
Supplies inventory (Note 24)	48,270	89,188
Tangible capital assets (Page 27)	122,712,102	121,501,682
NET ASSETS	29,873,478	29,853,513
ACCUMULATED SURPLUS (Note 17)	29,873,478	29,853,513

Approved on behalf of the Board

Chair of the Board

Director of Education

See accompanying notes

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended August 31	Budget 2023 <i>(Restated and Unaudited)</i>	Actual 2023	Actual 2022 <i>(Restated - Note 2)</i>
Revenues			
General legislative grants (Note 16)	145,308,680	151,453,794	138,890,792
Provincial grants - other	1,572,220	2,367,151	6,362,873
Federal grants and fees	811,936	1,062,025	987,701
Other fees and revenue	1,038,747	1,339,869	1,550,165
Investment income	225,000	724,307	159,342
School funded activities	3,500,000	4,094,621	2,688,193
Other revenue - School Boards	361,680	590,417	436,603
	152,818,263	161,632,184	151,075,669
Expenses			
Instruction	115,815,153	120,216,818	114,057,332
Administration	5,349,238	5,595,906	5,320,797
Transportation	6,980,735	7,308,366	6,988,484
School operations and maintenance	20,325,336	21,639,202	20,663,678
Other	889,529	2,748,734	1,426,607
School funded activities	3,500,000	4,103,193	2,578,099
	152,859,991	161,612,219	151,034,997
Annual Surplus	(41,728)	19,965	40,672
Accumulated Surplus - Beginning of Year	-	29,853,513	30,822,207
ARO Adjustment (Note 2)	-	-	(1,009,366)
Accumulated Surplus - End of Year	(41,728)	29,873,478	29,853,513

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

For the year ended August 31	2023	2022
		<i>(Restated - Note 2)</i>
Annual Surplus	19,965	40,672
Amortization of tangible capital assets	7,414,211	6,671,181
Acquisition of tangible capital assets (net of transferred CIP)	(8,400,236)	(8,678,794)
Change in supplies inventory	40,918	1,200
Change in prepaid	5,222	(75,760)
Change in estimate of TCA-ARO	(224,395)	-
Change in Net Debt	(1,144,315)	(2,041,501)
Net Debt - Beginning of Year	(91,813,117)	(89,771,616)
Net Debt - End of Year	(92,957,432)	(91,813,117)

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended August 31	2023	2022 <i>(Restated - Note 2)</i>
Cash Flows From Operating Activities		
Annual surplus	19,965	40,672
Non-cash Charges to Operations		
Amortization of tangible capital assets	7,414,211	6,671,181
Amortization of deferred capital contributions	(6,729,775)	(6,103,997)
Deferred revenue transferred to deferred capital contributions	3,208,842	3,255,519
Supplies inventory	40,918	1,200
	3,954,161	3,864,575
Sources (Uses) of Cash:		
Accounts receivable - Municipalities	(175,825)	(476,552)
Accounts receivable - Government of Ontario, Approved capital	3,585,517	6,469,472
Accounts receivable - other	(672,334)	(1,048,255)
Prepaid expense	5,222	(75,760)
Accounts payable and accrued liabilities	2,310,838	(1,450,939)
Accounts payable - other School Boards	(64,347)	592,962
Deferred revenues	349,271	1,466,223
Accounts payable - Government of Canada	(259,373)	259,373
Accrued vacation pay	(40,193)	(60,649)
Change in TCA-ARO asset, excluding amortization	(224,395)	-
Change in estimate of ARO liability	278,395	-
Post employment/retirement benefits	380,148	(118,626)
Accrued interest on long term liabilities	(59,700)	(56,599)
	5,413,224	5,500,650
Cash Flows From Capital Activities		
Acquisition of tangible capital assets (net of transferred CIP)	(8,400,236)	(8,678,794)
Cash Flows From Financing Activities		
Debenture and loan repayments	(3,107,695)	(3,101,006)
Capital grants received	1,548,530	3,898,152
	(1,559,165)	797,146
Net Decrease in Cash and Cash Equivalents	(592,016)	1,483,577
Opening Cash and Cash Equivalents	16,657,892	15,174,315
Closing Cash and Cash Equivalents	16,065,876	16,657,892

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Accounting

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

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

In 2011, the government passed Ontario Regulation 395/11 of the Financial Administration Act. The Regulation requires that contributions received or receivable for the acquisition or development of depreciable tangible capital assets and contributions of depreciable tangible capital assets for use in providing services, be recorded as deferred capital contributions and be recognized as revenue in the statement of operations over the periods during which the asset is used to provide service at the same rate that amortization is recognized in respect of the related asset. The regulation further requires that if the net book value of the depreciable tangible capital asset is reduced for any reason other than 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, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Reporting Entity

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

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

Transportation consortium, which includes the Board's pro-rata share of assets, liabilities, revenues, and expenses of the consortium, which are controlled unilaterally by the participating Boards are reflected in the consolidated financial statements.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

c) Trust Funds

Trust funds and their related operations administered by the Board are not included in the consolidated financial statements as they are not controlled by the Board.

d) Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash on hand.

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.

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

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and legally or contractually required retirement activities. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization.

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

Tangible capital assets, except land, are amortized on a straight line basis over their 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	3
Computer software	5
Vehicles	5-10
Leasehold improvements	Over the lease term

Assets under construction and assets that relate to pre-acquisition and pre-construction costs are not amortized until the asset is available for productive use.

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

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.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The budget figures presented have been adjusted to reflect the same accounting policies that were used to prepare the consolidated financial statements. The budget figures are unaudited.

m) Use of Estimates

The preparation of consolidated financial statements in conformity with the basis of accounting described in Note 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.

There is measurement uncertainty surrounding the estimation of liabilities for asset retirement obligations of \$1,845,515 (2022 - 1,567,120). These estimations are subject to uncertainty because of several factors including but not limited to incomplete information on the extent of controlled materials used (e.g. asbestos included in inaccessible construction material), indeterminate settlement dates, the allocation of costs between required and discretionary activities and/or change in the discount rate.

n) Education Property Tax Revenue

Under Canadian Public Sector Accounting Standards, the 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, education property tax revenue received from the municipalities is recorded as part of Grants for Student Needs, under Education Property Tax.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

2. CHANGE IN ACCOUNTING POLICIES - ADOPTION OF NEW ACCOUNTING STANDARDS

The Board adopted the following standards concurrently beginning September 1, 2022 prospectively: PS 1201 *Financial Statement Presentation*, PS 2601 *Foreign Currency Translation*, PS 3041 *Portfolio Investments* and PS 3450 *Financial Instruments*. The adoption of these accounting policies had no effect on the current financial statement presentation.

PS 1201 *Financial Statement Presentation* replaces PS 1200 *Financial Statement Presentation*. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 *Foreign Currency Translation*, PS 3450 *Financial Instruments*, and PS 3041 *Portfolio Investments*, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 3280 *Asset Retirement Obligations (ARO)* establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard was adopted on September 1, 2022 on a modified retroactive basis with prior period restatement.

In the past, the Board has reported its obligations related to the retirement of tangible capital assets in the period when the asset was retired directly as an expense. The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. Costs include post-retirement operation, maintenance, and monitoring that are an integral part of the retirement of the tangible capital asset (if applicable). When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

A significant part of asset retirement obligations results from the removal and disposal of designated substances such as asbestos from Board buildings and the retirement and removal of portable buildings. The Board reports liabilities related to the legal obligations where the Board is obligated to incur costs to retire a tangible capital asset.

The Board's ongoing efforts to assess the extent to which designated substances exist in Board assets, and new information obtained through regular maintenance and renewal of Board assets may result in additional asset retirement obligations from better information on the nature and extent the substance exists or from changes to in the estimated cost to fulfil the obligation. The measurement of asset retirement obligations is also impacted by activities that occurred to settle all or part of the obligation, or any changes in the legal obligation. Revisions to the estimated cost of the obligation will result in the carrying amount of the associated assets that are in productive use and amortized as part of the asset on an ongoing basis. When obligations have reliable cash flow projections, the liability may be estimated using the present value of future cash flows. Subsequently, accretion of the discounted liability due to the passage of time is recorded as an in-year expense (if applicable).

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

2. CHANGE IN ACCOUNTING POLICIES - ADOPTION OF NEW ACCOUNTING STANDARDS (Continued)

To estimate the liability for similar buildings that do not have information on asbestos and other designated substances, the Board uses buildings with assessments on the extent and nature of the designated substances in the building to measure the liability and those buildings and this information is extrapolated to a group of similar assets that do not have designated substances reports. As more information becomes available on specific assets, the liability is revised to be asset specific. In other situations, where the building might not be part of a large portfolio, other techniques are used such as using industry data, experts or basing the estimate on a specific asset that is similar (if applicable).

As a result of applying this accounting standard, an asset retirement obligation of \$1,845,515 (2022 – \$1,567,120) was recognized as a liability in the Statement of Financial Position. These obligations represent estimated retirement costs for the Board owned buildings and equipment. The Board has restated the prior period based on a simplified approach, using the ARO liabilities, ARO assets and the associated ARO accumulated amortization, for the period September 1, 2022 to August 31, 2023 as a proxy for September 1, 2021 to August 31, 2022 information. The associated DCC, DCC revenue, TCA gross book value, TCA accumulated amortization and TCA amortization expense were not restated. The adoption of PS 3280 ARO was applied to the comparative period as follows:

2022	As previously reported	Adjustments	As restated
Statement of Financial Position			
Tangible Capital Assets including ARO	120,985,656	516,026	121,501,682
Asset retirement obligation liability	-	1,567,120	1,567,120
Accumulated Surplus (deficit)	30,904,607	(1,051,094)	29,853,513
Statement of Change in Net Debt			
Annual Surplus (deficit)	82,400	(41,728)	40,672
Amortization of TCA (inc TCA-ARO)	6,629,453	41,728	6,671,181
Net debt - beginning of year	(88,204,496)	(1,567,120)	(89,771,616)
Statement of Operations			
Amortization of TCA-ARO	6,629,453	41,728	6,671,181
Surplus/(deficit) for the year	82,400	(41,728)	40,672

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

3. FUTURE ACCOUNTING STANDARD ADOPTION

The Board is in the process of assessing the impact of the upcoming new standards and the extent of the impact of their adoption on its financial statements.

Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the Board as of September 1, 2023 for the year ending August 31, 2024):

PS 3400 *Revenue* establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

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

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

4. ACCOUNTS RECEIVABLE - GOVERNMENT OF ONTARIO

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 accounts receivable.

The Board has accounts receivable from the Province of Ontario of \$30,248,526 as at August 31, 2023 (2022 - \$33,834,043) 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, 2023 is \$5,602,834 (2022 - \$9,861,636).

5. ACCOUNTS RECEIVABLE - OTHER

	2023	2022
Other school boards	475,017	106,007
Government of Ontario	13,678,386	13,523,968
Government of Canada	542,877	162,427
Other	610,139	841,683
	15,306,419	14,634,085

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

6. 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, 2023 is comprised of:

	Balance at August 31, 2022	Externally restricted revenue and interest	Revenue recognized	Transferred to DCC	Balance at August 31, 2023
Proceeds of disposition	368,813	-	-	-	368,813
Education development charge	4,424,274	1,324,993	347,519	-	5,401,748
Federal ICIP - ventilation	-	39,720	39,720	-	-
School generated funds	-	56,975	-	56,975	-
Board Level Donations - Capital	-	34,452	-	34,452	-
Legislative grants - capital	858,421	8,176,173	5,524,068	3,117,415	393,111
Legislative grants - operating	1,144,651	21,492,162	21,387,517	-	1,249,296
Other education grants	692,597	(316,012)	29,401	-	347,184
Other provincial grants	79,277	-	36,843	-	42,434
Other grants	625,661	213,874	99,156	-	740,379
	8,193,694	31,022,337	27,464,224	3,208,842	8,542,965

7. REVALUATION OF ASSET RETIREMENT OBLIGATIONS LIABILITY

As a result of recent high levels of inflation, liability balances based on previous cost estimates, the Board has made an inflation adjustment increase in estimates of 14.05% as at March 31, 2023, in line with the Provincial government fiscal year end, to reflect costs as at that date. This rate represents the percentage increase in the Canada Building Construction Price Index (BCPI) survey from October 1, 2021 to September 30, 2022 and is the rate being used to update costs assumptions in the costing models in order to be reflective of March 31, 2023 costs.

Further evaluation was done on the Board's ARO balances as at August 31, 2023, and it was deemed no further inflation adjustment was warranted as at August 31, 2023.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

8. ASSET RETIREMENT OBLIGATIONS

The Board has recorded ARO as of the September 1, 2022 implementation date on a modified retroactive basis, with a simplified restatement of prior year amounts.

The Board discounts significant obligations where there is a high degree of confidence on the amount and timing of cash flows and the obligation will not be settled for at least five years from the reporting date. The discount and inflation rate is reflective of the risks specific to the asset retirement liability.

As at August 31, 2023, all liabilities for asset retirement obligations are reported at current costs in nominal dollars without discounting.

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

As at August 31	2023	2022
Liabilities for Asset Retirement Obligations at Beginning of Year	1,567,120	-
Opening Adjustments for PSAB Adjustment	-	1,567,120
Liabilities Incurred During the Year	54,000	-
Increase in Liabilities Reflecting Changes in the Estimate of Liabilities (Note 7)	224,395	-
Liabilities for Asset Retirement Obligations at End of Year	1,845,515	1,567,120

9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS

Actuarial Assumptions

The accrued benefit obligations for employee future benefit plans as at August 31, 2023 are based upon actuarial assumptions of future events determined for accounting purposes as at August 31, 2023 and adjusted for census and changes to the actuarial assumptions.

The assumptions used in the current valuation are as follows:

- i) Health and dental costs are assumed to increase by a flat rate of 5.00%.
- ii) Participation rates are assumed to be 100% of early retirement employees.
- iii) Discount rate was assumed to be 4.4% per annum.
- iv) Inflation rate was assumed to be 2.5%

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.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

9. RETIREMENT AND OTHER EMPLOYEE FUTURE BENEFITS (Continued)

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 \$107,729 (2022 - \$188,978).

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, 2023 and is based on the average daily salary and banked sick days of employees as at August 31, 2023.

Retirement and Other Employee Future Benefit Liabilities				2023	2022
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Accrued benefit at August 31	154,353	126,467	1,552,823	1,833,643	1,453,495

Retirement and Other Employee Future Benefit Expenses				2023	2022
	Retirement Benefits	Long term disability and compensated absences	Workers Compensation	Total Employee Future Benefits	Total Employee Future Benefits
Current year benefit cost	-	126,467	862,792	989,259	320,024
Interest on accrued benefit obligation	6,544	-	34,846	41,390	23,163
Recognized Actuarial (gains) / losses	(1,312)	(18,738)	-	(20,050)	42,079
Benefit payments	(37,370)	(116,464)	(476,617)	(630,451)	(503,892)
Employee Future Benefits Expenses	(32,138)	(8,735)	421,021	380,148	(118,626)

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

10. DEFERRED CAPITAL CONTRIBUTIONS 2023 2022

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	104,812,186	103,762,512
Additions to capital contributions (net)	1,548,530	3,898,152
Revenue recognized in the period	(6,729,775)	(6,103,997)
Transfers from deferred revenue	3,208,842	3,255,519
<hr/>		
Ending balance	102,839,783	104,812,186

11. ONTARIO MUNICIPAL EMPLOYEES RETIREMENT SYSTEM

All non-teaching employees of the Board are eligible to be members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan. The plan provides defined pension benefits to employees based on their length of service and rates of pay. The Board contributions equal the employee contributions to the plan. During the year ended August 31, 2023, the Board contributed \$2,061,660 (2022 - \$1,930,938) 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.

12. ONTARIO TEACHER'S PENSION PLAN

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.

13. TRUST FUNDS

Trust funds administered by the Board amounting to \$366,389 (2022 - \$352,033) 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, 2023

14. LONG TERM LIABILITIES

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

	2023	2022
4.9% OFA debenture payable, semi-annual payments of \$58,141 including principal and interest, maturing March 2033.	896,147	965,943
6.5% BNY Mellon debenture payable, semi-annual payments of \$772,885 including principal and interest, maturing October 2026.	4,765,774	5,941,326
3.799% OFA debenture payable, semi-annual payments of \$201,402 including principal and interest, maturing March 2038.	4,537,171	4,761,204
4.867% IA debenture payable, semi-annual payments of \$375,851 including principal and interest, maturing March 2029.	3,870,962	4,414,351
4.56% OFA debenture payable, semi-annual payments of \$114,507 including principal and interest, maturing November 2031.	1,598,860	1,749,786
5.062% OFA debenture payable, semi-annual payments of \$85,137 including principal and interest, maturing March 2034.	1,405,607	1,501,089
5.384% OFA debenture payable, semi-annual payments of \$462,624 including principal and interest, maturing May 2034.	7,605,543	8,101,206
5.232% OFA Stage 1 loan payable, semi-annual payments of \$52,483 including principal and interest, maturing April 2035.	921,607	976,202
5.232% OFA Stage 4 loan payable, semi-annual payments of \$32,797 including principal and interest, maturing April 2035.	575,917	610,033
5.232% OFA Phase 2 loan payable, semi-annual payments of \$253,921 including principal and interest, maturing April 2035.	4,458,897	4,723,040
	30,636,485	33,744,180

Ontario Financing Authority (OFA) is considered a related party. (See Note 23)

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

14. LONG TERM LIABILITIES (Continued)

Of the net long term liabilities outstanding of \$30,636,485, principal and interest payments are payable over the next five years as follows:

	Principal	Interest Payments	Total
2024	3,282,380	1,537,116	4,819,496
2025	3,467,134	1,352,361	4,819,495
2026	3,662,551	1,156,945	4,819,496
2027	3,096,375	950,236	4,046,611
2028	2,465,392	808,333	3,273,725
thereafter	14,662,653	2,639,787	17,302,440
	30,636,485	8,444,778	39,081,263

Interest paid on long-term debt amounted to \$1,654,669 (2022 - \$1,826,159).

As of August 31, 2023, the Board had \$26,450 (2022 - \$26,450) in letters of credit outstanding related to ongoing construction projects.

15. EXPENDITURES BY OBJECT

	Budget 2023	Actual 2023	Actual 2022
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(Restated and Unaudited) *(Restated - Note 2)*

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

Current expenditures:			
Salary and wages	101,963,598	104,680,166	100,977,391
Employee benefits	18,201,441	19,022,585	17,988,244
Staff development	349,321	513,608	279,139
Supplies and services	12,860,187	14,071,071	11,119,434
Interest on long term debt	1,652,111	1,654,669	1,826,159
Rental expenditures	20,904	21,335	20,748
Fees and contract services	9,920,460	11,270,699	10,470,255
Other	940,454	2,963,878	1,682,446
Amortization and write downs and net loss on disposal-TCA and TCA-ARO	6,951,515	7,414,208	6,671,181
	152,859,991	161,612,219	151,034,997

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

16. GRANTS FOR STUDENT NEEDS

School Boards in Ontario receive the majority of their funding from the provincial government. This funding comes in two forms: provincial legislative grants and local taxation in the form of education property tax. The provincial government sets the education property tax rate. Municipalities in which the Board operates collect and remit education property taxes on behalf of the Province of Ontario. The Province of Ontario provides additional funding up to the level set by the education funding formulas. The payment amounts of this funding are as follows:

	2023	2022
Provincial Legislative Grants	135,378,183	122,717,669
Education Property Tax	16,075,611	16,173,123
	151,453,794	138,890,792

17. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2023	2022
		<i>(Restated - Note 2)</i>
Surplus:		
Invested in non-depreciable tangible capital assets	7,085,351	6,677,353
Employee future benefits to be covered in the future	(1,833,643)	(1,453,495)
School generated funds	1,860,179	1,868,748
Asset Retirement Obligation to be covered in the future	(1,845,515)	(1,567,120)
Other	24,607,106	24,328,027
	29,873,478	29,853,513

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

18. TRANSPORTATION CONSORTIUM

On October 1, 2008, the Board entered into an agreement with Grand Erie District School Board and CSC MonAvenir 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 under the Corporations Act of Ontario.

Below provides condensed financial information for the consortium.

	2023		2022	
	Total	Board Portion	Total	Board Portion
Financial Position				
Financial Assets	335,030	363,615	452,819	418,913
Liabilities	335,030	363,615	452,819	418,913
Accumulated Surplus	-	-	-	-
Operations				
Revenues	23,242,322	7,162,811	22,601,667	6,940,958
Expenses	23,242,322	7,162,811	22,601,667	6,940,958
Annual Surplus	-	-	-	-

This Board's consolidated financial statements reflect proportionate consolidation, whereby they include the assets that it controls, the liabilities they have incurred, and its pro-rata share of revenues and expenses. The Board's pro-rata share for 2023 is approximately 30.8% (2022 - 30.7%). The above provides condensed financial information, which is reported net of harmonized sales tax. Inter-organizational transactions and balances have been eliminated.

19. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES

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.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

20. ONTARIO SCHOOL BOARD INSURANCE EXCHANGE (OSBIE)

The School Board is a member of the Ontario School Board Insurance Exchange (OSBIE), a reciprocal insurance company licensed under the Insurance Act of Ontario. OSBIE insures general liability, property damage and certain other risks. Liability insurance is available to a maximum of \$27,000,000 per occurrence. Premiums paid to OSBIE for the policy year ending December 31, 2023 were \$164,818 (2022 - \$156,564). There are ongoing legal cases with uncertain outcomes that could affect future premiums paid by the School Board.

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

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

1. In the event that the Board of Directors determines, in its absolute discretion, that the exchange has accumulated funds in excess of those required to meet the obligations of the Exchange, in respect of claims arising in prior years in respect of the underwriting group, the Board of Directors may reduce the actuarially determined rate for policies of insurance or may grant premium credits or policyholder dividends for that underwriting group in any subsequent underwriting year.
2. Upon termination of the exchange of reciprocal contracts of insurance within an Underwriting Group, the assets related to the Underwriting Group, after payment of all obligations, and after setting aside an adequate reserve for further liabilities, shall be returned to each Subscriber in the Underwriting Group according to its subscriber participation ratio and after termination the reserve for future liabilities will be reassessed from time to time and when all liabilities have been discharged, any remaining assets returned as the same basis upon termination.

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

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

21. CONTINGENT LIABILITY

Subsequent to the financial statement date, a monetary resolution to Bill 124 was reached between the Crown and three education sector unions: the Ontario Secondary School Teachers' Federation (OSSTF) Teachers, OSSTF Education Workers and the Elementary Teachers' Federation of Ontario (ETFO) Education Workers. This agreement provides for a 0.75% increase in salaries and wages for the 2019-20 school year, a 0.75% increase in salaries and wages for the 2020-21 school year, and a minimum of 1.5% to a maximum of 3.25% increase in salaries and wages for the 2021-22 school year, which will be awarded through an arbitration process expected to be completed in the 2023-24 school year.

The above agreement includes a provision whereby the Crown has committed to funding this monetary resolution for these employee groups to the applicable School Boards consistent with the appropriate changes to the Grants for Student Needs benchmarks. This agreement applies to the Board's education workers who are represented by OSSTF.

As at the date of the financial statements a settlement has not been reached with the Ontario English Catholic Teachers' Association (OECTA), representing the Board's teachers.

22. REPAYMENT OF "55 SCHOOL BOARD TRUST" FUNDING

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. The flow through of \$146,395 (2022 - \$146,395) in grants in respect of the above agreement for the year ended August 31, 2023, is recorded in these consolidated financial statements.

23. RELATED PARTY TRANSACTIONS

The Board is related through common ownership to all of Province of Ontario ministries, agencies, school districts, health authorities, colleges, universities and crown corporations. Transactions with these entities are considered to be in the normal course of operations and are recorded at the exchange amount.

The Ontario Financing Authority provides financing to the Board for capital projects. There were no loans provided during the year. Repayments totaling \$2,522,024 (2022 - \$2,682,434) representing interest of \$1,133,269 (2022 - \$1,201,481) and principal of \$1,388,755 (2022 - \$1,480,953) are funded by the Ministry of Finance.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended August 31, 2023

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

The Board has recorded entries, both revenues and expenses, associated with centrally procured in-kind transfers of personal protective equipment (PPE) and critical supplies and equipment (CSE) received from the Ministry of Public and Business Service Delivery (MPBSD). The amounts recorded were calculated based on the weighted average cost of the supplies as determined by MPBSD and quantity information based on the Board's records. The in-kind revenue recorded for these transfers during the year of \$452,019 (2022 - \$826,125), with expenses based upon use of \$456,094 (2022 - \$746,848), for a net impact of \$4,075. The Board has a supplies inventory balance of \$48,270 (2022 - \$89,188).

25. SUBSEQUENT EVENTS

The Board committed to the purchase of two parcels of land for planned future locations of an elementary and secondary school with closing dates of September 5, 2023 and November 29th, 2023 respectively.

BRANT HALDIMAND NORFOLK CATHOLIC DISTRICT SCHOOL BOARD

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended August 31, 2023

	Land & Land Improvements	Building (40 years)	Portable structures	Equipment (5 years)	Equipment and Furniture	Computer hardware	Computer software	Vehicles	Construction in progress	Total 2023	Total 2022 <i>(Restated See Note 2)</i>
Cost											
Balance, beginning of year	12,048,932	170,857,525	12,048,229	35,503	3,667,517	6,455,985	657,372	476,861	23,569	206,271,493	197,592,699
Adjustment for PS3280	-	1,045,120	522,000	-	-	-	-	-	-	1,567,120	1,567,120
Opening Balance-Adjusted	12,048,932	171,902,645	12,570,229	35,503	3,667,517	6,455,985	657,372	476,861	23,569	207,838,613	199,159,819
Additions during the year	759,216	1,781,859	1,846,071	-	12,465	1,302,482	-	49,338	2,648,805	8,400,236	11,108,068
Disposals during the year	-	-	-	-	-	-	-	-	-	-	(2,429,274)
Revaluation of TCA - ARO	-	146,839	77,556	-	-	-	-	-	-	224,395	-
Balance, end of year	12,808,148	173,831,343	14,493,856	35,503	3,679,982	7,758,467	657,372	526,199	2,672,374	216,463,244	207,838,613
Accumulated Amortization											
Balance, beginning of year	921,683	71,096,798	4,330,665	35,503	3,163,315	4,854,230	577,236	306,407	-	85,285,837	78,656,384
Adjustment for PS3280	-	805,994	245,100	-	-	-	-	-	-	1,051,094	1,009,366
Opening Balance-Adjusted ¹	921,683	71,902,792	4,575,765	35,503	3,163,315	4,854,230	577,236	306,407	-	86,336,931	79,665,750
Amortization during the year	378,440	5,609,233	484,699	-	88,532	787,788	19,596	45,923	-	7,414,211	6,671,181
Balance, end of year	1,300,123	77,512,025	5,060,464	35,503	3,251,847	5,642,018	596,832	352,330	-	93,751,142	86,336,931
Net book value of tangible capital assets	11,508,025	96,319,318	9,433,392	-	428,135	2,116,449	60,540	173,869	2,672,374	122,712,102	121,501,682

¹ See Note 2 Change in Accounting Policy

Summary of Financial Results

	Revised Budget	Actual	In-Year Change	
			\$	%
Revenue				
Grants for Student Needs (GSN)	143,295,418	145,820,362	2,524,943	1.8%
Priorities and Partnership Funds (PPF)	1,630,929	1,675,103	44,174	2.7%
Other Revenue	8,916,046	10,042,100	1,126,054	12.6%
School Generated Funds	3,500,000	4,094,621	594,621	17.0%
Total Revenue	157,342,393	161,632,185	4,289,792	2.7%
Expenses				
Classroom Instruction and Learning	123,046,741	125,138,406	2,091,665	1.7%
School Operations/Maintenance	21,627,937	23,611,286	1,983,349	9.2%
Student Transportation	7,119,928	7,308,366	188,438	2.6%
Board Administration	5,547,787	5,554,163	6,376	0.1%
Total Expenses	157,342,393	161,612,222	4,269,829	2.7%
Surplus/(Deficit) before Accum Surplus	-	19,964	19,963	
Draw on Accumulated Surplus	-	-	-	
Surplus/(Deficit), end of year	-	19,964	19,964	

Changes in Revenue:

GSN: Increase due to higher average daily enrolment than planned, additional fuel escalator funding for transportation, offset by qualifying capital projects being amortized over useful life.

Other Revenue: Increase primarily driven by Ministry provided PPE and cleaning supplies, demand for community permits, higher interest rates, Jordan's Principle, offset by use of deferred revenues, and qualifying capital projects.

School Generated Funds: Increase in school funded activities.

Changes in Expenses:

Classroom Instruction: Increase driven by supply/casual costs related to coverage for staff leaves, salary provision, offset by a decrease in professional development opportunities, identified budget efficiencies, and a change in tutor program delivery.

School Operations: Increase in casual costs to cover staff leaves, PPE and cleaning supplies provided by the government (offsetting revenue), salary provision, and increase in consumable and commodity costs.

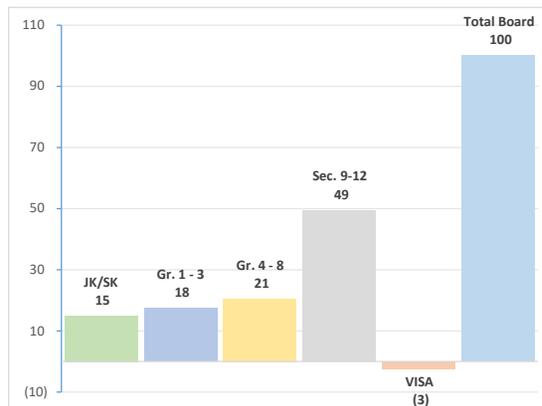
Student Transportation: Increased enrolment resulting in additional demand for transportation services.

Summary of Enrolment

ADE	Revised Budget	Actual	In-Year Change	
			#	%
Elementary				
JK/SK	1,489	1,504	15	1.0%
Gr. 1 - 3	2,408	2,426	18	0.7%
Gr. 4 - 8	3,826	3,847	21	0.5%
VISA Students	-	1	1	0.0%
Total Elementary	7,723	7,777	54	0.7%
Secondary				
Pupils of the Board	3,735	3,785	49	1.3%
VISA Students	13	10	(4)	-26.9%
Total Secondary	3,748	3,794	46	1.2%
Total	11,471	11,571	100	0.9%

Note: ADE is comprised of actual enrolment reported at October 31, 2022 and March 31, 2023

Note: VISA students pay tuition and their enrolment do not affect our GSNs



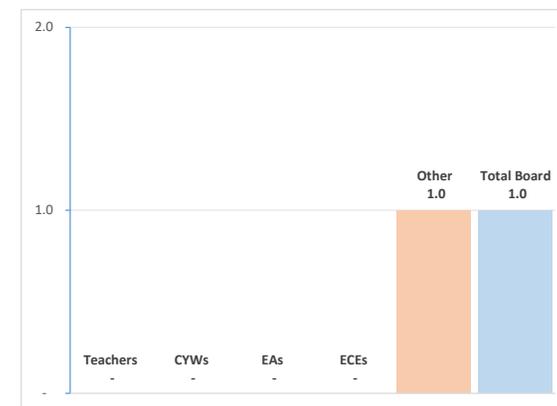
Changes in Enrolment: Revised Budget vs Actual

Elementary: Increase attributed to families moving into Board's jurisdiction or transferring from other Boards.

Summary of Staffing

FTE	Revised Budget	Actual	In-Year Change	
			#	%
Classroom				
Teachers	724.8	724.8	-	0.0%
CYW's	10.0	10.0	-	0.0%
EAs	179.5	179.5	-	0.0%
ECES	51.0	51.0	-	0.0%
Total Classroom	965.3	965.3	-	0.0%
Other Support Staff				
School Administration	98.6	98.6	-	0.0%
Board Administration	53.6	53.6	-	0.0%
Facility Services	96.7	96.7	-	0.0%
Consultants/Coordinators	17.0	17.0	-	0.0%
Paraprofessionals	34.0	35.0	1.0	2.9%
Total Other Support Staff	299.9	300.9	1.0	0.3%
Total Staffing	1,265.2	1,266.2	1.0	0.1%

Note: FTE is comprised of actual staffing at October 31, 2022 and actual at March 31, 2023.



Changes in Staffing: Revised Budget vs Actual

Other Support Staff: Additional speech and language support.

Brant Haldimand Norfolk Catholic District School Board
2022/2023 Financial Report
Comparative Revenue Summary
For the Period Ended August 31, 2023

Comparative Revenue Summary					
	2022-2023		In-Year Change		Variance Note
	Revised Budget	Actual	\$	%	
Grants for Student Needs (GSN)					
Pupil Foundation	65,855,013	66,733,609	878,596	1.3%	a
School Foundation	9,508,762	9,671,407	162,645	1.7%	a
Special Education	19,499,310	19,810,922	311,612	1.6%	a
Language Allocation	2,418,260	2,412,040	(6,220)	-0.3%	
Indigenous Education	248,296	345,266	96,970	39.1%	
Rural and Northern Education Fund	1,471,049	1,460,275	(10,774)	-0.7%	
Learning Opportunities	1,681,837	1,654,670	(27,167)	-1.6%	
Mental Health & Well Being	960,204	975,866	15,662	1.6%	
Adult and Continuing Education	419,403	783,534	364,131	86.8%	a
Teacher and DECE Q and E	11,270,567	11,373,429	102,862	0.9%	b
New Teacher Induction Program	174,031	174,031	-	0.0%	
Student Transportation	6,320,524	6,828,231	507,707	8.0%	c
Administration & Governance	4,282,147	4,302,657	20,510	0.5%	
School Operations	12,231,708	12,507,966	276,258	2.3%	a
Community Use of Schools Grant	153,652	153,652	-	0.0%	
Supports for Students	1,157,204	1,188,281	31,077	2.7%	
Program Leadership	1,000,496	952,423	(48,073)	-4.8%	
Permanent Financing - NPF	146,395	146,395	-	0.0%	
COVID-19 Support	2,001,809	2,001,809	-	0.0%	
Total Operating Grants	140,800,666	143,476,463	2,675,797	1.9%	
Grants for Capital Purposes					
School Renewal	846,093	719,862	(126,231)	-14.9%	d
Short-term Interest	35,864	11,241	(24,623)	-68.7%	
Debt Funding for Capital	1,612,795	1,612,795	-	0.0%	
Total Capital Grants	2,494,752	2,343,898	(150,854)	-6.0%	
Total Grants for Student Needs (GSN)	143,295,418	145,820,362	2,524,943	1.8%	
Note: Total GSN includes taxation revenue received from municipalities.					
Priorities and Partnership Funding (PPF)	1,630,929	1,675,103	44,174	2.7%	
Other Revenue					
Other Non-GSN Grants	449,648	1,211,940	762,292	169.5%	e
Tuition Fees	984,502	974,600	(9,902)	-1.0%	
Rentals	273,869	383,922	110,052	40.2%	f
Interest	225,000	724,307	499,307	221.9%	g
Other Revenue	742,299	1,330,488	588,189	79.2%	h
Deferred Revenue	308,290	51,354	(256,936)	100.0%	i
Amortization of DCC	5,932,437	5,365,489	(566,948)	-9.6%	j
Total Other Revenue	8,916,046	10,042,100	1,126,054	12.6%	
School Generated Funds	3,500,000	4,094,621	594,621	17.0%	
Total Grants and Revenues	157,342,393	161,632,185	4,289,792	2.7%	

Note: Revised Budget is the 2022-23 Revised Estimates presented to the Board of Trustees in December 2022

Explanations of Revised Budget Variances

- a Increase primarily driven as a result of increased average daily enrolment throughout the year.
- b Additional teacher/ECE hires resulted in increased qualifications and experience funding.
- c Increase in fuel escalator funding and eligible riders.
- d Additional projects qualified as capital and are being amortized over their useful life.
- e Increase driven by Ministry provided supplies in kind (PPE and cleaning supplies), demand for Jordan's Principle support, and prior year adjustments.
- f Increased community use rentals throughout the year.
- g Higher interest rates on average balances on hand.
- h Increased revenue for EDC eligible expenses, share facilities, and secondment reimbursements.
- i Although revenue has been received, due to enveloped funding and staff shortages, amounts have been deferred to 2023-24.
- j Additional technology purchases qualified as capital and are being amortized over their useful life.

Brant Haldimand Norfolk Catholic District School Board
2022/2023 Financial Report
Comparative Expense Summary
For the Period Ended August 31, 2023

Comparative Expenditure Summary					
	2022-2023		In-Year Change		Variance
	Revised Budget	Actual	\$	%	Note
Classroom Instruction					
Teachers	76,539,744	76,348,720	(191,024)	-0.2%	a
Supply Staff (Teachers, EAs, ECEs)	3,203,361	4,893,745	1,690,384	52.8%	b
Educational Assistants	10,772,289	10,983,974	211,685	2.0%	c
Early Childcare Educators	2,693,742	2,874,040	180,298	6.7%	b
Classroom Computers	1,436,305	1,591,783	155,478	10.8%	d
Textbooks & Supplies	4,429,715	3,932,312	(497,403)	-11.2%	e
Professionals and Paraprofessionals	4,535,639	4,856,377	320,738	7.1%	f
Library and Guidance	2,253,541	2,177,375	(76,166)	-3.4%	
Staff Development	1,008,963	476,865	(532,098)	-52.7%	g
Department Heads	263,800	263,700	(100)	0.0%	
School Generated Funds	3,500,000	4,103,193	603,193	17.2%	h
Total Classroom Instruction & Learning	110,637,099	112,502,086	1,864,986	1.7%	
School Management					
Principals & Vice Principals	6,307,603	6,313,941	6,338	0.1%	
School Office	3,497,228	3,668,078	170,850	4.9%	i
Co-ordinators and Consultants	2,076,035	2,063,441	(12,594)	-0.6%	
Continuing Education	528,775	590,860	62,085	11.7%	
Total School Management	12,409,641	12,636,321	226,679	1.8%	
Total Classroom Instruction and Learning	123,046,741	125,138,406	2,091,665	1.7%	
School Operations and Maintenance					
School Operations and Maintenance	12,199,388	13,147,854	948,466	7.8%	j
School Renewal	846,093	719,862	(126,231)	-14.9%	k
Interest of Capital Debt	1,586,109	1,654,669	68,560	4.3%	
Other	147,145	674,692	527,547	0.0%	l
Amortization	6,849,202	7,414,209	565,007	8.2%	m
Total School Operations and Maintenance	21,627,937	23,611,286	1,983,349	9.2%	
Student Transportation	7,119,928	7,308,366	188,438	2.6%	n
Board Administration					
Trustees	110,450	105,978	(4,472)	-4.0%	
Director and Supervisory Officers	1,033,676	1,041,492	7,816	0.8%	
Board Administration	4,403,661	4,406,693	3,032	0.1%	
Total Board Administration	5,547,787	5,554,163	6,376	0.1%	
Total Expenses	157,342,393	161,612,222	4,269,829	2.7%	

Note: Revised Budget is the 2022-23 Revised Estimates presented to the Board of Trustees in December 2022

Explanations of Budget Variances

- a Decrease primarily driven by change in tutor program delivery.
- b Increase resulting from additional staff leaves requiring supply staff and/or student monitors.
- c Additional EAs required through Jordan's Principle applications.
- d Increase resulted from a change in allocation of budget expenses, corresponding decrease in textbooks and learning materials.
- e Reduction driven by budget efficiencies identified (program and department supplies/materials/services, travel).
- f Increase resulting from additional Speech and Language Pathologist and salary provision.
- g Professional development opportunities were postponed/cancelled during the year due to supply staff shortage.
- h Increased level of school funded activities.
- i Increase primarily driven by the mandated salary provision.
- j Increase primarily a result of continued increases in consumable and commodity prices, staff leaves and casual costs, and salary provision.
- k Additional projects qualified as capital and are being amortized over their useful lives.
- l Other expenses relate to PPE and cleaning supplies provided by the Province.
- m Additional assets (portables, computers, facility improvements) qualifying as capital and being amortized over their useful lives.
- n Increased enrolment resulting in additional demand for transportation services.



2022-23 RURAL AND NORTHER EDUCATION FUND (RNEF) SPENDING REPORT

In June 2017, the Ministry announced new funding, through the Grants for Student Needs (GSN), dedicated for school boards to further improve educational opportunities for students from rural communities.

Funding was allocated to school boards based on the number of rural students and two factors measuring the density of rural student enrolment in the board.

School boards must use the funding for rural education based on local needs and report publicly on how the funding is used, such as:

- Improving programming and support services in rural schools
- Continuing the operation of rural schools; or
- Enhancing student transportation options such as late bus runs and mobile e-learning through tablets or Wi-Fi.

Schools must utilize the funding allocated to the Board based on a preliminary school list from the Ministry. The list is comprised of schools in which at least half of their students are from rural communities.

Boards are required to publicly post details of RNEF expenditures as well as those schools in which RNEF funding was spent.

The Brant Haldimand Norfolk Catholic District School Board had unspent funds of \$126,788 from 2021-22 and received \$263,435 for the 2022-23 school year. The Board utilized all funds, totalling \$390,233, with no unspent funds being deferred in the 2023-24 school year.

Blessed Sacrament	\$ 12,012
Holy Trinity	\$ 38,481
Notre Dame (Caledonia)	\$ 12,012
Our Lady of Fatima	\$ 158,278
Sacred Heart (Langton)	\$ 12,012
St. Bernard	\$ 12,012
St. Cecilia	\$ 12,012
St. Frances	\$ 12,012
St. Mary (Hargersville)	\$ 12,012
St. Michael (Dunnville)	\$ 73,343
St. Michael (Walsh)	\$ 12,012
St. Patrick (Caledonia)	\$ 12,012
St. Stephen	\$ 12,012
Total	\$ 390,223